### The Cambodia Journal of Basic and Applied Research



Journal homepage: http://www.rupp.edu.kh/CJBAR/ Print ISSN: 2790-3508 Online ISSN: 2790-3516



# The factors improving skill development and skill formation systems in industries: Firm-level analysis of Cambodia's manufacturing industry

## ING Kvanthai<sup>\*</sup>

Cambodia Development Resource Institute (CDRI), Faculty of Education, Royal University of Phnom Penh, Phnom Penh, Cambodia.

### ARTICLE INFO

Editorial responsibility: **SOK Serey** Received: 05 February 2022 Revised: 15 March 2022 Accepted: 25 May 2022 Published online: 30 June 2022 © 2022 Published by Research Office, (RUPP). *All rights reserved*.

### Keywords:

Manufacturing industry In-employment skill development Skill formation systems Education and training Cambodia

# សង្ខិត្តន័យ

ដើម្បីជាការស្វែងយល់ ពីកត្តានានាសម្រាប់កែលម្អការអភិវឌ្ឍជំនាញក្នុងឧស្សាហកម្ម កម្មន្តសាល ការសិក្សាបានប្រើវិធីសាស្ត្រស្រាវជ្រាវបែបចម្រុះ ដោយស្ទង់មតិតាមរោងចក្រ ចំនួន 101 និងសម្ភាសស៊ីជម្រៅចំនួន 36 ជាមួយនាយកដ្ឋានធនធានមនុស្ស និងនាយកដ្ឋាន ផលិតកម្មរបស់រោងចក្រ។ Binary Logistic Regression Model ត្រូវបានប្រើដើម្បីវិកាគរក ទំនាក់ទំនងរវាងការអភិវឌ្ឍជំនាញក្នុងឧស្សាហកម្មកម្មន្តសាល និងកត្តាដែលមានឥទ្ធិពលទាំង ប្រាំបី ដែលរួមមាន ការវិនិយោគផ្ទាល់ពីបរទេស ការផ្លាស់ប្តូរផលិតផល ការប្រើប្រាស់ បច្ចេកវិទ្យា របៀបធ្វើការងារ ប្រតិបត្តិការលក់ ការនាំចេញ រយៈពេលប្រតិបត្តិការអាជីវកម្ម និង តម្រូវការកម្មករជំនាញបន្ថែមទៀត។ ការវិភាគប្រៀបធៀបបែបគុណវិស័យ (Qualitative Comparative Analysis) ត្រូវបានប្រើដើម្បីបង្ហាញពីប្រព័ន្ធបណ្តុះបណ្តាលជំនាញក្នុង ឧស្សាហកម្មកម្មន្តសាល។ លទ្ធផលបានបង្ហាញថា ការអភិវឌ្ឍជំនាញក្នុងវិស័យឧស្សាហកម្ម កម្មន្តសាល មានទំនាក់ទំនងជាវិជ្ជមានជាមួយរយៈពេលប្រតិបត្តិការអាជីវកម្ម ការនាំចេញ និង តម្រូវការកម្មករជំនាញបន្ថែមទៀតនៅក្នុងរោងចក្រនីមួយៗ។ លើសពីនេះ ការអភិវឌ្ឍជំនាញ

តាមរោងចក្រត្រូវស្របតាមអភិបាលកិច្ច គោលបំណងនៃការគ្រប់គ្រង ការទទួលស្គាល់របស់រោ<sup>៉</sup>ងចក្រ និងការចូលរួមរបស់កម្មករផងដែរ។ ហើយការ អភិវឌ្ឍជំនាញទៀតសោធត្រូវបានផ្តល់ជូនចំពោះតែបុគ្គលិក ដែលមានជំនាញកម្រិតមធ្យម និងកម្រិតខ្ពស់ប៉ុណ្ណោះ។ តាមលទ្ធផលនៃការស្រាវជ្រាវ នេះ អ្នកនិពន្ធបានផ្តល់អនុសាសន៍ឱ្យបង្កើនការចូលរួមរបស់កម្មករក្នុងការអភិវឌ្ឍជំនាញ តាមរោងចក្រដែលមានប្រតិបត្តិការរយៈពេលវែង មានការនាំ ចេញច្រើន និងត្រូវការកម្មករជំនាញកាន់តែច្រើន រួមជាមួយប្រព័ន្ធលើកទឹកចិត្តដែលជាកត្តាចាំបាច់ក្នុងការអភិវឌ្ឍជំនាញក្នុងឧស្សាហកម្មកម្មន្តសាល ឱ្យបានគ្រប់ជ្រុងជ្រោយ។

### ABSTRACT

To understand the factors for improving skill development in the manufacturing industry, the study utilized mixed-method research combining surveys and in-depth interviews to collect data from 101 firms. 36 in-depth interviews with the firms' human resources and production departments were carried out. A binary logistic regression model was used to explore the relationships between in-employment skill development and eight influencing factors such as FDI, change in products, technology usage, work organization, sales performance, year of operation, export, and require more skilled workers.

<sup>\*</sup> Corresponding author at: Cambodia Development Resource Institute (CDRI) or Faculty of Education, Royal University of Phnom Penh, Phnom Penh, Cambodia E-mail addresses: <u>kvanthai9999@gmail.com</u> (I. Kvanthai)

Qualitative comparative analysis was applied to outline the industry skill formation systems, specifically for medium and high-skilled employees. The results indicate that in-employment skill development is highly likely to be influenced by years in operation, export-oriented production, and the requirement for more skilled workers in individual firms. Furthermore, the skill development in firms is aligned with firm governance, management objectives, recognition, and worker participation. It is acknowledged that in-employment skill development caters to only specific employees, such as medium and high-skill workers. Based on these findings, the study recommends enhancing worker participation in in-employment training with firms that run long-term operations, produce exports, and require more skilled workers; and the study concludes that incentive systems are essential to improving in-employment skill development.

### 1. Introduction

Since 2002. Cambodia's Manufacturing industry has been developing rapidly due to the visible transformation of the market economy and the international demand for garments (Hughes & Un. 2011). The manufacturing industry is playing a significant role in transforming Cambodia into a middle-income economy by 2030 and a high-income economy by 2050, as stated in the National Strategic Development Plan for 2014-2018 (MoP, 2014). Given the importance of the manufacturing industry (for example, electronics and electrical assembly, garments, and food processing), the Royal Government of Cambodia (RGC) developed the Industrial Development Policy 2015-2025 and the Technical Vocation Education and Training (TVET) Policy 2017-2025 to promote competitive industry and skill development (MISTI, 2015; NTB, 2017). The strategies aligned with the Rectangular Strategy Phase IV 2018-2023, particularly employment, equity, and efficiency goals, by prioritizing human capital development (MFAIC, 2018).

The development agenda has emphasized the critical role of capacity development of Cambodian labor in terms of knowledge, skills, and competencies for the manufacturing industry. Several studies on the contribution of skill development have emerged (MISTI, 2015; NTB, 2017; Khieng et al., 2015; Srinivasa, 2014). The most common agreement of these studies was the conclusion that that skill development is positive for manufacturing expansion. Moreover, the RCG has pointed out that skill development is crucial for developing technology standards (NTB, 2017). Lessons from Japan, Singapore, Taiwan, and South Korea show that these countries are more developed in their manufacturing industries due to improved workforce skill development (Benson et al., 2013). Thus, improving education and skill development enables innovation and transformation in most manufacturing industries which are key to country development (Oke & Fernandes, 2020; Xing & Marwala, 2017; Kruss et al., 2015).

The increased attention on skill development also follows from skill gaps and shortages of Cambodian labor (working-age 15-64) in the manufacturing industries. The National Institute of Statistics (NIS) reported that the workforce population reached 10,068,625 people (MoP, 2019). Nevertheless, only 9% of the workforce completed grade 6, only 8% completed grade 9, only 6% completed grade 12, and only 3% completed a bachelor's degree. Moreover, only 0.2% of the workforce completed technical or vocational pre-secondary (Vocational Certificates), and only 0.4% completed technical or vocational post-secondary. The illiteracy rate has been estimated at 11%. Given the limitations of education and training, the skill gaps and shortages have shaped barriers to manufacturing development. Moreover, the challenges have slowed down progress toward achievement of the United Nations Sustainable Development Goals (SDGs), such as goal 8: Decent Jobs and Economic Growth, and goal 1: Poverty Alleviation.

Numerous studies have investigated the root cause of skill development challenges, specific skill gaps, and shortages (Yok et al., 2019; Seangmean et al., 2015; Richardson, 2011). These studies revealed that a limited role for skill providers, curriculum design, and the adoption of new technologies are the root causes of the skill gaps and skill shortages. Based on Khieng et al. (2015) and Srinivasa (2014), skill gaps and deficiencies have created more employment challenges. Due to the skill gaps and skill

shortages, Ven & Veung (2020) revealed that about training and assessment. garments, food processing, and electronic and electrical assembly industries could not find medium and high-skill employees suited to meet their requirements. Seangmean et al. (2015) also pointed out that many graduates have worked jobs that do not match with their training. These issues result in slower industrial growth and low competitiveness in the manufacturing industry.

To address skill development challenges, the International Labor Organization (ILO) suggested improving education and skill development to meet the job demand and improve growth and transformation the of the manufacturing industry (ILO, 2013). However, improving education and skill development requires strong skill formation systems that ensure learners have the necessary knowledge and capacity (Benson et al., 2013; Ven & Veung, 2020). With the limited role of skill providers, outdated curriculum design, and slow adoption of new technologies (Yok et al., 2019; Seangmean et al., 2015; Richardson, 2011), formal education and training alone are insufficient to meet these objectives. Thus, education and skill development that prioritizes workplace-based education is considered well suited to improve skill formation systems and meet skill development challenges in the manufacturing industry (UNESCO UIS, 2013).

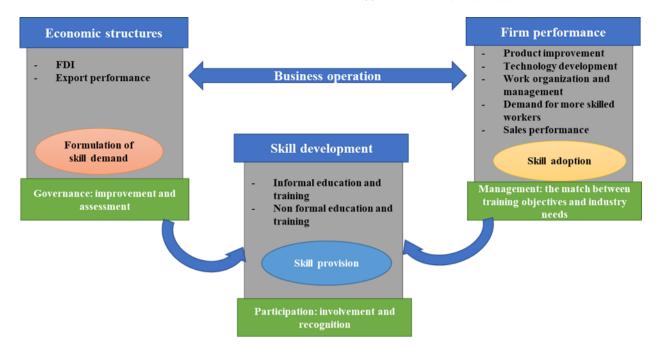
Evidence indicates that in-employment skill development is a good model for business capacity-building (Sullivan & McIntosh, 1996; UNESCO UNEVOC, 1995). Sullivan & McIntosh (1996) explained that in-employment skill development is participant-centered approach. It can be on-the-job or in-employment vocational training (UNESCO UNEVOC, 1995). Based on Lewis' Enterprise Skills Training Model applied in Australia (ADB, 2000), the in-employment skill development approach enabled workers to improve task performance, multi-task management, engagement with contingencies, and work environment skills. Secondly, firms would benefit from this training, with outcomes including returns on investment and productivity, meeting customers' flexible demand, and national recognition. Lastly, it improved industry inputs by including training objectives, directing involvement in training standards, flexibility recognition, and informing customers

In-employment skill development has become significant, while most existing studies viewed skill development as mainstreaming from formal education and training entities such as universities, institutes, and workshops (Khieng et al., 2015; Richardson, 2011; Seangmean et al., 2015; Srinivasa, 2014; Yok et al., 2019), this overlooks informal and non-formal skill development in the manufacturing industry. Thus, this study aims to identify factors that improve in-employment skill development and outline skill formation systems in the manufacturing industry using a conceptual framework adapted from Lewis' Enterprise Skills Training Model (ADB, 2000).

There are three factors that improve in-employment skill development in this study: economic structures, firm performance, and skill development (Fig.1). The economic structures of firms, such as foreign direct investment (FDI) and exports, are likely to influence skill demand. Alongside the economic structures, governance in firms is essential to increase and provide for demand for skill development. Firm performance such product improvement, as technology development, work organization, requirements for skilled workers, and sales performance, are likely to shape skill adoption in firm operations. Moreover, business performance under proper management entails matching the skills needed by the firm to training objectives. Finally, skill development includes informal and non-formal education and training in the manufacturing industry. These forms of training reauire participation from employees and recognition from the industry.

There are various types of non-formal and informal education and training in the manufacturing industry recognized as by UNESCO UIS (2013). Non-formal education and training are defined as an alternative to formal education, and part of lifelong learning processes. It caters to all ages, and it does not need proper structures, a specific duration, or intensity. Typically, non-formal education and training involves workshops, short courses, or seminars that can lead to a qualification but are not officially recognized. These forms of education can

I. Kvanthai. The Cambodia Journal of Basic and Applied Research (2022), 4(1), 53-72



**Fig. 1.** Conceptual framework of in-employment skill development. Source: adapted from Lewis' Enterprise Skills Training Model (ADB, 2000)

contribute to adult and youth work skills. However, non-formal education and training are often offered to medium-skill and high-skill employees in large-size firms in an area of industry (OECD, 2013; Rainbird, 2000). In this regard, two types of non-formal education and training were identified in this study. They are non-formal company-based training (NFC) and other non-formal training (OtherNF). NFC refers to short or longer skills programs provided by a firm or company that may lead to industry certification or recognition or to certification or recognition. company Such trainings are structured and intentional. NFC aims primarily at new employees but also can pertain to existing workers. Other trainings could be short courses offered by public and private TVET (Technical and Vocational Education and Training) providers and non-governmental organizations. This type of education or training may lead to provider-based certificates that are not officially recognized.

There are various types of non-formal and informal education and training in the manufacturing industry as recognized by UNESCO UIS (2013). Non-formal education and training are defined as an alternative to formal education, and part of lifelong learning processes. It caters to all ages, and it does not need proper structures, a specific duration, or intensity. Typically, non-formal education training and

involves workshops, short courses, or seminars that can lead to a gualification but are not officially recognized. These forms of education can contribute to adult and youth work skills. However, non-formal education and training are often offered to medium-skill and high-skill employees in large-size firms in an area of industry (OECD, 2013; Rainbird, 2000). In this regard, two types of non-formal education and training were identified in this study. They are non-formal company-based training (NFC) and other non-formal training (OtherNF). NFC refers to short or longer skills programs provided by a firm or company that may lead to industry certification or recognition or to certification or recognition. company Such trainings are structured and intentional. NFC aims primarily at new employees but also can pertain to existing workers. Other trainings could be short courses offered by public and private TVET (Technical and Vocational Education and Training) providers and non-governmental organizations. This type of education or training may lead to provider-based certificates that are not officially recognized.

Informal education and training are intentional but are not institutionalized (UNESCO UIS, 2011). It includes learning activities in the workplace and business. It could be on a self-directed, work-directed, or socially directed basis. Nguyen et al. 2011 and Thang et al. (2010) explained that education in the workplace is significant where workers can learn and develop their knowledge through work environments and social interaction. Within business development strategies, workers can be provided informal capacity development in many forms (Ven & Veung, 2020). Four such types of informal education and training were defined, including informal on-the-job training in new technology (Tech), general information on the job training (Onging), induction training (Indu), and work experience programs (Intern). Tech training focuses on how to use new machines. Suppliers of new technology or equipment often provide this type of training linked to new technology or equipment. It is intentional, not certified, but could be formally recognized within a company and is probably a prerequisite for specific tasks. Ongoing is training offered by supervisors or team members on new work tasks. It could be for new entrants or existing workers. Indu is an orientation or induction program that provides a general introduction to the workplace, including health and safety issues. This type of training focuses on new workers. Finally, Intern can be workplace experience programs. It might result in company or industry recognition (Table 1).

Formal education institution-based TVET programs (BTVET) are also included in the analysis to investigate the skill formation systems in the manufacturing industry. BTVET are technical and vocational programs, vocational and training and training programs. Recognized programs. education and training institutions offer these programs in relation to a national gualification (Catts et al., 2011). Providers are primarily public but could be private or even international organizations, recognized by the government. Some providers might have integrated work components, including a work experience requirement such as an internship or project implementation at the end of the gualification.

### 2. Materials and methods

This research uses a mixed-methodology by conducting both surveys at firms and in-depth interviews to investigate factors improving in-employment skill development and outline skill development systems in Cambodia's Manufacturing industry, namely garments (CG), food processing (CF), and electronic and electrical assembly (CE). Noticeably, the CG industries play a significant role

| Formation  | Programs  | Description   | Code    |
|------------|---|---|---------|
| Formal     | Formal education institution based TVET programs  | Refers to programs that officially recognized providers provide in relation to a national qualification.                        | BTVET   |
| Non-formal | Nonformal company-based<br>training               | Short or longer skills programs that lead to industry certification or recognition or company certification or recognition.     | NFC     |
|            | Other non-formal training                         | Short courses and other kinds of training that<br>lead to some provider-based certificates but are<br>not officially recognized | OtherNF |
| Informal   | Informal on-the-job training<br>in new technology | Specific training is often provided by suppliers linked to new technology or equipment.   | Tech    |
|            | General informal on-the-job<br>training           | Informal on-the-job training: supervisor or team member offers training on new work or tasks.                                   | Onging  |
|            | Induction training                                | Orientation or induction programs provide a gen-<br>eral introduction to the workplace, including<br>health and safety issues.  | Indu    |
|            | Work experience programs                          | Workplace experience programs or internships that are learning through working.   | Intern  |

| Table 1. Education and training formation. | Source: Author's summary |
|--|--------------------------|
|--|--------------------------|

in exports, with a value of about 13.1 billion USD, and contributed approximately 18.2% to GDP in-depth interviews with human resource and growth in 2018 (NIS, 2018). Moreover, this sector creates plenty of employment opportunities for skilled and unskilled local Cambodians. CF is the second-highest manufacturing sector contributing to exports, employment, and GDP growth. It accounted for about 254 million USD in 2018, or about 1.9% of GDP (NIS, 2018). Finally, CE is the transcribed fastest-growing manufacturing industry. In 2016, the CE products exported from Cambodia were coded in a thematic content table (following the about 458 million USD, a massive increase compared to 6 million USD in 2012 (Ven & Veung, 2020). As such, selecting these three sectors provides а suitable representation of the manufacturing sector in the Kingdom (Fig. 2).

Firstly, firms were divided into capital, border, and sea zones. The country-wide firm survey followed proportional stratified sampling. From these sampling procedures, 254 firms were identified for the target survey to represent the total population of the industries listed. The sample size of 101 was derived with Yammane's would (1973) formula, n=N/(1+Ne2) (i.e., N=Population, development in firms. The logit distribution n=Sample size, e=Tolerance error (7.7% = 0.077). constraints estimated the probability as a value Of the 101 firms, 65 were from CG, 20 were from between 0 and 1 (Tranmer & Elliot, 2008). A total CE, and 16 were from CF. The data from firm of eight independent variables were identified surveys was analyzed in descriptive statistics based on the conceptual framework (Appendix 1: (i.e., mean and standard deviation, and frequency Table 1). The BLR was running with the SPSS 23 distributions), Spearman's rho correlation, one-way software package and analysing the following ANOVA, and Binary Logistic Regression (BLR) to regression models: reveal factors improving in-employment skill development.



Fig. 2. Map of study sites

At the same time, the study conducted 36 production departments from 18 selected firms among the 101 firms (see list in appendix). Each interview took around 60 and 90 minutes to collect information on in-employment skill development in the manufacturing industry (referred to OECD, 2013; Rainbird, 2000). Each in-depth interview was from audio records into text. Afterwards, the in-depth interview transcripts were manner recommended by Braun and Clarke, 2006). Then, a cross-case study was employed to score the in-employment skill development from the human resources and production departments. Finally, qualitative comparative analysis (QCA) was applied to outline the industry skill formation systems.

BLR is a nonlinear model with either continuous, discrete, or combination variables that are not necessarily normal distributions (Lee & Pradhan, 2006). The results from the regression predicted the likelihood that a particular factor contribute to in-employment skill

$$\pi_{i} = \Pr\left(Y_{i} = \frac{1}{X_{i}} = x_{i}\right) = \frac{\exp(\beta_{0} + \beta_{1}x_{i})}{1 + \exp(\beta_{0} + \beta_{1}x_{i})} \quad (1)$$

$$logit(\pi_i) = \log\left(\frac{\pi_i}{\pi_i - 1}\right) = \beta_0 + \beta_1 x_i$$
(2)

$$logit(\pi_i) = \beta_0 + \beta_1 x_{i1} + \dots + \beta_k x_{kn}$$
(3)

Where:

 $\pi_i =$  the probability of a firm conducting in-employment training (training = 1, and not training = 0)

 $\beta_0$  = the constant of the equation

 $\beta_{x1-xkn}$  = the coefficient of the predicting factors

x = the predicting factors:  $x_1 =$  year of operation,

$$x_2 = FDI, x_3 = Export performance,$$

 $x_4$  = Require more skilled workers,  $x_5$  = Change\_product,  $x_6$  = Change\_tech,  $x_7$  = Change\_org,  $x_8$  = Sales performance

Thresholds recommended by Hair et al. (2014) and Leech et al. (2014) to assess the significance of various factors in improving in-employment education and training in the three industries; included significance levels (*p*-value <.05), Wald Statistics ( $x^2>2$ ) and Cox & Snell ( $R^2$  <0.05). The results from G\*Power also confirmed that the BLR has enough power for estimating the significant coefficient with the minimum sample size of 61 firms required for actual power 95 (Faul et al., 2007). Thus, the valid cases of 89 firms out of 101 total firms included in the BLR were enough to estimate the coefficient in the regression model.

### 2.1 Qualitative comparative analysis (QCA)

Improving training facilities and increasing skill development programs lead to progressive work organization (Adworkorga), resulting in better product advancement, productivity, and business investment returns (ADB, 2000). Therefore, this study outlined skill formation systems by including training facilities and skill formations as input conditions and Adworkorga as an outcome. This study classified seven skill formations, including: (1) BTVET, (2) NFC, (3) OtherNF, (4) Tech, (5) Onging, (6) Indu, and (7) Intern. The above seven key skill formations were developed on a measurement scale from 1 to 4, which referred to 1 = not at all; 2 = not very important; 3 = quiteimportant, and 4 = very important to advanced work organization. However, scores 1 and 2 represent the negative, and 3 and 4 represent the positive toward Adworkorga. Then, the researcher decided to use the number 3 as the cross-cut point in the Fuzzy Sets calibration. In addition, training facilities and Adworkorga are Crisp sets. Therefore, Crisp sets were calibrated into 0 and 1, and the Fuzzy sets were calibrated in the model below (Appendix 2: Table 2):

Fuzzy calibration  $(x, n_1 = 4, n_2 = 3, n_3 = 1)$  (4)

The Fuzzy and Crisp sets were analyzed in fsQCA software version 3.1b (Ragin, Charles C., and Sean Davey, 2016). The author ran condition and outcome variables into the actual table analysis, taking Adworkorga as the outcome and the seven skill formations and training facilities as the input conditions, by showing solution cases in output firm codes (Appendix 3,4, 5: Table 3,4,5).

- Medium-skill employee skill formation systems: Adworkorga = (facilities, BTVE, NFC, OtherNF, Tech, Onging, Indu, Intern) (5)
- Algorithm: Quine-McCluskey, frequency cutoff: 1, consistency cutoff: 0.86
- High-skill employee skill formation systems: Adworkorga = (facilities, BTVET, NFC, OtherNF, Tech, Onging, Indu, Intern) (6)
- Algorithm: Quine-McCluskey, frequency cutoff: 1, consistency cutoff: 0.95

Logical minimization was used to delete with numbers 0.8 rows less than and set Adworkorga to 1 for the rows with consistency equal to or greater than 0.8. Finally, the author conducted the standard analysis of the intermediate solution using the present and absent causal conditions of each input variable.

### 3. Results and discussion

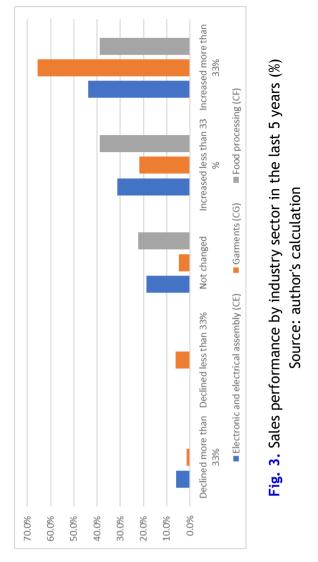
# 3.1 Economic structures, sales performance, and skill provisions

The following sections present the economic structures, business performances, and skill provisions of firms from the three leading sectors: CE, CG, and CF manufacturing industries. The study found that the three manufacturing industries have been operating in Cambodia on average for ten years; CF and CG were running earlier (M = 10.88 years, SD = 8.0 years) and (M = 7.5 years, SD = 4.6 years), and CE was the comparatively emerging sector (M = 5 years, SD =2.15 years). These manufacturing sectors were mainly FDI driven with more than 66% share of the investment capital being foreign funds, and the destination markets for their products were primarily international. CE and CG exported almost

100% of products (garments and electronic and electrical goods) to international markets such as the United States, Europe, and Japan (CE exported 100% and CG exported 95.3%). In comparison, CF processed foods for the local market and exported only 18.8% of produced goods. Export performance was related to international demand and preferential markets (Fig. 3).

In the last five years (2012-2017), the sales performance of firms has been confirmed to be rapidly increasing. 65.6% of CG, 38.9% of CE, and 43.8% CF firms of reported sales increase of more than 33%. About 7% of the total firms (101 firms in total) reported a decline in sales in the last five years more than 33% and about 7% of the total firms reported a decline less than 33%. The positive increase in sales was the result of more demand and improvements in production and technology use in the manufacturing industry.

Spearman's rho correlation was used to confirm the relationships between sales performance in the last five years and business performance, in terms of advancements in products and technologies and requirement for skilled workers in the three industries. Table 2 shows a significant positive correlation between positive sales performance and the requirement for more skilled workers in the respondent firms). Furthermore, the results proved that when firms advanced their product development, the firms' demand for more advanced technologies increased. Also, when firms had more advanced technologies, they required more skilled workers). Thus, business performance requiring more skilled



workers was positively correlated with advancing the use of technology usage and improving sales performance.

Regarding the positive correlation between firm performance and the requirement for more skilled workers, the study then sought to examine the in-employment education and training conducted in the three manufacturing industries.

 Table 2: Spearman's rho correlation results using sales performance and firm performance

| Firm performance            | Sales<br>performance | Advancing in<br>products | Advancing in technology use | Requiring more skilled workers |
|-----------------------------|----------------------|--------------------------|-----------------------------|--------------------------------|
| Sales performance           | 1.000                | .009                     | .043                        | .254*                          |
| Advancing in products       |                      | 1.000                    | .410**                      | .029                           |
| Advancing in technology use |                      |                          | 1.000                       | .244*                          |

\*. Correlation is significant at the 0.05 level (2-tailed)

\*\*. Correlation is significant at the 0.01 level (2-tailed)

Table 3 shows no statistically significant difference between in-employment education and training in CE, CF, and CG firms. However, in employment education and training programs showed high variation (CE=7, CF=16, CG=30). Firms mainly provided supervisorv skills. quality quality control, and electricity management, management. For example, CE firms provide in-employment training such as Solidworks, technical training, and sequence control in PLC systems; CG firms cater to electrical wiring skills, occupational safety, quality control, and electricity management; and CF firms provide training on food training on pre-harvest engineering, and post-harvest and techniques technologies, agricultural waste management, and the use of biotechnology. These in-employment skill developments were industry-specific and involved self-assessment. general, training In these programs were provided by technicians and supervisors to their supervisory staff, and included: formal or informal on-the-iob training on new technologies, general information on the job training, induction training, and work experience programs (Internships).

The results indicated a lesser amount of in-employment education and training in manufacturing industries (CE=7, CF=16, CG=30). These education and training programs are claimed to be essential for task performance skills, managing multiple tasks, contingency skills, and work environment skills (ADB, 2000). The studies found that in-employment existing education and training are often selectively offered to medium-skill and high-skill employees in large firms (OECD, 2013; Rainbird, 2000), and are not provided to general workers.

This was likely because of three reasons. First, general workers were employed to work in low-value-added jobs. Second, provision of training for general workers is costly. And finally, it is time-consuming because general workers have limited foundational knowledge and low absorption capacity.

# 3.2 Factors improving in-employment skill development in the industries

Given, , P<.001 suggests that between 29% and 40% of the variance could be explained by the eight independent variables. It was supported by a Hosmer and Lemeshow Test, which gave the , P>0.05. The threshold value of 0.500 predicted a percentage of agreement with the model of 78.7% (PAC=78.7%), with a possible error of only 21.3%. Detailed results from this statistical model are shown in Table 4, including a coefficient (B), the standard error related to the coefficient (SE), the Wald Statistic = [B/S.E.]2, the number of degrees of freedom (d.f.), the significance level of the coefficient (Sig), and the odds ratio of the individual coefficient Exp(B).

Among eight influencing factors, three have significantly and positively influenced in-employment skill development in the three industries. The findings indicate that the year of operation significantly influenced in-employment skill development (which meant that firms that had every been operating longer (for 1-year likely increase) were more to increase in-employment skill development by approximately 1.1 times. Moreover, firms that required more skilled workers (for every 1 level increase in

| Skill provisions               |                   | Sum of<br>Squares | df  | Mean<br>Square | F     | Sig. |
|--------------------------------|-------------------|-------------------|-----|----------------|-------|------|
| In-employment<br>education and | Between<br>Groups | 4.484             | 2   | 2.242          | 1.950 | .148 |
| training                       | Within Groups     | 112.704           | 98  | 1.150          |       |      |
|                                | Total             | 117.188           | 100 |                |       |      |

Table 3. One-way ANOVA results using industry sectors as the criterion of skill provision

F-value  $\geq$  4 and significant of *p*-value<0.05 (Hair et al., 2014).

Source: author's calculation

I. Kvanthai. The Cambodia Journal of Basic and Applied Research (2022), 4(1), 53-72

| Table 4: Factors influencing in-employment skill improvement in the industries. |
|---|
| Source: author's calculation  |

|                                  | В      | S.E.  | Wald  | df | Sig. | Exp(B) |
|----------------------------------|--------|-------|-------|----|------|--------|
| Year of operation                | .144   | .067  | 4.579 | 1  | .032 | 1.155  |
| Change in products               | .796   | .517  | 2.368 | 1  | .124 | 2.216  |
| Change in technology usage       | 065    | .606  | .011  | 1  | .915 | .937   |
| Change in work organization      | 117    | .466  | .063  | 1  | .802 | .890   |
| Requiring more skilled workers   | 1.409  | .626  | 5.067 | 1  | .024 | 4.092  |
| Sales performance                | 516    | .302  | 2.925 | 1  | .087 | .597   |
| Export performance in the last 5 | 1.139  | .513  | 4.919 | 1  | .027 | 3.123  |
| years                            |        |       |       |    |      |        |
| FDI                              | -1.612 | .881  | 3.343 | 1  | .067 | .200   |
| Constant                         | -2.257 | 2.821 | .640  | 1  | .424 | .105   |

enhance in-employment skill development by related to a firm's governance, especially in 4 times. Finally, firms with more exports to the FDI-based and export-oriented businesses. Most international market for every 1 level increase in FDI-based firms in the study explained that the export were likely to improve in-employment education and training for their staff by 3.1 times These results showed that the firms with long-term business operations, export-oriented production, and a need for more skilled workers were positively focused on in-employment skill development, including both upskilling and reskilling.

The other factors such as FDI, change in products, change in technology use, change in work organization, and sales performance were not found to significantly statistically correlate with in-employment skill development in the three manufacturing industries. Suppose firms are small and more recently begin operations, with a minimal requirement for skilled workers and no export-oriented production. In such cases, it could mean no significant improvement in in-employment skill development despite changes in products, technology use, work organization, and sales performance.

According to the Lewis' Enterprise Skills Training Model (ADB, 2000), in-employment skill development would also be framed by governance, management, and participation and recognition within individual firms. The interview data explained these frames of influence frames below.

despite changes in products, Governance: technology and work organization, use,

requiring more skilled workers) were more likely to in-employment skill development was highly changes were introduced and facilitated by their parent companies overseas. Moreover, new machinery technologies mostly and were introduced by and provided training for by suppliers, with training given to specific technicians in the firms. On the other hand, installing new types of machinery, technologies, and new product designs required high levels of specific skills and knowledge, for which training could not be provided to existing employees, even medium and high-skilled workers. Only knowledge and skills required by firm production and buyer requirements (for export) within a given timeframe were able to be imparted to employees. For example, knowledge on how to produce new brands of clothing, new types of electrical motors, and new food products. These types of training were given to employees, but framed by skill formulation demands identified by the production department and human resource strategies of the firms. Thus, enhanced in-employment skills and knowledge of employees were to some extent related to firm governance decisions that calculated skill demands and created the capability of offering skill augmentation in the firms.

> Management: changes in technology use, types of product, and work organization create the requirement more in-employment skills and knowledge. However, training objectives needed to match industry needs. The interview data indicated that most manufacturing industries improved in-employment skill development through

on-the-job work training and emphasizing learning by doing. capacity-building methods were believed to benefit included in the first skill formation system the firms by enhancing production and meeting (facilities\*~NFC\*~OtherNF\*Tech\*Onging\*Indu\*~Inter). flexible buyer demand. And these types of training This kind of skill formation system was used in the were also confirmed to enable workers to improve food processing industry. In the second skill performance of task-related skills, multi-tasking, contingency skills, and work environment skills, which led to better productivity. So, training facilities. This system was also comprised of formal objectives bridged capacity building and company benefits. Therefore, in-employment development is also highly dependent on management objectives.

Participation and recognition: in addition to changes in technology use, product types, and work organization, in-employment skill developments were also related to worker participation and firms. Providing more recognition by in-employment training programs to existing employees could also affect them physically or emotionally. More capacity developments were viewed as positive, but increased numbers of training were also considered to increase the workload and responsibilities for workers. So, a positive mindset of workers toward skill development was essential for participating in in-employment education and training in two capacity development. Moreover, recognition of capacity building by workers from firms was considered the key motivating factor for workers to participate in capacity development. Firms should motivate skill development by improving reward systems, bonuses, and promotions in order to enhance employee participation and improve formal in-employment skill development.

### 3.3 Skill formation systems in the three manufacturing industries

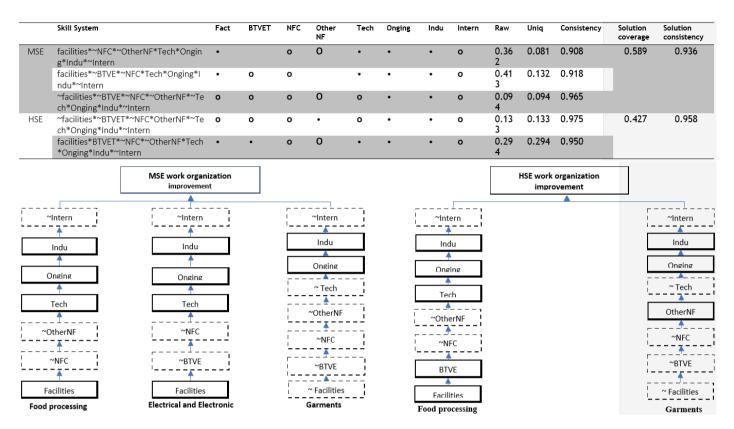
The result from the QCA revealed skill formation systems for medium and high-skilled employees. The medium-skilled employees were provided in-employment education and training by three skill formation systems. In the first system, firms provided training on new technology (Tech), general training on jobs (Onging), and induction These training programs were training (Indu). delivered in firms with proper training facilities. Non-formal company-based training

experience, (NFC), other non-formal training (OtherNF), and These work experience programs (Intern) were partially formation system, firms provided Tech, Onging, and Indu training to workers with full training education institution-based programs (BTVET), skill non-formal company-based training (NFC), and work experience programs (Intern), but they were not fully included in the system (facilities \*~BTVE\*~NFC\*Tech\*Onging\*Indu\*~Intern). This training system was applied by the electrical and electronic assembly industry. In the last skill formation system, firms provided only Onging and Indu training to staff without proper training In facilities. the formation system (~facilities\*~BTVE\*~NFC\*~OtherNF\*~Tech\*Onging\*In du\*~Intern) training centered on new workers with low value-added tasks. It aimed to improve work experience, work environment, and safety. Firms in the garment industry used this system.

> High-skilled employees were provided systems. In the first such system, firms catered to non-formal company-based training (NFC), Onging, without and Indu any facilities: (~facilities\*~BTVET\*~NFC\*OtherNF\*~Tech\*Onging \*Indu\*~Intern). The garment industry applied this skill formation system. Lastly, firms catered to education institution-based programs (BTVET), training on new technology (Tech), general training on jobs (Onging), and induction training (Indu) with full training facilities: (facilities\*BTVET\*~NFC\*~OtherNF\*Tech\*Onging\* Indu\*~Intern). This training system was applied by the food industry. Noticeably, the skill formation system of high-skilled employees from the electronic and electrical industry was unable to be identified, due to insufficient data (Table 5).

Table 5: Skill formation systems in the industries

\* present, or ~absent - Consistency threshold: 0.7 - Raw Coverage: 0.3 or more -Unique coverage: no threshold on the raw coverage; it should be 0.01 or more



# 3.4 The importance of export-oriented production for skill development

The study revealed significant improvement in in-employment skill development by increasing exports to international markets (p<0.05,odds ratio 3.123). The result may be explained by the fact that exporting to international markets requires advanced products with high quality that demand advanced skills/knowledge and modern technologies to produce. The study result explained the importance of international exports for skill development because when firms advanced production, it positively correlated with the need for modern technologies (r(97)=.410,p<0.01). Also, when firms increased use of more advanced technologies, firms required more skilled workers (r(89)=.244,p<0.05). It is interesting to note that the firms that required more skilled workers were highly likely to enhance in-employment skill development at their company (p<0.05,odds ratio 4.092). So, the in-employment skill development is demand-based training, specifically catering to meeting buyers' flexible demand for products. Through this demand-based training, firms can

build worker capacity to enhance productivity and meet the buyer demand, which matches well with firm governance, management objectives, and training delivery (ADB, 2000). This agrees with the conclusions of ADB, 2000; Sullivan & McIntosh, 1996; UNESCO UNEVOC, 1995 that found improved in-employment education and training enables firms to be more flexible in production. It can thus be confirmed that export-oriented production is an essential factor in improving in-employment skill development in the manufacturing industry.

# 3.5 Roles of length of operations of firms for significant influenced on in-employment skill development

The study also found that the number years of firm operations significantly influenced in-employment skill development (p<0.05,odds ratio 1.155). The more extended firm operations were, the more likely the firm was to increase in-employment training for workers. This could be explained by the long-term growth and transformation of firm investment objectives. To

meet sustainable development, most firms need to build an internal capacity for upskilling and reskilling their workers (NTB, 2017). This has been confirmed by Ven & Veung (2020) that education and skill development positively correlate to firm growth and transformation. As well, improving in-employment skill development enabled workers to learn to work with new machines and tools (Oke & Fernandes, 2020; Xing & Marwala, 2017; Kruss et al., 2015).

Meanwhile, the firms that operated for a longer time that use modern machines for growth and transformation faced a challenge to recruit technical staff with suitable knowledge and experience to operate the machines (Ven & Veung, 2020). The findings of this study suggest that in-employment knowledge and offering skill building that emphasizes learning by doing with peer interaction is well suited for overcoming skills gaps. For instance, the best way to improve in-employment skill development is to enhance participation of workers and firm recognition. Building а positive mindset toward skill development is essential, and creating incentive systems such as rewards, bonuses, and promotions for the learner is the motivating factor for long-term skill development in firms that have been operating for a long time.

# 3.6 In-employment skill development in Cambodia

In-employment skill development in Cambodia is more likely with export-oriented production, a greater length of time in operation, and the requirement for more skilled workers. In-employment skill development is related to an individual firm's governance, management objectives, worker participation, and recognition. Interestingly, in-employment skill development caters to specific employees, such as medium and high-skilled workers (OECD, 2013; Rainbird, 2000). The medium-skilled workers are offered technology informal on-the-job training, training, and induction training with proper training facilities. And the high-skilled workers are provided with TVET-based training programs, non-formal company -based training, technology training, ongoing work experience, and induction training with proper

training facilities. These skill formation systems served primarily to enhance work performance in routine businesses with substantial adoption of new technologies, organizational change, and product advancements. However, in-employment skill development on technical knowledge and skills for general workers is on the priority list for most firms. It could be explained by three factors: low-value-added tasks, training costs, and limited foundational knowledge of general workers.

### 4. Conclusion

Given the importance of education and skill development, and the priority on workplace-based education to solve skill development challenges in the manufacturing industry, it is critical to between understand the relationship in-employment skill development and key influencing factors in the operation of firms. This utilized mixed-methodology study research involving surveys and in-depth interviews to collect data from 101 firms and 36 in-depth interviews with firms' human resource and production departments. A binary logistic regression model was used to explore the relationships between in-employment skill development and the eight influencing factors such as FDI, change in products, technology use, work organization, sales performance, years in operation, export-oriented production, and the requirement of more skilled workers. Also, qualitative comparative analysis was applied to outline the industry skill formation systems, specifically for medium and high-skilled employees. The results from this study expand our knowledge on key factors improving in-employment skill development and skill formation systems that cater to medium and high-skilled employees in the manufacturing industry. The results can be used to inform manufacturing owners and skill development practitioners about factors that improve skills and knowledge development in the operating business.

The study's most significant findings indicate that in-employment skill development is likely to be significantly influenced by a firm's years in operation, export-oriented production, and need for more skilled workers. However, FDI, product changes, technology use, work organization, and sales performance do not significantly influence in-employment skill development. The skill development in firms seems to align with firm governance, management objectives, recognition of workers, and participation by workers. It is interesting that in-employment skill development caters to specific groups of employees, such as medium-skilled and high-skilled workers only. The medium-skilled workers are offered technology training, ongoing work experience, and induction training with proper training facilities. And the high-skill workers increase capacity through TVET-based non-formal training programs, company-based training. technology training, ongoing work experience, and induction training with proper training facilities.

The study supports the findings of other studies, suggesting that improvements of in-employment skill development benefits both capacity development and firm growth and advancement (Oke & Fernandes, 2020; Xing & Marwala, 2017; Kruss et al., 2015). Firms can build worker capacity to enhance productivity and meet buyer demands through matching firm governance, management objectives, and training delivery (ADB, 2000). The results of this study also align with other studies (ADB, 2000; Sullivan & McIntosh, 1996; UNESCO UNEVOC, 1995) which concluded that that improved in-employment education and training enables firms to be more flexible in production. The study suggests that enhanced participation from workers and improved firm recognition of increased skills are essential to improve in-employment skill development in individual firms. Fostering workers' positive disposition toward skill development and creating incentive systems are the keys to in-employment skill development.

At the same time, the benefits of in-employment education and training can lower training costs and increase capacity building, which will contribute to the Industrial Development Policy 2015-2025 and the Technical Vocation Education and Training Policy 2017-2025, which aim to promote competitive industry and skill development. Therefore, critical recommendations should be given more consideration. Firstly, quality assurance of in-employment training programs should be seriously defined and included in Cambodia's industrial policies, TVET rules, and

regulations. Secondly, nationally recognized skill development in industries should integrate training delivery, assessment, and competency standards for generic workplace skills. Finally, enhancing in-employment education and training in the manufacturing industry turns the actual workplace into an employee skill classroom with incentive systems.

While the present research has important implications for improving in-employment skill development in the manufacturing industry, it still has limitations. By adapting Lewis' Enterprise Skills Training Model in Australia, we only examined eight key influencing factors in the regression framed model and them bv governance, management, participation, and recognition. The context of workers driving them in the direction of development in-employment skill were not sufficiently understood, especially in terms of fundamental education and motivational factors. Further research is encouraged to investigate the education background and motivational aspects of workers making them more suitable for in-employment skill development and skill formation systems in the manufacturing industry.

#### Acknowledgments

This study is a part of a larger research project led by the Zürich University of Teacher Education, using data from Bangladesh, Cambodia, Ethiopia, Laos, South Africa, and Vietnam. The Swiss Programme for Research funded this research project as part of Global Issues for Development (R4D programs).

### Declaration of competing interest

The author declare that he has no competing interests.

#### References

ADB. (2000). Skill Development for Industry (Japan; Vol. 35, Issue 1). Asian Development Bank. Retrieved from https://www.adb.org/ publications/skill-development-industry

Benson, J., Gospel, H., & Zhu, J. (2013). Workforce development in Asia: Skill formation and economic growth. In J. Benson, H. Gospel, & J. Zhu (Eds.), Workforce development and skill formation in Asia (pp. 1-11). Routledge.

Catts, R., Falk, I., & Wallace, R. (2011). Vocational learning: Innovative theory and practice (Vol. 13). Springer Science & Business Media.

Hughes, C., & Un, K. (2011). Cambodia's Economic Transformation. NIAS Press. Retrieved from http://urn.kb.se/resolve? urn=urn:nbn:se: norden:org:diva-4185

ILO. (2013). Skills shortages and skills gaps in the Cambodian labour market: Evidence from employer skills needs survey [Working paper]. Retrieved from http://www.ilo.org/asia/publications/WCMS \_231862/lang--en/index.htm

Khieng, S., Chhem, R., & Madhur, S. (2015). Cambodia Education 2015 - CDRI. Retrieved from https://cdri.org.kh/publication/ cambodia-education-2015/

Kruss, G., McGrath, S., Petersen, I., & Gastrow, M. (2015). Higher education and economic development: The importance of building technological capabilities. *International Journal of Educational Development*, 43, 22-31.

Lee, S., & Pradhan, B. (2006). Probabilistic landslide hazards and risk mapping on Penang Island, Malaysia. *Journal of Earth System Science*, 115(6), 661-672.

MFAIC. (2018). Rectangular Strategies—Ministry of Foreign Affairs and International Cooperation. Retrieved from https:// www.mfaic.gov.kh /Home/RectangularStrategies

MISTI. (2015). Cambodian industrial development policy 2015-2025. Retrieved from https://misti.gov.kh/public/file/ 202103031614763249.pdf

MoP. (2014). National Strategic Development Plan 2014-2018. UN-FPA Cambodia. Retrieved from https://cambodia.unfpa.org/en/ publications/national-strategic-development-plan-2014-2018

MoP. (2019). General Population Census of Cambodia 2019. Retrieved from https://www.nis.gov.kh/index.php/km/15-gpc

NIS. (2018). National Account 2018. Retrieved from https:// www.nis.gov.kh/ index.php/en/21-na/81-national-account-table

NTB. (2017). National Technical Vocational Education and Training Policy 2017-2025. Retrieved from http://tvetsdp.ntb.gov.kh/wpcontent/uploads/2018/02/NTVET-Policy-2017-2025.ENG\_.pdf

OECD. (2013). Skills development and training in SMEs (Local Economic and Employment Development) [OECD Skills Studies]. OECD Publishing. Retrieved from http:// dx.doi.org/10.1787/9789264169425-en

Oke, A., & Fernandes, F. A. P. (2020). Innovations in teaching and learning: Exploring the perceptions of the education sector on the 4th industrial revolution (4IR). *Journal of Open Innovation: Technology, Market, and Complexity,* 6(2), 31.

Ragin, Charles C. and Sean Davey. (2016). Fuzzy-Set/Qualitative Comparative Analysis 3.0. Irvine, California: Department of Sociology, University of California. Retrieved from www.socsci.uci.edu/~cragin/ fsQCA/software.shtml

Rainbird, H. (2000). Training in the workplace and workplace learning: An Introduction. In H. Rainbird (Ed.), *Training in the workplace: Critical perspectives on learning at work* (pp. 1-17). Palgrave. Retrieved from https://doi.org/10.1007/978-0-230-21276-3\_1

Richardson, J. W. (2011). Challenges of Adopting the Use of Technology in Less Developed Countries: The Case of Cambodia. *Comparative Education Review*, 55(1), 008-029. Retrieved from https://doi.org/10.1086/656430

Seangmean, T., Sokheng, S., & Somonich, P. (2015). Youth employment in Cambodia: Trends, challenges and policy responses; final draft. Retrieved from https://idl-bnc-idrc.dspacedirect.org/handle/ 10625/54708

Srinivasa, M. (2014). Cambodia's skill gap: An anatomy of issues and policy options. CDRI.

Sullivan, R., & McIntosh, N. (1996). The competency-based approach to training. *Medical Journal of Indonesia*, 5(2), 95-98.

Tranmer, M., & Elliot, M. (2008). Binary logistic regression. Cathie Marsh for Census and Survey Research, Paper, 20.

UNESCO UIS. (2011). *TVETipedia Glossary*. Retrieved from https://unevoc.unesco.org/home/TVETipedia+Glossary/filt=all/id=306

UNESCO UIS. (2013). UIS - Glossary > All Terms. Retrieved from http://glossary.uis.unesco.org/glossary/map/terms/176

UNESCO UNEVOC. (1995). Competency-Based Training. Retrieved from https://unevoc.unesco.org/home/Competency Based+Training&context=

Ven, S., & Veung, N. (2020). The Contribution of Vocational Skills Development to Cambodia's Economy. Retrieved from https:// cdri.org.kh/publication/the-contribution-of-vocational-skillsdevelopment-to-cambodia-s-economy

Xing, B., & Marwala, T. (2017). Implications of the fourth industrial age for higher education. *The\_Thinker\_\_Issue\_73\_\_Third\_Quarter\_2017*.

Yok, S., Chrea, S., & Pak, R. (2019). Technical and Vocational Education and Training in Cambodia: Current Status and Future Development. In B. Bai & Paryono (Eds.), Vocational Education and Training in ASEAN Member States: Current Status and Future Development (pp. 25-43). Springer. Retrieved from https:// doi.org/10.1007/978-981-13-6617-8\_2

## Appendix

Appendix 1: Table 1. Variables included in the Binary Logistic Regression

| Independent<br>variables                           | Description  | Code   |
|--|--|--|
| $\beta_1$ = year of operation                      | Age from<br>establishment until<br>2019  | Numerical data   |
| $\beta_2$ = FDI                                    | The extent of<br>foreign sources in<br>company investment  | Ordinal data<br>0. None<br>1. Less than 33%<br>2. Between 33% to 66%<br>3. More than 66%   |
| $\beta_3$ = Export<br>performance                  | Exported product<br>share of the total<br>products   | Ordinal data<br>0. Do not export<br>1. Less than 33%<br>2. Between 33% to 66%<br>3. More than 66%  |
| β <sub>4</sub> = Requiring more<br>skilled workers | Need for more<br>skilled workers   | Ordinal data<br>-2. Significantly less<br>worker skills<br>-1. Somewhat less<br>worker skills<br>0. Same worker skills as<br>before<br>1. Somewhat more<br>advanced worker skills<br>2. Significantly more<br>advanced worker skills |
| $\beta_5$ =Change_product                          | During the last five<br>years, the number<br>of products made                                      | Ordinal data<br>-2. Become significantly<br>simpler<br>-1. Become somewhat<br>significantly simpler<br>0. Not changed<br>1. Become somewhat<br>more advanced<br>2. Become significantly<br>more advanced                             |
| $\beta_6$ = Change_tech                            | During the last five<br>years, the different<br>technology and<br>machinery used for<br>production | Ordinal data<br>-2. Become significantly<br>simpler<br>-1. Become somewhat<br>significantly simpler<br>0. Not changed<br>1. Become somewhat<br>more advanced<br>2. Become significantly<br>more advanced                             |
| $\beta_7$ = Change_org                             | During the last five<br>years, changes to<br>work organization<br>and management                   | Ordinal data<br>-1. No<br>1. Yes   |
| β <sub>8</sub> = Sales<br>performance              | During the last five<br>years, the amount<br>of sales  | Ordinal data<br>-2. Declined more than<br>33%<br>-1. Declined less than<br>33%<br>0. Not changed<br>1. Increased less than<br>33 %<br>2. Increased more than<br>33%  |

**Appendix 2: Table 2.** A thematic content table of skill development for both MSE and HSE 1 = not at all; 2 = not very important; 3 = somewhat important; 4 = very important

| Code | Ad           | Facility |           |     | HSE cap     | acity b | uilding    | 3    |        |           |     | MSE cap     | acity b | uilding    | 3    |        |
|------|--------------|----------|-----------|-----|-------------|---------|------------|------|--------|-----------|-----|-------------|---------|------------|------|--------|
|      | work<br>orga |          | B<br>TVET | NFC | Other<br>NF | Tech    | On<br>ging | Indu | Intern | B<br>TVET | NFC | Other<br>NF | Tech    | On<br>ging | Indu | Intern |
| cgf  | yes          | no       | 3         | 1   | 3           | 3       | 4          | 4    | 1      | 4         | 2   | 2           | 4       | 4          | 3    | 1      |
| cg3  | yes          | no       | 1         | 1   | 4           | 1       | 4          | 4    | 1      | 4         | 2   | 2           | 4       | 4          | 4    | 2      |
| cgc  | yes          | yes      | 3         | 1   | 3           | 2       | 2          | 2    | 1      | 3         | 1   | 4           | 4       | 4          | 3    | 1      |
| cg0  | yes          | yes      | 4         | 1   | 3           | 3       | 3          | 4    | 1      | 3         | 1   | 4           | 4       | 4          | 4    | 1      |
| cgf  | yes          | yes      | 1         | 1   | 2           | 4       | 4          | 4    | 1      | 3         | 1   | 2           | 4       | 4          | 4    | 2      |
| cg0  | no           | no       | 2         | 1   | 1           | 4       | 4          | 4    | 1      | 2         | 1   | 3           | 3       | 3          | 4    | 1      |
| ce0  | no           | yes      | 2         | 1   | 1           | 4       | 4          | 4    | 1      | 2         | 1   | 1           | 4       | 4          | 4    | 1      |
| cef  | yes          | yes      | 3         | 3   | 3           | 4       | 3          | 4    | 1      | 2         | 1   | 3           | 4       | 4          | 3    | 1      |
| ce1  | yes          | yes      | 4         | 1   | 3           | 4       | 4          | 4    | 1      | 2         | 1   | 4           | 4       | 4          | 4    | 1      |
| ced  | no           | yes      | 1         | 2   | 2           | 3       | 4          | 4    | 1      | 2         | 1   | 2           | 1       | 4          | 4    | 1      |
| cef  | yes          | yes      | 2         | 1   | 3           | 3       | 4          | 4    | 1      | 2         | 2   | 2           | 4       | 4          | 4    | 1      |
| ce3  | yes          | yes      | 2         | 1   | 3           | 3       | 4          | 4    | 1      | 2         | 1   | 3           | 4       | 4          | 4    | 1      |
| cf5  | yes          | no       | 4         | 3   | 4           | 4       | 4          | 4    | 2      | 2         | 1   | 1           | 4       | 4          | 3    | 1      |
| cf1  | yes          | yes      | 4         | 3   | 3           | 3       | 3          | 3    | 1      | 2         | 1   | 2           | 4       | 4          | 4    | 1      |
| cfc  | yes          | no       | 2         | 1   | 3           | 3       | 3          | 3    | 1      | 2         | 1   | 2           | 4       | 4          | 4    | 2      |
| cf3  | yes          | yes      | 3         | 2   | 2           | 4       | 4          | 4    | 1      | 1         | 1   | 2           | 2       | 4          | 4    | 1      |
| cf6  | yes          | yes      | 4         | 2   | 2           | 4       | 4          | 4    | 2      | 1         | 1   | 1           | 3       | 4          | 4    | 1      |
| cfe  | yes          | yes      | 3         | 1   | 2           | 4       | 4          | 4    | 2      | 1         | 1   | 3           | 3       | 4          | 3    | 1      |

#### Appendix 3: Table 3. Calibration table

| Code | Ad           | Facility |           |      | HSE cap     | oacity b | uilding    |      |        |           |      | MSE ca      | pacity k | ouilding   | g    |        |
|------|--------------|----------|-----------|------|-------------|----------|------------|------|--------|-----------|------|-------------|----------|------------|------|--------|
|      | work<br>orga |          | B<br>TVET | NFC  | Other<br>NF | Tech     | On<br>ging | Indu | Intern | B<br>TVET | NFC  | Other<br>NF | Tech     | On<br>ging | Indu | Intern |
| cgf  | 1            | 0        | 0.5       | 0.05 | 0.5         | 0.5      | 0.95       | 0.95 | 0.05   | 0.95      | 0.18 | 0.18        | 0.95     | 0.95       | 0.5  | 0.05   |
| cg3  | 1            | 0        | 0.05      | 0.05 | 0.95        | 0.05     | 0.95       | 0.95 | 0.05   | 0.95      | 0.18 | 0.18        | 0.95     | 0.95       | 0.95 | 0.18   |
| cgc  | 1            | 1        | 0.5       | 0.05 | 0.5         | 0.18     | 0.18       | 0.18 | 0.05   | 0.5       | 0.05 | 0.95        | 0.95     | 0.95       | 0.5  | 0.05   |
| cg0  | 1            | 1        | 0.95      | 0.05 | 0.5         | 0.5      | 0.5        | 0.95 | 0.05   | 0.5       | 0.05 | 0.95        | 0.95     | 0.95       | 0.95 | 0.05   |
| cgf  | 1            | 1        | 0.05      | 0.05 | 0.18        | 0.95     | 0.95       | 0.95 | 0.05   | 0.5       | 0.05 | 0.18        | 0.95     | 0.95       | 0.95 | 0.18   |
| cg0  | 0            | 0        | 0.18      | 0.05 | 0.05        | 0.95     | 0.95       | 0.95 | 0.05   | 0.18      | 0.05 | 0.5         | 0.5      | 0.5        | 0.95 | 0.05   |
| ce0  | 0            | 1        | 0.18      | 0.05 | 0.05        | 0.95     | 0.95       | 0.95 | 0.05   | 0.18      | 0.05 | 0.05        | 0.95     | 0.95       | 0.95 | 0.05   |
| cef  | 1            | 1        | 0.5       | 0.5  | 0.5         | 0.95     | 0.5        | 0.95 | 0.05   | 0.18      | 0.05 | 0.5         | 0.95     | 0.95       | 0.5  | 0.05   |
| ce1  | 1            | 1        | 0.95      | 0.05 | 0.5         | 0.95     | 0.95       | 0.95 | 0.05   | 0.18      | 0.05 | 0.95        | 0.95     | 0.95       | 0.95 | 0.05   |
| ced  | 0            | 1        | 0.05      | 0.18 | 0.18        | 0.5      | 0.95       | 0.95 | 0.05   | 0.18      | 0.05 | 0.18        | 0.05     | 0.95       | 0.95 | 0.05   |
| cef  | 1            | 1        | 0.18      | 0.05 | 0.5         | 0.5      | 0.95       | 0.95 | 0.05   | 0.18      | 0.18 | 0.18        | 0.95     | 0.95       | 0.95 | 0.05   |
| ce3  | 1            | 1        | 0.18      | 0.05 | 0.5         | 0.5      | 0.95       | 0.95 | 0.05   | 0.18      | 0.05 | 0.5         | 0.95     | 0.95       | 0.95 | 0.05   |
| cf5  | 1            | 0        | 0.95      | 0.5  | 0.95        | 0.95     | 0.95       | 0.95 | 0.18   | 0.18      | 0.05 | 0.05        | 0.95     | 0.95       | 0.5  | 0.05   |
| cf1  | 1            | 1        | 0.95      | 0.5  | 0.5         | 0.5      | 0.5        | 0.5  | 0.05   | 0.18      | 0.05 | 0.18        | 0.95     | 0.95       | 0.95 | 0.05   |
| cfc  | 1            | 0        | 0.18      | 0.05 | 0.5         | 0.5      | 0.5        | 0.5  | 0.05   | 0.18      | 0.05 | 0.18        | 0.95     | 0.95       | 0.95 | 0.18   |
| cf3  | 1            | 1        | 0.5       | 0.18 | 0.18        | 0.95     | 0.95       | 0.95 | 0.05   | 0.05      | 0.05 | 0.18        | 0.18     | 0.95       | 0.95 | 0.05   |
| cf6  | 1            | 1        | 0.95      | 0.18 | 0.18        | 0.95     | 0.95       | 0.95 | 0.18   | 0.05      | 0.05 | 0.05        | 0.5      | 0.95       | 0.95 | 0.05   |
| cfe  | 1            | 1        | 0.5       | 0.05 | 0.18        | 0.95     | 0.95       | 0.95 | 0.18   | 0.05      | 0.05 | 0.5         | 0.5      | 0.95       | 0.5  | 0.05   |

### Appendix 4: Table 4. Surveyed firms

| N  | Firm ID       | Sector | Year of operation | Consent |
|----|---------------|--------|-------------------|---------|
| 1  | CE051218D     | CE     | 2013              | OK      |
| 2  | CE13E1E5      | CE     | 2017              | OK      |
| 3  | CE14894C      | CE     | 2016              | OK      |
| 4  | CE163E8       | CE     | 2013              | OK      |
| 5  | CE166E20      | CE     | 2017              | OK      |
| 6  | CE18767C      | CE     | 2016              | OK      |
| 7  | CE1AB51F      | CE     | 2012              | OK      |
| 8  | CE1BD4F       | CE     | 2012              | OK      |
| 9  | CE36543       | CE     | 2017              | OK      |
| 10 | CE3A7FC       | CE     | 2017              | OK      |
| 11 | CE3C89A       | CE     | 2015              | OK      |
| 12 | CE435B6       | CE     | 2012              | OK      |
| 13 | CE4771        | CE     | 2011              | OK      |
| 14 | CE518AD       | CE     | 2016              | OK      |
| 15 | CE5913F       | CE     | 2012              | OK      |
| 16 | CE72D5        | CE     | 2012              | OK      |
| 17 | CE830EC       | CE     | 2012              | OK      |
| 18 | CEB043        | CE     | 2014              | OK      |
| 19 | CEF3D5        | CE     | 2012              | OK      |
| 20 | CEGOT20181220 | CE     | 2014              | OK      |
| 21 | CF1           | CF     | 2016              | OK      |
| 22 | CF10395       | CF     | 2009              | OK      |
| 23 | CF125571      | CF     | 2001              | OK      |
| 24 | CF13E0AE      | CF     | 2011              | OK      |
| 25 | CF1AEE37      | CF     | 2017              | OK      |
| 26 | CF1C31F       | CF     | 2012              | OK      |
| 27 | CF20190110KFP | CF     | 2014              | OK      |
| 28 | CF248C        | CF     | 2016              | OK      |
| 29 | CF27CC50      | CF     | 1993              | OK      |
| 30 | CF3           | CF     | 2014              | OK      |
| 31 | CF8D79A       | CF     | 1995              | OK      |
| 32 | CF9C72        | CF     | 2010              | OK      |
| 33 | CFC0BB6       | CF     | 2015              | OK      |
| 34 | CFCP20181212  | CF     | 1996              | OK      |
| 35 | CFE45EE       | CF     | 2002              | OK      |
| 36 | CFF5154       | CF     | 2009              | OK      |
|    |               |        |                   |         |

#### I. Kvanthai. The Cambodia Journal of Basic and Applied Research (2022), 4(1), 53-72

| 37 | CG1099F | CG | 2013 | ОК |
|----|---------|----|------|----|
| 38 | CG10DAF | CG | 2012 | ОК |
| 39 | CG14FDC | CG | 2016 | ОК |
| 40 | CG153   | CG | 2006 | ОК |
| 41 | CG16903 | CG | 1997 | ОК |
| 42 | CG1B43B | CG | 2014 | ОК |
| 43 | CG1C57  | CG | 2014 | ОК |
| 44 | CG1D677 | CG | 2011 | ОК |
| 45 | CG1DBE4 | CG | 1996 | ОК |
| 46 | CG226B5 | CG | 2014 | ОК |
| 47 | CG259C9 | CG | 2011 | ОК |
| 48 | CG28469 | CG | 2013 | ОК |
| 49 | CG38906 | CG | 2015 | ОК |
| 50 | CG4390B | CG | 2015 | ОК |
| 51 | CG4F7A  | CG | 2012 | ОК |
| 52 | CG4FE6D | CG | 2000 | ОК |
| 53 | CG51B83 | CG | 2002 | ОК |
| 54 | CG53B   | CG | 2012 | ОК |
| 55 | CG5DE5B | CG | 2012 | ОК |
| 56 | CG601A7 | CG | 2012 | ОК |
| 57 | CG71071 | CG | 2014 | ОК |
| 58 | CG72F08 | CG | 2012 | ОК |
| 59 | CG79FB5 | CG | 2012 | OK |
| 60 | CG7AD7E | CG | 2015 | ОК |
| 61 | CG8258E | CG | 2015 | ОК |
| 62 | CG8E5CC | CG | 2012 | OK |
| 63 | CG955E  | CG | 2013 | ОК |
| 64 | CG9ADAC | CG | 2014 | OK |
| 65 | CG9CECC | CG | 2012 | OK |
| 66 | CG9DAA  | CG | 2016 | ОК |
| 67 | CG9E77  | CG | 1998 | OK |
| 68 | CGA43EA | CG | 2013 | ОК |
| 69 | CGA6071 | CG | 2005 | ОК |
| 70 | CGA7E0D | CG | 2010 | ОК |
| 71 | CGAD22F | CG | 2013 | OK |
| 72 | CGB19DA | CG | 2016 | OK |
| 73 | CGB5E23 | CG | 2013 | OK |
|    |         |    |      |    |

|     |                   |    | 1    |    |
|-----|-------------------|----|------|----|
| 74  | CGBB3D3           | CG | 2012 | OK |
| 75  | CGBBEBC           | CG | 2012 | OK |
| 76  | CGBC830           | CG | 2016 | ОК |
| 77  | CGCE4F            | CG | 2013 | OK |
| 78  | CGCGU20181219     | CG | 2011 | OK |
| 79  | CGD2915           | CG | 2005 | OK |
| 80  | CGDA71A           | CG | 2017 | OK |
| 81  | CGDA9F9           | CG | 2004 | OK |
| 82  | CGE13D2           | CG | 2015 | OK |
| 83  | CGE4B             | CG | 2012 | OK |
| 84  | CGE513F           | CG | 2013 | ОК |
| 85  | CGE6B11           | CG | 2014 | ОК |
| 86  | CGE86C5           | CG | 2006 | ОК |
| 87  | CGE8B8B           | CG | 2013 | ОК |
| 88  | CGE8F32           | CG | 2015 | ОК |
| 89  | CGEAB22           | CG | 2013 | ОК |
| 90  | CGF1422           | CG | 2014 | ОК |
| 91  | CGF1BFD           | CG | 2011 | ОК |
| 92  | CGF21EF           | CG | 2010 | ОК |
| 93  | CGF2441           | CG | 2011 | OK |
| 94  | CGFO4AE           | CG | 2011 | ОК |
| 95  | CGHWP20181221     | CG | 2010 | OK |
| 96  | CGJF20181228      | CG | 2014 | ОК |
| 97  | CGMT20181229      | CG | 2016 | OK |
| 98  | CGSES20181221     | CG | 2016 | ОК |
| 99  | CGSZYY20181220    | CG | 2015 | OK |
| 100 | CGXD20181228      | CG | 2015 | ОК |
| 101 | CGhongdou20181219 | CG | 2011 | OK |
|     | -                 |    |      |    |

### Appendix 5: Table 5. Interviewed firms

| Ν  | Firm ID        | Sector | Production Department   | HR Department | Interview Date | Consent |
|----|----------------|--------|-------------------------|---------------|----------------|---------|
| 1  | CG16903        | CG     | $\overline{\mathbf{A}}$ | $\square$     | 25-Nov-19      | ok      |
| 2  | CE1BD4F        | CE     |                         |               | 26-Nov-19      | ok      |
| 3  | CGF21EF        | CG     |                         | $\square$     | 26-Nov-19      | ok      |
| 4  | CGBBEBC        | CG     |                         |               | 12-Dec-19      | ok      |
| 5  | CF125571       | CF     |                         |               | 20-Nov-19      | ok      |
| 6  | CF3            | CF     | $\overline{\mathbf{v}}$ | $\square$     | 18-Nov-19      | ok      |
| 7  | CGBC830        | CG     |                         |               | 18-Nov-19      | ok      |
| 8  | CE5913F        | CE     |                         |               | 14-Nov-19      | ok      |
| 9  | CE166E20       | CE     |                         | $\square$     | 14-Nov-19      | ok      |
| 10 | CFC0BB6        | CF     |                         |               | 22-Oct-19      | ok      |
| 11 | CF248C         | CF     |                         | $\square$     | 17-Oct-19      | ok      |
| 12 | CE4771         | CE     |                         |               | 16-Oct-19      | ok      |
| 13 | CEB043         | CE     |                         | $\square$     | 16-Oct-19      | ok      |
| 14 | CE518AD        | CE     |                         |               | 25-Oct-19      | ok      |
| 15 | CGSZYY20181220 | CG     | $\checkmark$            |               | 5-Nov-19       | ok      |
| 16 | CG1099F        | CG     |                         |               | 5-Nov-19       | ok      |
| 17 | CF10395        | CF     |                         |               | 26-Nov-19      | ok      |
| 18 | CFE45EE        | CF     | $\square$               | $\square$     | 31-Nov-2019    | ok      |