ENHANCING HUMAN RESOURCES QUALITY FROM THE PERSPECTIVES OF THE STARTUP INCUBATORS IN VIETNAM HIGHER EDUCATION SECTOR

Thai Hoang Hanh Nguyen
Department of International Relations – HUFLIT
nguyen.thh@huflit.edu.vn

ABSTRACT: Recent years have witnessed the concern of the Vietnamese government on startup incubators. The government has passed some important document to push up the development of the startup incubators, such as Decision No. 844 / QĐ-TTg namely “Supporting the national innovation and innovation start-up ecosystem up to 2025 (Project 844)”, and Decision No. 1665 / QĐ-TTg “Supporting students and start-ups up to 2025.” Those documents have established a platform to support nationwide startup incubators. Although, Vietnam has focused on developing startup incubators, it still needs to have an overview of startup incubators’ situations currently. Therefore, this paper aims to give an overview of startup incubators in the Vietnam higher education sector as well as mention some recommendations basing on the entrepreneurial spirit framework to enhance human resources quality when conducting those incubators in Vietnamese universities.

Keywords: Startup incubator, incubator, Vietnam, higher education, entrepreneurial spirit.

1. INTRODUCTION

Human resources are seen as an important factor in enhancing one economy. Recent years have witnessed many changes in the policy of Vietnamese government in order to push up its economy. Training human resources are not only entrepreneurs’ priority but also a national strategy. Assigned by the Deputy Prime Minister Vu Duc Nam, Ministry of Science and Technology created the Project draft. Then on May 18, 2016, the Vietnamese government approved the Decision No. 844/QĐ-TTg namely “Assistance policies on national innovative startup Ecosystem to 2025 (Project 844)” (Decision 844/QĐ-TTg on National Program 844 (Initiative for Startup Ecosystem in Viet Nam - ISEV), 2016). Project 844 was issued to generate a national startup gateway to link policy-making agencies, ministries, localities, startup incubators, investors and startup businesses together. This project offers full specifics of the results of technological research as well as technologies transferred to Vietnam, and thousands of domestic and foreign inventions. Moreover, it includes state policies and procedures to establish startup businesses, and a list of experts and mentors. The portal is beneficial in helping to promote connectivity within the national innovative startup ecosystem. Project 844 includes the following main objectives: Establishing the Online Portal for the Nationwide Innovative Startup Ecosystem; emerging Service Hubs for innovative startups under different ministries and local governments; organizing the National event for startup ecosystem (Techfest) and large scale local startup events; continuing to implement and expand “Vietnam Silicon Valley Project”; providing capacity construction and services for startups via education and service organizations; improving infrastructure for startups, i.e. co-working space, prototype design labs, testing labs, cloud services; enhancing startup culture through a unique media channel for startups on Vietnam television and other international media; connecting Vietnam startup ecosystem with regional and international ecosystems through exchange programs, study tour abroad and inviting international startup supporting organizations to Vietnam; helping to introduce startups from Vietnam with international partners and investors, facilitating them to open international representative agencies; encouraging the use of science and technology development funds in offices, local governments and enterprises to support innovative startups through means of loans, grants or investment; reviewing existing legal documents and proposing necessary updates or new legal documents to promote innovative startup environment (National entrepreneurship & innovation support scheme approved by Vietnam Prime Minister, 2016). In addition, Decision No. 1665/QĐ-TTg “Supporting students and start-ups up to 2025” (Quyết định số 1665/QĐ-TTg của Thủ tướng Chính phủ : Về việc phê duyệt Đề án "Hỗ trợ học sinh, sinh viên khởi nghiệp đến năm 2025"). These two documents have strongly believed to create a compelling and inclusive startup entrepreneur ecosystem in Vietnam, especially create a premise for students in colleges and universities to be trained and develop themselves in order to be pioneers in human resources. By 2020, the project aims to finalize the main legal framework for the startup ecosystem; promote the online portal for the Nationwide Innovative Startup Ecosystem, and support 800 startup plans, including 200 startup institutions. Of these 200 startups, 50 of them should have raised follow-on venture from private venture investors or undergone mergers and acquisitions with a total value of around VND 1,000 billion. By 2025, it is predictable that the project will have supported 2,000 startup plans and 600 startup enterprises. Furthermore, 100 should have successfully raised follow-on investment from private venture investors or undergone mergers and acquisitions with a total value of around VND 2,000 billion (Vietnam’s Innovation Ecosystem 2019, 2019, p. 9).
From the above data, it cannot deny that the start-up has attracted the concern of the Vietnamese government and the whole society. Although, Vietnam has focused on developing startup incubators, it still needs to learn more experiences from others who have conducted and developed incubators for many years. Hence, this paper aims to give an overview of startup incubators in Vietnam higher education sector as well as mention some recommendations basing on the entrepreneurial spirit framework to enhance human resources when conducting those incubators as the implication for Vietnam.

II. LITERATURE REVIEW

A. Startup incubator

There are many terms relating to incubators, such as “startup incubator,” “business incubation,” “business incubator,” and so on. “Startup incubator” is a term that develops during our new era making a new strategy of business expansion. A startup incubator is a joint program for startup businesses - usually physically located in one central workplace - designed to help startups in their early stages succeed by providing office, finance, mentoring, and training. Startup incubators are usually nonprofit institutions, often associated with universities and business schools that extend offers to alumni, students, and members of the public to take advantage of the program (Peek, 2019). Additionally, “Business incubation” is a public and/or private, entrepreneurial, economic, and social development process designed to cultivate businesses from idea generation to start-up corporations and, through an inclusive business support program, help them found and accelerate their growth and success (infoDev, p. 30). “Business incubators” cultivate the development of entrepreneurial corporations, helping them survive and develop during the startup time. Their agendas provide business support services and resources tailor-made to young organizations. The most mutual goals of incubation programs are creating occupations in a municipal, boosting a community’s entrepreneurial environment, retaining businesses in a community, building or accelerating growth in one local industry and diversifying local economies (USC/ Columbia Technology Incubator, n.d.). However, there are different ways to explain incubators; there is the same meaning relating to cultivating business from ideas to realities. In this paper, startup incubators are used to mention business incubation conducting in one university environment.

B. Entrepreneurial spirit framework

Operating one startup incubator is seen as operating an enterprise. Therefore, managing an incubator requires an entrepreneurial spirit. There are many different concepts and definitions relating to the entrepreneurial spirit. Five features are what entrepreneurial spirit is all about: technical preparation; business and management skills; the capacity to use resources and information to take advantage of business opportunities; personal characteristics including genuine passion, flexibility, and hardworking values; and interpersonal skills to understand the social impact of business development (Hernandez-Gantes, 1996).

C. Overview of startup incubators situation in Vietnam higher education sector

Vietnam’s startup scenario can be traced back to 2004, when venture capital fund IDG Ventures Vietnam was founded, pouring more than US$100 million into the market. The fund capitalized in over 40 companies in technology, media, telecoms and consumer sectors in Vietnam. Vietnam has seen remarkable growth in the number of startups recently, growing from 400 companies in 2012 to approximately 1,800 in 2015, and 3,000 in 2017. Currently, Vietnam has a third-highest rate for startups in Southeast Asia (Vietnam’s Innovation Ecosystem 2019, 2019, p. 6)

Recent years have witnessed the development of startup incubators in Vietnam higher education. There have been startup incubators established in some universities with multidisciplinary fields and supporting from many levels. The following are information about some successful incubators under universities in Vietnam, especially in Ho Chi Minh City where having most incubators in Vietnam.

“Information Technology Park, Vietnam National University Ho Chi Minh City (ITP) is an environment for technological entrepreneurs, especially those in Information and Communication industry. To develop an entrepreneurial ecosystem at ITP is a micro-initiative by the Vietnam National University Ho Chi Minh City to enhance simultaneously three vital factors to the development of Vietnam’s economy, including: Enhance innovation capabilities, Improve technological readiness, Improve the quality of the workforce in the Information and Communication industry. Established on the technological infrastructure funded by the government since 2003 at the gateway of Vietnam National University Town, ITP has pushed forward collaborations and partnerships with public and private skate holders to provide businesses, especially startups, with the necessary resources to ensure their successes. Unlike other projects, both governmental and public resources are contributed to the building of ITP sustainable entrepreneurial ecosystem.” (Thi, n.d.)

Ho Chi Minh City University of Technology, Vietnam National University is one of the first universities having Technology Business Incubator (TBI) and being maintained by Belgium’s ODA. Ho Chi Minh City authorities, from 2007 to 2013, started the trial program for TBIs directly under universities. With that policy, Ho Chi Minh City
Department of Science and Technology collaborated with and supported Ho Chi Minh City University of Technology and Ho Chi Minh City University of Agriculture and Forestry to found two TBIs directly under the universities. Before that, there were some TBIs founded in the city and this support of the city has created a new vitality for TBIs of the universities. The incubators generally completed the process and strategy for operation, place the first step for future development (Ca, 2015).

III. RECOMMENDATIONS ON ENHANCING HUMAN RESOURCES QUALITY IN STARTUP INCUBATORS IN VIETNAM HIGHER EDUCATION SECTOR

According to the above data, it is clear that the universities also concern about developing startup incubators under institutions. This part mainly points out some recommendations relating to human resources quality, and those commendations are based on the entrepreneurial spirit framework.

First of all, technical preparation relating to human resources should be considered as human resource planning. Nowadays, there are many startup competitions organized in many universities. However, those competitions only appreciate great concepts and ideas rather than put those ideas into reality. Therefore, the government should have a clear policy and procedure to boost the idea to become an actual startup. For example, government should consider students have legal personality as well as preferential process to open a startup. In addition, having a legal personality to operate a startup is such a new thing for students. Hence, in terms of legal status, students need to have virtuous preparation for legal knowledge as well as responsibility for their startup. It is not only school are representatives to support students but also students can feel empowered. Moreover, senior high school students are also potential human resources for startup incubators. It should be a breakthrough if the university entrance examination can consider their ideas and grade their startup incubators as an official criterion to study at one university.

Secondly, business and management skills should equip to all students with different majors who want to open and have potential to operate a startup incubator. Furthermore, to create synchronization and standard, it should have a formal and consistent training program for students nationwide. Those students can have excellent opportunities to learn new experience on one platform and share their own issues with others who have the same background. Sharing and learning are able to help students to run their startup more effectively.

Thirdly, the entrepreneurial spirit also includes the capacity to use resources and information to take advantage of business opportunities. Thus, in order to enhance human resources, each startup should not work separately. The incubators from different institutions should call for a united organization. For example, one startup from the IT field can supply services to one startup from the tourism area. This network can create good services with a reasonable budget. Subsequently, we can create a real ecosystem with diverse fields working independently and supportively. Furthermore, foreign language is seen as the barrier to develop a startup incubator. Hence, it should call for the participation of international students who are studying in Vietnam to join startup incubators. They can make startup environment more diverse nationalities as well as human resources with diverse languages.

Fourthly, the entrepreneurial spirit highly appreciates personal characteristics including genuine passion, flexibility, and hardworking values and interpersonal skills to understand the social impact of business development. Evaluate personal characteristics and interpersonal skills are not an easy task. Though, every field has different criteria to evaluate their human resources, it should have a system to evaluate as well as human resources data to manage human who works in startup incubators in Vietnam. LinkedIn should be considered as a good sample to build our own system. Moreover, though students operate a startup, they also want to have appreciation from society. It might include the fame of their startup in society and giving them awards. Therefore, it should have an official award at the national level to appreciate them yearly.

IV. CONCLUSION

Human resources are such long-term planning. It should be considered carefully with the agreement of many related parties and levels. Every year, the government should examine startup incubators’ situations in order to adjust as well as approve more policies to support the development of those startup incubators. Human resources are no longer issues of one startup incubator, but it should be a consideration of the government.

V. REFERENCES


