

Workplace Dialogue across Enterprise Types in Vietnam: The Role of Trade Unions

Nguyen Thanh Cong

Trade Union University, Hanoi, Vietnam

ABSTRACT: Workplace dialogue is a crucial mechanism for building harmonious, stable, and progressive labor relations within enterprises. As the representative organization of workers, trade unions play a central role in promoting and implementing effective workplace dialogue. This article analyzes and compares the role of trade unions in workplace dialogue across different types of enterprises in Vietnam, including state-owned enterprises, private enterprises, and foreign-invested enterprises (FDIs). The paper further clarifies the differences in trade union roles depending on whether employers support or oppose union activities. Research findings indicate that, aside from factors such as competence, skills, determination, and commitment of union officials, the proactivity, effectiveness, and influence of trade unions in workplace dialogue largely depend on enterprise ownership type, labor relations dynamics, management models, and corporate culture. Based on these insights, the paper offers several recommendations to strengthen the role of trade unions in workplace dialogue, aiming toward the development of more democratic and sustainable labor relations.

KEYWORDS: Trade unions, workplace dialogue, social dialogue

1. INTRODUCTION

In the context of Vietnam's ongoing transformation toward modern, harmonious, and sustainable labor relations, workplace dialogue has been increasingly recognized as a vital tool for resolving labor disputes, fostering a positive work environment, and enhancing labor productivity. However, the effectiveness of such dialogue heavily depends on the balance of power between employers and trade unions within enterprises. This power balance is shaped by the strength, solidarity, knowledge, and skills of the workforce and their representatives, supported by the legal framework.

To ensure stable and harmonious labor relations, the law stipulates the responsibilities of parties in workplace dialogue and outlines procedures for conducting dialogue sessions. Nonetheless, the actual outcomes of legal implementation rely on the capabilities and independence of the workforce-factors often guided and mobilized by trade unions. In enterprises where trade union activity is weak and workers' competencies are limited, the unions tend to lack autonomy and are often influenced or even controlled by employers, leading to superficial and ineffective dialogue that offers little real protection for workers. Conversely, in enterprises with strong, well-organized unions, dialogue tends to receive employer respect and results in more constructive, meaningful exchanges aimed at harmonizing interests. The balance of power in workplace dialogue also varies across enterprise types due to differences in ownership structure, governance models, and organizational culture-factors that directly affect the organization and functioning of trade unions.

This study analyzes and compares the role of trade unions in workplace dialogue across different enterprise types in Vietnam. It not only identifies the specific characteristics of union roles in each context but also highlights how these contextual elements influence the success of dialogue mechanisms. Based on this analysis, the paper proposes practical and policy recommendations to enhance trade union roles in fostering progressive labor relations within enterprises.

The article is structured into three main sections: (1) fundamental concepts related to workplace dialogue and the role of trade unions; (2) an analysis of the differences in the role of trade unions in workplace dialogue across different types of enterprises, illustrating how employer support or lack thereof influences the outcomes of dialogue; (3) policy recommendations.

2. CONCEPTUAL FRAMEWORK

2.1. Workplace Dialogue

Workplace dialogue is a component of social dialogue, grounded in the principle that when the interests of workers and employers are imbalanced, it is necessary to ensure that both parties have the right to express their needs, participate in decision-making processes, and influence the final outcomes. This approach allows decision-makers to strike a reasonable balance between conflicting interests.

According to Vietnamese labor law, workplace dialogue refers to the process of sharing information, consulting, discussing, and exchanging opinions between employers and employees or their representative organizations concerning matters related to the rights, interests, and concerns of the parties at the workplace. The aim is to enhance mutual understanding, foster cooperation, and jointly pursue mutually beneficial solutions (Article 63.1, Labor Code 2019) [1]. Workplace dialogue serves not only as a means to promote enterprise development but also as an end in itself, as it empowers workers with a voice and representation in the workplace.

In terms of its purpose, workplace dialogue is a tool for establishing and maintaining mutual understanding, sharing, and agreement between employers and employees through their representatives—typically the trade union. Its fundamental aim is to protect the legal rights and interests of all parties, improve the quality of labor relations, prevent and peacefully resolve disputes, and foster a democratic, stable, and effective work environment.

Economically, workplace dialogue functions as a mechanism for distributing power and interests within the business and production structure of an enterprise. Through dialogue, workers have opportunities to participate in decisions that affect their income, working conditions, hours, occupational safety and health, and other entitlements. Employers, in turn, can voice their expectations regarding workers' contributions to the enterprise's development. This helps balance the traditionally adversarial relationship between employers—who control the means of production—and workers—who sell their labor for wages and income. Dialogue contributes to enhancing productivity and the quality of human resources by fostering worker satisfaction and organizational commitment.

From a socio-political perspective, workplace dialogue embodies democratic practices in labor relations. It offers a space for workers to exercise collective ownership and participate in shaping a dialogue-oriented culture, rule of law, and a more harmonious society. Dialogue is not merely the exchange of information; it is also a process of negotiation and bargaining that aims to reach mutually beneficial agreements based on the principles of fairness, respect, and equality in a democratic society. In the context of reform and international integration, dialogue also contributes to strengthening institutional capacity and sustainably developing relationships among the state, market, and civil society in the labor domain.

2.2. The Role of Trade Unions in Workplace Dialogue

According to the International Labour Organization (ILO), in its "General Law on Trade Unions," a trade union is an organization established to protect and advocate for workers' rights and welfare [2]. Both theoretical and practical perspectives affirm that the protection of members' rights and interests is the fundamental reason for the existence of trade unions.

Accordingly, trade unions play a central role in workplace dialogue. They act as representatives of the workforce in negotiations and consultations, voicing concerns and proposals related to working conditions, wages, benefits, and occupational safety. Through dialogue, trade unions contribute to building harmonious, stable, and progressive labor relations, which in turn improve business performance and protect workers' legal rights and interests. Moreover, they help create a democratic and respectful working environment for all parties involved.

Trade unions are also responsible for organizing, guiding, and supporting workers in participating effectively in dialogue, as well as monitoring the implementation of any commitments made during the dialogue process.

2.3. Types of Enterprises

Enterprises are a specific form of economic organization established to conduct business activities for the purpose of generating profit. According to Vietnam's 2020 Law on Enterprises, an enterprise is an economic organization with a distinct name, assets, and a stable transaction office, legally registered for business purposes [3]. Enterprises exist in various forms, including private enterprises, state-owned enterprises, and foreign-invested enterprises (FDIs).

State-Owned Enterprises (SOEs) are defined as enterprises in which the state holds more than 50% of the charter capital or voting shares [3]. These enterprises often operate in strategic sectors such as energy, transportation, telecommunications, and defense industries. They serve as instruments for macroeconomic regulation, social policy implementation, market guidance, and fulfillment of national security and sustainable development objectives.

Workplace Dialogue across Enterprise Types in Vietnam: The Role of Trade Unions

Private Enterprises are owned by individuals or groups of individuals. These businesses operate according to market principles, with profit as their primary goal. In Vietnam, private enterprises are seen as a driving force for economic growth, job creation, and the effective mobilization of social resources for innovation and technological advancement.

Foreign-Invested Enterprises (FDIs) are businesses with direct investment from foreign entities. This group plays an increasingly vital role in Vietnam's economy. Not only do they significantly contribute to GDP growth and export volume, but they also generate millions of jobs and facilitate the transfer of technology and modern management practices. With their integration into global value chains, FDIs help Vietnam deepen its integration into the global economy. Furthermore, FDIs contribute to state revenue and promote infrastructure development and urbanization in various regions.

3. WORKPLACE DIALOGUE IN DIFFERENT TYPES OF ENTERPRISES AND THE ROLE OF TRADE UNIONS

The negotiation process between workers and employers to resolve disputes and improve the working environment, fostering harmonious, stable, and progressive labor relations in enterprises, is significantly supported by trade unions. However, the role of trade unions in these dialogues varies across different types of enterprises. These differences stem from various factors, including the nature of enterprise ownership, the legal environment, labor culture, and the level of support or opposition to trade unions from employers.

3.1. Social Dialogue in State-Owned Enterprises

Social dialogue in state-owned enterprises (SOEs) has distinct characteristics compared to private or foreign direct investment (FDI) enterprises, influenced by the interplay of market factors and the state's role as the owner, reflected in the following aspects: First, SOEs are wholly owned by the state, operate under government management, and are strongly influenced by the state's operational objectives, policies, and macroeconomic governance. This ownership structure makes SOEs not only economic entities but also tools for achieving the state's social and political goals. Consequently, decision-making in SOEs is not solely based on market factors but also considers political and social elements. This creates differences in social dialogue and the role of trade unions. Trade union activities, including dialogue, are conducted formally and seriously, with support from enterprise leadership. However, due to state regulations and management, dialogues can sometimes be formalistic. Workers may lack full trust in participating in negotiations, as final decisions may be predetermined at higher government levels.

Second, labor relations in SOEs tend to be more administrative than freely negotiated. Workers in SOEs, particularly trade union members, often feel protected by the state and robust social security mechanisms but are also constrained by political and administrative factors in dialogues with employers. Trade unions in SOEs often lack independence in representing workers' interests, as they typically follow directives from state agencies. This can result in formalistic social dialogue lacking substance.

Third, the governance model in SOEs is typically hierarchical, with state agencies and higher-level trade unions directly influencing management decisions. Decisions regarding wages, benefits, and social welfare may require multiple levels of approval, reducing flexibility in implementing agreements reached through social dialogue. This can lead to a lack of consensus among parties and slow down the implementation of agreements.

Fourth, the culture in SOEs tends to be conservative and rooted in tradition, as these enterprises must adhere to administrative regulations and the state's political objectives. Corporate culture in SOEs often discourages innovation and critical feedback in management decisions. Consequently, issues raised in social dialogue may not truly reflect workers' actual needs and aspirations. Workers in SOEs tend to avoid opposition or excessive demands due to concerns about affecting their relationship with the government or the company.

3.2. Social Dialogue in Private Enterprises

In private enterprises, market-driven characteristics are prominent. Trade union activities in these enterprises lack the support from employers seen in SOEs and do not achieve the compliance levels found in FDI enterprises. Workplace dialogue in private enterprises has the following characteristics:

(i) In private enterprises, ownership is concentrated in an individual or a small group, leading to flexibility and autonomy in management. Employers can make direct and rapid decisions on labor-related issues. However, as profit maximization is the primary goal, social dialogue is only prioritized when it directly benefits the enterprise. Without a strong trade union or strict enforcement of labor laws, dialogue risks being overlooked.

(ii) Labor relations in private enterprises occur directly between employers and workers in a high-pressure business context. These relations heavily depend on the enterprise's business performance and workers' negotiation skills (ultimately tied to their qualifications). The flexibility and directness of these relations, combined with instability and potential inequality, create distinct characteristics in workplace dialogue. Workers are less protected by social security mechanisms and often face job insecurity. Trade unions, if present, are typically weak, lack independence, and in many cases, are either not established or exist only

Workplace Dialogue across Enterprise Types in Vietnam: The Role of Trade Unions

nominally. As a result, social dialogue in private enterprises is often formalistic, lacks democracy, and struggles to achieve meaningful consensus. A lack of trust and strong representation discourages workers from participating in dialogue, and conflicts easily arise when their rights are violated.

(iii) The governance model in private enterprises is highly centralized, with decision-making power primarily held by the owner or a small group of founding shareholders. Less bound by public governance regulations (as in SOEs) or international standards (as in FDI enterprises), decisions are often subjective, lack transparency, and lack effective consultation mechanisms with workers. Consequently, workplace dialogue in these enterprises is easily overlooked, conducted formally, or entirely absent. Workers often hesitate to provide feedback or raise concerns due to fear of job loss, reducing the effectiveness of dialogue and limiting the role of trade unions, if they exist.

(iv) Corporate culture in private enterprises is often personalized, strongly reflecting the style and values of the founder or owner. This culture can be flexible and dynamic but also patriarchal and lacking in democracy, especially in small and medium-sized enterprises. When employers prioritize compliance over dialogue, workers have little opportunity to voice their concerns, and workplace dialogue is seen as unnecessary or burdensome. Such a closed and opaque environment hinders trust-building, weakens the role of trade unions, and makes effective social dialogue difficult to achieve.

3.3. Social Dialogue in FDI Enterprises

FDI enterprises typically have multinational ownership, with parent companies or owners based abroad and subsidiaries operating in Vietnam. This ownership structure subjects FDI enterprises to both domestic legal frameworks and international labor standards, particularly if the parent company is from a country with strong labor rights traditions. This creates favorable conditions for establishing professional, systematic, and structured workplace dialogue mechanisms compared to many domestic enterprises. However, language barriers, differences in management culture, and varying perceptions of trade unions' roles between foreign investors and local workers can create challenges in the dialogue process, making trust-building and mutual understanding difficult.

Regarding labor relations, FDI enterprises are heavily influenced by international labor standards and regulations, particularly from developed countries where parent companies are headquartered. While FDI enterprises may offer better working conditions, wages, and benefits compared to domestic enterprises, labor relations are governed by both Vietnamese law and the international standards required by the parent company. This results in a tightly organized and structured dialogue environment. However, factors such as cultural, linguistic, and management differences between local workers and foreign employers can pose challenges in social dialogue. Trade unions in FDI enterprises are often influenced by the requirements of foreign investors, which can complicate negotiations over workers' rights if there are disagreements on labor policies and standards. Nevertheless, the proactive adoption of international standards enhances transparency and fairness in workplace dialogue.

The governance model in FDI enterprises is typically global, following international management standards and processes established by the parent company. FDI companies often adopt centralized governance, with decision-making authority concentrated among senior leadership from the parent company, while subsidiaries in other countries implement the overarching strategy. This enables rapid, consistent, and well-prepared decision-making in terms of policy. However, this governance model can create a relatively rigid and inflexible dialogue system, as decisions are often predetermined at higher management levels with little room for adjustment at the local level. This can make workplace dialogue and negotiations less multidimensional. While FDI enterprises may provide a professional and fair working environment, dialogue can be limited by the processes and standards set by the parent company, reducing workers' participation and influence in decisions regarding their rights and working conditions. The corporate culture in FDI enterprises is strongly influenced by the values and standards of the parent company or the owning country, rooted in international principles such as transparency, fairness, and respect for human rights. This culture often emphasizes work efficiency, innovation, and strict adherence to management policies and regulations. FDI companies typically foster a highly professional working environment, encouraging employees to engage in improvement processes and enhance personal capabilities. This culture creates a proactive and organized social dialogue environment where workers can easily access processes and standards related to their rights. However, in some cases, FDI companies may have an overly "professionalized" management culture, leading to a clear separation between management levels and workers, reducing trade unions' direct participation in dialogue. There may also be inflexibility in applying management policies, as global standards set by the parent company are not easily adjusted to local realities. Additionally, some FDI companies may face difficulties in integrating the host country's management culture with international working practices, leading to conflicts in dialogue approaches and differences in addressing labor rights issues.

In summary, differences in ownership characteristics lead to variations in workplace dialogue across enterprise types. The role of trade unions in social dialogue can be summarized as follows:

Workplace Dialogue across Enterprise Types in Vietnam: The Role of Trade Unions

Table 1: Dialogue in different types of enterprises

Criteria	State-Owned Enterprises	Private Enterprises	Foreign direct Invested Enterprises
Independence of Trade Unions	Often dependent on the political-administrative system of the state, with limited independence.	Relatively independent if the union is self-organized by workers.	More independent in form, but sometimes influenced by the culture of the parent company or the owner.
The Role of Trade Unions in Dialogue	Primarily formal, carried out according to administrative directives.	More flexible, depending on the relationship with the employer.	Acts as an intermediary between workers and investors, potentially stronger if aligned with international standards.
Participation in Negotiation	Often limited by a centralized mechanism, lacking real power.	Can be active if the union is strong and the employer is willing.	Usually follows a clear process, but depends on the company's commitment to ILO standards.
Protect Workers	There is a strong legal framework for protection, but enforcement is not effective.	Depends on the capacity of the union, and can be overshadowed by the interests of the employer.	Has an advantage if the company applies CSR standards or a global framework agreement.
Impact on the Outcome of Dialogue	Limited substance, difficult to create significant change for workers.	Can have an impact if the union is dynamic and has support from workers.	More effective dialogue if the governance system accepts a genuine consultation mechanism.

Source: Author's compilation

4. CONCLUSION AND RECOMMENDATIONS

Trade unions are a vital tool in protecting workers' rights and promoting workplace dialogue. However, their role varies significantly across different types of enterprises and depending on whether employers support or oppose trade unions. In state-owned enterprises (SOEs), trade unions typically receive strong support and play a significant role in safeguarding workers' rights, while trade unions in private and foreign direct investment (FDI) enterprises face challenges due to limited employer support. To enhance the effectiveness of trade unions and workplace dialogue in Vietnam, close collaboration among trade unions, workers, and employers is essential, alongside improvements to legal frameworks to ensure workers' rights across all enterprise types. The authors propose the following solutions:

- Strengthen the legal framework and enforcement mechanisms for workplace dialogue by reviewing and amending regulations on periodic and ad-hoc dialogues, collective bargaining rights, and enhancing labor inspection capacity to monitor substantive dialogue implementation.
- Enhance dialogue stakeholders' capacities through training in dialogue, negotiation, and conflict resolution skills for trade union officials, enterprise managers, and workers; and supporting small and medium-sized enterprises in establishing internal dialogue processes.
- Foster an open and transparent dialogue culture in enterprises by creating effective communication channels such as suggestion boxes, regular meetings, and workers' representative committees.
- Adopt international labor standards and corporate social responsibility (CSR) frameworks by encouraging enterprises to participate in CSR initiatives or sign global framework agreements with international trade unions to enhance social responsibility and workers' rights.

Strengthening the role of trade unions in dialogue can be achieved through:

- Enhancing trade unions' representation and independence: Strengthen grassroots trade unions in terms of membership and official quality to ensure full participation in decision-making processes related to workers.
- Improving trade union officials' training: Provide education on labor laws, collective bargaining skills, communication, and conflict resolution.
- Encouraging proactive trade union initiatives: Trade unions should actively understand workers' concerns, propose specific negotiation agendas, and participate in developing progressive collective labor agreements, rather than reacting passively.
- Promoting collaboration with domestic and international organizations: Trade unions should engage with social organizations and progressive trade unions globally to learn from their dialogue strategies and advocate for cross-sectoral policies.

Tailored solutions for workplace dialogue in different enterprise types are outlined below:

Workplace Dialogue across Enterprise Types in Vietnam: The Role of Trade Unions

Table 2: Solutions to enhance the effectiveness of dialogue in different types of enterprises

Enterprise	Workplace Dialogue
State-Owned Enterprises	<ul style="list-style-type: none">- Enhance the substance of dialogue, avoiding formalism.- Strengthen the independence of trade unions, separating them from administrative influence.- Provide training in negotiation skills for union officials who are accustomed to "administrative" labor relations.
Private Enterprises	<ul style="list-style-type: none">- Focus on raising awareness for both employers and employees about the benefits of dialogue.- Support the establishment of grassroots trade unions in enterprises that do not have them or have weak ones.- Encourage the issuance of collective labor agreements with clauses appropriate to the scale of the enterprise.
FDI	<ul style="list-style-type: none">- Strengthen international standard negotiation skills for trade union officials.- Ensure that trade unions can reach and represent migrant or temporary workers.- Encourage the signing of International Framework Agreements (IFA) or the adoption of CSR standards to commit to dialogue.

Source: Author's recommendation

REFERENCES

- 1) National Assembly, "Labor Code 2019", No. 45/2019/QH14, 2019.
- 2) ILO, "Workers Trade Union Law General", Chapter 1, Article 1.
- 3) National Assembly, Enterprise Law No. 59/2020/QH14, 2020.
- 4) Fajana, Sola, and Oluseyi A. Shadare. "Workplace Relations, Social Dialogue and Political Milieu in Nigeria." (2012).
- 5) Arenas, Alicia, et al., eds. "Shaping Inclusive Workplaces Through Social Dialogue". Cham: Springer International Publishing, 2017.
- 6) Cressey, Peter, Peter Totterdill, and Rosemary Exton. "Workplace Social Dialogue as a Form of 'Productive Reflection'." International Journal of Action Research 9.2 (2013): 209-245.
- 7) Mailand, Mikkel, and Jesper Due. "Social Dialogue in Central and Eastern Europe: Present State and Future Development." European Journal of Industrial Relations 10.2 (2004): 179-197.
- 8) Van Gyes, Guy. "Workplace Social Dialogue." (2010): 45-70.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.