

# Effectiveness of Human Resource Management at Delta Sport Equipment JSC

Nguyen Xuan Duong \*

Department Business Administration, Faculty of Economics - Business Administration Hong Duc University, Viet nam

\*Corresponding author: [nguyenxuanduong@hdu.edu.vn](mailto:nguyenxuanduong@hdu.edu.vn)

Received August 02, 2018; Revised September 06, 2018; Accepted September 28, 2018

**Abstract** Among the necessary components to make business production efficiency including funds, technology, equipment, materials, and human resource is considered the most decisive thing. The current theories on business Management confirm that human resource is the most important and essential function of general Management process. Moreover, DELTA Sport Equipment Joint Stock Company is facing the permanent changes of labor force, due to the competitive attraction of enterprises and the increasing establishment of nationwide industrial zones. Therefore, the building of labor force at DELTA Sport Equipment Joint Stock Company in terms of quality and quantity and its stability shall be put into priority and the urgent problem to research and implement promptly. With the above reasons, I would like to choose the research associated with labor management “Efficiency of human resource Management at DELTA Sport Equipment JSC” for make contribution for human resource management planning at the unit.

**Keywords:** HRM, HR, delta sport

**Cite This Article:** Nguyen Xuan Duong, “Effectiveness of Human Resource Management at Delta Sport Equipment JSC.” *Journal of Finance and Economics*, vol. 6, no. 5 (2018): 201-208. doi: 10.12691/jfe-6-5-6.

## 1. The Theoretical Background on Human Resource and Human Resource Management

### 1.1. The Necessity of Human Resource Management at Enterprises

#### 1.1.1. Definition on Human Resource

The development of one country requires resources for economic development such as natural resource, fund, scientific technology, human resource, etc. In which, human resource is the most important and decisive thing for economic growth of enterprises in general and DELTA Sport Equipment Joint Stock Company in particular. If one country which owns diversified natural human resource, modern machineries but fails to meet the requirements of high quality human resource shall not develop in the right track. Therefore, the countries in the world always put human resource at priority in socio economic development strategy. In many places, human resource is regarded as the key of socio economic development strategy, highlighting the role of science and research on human resource.

In the context of industrialization, modernization and the process of development integration with an aim of “wealthy people, strong country, equal and civilized society”, our Party always defines that abundant labor force, Vietnamese people which own typical features such

as traditional patriotism, hard working, creative, cultural foundation, education, adaptive to science and technology shall be the strongest internal force. There are many opinions on human resource as follows:

**According to United Nations that:** “Human resource is all knowledge, qualifications, experience, capacity and creativeness of human beings in association with the development of individuals and the country”. This is the most crucial element in the socio economic infrastructure. [1]

**The World Bank assumes that:** “Human resource is all human funds including physical, mental, professional skills of each individual”. Therefore, human resource is regarded as a fund apart from other material funds such as chatter capital, technology, natural resource. Investment in human resource plays the important role and solid foundation for sustainable development. [1]

**According to Labor Organization:** “Human resource of one country is all people in the age of labor capacity” [1].

Human resource is interpreted into two meanings: Regarding broad meaning, human resource is the supplying source for social production, providing human resource for development. Therefore, human resource includes all people which could develop in the normal way. Regarding narrow meaning, human resource is working capacity of society, the source for socio economic development, including people group at working ages, having capacity in working, the overall elements of in physical and mental aspects in working process.

**Economic development defines that:** “Human resource is part of population at regulation age having capacity of

*working*". Therefore, human resource is expressed in two aspects: In quantity, the total people at working ages work as regulations of State and working time could be mobilized from them; in quality, health, profession qualification, knowledge and skillfulness of working people. Human resource is the total people at working ages as regulation who are working or positively finding job. Human resource is expressed in two aspects quantity and quality. Therefore, according to this definition, some are human resource but not labor resource, they are: Unemployed people who do not positively try to find job, having no demand for seeking job, who are studying at the working ages as regulation, etc. [7].

From the above definitions, it is known that: "Human resource is the total combination of physical and mental capacity existing in the entire labor force of a country, in which tradition and creative experience of a nation in the history are used for the production of materials and spiritual properties for current demand and future of the country".

### 1.1.2. Definition of Human Resource Management

**Management** is activities caused from many people in the intentional manner to fulfill the common target. The community shall be regarded as organizations and organization is the environment of Management activity. [3]

**Management** is to put action object into the goal needs to achieve. Sanction is to use rules, regulation, mental and legal measures to fulfill the set targets.

Each author has different ideals and opinions on terminology "Management"

According to **Mary Parker Follett**: "the art of getting things done through people"

**Koontz và O' Donnel**: Management is through its mission, define the basic function of Management " Management is the function of getting things done through people and directing the efforts of individuals towards a common objective". [3]

**James Stoner và Stephen Robbín**: Management is the process of working of with and other to effectively achieve organizational objectives by efficiently using limited resources in changing environment.

Through different ideals and views on management, it is conclude definition of management: **Management is organizational and intentional influence of management subject to management object with an aim at making full use of potential and opportunity of to reach the set target.** [7]

Human resource is the total combination of people potential, the total value of physical, mental capacity and personality of people. This potential is social capacity of people at static condition. Through element of "management", this resource shall transfer to movement condition with reasonable allocation and effective using, through management method and phases to improve human resource efficiency. Therefore, it could become Human Capital.

According to Associate Professor Tran Kim Dung, human resource management is the system of philosophy, policies and functional activities on attraction, training and development and maintenance of people of some organizations to gain highest benefits to organization and staffs. [7]

Human resource studies on the matters on human management in organizations at microscope with two main purposes:

*The first* : To use effectively human resource to increase labor capacity and effectiveness of organization. [7]

*The second*: To meet the increasing demand of staffs, create favorable foundation for staffs to bring into full play, to be encouraged and sympathized at work office and to be delicated to the company. [7]

To continuously increase employment capacity of people potentials to turn resource into human capital. This means that it is necessary to combine consistently between social capacity and positive transformation from static condition to movable condition.

In conclusion, Human resource management is to design the policies and fulfill activity aspect to help people to contribute effective value to organization, including aspects such as human resource planning, designing and analyzing work, attraction and selection, result evaluation and salary; health, labor safety and labor correlation.

## 1.2. Human Resource Elements

Fund could be borrowed, machineries could be purchased. Human resource is not found any where but us. Therefore, order for education must be carried out now for human product for industrialization and modernization; it is not early if it is not to sat too late. People is the most presious thing in society, therefore, people are the most dynamic and creative element in the organization, people as fund, we must respect people, and people is the first fund source which decide the survival and development of society. The human resource elements include:

- Scope, population structure, total labor force, useful labor number, population ratio between young and old force (young force is population at working age plus below working age and people are incapable of working. Thomas Robert Malthus has defined that " The cause of poverty is population". [7]

- Cultural level and technical professions of human resource: This is responsibility of education, education sector is responsible for education and training for society with people with certain knowledge to make foundation for adaptation to modern society, to create necessary capacity to adopt all civilizations of human kind and ongoing technical and technological development in the world. [7]

## 2. Research Design

### 2.1. Progress of Design

Collecting data process includes 2 main steps:

**Table 1. Progress of research steps [2]**

Steps	Form	Method	Implement	Time
1	Primary	Qualitative	Person to person discussion N = 5...10	2 weeks
2	Official	Quantitative	Research on questionnaires N = 150...200	3 - 4 weeks



### 2.3. Summary

Chapter 3 has focused on research methods to reach set targets. The research method is carried out through 2 steps: qualitative primary research and quantitative official research.

The person- to- person discussion technique is used in primary research to seek information related to thesis, to serve the forming of interview questions. Direct interview technique is used in official research with the form size n = 270. The primary research is conducted to evaluate languages, information structures and eliminate unnecessary elements in the previous questions for official research. Excel and SPSS 16.0 are used to support quantitative analysis.

This Chapter also describes form taking, information on form collection and research progress. The next Chapter shall describe research results.

## 3. Research Results

### 3.1. The Situation of Research Matter

Based on the criteria given in the questionnaires for employees and questionnaires for managers, the researcher after adhering 3 steps in Chapter 3, has processed data by SPSS software. The collected results are as follows:

#### 3.1.1. Gender of Employees

**Remark**

The employees working at Delta Sport Equipment Joint Stock Company occupy the rate between Male and Female with 21,15%- 78,85% (According to source of Human resource Administration). The results collected from survey forms with the rate between Male and Female is 20%- 80%. This is the suitable rate with business manufacturing activity. The products which the Company supplies are traditional products in combination with modern technology, it is required high proportion of female with skillfulness and carefulness. The rate of male is distributed in the fields of guard unit, mechanical and electrical unit, machine running, etc. However, the high proportion of female workers shall have great influences on productions because female workers often are engaged in family, bringing children, health matters.

#### 3.1.2. Professional Qualifications

**Remark:** The labor force before recruitment in the company mainly is popular worker (79,2%). This is a big obstacle for the Company to pay expenses for initial working training. However, as for sector of sport foot wear and garment, the labor is mainly on site, although low labor qualification also has bad impacts on production plan and product quality.

Up to 2017, the rate of popular labor has decreased from 67% to 72%, rate of skillful labor increased from 20% to about 28%. However, the low skillful labor rate is the big challenge to the Company in improving product quality, technological process in the development direction, regional and international integration. In order to recover such difficulties, the company must enhance, enrich and train labor force to meet requirements of business

operations. Besides, the labor force with bachelor and college qualification is too low, it is a big obstacle for organization and management in planning of business strategies for the company. Therefore, Delta Sport Equipment Joint Stock Company must pay attention on recruitment, labor attraction with high qualification as existing training and human resource development.

#### 3.1.3. Working Ages and Seniority

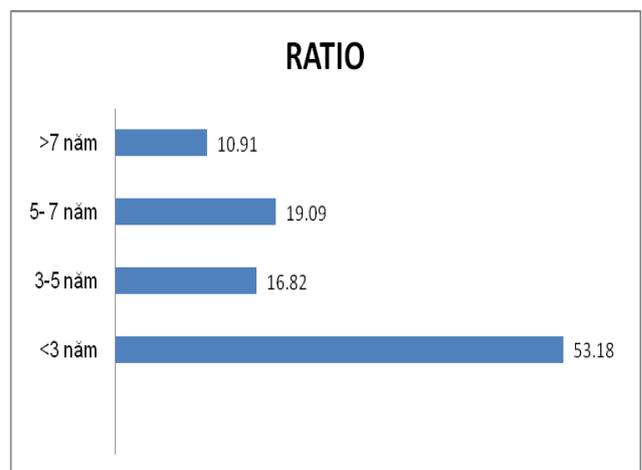
Working Ages of the Selected Sample are shown in the following table:

Age	Observation			Ratio
	Worker	Manager	Total	
< 25	25	5	30	13.64
25- 34	64	12	76	34.55
35- 44	46	35	81	36.82
>45	15	18	33	15
Total	150	70	220	100

So, the average working age of the workforce of the Company is 34.95. At this age, workers generally have stabilized in their family life, working skills and experience as well as had high sense of disciplines and the self-respect and self-esteem needs. This is a favorable factor for the Company when it adopts the overtime working policy or executes professional training courses, and so on.

**Seniority:**

Age	Observation			Ratio
	Worker	Manager	Total	
<3 years	79	38	117	53.18
3-5 years	22	15	37	16.82
5- 7 years	32	10	42	19.09
>7 years	17	7	24	10.91
Total	150	70	220	100



As the Company was founded in 2003, such a seniority is considered fairly high. In 2003, the Company expanded its business and recruited a large number of workers. The number of below 3-year-seniority workers accounts for 53.18%. So, generally, the Company's workforce has

many years of experience and high sense of long-term commitment to the Company (especially the Chairman of the Board cum Director with over 20 years of experience in the area of sport equipment production).

**3.1.4. Evaluation of Manager's Satisfaction**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.871	35

Cronbach'anpha= 0.871> 0.6; KMO= 0.609> 0.5.

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.609
Approx. Chi-Square	1.277E3
Bartlett's Test of Sphericity	Df 595
Sig.	.000

**Rotated Component Matrix<sup>a</sup>**

	Component					
	1	2	3	4	5	6
C1.1				.809		
C1.2				.880		
C1.3				.536		
C1.4						
C2.1				.558		
C2.2				.602		
C2.3						.664
C2.4				.523		
C2.5						
C2.6			.650			
C2.7			.735			
C3.1						
C3.2						
C3.3		.501				
C3.4		.517				
C3.5		.674				
C3.6			.684			
C3.7			.750			
C3.8		.580				
C4.1		.636				
C4.2			.538			
C4.3						
C4.4						.685
C4.5						.553
C5.1	.575					
C5.2	.662					
C5.3	.723					
C5.4	.813					
C5.5	.727					
C5.6					.576	
C6.1					.515	
C6.2					.664	
C6.3					.572	
C6.4		.635				
C6.5		.590				

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 10 iterations.

We have: Cronbach's Alpha = 0.871 > 0.6; KMO= 0.609; Sig.= 0.00; Therefore, criteria suggested for the managers to evaluate are reliable and can be used.

Generally, managers of the Company are highly appreciated and satisfied with factors of human resource

management, especially the sense of responsibility of the workers (Mean - 4.14), Teamwork in the Company, and equal treatment... that are all focused on the common objectives of the organization.

There are some issues that managers pay special attention to, which are the processes of recruiting and training new employees. Perhaps, these newly-recruited workers have been trained professionally, had experience working in other organizations, they, however, need to be trained to be able to work well within the company's environment and the nature of their new jobs. Thus, for these recruitment and training activities, the Company needs to devise appropriate measures to enhance the quality of its human resource management.

**3.1.5. Evaluation of Employee's Satisfaction**

To evaluate this criterion, 8 groups of factors have been considered: Job, Sense of Responsibility, Salary, Beneficial Condition, Training Activities, Colleague, Leader, and Corporate Culture.

**Rotated Component Matrix<sup>a</sup>**

	Component							
	1	2	3	4	5	6	7	8
CV1				.649				
CV2				.544				
CV3				.724				
TL1								
TL2				.584				
TL3								
TL4				.558				
MT1								
MT2	.523							
MT3	.525							
MT4	.681							
PL1	.519							
PL2	.701							
PL3	.685							
DT1								
DT2			.572					
DT3								
DT4								
DT5								.541
DT6			.509					
DT7			.625					
DN1			.700					
DN2		.606						
DN3		.508						
KQ1		.665						
KQ2		.670						
KQ3		.737						
KQ4								
KQ5								.664
LD1								
LD2					.528			
LD3						.656		
LD4						.693		
LD5						.646		
VH1					.538			
VH2								
VH3					.663			
VH4					.722			
VH5					.662			

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 12 iterations.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.876	39

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.772
Approx. Chi-Square	2.055E3
Bartlett's Test of Sphericity	df
	741
	Sig.
	.000

**We have:** Cronbach's Alpha = 0.876 > 0.6; KMO= 0.772 > 0.5; Sig= 0.00. Therefore, the reliability of factors is ensured. It is possible to use these factors for the research.

Total accumulative deviation is >50% showing that the measurement scale for these factors are acceptable.

**+ Job Factors (CV1...CV3):**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.615	3

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.695	56.511	56.511	1.695	56.511	56.511
2	.726	24.215	80.726			
3	.578	19.274	100.000			

Extraction Method: Principal Component Analysis.

**Item Statistics**

	Mean	Std. Deviation	N
CV1	3.35	1.100	150
CV2	3.12	1.117	150
CV3	3.49	1.180	150

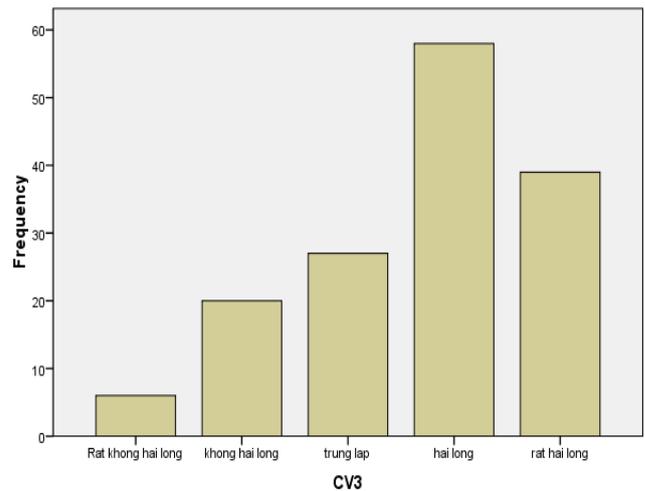
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.630
Approx. Chi-Square	49.965
Bartlett's Test of Sphericity	df
	3
	Sig.
	.000

**Comment:** Job Factors have Cronback alpha vale of 0.615 > 0.6; KMO= 630 > 0.5; Sig= 0.00; Correlation coefficients for CV1, CV2, and CV3 are higher than 0.3.

Thus, it can be concluded that employees' satisfaction for these factors are fairly high, especially for existing jobs, satisfactory and very satisfactory values are 56.511%.

CV3



**+ Group 2: Salary**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.604	4

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.666
Approx. Chi-Square	71.352
Bartlett's Test of Sphericity	df
	6
	Sig.
	.000

**Item Statistics**

	Mean	Std. Deviation	N
TL1	2.95	1.236	150
TL2	3.61	1.092	150
TL3	3.52	1.145	150
TL4	3.44	1.039	150

As for salary group, most of the respondents say that they are satisfied with their current salaries (TL4). However, due to difficult economic conditions and abnormal increase in price, in long-term, the workers want a more appropriate salary policy taking into account the common standards for them to maintain their normal lives and be comfortable to work for the company.

**+ Group 3: Working Environment**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.720	4

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.714
Approx. Chi-Square	119.581
Bartlett's Test of Sphericity	df
	6
	Sig.
	.000

In 2015, Delta Sport Equipment JSC made an investment of over 70 billion dong to construct the infrastructure and expand its production scale. Office facilities, canteen, and kindergarten for workers' children, sport yard and factories were newly and spaciouly constructed with many convenience. Thanks to that, workers felt very satisfied while working in the Company.

#### + Group 4: Social Benefits

##### Reliability Statistics

Cronbach's Alpha	N of Items
.718	3

##### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.622
Bartlett's Test of Sphericity	Approx. Chi-Square	105.159
	df	3
	Sig.	.000

##### Component Matrix<sup>a</sup>

	Component
	1
PL1	.674
PL2	.859
PL3	.860

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

##### Item Statistics

	Mean	Std. Deviation	N
PL1	3.09	1.155	150
PL2	3.43	1.323	150
PL3	3.45	1.156	150

Currently, 60% of the workforce of the Company has participated in such insurances as Social Insurance, Health Insurance, Unemployment Insurance and Labor Union Expenses in compliance with government's regulations. However, there are difficulties in calculating and paying such insurance amounts as the Company applies performance-based salary method. It is necessary that the Company reconsiders its salary calculation method to be able to increase the percentage of workers participating in such insurances to 100% in accordance with government's regulations.

#### + Group 5: Training

##### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.702	.704	7

##### Item Statistics

	Mean	Std. Deviation	N
DT1	2.95	1.219	150
DT2	3.53	1.185	150
DT3	3.37	1.213	150
DT4	3.11	1.291	150
DT5	2.79	1.207	150
DT6	3.48	1.145	150
DT7	3.51	1.145	150

##### Statistics

		DT1	DT2	DT3	DT4	DT5	DT6	DT7
N	Valid	150	150	150	150	150	150	150
	Missing	0	0	0	0	0	0	0
Mean		2.95	3.53	3.37	3.11	2.79	3.48	3.51

Currently, the company manufactures two ranges of products: Sport Ball and Sport Clothes, which are mainly manufactured by traditional manual method. Most of the products are exported to foreign markets (98% of revenue comes from export activities), therefore, high quality, nice models and appropriate price are required. Those are the reasons why the company needs to train and re-educate its employees. Most of the workers when being employed are introduced to get familiar with the jobs and technical procedures. However, in order to improve the productivity and business effectiveness, it is necessary to continuously train and educate the workers and expand and enhance production processes. Though more training will mean more expenses, the results will contribute much to the sustainable growth of the Company in the future.

## 4. Some Solutions to Improve the Human Resource Management at Delta Sport Equipment Joint-stock Company

HRM activities at Delta Sport Equipment JSC have achieved certain results. However, to expand the market share and develop sustainably, it is necessary that the Company has to correct some limits in their current HRM operation. Upon considering the characteristics of the Company and conform to the content of this Thesis, the author would like to recommend some major solutions to improve the human resource management at the Company as follows:

### 4.1. Direct Solutions

#### 4.1.1. Recruitment and Training

An abundant resource of labor with hard-working and willing-to-learn workers and low labor costs are the advantages of Vietnamese economy in general and of the Company in particular. Nevertheless, to turn such potentials into practical results, it is necessary to implement consistent recruitment and training policies for technical, professional and direct labors.

\* **Recruitment:** Recruitment is the activity to turn a potential candidate into a worker. The Company needs to standardize its recruitment process. Seeking and recruiting candidates require adequate attentions. If the recruitment process lacks scientific methods, it will be time-consuming for later post-recruit training activities. When the recruitment division has clearly recognized this matter, they will be more likely to recruit qualified candidates in accordance with job requirements so as to enhance the performance and satisfy the development needs of the organization.

Currently, the company is adopting such traditional recruitment methods as recruitment ads on public media of Thanh Hoa Province, Thanh Hoa Television, Internet and vocational centers... However, for effective recruitment, it

is important to apply other methods such as participating in conferences, meetings or exhibition in combination with introduction to the operations and activities of the organization, by which the company may attract talented candidates to the itself. Especially, there are many vocational training centers in Thanh Hoa Province for students such as: Ho Chi Minh City University of Industry, Hong Duc University, Bach Nghe College, Thanh Hoa Tourism Intermediary School, and so on, where the company may meet with potential candidates.

\* **Training:** When employing new workers who are newly graduated students, Delta JSC still has to train them about basic professional knowledge though they have been trained in the university before. In this training process, it will be ineffective to implement individually for each candidate. Instead, the Company needs to develop a training program and continues investing adequately, even in practice and oversea visit.

#### 4.1.2. Content of the Training Activities

- **Analyzing the training needs:** The purpose of analyzing the needs of training is to identify who are to be trained and which are the main training content. Training needs occur when a worker doesn't have required skills to perform his/her job. To identify the needs, the Company needs to consider the following:

+ **Enterprise Analysis:** The Company must evaluate such criteria regarding the effectiveness of the organization, replacement plan, productivity, performance quality, labor cost, and so on, to determine which training method is appropriate.

+ **Job Analysis:** Which skills does a worker need to perform well his/her job? This phase will determine the necessary skills and behaviors of the workers to perform his/her job well, which is mainly applied to newly recruited employees.

+ **Labor Analysis:** Which are the strengths and weaknesses of the workforce of the company? Labor analysis must emphasize on qualifications and personal characteristics of the laborers to identify who are required to train and which kinds of knowledge, qualifications or skills needed to be focused on during the training. It will not be useful if the Company implements wide-range training activities and engage even those without the necessity in the training as that's wasteful of time, finance and resources.

- **Training Planning:** The company should pay attention to develop a training program for each period, especially for future periods. In such a plan, it is important to identify which workers are to be trained, the budget, time and place of training.

## References

- [1] Dr. Hoi Nguyen Thanh (2012), Human Resource Management, Statistics Publisher.
- [2] Anh Trieu Tue, Vien Lam Trach (2004), Structure design and strategy management for human resource, Labor – Society Publishers.
- [3] Than Nguyen Huu (2013), Human Resource Management, Statistics Publisher.
- [4] Master. Diem Nguyen Van and Vice Pro. Dr Quan Nguyen Ngoc(2011), Textbook on Human Resource Management, National University of Economics, Labor – Society Publishers.
- [5] Master. Thanh Nguyen (2004), Human resource development for the modernisation and industrialisation, National Politics Publisher.
- [6] San Nguyen Hai(2005), Administration, Statistics Publisher.
- [7] Dung Tran Kim (2011), Human Resource Management, Statistics Publisher.
- [8] Regulation of Delta Sports J.S.C.
- [9] Report on the labor quantity and quality in 2017, Administrative & Human Resource Department - Delta Sports J.S.C.
- [10] Financial statements of 2015, 2016, 2017, Financial and Accounting Department - Delta Sports J.S.C.