SKILLS DEVELOPMENT IN THE VIETNAMESE GARMENT INDUSTRY: THE ENGAGEMENT OF THE VOCATIONAL EDUCATION INSTITUTIONS AND INDUSTRY

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ABSTRACT

What constitutes key skills for managers in the complex garment industry? How can stakeholders from education and industry promote the skill development of managers in the garment sector? Using, Vietnam as the pioneer in the garment industry, this study aims to identify the relationships, barriers, and actions that vocational education and training (VET) institutions and industry partners face in providing core skills to graduates for entry into the garment sector. The study reports on 54 semi-structured interviews with key informants in the garment industry and the VET sector.

Keywords: Skills, Development, Training and Development, Vocational Education, Training, Vietnam's Garment Industry.

INTRODUCTION

The garment industry is the second largest industry in Vietnam by export value with a strong export orientation (MacIntosh, 2013). The Vietnamese garment industry was the fifth largest garment exporter in the world (Takahiro Fukunishi, 2013). As the global pioneer in the garment industry, Vietnam is currently competing with the new powerful plyer in this industry such as Cambodia, Russia, and Turkey. In order to maintain the international competencies in this industry, Vietnamese government has been focusing on the promotion of the integration of resources from key educational and industrial partners to co-create skilled workforce in this industry.

Having established that, Vietnam is currently suffering from a skills shortage in its workforce (Montague, 2013; Nankervis et al., 2016). The national data indicates an alarming downward trend in the number of graduates possessing VET qualification in Vietnam (GSO, 2014a). The labour market shares of those who were trained with vocational skills were only 15.4%, while 84.6% of the employed workforce had no technical or vocational training (ADB, 2014). According to the Skills Toward Employment and Productivity (STEP) Employers Survey in Vietnam, a majority of employers highlighted the lack of appropriate skills of the labour force (World Bank, 2015). Employers struggle to recruit applicants with suitable skills despite a large available labour pool. Concerns were expressed that graduating students were poorly prepared for the workplace (Huynh, 2011; Montague, 2013; Nankervis et al., 2016; Tran, 2013; Trung & Swierczek, 2009). The literature has not addressed the relationship between vocational education and training (VET) institutions and enterprises within the context of Vietnam's garment industry (Montague, 2013). To improve skill development in Vietnam's garment industry, a holistic understanding of education-industry engagement in skills development for front line managers is required. Hence, the study addresses the following question "To what extent are vocational

education and training institutions (VET) collaborating with enterprises to improve skills requirements for managers in Vietnam's garment industry.

Skill Shortages in Vietnam

Vietnam' garment industry is well known as "*a Cut-Make-Trim (CMT) professional exporter*" (Le & Wang, 2017). This CMT production modality accounted for 73 % of total exports and is considered the most appropriate one for developing country like Vietnam (Vu & Pham, 2016), to take advantage of the low cost labour force. With this CMT production modality, garment enterprises concentrate on the manufacturing process without considering sourcing material, designing, or branding. Organising and managing the production process effectively is one of the key factors to improve the competitive advantages for Vietnam's garment enterprises (Le, 2017; Lea-Quyen, 2010).

While unemployment among university graduates is not new in Vietnam, graduates from vocational section are in short supply creating critical skill shortages across manufacturing industries (Fernandez-Stark et al., 2012). The education system, especially TVET, has not met the training requirements of garment enterprises. In addition, the engagement between education and garment enterprises is weak and ineffective to address the problem of skills development. Enrollments in TVET enrolments have declined (GSO, 2014b). The result is that the Vietnamese education system is falling behind in terms of generating skilled graduates (Tran, 2013; Trung & Swierczek, 2009). The challenging skills shortage and skills development problem requires closer connections between employers, tertiary institutions, and the government (Painter, 2005). With suitable preparation and sustainable strategies for skills development, Vietnam's garment industry will be able to meet development and export objectives.

Indeed, employers struggle to recruit the right applicants with suitable skills despite an extensive list of applicants applying. The skills shortage reflects a mismatch between the labour supply skills and those skills required to meet existing jobs. Vietnamese employers are looking for skilled workers that are in high demand, but they are unable to attract them (Bodewig et al., 2014). Employers suggest that graduates are not equipped with the necessary skills and suitable vocational skills to access jobs. The challenging situation of skill mismatch requires closer examination among stakeholders in this industry (Painter, 2005).

Developing the skills of the workforce in the garment industry is crucial in the context of the increasing pressures of global competition. Constructive programs are required, as for example Bangladesh's garment industry introduced specific development programs for training front line managers. With effective training of front line managers, these cohorts will be responsible for developing unskilled labor force in their own enterprise through on the job training activities, leading to productivity improvement in their enterprises (Fernandez-Stark et al., 2011).

In the past, low labour costs were considered a dominant element for developing countries to attract foreign investment (Alan Nankervis et al., 2011). However, this trend no longer fits with the actual needs of developing countries (Collins, 2009). In fact, with the shortage of skilled labour, these countries cannot develop production to higher levels and compete with other countries (Thang & Quang, 2005; Watson et al., 2006). Developing skills add to the cost of employing skilled workers, but if enterprises do not upskill then, productivity growth is reduced (Ketels et al., 2010; Warner et al., 1999; Ying Chu & Siu, 2004). Skills increase worker productivity, but this then contributes to poaching, job turnover, and wage increases (Shen & D'Netto, 2012). Thus given the economic importance of skills, a central issue

for countries is how to improve training systems and raise skills, and at the same time retain skilled workers (Ketels et al., 2010).

Montague (2013) suggests that formal education and workplace learning are fundamental factors facilitating skills development. Through developing a skilled workforce, enterprises will encourage abilities of problem-solving, communication, and teamwork; improve job performance; and increase the productivity of their enterprises (Montague, 2013). However, in many developing countries, higher education systems are often underfunded and do not produce graduates equipped with essential skills for subsequent employment (Collins, 2009).

The development of the education system will serve various purposes such as catering to needs of economic and social development and addressing the emerging skills gap (Chand et al., 2001; Hayden & Lam, 2007). However, in many emerging economies, the education system will need to be improved to address these challenges (Oostendorp & Doan, 2013). And it will take some time for domestic institutions to prepare graduates for effective workforce participation (Hayden & Lam, 2007; Wright et al., 2002).

While the Vietnamese education system has achieved positive results in increasing literacy rates (Tran, 2013), however, to be successful, the workforce needs to be equipped with relevant and marketable skills to respond to the pressures of global competition facing many industries (Trung & Swierczek, 2009). In particular, Vietnam needs to increase skilled workers to address skill shortages in management and professional occupations (Collins, 2009; Neupert, Baughn & Thanh Lam Dao, 2005). According to Bodewig et al. (2014), in Vietnam, there is a limited connection between employers, students, and universities. The key stakeholders do not interact with each other. In particular, universities are providing skills that do not respond to the requirements of the labour market (Bodewig et al., 2014).

This study is framed in the context of the skills shortages in the Vietnamese garment industry, especially in managerial positions. The purpose is to examine the interaction between the key stakeholders and to suggest how the skills gap can be addressed.

Conceptual Framework

To develop the necessary skills of graduates in Vietnam's garment industry, situated learning theory developed by Brown et al. (1989) and further developed by Lave & Wenger (1991) will be used as the theoretical lens to examine the engagement of TVET institutions and enterprises. Brown et al. (1989) revealed that today's education system deal with challenges regarding a mismatch between what learners are learning and what they are applying in practice. Lave & Wenger (1991) argue that social engagements in the learning process play a fundamental role in skill acquisition. It is stressed that learners may not gain abstract knowledge and then reapplies in the working environment. Instead, skills acquisition needs to engage in the process under the condition of legitimate peripheral participation. To shed light on a research problem of a mismatch of skills that are supplied by TVET institutions and are required by garment enterprises, situated learning theory is considered as an appropriate guide for investigation.

Situated learning theory focuses on situations in the workplace (Brown et al., 1989; Lave & Wenger, 1991) but dismisses the role of formal education in the process (Fuller et al., 2005). Following Hager et al. (2002), formal education is a special variant of embodied learning. This type of learning becomes an essential element of wider learning within a community of practice. However, it is not guaranteed that this type of learning works best in the community practice concerned (Fuller et al., 2005). In terms of the Vietnamese context, the education system plays an important role in the formation of initial and fundamental skills for learners. This study will

focus on the role of formal education, especially TVET institutions and extend situated learning theory towards the engagement of education and industry in skills development for graduates to the garment sector.

Research on situated learning theory has largely been conducted in the Western learning environment. This study is important as to date here is no evidence that skills-development-style research has been conducted in the context of Vietnam's garment industry. Under the lens of situated learning theory, this study contributes to a greater understanding of barriers in collaboration of both education and industry sectors to develop skills in Vietnam context.

METHODOLOGY

To address the research aims, three types of data-secondary, primary, and field notes- were collected. First, secondary data linked to skills and training in the garment sector was selected from documents and archival records such as academic publications, company, and government reports from 2007 to 2017. This data provided context, the scale of the challenges and outlined current programs for the sector. Second, primary data was collected through semi- structured interviews with key stakeholders, namely employer representatives and staff in training and education institutions. Third, field notes were taken during all of the interviews to record the feeling, observations, and thoughts of the researcher across the research process (Flick, 2014).

As the aim of this study is to understand the extent of engagement between TVET institutions and garment enterprises, the key stakeholders of this study are the educational sector and the industrial sector. Within the educational sector, there were two target groups: lecturers and the head of faculty or department of garment technology. With the garment sector, the participants included front line managers, production managers, and chief executive officers.

Educational Sector

1. Lecturers in the faculty of garment technology (9 participants) coded with ELC1 - ELC9
2. Heads of faculty or department of garment technology (9 participants) coded with EHF1 - EHF9

Garment sector

1. Front line managers (18 participants) coded with IFL1 – IFL18
2. Production managers (9 participants) coded with IPM1 - IPM9
3. Chief executive officers (CEO) (9 participants) coded with ICE1 - ICE9

Participants were selected purposively to fulfil specific conditions of each study that allowed the researcher to get a deeper understanding of the research problem (Patton, 2002; Robson & McCartan, 2016). All interviews were conducted face-to-face in the Vietnamese language. All interviews were audio-recorded upon participants' permission, and field notes were taken. Data collection was carried out in the South of Vietnam, where 62 % of Vietnam's garment enterprises are located (Lopez-Acevedo & Robertson, 2012).

DATA ANALYSIS

All the interviews were recorded using a digital voice recorder during the fieldwork. Recordings were transcribed verbatim into a text-based document after each interview was

completed. It took the researcher from 12 to 15 hours to transcribe each interview, and there were 54 interviews in total in this study. All interviews were conducted in Vietnamese, and the transcriptions were translated into English by the researcher. To ensure the accuracy of the English translation, verification and validation were undertaken with the support of two English speaking lecturers. After the translation was completed, data in the text-based version were ready for the coding process. Coding was performed manually by the researcher and was based on research questions.

In order to comprehend skills development and how to nurture these skills in the context of Vietnam's garment industry, thematic analysis is used to analyse the data. Thematic analysis is a tool to identify, analyse, and report themes within data (Braun & Clarke, 2006). This study adopts the thematic analysis approach recommended by Robson (Robson & McCartan, 2016) including five phase guidelines: i) familiarising oneself with the data; ii) generating the initial codes; iii) identifying themes; iv) constructing thematic networks; and v) integration and interpretation. This analysis approach is appropriate for this study because it emphasises on perspectives, knowledge, and experience of participants as the key object of study. The integration of data from various participants will help us to comprehend the grand and complex issues relating to skills development in Vietnam's garment industry.

RESULTS

The findings of this study address the research question *"To what extent are vocational education and training institutions (VET) collaborating with enterprises to improve skills requirements in Vietnam's garment industry?"* With the specific characteristic of the garment industry and training institutions in the context of Vietnam, the data analysis reveals two main barriers that training institutions are struggling with to collaborate garment industry to develop skills for front line managers.

There Is an Absence of Institutions Training Front Line Managers in the Garment Industry

There are a few training institutions offering training programs in the field of garment technology; they mainly focus on design. Enterprises need the current cohort of graduates to not only be aware of design but be capable of being front line managers. The capacity of institutions to train and to meet the demand of enterprises for front line managers is largely absent. Also, despite the great demand of front line managers, neither enterprises nor training institutions have systematically identified the necessary skills of front line managers to meet the needs of the job.

ICE1

In supplying the necessary skills for the cohort of front line managers in the garment industry, there is almost no training program to equip essential skills for this cohort. With the job of front line manager, institutions said that they are training this or that cohort of front line managers. But now they are still struggling, and their training program is only a short-term course. But if saying of an official and professional training program to supply a real front-line manager for enterprises, it is not available.

Workers accumulate work experience before they are promoted into the position of front line manager. Currently, to solve the shortcomings in the training system and to address

shortages in the cohort of front line managers, institutions are providing a short-term course to develop management skills for employees in garment enterprises.

EHF7

The training program of the front-line manager is currently unavailable. There is only a refresher course for available front-line managers supported by institutions for enterprises.

The Common and General Curriculum

There is an absence of collaboration between enterprises and training institutions, and as a result, there is no curriculum development to address the emerging training needs of front line manager.

EHF5

Enterprises give me a sense that we teach so widespread. They suggest us to teach learners a specific position so that they can have a clear career direction. But, both our institution and enterprise have not done yet.

Currently, the curriculum for garment industry students is academically orientated and removed from the needs of the workplace, especially in terms of managerial skills

EHF1

As our current curriculum is quite popular and general, our learners can work at the multi-job position rather than solely position. So, students are not good at any specific position.

ICE2

Currently, institutions teach the immense knowledge for their students. Graduates say to us they can work as a designer, also work as a front-line manager, and also as a sample sewing technician...But, finally, they cannot work in any position in fact. They keep confusing and cannot launch into the workplace.

One reason for the need for greater collaboration is that garment industry employees who work directly with training institutions do not have the expertise. As the majorities are from the administration departments of garment enterprises; they only have administrative expertise without any working knowledge of production processes and technology. As a result, the engagement between enterprises and training institutions does not address the training needs for managing production in the industry.

EHF1

Enterprises complained that students did not meet their requirements. However, when institutions asked what specific requirements of enterprises are, they only say in general. Enterprises did not give their specific expectations so that institutions can provide better their training process.

ELC4

Enterprises often have subjective opinions. They say that institutions train in such a cursory way, so students cannot work after graduation. However, during the collaboration process, enterprises cannot confirm what the specific skills they need are. They must first have specific requirements for a specific job position, and then they supply institutions. As for now, institutions do not know any specific requirements from enterprises, so we cannot teach properly. Compounding the weaknesses of the collaboration is that many of the education training staff lacks a working knowledge and expertise in the garment industry.

ELC1

The issue is that a cohort of lecturers does not have enough practical experience about production practice to be able to transfer to students. Looking back, we do not want to criticise our current teaching staff. However, most of them have never made products appreciated and used by customers. So, the question is how lecturers can be confident to teach the students about these products.

ELC6

The issue is that a few lecturers used to possess practical production experience. As not participating in the production process, they cannot teach subjects such as technology procedures or the production planning… Meanwhile, young lecturers are now teaching with their outmoded knowledge learned from many years ago in comparison to the continuously updated machinery at enterprises.

The teaching staff is often not supported by the training institutions in terms of resources, and many do not have the opportunity to update their knowledge base.

ELC3

While for the current subjects, a cohort of good lecturers is needed to transfer and update new knowledge from actual enterprises to students. However, now in the faculty, lecturers do not have opportunities to develop their capacity as well as update new knowledge from enterprises.

ELC6

As the majority of institutions are now managed by the government, the good and the bad lecturers receive the same salary. So, why must these good lecturers try to teach well? Though they can teach better than others, their capacities are not properly evaluated, and even they can be hated by others. The issues that salary is not paid by lecture's capacity and the internal conflict is happening regularly are leading institutions fall in the vicious circle.

DISCUSSION

The finding indicated three main reasons that impede the capacity of VET institutions to supply the required skills to graduates for the garment industry. First, lecturers did not possess enough practical knowledge to update their curriculum to reflect contemporary developments in the sector. The most challenging thing in developing skills for graduates is the limited capacity

of lecturers in terms of having access to and knowledge of the garment sector. Theoretical knowledge is fine, but vocational and technical skills are also required. Second, institutions do not evaluate the performance of lecturers or reward performance, thus contributing to the stagnation of the curriculum and learning processes. The challenges are exacerbated the high workloads and limited interaction with the garment sector. Third, the use of external lecturers from industry was limited and was in general not supported by training institutions. One factor here is that there is a gap between the training curriculum and what the sector required; bringing in guest lecturers only highlighted this gap.

Implications for the Industry

This study suggests that training institutions need to be upgrading their curriculum in consultation with industry. Developing a relevant curriculum that meets the skill needs of industry is a starting point in vocational education. To strengthen the collaboration between institutions and enterprises, the government needs policies that support formal training and ongoing training, allowing the skill development for new employees as well as upgrading the skills of existing employees. The policy should be supportive of new and continuous skill development through grants, subsidies, and tax concessions for training expenditure. This will also force training institutions and industry to more effectively collaborate.

Limitations of this Study

First, all interviews of this study conducted with focused numbers of participants in the South of Vietnam. The further study can extend into the North and Central of Vietnam to have a holistic picture of what is happening of skills mismatch and challenges of TVET institutions in collaboration with garment enterprises to develop skills for graduates. Second, this study was confined to lecturers and head of faculty or department of garment technology in the educational sector. This study can include interviews with participants in youth union and its association because together with TVET institutions, they are successfully supporting students in developing skills through extra-curricular activities and connect students and employers via career fairs (Nghia, 2017). Interviewing participants in youth union and its association can give us more details of challenges that graduate are dealing at the workplace, and expectations of employers in collaborative activities with TVET institutions to possess workforce for their enterprises.

Future Research Directions

First, together with drawbacks internal TVET institutions, further studies should focus on the drawbacks that internal enterprises are struggling during the collaboration with TVET institutions to develop skills for graduates. Second, further studies also should investigate factors that impact on the collaboration between the two key stakeholders. As every stakeholder has different separated functions and interests, there are probably differences in the mindset between two stakeholders in their collaboration. It is necessary to have more studies on those factors to restrain possible conflicts happening during their collaboration. Third, this study focused thoroughly on graduates who will become front line managers. Further study should investigate other positions in the manufacturing department of garment industry such as production managers and top managers to have deeper understanding of the needs of skills development in

its manufacturing department, creating the firm foundation for the sustainable development of Vietnam's garment industry through the strong and ready human resources.

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