Human Resource Management in Language Service Enterprises: Challenges and Strategic Responses in the Era of DX & AI – An Evidence from Vietnam

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ABSTRACT

Human resource management (HRM) has become a critical determinant of organizational competitiveness and sustainable development in knowledge-intensive service industries. This issue is particularly significant for language service enterprises, where organizational performance depends heavily on employees' linguistic competence, professional expertise, intercultural communication skills, and adaptability to technological change. Despite the rapid expansion of the language service industry in Vietnam, empirical research examining HRM practices within translation, interpreting, and language education enterprises remains relatively limited. This study addresses this gap by investigating human resource management practices at VEDICO Education and Translation Joint Stock Company, a Vietnamese enterprise operating in translation, interpreting, and language training services.

Using a qualitative case-study approach supported by company reports, employee surveys, organizational documents, and managerial observations collected during the 2020–2022 period, the study examines key HRM dimensions including workforce planning, recruitment, employee allocation, training and development, compensation systems, organizational culture, and digital transformation. The findings indicate that VEDICO has established a relatively qualified workforce and a professional working environment. However, the company continues to face challenges related to strategic workforce planning, talent retention, competency-based training, and adaptation to emerging AI-assisted language technologies.

The study argues that sustainable competitiveness in language service enterprises increasingly depends on the integration of technological capabilities and human expertise. Based on the findings, several managerial implications are proposed, including competency-based recruitment, AI-integrated professional development, digital HRM transformation, performance-oriented compensation systems, and organizational culture enhancement. The study contributes to the limited body of literature on HRM in language service enterprises and offers practical insights for organizations operating in translation, interpreting, localization, and language education sectors in emerging economies.

Keywords: Human Resource Management; Language Service Industry; Translation and Interpreting; Human Capital; Digital Transformation; Artificial Intelligence; Vietnam.

INTRODUCTION

In the contemporary knowledge economy, human resources are widely recognized as the most valuable strategic asset of organizations. While financial capital, physical infrastructure, and technology remain important factors of production, sustainable competitive advantage increasingly depends on employees' knowledge, skills, creativity, and adaptability. Consequently, human resource management (HRM) has evolved from a traditional administrative function into a strategic management discipline that directly influences organizational performance, innovation capacity, and long-term sustainability.

The strategic importance of HRM is particularly evident in knowledge-intensive service industries. Unlike manufacturing enterprises, where value creation relies heavily on machinery and physical assets, service organizations derive their competitive advantage primarily from human expertise and intellectual capital. Employees are not merely operational resources but key contributors to innovation, service quality, and organizational growth. Therefore, attracting, developing, motivating, and retaining talented employees has become one of the most important managerial challenges facing modern organizations.

Among knowledge-intensive service sectors, the language service industry occupies a distinctive position. The rapid expansion of globalization, international trade, foreign direct investment, digital communication, and cross-border cooperation has significantly increased demand for translation, interpreting, localization, multilingual content development, and language education services. Governments, multinational corporations, international organizations, educational institutions, and private businesses increasingly rely on language professionals to facilitate communication across linguistic and cultural boundaries.

Vietnam has experienced remarkable growth in its language service industry during the past decade. The country's increasing integration into the global economy, participation in international trade agreements, and expansion of international educational cooperation have generated growing demand for professional language services. At the same time, advances in information technology have transformed the operational environment of language service enterprises. Computer-assisted translation tools, machine translation systems, cloud-based collaboration platforms, and generative artificial intelligence applications are reshaping how language services are produced, managed, and delivered.

These developments create both opportunities and challenges for language service enterprises. On the one hand, digital technologies improve productivity, reduce operational costs, and facilitate access to broader markets. On the other hand, technological disruption requires organizations to continuously upgrade workforce competencies and adapt traditional management practices. Translators, interpreters, editors, language trainers, and project managers must continuously update their professional knowledge while simultaneously acquiring digital literacy and technology-related skills. Consequently, HRM practices must evolve beyond conventional personnel administration toward strategic approaches that support innovation, continuous learning, and organizational adaptability.

The unique characteristics of language service enterprises further highlight the importance of effective HRM. Unlike many other service sectors, language services rely heavily on intellectual labor and specialized expertise. The quality of translation and interpreting outputs is directly influenced by employees' linguistic competence, subject-matter knowledge, intercultural communication abilities, professional ethics, and cognitive performance under pressure. Moreover, language professionals frequently operate within highly dynamic environments characterized by strict deadlines, rapidly changing client requirements, and increasing technological complexity.

Particularly in interpreting services, employees often face significant cognitive demands. Professional interpreters must simultaneously listen, analyze, process, and reproduce information in another language within seconds while maintaining accuracy, fluency, and communicative effectiveness. Similarly, translators must ensure terminological consistency, cultural appropriateness, and linguistic precision across a wide range of specialized domains including law, economics, healthcare, technology, and public administration. Such requirements make workforce quality a decisive factor influencing organizational competitiveness.

Recent developments in artificial intelligence have introduced additional complexities into the management of language professionals. While AI-assisted translation systems and large language models have significantly improved productivity, they have also altered competency requirements throughout the industry. Rather than replacing human translators and interpreters entirely, these technologies are transforming professional roles toward higher-value activities such as quality assurance, post-editing, intercultural consulting, terminology validation, and communication strategy development. Consequently, organizations must reconsider traditional approaches to recruitment, training, performance evaluation, and talent development.

Despite the growing importance of the language service industry, existing HRM literature has largely focused on manufacturing enterprises, public organizations, multinational corporations, and large-scale service industries. Research specifically examining HRM practices in language service enterprises remains relatively limited, particularly in emerging economies such as Vietnam. Most existing studies discuss general HRM principles without adequately addressing the distinctive characteristics of translation, interpreting, localization, and language education organizations. As a result, important questions remain regarding how language service enterprises recruit, develop, motivate, and retain highly specialized professionals under conditions of rapid technological change.

This study seeks to contribute to addressing this research gap by examining HRM practices within a Vietnamese language service enterprise. The study focuses on VEDICO Education and Translation Joint Stock Company, an organization operating in translation, interpreting, language education, and related language services. Over recent years, VEDICO has experienced organizational growth while simultaneously facing challenges associated with workforce management, professional development, market competition, and digital transformation. As both a language service provider and an educational institution, the company provides a valuable context for examining HRM issues in a knowledge-intensive service environment.

The objectives of this study are threefold. First, the research aims to examine the current state of HRM practices at VEDICO during the 2020–2022 period. Second, it seeks to identify strengths, limitations, and emerging challenges associated with workforce management in the company. Third, the study proposes managerial recommendations that may support organizational development and improve HRM effectiveness in the context of digital transformation and artificial intelligence.

Study contributes to literature in several ways. First, it extends HRM research into the relatively underexplored context of language service enterprises. Second, it provides empirical evidence from an emerging economy where language services are becoming increasingly important for economic and cultural integration. Third, it offers practical insights regarding how organizations can align human resource strategies with technological transformation and changing competency requirements. Finally, the study contributes to contemporary discussions concerning the future of work in language-related professions by examining the interaction between human expertise and artificial intelligence technologies.

The remainder of this article is organized as follows. Section 2 reviews relevant literature and develops the theoretical framework. Section 3 presents the research methodology. Section 4 discusses the findings and their implications. Section 5 outlines managerial recommendations. The final section presents conclusions, limitations, and directions for future research.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Human Resource Management

Human Resource Management (HRM) refers to the systematic and strategic management of people within organizations to enhance individual performance and achieve organizational objectives. Traditionally, HRM focused primarily on administrative functions such as recruitment, payroll administration, and employee record management. However, contemporary perspectives increasingly recognize HRM as a strategic function that contributes directly to organizational competitiveness and sustainable development.

According to Armstrong (2020), HRM encompasses policies, practices, and systems designed to influence employees' behavior, attitudes, and performance. Similarly, Cascio (1992) argues that organizations are fundamentally built, operated, and developed by people; therefore, effective management of human resources represents one of the most important determinants of organizational success.

Modern HRM extends beyond personnel administration and includes workforce planning, recruitment, employee development, performance management, compensation systems, organizational culture, and talent retention. The strategic HRM perspective further emphasizes alignment between organizational goals and

human resource practices. Under this approach, employees are not viewed merely as labor inputs but as strategic assets capable of generating innovation, knowledge, and long-term competitive advantage.

In knowledge-intensive industries, the strategic importance of HRM becomes even more pronounced. Organizations increasingly rely on highly skilled employees whose expertise, creativity, and problem-solving abilities directly influence organizational outcomes. Consequently, HRM practices must focus not only on attracting qualified employees but also on continuously developing their competencies and creating conditions that encourage engagement and innovation.

Human Capital Theory

Human Capital Theory provides an important theoretical foundation for understanding the relationship between employee development and organizational performance. Originally developed by Becker (1964), the theory suggests that investments in education, training, knowledge acquisition, and professional development enhance individual productivity and generate economic returns for both employees and organizations.

From this perspective, employees possess forms of capital embedded in their skills, knowledge, experiences, and competencies. Unlike physical assets, human capital can appreciate over time through continuous learning and professional development. Organizations that invest effectively in human capital are therefore more likely to achieve superior performance and long-term sustainability.

The relevance of Human Capital Theory is particularly evident in language service enterprises. Translators, interpreters, editors, language trainers, and project managers perform knowledge-intensive tasks requiring advanced linguistic competence, specialized subject knowledge, intercultural communication abilities, and professional judgment. The quality of organizational outputs depends directly on the capabilities of these professionals.

Moreover, human capital within language service enterprises is highly dynamic. Professional knowledge quickly becomes outdated due to technological innovation, changing terminology, emerging industries, and evolving client requirements. Consequently, continuous professional development is not merely desirable but essential for maintaining service quality and organizational competitiveness.

The theory further suggests that organizations should view training expenditures as investments rather than costs. In the context of language service enterprises, investments in specialized translation training, interpreting skills development, terminology management, digital literacy, and AI-assisted language technologies can generate significant long-term benefits through enhanced employee performance and service quality.

Resource-Based View (RBV)

The Resource-Based View (RBV) of the firm provides another useful framework for understanding the strategic role of human resources. According to Barney (1991), organizations achieve sustainable competitive advantage when they possess valuable, rare, inimitable, and non-substitutable resources.

Human resources often satisfy these criteria because organizational knowledge, experience, culture, and professional expertise are difficult for competitors to replicate. Unlike physical assets or technologies that can be purchased or copied, human capabilities develop gradually through learning, experience accumulation, and organizational interaction.

Within language service enterprises, translators and interpreters represent particularly valuable strategic resources. Their effectiveness depends not only on linguistic competence but also on tacit knowledge, cultural intelligence, professional ethics, and practical experience. These characteristics are difficult to imitate and often require years of professional development.

The RBV perspective suggests that language service enterprises should focus on developing unique human resource capabilities that competitors cannot easily reproduce. Such capabilities may include expertise in specialized translation fields, advanced interpreting competencies, strong client relationship management skills, and organizational learning cultures that support continuous improvement.

Furthermore, the emergence of artificial intelligence has increased rather than diminished the importance of strategic human resources. While AI systems can automate certain linguistic tasks, they cannot fully replicate human judgment, intercultural understanding, ethical reasoning, and contextual interpretation. Therefore, sustainable competitive advantage increasingly depends on effective integration of human expertise and technological capabilities.

Human Resource Management in Knowledge-Intensive Service Enterprises

Knowledge-intensive service enterprises differ significantly from traditional manufacturing organizations. Their primary outputs are intangible, and value creation depends largely on employees' expertise, creativity, and intellectual contributions. Examples include consulting firms, educational institutions, legal services, software companies, and language service providers.

Several studies suggest that managing human resources in knowledge-intensive environments presents unique challenges. First, employee performance is often difficult to measure because outputs depend on cognitive processes rather than standardized production activities. Second, highly skilled professionals typically expect greater autonomy, professional recognition, and opportunities for personal development. Third, employee turnover can have particularly severe consequences because organizations risk losing valuable knowledge and client relationships.

As a result, HRM strategies within knowledge-intensive organizations often emphasize continuous learning, knowledge sharing, professional development, and employee engagement. Traditional management approaches based primarily on supervision and control are frequently less effective than approaches that encourage collaboration, empowerment, and innovation.

The growing importance of digital transformation further complicates HRM practices. Organizations must simultaneously maintain existing competencies while developing new skills associated with technological change. Consequently, HRM increasingly serves as a bridge connecting organizational strategy, workforce capabilities, and technological adaptation.

Human Resource Management in Language Service Enterprises

Language service enterprises represent a distinctive category of knowledge-intensive organizations. Their core activities include translation, interpretation, localization, multilingual content creation, language training, and intercultural communication support. Unlike many other service sectors, language service outputs are directly influenced by linguistic accuracy, cultural appropriateness, and communicative effectiveness.

Managing human resources in this context involves several unique challenges. Recruitment requires identifying candidates who possess not only language proficiency but also specialized domain knowledge, communication skills, cultural awareness, and professional ethics. Employee development requires continuous updating of terminology, subject-matter expertise, and language competencies across multiple disciplines.

Additionally, translators and interpreters frequently operate under significant cognitive pressure. Interpreters, in particular, must process information rapidly while maintaining accuracy and communicative effectiveness. Translators often work under strict deadlines while ensuring quality, consistency, and compliance with client requirements. These conditions increase the importance of employee well-being, stress management, and professional support systems.

Recent technological developments have further transformed the language service industry. Machine translation systems, computer-assisted translation tools, and generative AI applications have changed both

workflow processes and competency requirements. Rather than eliminating human professionals, these technologies increasingly require language wrkers to perform higher-value activities such as quality assurance, post-editing, terminology validation, intercultural consulting, and communication strategy development.

Consequently, HRM practices within language service enterprises must increasingly emphasize digital literacy, technological adaptability, and lifelong learning. Organizations that successfully integrate human expertise with technological innovation are more likely to maintain competitiveness in an increasingly digital environment.

CONCEPTUAL FRAMEWORK

Drawing upon Human Capital Theory, the Resource-Based View, and contemporary HRM literature, this study proposes a conceptual framework linking HRM practices to organizational competitiveness within language service enterprises.

The framework suggests that workforce planning, recruitment, employee development, compensation systems, organizational culture, and digital transformation initiatives collectively influence employee competencies and performance. Enhanced employee competencies subsequently contribute to service quality, client satisfaction, organizational adaptability, and long-term competitiveness.

Furthermore, digital transformation and artificial intelligence function as contextual factors influencing both competency requirements and HRM practices. Organizations that effectively align HRM strategies with technological change are expected to achieve stronger organizational outcomes than those relying solely on traditional management approaches.

This framework provides the theoretical basis for analyzing HRM practices at VEDICO Education and Translation Joint Stock Company and evaluating their implications for organizational development in the contemporary language service industry.

Figure 1. Proposed HRM Framework for Language Service Enterprises



Figure 1 presents the conceptual framework developed for this study. Drawing upon Human Capital Theory and the Resource-Based View, the framework proposes that strategic HRM practices influence organizational competitiveness through employee competencies, service quality, and digital adaptability.

RESEARCH METHODOLOGY

Research Design

This study employs a qualitative case-study approach supported by descriptive statistical analysis. The case-study method was selected because it allows an in-depth examination of human resource management practices within a specific organizational context. Language service enterprises possess unique operational characteristics that cannot be fully captured through large-scale quantitative surveys alone. Therefore, a case-study approach is particularly suitable for exploring the complexity of workforce management, professional development, and organizational adaptation within this sector.

The study focuses on VEDICO Education and Translation Joint Stock Company, a Vietnamese enterprise operating in translation, interpreting, language training, and related language services. The company was selected because it represents a typical language service enterprise facing both opportunities and challenges associated with globalization, digital transformation, and artificial intelligence.

Data Collection

The study utilizes both primary and secondary data sources.

Primary data were collected through internal surveys, managerial observations, and discussions with employees and managers. These sources provided valuable insights into recruitment practices, training activities, employee motivation, organizational culture, and workplace challenges.

Secondary data were obtained from company reports, organizational documents, human resource statistics, training records, recruitment reports, and business performance reports covering the period from 2020 to 2022. Additional information was collected from academic publications, textbooks, journal articles, and previous studies related to human resource management and organizational development.

The use of multiple data sources enabled triangulation, thereby improving the reliability and validity of research findings.

Data Analysis

Several analytical techniques were employed in this study.

First, descriptive analysis was used to examine workforce structure, educational qualifications, recruitment activities, compensation practices, and training programs.

Second, comparative analysis was applied to identify changes and trends in human resource management during the 2020–2022 period.

Third, interpretative analysis was used to explore underlying organizational issues, identify managerial challenges, and evaluate the implications of technological transformation for workforce development.

The combination of these analytical approaches allowed the researcher to move beyond simple description and develop a deeper understanding of HRM practices within the organization.

FINDINGS AND DISCUSSION

Workforce Structure and Human Capital Quality

The findings indicate that VEDICO has developed a relatively young and highly educated workforce. Most employees possess university-level qualifications in foreign languages, economics, business administration, or

related disciplines. Such educational backgrounds provide an important foundation for delivering professional translation, interpreting, and language training services.

The workforce structure reflects the knowledge-intensive nature of the language service industry. Unlike labor-intensive sectors where productivity depends primarily on physical effort, language service organizations rely heavily on intellectual capital and specialized expertise. Employees are expected not only to demonstrate language proficiency but also to possess domain-specific knowledge and intercultural communication competence.

One notable strength observed at VEDICO is employees' willingness to engage in continuous learning. Due to the rapidly changing nature of translation and interpreting assignments, staff members frequently update terminology, industry knowledge, and professional skills. This learning culture contributes positively to service quality and organizational adaptability.

However, workforce development also presents several challenges. Language professionals often require years of practical experience before reaching advanced levels of expertise. Consequently, organizations face difficulties balancing the need for immediate productivity with long-term investment in employee development.

TABLE 1. Workforce Profile of VEDICO

No.	Indicator	Value
1	Total Employees (2022)	70
2	Female Employees	53
3	Female Ratio (%)	75%
4	Male Ratio (%)	25%
5	University & College Graduates	62
6	Master's Degree Holders	8
7	Freelance Translators & Interpreters	>120

Source: HR Department Data.

The workforce profile demonstrates the knowledge-intensive nature of language service enterprises. Female employees account for approximately 75% of the workforce, while more than 88% of employees possess college or university qualifications. The existence of a network of over 120 freelance translators and interpreters further reflects the flexible workforce model commonly adopted within the language service industry.

Recruitment and Talent Acquisition Challenges

Recruitment represents one of the most critical HRM functions within language service enterprises. The study found that VEDICO utilizes multiple recruitment channels, including university partnerships, professional networks, online recruitment platforms, and employee referrals.

Unlike many traditional organizations, language service enterprises cannot rely solely on academic qualifications during recruitment. Professional competence often depends on a combination of language skills, subject-matter knowledge, communication abilities, and practical experience. Therefore, recruitment processes at VEDICO place significant emphasis on practical assessments and professional testing.

Despite these efforts, talent acquisition remains challenging. One reason is the limited supply of highly qualified translators and interpreters possessing both strong linguistic competence and specialized expertise. Another challenge arises from increasing competition among employers seeking bilingual professionals capable of working effectively in international environments.

The findings suggest that competency-based recruitment frameworks may provide a more effective approach than traditional qualification-based recruitment models. Future recruitment strategies should focus not only on academic credentials but also on adaptability, technological literacy, problem-solving abilities, and professional growth potential.

TABLE 2. Workforce Changes During 2019–2022

No.	Year	Number of Employees
1	2019	102
2	2020	68
3	2021	75
4	2022	70

Source: Internal HR Statistics.

Workforce fluctuations during the study period were strongly influenced by the COVID-19 pandemic and subsequent labor market disruptions. The decline from 102 employees in 2019 to 68 employees in 2020 reflects the challenges faced by service enterprises during the pandemic. However, the subsequent recovery suggests that the company successfully adapted its workforce management strategies and maintained operational continuity.

Training and Professional Development

Employee training constitutes one of the most important HRM activities at VEDICO. The company has organized internal workshops, professional seminars, mentoring activities, and specialized training sessions aimed at enhancing employee competencies.

The findings reveal that training activities have contributed positively to workforce quality. Employees reported improvements in translation techniques, interpreting performance, terminology management, and professional communication skills. Training also supports knowledge sharing among employees and helps maintain consistent service standards.

Nevertheless, several limitations remain. Existing training activities are often operational rather than strategic in nature. While short-term professional development initiatives are regularly implemented, long-term competency frameworks are less clearly defined.

This issue becomes particularly important in the context of technological transformation. The emergence of machine translation systems, computer-assisted translation tools, and generative AI technologies requires language professionals to acquire new competencies beyond traditional linguistic expertise. Future training programs should therefore integrate digital literacy, AI-assisted workflows, post-editing skills, and technology management capabilities.

From a Human Capital Theory perspective, investments in employee development should be viewed as long-term strategic investments rather than operational expenses. Organizations that continuously develop workforce capabilities are more likely to maintain competitiveness under rapidly changing market conditions.

TABLE 3. Emerging Competency Requirements in the AI Era

No.	Traditional Competencies	Emerging Competencies
1	Translation Accuracy	AI-assisted Post-editing
2	Language Skills	Digital Literacy
3	Terminology Knowledge	Prompt Engineering
4	Subject Expertise	AI Quality Evaluation

Source: Author synthesis based on case-study findings.

The findings presented in Table 3 indicate that competency requirements in the language service industry are evolving rapidly under the influence of digital transformation and artificial intelligence. While traditional competencies such as translation accuracy, language proficiency, terminology management, and subject expertise remain essential, they are no longer sufficient on their own. Future language professionals will increasingly require digital literacy, AI-assisted workflow management, prompt engineering, and AI quality evaluation skills. These findings suggest that HRM strategies and training programs should focus on developing hybrid competencies that combine linguistic expertise with technological adaptability to ensure long-term competitiveness and professional sustainability.

Compensation, Retention, and Employee Motivation

Compensation systems play an important role in attracting and retaining qualified professionals. The findings indicate that VEDICO has implemented salary and bonus mechanisms linked to performance and business outcomes. The company also seeks to create a supportive working environment that encourages employee engagement.

However, employee retention remains a challenge. The language service industry increasingly offers alternative employment opportunities, including freelance translation, remote interpreting, and international project-based work. As a result, organizations face growing competition for experienced professionals.

Importantly, employee motivation in language service enterprises extends beyond financial rewards. Interviews and observations suggest that professional recognition, career development opportunities, flexible working arrangements, and opportunities for continuous learning significantly influence employee commitment.

These findings are consistent with contemporary HRM literature emphasizing the importance of intrinsic motivation and professional fulfillment in knowledge-intensive industries.

TABLE 4. Business Performance of VEDICO (2020–2022)

No.	Criteria	Year 2020	Year 2021	Year 2022
1	Revenue	6.950.450	8.300.245	8.060.125
2	Expenses	6.150.405	7.381.550	7.525.690
3	Profit before tax	800.045	918.695	534.435
4	Profit margin/revenue ratio	22%	24%	13%
5	Average salary	7.000	8.000	8.500

Source: Internal Salary Statistics.

Organizational Culture and Employee Engagement

The study found that organizational culture plays a significant role in supporting workforce performance. VEDICO has gradually developed a collaborative culture emphasizing professionalism, responsibility, continuous learning, and teamwork.

Such cultural values are particularly important in language service environments where project success often depends on effective collaboration among translators, interpreters, editors, proofreaders, project managers, and administrative personnel.

Nevertheless, organizational culture must continue evolving to address emerging workplace challenges. Workload fluctuations, project deadlines, and increasing client expectations can create psychological pressure for employees. Therefore, maintaining employee well-being should become an integral component of organizational culture development.

Digital Transformation and Artificial Intelligence Challenges

One of the most significant findings of this study concerns the growing influence of digital transformation and

artificial intelligence on human resource management. The emergence of machine translation systems, computer-assisted translation tools, and generative AI applications is reshaping traditional professional roles within the language service industry.

Rather than replacing human translators and interpreters, AI technologies are transforming competency requirements and creating demand for new skills associated with technology-assisted workflows. Consequently, language service enterprises must reconsider recruitment, training, and workforce development strategies to prepare employees for future professional environments.

TABLE 5. Core HRM Challenges Identified in the VEDICO Case

No.	Challenge	Impact Level
1	Talent Retention	High
2	Recruitment of Specialized Translators	High
3	AI Adaptation and Digital Skills	High
4	Workforce Planning	Medium
5	Training Budget Constraints	Medium
6	Performance Standardization	Medium

Source: Author synthesis based on case-study findings.

The findings suggest that talent retention and digital adaptation represent the most significant HRM challenges facing language service enterprises. These challenges are intensified by increasing labor mobility, freelance work opportunities, and rapid technological change associated with artificial intelligence and machine translation systems.

DISCUSSION

The findings support the central assumptions of Human Capital Theory and the Resource-Based View. Human resources remain the primary source of organizational competitiveness within language service enterprises. While technology can improve productivity, sustainable competitive advantage continues to depend on employees' expertise, creativity, judgment, and cultural intelligence.

The findings also suggest that effective HRM requires a balance between technological adaptation and human development. Organizations focusing exclusively on technology may overlook the importance of professional expertise and organizational culture. Conversely, organizations resisting technological change risk losing competitiveness in increasingly digital markets.

The VEDICO case demonstrates that future success in the language service industry will depend not on choosing between humans and technology but on effectively integrating both. Human expertise and artificial intelligence should be viewed as complementary rather than competing resources. Consequently, HRM strategies must evolve to support continuous learning, digital adaptation, and organizational resilience.

Managerial Implications

The findings of this study provide several important managerial implications for language service enterprises operating in increasingly competitive and technology-driven environments.

Developing Strategic Human Resource Management

First, language service enterprises should move beyond traditional personnel administration and adopt a strategic human resource management perspective. Workforce planning should be aligned with long-term organizational objectives, market trends, and technological developments. Rather than focusing solely on short-term staffing needs, managers should identify future competency requirements and establish talent development pipelines capable of supporting sustainable organizational growth.

In the case of VEDICO, strategic HRM should emphasize forecasting future workforce demands associated with digital transformation, international market expansion, and evolving client expectations. Organizations that proactively prepare for future competency requirements are more likely to maintain competitiveness in rapidly changing business environments.

Implementing Competency-Based Recruitment Systems

Second, recruitment strategies should increasingly focus on competencies rather than solely on academic qualifications. While educational credentials remain important indicators of potential capability, they do not always reflect practical professional performance.

Language service enterprises should adopt competency-based recruitment frameworks that evaluate candidates' linguistic abilities, communication skills, technological literacy, problem-solving capabilities, adaptability, and professional ethics. Practical assessments, translation tests, interpreting simulations, and behavioral interviews can provide more accurate evaluations of candidate suitability than traditional qualification screening alone.

Furthermore, closer collaboration with universities, language training institutions, and professional associations may help organizations identify and attract talented individuals at earlier stages of career development.

Strengthening Continuous Professional Development

Third, employee development should be treated as a strategic investment rather than an operational expense. The language service industry is characterized by rapid changes in terminology, professional standards, client expectations, and technological tools. Consequently, continuous learning has become essential for maintaining professional competence.

Organizations should establish structured training systems that combine technical skills, professional knowledge, and digital competencies. Training programs should include specialized translation and interpreting techniques, terminology management, intercultural communication, project management, quality assurance procedures, and emerging language technologies.

Particular attention should be devoted to AI-assisted language workflows. Future language professionals will increasingly require competencies related to machine translation post-editing, AI quality assessment, prompt engineering, digital content management, and technology-supported communication.

Enhancing Employee Retention Strategies

Fourth, organizations should recognize that retaining qualified language professionals requires more than competitive compensation. Employee retention is strongly influenced by career development opportunities, professional recognition, organizational culture, work-life balance, and opportunities for continuous learning.

Managers should therefore develop comprehensive retention strategies that address both financial and non-financial motivational factors. Flexible working arrangements, mentoring programs, professional certification support, recognition systems, and transparent career pathways may significantly improve employee commitment and reduce turnover.

This issue is particularly important in the language service industry, where experienced translators and interpreters often possess highly specialized expertise that is difficult and costly to replace.

Accelerating Digital HRM Transformation

Fifth, organizations should accelerate digital transformation within HRM systems themselves. Human resource

analytics, digital learning platforms, performance management software, and AI-supported administrative processes can improve efficiency while supporting data-driven decision-making.

Digital HRM systems may also facilitate employee development by providing personalized learning pathways, competency tracking mechanisms, and performance feedback systems. Such technologies can enhance workforce agility while reducing administrative burdens.

However, digital transformation should be implemented carefully to ensure that technological efficiency does not undermine employee engagement, creativity, or organizational culture. Successful HRM transformation requires balancing technological innovation with human-centered management principles.

Building a Learning-Oriented Organizational Culture

Finally, organizational culture should promote continuous learning, collaboration, innovation, and adaptability. In language service enterprises, knowledge sharing represents a particularly valuable organizational capability. Translators, interpreters, editors, trainers, and project managers frequently encounter specialized information that may benefit colleagues working on future projects.

Organizations should therefore create mechanisms that encourage knowledge exchange, collaborative problem-solving, and professional dialogue. Such practices can strengthen organizational learning while improving service quality and workforce development.

Limitations And Future Research

Like all empirical studies, this research has several limitations that should be acknowledged.

First, the study focuses on a single case organization. Although the VEDICO case provides valuable insights into HRM practices within a language service enterprise, the findings may not be fully generalizable to all organizations operating in different contexts or markets.

Second, the study relies primarily on organizational documents, internal reports, surveys, and managerial observations. While these sources provide important information, future studies may benefit from larger-scale quantitative investigations involving multiple organizations and broader respondent groups.

Third, the research period focuses primarily on the 2020–2022 timeframe. Given the rapid pace of technological change, particularly in artificial intelligence and language technologies, future developments may significantly alter workforce requirements and management practices.

Future research may therefore explore several directions. Comparative studies examining multiple language service enterprises across Vietnam and Southeast Asia could provide broader insights into HRM practices within the industry. Longitudinal studies may investigate how digital transformation and AI technologies influence workforce development over time. Additionally, future research may examine the relationship between AI adoption, employee competencies, organizational performance, and professional identity within language-related occupations.

CONCLUSION

Human resource management has become a decisive factor influencing organizational competitiveness within

knowledge-intensive service industries. This study examined HRM practices at VEDICO Education and Translation Joint Stock Company and explored the challenges and opportunities facing language service enterprises in the era of digital transformation and artificial intelligence.

The findings indicate that VEDICO has established a relatively qualified workforce, developed a collaborative organizational culture, and implemented a range of HRM practices supporting organizational development. Nevertheless, the company continues to face challenges associated with strategic workforce planning, talent retention, competency-based training, and adaptation to emerging technological changes.

The study demonstrates that human resources remain the primary source of competitive advantage within language service enterprises. While artificial intelligence and digital technologies are transforming professional workflows, they do not eliminate the importance of human expertise. Instead, they increase the value of uniquely human capabilities such as critical thinking, intercultural communication, ethical judgment, creativity, and contextual understanding.

The central implication of this study is that future competitiveness in the language service industry will depend not on replacing human professionals with technology, but on effectively integrating technological capabilities with human expertise. Organizations that successfully combine strategic HRM, continuous learning, digital adaptation, and organizational innovation are likely to achieve stronger performance and greater resilience in increasingly dynamic and competitive environments.

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