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Policies to Enhance the Effectiveness of Reskilling Activities for the Garment Industry Workforce in the Southern Mekong Delta during the Digital Transformation Period

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KEYWORDS

Competency framework, Digital transformation, Garment industry, Human resources, Reskilling, Southern Mekong Delta.

ABSTRACT

In the context of Vietnam's garment industry being affected by automation and digital transformation, this study surveys 54 garment enterprises in the Southern Mekong Delta. A structured questionnaire survey method was employed, and the data were processed using descriptive statistics and group comparison. The results indicate that 70.4% of enterprises are aware of the importance of reskilling; however, the rate of implementing periodic skill assessment systems and training cooperation with external institutions remains limited, while the most common forms continue to be "on-the-job training" and internal training. Major barriers include the lack of appropriate programs, limited financial resources, and difficulties in accessing policy support. From these findings, the study proposes three groups of policy recommendations to enhance the effectiveness of reskilling human resources in the garment industry in the Southern Mekong Delta - focusing on enterprises, training institutions, and state management agencies.

1. Introduction

Vietnam's garment industry is one of the country's key export sectors, making an significant contribution to economic growth and job creation for millions of workers (ILO, 2024). In the context of the Fourth Industrial Revolution, the trends of automation and digital transformation are profoundly changing production models and the skill requirements of workers in the global supply chain (World Economic Forum, 2020; OECD, 2021). Workers not only need traditional technical skills but also must be equipped with digital capabilities, technological adaptability, and soft skills to meet new industry standards.

However, most garment enterprises in Vietnam - particularly in the Southern Mekong Delta—still rely on unskilled labor, which is rarely formally trained and lacks opportunities for reskilling (ILO, 2020). National statistics illustrate the magnitude of this skills gap: as of 2014, approximately 84.6% of Vietnam's employed workforce had no formal technical or vocational training (ILO, 2020). Employers have reported persistent difficulties in finding workers with appropriate skills despite a large labor pool, reflecting a mismatch between labor supply and job requirements. Previous studies have mainly focused on initial vocational training, while in-depth analyses of the mechanisms and effectiveness of workforce reskilling

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at the regional level remain limited. This has resulted in policy and practical gaps in both governmental planning and enterprise practice.

On this basis, this study was conducted to analyze the current situation of workforce reskilling in garment enterprises in the Southern Mekong Delta, identify major barriers, and provide empirical evidence to inform policymaking that supports enterprises in developing their human resources amid the digital transformation period.

2. Theoretical Framework and Research Methodology

2.1. Theoretical Framework

Reskilling is considered a key solution for human resource development in the context of digital transformation. According to the human capital theory, investment in education and training will increase labor productivity, adaptability, and organizational competitiveness (Becker, 1993). While initial training focuses on equipping basic skills, reskilling emphasizes supplementing, upgrading, or transforming skills to meet new job requirements arising from technological changes, production methods, or labor market structures (ILO, 2020).

Many international studies have shown that reskilling not only helps workers maintain employment and expand career opportunities but also supports enterprises in improving adaptability to rapid changes in technology and global supply chains (OECD, 2021; World Economic Forum, 2020). In the garment industry—a labor-intensive sector under significant pressure from automation—reskilling becomes a key factor in maintaining and enhancing competitiveness (ILO, 2024).

The competency framework is also applied to identify the groups of competencies required for workers in the garment industry. These groups include: (i) professional and technical competencies such as machine operation, sewing techniques, and quality control; (ii) soft skills such as communication, teamwork, and people management; (iii) digital competencies related to technology application, management software, and data analysis; and (iv) foreign language competencies, especially English for specific purposes (Boyatzis, 2008; OECD, 2019). Therefore, reskilling activities should be designed in a modular, flexible manner and suitable for each competency group as well as the specific conditions of enterprises.

Thus, the theoretical foundation of the study is built on two pillars: the human capital theory and the occupational competency framework. These serve as the basis for analyzing the current situation and proposing policy recommendations for reskilling human resources in the garment industry in the Southern Mekong Delta. This theoretical perspective implies that continuous upskilling is an investment that yields productivity and innovation gains, and that training programs must be closely aligned with job-specific competencies to be effective.

2.2. Research methodology

The study was designed as a cross-sectional description to reflect the current situation of reskilling human resources in the garment industry in the Southern Mekong Delta in 2024. The survey area included four localities with developed garment manufacturing activities: Long An, Tien Giang, Can Tho, and Vinh Long. These are representative provinces and cities in the region, where many enterprises are engaged in garment production and export processing.

The survey subjects were garment enterprises operating in the four localities mentioned above. Respondents to the questionnaire were managers, human resource officers, or staff with direct knowledge of training activities in the enterprises. A total of 54 enterprises participated and provided valid responses, forming the dataset for analysis.

The survey content was designed around four main groups: (i) activities to assess workers' skills and competencies in enterprises; (ii) the need and readiness for reskilling in the context of technological and production changes; (iii) training forms and content that enterprises have implemented or are implementing; and (iv) the level of access to policy support as well as barriers encountered during reskilling implementation.

The collected data were compiled, coded, and analyzed using descriptive statistical methods, in which frequency and percentage indicators were used to represent the current situation. In addition, the study analyzed differences in the implementation of human resource reskilling based on enterprise characteristics, including type of operation and scale.

3. Research results and discussion

3.1. The current situation of reskilling activities in garment enterprises in the Southern Mekong Delta

3.1.1. The need for assessing workers' skills and competencies

In the context of the garment industry in the Southern Mekong Delta being strongly affected by automation and global standardization requirements, accurately assessing workers' skills has become a prerequisite for effectively planning reskilling programs (OECD, 2021; ILO, 2020). The 2024 survey of 54 garment enterprises in Long An, Tien Giang, Can Tho, and Vinh Long shows that the level of attention to this activity remains clearly differentiated: 55.6% of enterprises conduct assessments but not regularly, 22.2% conduct periodic assessments, while 22.2% have not implemented any form of assessment.

Table 1. The situation of assessing workers' skills and competencies in garment enterprises in the Southern Mekong Delta

Form of assessment	Number of enterprises	Percentage (%)
Assessment conducted but not regularly (when personnel or processes change)	30	55.6%
Periodic assessment associated with the enterprise's overall training plan	12	22.2%
No assessment of workers' skills and competencies	12	22.2%
Total	54	100.0%

The differences are evident among enterprise groups. FDI and large enterprises often have processes for evaluating workmanship and productivity, linking results to periodic training plans. In contrast, many small and medium-sized enterprises still rely on subjective assessments, lacking standardized tools, which leads to inaccurate identification of training needs (ILO, 2024). The absence of a competency framework based on job positions makes skill assessment activities unsystematic, reducing the effectiveness and orientation of reskilling programs. A recent study similarly observed that Vietnam's vocational training offerings often fail to address the specific skill needs of garment firms, indicating a clear gap between training supply and industry demand (Quang et al., 2020).

To enhance effectiveness, enterprises need support in developing skill assessment tools according to functional groups (workers, technicians, line supervisors) and in implementing a tripartite coordination mechanism among enterprises, vocational training institutions, and state management agencies to accurately determine the "skills gap." This is a prerequisite that enables enterprises to take the initiative in reskilling, adapt to technological transformation, and improve long-term competitiveness (World Economic Forum, 2020). Implementing regular skills audits to identify current gaps and future competency needs is recommended as a first step.

3.1.2. The necessity of reskilling workers

In the context of Vietnam's garment industry being strongly affected by automation, digital transformation, and the stringent requirements of the global supply chain, reskilling workers has become a mandatory condition rather than a voluntary option for enterprises to maintain competitiveness (ILO, 2020; OECD, 2021). The 2024 survey of 54 garment enterprises in Long An, Tien Giang, Can Tho, and Vinh Long shows that the awareness of the importance of this activity has improved significantly, although the level of commitment and implementation still differs among enterprise groups.

A total of 38 enterprises (70.4%) confirmed that reskilling is necessary, of which 25 enterprises (46.3%) consider it a strategic priority to improve productivity, product quality, and maintain export orders. This group mainly includes FDI and export-oriented enterprises that have integrated reskilling into their annual human resource plans with specific budgets, timelines, and evaluation criteria. In addition, 10 enterprises (18.5%) believe that reskilling is necessary but only implement it when there are specific requirements, often due to manpower or financial constraints. Conversely, six enterprises (11.1%) do not yet consider reskilling a priority, as their production lines rarely change and rely heavily on long-experienced workers. This viewpoint entails potential risks in the context of the garment industry's transition from simple processing (CMT) to higher value-added models such as FOB and ODM, which require digital and modern technical skills (ILO, 2024).

The survey results also indicate a clear difference among enterprise groups. FDI and large enterprises often have specialized HR departments, separate budgets, and training evaluation mechanisms linked to KPIs. In contrast, most small and medium-sized enterprises in Tien Giang and Vinh Long still regard reskilling as an additional cost, easily cut during periods of financial difficulty or order shortage. The lack of supportive mechanisms, standardized competency frameworks, and collaboration with vocational training institutions makes it difficult for these enterprises to implement formal training programs.

Notably, 29 enterprises (53.7%) reported having a need for reskilling to redeploy workers to new positions suitable for semi-automated production lines, while 25 enterprises (46.3%) have not yet had such demand as they have not invested in automation technology. This disparity reflects differences in financial capacity and technological readiness among enterprise groups in the region.

From this reality, it can be affirmed that reskilling is not only a short-term solution but also a strategic requirement helping enterprises shift from manual production to lean, smart, and sustainable production. As Vietnam's garment sector integrates into global markets, industry experts stress that continuous reskilling is indispensable for resilience and competitiveness. Training investments not only boost worker productivity and quality but also create the conditions to effectively compete internationally, especially as Vietnam further joins global supply chains. Raising awareness, improving policy support, and strengthening tripartite linkages among enterprises, training institutions, and management agencies will be decisive factors in enhancing the quality of human resources in the garment industry in the Southern Mekong Delta during the digital transformation period (World Economic Forum, 2020).

3.1.3. Common forms of reskilling in enterprises

In the context of the garment industry undergoing significant transformation in technology and labor standards, enterprises in the Southern Mekong Delta have paid more attention to improving workers' competencies through various flexible forms of reskilling suitable to production characteristics (ILO, 2020). The 2024 survey of 54 enterprises in four provinces—Long An, Tien Giang, Can Tho, and Vinh Long—shows that 44 enterprises (81.5%) have organized at least one form of reskilling during the past two years.

The most common form is on-the-job training ("hands-on instruction"), applied by 24 enterprises (44.4%). This form is suitable for small and medium-sized enterprises because of its low cost, high practicality, and ease of implementation; however, its effectiveness depends on the trainer's capability and lacks standardized evaluation tools. About 15 enterprises (27.8%) organized planned in-house training through short-term courses conducted by human resource departments or production teams. These programs focus on technical skills, equipment use, and process improvement under the Lean model, reflecting a higher level of human resource management capability—particularly among FDI or export-oriented enterprises (ILO, 2024).

In addition, eight enterprises (14.8%) cooperated with external training organizations such as vocational schools, research institutes, or technical centers. Despite accounting for a small proportion, this is a professional approach that helps workers access new technologies and digital skills. However, high costs and time synchronization difficulties are barriers for small enterprises. Moreover, five enterprises (9.3%) applied informal training methods based on knowledge sharing among workers within the same production team. Although there is no official curriculum, this form still contributes to maintaining continuous learning under limited resource conditions.

Table 2. Common forms of reskilling in garment enterprises in the Southern Mekong Delta

Form of reskilling	Number of enterprises applying	Percentage (%)
On-the-job training ("hands-on instruction")	24	44.4%
In-house training programs organized by the enterprise	15	27.8%
Hiring external organizations to provide reskilling	8	14.8%
Self-learning and mutual knowledge sharing among workers	5	9.3%
Total enterprises implementing at least one form of reskilling	44	81.5%

The results show that on-the-job training remains dominant, reflecting the characteristics of assembly-line production and the industry's flexibility. However, the trend toward more structured training models is gradually emerging, as reflected in the proportion of enterprises conducting in-house training and collaborating with external institutions. This result demonstrates that along with development in scale and technology, the need for professionalizing training activities has become increasingly evident.

A notable limitation is the low rate of linkage between enterprises and training institutions. This gap indicates that the relationship between enterprises, schools, and training centers is not yet closely connected. Therefore, it is necessary to establish mechanisms to encourage tripartite cooperation and appropriate support policies such as tuition subsidies, the implementation of "training stations" within enterprises, or mobile instructor models within industrial clusters. Standardizing processes and integrating reskilling content into the industry's technical guidelines will help form a flexible vocational training ecosystem that enables on-site practice and effective adaptation to the digitization of the value chain.

It is encouraging that over 80% of firms have engaged in some form of reskilling, a figure consistent with national assessments showing that at least 70% of textile and garment enterprises provide short-term training to their employees. However, the depth and sophistication of these efforts vary. While larger companies are increasingly combining on-the-job learning with structured programs (and even partnering with external institutions) to build advanced skills, such collaborations remain rare among smaller firms due to cost and coordination challenges. Some industry leaders have demonstrated the benefits of a mixed training approach—pairing internal training with external courses—to rapidly upskill workers in new technologies. Broadly, this indicates that alongside organic on-site training, the region is beginning to see the value of more formal reskilling initiatives, although significant gaps in enterprise–training institution linkages persist.

3.1.4. Support and incentives for enterprises in reskilling activities in the garment industry in the Southern Mekong Delta

Reskilling activities for workers in the garment industry are difficult to achieve sustainable effectiveness without appropriate support policies from the Government and intermediary organizations. The 2024 survey of 54 garment enterprises in Long An, Tien Giang, Can Tho, and Vinh Long shows that the level of access to policies remains low and uneven among localities and enterprise types.

Table 3. Forms of support/incentives accessed by enterprises in reskilling activities

Forms of support/incentives	Number of enterprises applied	Percentage (%)
Government subsidies (support for training costs)	10	18.5%
Tax incentives (deduction of training expenses)	7	13.0%
Support from local human resource development funds	5	9.3%
Total enterprises receiving support	22	40.7%

Only 22 enterprises, accounting for 40.7%, indicated that they have received at least one type of support in implementing their reskilling programs. Among them, 10 enterprises (18.5%) received government subsidies through short-term vocational training programs or local industrial promotion activities, mainly covering class costs, travel, and meals for trainees. About seven enterprises (13.0%) benefited from tax incentives by deducting training expenses from taxable income, but this group was mainly large enterprises with specialized financial departments, as the procedures for declaration and cost verification were relatively complex. In addition, only five enterprises (9.3%) accessed support from provincial human resource development funds, reflecting the small scale and inflexible allocation mechanisms.

The results indicate that enterprises' access to support remains limited, especially among small and medium-sized enterprises. The main reasons stem from complex administrative procedures, lack of policy information, and ineffective coordination among local management agencies (ILO, 2024). This highlights the urgent need to improve the institutional framework and enhance enterprises' accessibility to support policies. Indeed, this finding mirrors broader calls at the national level to strengthen Vietnam's skills policy environment. For example, the government's recent action plan for vocational training (Decision 882/QD-TTg, 2022) identifies "completing the system of legal instruments and policies" and upgrading training systems for human resources as top priorities. Industry associations like the Vietnam Textile and Apparel Association (VITAS) have also collaborated with international partners (e.g., the ILO) to assess skill needs and develop sectoral skills strategies, underscoring the importance of multi-stakeholder coordination in supporting enterprise training efforts.

To improve efficiency, administrative procedures should be simplified, approval processes made transparent, and communication and technical consultation strengthened directly within industrial zones and clusters. In addition, establishing a tripartite coordination mechanism among local authorities, training institutions, and enterprises will help allocate resources more efficiently, ensuring that support policies are implemented for the right beneficiaries and in line with actual needs (World Economic Forum, 2020). When policies operate synchronously, reskilling activities will become an essential component of the strategy to enhance the competitiveness of the garment industry in the Southern Mekong Delta.

3.1.5. New knowledge and skills acquired after reskilling

Reskilling activities in the garment industry in the Southern Mekong Delta not only aim to restore traditional occupational skills but also focus on enhancing workers' adaptability to the requirements of automation, digitization, and global standardization (ILO, 2020; OECD, 2021). The 2024 survey of 54 garment enterprises shows that training content has undergone a clear transformation, shifting from purely technical training to a combination of professional skills, digital skills, and soft skills.

Table 4. New knowledge and skills provided in reskilling programs

Training content	Number of enterprises applied	Percentage (%)
Language skills (English for garment industry)	30	55.6%
People management and problem-solving skills	16	29.6%
Advanced technical and professional skills	12	22.2%
Digital skills and basic software use	8	14.8%
Social skills (communication, collaboration)	5	9.3%
Customer relationship management and customer care skills	5	9.3%

A total of 30 enterprises (55.6%) have incorporated language skills—particularly English for the garment industry—into their reskilling programs. This is an important direction that enables workers to communicate effectively in FDI production environments and operate equipment following international technical manuals. In addition, 16 enterprises (29.6%) have integrated people management and problem-solving skills to improve coordination and teamwork capabilities, suitable for positions such as line leaders or shift supervisors.

Approximately 12 enterprises (22.2%) focused on training advanced technical skills such as electronic sewing machine programming, maintenance of automated equipment, and quality inspection under ISO or Lean standards. These enterprises are characterized by a higher level of automation and lean production orientation (ILO, 2024). Meanwhile, digital

skills (14.8%), social skills (9.3%), and customer management skills (9.3%), though less common, indicate a trend toward expanding training content in a more comprehensive manner, reflecting the need to strengthen operational capacity within the global textile and garment value chain (World Economic Forum, 2020).

The results reveal a clear distinction between FDI and export-oriented enterprises—which emphasize digital, language, and international standard skills—and small and medium-sized enterprises, which still focus mainly on operational and basic problem-solving skills. This gap highlights the urgent need to design reskilling programs following a tiered model based on job positions to ensure practical relevance and avoid content duplication. It also aligns with global workforce trends: recent analyses indicate that alongside job-specific technical competencies, employers increasingly demand strong transversal "soft" skills and digital literacy from their workforce. The relatively low uptake of digital and soft skills training in many firms suggests that reskilling programs need to broaden in scope to include these competencies, which are essential in lean and high-tech production models.

To enhance long-term effectiveness, local authorities should cooperate with vocational education institutions to design reskilling programs in a modular and tiered structure, encompassing foundational, advanced, and adaptive skill levels. The inclusion of outcome assessment tools and a transferable skill certification system will help establish a flexible training ecosystem that meets the requirements of digital transformation and international integration in the garment industry (OECD, 2019). In practice, a one-size-fits-all approach to training is ineffective—segmented training pathways should be developed by role and skill level to ensure each employee receives relevant upskilling. By structuring programs according to competency levels and job functions, and by providing recognized certificates for new skills, enterprises can improve the practical impact of reskilling and encourage continuous learning.

3.2. Evaluation of effectiveness and existing issues in reskilling activities of garment enterprises in the Southern Mekong Delta

3.2.1. Positive aspects of reskilling activities

The survey results show that reskilling activities for human resources in garment enterprises in the Southern Mekong Delta have witnessed many positive changes in recent years. The awareness of enterprises regarding the importance of reskilling has been significantly improved. Many enterprises, especially those with foreign investment and export-oriented businesses, have considered reskilling a core factor in maintaining competitiveness and meeting the technical requirements of global partners (ILO, 2020; OECD, 2021). This is a notable shift, as a skilled workforce is increasingly seen as integral to sustaining export competitiveness (World Bank, 2023). Industry observers note that investing in employee upskilling can boost innovation and productivity, while also leading to greater job stability and improved livelihoods for workers (Tafreschi, 2025).

In addition, several enterprises have proactively established periodic skill assessment systems associated with quarterly or semi-annual training plans. These assessments help enterprises identify workers' skill gaps more accurately and develop appropriate training plans. Reskilling methods have also become more diverse, with the most common being on-the-job training ("hands-on instruction") and planned in-house training. Some enterprises have expanded cooperation with vocational schools or technical training centers to improve professional skills, digital skills, and production management capabilities (ILO, 2024).

The content of reskilling programs has been gradually broadened, no longer limited to operational skills but also including new competencies such as English for specific purposes, digital skills, people management, and ISO/LEAN processes. Particularly, the need for training to adapt to production automation has become increasingly evident, as shown by the fact that many enterprises are proactively transforming production lines and preparing human resources capable of operating semi-automatic equipment (World Economic Forum, 2020).

3.2.2. Limitations in reskilling activities

Although several positive results have been achieved, reskilling activities in garment enterprises in the Southern Mekong Delta still face many limitations. Most training programs remain short-term, primarily designed to respond to immediate requirements of orders or equipment changes, rather than being developed as long-term skill development strategies (ILO, 2020). This reactive approach to training is common in many developing manufacturing sectors and limits the long-term impact of reskilling on competitiveness.

The difference between FDI enterprises and domestic enterprises is also a noteworthy concern. While FDI enterprises often have systematic assessment procedures, separate budgets, and performance monitoring systems, many small and medium-sized domestic enterprises still rely on experiential apprenticeship methods, lacking instructional materials, curricula, and specific evaluation criteria. This gap leads to a stratification in labor quality and affects the overall competitiveness of the industry (OECD,

2019). The present findings echo the broader skills mismatch in Vietnam's garment sector: the education and training system has not fully met enterprise needs, and engagement between vocational institutions and garment employers remains weak. Such misalignment results in many graduates or trainees not possessing the practical skills that firms require, reinforcing the skills shortage in the industry.

Training content also remains simple, focusing mainly on individual operational skills with little emphasis on soft skills, digital skills, or lifelong learning abilities—factors essential in lean and high-tech production models. The organization of training activities has not aligned with the characteristics of garment workers, as most courses are held during working hours or after shifts, causing physical strain and reducing learning capacity. Incentive mechanisms for learners—such as rewards, promotion opportunities, or post-training employment commitments—are still not widely implemented.

In addition, the linkage between enterprises and training institutions remains weak. Most enterprises have not participated in the process of program design, output evaluation, or coordination in organizing practical training at workshops. The lack of a close connection between training and production has caused many reskilling programs to fail to meet the actual needs of enterprises, leading to low applicability and difficulty in maintaining long-term effectiveness. This finding is consistent with prior research indicating that Vietnam's TVET institutions often operate with little input from industry, resulting in graduates who are not adequately prepared for workplace demands. Employers often struggle to recruit candidates with suitable skills, even for entry-level positions, due to this disconnect. Strengthening collaboration channels—for example, involving industry experts in curriculum development or arranging apprenticeships—has been widely recommended to address this issue, but such practices are still infrequent in the Southern Mekong Delta's garment sector.

3.2.3. Difficulties and barriers in reskilling activities

Although most garment enterprises in the Southern Mekong Delta have recognized the importance of reskilling workers, the actual implementation process still faces many systemic difficulties. The 2024 survey of 54 enterprises in Long An, Tien Giang, Can Tho, and Vinh Long indicates five main groups of barriers that hinder reskilling activities, reflecting the lack of synchronization between enterprises' internal capacities, training infrastructure, and government support policies (ILO, 2020; OECD, 2021).

First, the lack of specialized and practical training programs is the greatest obstacle, reported by 23 enterprises (42.6%). Many enterprises stated that although they have reskilling needs, they cannot find suitable courses for specific positions such as finishing workers, sewing machine programming technicians, or line supervisors. Existing programs remain generic, lack flexibility in scheduling, and have not incorporated updated technological content, leading to low training effectiveness and reduced motivation for human resource investment. This complaint underscores the need for more demand-driven, industry-specific curricula in the garment sector. For instance, a recent assessment noted that many current vocational programs in textiles and apparel have not integrated emerging skills (such as digital proficiency or "green" skills), limiting their relevance to enterprise needs (World Bank, 2023). Developing short-term, modular courses that address specific skill gaps identified by employers is essential to overcome this barrier.

Second, the lack of assessment tools and dedicated training departments is a common limitation among small and medium-sized enterprises. Eight enterprises (14.8%) reported that they could not identify the target groups for reskilling because skill assessments were mainly based on the subjective observations of line leaders. The absence of standardized assessment tools causes enterprises to select the wrong participants, resulting in wasted time and costs (ILO, 2024). This again highlights the need for structured skills assessment mechanisms (as noted in section 3.1.1). Many SMEs lack an HR development unit to carry out training needs analysis or to plan programs, making external guidance or simple assessment frameworks very important.

Third, difficulty in accessing external training partners is also a considerable barrier, reported by 8 enterprises (14.8%). In many peripheral production areas such as Tam Binh (Vinh Long), Thot Not (Can Tho), or Tan Phuoc (Tien Giang), garment vocational training institutions remain limited in scale and slow to update their training content, failing to connect with the actual needs of enterprises. The scarcity of nearby quality training providers means that companies in these areas have few options for outsourcing reskilling or bringing in experts, unless they incur high costs to send workers to larger cities. This geographic disparity in training infrastructure is a structural challenge that requires policy attention (e.g., mobile training units or incentives for training centers to operate in these provinces).

Fourth, limited budgets and financial support mechanisms are reasons why seven enterprises (13.0%) have not been able to implement reskilling programs. Small enterprises often lack dedicated training budgets, while the procedures for accessing financial support from public programs are complicated and lack specific guidance (OECD, 2019). When faced with tight margins, firms tend to prioritize immediate production needs over training expenditures. Without

subsidies or co-funding schemes, many SMEs simply cannot afford formal reskilling for their workers. This indicates a need for more accessible funding support—such as simplified grant applications or tax breaks—that smaller enterprises can actually utilize.

Finally, the tendency to prioritize new recruitment instead of reskilling was noted by eight enterprises (14.8%). Due to concerns about high training costs, long training durations, and the risk of workers leaving after being trained, many enterprises consider hiring already-skilled labor as a "safer" and quicker option (World Economic Forum, 2020). This mindset reflects what some analysts call the "train-and-drain" dilemma, where employers fear that investing in employees' training will simply make them more attractive to other employers. Such fears are not unfounded—one HR survey notes that many Vietnamese companies worry a trained employee may leave for a competitor, wasting the training investment. To counter this, experts suggest companies implement retention strategies alongside training (for example, requiring a minimum work period post-training, or offering career progression opportunities to those who upgrade skills). Without addressing retention, the preference for hiring from outside rather than training from within will likely persist (Invest Talent JSC, 2023).

3.2.4. Reasons why enterprises have not implemented or do not accept reskilling

Although many garment enterprises in the Southern Mekong Delta have recognized the importance of reskilling human resources to adapt to automation and production transformation, the 2024 survey of 54 enterprises shows that a considerable number have not yet implemented any reskilling activities. The main reasons can be divided into four groups, reflecting both internal limitations of enterprises and the lack of synchronization in the external support environment (ILO, 2020; OECD, 2021).

The most common reason is the lack of training programs suited to production realities, reported by 23 enterprises (42.6%). Most enterprises stated that they could not find training courses specifically designed for the garment industry, especially for technical positions such as sample makers, programmable machine operators, or quality controllers. Existing programs are too general and do not accurately reflect the specific needs of enterprises, forcing many to organize informal "hands-on" training sessions that lack systematization and are difficult to evaluate effectively. This reflects the same primary barrier noted in section 3.2.3. Enterprises are in need of short, customized courses that target the exact skills required on modern production lines. Without an ecosystem of training providers offering such niche programs, companies feel they have nowhere to turn for formal reskilling. Collaborations between industry and vocational schools to co-develop curricula would greatly help fill this gap, but such partnerships are still nascent.

In addition, 15 enterprises (27.8%) believe that reskilling is unnecessary because their current workforce possesses stable skills and the production process has not changed much. This viewpoint is common among simple processing facilities or small-scale enterprises that still rely on traditional production technology. However, neglecting the need to update digital skills, soft skills, and cross-departmental coordination capabilities may cause enterprises to lose their competitive advantage in the long term as markets and technologies evolve rapidly (ILO, 2024). Historically, Vietnam's garment industry thrived on low-cost labor with basic skills, especially under the Cut-Make-Trim model. But studies have noted that low labor cost advantages are no longer sufficient for sustaining competitiveness as global buyers demand higher value addition and compliance with new standards. Firms that assume their current skills are "good enough" risk falling behind when they try to move up to FOB/ODM production or face more sophisticated orders. In the long run, continuous improvement and upskilling are needed even for experienced workers to keep pace with industry innovation.

About eight enterprises (14.8%) reported lacking the capacity to organize training activities, even though they acknowledge the importance of reskilling. These are mainly small enterprises without dedicated human resource departments and with limited instructional materials, leading to difficulties in designing training content and evaluating training effectiveness. Such firms often do not know where to start with reskilling—it may be unclear how to identify which skills to train, which trainers to use, or how to schedule training without disrupting production. Strengthening support from industry associations or local training centers to provide consultancy and training-of-trainers could help address this issue. For example, establishing "mobile training units" that visit factories or providing template training modules for common skills could assist resource-constrained SMEs in kick-starting their reskilling programs.

Another 14.8% of enterprises cited additional reasons for not reskilling, including changes in shareholder structure, management transitions, concerns about worker turnover after training, or uncertainty about training needs during adjustments in the production model. These factors often lead to postponing training plans. For instance, if a company is undergoing a management change or shifting its product line, it may pause employee development efforts until there is more clarity. Moreover, as mentioned earlier, some employers are hesitant to train workers who might then be poached by competitors—a fear that can be mitigated by implementing retention measures and

cultivating employee loyalty.

The above results indicate that many enterprises' failure to implement reskilling does not solely stem from passivity but also reflects institutional barriers and limitations within the support ecosystem. The lack of short-term, flexible, modular skill training programs is identified as a key factor, requiring more proactive collaboration from vocational education institutions, industry associations, and government agencies (World Economic Forum, 2020). In addition, the role of associations and enterprise support centers should be strengthened in terms of connection, consultation, and technical assistance for small and medium-sized enterprises in planning, evaluating, and implementing training activities. Key recommendations from experts include strengthening coordination between VET institutions and enterprises in training delivery and making the results of skills gap assessments directly inform curriculum updates. By enhancing enterprises' internal capacity and improving external support policies in parallel, it will be possible to promote sustainable reskilling development in the garment industry of the Southern Mekong Delta.

4. Conclusion and policy recommendations

4.1. Conclusion

The survey results from 54 garment enterprises in the Southern Mekong Delta show that many enterprises have acknowledged that reskilling their human resources is essential; however, its implementation in practice still faces many limitations. Most enterprises do not have a regular and systematic skill assessment system; the main forms of training remain "hands-on instruction" or in-house training, while cooperation with external training institutions is still limited. Training content has initially focused on new skills such as English for specific purposes, people management, and technical skills. However, it still falls short of fully meeting the demands of digital transformation and automation. The main barriers identified include the lack of practical training programs, limited financial resources, and difficulties in accessing support policies. These factors reduce both the effectiveness and sustainability of reskilling activities.

From this situation, the study affirms the necessity of developing a clear competency framework, diversifying training forms and content, and strengthening linkages between enterprises, training institutions, and local authorities. In line with human capital theory and the competency-based approach, strategic investment in employee reskilling is needed to enhance productivity and adaptability. In addition, support policies need to be improved and made more accessible to encourage enterprises to invest in reskilling. The following recommendations will contribute to improving the effectiveness of human resource development in the garment industry, meeting the requirements of integration and technological transformation in the new phase.

4.2. Policy recommendations

The research results show that reskilling has been recognized by garment enterprises in the Southern Mekong Delta as necessary; however, its implementation still faces many limitations. From this reality, three groups of policy recommendations are proposed as follows:

At the enterprise level, it is necessary to establish a periodic skill assessment mechanism to identify labor competency gaps, thereby developing focused reskilling plans. Enterprises should conduct regular skills audits and training needs assessments (e.g., annually or semi-annually) to pinpoint which skills require upgrading. Combining various forms of training—maintaining on-the-job instruction and in-house training while expanding cooperation with vocational training institutions—will help improve effectiveness. For instance, companies can continue with mentorship-style on-the-job learning for practical know-how, but also partner with local colleges or invite external trainers for specialized topics (such as digital skills or quality management). Training content should prioritize the skills in high demand identified in the survey, such as English for specific purposes, team leadership and supervisory skills, advanced technical skills (like operating new machinery), and basic digital competencies, in order to meet the requirements of integration and technological transformation. Enterprises are also encouraged to foster a culture of continuous learning; providing incentives like clear career advancement paths for reskilled workers or recognizing achievements can increase employee engagement in training. Notably, successful models in Vietnam show that close collaboration with training providers (for example, the "school-in-enterprise" model at Garco 10's Long Bien Vocational Training College) can ensure a steady pipeline of skilled workers tailored to enterprise needs. Where feasible, firms should emulate such partnership models to jointly design curriculum and internship opportunities, thereby reducing the gap between training and production.

At the training institution level, vocational institutions and other training providers should design programs closely linked with the actual needs of garment enterprises, ensuring both applicability and flexibility in organization. This means regularly updating course content based on industry feedback and emerging skill requirements (for instance, incorporating modules on industrial automation, CAD/CAM design, or supply chain compliance when relevant). The participation of technical staff and

production team leaders from enterprises alongside professional instructors will increase the practicality of reskilling activities. Instructors should collaborate with experienced factory managers or technicians who can share real-world insights and case studies, making training more hands-on and directly applicable. The mechanism for recognizing learning outcomes should also be improved—through certificates or skill "cards" that validate the competencies workers acquire. Such portable certification of skills would motivate workers to engage in training (as it enhances their resume) and also help employers benchmark the skill levels of their staff. Training institutions might, in coordination with industry bodies, develop standardized short-course certificates (e.g., "Certified Industrial Sewing Machine Programmer" or "Garment Production Team Leader Certification") to formalize the outcomes of reskilling programs.

At the state management level, support policies need to be simplified in terms of administrative procedures and made more accessible for enterprises, especially small and medium-sized ones. This could involve streamlining the application process for training subsidies (e.g., simpler forms, digital submissions) and providing clear guidelines or even one-on-one assistance to enterprises applying for support. Increasing transparency and communication about available programs is also important—enterprises should be regularly informed about government or donor-funded training initiatives, perhaps through an online portal or via industry associations. At the same time, it is necessary to promote a tripartite linkage model (enterprise–training institution–local government) to maximize shared resources. Provincial authorities could facilitate forums or working groups that bring together factory managers, vocational school representatives, and policymakers to jointly identify skill needs and coordinate training initiatives. This collaboration ensures that training supply is better matched to industry demand and that policy measures are grounded in enterprise realities. Establishing regional or sector-based reskilling support funds will help create motivation for enterprises to increase their investment in human resource development. For example, a Garment Industry Reskilling Fund could be set up at the regional level, pooling contributions from government, large enterprises, and possibly international development programs, to finance training equipment upgrades, curriculum development, and training grants for SMEs. Incentives such as tax breaks or public recognition could encourage big companies to contribute to such funds, which ultimately benefit the entire sector by upgrading the labor pool. Additionally, authorities should consider recognizing and rewarding enterprises that excel in training (through awards or preferential policies), to incentivize proactive reskilling efforts. Finally, improving labor market information systems to forecast skill demand would enable more evidence-based policy interventions – for instance, identifying upcoming technology trends and preparing training programs in advance. By implementing these measures, the state can create an enabling environment where enterprises feel supported in reskilling endeavors, and training institutions are responsive to industry needs, thereby collectively enhancing the garment industry's adaptability and competitiveness in the digital transformation era.

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