

## Research on The Role of Internal Training for Enterprise

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### Abstract:

Human resource training has been highlighted in numerous studies as a solution for sustainable development and as a source of competitive advantage for enterprises. The training activities of enterprises are generally addressed in two aspects: conducting internal training and sending employees to participate in external training programs. Each of these approaches carries distinct significances for enterprises in specific contexts and should be considered by managers as strategic tools for enterprise development. In this study, the author focuses on analyzing the roles of internal training in enterprise development. Using a research approach primarily based on the synthesis and analysis of secondary data, the author identifies and clarifies two key roles of internal training: maintaining and developing human resources that meet enterprise requirements, and promoting economic development, increasing income, and fostering innovation. The findings of this study are meaningful for the author in orienting future research and enriching theoretical discussions on internal training within enterprises.

**Keywords:** Internal training (Đào tạo nội bộ); Human resource development (Phát triển nguồn nhân lực); Economic development (Phát triển kinh tế); Vietnam

### 1. Introduction:

Vietnam, located in Southeast Asia, had a population of 101.1 million in 2024 (VPA, 2025). Its per-capita income increased from 620 USD in 2006 to 4,700 USD in 2024 (PAN, 2025). Over the past two decades, Vietnam has maintained a high economic growth rate, supported by political and social stability—factors that have created significant advantages in attracting investment from many developed economies in the region and around the world.

The development of Vietnam in recent years has been significantly driven by the enterprise sector. As of December 31, 2024, Vietnam had 940,078 active enterprises, contributing approximately

65% of national GDP (GSO, 2024a). In 2022, the proportion of profitable enterprises reached 44.6%, an increase of 12.9% compared to 2021, indicating signs of growth and improvement. However, the proportion of loss-making enterprises was even higher, accounting for 46.9%, and the average pre-tax profit per enterprise was only 2.0 billion VND (GSO, 2024b). These figures highlight the need for enterprises to adopt measures that improve operational efficiency and foster development, among which training is a core solution widely supported in many recent researches. Niazi, B. (2011) demonstrated that training contributes to

employees' personal development, strengthens competitive advantage, and enhances organizational performance. Similarly, Daniel, C. O. (2018) emphasized that through training, employees acquire the knowledge, skills, and attitudes necessary for their work, thereby increasing individual productivity and contributing to enterprise-level performance and employee commitment to the organization.

Recent studies have analyzed the role of human resource training and demonstrated its positive impact on enterprise performance. However, research specifically focusing on internal training remains limited and is often mentioned only as one component within broader human resource development activities. To achieve strategic objectives, enterprises must place greater emphasis on internal training, creating conditions that enable continuous employee learning and development in response to the demands of an increasingly integrated market environment. That forms the basis of this study, in which the author examines in depth the role of internal training in enterprise development.

## 2. Enterprise internal training:

Internal training within enterprises (training conducted internal in enterprise) has been addressed in numerous theoretical and empirical studies. From a general theoretical perspective, Diem, N. V. et al. (2007) define training as the learning activities undertaken by employees to enhance their knowledge and skills for task completion. In alignment with this view, Olaniyan, D. A, et al. (2008) further emphasize that training enables individuals to modify their behaviors and apply new knowledge and skills to their daily work.

From a more in-depth research perspective on internal training within enterprises, Anh, N. V. T. (2014) argues that enterprise training consists of systematic activities that are planned and designed by the enterprise to help employees acquire the required job skills. Similarly, Hieu, L. T. (2022) confirms that it encompasses organized activities aimed at creating positive changes in employees

to achieve enterprise objectives and optimize human resource utilization. Hao, N. S. (2024) expresses a comparable viewpoint, defining internal training within enterprises as a time-bound, organized process designed to help employees work more effectively, with a focus on training related to daily tasks and job skills.

Thus, the aforementioned research perspectives emphasize internal training as a systematic activity that is planned, organized, and implemented by the enterprise within its scope, aiming to provide employees with the necessary knowledge, skills, and attitudes to be applied in workplace practice. This understanding also forms the foundation of the author's scientific perspective in this study when explaining the nature of internal training within enterprises.

Based on the above definition, the author emphasizes a fundamental characteristic of internal training: that it is designed, organized, implemented, and evaluated by employees within the enterprise who are responsible for formal training activities or collaborate with managers and specialists from various departments to coordinate the process. Furthermore, internal training constitutes a core component of human resource development—an inseparable element of the broader human resource development activities and is often encompassed within the enterprise's overall human resource development framework.

From a theoretical perspective, human resource development can be conducted through internal training activities and training programs designed by enterprises, ensuring alignment with future human resource development objectives. Through human resource development, employees have the necessary knowledge and skills for both personal growth and the enterprise's future development, in accordance with the enterprise's planning. Noe, R. A. (2010) explains human resource development as a series of activities primarily designed through training to improve competencies, knowledge, skills, and attitudes in order to enhance individual and organizational performance. Dung, T. K. (2010) establishes a research viewpoint that

human resource development employs methods similar to employee training but focuses more on serving the enterprise's future work, impacting operational outcomes and competitive advantage. More recently, Dahiya, M. (2023) concluded that human resource development is an organized process that helps employees enhance knowledge, skills, and competencies, including training activities, with the aim of guiding employees toward achieving enterprise objectives.

Hence, training, as an inseparable element of human resource development, is encompassed within the enterprise's overall human resource development framework. Human resource development can be carried out through internal training activities and training programs designed by the enterprise, ensuring alignment with future development objectives. Through this process, employees are equipped with the necessary knowledge and skills for future growth in accordance with the enterprise's strategic planning.

### **3. The role of internal training for enterprises:**

From both theoretical and practical perspectives, numerous studies have demonstrated that internal training has a positive impact on enterprise development. Specifically, internal training plays a role in maintaining and developing human resources to meet enterprise requirements; it also promotes economic growth, increases income, and fosters innovation, thereby driving enterprise development.

- Firstly, internal training helps maintain and develop human resources to meet the requirements of the enterprise.

When enterprises effectively implement internal training activities, employees are equipped with the necessary knowledge and skills to meet job requirements. As a result, the enterprise is able to maintain a suitable workforce to achieve future development goals in alignment with its strategic planning.

According to Vi, N. et al. (2018), enterprise employees acquire the necessary skills and knowledge through internal training, which they

apply to enhance job performance, leading to increased job satisfaction and loyalty to the organization. Therefore, internal training indirectly influences employee loyalty through job satisfaction and work performance. Additionally, internal training demonstrates the enterprise's care for its employees by organizing onboarding training for new staff and retraining for existing employees, thereby strengthening employee commitment and loyalty. This was also highlighted by Elsafty, A. et al. (2022), who concluded in their study that trained employees tend to have a longer tenure, which helps reduce employee turnover rates within enterprises.

Another, when employees receive training and acquire the necessary skills and knowledge for their work, they become more confident, manage stress better, and complete tasks more effectively, thereby improving job satisfaction. According to Cao, T.H.V. et al. (2025), a learning organization within the enterprise positively impacts employees' job satisfaction; in turn, job satisfaction motivates employees to enhance their work performance and individual outcomes.

Internal training enhances employees' professional competencies because, employees acquire new knowledge, skills, and attitudes directly related to their job positions, thereby improving their individual capabilities. Hao, N. S. (2024) explains that in the context of globalization and advancements in modern science and technology, internal training increasingly demonstrates its core role in enabling workers to master new skills, keep pace with scientific and technological progress, and align with enterprise development.

In addition to enhancing professional competencies, internal training contributes to the development of soft skills and leadership abilities, thereby creating a core talent pool for the enterprise. Cherniss, C. et al. (2001) analyzed and explained that soft skills and leadership are considered more important than hard skills and should be emphasized in enterprise training programs; employees with developed soft skills communicate effectively and manage conflicts better. Robles, M. (2012) further analyzed that

competent employees have greater career advancement opportunities and are prepared for future promotions through soft skills development. Consequently, enterprises build a reserve of human resources, mitigating the risk of future management talent shortages.

- Second, internal training promotes economic development, increases income, and fosters innovation.

Khan, A. et al. (2020), demonstrated that training directly impacts employee performance, enhances enterprise productivity, and drives economic development in their study of training in small and medium-sized enterprises. Demirkan, I. et al. (2021) conducted a more in-depth investigation into the effects of training on economic development, showing that investment in training is critical for product innovation—a key driver of economic growth at the micro level. Related studies also indicate that internal training positively influences enterprise operational efficiency, thereby promoting economic development.

Internal training within enterprises contributes to increasing labor productivity, thereby supporting national productivity growth. The empirical study by Thang, N. et al. (2011) demonstrated that investment in training activities helps enterprises improve productivity and revenue; specifically, manufacturing enterprises that implemented training programs experienced a 1% increase in revenue in the subsequent year. Similarly, Dang, T. et al. (2018) showed through empirical research that labor productivity increased by 2% when investment in human resource management activities rose by 10%. Therefore, training, as a component of human resource management, positively impacts labor productivity by enhancing employee competencies and individual performance, which in turn increases overall enterprise productivity.

In addition, the study by Sung, S.Y. et al. (2014) on enterprise investment in training activities revealed that investing in internal training and practice positively impacts innovation

effectiveness in enterprises, thereby promoting enterprise development. In contrast, investment in external learning activities for employees has limited or even no effect on employees' learning outcomes. Earlier, Becker, G.S. (1964) verified that internal training positively influences enterprise productivity growth and contributes to national productivity growth because investment in employee training is an investment in human capital, which is a key determinant of productivity and long-term economic growth.

An important matter for employees is that enterprise internal training helps increase their income and promotes economic growth. Specifically, internal training enables employees to enhance their competencies and work performance, thereby providing opportunities for career development and income improvement. In a study covering 47 low- and middle-income countries, Khan, M.S. (2021) found that human capital is the third most significant factor influencing economic growth among six factors examined. Ma, X. et al. (2023) conducted an in-depth study on the impact of training on individual income growth, revealing that workers in wealthier economies receive more internal enterprise training, which correlates positively with the level of national development. Particularly, due to differences in internal enterprise training, wage growth rates for workers in developed countries are 38% higher than those in less developed countries, creating an average income gap of 12% between developed and less developed nations.

The aforementioned studies demonstrate the positive impact of internal training on human resource development, enterprise growth, and, consequently, economic growth. Additionally, internal training plays a significant role in promoting innovation. Continuous training in enterprises helps employees acquire essential knowledge and skills, constantly enhancing professional expertise and fostering a culture of innovation to meet market demands. Lawrence, I. N. (2017) study showed that especially in the context of global integration and rapid

technological advancement, innovation is a core factor in satisfying market requirements and enhancing enterprises' competitive advantage beyond human resources, thereby contributing to national competitive advantage. However, Pujianto, S. (2024) argues that enterprises need to adopt effective training methods aligned with organizational strategic goals to achieve high efficiency and foster innovation. This view is also supported by Jha, V. (2016), who asserts that innovation within enterprises is further encouraged through performance-based rewards, which motivate and strengthen employee engagement; such engagement positively influences enhanced creativity and innovation.

### Conclusion:

Numerous theoretical and empirical studies have demonstrated that internal training is a critical factor in human resource development. It enables employees to enhance their work competencies, thereby improving enterprise performance, fostering business growth, economic development, and innovation. Internal training also positively influences employee commitment through increased job satisfaction. Through internal training activities, employees improve their work capabilities and productivity, develop soft skills and leadership abilities, and gain greater career advancement opportunities. Consequently, internal training contributes to maintaining the workforce for both current development objectives and future enterprise needs, thereby enhancing the competitive advantage of enterprises in the market.

Based on the analysis of the content and building upon the findings of numerous related studies, the author highlights two primary roles of internal training for enterprise development. First, internal training helps maintain and develop human resources to meet enterprise requirements. Second, internal training promotes economic development, increases income, and fosters innovation. Given its crucial role in enterprise growth, internal training requires careful attention and systematic, planned organization and implementation to serve the enterprise's

objectives, thereby driving both enterprise development and broader economic growth.

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