

Factors Affecting Job Security of Workers in Industrial Zones in the Red River Delta and the Southeast Region

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Abstract: *This paper presents research results¹ on factors affecting job security in industrial zones in the Red River Delta and Southeast Vietnam, which reveals eight factors including family and relatives; work environment; help from the Union; co-worker relationship; corporate welfare policy; enterprise training policy; local vocational training policy; and employees' effort.*

Keywords: Job Security, Employment, Industrial Park, Labor in Industrial Zones, Red River Delta, Southeast, Vietnam

Introduction

Job security (JS) is a global issue that plays an important role in the socio-economic development of all countries in the world. Ensuring JS contributes to creating stability and efficiency in production activities, increasing employee satisfaction and commitment to organizations, contributing to economic growth and creating prosperity for countries.

In the context of industrialization and modernization in Vietnam, the formation of industrial parks (IPs) has attracted a large number of workers, posing a problem of job security for workers in this area. As of early September 2021, there were 397 IPs established nationwide, of which 291 IPs have been put into operation and 106 IPs were under construction. IPs have created jobs for about 4.07 million direct workers, representing 10% of laborers aged 15 and over, of which approximately 456,000 workers were foreigners, accounting for 11.2% of workers in IPs (Ministry of Planning and Investment (MPI), 2021). The Southeast region and Red river delta are the two regions with the largest number of IPs. According to the report on the

¹ The survey data used is part of the data of the State-level Project named "Job security for workers in industrial zones in the context of industrialization and modernization", ID No. KX.01.39, principally investigated from January to December 2019 by Dr. Nguyen Thi Thanh Huong, Institute of Regional Sustainable Development, Vietnam Academy of Social Sciences.

establishment and development of IPs and economic zones by the end of 2020 of the MPI, the Southeast region had 117 IPs, representing 31.71% of the total IPs nationwide, followed by the Red river delta with 90 IPs, accounting for 24.39% of the total IPs nationwide (MPI, 2020). In these two regions, there are numerous problems related to labor and employment, including salary and bonus, housing, working time, insurance, vocational training, environmental pollution, accession to social services, etc. (Le Tuyen Cu, 2011).

The concept of job security used in this study means *the employment status is maintained for at least 12 months without being threatened by any unreasonable possibility of termination from aspects including local labor policies, corporate policies, working environment, job characteristics, and issues related to employees like employees' personality, social network and personal effect, and personal need for employment.*

1. Methodology

The methods applied in this research include secondary document analysis,

Content
Co-worker relationship (CRgeneral) has positive (+) impact on JS
Supervisory relationship (SRgeneral) has positive (+) impact on JS
Work environment (WEgeneral) has positive (+) impact on JS
State policy on labor contract (SLCgeneral) has positive (+) impact on JS
State policy on insurance (SIgeneral) has positive (+) impact on JS
Local vocational training policy (LVTgeneral) has positive (+) impact on JS
Support from the union (SUGeneral) has positive (+) impact on JS
Protection from the union (PUgeneral) has positive (+) impact on JS
Enterprise training policy (ETPgeneral) has positive (+) impact on JS
Corporate salary and bonus policy (CSBgeneral) has positive (+) impact on JS
Corporate welfare policy (CWgeneral) has positive (+) impact on JS
Corporate employment termination policy (CETgeneral) has positive (+) impact on JS
Corporate labor contract policy (CLBgeneral) has positive (+) impact on JS
Corporate support for post-labor-termination policy (CET2general) has positive (+) impact on JS
Support from family and relatives (SFRgeneral) has positive (+) impact on JS
Support from friends (SFRFgeneral) has positive (+) impact on JS
Employee effort (EEgeneral) has positive (+) impact on JS

This article presents the research results on the factors affecting JS in four IPs, of which 2 IPs are in the Red river delta, namely Binh Xuyen 2 IP (Vinh Phuc Province) and Dong Van 2 IP (Ha Nam Province), and the 2 other IPs are in the Southeast region, including Bien Hoa 2 and Amata IPs (located in Bien Hoa city, Dong Nai Province).

stakeholder analysis, and in-depth interviews (45 samples), group discussion, and questionnaire survey (683 employees). The study used EFA model to evaluate the factors affecting job security. The model uses 17 factors, and hypotheses are built as follows:

2. Research results

The results of regression analysis that evaluated the influence of 17 independent

variables on the dependent variable show that with 17 initial hypotheses, there are 8 accepted hypotheses, including H1, H2, H3, H5, H6, H7, and H8 corresponding to the variables of SFRgeneral, WEgeneral, SUgeneral, CWgeneral, ETPgeneral, LVTgeneral, CRgeneral, and EEgeneral with the impact of SFRgeneral (0.244) > WEgeneral (0.214) > SUgeneral (0.111) > CRgeneral (0.106) > CWgeneral (0.101) > ETPgeneral (0.081) > LVTgeneral (0.080) > EEgeneral (0.062).

relationship; (v) corporate welfare policy; (vi) enterprise training policy; (vii) local vocational training; and (viii) employee’s effort.

Hypothesis H1: Co-worker relationship has a positive correlation with JS of employees. The estimated results show that the relationship between co-worker relationship (CWgeneral) and JS (JSgeneral) is 0.106 at the statistical Sig. level = 0.005 < 0.05, so H1 is supported by the survey data sample. Thus,

Table 1. Results of regression model analysis by the enter method

Model	Unstandardized coefficient		Standardized coefficient	t	Sig.	Collinearity	
	B	Std Dev.	Beta			Acceptability	Var. Inflation Factor (VIF)
Constant	.068	.112		.604	.546		
CRgeneral	.106	.037	.092	2.833	.005	.851	1.175
CWgeneral	.101	.033	.121	3.073	.002	.585	1.709
ETPgeneral	.081	.024	.118	3.325	.001	.710	1.408
EEgeneral	.062	.024	.088	2.625	.009	.808	1.237
WEgeneral	.214	.040	.190	5.398	.000	.727	1.375
LVTgeneral	.080	.022	.125	3.712	.000	.789	1.267
SUgeneral	.111	.032	.129	3.467	.001	.655	1.526
SFRgeneral	.244	.028	.295	8.793	.000	.804	1.244
R	0.689						
R Square	0.474						
Adjusted R Square	0.467						
F (Sig)	0.000						

The standardized regression equation is as follows: JSgeneral = 0.244*SFRgeneral + 0.214*WEgeneral + 0.111*SUgeneral + 0.106*CRgeneral + 0.101*CWgeneral + 0.081*ETPgeneral + 0.080*LVTgeneral + 0.062*EEgeneral.

As shown in the regression equation, all factors have a positive (+) impact on JS and the order of factors affecting JS is as follows: (i) support from family and relatives; (ii) work environment; (iii) support from the union; (iv) co-worker

co-worker relationship is one the factors that impact job security. Once a company focuses on co-worker relationship, job security is improved.

The results from in-depth interviews and group discussions with officials of IP’s management board, corporate leadership, and workers also revealed that most of the respondents gave favorable answers to questions related to co-worker relationship. Employees in IPs in the Southern region appreciate the relationship with their

co-workers more than those in the Red river delta. While the results of in-depth interviews with employees in the Southern region show no cases of difficulties or obstacles caused by colleagues, some cases in the Red River Delta area indicate that they face work hindrances from their colleagues, which have forced them to stop or change jobs.

Hypothesis H3: The company's working environment has a positive impact on the job security of workers. The estimated results show that the correlation between the working environment and job security is 0.241 at a statistically significant level of Sig. = 0.000 <0.05, therefore, hypothesis H3 is supported by the surveyed data. Thus, the working environment is one of the factors affecting job security. When a company focuses on its working environment, job security is improved.

Working environment is generally rated as good, especially in FDI companies. Domestic enterprises are mostly small and medium-sized, so "working environment is not as good as in foreign companies" (group discussion of workers in Binh Xuyen 2 Industrial Park, Vinh Phuc Province) because these companies have moderate capital sources and need to focus on production and business, therefore they do not pay much attention to the working environment. Most of the workers participated in the in-depth interview reported that working environment is ensured by the corporate provision of spacious, clean factories, green surroundings, clean air, no smoke, dust, noise, and adequate labor protection equipment.

However, in all industrial zones, there are cases where workers have had to quit

their jobs due to inadequate working environment that does not meet workers' needs, giving reason such as "the plastic production is toxic, so I had to quit" (male worker taking part in an in-depth interview in Binh Xuyen 2 Industrial Park, Vinh Phuc Province) or "the working environment is too hot, I cannot gain weight, so I had to quit" (disclosed by a female worker in Bien Hoa 2 Industrial Park, Dong Nai Province).

Hypothesis H6: The local vocational training policy has a positive impact on job security. The estimated results show that the correlation between the local vocational training policy and job security is 0.080 at a statistically significant level of Sig. = 0.000 <0.05, therefore, hypothesis H6 is supported by the surveyed data. Thus, the local vocational training policy plays a role in improving job security.

In reality, all the surveyed areas do not have specific vocational training programs for employees in industrial parks. To meet the demand for high-quality human resources, vocational training programs at the intermediate and college level are often developed in collaboration with businesses to construct the training program and its content, such as inviting companies to participate in building the training program. However, the vocational training programs at intermediate and college-level vocational schools in provinces are still considered inadequate for meeting the requirements of the quality of human resources needed by businesses. Therefore, most companies/businesses in industrial parks must conduct retraining, on-the-job training, and short-term training for newly recruited employees.

In provinces with good vocational training policies such as Ha Nam province, the

quality of vocational training is increasingly improved. Due to good coordination between businesses and vocational training institutions, “every year, the number of students trained are all recruited by companies to work” (discussion of the Ha Nam Department of Labor, Invalids, and Social Affairs).

Hypothesis H7: Support from the company’s union has a mutual impact on workers’ job security. The estimated results show that the correlation between Support form Union (SU) and Job security (JS) is 0.111 at the significance level $\text{Sig.} = 0.0051 < 0.05$. Therefore, hypothesis H7 is supported by the surveyed data. Thus, support of the union is one of the factors that affect job security, when a company focuses on developing union organizations, creating conditions to support workers, job security will be improved.

Except for companies with very few workers and small production scale, medium and large-scale companies in industrial parks all have union organizations, especially those in Amata and Bien Hoa 2 industrial parks in the Southeast region. The union not only helps protect workers’ rights, acts as a bridge between business management and workers, intermediates conflict resolution between business owners and workers, but also plays an important role in supporting workers’ material and spiritual lives, such as visiting the sick, organizing cultural activities, and celebrating festivals, weddings, etc. Besides, the union also plays a role in mobilizing donations to support those who are in difficult circumstances to have more funds to cover their living expenses. According to a male worker: “For some workers who are facing difficulties, the trade union mobilizes funds to provide

transportation fees for returning home during Tet holiday and organizes valuable gifts ranging from 500,000-1,000,000 VND/person” (in-depth interview with male workers in Binh Xuyen 2 Industrial Park, Vinh Phuc Province).

Hypothesis H9: The company’s training policy has a positive impact on workers’ job security. The estimated correlation between the company’s training policy (ETPgeneral) and job security (JSgeneral) is 0.081 at a significant level of $\text{Sig.} = 0.001 < 0.05$, so hypothesis H9 is supported by the surveyed data. Therefore, the company’s training policy is one of the factors that influence job security. When the company pays attention to training policies, job security is improved. In reality, the majority of workers recruited to industrial parks are unskilled laborers and companies do not have long-term training programs for this group. Typically, new workers will receive short-term training for 1-2 weeks or a month in the form of hands-on guidance, and older workers will train new workers. “New employees receive training for a period ranging from a few days to about 2 months depending on the job position, specifically: machine operators require 1-2 months, while the packaging department only requires 1-2 days to complete the training” (group discussion with Quang Quan Company, Dong Van 2 Industrial Park, Ha Nam Province). Unskilled workers when recruited into companies/businesses in industrial parks must go through the training process and learn from the beginning. The learning process is important to ensure job performance for workers in the future when working at the company.

Hypothesis H11: Corporate welfare policy has a positive impact on job security

(JS). The estimated correlation between corporate welfare policy (CW_{general}) and JS (JS_{general}) is 0.101 at a significant level of Sig. = 0.002 < 0.05, so hypothesis H11 is supported by the surveyed data. Therefore, corporate welfare policy is one of the factors that affect JS, and when the corporate focuses on welfare policies, JS will be improved.

Insurance policies are fully ensured and well implemented by companies in accordance with state regulations. In addition to salary policies, allowances for housing, parking fees, overtime pay, etc., are also implemented at levels depending on each company. Cultural, sports, travel, and holiday visit activities for sick employees are also carried out in most companies. According to the officials of the Department of Labor, Invalids and Social Affairs of Ha Nam province, “the welfare policies for workers in industrial zones are better than those outside.” The welfare policies of the company play an important role in influencing job security of employees and their ability to maintain their jobs. One male worker said that part of the reason for quitting his job was due to poor treatment by the company. “Specifically, on National Day, September 2nd, the company did not offer anything” (interview in Binh Xuyen 2 Industrial Park, Vinh Phuc province).

Hypothesis H15: Family and relative factors have a positive impact on the job security of employees. The estimated correlation between Support from family and relative (SFRGDHH_{chung}) and Job security (ANCV_{chung}) is 0.244 at a statistically significant level of Sig. = 0.000 < 0.05, thus supporting hypothesis H15 with the survey data. Therefore, support from family and relative is one of

the factors that affect job security, as more support from family and relative leads to higher job security.

Although family and relative factors do not have a direct impact on job security, they have a significant indirect impact. The decision to continue or quit a job or switch to a related job is greatly influenced by family factors. Results from interviews show that many employees chose their current jobs because of their family and relatives. A manager also confirmed that “since the company mainly recruits women with families, including those living nearby (up to 10km away) and without working shifts, most people are satisfied with their working hours and workload” (discussion with Star Engineer Company staff in Vinh Phuc province). In Ha Nam province, a male worker said: “I don’t want to work far away. I want to be close to my child and spouse. It’s better to stay at home. Working far away is possible but it’s a hassle” (interview with male worker in Dong Van 2 Industrial Park, Ha Nam province).

Many workers in industrial parks in the Southwest region of Vietnam also emphasize the importance of family factors. A manager stated: “The company has been established for 3 years, some people have resigned, some have been recruited, and when asked if it was due to heavy work or low pay, they all said it was not. It was because of family reasons such as moving to a new house, parents or children being sick” (group discussion with Asahi Keisi Company staffs in Amata Industrial Park, Dong Nai province).

Hypothesis H17: Employee effort has a positive impact on job security. The estimated correlation between employee

effort (EE_{general}) and JS (JS_{general}) is 0.62 at a statistically significant level $\text{Sig.} = 0.009 < 0.05$, thus supporting hypothesis H17 with the survey data. Therefore, employee effort is one of the factors influencing JS, and when the company focuses on employee training policies and encourages employee motivation in their work, JS will be improved.

Employee effort directly affects JS. In addition to complying with company policies, rules, and discipline, workers need to make efforts to improve their skills through self-training. Since post-employment training is mainly short-term and on-the-job training, the ability to self-train is crucial. The discussion among workers at Dong Van 2 Industrial Park in Ha Nam province also reflected this: “We receive training while working, but mostly we have to learn on our own.”

Thus, the model analysis results show that the family factor has the greatest impact on JS of workers in industrial parks. This is also in line with Vietnamese culture, which always considers family as the root and focuses on family. Although the family factor does not directly affect workers, in reality, when deciding to choose, maintain, or terminate a job, workers always consider their ability to care for their family while working. The JS study of workers in industrial parks in Bac Ninh province by Nguyen Thi Thanh Huong (2021) also showed that the family factor played the second most important role in the factors affecting workers' JS in industrial parks.

Furthermore, the work environment factor also plays an important role in ensuring JS for workers. Although most companies operating in industrial parks

build infrastructure and ensure working conditions according to quality standards, some specialized industries related to production, processing of raw materials or chemicals cannot avoid workplace pollution. Companies also provide hazardous support to workers working in directly affected departments; however, many workers still cannot accept it and are forced to stop working. In the JS study of workers in industrial parks in Bac Ninh province by Nguyen Thi Thanh Huong (2021), the work environment factor was found to have a significant impact on JS. Therefore, improving the work environment is necessary to ensure worker productivity and health.

“The help of trade unions also has a significant impact on the welfare of workers. In reality, the level of wages paid in companies in the same industrial zone will not have a significant difference. Workers tend to choose companies with good trade union organizations to receive material and spiritual support when facing difficulties. Currently, most companies have trade unions, and these organizations have been and are actively supporting workers in protecting their rights and providing assistance.

Colleague relationships directly affect the welfare of workers. A good working environment will bring comfort, job security, and encourage workers to be more productive. Although most companies have good labor relations between workers, especially FDI enterprises, some companies may have conflicts in colleague relationships. Research also shows that there are cases where workers have to stop working due to conflicts and tension with colleagues. This was also demonstrated in

a study on workers' welfare at industrial zones conducted by Nguyen Thi Thanh Huong (2021) in Bac Ninh province, where colleague relationships were identified as the second most important factor influencing workers' welfare at industrial zones.

Along with the help of trade unions, the welfare policies of companies also play an important role in ensuring workers' welfare. Besides wages, social welfare policies such as sports, tourism, visitation of the sick, holidays, insurance, maternity leave, etc. are also a source of social security for workers. This source of social security not only provides material life but also creates spiritual values. A worker can only find the right job and maintain it when they are satisfied with both material and spiritual needs at the workplace.

In addition to factors coming from companies, local vocational training policies also have an impact on workers' welfare. If the vocational training of the locality is linked to the recruitment needs of companies, workers will have the best foundation for working in those companies. With the pre-trained knowledge, workers have a good foundation to develop their careers and achieve their desired goals.

The study by Nguyen Thi Thanh Huong (2021) also shows that the group of factors originating from companies contributes up to 71% in the regression model assessing the impact of factors on workers' welfare in industrial zones.

Finally, the participation of workers in trade unions and labor regulations and policies of the State are also important factors in ensuring workers' welfare. These factors are also addressed in the study mentioned above, indicating that they have a certain

impact on workers' welfare at industrial zones.

3. Conclusion and policy implications

Based on the research results, factors influencing job security and employee well-being include family support, the work environment, support from the company's trade union, relationships with colleagues, company welfare policies, company training policies, local vocational training policies, and personal effort. Therefore, to ensure employee well-being and stable production for companies/businesses, it is necessary to pay attention to the family aspect of employees. Many companies/businesses in industrial zones currently prioritize recruiting local labor, which is also a reasonable direction to meet the needs of employees' families, contribute to ensuring job security and guaranteeing a regular workforce for businesses. There should be recruitment policies and prioritization of local workers to work in industrial zones.

Moreover, to achieve the best job security and employee well-being, it is necessary to ensure a good working environment, minimizing negative impacts on employees' health. The management board of industrial zones needs to have policies to ensure a safe working environment, good conditions that meet standards for landscape, hygiene, and health protection for employees. Companies need to pay special attention to environmental hygiene, creating a green, clean, beautiful landscape and a healthy climate for the workforce without pollution in the working environment.

Trade unions play an important role in ensuring employee well-being. Therefore, it is necessary to better promote the role of trade unions in industrial zone and trade

unions of companies to make the best bridge between business management and employees, timely support the difficulties and obstacles of employees when business policies cannot cover all aspects of labor, production, and care for employees' lives. When building company policies, the role of trade unions must be central, with principles and regulations on trade union activities that focus on the important role of being a bridge between employees and the business owner to minimize conflicts and ensure job security and employee well-being.

The management policies of companies must aim for a work environment where employees have mutual support, help, and solidarity to ensure maximum employee well-being. In addition, companies need to prioritize ensuring welfare policies, training policies, and occupational safety policies to ensure employee job security, safety, and well-being. Lastly, it is important to regularly monitor and evaluate the job security and well-being of employees to have timely adjustments to improve the quality of life and work for employees.

There is a need for close coordination between local vocational training policies, provinces with industrial zones, and the practical labor needs of businesses within industrial zones. Especially in terms of vocational training at vocational colleges and vocational education at localities. The labor force in industrial zones is a large attraction in each province. Ensuring a good input labor force will help workers

meet job requirements and maintain desired jobs. Business policies need to encourage, motivate and create incentives for workers to self-train, improve their skills, thereby providing a basis for development, advancement, achieving desired income and position, and ensuring social security. It is necessary to coordinate with vocational colleges, vocational education to provide training criteria, quality of training, and training needs so that the labor supply from schools can meet the labor demand of businesses □

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