

The logo for the Logistics Industry Reference Council (LIRC) consists of the letters 'L', 'I', 'R', and 'C' in a stylized, white, sans-serif font. The 'L' and 'I' are simple vertical bars with horizontal caps. The 'R' has a curved top and a vertical stem. The 'C' is a thick, white outline of a circle.

LOGISTICS INDUSTRY REFERENCE COUNCIL

**REFERENCE STRATEGY**

— 2024  
**ROADMAP**

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## FOREWORD FROM THE CHAIR

Logistics is a dynamic and rapidly growing sector, and has contributed significantly to GDP in Vietnam. A clear vision and direction is essential if the sector is to maximise the strategic advantages of location near key markets, a young and vibrant population and an export-orientated economy reliant on efficient movement.

The Logistics Industry Reference Council (LIRC) has been established as a pilot mechanism to drive industry engagement in developing a Vocational Education and Training model in logistics to secure a skilled workforce for the challenges ahead. The LIRC has a vision to become the recognised leader in developing a logistics workforce for Vietnam that contributes to its sustainable economic growth and social development.

The world of logistics is ever changing. Increasing use of technology and process automation, application of big data, adoption of Industry 4.0 and disruption in last mile delivery present unique challenges for policy makers and leaders in the sector. This is why a strategic vision and roadmap for the LIRC is so essential.

Now, more than ever, vision and leadership are needed for the sector. We face unprecedented challenges in disruption of movement and connectivity through the COVID-19 pandemic. This must make us better prepared and more resilient for future scenarios. To do that, we need a clearly articulated plan and pathway that stakeholders can embrace and adopt. One that can galvanise our sector to respond to these external challenges and the internal challenges of skills and knowledge deficits, attracting the best talent to the sector and connecting industry with the vocational education and training sector to better match skills demand with supply of the right type of knowledge and attributes.

It is with great pleasure that we provide the foregoing LIRC Roadmap to 2024 as a guiding document to drive our work as sector leaders and advocates, knowledge brokers and providers of strategic direction to skills development for the logistics sector. The LIRC Roadmap provides a comprehensive overview of the sector's challenges, opportunities and the actions needed to realise the ambition to develop a globally competitive, best practice logistics sector in Vietnam.

The experiences from Australia in promoting vocational education are valuable lessons for VET schools, businesses and stakeholders of Vietnam's Logistics industry. We would like to take this opportunity to thank the Australian Government, Australian DFAT in Hanoi, LIRC members, Aus4Skills, researchers and a special thanks to AIS Global who help in sharing experiences, supporting LIRC's activities and compiling this document.

Mr Vu Ninh, Chair LIRC

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## INTRODUCTION



## 1. LOGISTICS INDUSTRY REFERENCE COUNCIL - KEY ACHIEVEMENTS

2020

### MARCH

Industry validation of draft OS/OSS for five priority job roles

### APRIL

Validated OS/OSS peer reviewed by external experts

### JUNE

Final OS/OSS for five priority job roles endorsed by LIRC

August—Five OS/OSS presented to the Directorate of Vocational Education and Training (DVET) for endorsement as national standards

2019

### FEBRUARY

Member participation in second Australian study tour, expanding on learnings from components of the industry-led model

### MARCH

Endorsement of memorandum of understanding, outlining Vietnam Chamber of Commerce and Industry (VCCI) secretariat functions

### AUGUST

Codification of five priority job roles into draft OS/OSS as an outcome of the Professional Development program

### OCTOBER

- Establishment of Technical Working Group for research and stakeholder engagement
- Endorsement of new Charter of Operations
- October—Market research on the logistics sector undertaken on behalf of the LIRC

2018

### MARCH

- Member participation in first Australian study tour, gaining insights into the Australian logistics sector and industry-led vocational education and training (VET) model
- Identification of five priority job roles for codification as Occupational Standards/Occupational Skills Standards (OS/OSS)
- Development of validation template for five priority job roles
- Initial findings on validation presented in LIRC meeting
- Development of first version of LIRC leaflet

2017

### DECEMBER

- Logistics Industry Reference Council (LIRC) establishment
- December—First meeting and official launch

## 2. LOGISTICS INDUSTRY REFERENCE COUNCIL

Australian Industry Standards (AIS) has delivered a range of activities to support an industry-led vocational education and training (VET) model in logistics in Vietnam. The Aus4Skills Program managed by Coffey International on behalf of the Australian Government is intended to support the logistics industry to lead skills development, and inform government and education and training institutes on current and future skills and workforce needs.

In 2017 the Logistics Industry Reference Council (LIRC) was established to drive industry engagement in development of the model. LIRC work involves:

- defining the components and stakeholders of the Australian model of industry-led skills development and contextualising the model to the Vietnamese environment
- developing occupational standards for selected job roles in logistics
- improving the competencies and skills of selected colleges and enterprises
- facilitating opportunities to exchange experience between key VET players in Australia and Vietnam.

The logistics sector has been selected because it is a priority area of Australia's economic interest in Vietnam and a Vietnamese priority area for skill development to improve workforce productivity, increase industry competitiveness and lower logistics costs.

The program positions Australia and Vietnam as partners in achieving the shared goal that 'Vietnam can access and use high-level professional and technical knowledge skills and competencies to contribute to the country's sustainable economic and social devel-

opment, and enduring links with Australia'.

The LIRC and its secretariat, the Vietnam Chamber of Commerce and Industry (VCCI), are modelled on Australia's Industry Reference Committees (IRCs) and Service Skills Organisations (SSOs). AIS is the most experienced SSO, with 20-plus years in building industry-led vocational training systems within Australia and internationally.

This LIRC Reference Strategy 2024 (the Roadmap) is intended to guide the continuing development of the Vietnamese industry-led VET system over the next five years. The Roadmap aim is to identify an LIRC vision and strategic direction that can be actioned nationally by the LIRC, industry, colleges and government. It is designed to ensure the long-term sustainability of the LIRC and its role in establishing an industry-led VET system. It contains recommended strategies and actions for skills development and establishment of a quality framework and requisite policies after the current phase of the Aus4Skills program ends in December 2020.

The Roadmap has been developed through research and a consultative and iterative process with key stakeholders, including LIRC members. It is designed as a living document to guide the LIRC in providing strategic guidance to the development of an effective industry-led skills development model in Vietnam.



## LIRC VISION

By 2025 the LIRC will be industry's recognised leader in developing a skilled logistics workforce for Vietnam that contributes to its sustainable economic growth and social development.

Within the next five years, Vietnam will be well placed to provide a competitive suite of logistics services. The LIRC will have a well-developed Roadmap to sustain the development and supply of a skilled logistics workforce.

The conditions for strong economic growth in the Vietnamese logistics services industry are present but remain latent and under-developed. With careful investment and institutional reform, and consultative mechanisms provided by the LIRC, the logistics service sector will:

- supply suitably skilled labour in line with industry need
- strengthen efficiency and competitiveness
- support the growth of a sustainable economy while supporting its social development.

In February 2017 the Prime Minister of Vietnam, Nguyễn Xuân Phúc, approved an action plan to develop and improve the competitiveness of the logistics services sector to 2025 (Socialist Republic of Vietnam, 2017a). The main groups of tasks in the action plan are:

- improvement of legal architecture supporting logistics services
- completion of logistics infrastructure
- improvement of business capacity and service quality

- development and streamlining of the logistics services market and operations
- training and awareness-raising of the value of human resources and lifting quality of human resource training
- establishment of occupational standards and a national qualification framework for vocational education and training in logistics to meet local industry needs and international quality standards.

The LIRC is most critical in the key action 'training, raising awareness and quality of human resources'. It has already demonstrated key achievements in formulating national occupational standards in logistics—one key task outlined in the decision. The LIRC should continue to have a central role in workforce development.

The LIRC can play a key role in the change process by laying the foundation for good governance of an industry-led system and identifying and defining the preconditions for long-term quality training in the logistics services industry. This is a pilot program, so some areas of focus in the logistics services industry (such as the development of occupational standards) will be expanded over time. It is important to establish the necessary governance and industry engagement mechanisms on a smaller scale in certain job roles within the sector before broader expansion. The strategies and actions outlined in part 9 of this Roadmap are targeted at areas of LIRC influence.

## 3. VIETNAMESE LOGISTICS INDUSTRY OVERVIEW

The scope of logistical service work in Vietnam is well defined. Article 233 of the Commercial Law of 2005 states:

Logistic services are commercial activities under which traders organize the performance of one or several tasks including goods reception, transportation, warehousing, yard storage, customs procedures and other administration and paperwork, customer consultation, packaging, marking, delivery, or other services related to goods as agreed with customers for service charges in return.

The classification structure used to identify and quantify the logistics service industry in Vietnam comprises (Socialist Republic of Vietnam, 2017b):

1. Container handling services
2. Container warehousing services classified as auxiliary services for sea transport
3. Warehousing services classified as auxiliary services for multimodal transport
4. Delivery services
5. Freight transport agency services
6. Customs brokerage services
7. Other services including bill of lading inspection, cargo brokerage services, cargo inspection, sampling and weighing services; and preparation of transport documents
8. Wholesaling auxiliary services and retailing auxiliary services including management of goods in storage, and collection, collation and classification of goods and their delivery
9. Cargo transport services classified as sea transport services
10. Cargo transport services classified as inland waterway transport services
11. Cargo transport services classified as rail transport services
12. Cargo transport services classified as road transport services
13. Air carriage services
14. Multimodal transport services
15. Technical inspection and analysis services
16. Other auxiliary services for transport
17. Other services under the agreement signed between the logistics service provider and customer according to basic rules of the Commercial Law.

Accessing reliable and timely data that enable depth of understanding can be challenging in Vietnam.

However, the latest available data suggest significant existing demand for logistics services and expected growth in demand in the coming years. According to the Vietnam Logistics Business Association (VLA), the growth rate for Vietnam's logistics service has been relatively high, rising from 12 to 14 per cent in the two years following the Decision No. 200QD-TTG. This has also been the case for growth in GDP, industrial production value, and export and import turnover and value of retail sales and consumer services. VLA White Book 2018 data forecast a huge demand for logistics skills. For example, the industry is expected to need 200,000 professional workers by 2030 (Vietnam Logistics Business Association, 2018). The VLA predicts only 10 per cent of this demand will be met if current approaches to workforce development continue. Vietnamese logistics services industry job roles are diverse. These include business and functional management roles, operational roles and those covering specific tasks.

Occupational standards align to a job role or occupation and describe the role and associated responsibilities. Occupational skills standards define the skills, knowledge and attitudes, and levels of responsibility required to competently perform the job role. The occupational standards and occupational skills standards form a codified description of the key elements of job performance. They are designed to reflect modern work environments and provide flexibility and portability for skilled labour. They have several applications including:

- comparison of existing qualifications and training programs with skill and knowledge requirements
- enterprise understanding of job roles and use to design organisational structures and performance development programs
- use as a tool for training providers to develop learning and assessment materials
- basis for analysis of other job roles and other industry sectors
- building blocks to develop VET frameworks
- benchmarking within and across economies.

An APEC multi-country cooperative design and validation process defined high-priority logistics sector job roles for adoption and use in APEC countries including Vietnam. Five occupational standards/occupational skills standards were validated in this process (Table 1). The LIRC will identify more high-priority job roles for codification and validation as occupational standards/occupational skills standards for use by enterprises, business associations and vocational education and training institutions as the platform for development of an industry-led VET model evolves.

**TABLE 1. OCCUPATIONAL STANDARDS FOR LOGISTICS JOB ROLES**

**NO. JOB ROLE OCCUPATIONAL STANDARDS KNOWLEDGE, SKILLS AND ATTRIBUTES**

1	Warehouse Supervisor	<ul style="list-style-type: none"> <li>Organise dispatch and receival operations</li> <li>Use inventory systems to organise stock control</li> <li>Monitor warehouse facilities</li> <li>Conduct induction process</li> <li>Follow security procedures when working with goods and cargo</li> <li>Apply accident-emergency procedures</li> <li>Lead a work team or group</li> <li>Apply quality systems</li> <li>Consolidate freight</li> <li>Collect, analyse and present workplace data and information</li> <li>Assess and confirm customer transport requirements</li> <li>Participate in environmentally sustainable work practices</li> <li>Implement and monitor OH&amp;S</li> <li>Use information technology applications</li> <li>Schedule operations</li> </ul>	<ul style="list-style-type: none"> <li>Strong written and verbal communication skills; good numeracy skills</li> <li>Very good organisation and planning skills including the ability to prioritise activities</li> <li>Good judgement and decision-making abilities</li> <li>Ability to develop and monitor statistics relating to productivity and service standards</li> <li>Excellent interpersonal skills including the ability to recruit, induct, train and supervise staff</li> </ul>
2	Freight Forwarder	<ul style="list-style-type: none"> <li>Complete and check import/export documentation</li> <li>Provide freight forwarding information to customers</li> <li>Organise transport of freight or goods</li> <li>Organise international transport of freight</li> <li>Carry out customs clearance practices</li> <li>Follow security procedures when working with goods and cargo</li> <li>Dispatch stock</li> <li>Consolidate freight</li> <li>Provide quotations for freight services to customers</li> <li>Collect, analyse and present workplace data and information</li> <li>Assess and confirm customer transport requirements</li> </ul>	<ul style="list-style-type: none"> <li>Strong written and verbal communication skills; good numeracy skills</li> <li>Very good organisation and planning skills including the ability to prioritise activities</li> <li>Good judgement and decision-making abilities</li> <li>Ability to develop and monitor statistics relating to productivity and service standards</li> <li>Excellent interpersonal skills including the ability to recruit, induct, train and supervise staff</li> </ul>

**NO. JOB ROLE OCCUPATIONAL STANDARDS KNOWLEDGE, SKILLS AND ATTRIBUTES**

3	Logistics Administrative Officer	<ul style="list-style-type: none"> <li>Provide customer service</li> <li>Follow security procedures when working with goods and cargo</li> <li>Carry out basic workplace calculations</li> <li>Apply accident-emergency procedures</li> <li>Apply quality systems</li> <li>Identify and inspect stored products</li> <li>Receive and store stock</li> <li>Dispatch stock</li> <li>Maintain container/cargo records</li> <li>Participate in stocktakes</li> <li>Shift materials safely using manual handling methods</li> <li>Participate in environmentally sustainable work practices</li> </ul>	<ul style="list-style-type: none"> <li>Strong communication skills</li> <li>Good organisational skills and experience handling multiple tasks concurrently</li> <li>Good IT skills</li> </ul>
4	Warehouse Operator	<ul style="list-style-type: none"> <li>Physical fitness and ability to lift heavy packages</li> <li>Good organisational skills</li> <li>Enjoy practical and manual work</li> <li>Keep detailed and accurate records</li> <li>Attention to detail</li> <li>Ability to work as part of a team</li> </ul>	<ul style="list-style-type: none"> <li>Replenish stock</li> <li>Receive and store stock</li> <li>Shift materials safely using manual handling methods</li> <li>Pick and process orders</li> <li>Follow security procedures when working with goods and cargo</li> <li>Apply accident-emergency procedures</li> <li>Apply quality systems</li> </ul>
5	Supply Chain Manager	<ul style="list-style-type: none"> <li>Manage a demand-driven supply chain</li> <li>Develop and maintain operational procedures for transport and logistics enterprises</li> <li>Develop and evaluate strategies for transport and logistics enterprises</li> <li>Develop and maintain relationships with customers and supply chain stakeholders</li> <li>Manage operational budgets and financial plans</li> <li>Manage people performance</li> <li>Collect, analyse and present workplace data and information</li> </ul>	<ul style="list-style-type: none"> <li>Ability to think critically and solve problems</li> <li>Exceptional planning and organisational skills</li> <li>Excellent financial literacy and numeracy skills</li> <li>Excellent communication skills</li> <li>Good geographical knowledge of local, national or international supply chain area</li> <li>Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modelling, leadership techniques, production methods, and coordination of people and resources</li> <li>Knowledge of principles and methods for moving people or goods by air, rail, sea or road including relative costs and benefits</li> </ul>



Recent General Statistics Office of Vietnam data offer insights on the scale and composition of logistics services activity. By the end of 2017, of the 29,123 enterprises registered for logistics-related services, 53.9 per cent provided road transport services and 22.7 per cent were engaged as custom brokers/freight forwarders. Data collection methods in Vietnam are continually being consolidated and refined. Statistical adjustments are likely to be needed for subsequent data collection.

The Vietnamese logistics market is highly fragmented. Most key players are small- and medium-sized firms that provide low value-added logistics services. A large share of the market is held by foreign companies including Deutsche Post DHL Group, Yusen Logistics, CEVA Logistics, Transimex Corporation, Gemadep Corporation, Vinatrans and Indo Trans Logistics Corporation. These companies account for less transportation volume but take 70 to 80 per cent of the logistics market revenue (Mordor Intelligence, 2020).

The Vietnamese logistics workforce is substantially male, ageing and non-diverse—similar to that of Australia and other jurisdictions (Lam, Sriram and Khera, 2019). In a competitive skills market, the sector needs to attract the best talent to increase skills and innovation and improve ways of working. Ethnic minorities, people with disabilities and women are particularly absent from operational and management roles. This is due to perceptions that jobs are physically demanding, few role models in leadership positions and lack of awareness of logistics as a career option.

#### 4. KEY DRIVERS FOR CHANGE IN THE VIETNAMESE LOGISTICS SECTOR

Vietnamese real GDP growth is projected to remain robust at around 6.5% in 2020 and 2021 (World Bank, 2019). The country is establishing itself as an export-oriented economy with key exports being agriculture, crude oil, fisheries and forestry, manufacturing, and textiles, and demand is growing for climate-controlled logistics. This growth has been supported by strong foreign direct investment (FDI) inflows, reaching almost US\$18 billion in 2018 and accounting for almost 24 per cent of total investment in the economy (ibid).

Increasing domestic consumption is a key economic driver. In 2019 the middle class accounted for 13 per cent of the population and was expected to reach 26 per cent by 2020 (ibid). The booming e-commerce sector is driving the entry of innovative start-up companies. These are demanding more efficient logistics services, especially in last-mile delivery and value-added services. As Dr Vuong Dinh Hue, Deputy Prime Minister, noted: Our growth of 6.8 per cent in 2019 and possibly higher, is a great effort and the main momentum was the manufacturing industry and domestic consumption (New Straits Times, 2019).

A direct correlation exists between logistics services and the wider economy. The General Statistics Office's most recent figures show that at the end of 2017 logistics services was a significant sector in Vietnam: 29,123 enterprises delivered logistics services, employing 645,208 staff. Overall 561,064 active businesses were recorded across all sectors of the economy, and their profile shows the country's rapid industrialisation.

Over the last 20 years, Vietnam has established itself as one of South-East Asia's leading manufacturing countries and it is replacing China as the low-cost manufacturing centre. This shift is being accelerated by trade tensions between China and the United States.

Logistics services are critical to business supply chains and key to the future growth of the Vietnamese economy. Logistics services plan, implement and control the flow of goods and services between consumer and manufacturer. The Vietnamese Prime Minister's action plan includes an objective to increase the proportion of the logistics sector in GDP to 8 to 10 per cent by 2025.

The scale of manufacturing activity in Vietnam explains the demand for logistics services. A skilled logistics sector is essential to the movement of goods and services into and out of the country. Processes that support and facilitate the transportation and shipment of product to the consumer are vital. Relationships between manufacturers and logistics services providers are complex and reciprocal—the continued growth of each is contingent on efficiencies that can be leveraged from the other.

Vietnam is one of the world's largest manufacturers of high- and low-end clothing, textiles and footwear. Consumer goods production is Vietnam's largest single industry. Nike, Adidas, Uniqlo, Gap, J Crew and H&M maintain large manufacturing sites in Vietnam (Kennemer, 2020). In 2017 Vietnam exported over US\$70 billion worth of consumer goods. Over 90 per cent of the shoes produced in Vietnam are exported. Vietnam also produces and exports wood and construction materials, iron and steel, furniture, packaging, coffee, electronics, plastic and rubber goods. A well-connected and efficient logistics services sector is essential to getting these goods to market.



## 5. LOGISTICS EDUCATION AND TRAINING

Vietnam Supply Chain Association figures show that around 300,000 Vietnamese enterprises are involved in the logistics industry, with a workforce of around 1.5 million. Over half these enterprises are based in Ho Chi Minh City. Demand for skilled labour is rising rapidly, with an estimated 2 million additional workers required by 2030 (Vietnam Express, 2019.) On current supply, the market will only be able to meet 10 per cent of this demand (Vietnam Investment Review, 2019.). Vietnam's training system will be critical to ensure workers have the skills necessary to meet this demand.

Vietnamese training institutes offer logistics services training from entry level through to advanced skill development including short courses. This includes elementary and intermediate training, college and undergraduate courses and postgraduate courses (though not as a discrete course offering). The Vietnamese Qualifications Framework (VQF) comprises eight levels:

- Level 1—Primary
- Level 2—Primary II
- Level 3—Primary III
- Level 4—Intermediate
- Level 5—College
- Level 6—Undergraduate
- Level 7—Master
- Level 8—Doctor

Many vocational training institutions use local business networks to facilitate student job placements and work experience. Short-term training is the predominant mode of vocational education for the 2.3 million students undertaking vocational education and training (Australian Government, 2018). Around three-quarters of students study at VQF levels 1, 2 or 3 for under three months. Only 12 per cent of all VET students attended secondary vocational training (VQF level 4) and 10 per cent attended VET colleges (VQF level 5) (ibid). Training is delivered using a mixed delivery model that includes face-to-face classroom-based learning and practical simulated learning combined with job placement and other work-integrated learning.

Short courses in logistics services are delivered predominantly by the non-government sector, with higher-level qualifications provided by higher

education institutions (universities and colleges). Training for operational staff (loading/unloading roles, drivers, warehouse operators) is provided at elementary, intermediate and college levels.

As at September 2019, 37 of Vietnam's 396 vocational colleges and schools provided logistics training. The total admission quota was 3,280 students, an increase of 15 institutions and nearly 1,000 students since 2007 (Vietnam Logistics Research and Development Institute, 2019). In Ho Chi Minh City, 13 out of 202 vocational colleges, schools and centres provided logistics training for 990 students per year (according to Official Letter No. 29066/SLDTBXH-GDNN of the Department of Labor, Invalids and Social Affairs). In January 2019 the Ministry of Labour, War Invalids and Social Affairs (MOLISA) endorsed logistics administration training and logistics service and transportation management training as training units formally offered at the intermediate and college levels.

On-the-job training is the main means of logistics sector skills development in Vietnam. This is despite the increasing focus on quality and matching skills development to labour demand through closer coordination between the vocational training sector and industry. This is for two reasons. Firstly, only around one in six labour market entrants has undertaken some form of formal vocational training. This transfers much of the responsibility to industry. Secondly, the vocational education sector focus on theory over practical skill development, absence of soft skills training and specific job role requirements necessitating in-house training programs (Tibken, 2015 ).

The Vietnamese education system has long been very effective at delivering literacy and numeracy competency. However, the labour market is increasingly demanding a mix of high-quality cognitive, behavioural and technical skills. Since the 1990s Vietnamese policymakers have promoted better teaching and active learning methods, but lecture-style rote learning remains dominant. The Vocational Training Development Strategy of Vietnam by 2020 encourages enterprises to take part in vocational training and cooperate with vocational training institutions in curriculum design and training needs analysis (Asian Development Bank, 2020). However, collaborative initiatives at the local level have not led to graduates being adequately prepared

with the competencies or attributes required by employers. The curriculum emphasises rote memorisation, is textbook-centric and comprises frequent assessments and high-stakes examinations (University World News, 2019). Many VET and university courses do not feature work-based learning opportunities or industry placements—meaning valuable, practical experience is absent from students' learning (ibid).

The introduction of the Law on VET (2015) included policy reforms to improve the quality of teachers and trainers in the VET sector. Those teaching in the VET system are known as teachers, principal teachers, senior teachers, lecturers, principal lecturers and senior lecturers. They must have a certificate in pedagogy and (UNESCO, 2018):

- to teach at elementary level—a degree from a vocational secondary school or a certificate in vocational training
- to teach theory at intermediate level—a bachelor's degree
- to teach practical subjects at intermediate level—a certificate in vocational skills that shows they can teach practice at intermediate level
- to teach theory at college-level—a bachelor's degree
- to teach practical subjects at college level—a certificate in vocational skills that shows they can teach practice at college level

For teachers accustomed to traditional practices, changing teaching methods and fostering new skills can be complex. To develop higher-order skills they must gain a deeper mastery of their subjects and broaden their methods of teaching.

Logistics sector labour supply currently meets only about 40 per cent of demand (Vietnam News, 2018.). More crucially, only about 30 per cent of the workforce has formal training—indicating high need and scope for short course and enterprise-based workforce training (Nguyen, 2017). Enterprises also identify lack of soft skills—communication, problem solving, team work and foreign language capability—as key limitations of the current logistics workforce (Tran, 2019).

Vietnam Logistics Research and Development Institute research indicates significant latent demand for in-house workforce development training, particularly among large logistics enterprises (Vietnam Logistics

Research and Development Institute, 2019). However, a key challenge in developing an industry-led model of investment in education and training is that around 95 per cent of Vietnamese logistics sector enterprises are small and medium sized. Many operate with outdated technologies, limited management skills and a low capital base. These enterprises rarely provide proper employment places for VET graduates. Therefore, small to medium enterprises are not as involved in the development of VET as required in a demand-driven VET system. This remains a key challenge in matching skills development to industry needs (UNESCO, 2018). Talent attraction and retention is another challenge for the sector, given the increasingly competitive skilled labour supply market. In the 2018 Global Talent Competitiveness Index (GTCI), Vietnam ranks 87th out of 119 countries on their ability to attract, develop and retain talent. Major challenges include lack of technology infrastructure, research and development spending, and vocational and technical skills (Vietnam Briefing, 2018).



## 6. LOGISTICS SECTOR CHALLENGES

### PRIMARY CHALLENGE

To support industry growth and productivity through development of a highly skilled logistics workforce that meets the needs of enterprises in a competitive and fast-changing global environment

### 6.1 SUPPLY SIDE CHALLENGES

#### QUALITY TRAINING SYSTEM THAT IS FLEXIBLE AND ADAPTIVE

Technological change is continually reshaping the scope of logistics services and supporting workload management systems. It is vital that Vietnam establishes a logistics services training system capable of meeting current and anticipating and adapting to future skill demands. The application of modern supply chain technologies including automation and artificial intelligence has been limited in Vietnam. Physical and electronic tasks are critical to the streamlining and speed of logistics services (like customs, tracking and tracing). To compete internationally, the Vietnamese logistics services must attain the efficiencies and economies of scale that technology solutions can provide. Training systems capable of equipping the workforce with the range of technical skills needed will be essential.

Data on Vietnamese logistics teacher shortage are unavailable, but a significant undersupply of workers with the composite skills for logistics services training is widely acknowledged and has been discussed at LIRC meetings. Several reasons are provided. Firstly, few workers have sufficient industry and technical experience to assume a training and/or mentorship role. Secondly, teachers are often sourced from the higher education sector and struggle to adapt the curriculum and their teaching methods to VET settings. Thirdly, despite the demand for upskilling, both workers and enterprises identify a significant shortage in teachers and/or courses covering the breadth of competencies necessary to undertake logistics services work. Finally, the teacher shortage is exacerbated by language competencies. Most teaching reference material in logistics services is produced in English, creating a

significant barrier to learning if a student or teacher is not proficient in the language.

A major challenge is the disconnect between industry and colleges. College engagement with industry is often very localised and network based. The supply of skills is not necessarily demand driven, and before LIRC establishment industry did not have a platform for addressing its workforce and skills needs. Another challenge is the lack of a comprehensive industry intelligence system or skills forecasting model outlining skills demands and training needs.

#### LOGISTICS SERVICES TRAINING FRAGMENTATION

Logistics services training is fragmented and will compound without intervention. Vietnam has a high proportion of small- and micro-sized enterprises in logistics services. These types of businesses typically rely on the lowest-cost models for training delivery and rely heavily on on-the-job training. Logistics services training is offered by private providers, but limited places are available and opportunities tend to be confined to more populated locations such as Ho Chi Minh City, Hanoi and Da Nang. Anecdotal evidence indicates that larger businesses engage in logistics services training but programs are typically designed and managed entirely in house and are not aligned to the formal accreditation processes and training standards of those delivered in college or university settings.

#### HIGHER-ORDER TRAINING AND SKILLS DEVELOPMENT

University-level logistics services training has only recently been introduced to Vietnam. It focuses on management skills, knowledge of the international transport and trade markets, understanding of the logistics market and organisational skills. College, intermediate and elementary training is typically focused

on administration, warehouse management and operational roles (such as for forklift drivers and specialised driver roles).

In 2008 Ho Chi Minh City University of Transport launched the first higher education logistics services course. By 2013 the Vietnam Maritime University was also providing logistics courses. By 2018 university training in this field increased exponentially, to 15 university sites.

Qualitative interviews by the Vietnam Logistics Research and Development Institute with participating universities provide evidence for the high and increasing demand for these courses. Administrators note that the number of enrolled students usually exceeds the quota, leading to concerns about the long-term quality of training (Vietnam Logistics Research and Development Institute, 2019). Established pathways between the VET and higher education sector are scarce or non-existent in Vietnam as in other countries like Australia. This means workers cannot access educational and professional career pathways from entry level to management roles.

#### LOGISTICS SERVICES SKILLS PORTABILITY

Skills portability in the Vietnamese logistics sector is low. The Vietnam Logistics Research and Development Institute conducted qualitative interviews with training institutions, finding that few students transferred to other jurisdictions to study. The Vietnam Logistics Research and Development Institute continue to explore the reasons for low mobility, but two possibilities are: personal/family reasons and in some cases poor transferability of training between jurisdictions and workplace settings. The Ministry of Education and Training has recognised the need to offer better transferability of training outcomes and is taking steps to change the regulatory structure governing recognition of credits between institutions. This is expected to ease the transfer process for students migrating from one institution to another.

### 6.2 DEMAND SIDE CHALLENGES PREDOMINANCE OF A MICRO-BUSINESS MODEL

The Vietnamese logistics services sector is characterised by a strong local and entrepreneurial small business culture. The Vietnam Logistics

Research and Development Institute reports that the number of micro-sized logistics enterprises almost doubled in size between 2013 and 2017, from 10,703 to 20,434 (ibid). The small business model dominates the logistics services sector. Most (70.17 per cent) are micro-businesses—typically employing fewer than seven employees. Medium and large enterprises, by capital size, account for a very small proportion of the sector. The unique composition of the logistics services sector presents unique opportunities. Strong business growth suggests a dynamic entrepreneurial culture, eager to embrace the new opportunities of logistics services. However, the small-scale nature of business development may offer limited opportunities for scalability and pose additional challenges for skill development.

#### SALARY SEGMENTATION AND LONG TERM COMPETITIVENESS

Remuneration is an important issue for the logistics services sector because of the implications for attracting and maintaining good labour supply. Talentnet in association with Mercer data indicate that the median logistics sector salary is 13 per cent lower than that the benchmark industry and higher than only three other industries (agriculture, manufacturing and retail) (Talentnet, 2018).

Mercer highlight a gap of 20 to 25 per cent between the salaries offered by state-owned enterprises and foreign-owned entities, and between those offered to employees in city and rural locations. For example, the difference between Ho Chi Minh City and Hanoi salaries is 8 per cent and between Ho Chi Minh City and the Central region 16 per cent—the greatest difference of any two areas. The sector must address these differences to position itself as desirable for talented workers and to maintain stable labour supply where it is most needed. Career paths are not clear to new entrants or those already employed in the sector. To attract and retain these workers it should prioritise identification and promotion of career paths that align with relevant education pathways.

### 6.3 INFRASTRUCTURE AND SYSTEM CHALLENGES

#### WEAK TRANSPORT AND DISTRIBUTION INFRASTRUCTURE

Weak transport infrastructure including a heavy dependence on limited road networks and a lack of intermodal transport are well-documented limitations and cost constraints for the Vietnamese logistics sector (Blancas et al, 2014). Congested and sometimes poor-quality highways linking industrial centres with ports and inadequate road infrastructure—for example, weight limits and bridge clearances on key roads that are incompatible with container traffic—result in constraints on movement of goods. Logistics facilities such as warehouses and distribution centres are often located in remote areas, away from ports and centres of manufacturing. The number of business parks and logistics service facilities servicing port and distribution centres is limited. Fragmented central and provincial planning often leads to lack of coordination and integration of intermodal transport facilities. Transport investment is poor and unplanned, and often politicised, leading to a higher transportation cost-base in Vietnam compared with that of neighbouring countries (Logistics Bureau, 2019). Extra time is built into the supply chain to account for facilitation payments, leading to higher inventory carrying costs. In all, Vietnamese transport infrastructure and superstructure weaknesses are imposing.

### 6.4 INTERNAL LOGISTICS INDUSTRY REFERENCE COUNCIL CHALLENGES

The LIRC is still in its infancy. Its functions are not enabled by relevant structures. These include oversight of industry intelligence to inform policy development to support industry ability to respond to emerging market needs. LIRC'S challenges are to identify roles and responsibilities of key industry and government players to embed its role. Availability of robust data is limited, affecting the LIRC's ability to establish an industry intelligence framework to

support decision-making on skilling and workforce development. Data collection methods in Vietnam are continually consolidated and refined. The LIRC must establish a model that can be replicated across other sectors over time.

The Vietnam Chamber of Commerce and Industry has established a sound basis for its role as LIRC secretariat. However, it continues to face challenges in ensuring its long-term sustainability and capacity through operationalisation of appropriate processes, procedures and frameworks. Ongoing challenges will include:

- ensuring clarity for members on roles and expectations
- informing and supporting members in their roles
- meeting timelines for meetings and deliverables
- reflecting best practice in operations
- managing risks
- ensuring transparency and accountability in work.

The LIRC depends on overseas aid for support, meaning its longer-term sustainability is not assured. It must also secure long-term support through informed industry leadership if it is to reach its full potential as a leader in developing a skilled logistics workforce

## 7 SECTOR OPPORTUNITIES

### 7.1 SUPPLY SIDE OPPORTUNITIES

#### BUILDING A COLLABORATIVE EDUCATION AND TRAINING COMMUNITY IN THE LOGISTICS SERVICES INDUSTRY

Collaboration between key stakeholders in logistics services is important. Under the leadership of an industry-led governance structure such as the LIRC, government, business, VET and the broader education sector must work closely to develop occupational OS/OSS classifications so that they provide long-term strategic advantage for the Vietnamese logistics services industry. Incentives for small- to medium-sized enterprises to engage in training are important. Logistics is a little-known sector in Vietnam. Most potential employees know little about the types of services offered by training providers, possible career opportunities or the skills profile required by hiring firms (World Bank, 2019). The LIRC must take the opportunity to promote the industry and its crucial role in the economy, the breadth of jobs and career paths on offer and educational pathways available to become a skilled member of the workforce.

The implementation by the LIRC of a quality framework for training delivery provides an opportunity to grow the professionalism and capabilities of training providers. The establishment of further mechanisms via the LIRC platform that build trust and engagement between colleges and industry will enhance linkage between colleges, the labour market, and enterprises. This ultimately ensures that training meets the needs of industry.

### 7.2 DEMAND SIDE CHALLENGES

#### GENERATING OPPORTUNITIES FOR GROWTH AND INNOVATION THROUGH TECHNOLOGY

Ongoing technological transformation through blockchain technology, digitisation, big data and cybersecurity will define the future of the Vietnam's logistics services industry. The industry should take steps now so it can take advantage of the opportunities and scale presented by rapidly evolving technologies. Modern supply chain technology applications have not yet found widespread use in Vietnam (ibid).

#### ASSISTING INDUSTRY TRANSFORMATION TO TECHNOLOGY-BASED DELIVERY MODELS

Higher skilled workers will attract higher salaries, and a high-tech delivery model will enable increased volumes and creation of economies of scale. To achieve growth the sector must maintain a supply of highly skilled logistics services workers in Vietnam. To remain competitive internationally it must continue to deliver high-end logistics services. This will only be achieved through retaining workers in Vietnam through an attractive remuneration structure and continuing to build capacity in skills and expertise.

#### DIVERSIFYING THE WORKFORCE

The global transport and logistics workforce lacks diversity. The need for gender and disability inclusion, stereotyping of job roles, limited representation in leadership positions and inflexibility of work schedules and conditions have been well documented (Nathan Associates, 2015 and Women in Supply Chain, 2010). Increased diversity would bring economic and other benefits including improved problem solving, innovation and customer service (Catalyst, 2013; Ali, Metz and Kulik, 2015 and Hunt et al, 2018). Increased automation and enabling technologies present new opportunities for under-represented populations to participate in the sector.



### 7.3 INFRASTRUCTURE AND SYSTEM OPPORTUNITIES

#### FURTHER EXPANSION OF LOGISTICS SERVICES ACTIVITIES

Vietnam has the potential to become a world leader in logistics but it must improve infrastructure capacity and implement effective policy reform. In the last five years, the Vietnamese logistics industry has performed well internationally. The World Bank Logistics Performance Index (LPI) uses six evaluation criteria to assess logistics services sector performance: infrastructure, customs, international shipment, logistics quality and competence, tracking, and tracing and timeliness. In 2018 Vietnam ranked 39th out of 160 countries (up 25 places since 2016) and received an overall score of 3.27 out of 5 (World Bank, 2018).

A comparative analysis of Vietnam's infrastructure capacity highlights target areas and regions for growth in the logistics services sector. The World Bank Infrastructure Indicator is a benchmarking tool used to assess the quality of logistics services performance at a national level. On infrastructure quality and performance, Vietnam ranked 47 out of 160 countries (up 23 places since 2016) (World Bank, 2019). It needs to strengthen quality of trade and transport infrastructure need.

Vietnam Logistics Business Association statistics indicate that the logistics services industry has a high growth rate (of 12 to 14 per cent) relative to other industries and that industry activity makes up approximately 3.5 per cent of GDP (Vietnam Logistics Business Association, 2018). Most enterprises (60 to 70 per cent) outsource their logistics services (ibid).

Multinational companies redeveloped global supply chains through the ASEAN region in response to the 2019 China–United States trade war. Vietnam's relative political stability makes it an attractive market. Trade remains important to Vietnam's growth and will be fostered through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the European Union–Vietnam Free Trade Agreement (EVFTA), ratified on 30 June 2019.

Vietnam's demographic profile supports expansion. The population is young and dynamic and not facing the challenges of its neighbours due to an ageing

workforce and low replacement numbers. The mean age is 30 years, nearly three-quarters of the population is under 35 and almost half the population is aged between 25 and 54 years.

#### IMPROVING INFRASTRUCTURE QUALITY

Recent World Bank studies of Vietnam's transport infrastructure highlighted its potential to better use inland waterways, more strategically distribute port development—particularly in the central region—and reduce reliance, cost and greenhouse gas emissions from use of road infrastructure (Lam, Sriram and Khera, 2019 and Hoang et al, 2019). This is consistent with the Vietnamese Government's objective to reduce dependence on road transport and cut volume of goods transported by road (Pham and Nguyen, 2017).

Vietnamese infrastructure development is uneven, limiting logistics services sector expansion. Road transport dependence creates bottlenecks and supply chain delays (due to traffic congestion in urban areas). Heavy-volume ports coexist with low-volume ports. In a high-speed e-commerce environment, these infrastructure challenges weaken Vietnamese logistics services performance. Competitor seaports in neighbouring Malaysia, Singapore and Thailand could overtake Vietnam as a potential logistics services leader if these challenges are not addressed.

The Vietnamese coastline is 3,260 kilometres long and several major rivers flow through the country, potentially allowing it to be an efficient maritime freight sector. In 2018 Vietnamese seaports handled 524.7 million tonnes of cargo, 19 per cent more than in 2017. In December 2018 it had 1,593 ships with a total capacity of about 7.8 million deadweight tonnage—ranking fourth in ASEAN and 30th globally (Mordor intelligence, 2020). Vietnam has 224 river ports, 8,000 landing stages, 44 sea ports and 219 terminals. Its waterway transport makes up for 23 per cent of all freight transport and 5 per cent of all passenger transport. Just 20 per cent of inland waterways are managed by the Vietnam Inland Waters Administration under the Ministry of Transport. This presents an opportunity for increased investment in dredging and expansion of the span of navigable waterways.

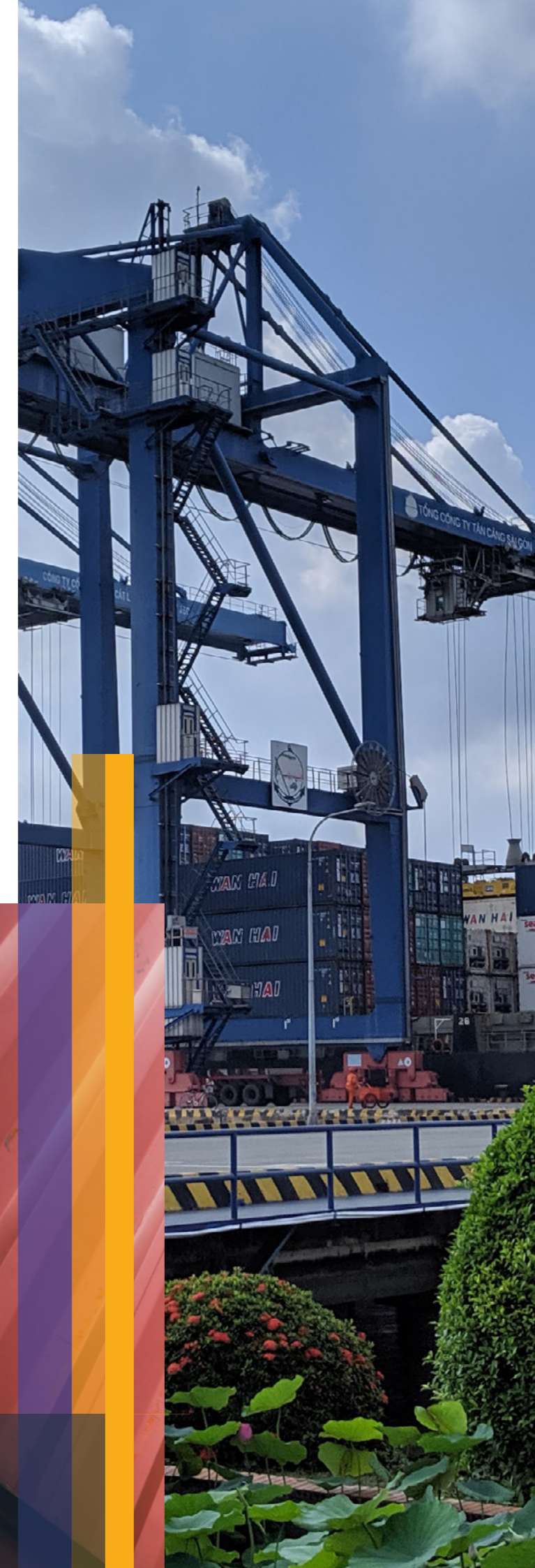
Vietnamese railway infrastructure is underdeveloped and poorly maintained. The Vietnam Ministry of Transport's 2010 to 2030 Transport Master Plan sets out objectives to increase transport capacity and encourage local manufacture of new wagons and locomotives. International routes are planned to link North Vietnam to China, and Kunming to Vietnam to Cambodia to Malaysia and Singapore. Rail infrastructure development could increase its competitiveness against road and air transport.

In the past eight years the Asian Development Bank has made significant investment to improve intra- and inter-regional connectivity through 10,000 kilometres of road upgrades and expansions facilitating port access, particularly in the central and northern regions of Vietnam (Asian Development Bank, 2015). The Vietnamese Government has identified the provinces of Dong Nai, Ba Rai, Vung Tai and Binh Duong as important industrial hubs requiring better logistics and infrastructure development. It has also identified the port cities of Hai Phong and Quang Ninh as targets for logistics investment because of their importance to trade routes. Some agricultural provinces may have potential for industrial development through strategic investment in logistics and access.

### 7.4 LOGISTICS INDUSTRY REFERENCE COUNCIL INTERNAL OPPORTUNITIES

The LIRC membership provides an opportunity for continued change. Members are committed and expert in their field. Established relationships with industry and training providers will strengthen as the LIRC moves forward. It can also strengthen its membership and work more closely with peak bodies to influence skills development and workforce development strategies. This will inform the rollout of its strategies.

The LIRC and the Vietnam Chamber of Commerce and Industry (as secretariat) have an opportunity to implement a comprehensive communications and stakeholder engagement strategy to demonstrate its success and address long-term sustainability (including accessing alternative methods of funding). This work commenced in 2019.



## 8. REALISING THE VISION

The LIRC has identified four key strategies and associated goal-oriented actions. In identifying these it considered the drivers, challenges and opportunities in the logistics sector and the LIRC itself. In the next five years the strategies and actions will be building blocks for change to realise the LIRC vision. The LIRC will be the key driver for each strategy. The strategies are:

### STRATEGY 1

**Driving the ongoing development of a highly skilled logistics workforce**

### STRATEGY 2:

**Showcasing the opportunities and achievements of Vietnam's logistics industry**

### STRATEGY 3

**Promoting acceptance of the LIRC pilot to expand geographically and to other sectors**

### STRATEGY 4

**Supporting training colleges to implement a quality framework for training delivery**

This Roadmap sets a vision for the LIRC and strategies to achieve it. Key stakeholders, including peak bodies and government, must be identified and roles and responsibilities clearly articulated. Cooperation between various stakeholders will be required.

The LIRC will need the continued support of its secretariat must consider ongoing funding mechanisms. It will also need access to capacity building and other support to enact the actions. The LIRC must identify change indicators to track progress of the roadmap vision. These should be high level and aligned with the vision and long term to measure change over the life of the roadmap. Relevant data must accessible now and into the future. Yearly and progress reports should be used to track progress.

## 9. STRATEGIES AND ACTIONS - A FIVE-YEAR ROADMAP

### STRATEGY 1

#### DRIVING THE ONGOING DEVELOPMENT OF A HIGHLY SKILLED LOGISTICS WORKFORCE

Key stakeholders: LIRC, logistics enterprises, vocational training institutions, non-government organisations, Vietnam Chamber of Commerce and Industry, Vietnam Logistics Business Association, project champions, LIRC Technical Working Group

### ACTIONS

#### 1. STRATEGY 1

**1.1** Develop a National Logistics Workforce Development Plan in partnership with industry and the vocational education sector to build a collaborative, sustainable approach to skilling of the logistics workforce.

**1.2** Build a Quality Framework for developing, delivering and assessing occupational standards/occupational skills standards (OS/OSS) in the Vietnamese logistics industry to ensure quality and consistency of training outcomes. This will include advice on:

**1.2.1** How to analyse job roles, codify skills and knowledge into OS/OSS and their requisite structure.

**1.2.2** How to unpack OS/OSS into effective competency-based learning programs for different learning environments and cohorts.

**1.2.3** The principles of assessment—how to ensure it is reliable, fair, flexible and valid

**1.2.4** How to apply reasonable adjustment to delivery and assessment to cater for people with disabilities and literacy and other issues.

**1.2.5** How to undertake holistic assessment and develop effective assessment tools for different scenarios and learner cohorts.

**1.3** Develop capability among the LIRC Technical Working Group and Project Champions in the Quality Framework Policy and underpinning processes.

**1.4** Build an industry intelligence model to collect and analyse new and emerging skill needs and labour force demand for the logistics industry that could be scaled nationally and used by other industries. This will include examination of labour market systems to generate, analyse and disseminate reliable sectoral and occupational information that optimises the focus and impact of the industry-led model.

**1.4.1** Draft an agreed methodology and structure for an annual logistics industry skills forecast in consultation with industry. This will be informed by international best practice and draw on existing data (such as an annual LIRC Skills Survey) where it is robust and contemporary. This will include:

- a description of the workforce geographical distribution and company size
- the range of occupations
- workforce demographics and gender distribution
- training infrastructure and training provision
- skills shortages and skills gaps
- drivers of training demand
- challenges and opportunities within the sector
- projections of future labour demand
- company size and geographical distribution.



## 1.5 Develop priority OS/OSS for occupations that will establish critical career and training pathways

- 1.5.1 Identify priority occupations for codification into OS/OSS (through the LIRC and the industry intelligence model)
- 1.5.2 Document and codify job roles into OS/OSS in accordance with approved processes.

## 1.6 Develop enterprise workforce development plans that identify existing skills of the workforce, desired future skills, workforce gaps and strategies and actions.

- 1.6.1 Build the capability of managers and supervisors in growing and optimising human capital. This will include advice on:
  - 1.6.1.1 Strategies for reskilling and upskilling the existing workforce.
  - 1.6.1.2 How to attract new entrants into the logistics industry.
  - 1.6.1.3 How to develop career paths within enterprises and the industry more broadly.
  - 1.6.1.4 Practical experience in undertaking skills audits and building workforce development plans.

## 1.7 Foster a culture and commitment to lifelong learning by developing a national lifelong learning framework for mature and existing workers that addresses maintaining and upgrading existing skills and gaining new skills while also certifying the skills and competencies acquired in their working life. Learning new skills, upgrading existing skills and lifelong learning can all help workers to maintain employability and enterprises to adapt and remain competitive.

## 1.8 Create equitable and inclusive access to training by creating learning and employment opportunities for gender equity, diversity and social inclusion groups to expand the talent pool, encourage innovation for the logistics sector and provide employment pathways for disadvantaged populations:

- 1.8.1 Develop a permanent LIRC GEDSI sub-committee.
- 1.8.2 Develop dedicated policies and programs at enterprises and vocational education institutions to facilitate access to training and skills development and employment opportunities by individuals and groups hindered by barriers including poverty and low income, ethnic origin, disability and migrant status.
- 1.8.3 Actively market and promote participation of girls and young women in secondary education, VET courses and programs to qualify for logistics careers and leadership roles.
- 1.8.4 Support enterprise and vocational training institutions to develop action plans for recruitment, retention and leadership of GEDSI populations within their organisations.

## STRATEGY 2 SHOWCASING THE OPPORTUNITIES AND ACHIEVEMENTS OF VIETNAM'S LOGISTICS INDUSTRY

Key stakeholders: LIRC, vocational training institutions' logistics enterprises, Vietnam Chamber of Commerce and Industry, Vietnam Logistics Business Association, Directorate of Vocational Education and Training, (Ministry of Labour, Invalids and Social Affairs)

### ACTIONS

#### 2. STRATEGY 2

##### 2.1 Design a promotional campaign to present a modern face for the logistics sector and the diverse employment opportunities in the logistics sector.

- 2.1.1 Develop a program to connect businesses with vocational training institutions and students to develop networks and an understanding of opportunities.
- 2.1.2 Use various media forms to raise the profile of the sector and attract entrants to vocational education and training for job roles and pathways in the logistics sector.
- 2.1.3 Leverage the importance, diversity and dynamism of the sector by profiling a wide variety of role models or ambassadors to attract entrants to careers in logistics and vocational training
- 2.1.4 Initiate 'Logistics Day' for people to tour logistics companies and become familiar with businesses.

##### 2.2 Create career pathways through a logistics career strategy

- 2.2.1 Develop a career and education pathways model from entry level through to management that articulates the skills and knowledge required in various job roles and the corresponding learning pathways available through VET and higher education.
- 2.2.2 Develop and deliver a 'Diversity in Logistics' career strategy that showcases various role models and examples from the sector to promote employment opportunities for disadvantaged and under-represented groups including women, people with disabilities and ethnic minority peoples.
- 2.2.3 Build the capability of career guidance and counselling skills in vocational training institutions.

##### 2.3 Establish a community of practice of colleges providing training in the Ho Chi Minh City area to share experience, learning and best-practice models.

- 2.3.1 Link the partner VET colleges in an online community of practice to be used as a knowledge repository and exchange platform.

### STRATEGY 3 PROMOTING ACCEPTANCE OF THE LIRC PILOT TO EXPAND GEOGRAPHICALLY AND TO OTHER SECTORS

Key stakeholders: LIRC, Vietnam Chamber of Commerce and Industry, Vietnam Logistics Business Association, Directorate of Vocational Education and Training, (Ministry of Labour, Invalids and Social Affairs), Australian Department of Foreign Affairs and Trade

#### Actions 3

##### 3.1 Document and disseminate the impact and results of the industry-driven vocational education and training model

- 3.1.1 Develop case studies demonstrating the model's success and examples of best practice
- 3.1.2 Demonstrate how building effective partnerships between governments, employers, training institutions and providers is critical to anchoring high-quality, contemporary learning in the world of work.
- 3.1.3 Quantify the benefits and economic return of an industry-led vocational education and training model.

##### 3.2 Advocate for implementation of an appropriate LIRC legal framework

- 3.2.1 Develop an evidence-based business case for endorsement of the industry-led model.
- 3.2.2 Strategically engage with key government stakeholders to secure formal recognition of the LIRC and its role in articulating the skill needs of the logistics industry.

##### 3.3 Develop a sustainable, co-investment funding model for skills development. This should explore a mix of public and private funding. Direct and indirect financing of training by employers is a clear statement of the importance of continuing education and training in maintaining and increasing productivity, competitiveness and versatility.

###### 3.3.1 Develop a financing options discussion paper to identify a mechanism for sustainable financing of industry-led skills development platforms. This should include:

- 3.3.1.1 Government, industry and individual roles and obligations in contributing to the cost of skills development.
- 3.3.1.2 Concept and examples of co-investment in skills to ensure a stable and sustained means of financing training.
- 3.3.1.3 Financing options including payroll fees or levies, employer grants, public-private partnerships and co-funded training and training clusters.
- 3.3.1.4 Concept of incentives to establish apprenticeships and traineeships.

###### 3.3.2 Engage in social dialogue with stakeholders to progress and establish a model for co-investment in logistics workforce skills development.

###### 3.3.3 Develop a communications strategy to advocate for a co-investment model and to maintain relevance of training to employers.

##### 3.4 Develop an advocacy strategy to support expansion and growth of the model to other sectors.

- 3.4.1 Use documented evidence of success (such as case studies) to advocate for expansion of an industry-led skills development model to other related sectors (for example, transport and aviation)
- 3.4.2 Calculate and promote the return on investment from the industry-led model
- 3.4.3 Develop an advocacy and communications strategy to highlight the value of industry-led model platforms



### STRATEGY 4 SUPPORTING TRAINING COLLEGES TO IMPLEMENT A QUALITY FRAMEWORK FOR TRAINING DELIVERY

Key stakeholders: LIRC, vocational training institutions, Australian Department of Foreign Affairs and Trade and other donors

#### Actions 4

##### 4.1 Build professionalism and capabilities of training providers and individual practitioners to operate in accordance with the quality framework.

- 4.1.1 Promote and implement the quality framework and establish a process to monitor and audit compliance.

##### 4.2 Establish a centre of trade skills excellence (preferred provider) model

- 4.2.1 LIRC and Directorate of Vocational Education and Training lead responsibility for establishing the criteria for the preferred provider model

- 4.2.1.1 Ensure enterprises can readily identify high-quality providers committed to meeting industry needs.
- 4.2.1.2 Build trust and engagement between participating colleges and industry partners through the LIRC platform.
- 4.2.1.3 Define and review standards to ensure participating providers continually meet the expectations of industry.

##### 4.3 Increase training providers' understanding and focus on common competencies and 'soft' skills including ability to engage and interact effectively with others, build consensus and provide assistance, direction and leadership as needed in addition to language skills and IT capability

- 4.3.1 Improve curriculums and assessment for common competencies and support colleges to integrate these competencies into training for logistics job roles
- 4.3.2 Advocate for the inclusion of ICT and language training courses, particularly high-demand trade-focused languages in logistics programs

##### 4.4 Advocate for increased investment in training centre facilities

- 4.4.1 Lead a dialogue on coordination of donor and private sector investment in the logistics training sector to prevent fragmentation and help build specialist facilities

##### 4.5 Develop management capability

- 4.5.1 Develop capability of training providers to enable development of logistics sector management skills.



Thu Duc College of Technology reasonable adjustment workshop participants

## CASE STUDY 1

### GENDER EQUALITY, DIVERSITY AND SOCIAL INCLUSION

In December 2019 Australian Industry Standards Global delivered a series of workshops in Ho Chi Minh City, Vietnam, on gender equality, diversity and social inclusion (GEDSI) in the transport and logistics sector. The workshops focused on identifying, understanding and mitigating barriers to access and equal participation in learning and work. The Australian Government Department of Foreign Affairs and Trade funded the workshops through an Aus4Skills program.

Participants included representatives from Nguyen Huu Canh College and Thu Duc College of Technology and Project Champions, and industry, government and the vocational education sector specialists in occupational standards development.

Advocates from the Disability Research and Capacity Development Center in Vietnam shared insights into the types of challenges people with disabilities face in accessing education and employment opportunities. Input from participants at the first workshop informed the develop a GEDSI Strategy and Action Plan for Nguyen Huu Canh College. It aims to boost diversity in student enrolments, develop an accessible and enabling learning environment and create better opportunities and pathways to increase the logistics sector talent pool.

At the second workshop Thu Duc College of Technology trainers and educators learnt about reasonable adjustment in training and assessment for people with disabilities. Workshop content covered the process and practice of making reasonable adjustments in teaching, learning and assessment, drawing on the Australian experience on adjustments to provide equitable access to education and maintain standards and quality.

In 2020 Australian Industry Standards Global will continue to activate and measure the impact of the GEDSI strategy, demonstrate application of reasonable adjustment in the workplace and connect reasonable adjustment in training and assessment to its application to job roles in the workplace. This work complements and supports core objectives of the Logistics Industry Reference Council through provision of skilled and qualified human resources for the logistics industry. Candidate diversity is a largely untapped resource in Vietnam. Recruitment of those from a broader range of backgrounds would bring opportunities to modernise the workforce, increase the talent pool and reduce the average age and make it more gender representative. Diverse workplaces benefit from enhanced creativity and problem solving, new ideas and innovation, and financial returns. The Vietnamese logistics industry is well placed to take advantage of these opportunities in striving to develop innovative solutions, use technology creatively and create a culture of continuous process improvement.

## CASE STUDY 2

### DEVELOPMENT OF OCCUPATIONAL STANDARDS AND OCCUPATIONAL SKILL STANDARDS

In 2018–19, 16 industry, peak body, government and vocational training personnel undertook Australian Industry Standards professional development training to build capability in developing and validating occupational standards (OS) and underpinning occupational skill standards (OSS). Participants learnt how to develop methodologies and tools to draft and validate OS/OSS for five Logistics Industry Reference Council (LIRC)-nominated priority job roles: forklift operator, truck driver, port stevedore, customs clearance clerk and materials handling operator.

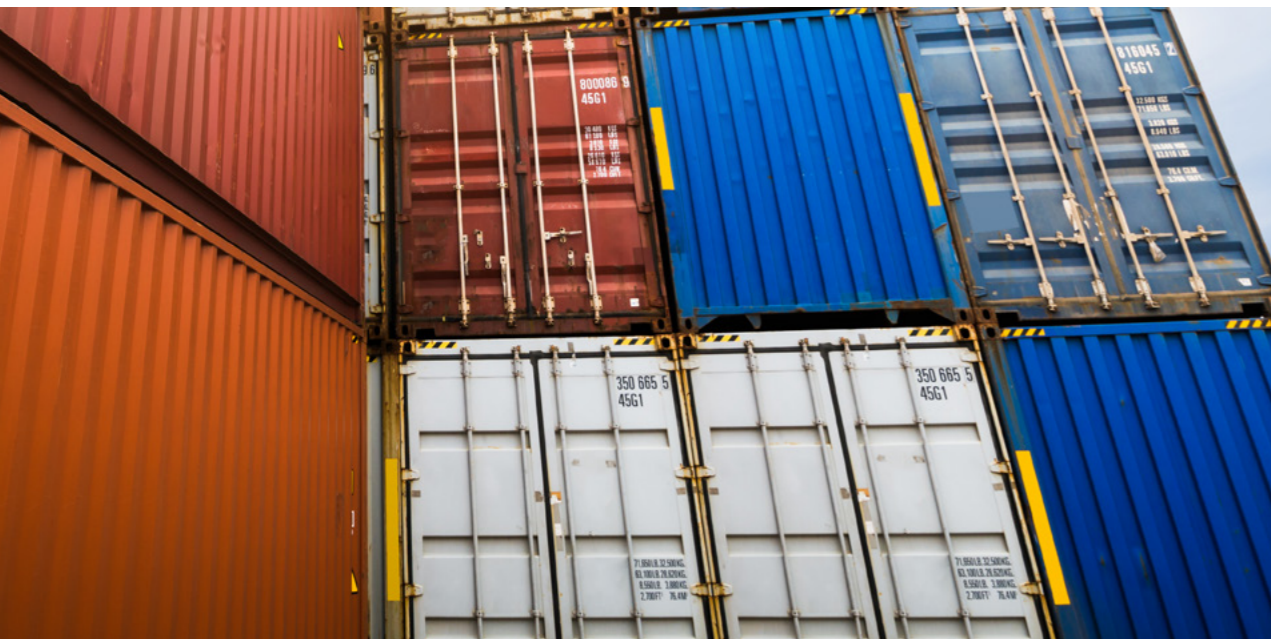
For the LIRC development of the OS/OSS standards is essential to building a sustainable supply of skilled and qualified human resources for logistics industry enterprises. The benefits and application of codifying job roles as OS/OSS include:

- describing performance standards for worker competence in specific roles
- generating tools for human resource development
- providing a foundation for design and delivery of training packages
- increasing labour mobility
- defining career pathways.

Participants developed their technical skills for drafting and validating OS/OSS through team-based field work and data collection. The outcome was high-standard OS/OSS drafted for each of the five priority job roles. These will be validated with industry enterprises before LIRC endorsement and activation as tools for learning, performance management and technical standards.



Occupational standards and occupational skill standards validation interviewing, Transimex, Binh Duong







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