



# PROCEEDING OF 6<sup>TH</sup> INTERNATIONAL CONFERENCE



## SOCIO-ECONOMIC AND ENVIRONMENTAL ISSUES IN DEVELOPMENT

NATIONAL ECONOMICS UNIVERSITY PRESS

Hanoi, 12 - 13 May, 2016



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ISSUES IN DEVELOPMENT**

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## VIETNAM; A CORPORATE CULTURE IN TRANSITION

*Philip H Nicholls<sup>1</sup>*

### **Abstract**

*This paper explores the interface between corporate culture and human resource management in Vietnam in the context of increased levels of foreign direct investment. The discussion questions whether, as the number of foreign firms in Vietnam multiplies, and each brings with it its own corporate culture, and especially its own human resource management practices, traditional cultural values will be modified. This inquiry, adopting a narratological approach, has been informed through archival research, supported by experience in the field, and personal interviews. The narrative does not venture to postulate a definitive set of conclusions, however it identifies “trends” as the probable precursors of social and cultural changes that may go beyond the corporate sphere. Given their different cultures of origin, values and corporate work practices it is suggested that foreign firms will act as agents of change as they infiltrate the Vietnamese corporate environment, and hence broader cultural changes may be inevitable.*

**Key words:** culture, FDI, higher education, HRM, Vietnam.

### **Introduction**

This paper explores the interface between corporate culture and human resource management (HRM) in Vietnam in the context of increased levels of foreign direct investment (FDI) and questions whether, as existing people management practices are being modified, corporate culture and along with it traditional cultural values will be eroded. Since the mid 1950's Vietnam has progressively evolved from its colonial past to being a centrally controlled economy, and since 1987 its transformation to an open market oriented economy has been steadily gaining momentum. Reflective of this transformation, there have been dramatic changes in the volumes of foreign direct investment (FDI) such that Vietnam has recently been labeled, “the new China”<sup>2</sup>. Data published in the Financial Times in 2015<sup>3</sup> reported that in the preceding year Greenfields investment in Vietnam increased by 119%, in contrast to China and Thailand where increases were in the order of 4% and 16% respectively. In 2014 Vietnam received 9% of global FDI representing USD 24bn, an increase in capital investment of 56% relative to the preceding year. The high-tech giant Samsung has committed to invest in excess of USD 1bn in each of four new plants in Vietnam and other foreign owned enterprises (FOE's), all of which are multinational corporations (MNCs), including Fuji Xerox, LG, Panasonic, Lixil, Mitsubishi and Intel continue to make major investments<sup>4</sup>. History shows that as MNC's

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<sup>2</sup> Control Risks. (nd). Retrieved from <https://www.controlrisks.com/en/our-thinking/analysis/vietnam-potential-sweet-spot-in-2015> (accessed March 2<sup>nd</sup> 2016) <http://forms.fdiintelligence.com/report>

<sup>3</sup> Financial Times. (nd). *The FDI Report 2015*. Retrieved from [2015/files/ The-fDi-Report-2015.pdf](2015/files/The-fDi-Report-2015.pdf) (Retrieved 23<sup>rd</sup> February 2016)

<sup>4</sup> Nepcon Vietnam (2016) Retrieved from <http://www.nepconvietnam.com/html/industry-news.html> (accessed March 10th 2016)

move to new locations smaller firms that provide components and required technical support follow. Hence, it is against this background that a number of topical questions arise in relation to the probable impacts of these transformational changes, not the least of which relate to changes in the prevailing corporate cultures in Vietnam, and specifically, changes that arise as a consequence of HRM issues.

### **Methodology**

Discursive in approach, the methodology applied in this research is qualitative, and has been principally informed by archival and web based sources supported by personal communications and field work which included personal interviews and an informal survey conducted in the course of teaching Human Resource management to post graduate students in Hanoi in 2016. The narrative does not venture to postulate a definitive set of conclusions, however it identifies trends as the precursors of social and cultural change that may go beyond the corporate environment. In this respect the paper intentionally raises more questions than it seeks to answer and leaves the final conclusions as to the likelihood of the impact of increased FDI to the individual reader.

### **Background**

The world, once conceptualized as “the west and the rest” (Mahbubani,1993) is fast disappearing as globalization, propelled by the multiple technologies of communication and transportation, facilitates increased integration of social and financial networks. Globalization has promoted, and in turn has been promoted by, increases in global trade and FDI. At the same time growth of trade alliances between countries have facilitated the mobility of labor and in the process HRM has become part of the competitive global market place where searching for the right person for the right job in terms of skills and technical expertise, especially at the “high end” of the market, has become a global search. The term “human capital” has entered the corporate lexicon and has a place on the corporate balance sheet in a techno-centered global market where those with specific talents, expertise and intelligence are in ever greater demand across every sector of human enterprise. Increased levels of FDI bring benefits and dis-benefits to economies and hence to countries. Host countries clearly benefit from increasing cash flows and the demands for both skilled and unskilled workers, yet at the same time local businesses may suffer through loss of valued workers or even cease to exist due to an inability to compete with these new enterprises.

Of relevance to this discussion Vietnam has a population of 93.421m people having a median age of 29.2 years, and a birth's to death's ratio of 16.25/5.93 which equates to a population increase of 1% per annum<sup>7</sup>. Hence, Vietnam offers foreign investors the benefits of a relatively young and growing population, characterized by Quang and Vuong (2002) as “hospitable, industrious, politically sensitive, and hard-working”. The authors go on to state however that traditional Vietnamese society is characterized by “tight social frameworks” and “people in ‘groups’ are expected to look after their members”.

It is also of significance to note that wages levels in Vietnam remain low in comparative terms, both within ASEAN, and even more markedly from a global perspective. The minimum wage, determined by government, is between USD 106.52 and USD 155.34

depending on region<sup>5</sup>. In addition, geographically, Vietnam has a range of advantages. Located on the Indochina Peninsula it has a coastline of 3260km bordering the South China Sea to the East, and has land borders with China to the North, and with Lao and Cambodia to the West and South West<sup>6</sup>. Proximity to ASEAN countries and to Japan, South Korea and other Pacific Rim countries, fellow members of the Trans Pacific Partnership (TPP), offer further linkages to integrated production networks and supply chains.

### **Vietnam; an economy in transition**

For the past thirty years Vietnam has been described as an economy in transition. Vietnam's transition from a post-colonial economy to a progressively more market oriented economy has been a gradually staged process that has taken place over the past seven decades beginning with the ousting of the French colonial regime in 1954 by Vietnamese Nationalist forces. During the immediate post-colonial era Vietnam struggled as a closed, centrally planned economy based in many respects on a Chinese communist template. It was only after the Sixth National Congress of the Vietnamese Communist Party in 1987 that the country "embarked on its 'economic renovation'", *doi moi* policies. The transition to a market based economy was then set in train subject to the continuing constraints of socialist philosophies deeply influenced by China (Warner, 2013).

In the immediate post-colonial era the Vietnamese regime was antipathetic to foreign economic interventions. This was in its way a predictable response which coincided with a post-colonial ethos which rejected interventions by FOE's perceived as attempting to assert foreign economic dominance at a time when national economic independence and cultural identity were being realigned. It was only after the policy changes of 1987 that internal and external markets were opened to freer competition through the removal of many government imposed sanctions and market imperfections. The proliferation of state owned enterprises (SOE's), as a feature of the centrally controlled economy, has tended to distort competition and limit entrepreneurialism. Nguyen et al (2015) state that SOE's control 45% of the country's investments and assets and attract 27% of bank loans, yet only yield 17% of the country's industrial output and employ only 1% of the workforce.

However, policy changes in the wake of *doi moi* are leading to dramatic reductions in the number of SOE's as reportedly they have decreased in number by 50% since 2000. Even so it is reported that over 3000 remained in January of 2014<sup>7</sup>. The World Bank stated in July of 2015<sup>8</sup> that Vietnam's economic growth, as reflected in its GDP (6.28%), continues to strengthen, however structural reform remains slow. On a positive note a recent report by the US Department of State, "Vietnam Investment Climate 2015", paints a positive picture relative to the economic climate subject to several reservations, not the least significant of which is a concern in relation to levels of corruption<sup>9</sup>. In 2015

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<sup>5</sup> Index Mundi- Country Facts (2014) Retrieved from <http://www.indexmundi.com/vietnam/> (accessed 24<sup>th</sup> Feb 2016)

<sup>6</sup> Vietnam (nd) Retrieved from <https://en.wikipedia.org/wiki/Vietnam> (accessed March 3rd 2016)

<sup>7</sup> Vietnam Briefing (2014). Retrieved from <http://www.vietnam-briefing.com/news/decline-state-owned-enterprises-vietnam.html/> (Accessed March 17 2016)

<sup>8</sup> World Bank (nd). Retrieved from <http://www.worldbank.org/en/news/press-release/2015/07/20/vietnams-growth-strengthens-despite-mixed-progress-on-structural-reforms> (Accessed March 11 2016)

<sup>9</sup> USDS (2015) Retrieved from <http://www.state.gov/documents/organization/242005.pdf> (Accessed March 17 2016)

Vietnam's principal trading partners rank in order as China, the United States, South Korea, Japan and Thailand<sup>10</sup>. A recent report published by Bloomberg (Boudreau, 2015) suggests that with the creation of the TPP Vietnam will benefit to a greater extent than any of the other eleven members as GDP is predicted to rise by 11% in the next ten years and exports may possibly increase by around 28%<sup>11</sup>.

Currently, as indicated above, Vietnam's major trade partners have trade relationships with either or both ASEAN and the TPP, and these linkages will expand as an anticipated 18,000 tariffs are removed with the implementation of the TPP (Boudreau, *supra*). At the same time ASEAN, via the Asean Economic Community (AEC) initiatives and the greater Mekong Sub-region (GMS), is facilitating higher levels of intra-ASEAN trade.

### **Foreign Direct Investment in Vietnam**

FDI, defined in broad terms as the creation or expansion of an enterprise by an MNC in a "host country"; a country other than its country of origin. As discussed by Czinkota et al. (2009) and Hill (2011), MNC's generally expand to overseas locations for a range of reasons which, in a nutshell, collectively aim to increase their competitive advantage by reducing the costs of the inputs to production and additionally to gain access to larger markets. A major input to any production process is unquestionably the costs of employing workers, whether skilled or unskilled. As stated above Vietnam has recently been termed the "new China" due largely to the fact that labor costs are now around 50% less than those in China<sup>12</sup>, a factor which is making it a magnet for increasing levels of FDI in Vietnam.

The attraction of low wage structures is a distinction Vietnam shares with several of its ASEAN neighbors. In addition, it strategically straddles the ASEAN-TPP free trade zones; an added bonus to MNC's as it is positioned to be a hub for established integrated production networks. Industries producing electronic and automotive components including computer chips, motherboards and auto-parts, have strong incentives to invest in Vietnam which has the potential to develop as a unique hub linking the TPP, ASEAN and the GMS nations. Both in the production of components and in the assembly of finished products Vietnam is in a strong position to outbid most of its ASEAN and Pacific Rim rivals as it "ticks" more boxes than most other countries, not only in Asia, but globally. Vietnam has a further advantage over its CMLV low-wage neighbors in terms of having higher levels of English proficiency<sup>13</sup>. Yet paradoxically, despite its significant advances in recent times, Vietnam faces an impediment common to countries that offer low-wage structures, namely deficits at the high end of the skills spectrum in technical and managerial terms. This in turn increases the likelihood of the need to recruit specialists from overseas to meet technical and managerial demands. As a consequence global HRM issues may come into greater focus.

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<sup>10</sup> Source; Vietnam Statistics Office cited at <http://www.bloomberg.com/news/articles/2015-10-08/more-shoes-and-shrimp-less-china-reliance-for-vietnam-in-tpp> (Accessed March 17<sup>th</sup> 2016)

<sup>11</sup> Boudreau J (2015) cited at <http://www.bloomberg.com/news/articles/2015-10-08/more-shoes-and-shrimp-less-china-reliance-for-vietnam-in-tpp> (Accessed 12 March 2016)

<sup>12</sup> Control Risks (nd). Retrieved from <https://www.controlrisks.com/en/our-thinking/analysis/vietnam-potential-sweet-spot-in-2015>

<sup>13</sup> English News (2015.) Retrieved from <http://englishnews.thaipbs.or.th/content/136519> (accessed 11<sup>th</sup> March 2016)

## Management Styles and Corporate Culture

Management style may be defined as an overall “method of leadership”, or a “way of life operating throughout an enterprise” (Quang and Vuong, *supra*). Management styles cover a spectrum ranging from autocratic and largely bureaucratic, to participatory and hence more permissive<sup>14</sup>. Khandwalla (1995)<sup>15</sup> defined management style in terms of functions, as “the distinctive way in which an organisation makes decisions and discharges its various functions”.

Depending on an organisation’s operating conditions, management styles vary. Likert (2011), who theorizes from a decidedly Western perspective, identified four management styles; exploitative, authoritative benevolent, authoritative, consultative, and participative. Quang and Vuong (2002) suggest that in Vietnam management styles vary depending on the size of the organization and the sector in which the enterprise operates and tends to balance formal and informal practices; “formality” is “positively associated with an owner’s perception of the firm’s performance”. This observation is not inconsistent with Hofstede’s analysis of Vietnamese corporate traits, its cultural dimensions, as outlined below.

Management styles may be termed “culture-specific” in so far as different corporate cultures of origin are reflected in the different management styles found in FOE’s. The relationship between management styles and culture is a well-documented phenomenon; “management styles are profoundly influenced by the social cultures in which organisations operate” (Quang and Vuong, *ibid*). Culture is defined as delineating values, norms and beliefs in both individuals and organizations. It is a determinant of what is acceptable; what one can do and can’t do, should do and shouldn’t do, in any given situation. The practical experience of interacting with different corporate cultures often tends to illustrate those cultural traits described as “high and low context” and “monochronic/ polychronic”. By way of example the exactitude and precision exhibited by Japanese corporate enterprises contrasts markedly with the laid back, “*mai pen rai*” approach so evident in Thailand for example in terms of time management and precision. Nguyen and Bryant (2004) recognise that culture profoundly influences management styles but emphasise that even within a single culture there can be a range of management styles and significant differences exist between different industries within a single culture. This is true in respect of the different enterprise sectors operating in Vietnam as reflected in government administration, SOE’s, small and medium enterprises, (SME’s).

Management practices in Vietnam are best understood by reference to its history, culture and traditions. Over the last 100 years Vietnam has experienced foreign colonial administrations, and centralized single party socialist government administrations, both by degrees tending to be top down, authoritative, and non-consultative. Claes and Gehrke (2014) state the Vietnamese learnt to function as “members of a society” and to behave according to their rank in a hierarchy in which titles, status and formality were important, and where superior-subordinate relationships were strictly adhered to. These observations, which echo those of Nguyen (2015) and Quang and Vuong (2002), support the contention

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<sup>14</sup> Management Styles (nd) Retrieved from [https://www.rpi.edu/dept/advising/free\\_enterprise/business\\_structures/management\\_styles.htm](https://www.rpi.edu/dept/advising/free_enterprise/business_structures/management_styles.htm)

<sup>15</sup> Khandwalla (1995) cited in Quang and Vuong, (2002)



that a culture of respect and passive submission to authority once pervaded all aspects of administrative management in Vietnam and extended beyond government agencies and SOE's to the private sector including family businesses and SME's. Claes and Gehrke (ibid), go on to state "There is a great invisible wall between foreign managers and Vietnamese managers" ...."Vietnamese managers are concerned with their own power; they require employees to ask for permission for every small job". The role of the supervisor, the modes of communication, and levels of control are distinctive characteristics of the traditional style of management in Vietnam.

These observations dovetail with the analysis of Vietnamese culture by Geert Hofstede<sup>16</sup> which he characterised as having a high "power distance" coefficient (70) which indicates a high level of acceptance of authority which in turn translates to respect and obedience in superior-subordinate relationships. This characteristic corresponds to what he recognized as a low level of individualism (20) which in turn can be related to an ability to cooperate and coordinate with others and to work in groups. Hofstede also identified a high level of "long term orientation" (57), which relates to the degree to which individuals seek to maintain their links with the past. Consistent with the foregoing a low level of uncertainty avoidance (30) suggests that people don't seek to control the future but accept that whatever happens was meant to happen, which corresponds to beliefs in many cultures where nascent Buddhist/Confucian beliefs underpin cultural traits. Uncertainty is avoided and hence risk taking is minimized. The low indulgence dimension (35) relates to the extent to which individuals are prepared to surrender control their personal desires and impulses. If Hofstede's analysis of Vietnamese culture is compared to his corresponding analyses of the "dimensions" of American culture, representative of Western corporate culture, and likewise Japanese culture, the cultures of origin of a high proportion of firms now investing in Vietnam, it is observed that the "cultural gap" is significant relative to western corporate culture, however less so with respect to Japanese culture.

Country	Power distance	Individualism	Masculinity	Uncertainty Avoidance	Long term orientation	Indulgence
Vietnam	70	20	40	30	57	35
America	40	91	62	46	26	68
Japan	54	46	95	92	88	42

Hofstede's analysis of Vietnamese culture is reflected in many respects with the observations of Nguyen (2015), Claes and Gehrke (2014) and Quang and Vuong (2002).

### **Human Resource Management and Corporate Social Responsibility**

Every aspect of a firm's activities is determined by the competence, motivation, and general effectiveness of its human organization. Of all the tasks of management, managing the human component is the central and most important task, because all else depends upon how well it is done. (Likert 1967:1 cited in Pieper R. (1990))

<sup>16</sup> The Hofstede Centre. (nd). Retrieved from <http://geert-hofstede.com/vietnam.html> (Accessed 12 March 2016)

HRM may be defined as the “design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish the organizations goals” (Mathis and Jackson, 2007)<sup>17</sup>. HRM is not as some have suggested an American invention; however Cornell University has the distinction of being the first university to recognise HRM as a specialized academic discipline. In reality HRM was an “invention” born of necessity as enterprises became larger, competition greater, and management functions became more complex. These factors demanded the essential need for greater specialization across the multiple functions of management to ensure sustainability. In terms of an oft repeated mantra the role of a human resource manager is to find “the right person for the right job at the right time”. In fact the duties of an effective human resource manager go far beyond this refrain and extend to issues both external and internal to an organization including corporate image, budget control, employee satisfaction, conflict resolution, training and development, and succession planning, so as to ensure that an enterprise remains sustainable. A key to sustainability is maintaining competitive advantage which may be promoted by identifying, recruiting and retaining the most talented and experienced staff appropriate to each functional area within an organization (Mayhew nd).

Increased global competition by firms to secure the most competent individuals has led to a bidding war in terms of the levels of remuneration expected and often demanded by them. Hence in practice the “package” offered to secure and retain the right person for a specific post always responds to the simple economics of supply and demand. As a consequence salaries for the most highly skilled individuals continue to spiral upwards in a free global market. This in turn may have a “trickle-down” effect causing salary parameters to be recast at other levels throughout an organization, and beyond. Predictably individuals seek to gain a level of remuneration commensurate to a perception of their own worth in the market place relative to what they perceive others with similar skills and qualifications receive. This observation draws on elements of Adam’s Equity Theory (1963) as the *principles of fairness and balance* also suggest that an employee’s degree of motivation is correlated to their perception of equity fairness and justice.”<sup>18</sup> Consistent with the above individuals may be motivated to resign from a position and seek employment elsewhere if they consider that they are not being treated fairly, and this is especially true in terms of levels of remuneration and other conditions of employment.

HRM and corporate social responsibility (CSR) are closely linked. CSR is defined in brief as the ongoing commitment of firms to behave ethically, and relates to the internal management of firms as well to as their external relationships with the world at large. Current understanding of CSR owes much to the work of Dr Archie Carroll who published the seminal work, “The Pyramid of Corporate Social Responsibility,”(1991)<sup>19</sup>. CSR dictates that firms must be in every sense “good corporate citizens”. Going beyond philanthropy firms must in all respects be fair to workers, must give back to the

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<sup>17</sup> Original Wavelength (2011). Retrieved from <http://originalwavelength.blogspot.com/2011/06/history-of-human-resource-management.html> (accessed 29th of February 2016)

<sup>18</sup> Biz Shifts-Trends (2014) Retrieved from <http://bizshifts-trends.com/2014/08/06/equity-theory-fairness-justice-business-workers-perceptions-fairness-workplace-matter/> (Accessed March 10<sup>th</sup> 2016)

<sup>19</sup> Anaejion. R., (nd). *What Is Corporate Social Responsibility?* Retrieved from <http://smallbusiness.chron.com/corporate-social-responsibility-11605.html> (Accessed March 24 2016)

communities in which they operate, care for the environment, and ensure that they produce products which are consumer safe. In terms of HRM firms have a range of obligations including the payment of fair wages, respecting equal opportunity, offering reasonable working hours and providing safe working conditions. These tenets of good corporate behaviour are now prescribed, entrenched in legislation, in most countries and underpin HRM codes of conduct. Even in countries where such legislation is non-existent, MNC's, wherever they operate, that choose to ignore their CSR obligations do so at their own peril as Foxconn, GAP, Nike and Adidas have discovered to their cost in recent years (Mondy and Martocchio, 2016) and (Noe et al., 2015).

A review of HRM practices across different enterprise sectors in Vietnam carried out by Thang and Quang (2005) indicated that foreign firms had more developed HRM practices than SOE's and that private entrepreneurial enterprises were even less receptive to modifying human recourse practices than SOE's. This finding, some ten years ago, amplifies the probability that increased levels of FDI will have flow-on effects across all business enterprises in Vietnam as foreign firms, bringing with them work practices incorporating the principles of CSR for example, will continue to act as agents of change. In terms of Adam's Equity Theory (supra), employees' expectations may continue to rise and increased workplace mobility is a predictable outcome.

### **The Impacts of Business Education; another area of change**

A further factor that will inevitably promote change in the corporate arena in Vietnam is silently brewing in the corridors of academia at both undergraduate and post-graduate levels. A random web-survey, based on the "[find-mba.com/schools/asia/](http://find-mba.com/schools/asia/)" *website indicates that there are* 458 MBA programs taught across Asia of which eight are listed for Vietnam in addition to the MBA program at the National Economics University in Hanoi (NEU), where incidentally, I have taught Human Resource Management. As a teacher at NEU I gained insights into the mindsets of a group of 34 would-be middle- managers undertaking an MBA program at NEU in 2016. All students were Vietnamese nationals aged between 20 and 40 years employed across various sectors. Each completed a questionnaire relating to their current employment and were asked to gauge their level of workplace motivation, their level of commitment, and related to this, their intentions regarding their future employment. Only one student, who incidentally worked in the Human Resource division of a bank, considered her employment as a life-long vocation. Even so this student expressed concern about the risks of losing her job in the event of a merger. In contrast the majority of respondents, most of whom characterized their employment as boring and lowly paid, did not expect to remain with their current employer for more than five years. Most saw their current employment as a stepping stone to gaining a better job, ideally in a foreign firm, or by starting their own businesses. This informal survey completed as it was by a "captive target population", while not conclusive, may I suggest be interpreted as "indicative" of changes to come. The fact that very large numbers of students are committed to a surprisingly large number of MBA programs on offer across the Asian region, including in Vietnam, has a relevance to the topics under discussion which cannot be wholly ignored.

## Conclusions and Discussion

This paper touching as it does on a diverse range of issues that lie at the interface of corporate culture, human resource management and the emergence of an open, freer market economy in Vietnam, raises more questions than it attempts to answer, and hence does not readily lend itself to a definitive set of precise conclusions. To borrow a lyric from a song published some sixty years ago, "*The future is not ours to see*"<sup>20</sup>, yet a range of predictions based on the current trends are proposed.

The discussion indicates that levels of FDI in Vietnam are increasing and in all probability will continue to increase. With increases in FDI more and more foreign firms will enter the employment space in Vietnam and the demands for both skilled and unskilled staff will increase. As those surveyed indicated, the sense of loyalty to employers, once traditional, may in all probability come a poor second to the desire for the self advancement that FOE's can offer. Clearly, job mobility will be promoted as competition for higher paid jobs will open opportunities for advancement at the expense of workplace stability. Furthermore, where appropriate staff cannot be recruited locally, recourse to the global human resource market will be essential and this in turn may indirectly alter the salary expectations of local staff. The expansion of employment opportunities will also lead to the up-skilling of staff, and this may promote increasing competition for employment in higher paid positions.

Contractual arrangements along with wage structures for employees may need to be modified over time to ensure that once recruited valuable staff members do not succumb to the allurements of rival firms. Many time honoured employment practices embedded in traditional Vietnamese culture will be challenged as merit overtakes family affiliations, status and title. Elements of the old paternalistic order that flourished under a centrally controlled bureaucratic system will inevitably be diluted in the face of economic change and competition. The "invisible wall" discussed by Claes (ibid) will be breached. Inevitably as foreign firms enter the Vietnamese "market place" they will bring with them their own cultural "values" and workplace norms. Equalitarian principles and other human rights issues linked to CSR will permeate the marketplace and may also tend to modify employment practices across other enterprise sectors in Vietnam. As in China and Thailand, as skill levels rise and employers' dependence on those skills increases, workers may progressively gain the leverage to seek higher wages.

Yet with the prosperity that it is anticipated FDI and the expansion of industry will bring Vietnam there will inevitably be downsides. It is questionable whether a more competitive environment will lead to a more egalitarian society, but rather the cultural divide between richer and poorer may become more pronounced as the socialist umbrella folds in the face of capitalist enterprise. In conclusion two questions remain; firstly, what will be the cost to traditional cultural values in Vietnam as mammon emerges and as the rich, as is always the case, get richer? Secondly, will this new era of corporate cultural change inevitably promote a new era of socio-cultural change?

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<sup>20</sup> Livingston and Evans, (1956). "Que Sera, Sera (Whatever Will Be, Will Be)"

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