

**Title:** Getting to grips with digital change

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 **Vietnam Investment Review**

## Getting to grips with digital change

Human resources and an appropriate legal framework are seen as the backbone of the digital transformation, yet both remain limited. VIR's Van Nguyen discussed with PwC Vietnam's general director Dinh Thi Quynh Van possible solutions that could be implemented sooner rather than later.



PwC Vietnam's general director Dinh Thi Quynh Van

**The Vietnamese government has been promoting the digital economy. However, human resources remain one of the biggest bottlenecks for a successful transition. How do you see the situation and what solutions are there?**

The human resources problem is not unique to Vietnam. Results of surveys conducted by PwC around the world show that the human resource satisfaction of the digital economy is an issue raised by more than 70 per cent of CEOs.

Of course, the current capacity gap and the required workforce and skills are different in each country, but human resources are a

fundamental issue that affects all economies.

In Vietnam, even though the digital transformation is being discussed a lot, the necessary actions remain limited. Though Vietnamese youngsters are seen as the dynamic force behind the transformation, the previous generation – that is the current CEOs and business owners – is the one that needs to foster the change as they currently control most economic entities. But how to digitalise and improve their capacities remain questions to be solved.

To help businesses understand the ins and outs of the digital transformation and how to transition,

PwC Global widely introduced upskilling programme "New World. New Skills", under which we offered many initiatives like Knowledge Cafe at the Vietnam Business Summit last week.

This is part of our efforts to share what we've learned and help businesses, local communities and individuals accelerate their upskilling journey.

**We talk a lot about digital marketing, but how many business owners understand and can apply it?**

The good news is that many businesses have been very interested and begun to take the necessary steps. However, more vigorous action is needed, both from individuals and businesses.

For example, in our upskilling programme, each person must first read and understand themselves what the programme is about. Upskilling is not something to put into training in schools, because it is constantly changing and requires constant updating.

So far though, Vietnam has not fully recognised these issues and focused on them as spearheads in digital transformation.

**How can the country prepare better for the digital transformation?**

While it is difficult for the government to instantly meet the demand for human resources, it can formulate the policies needed for enterprises to navigate the legal landscape. For instance, at present, some banks and fintech companies are willing to offer new products that represent digital forwardness but are still concerned about violating the law.

Thus, it is the government's job to provide them with a legal environment, but policymakers are also too cautious. For example, while e-wallets are used in many other economies, Vietnam remains in the testing stage.

#### **What options do businesses have to operate with limited resources now?**

It is all about resource sharing. New trends are happening in Vietnam and around the world all the time, and businesses are advised to use external resources like freelancers if internal capabilities cannot meet the needs of their digital transformation. That means businesses can use freelancers to build new platforms, while full-fledged employees learn to apply and use these.

However, to this end, many businesses need a mindset shift.

We might need to think beyond the conventional practice of employment on a fixed-term basis and explore external resources to achieve business goals. For example, nowadays a freelancer can create and offer digital services for dozens of companies, with different models. Thus, I think that the mindset of policymakers, employers and workers might need to change. We used to see freelancers as unstable in the past, but now things are different. Of course, this change is not that simple.

#### **What roles do the government and enterprises play in sharing resources to promote the digital transformation of businesses?**

The role of the government is to create legislations that align with the changing economy's business environment. It's essential for the government to be cognisant of major trends underway to plan and propose policies that are flexible, and supportive.

Meanwhile, enterprises need to keep quite a few things in mind when sharing resources as the new way of working is different from what we are used to. First, there are issues of timing and quality control.

Freelancers may not always fully understand the situation of the business or its corporate culture, so business owners need to find a suitable relationship with them. To do this, business owners shall understand what they want to give specific deadlines and project descriptions.

However, businesses also need to open up to external resources. That means giving some of the decisions and creative freedom to freelancers, rather than narrowing project details too much, which could affect creativity and the end product. Thus, I think it's vital for both sides to find a common voice.

*PwC Vietnam was once again selected as the Knowledge Partner for last week's Vietnam Business Summit 2020 – one of the largest international business events in Vietnam.*