EMPLOYEE CORE COMPETENCIES AND ORGANISATIONAL EXCELLENCE: AN INTERPRETATIVE ANALYSIS

Fadilah Puteh
Universiti Teknologi MARA Malaysia

Maniam Kaliannan
University of Nottingham Malaysia

Nafis Alam
University of Nottingham Malaysia

ABSTRACT

Having strong and critical work-related competencies are deemed important among professional employees in an organisation. Developing professional competencies is a critical activity in an organisation in order to achieve excellent competitive advantage. Improvement of employee competencies has also been found to produce significant organisational performance, namely organisational profits, productivity, increase in employee engagement as well as career development. With respect to employee competency, much literature indicates that competency requirement varies according to positions, jobs and organisations. As a result, many organisations have defined their respective scope of competencies differently. Nonetheless, as argued by several scholars, a set of crucial competencies or ‘core competencies’ need to be established and identified regardless of roles, positions and levels that exist in the organisations. These core competencies are essential in order for employees to perform their jobs well. Therefore, this study is intended to investigate what the core competencies needed among professional employees are, particularly in Malaysian service-based industries or organisations. To answer the research objective, a qualitative approach using an in-depth interview was employed. Fifteen Human Resource Directors and Managers from various sectors in Malaysian service-based industries were interviewed for the purpose of data collection. The information was analysed using thematic analysis technique. The findings revealed that there are four critical competencies that are required by employees, namely functional competency, communication competency, leadership competency and cognitive competency. An employee who has acquired these competencies is viewed as an invaluable resource or asset for the organisation.

JEL Classifications: M12, J21, J24, O15

Keywords: competency, professionals, service-based organisation, organisational performance.

Corresponding Author’s Email Address: fadilahputeh@salam.uitm.edu.my

INTRODUCTION

Work-related competency is deemed important among professional employees in order to perform their job well as well as to achieve organisational excellent competitive advantage. Thus, developing professional competencies is a critical activity in an organisation. However, the term competency has no single definition (Hoffman, 1999; Palan, 2005). The definition of competency varies according to roles, positions and even organisations (Hoffman, 1999; Jubb & Robotham, 1997; Levenson, 2005; Lucia & Lepsinger, 1999; Palan, 2005; Rabiah, Masturah, Siti Mariam, & Zaini, 2007; Thomson & Mabey, 1994). Those researching the field, as well as practitioners, have evolved several meanings that serve as a focus for their efforts to implement the competency approach to their work. For instance, Hoffman (1999) states that there are two schools of thought that define the concept of competency: (1) the American approach that views competency as the underlying attributes of a person and (2) the British approach that views competency as a set of performances and standards (p.284). Clearly, from Hoffman’s point of view, the concept of competency then can be classified into two major categories, namely: (1) personal competencies and (2) task or job-based competencies. Thus competencies are viewed as an observable performance, the standards or quality of the outcome of the person’s performance and the underlying attributes of a person (Hoffman, 1999; Lee & Salleh, 2009; Levenson, 2005; Palan, 2005; Woodruffe, 1992). According to Blanchard and Thacker as cited by Junaidah (2008, p.261) “competency is a cluster of related knowledge, skills, and attitudes that differentiate high performers from average performers”. An employee who is knowledgable is a competent person whose attributes can be valued and measured internally and externally in several tangible aspects such as productivity (Jabar et al., 2010).
competency definition offered by Woodruffe (1992, p.17) is “the set of behaviour patterns that the incumbent needs to bring to a position in order to perform his or her tasks and functions with competence”. Hence, competency as implied by Woodruffe refers to an employee’s behaviours that are critical to accomplish work effectively and efficiently. Parry (1998) defines competencies as a cluster of related knowledge, attitudes and skills that affect a major part of one’s job; that correlates with performance on the job; that can be measured against well-accepted standards; and that can be improved via training and development.

Many organisations have developed competence-based training to improve employee performance and measure their employees against pre-determined standards (Maimunah 2011). This is because improvement of employee competencies has also been found to produce significant organisational performance in terms of financial aspect namely organisational profits or revenues and productivity (Asree, Zain, & Razalli, 2010; Brooks & Nafukho, 2006; Calantone, Cavusgil, & Zhao, 2002; Jabar et al., 2010; King, Fowler, & Zeithaml, 2001; Levenson, 2005; Palan, 2005; Rose, Kumar, & Abdullah, 2006); and while in terms of non-financial aspect, competency has resulted in an increase in employee engagement and career development (Adanu, 2007; Caniëls & Kirschner, 2010; Eddy, Tannenbaum, Lorenzet, & Smith-Jentsch, 2005; Homer, 2001; Inkson, 2008; Junaidah, 2008; Levenson, 2005; Lockhart, 2013). Competency that is associated with behavioral attributes determines job and organisational performances (Lee & Salleh, 2009). A study by McEnrue (1984) about employee ability and job performance among 340 managers in a public utility organisations revealed that perceived competence of the employee did act to moderate the relationship between role clarity and job performance. His findings indicated that despite the role ambiguity they encounter as opposed to role clarity, the more competent employees perform their job better than their less competent counterparts. Thus, in many critical situations, competent employees have the ability to perform their job better than those who are less competent. McEnrue further suggests that organisations should emphasise more on employee competency in order to improve job performance. Lucia & Lepsinger (1999) posit that competency is not only essential to perform work effectively but it is also needed to be demonstrated in performing a job. Competencies that accentuate on an outstanding performance have emerged as critical issues because they are merely linked to individual employees rather than to jobs (Junaidah, 2008; Lucia & Lepsinger, 1999). Homer (2001) observes that employee competency is the most important foundation for a successful organisation process and profit.

The first part of this paper talks about the attributes and issues related to core competencies. The subsequent section deals with the research methodology that was employed in this study followed by data analysis and interpretation. The final section is on discussions and recommendations.

**CORE COMPETENCY**

The term competency is subjected to many interpretations and has no consistency across different organisations (Hoffman, 1999; Jubb & Robotham, 1997; Palan, 2005); varying tasks and positions due to its nature (Lucia & Lepsinger, 1999; Rabiah et al., 2007) and making it as a general management tool will defeat the purpose of competency measurement (Thomson & Mabey, 1994). Competency tenets tend to be standardised but in reality each position and job is unique on its own thus, requiring different aspects of measurement. Competencies shall be categorised differently and evaluated independently as well as displayed consistently (Jubb & Robotham, 1997). Organisations should ensure that the competence of organisational members is assessed, maintained, demonstrated and continually improved (Rabiah et al. 2007; Smith & Robertson 1992). With respect to employee competency, much literature indicates that competency requirement varies according to positions, jobs and organisations. As a result, many organisations have defined their respective scope of competency differently. Nonetheless, as argued by several scholars such as Lucia & Lepsinger (1999); Parry (1998); and Woodruffe (1992), a set of crucial competencies or ‘core competencies’ need to be established and identified regardless of roles, positions and levels that exist in the organisations. These core competencies are essential in order to perform the job well. Woodruffe (1992, p. 21) terms core competencies as generic competencies. Woodruffe posits that regardless of the different types of organisations (either large or small) and positions (either lower, middle or upper level), the generic competencies list helps organisations to determine the dimensions of competency expected from their employees. He further claims that these generic competencies can be classified into job or task-based competency and personal-based competency.

However, Hollenbeck & McCall in Levenson (2005) argue that building or developing a competency model that suits the organisation is difficult as competency requirements change over time. Due to that, to identify which competency yields the best predictors of performance is almost cumbersome and requires careful analysis. On that argument also, therefore having a large number of competency sets might give a wrong signal to organisations to determine which competency or competencies are actually the best predictors of organisational performance. Thus, a careful selection of competency sets will definitely help to identify the predictors of organisational performance. Several studies on competency and organisational performance reveal that in determining organisational performance, only a subset of competencies appears as important predictors (Levenson, 2005). These arguments are further supported by Cheng et.al (2005) whereby to perform effectively,
organisations should identify, develop and blend together personal competencies and task-specific or job-based competencies. They term personal competencies as macro competency and job-based competency as micro competency. They further suggest a new competency approach called the hybrid approach (multidimensional) that combines these two types of competencies together with the role-focused approach.

In view of the set of competencies required in a service-based industry, Ejler et al. (2011) states that the commodity that is demanded, wanted and expected by clients or customers is competencies of the employees employed by the service providers. Dickson et al. as quoted in Tomé (2011) acknowledge several types of important competencies such as knowledge and skills about people, business, technology, and technical. Thus, they call for education providers such as universities and other higher learning institutions to focus on these aspects in order to equip graduates with relevant skills and knowledge that serve service-based industries better. Meanwhile in the area of tax, auditing and accounting, Palmer et al. as quoted in Udin et al. (2012, p. 430) suggest several types of competencies that they need to master, such as communication skills, interpersonal skills, general business knowledge, accounting knowledge, problem-solving skills, information technology, personal attitudes and capabilities, and computer skills. In a study conducted by Junaidah (2008) on 268 Malaysian managers from various disciplines such as human resource, marketing, sales, production, and sports revealed three main competency groups mostly required for managers, namely communication competency, managerial competency and job knowledge competency. In the area of HRM for instance, there are several proficiencies that are required to be mastered by HR Managers namely HR, business, leadership, and learning proficiencies (Dessler, 2008); change mastery and personal credibility (Snell & Bohlander 2013). In a study on competency and organisational performance, it was found that the following competencies, namely the ability to be agents of change, the ability to make risky decisions, the ability to be a strategist, the ability to work in a team; the ability to communicate, the ability to make quick decisions, and to yield positive organisational performance (Levenson, 2005).

With respect to professional competency, Cheetham & Chivers (2000) posit that there are two types of major competencies: the functional competency (which stresses on skills required to perform a task or a job effectively and efficiently) and personal competency (characterised by personal attributes or behaviours required to perform effectively). Cheetham and Chivers two major types of competencies are in parallel with the classification of competency as suggested by Hoffman (1999). The classification of competency as an employee set of behaviours are supported by Woodruff, (1992) and Junaidah (2008). Meanwhile Berge et al, (2002) concur that competency such as problem solving, analytical thinking and leadership are closely associated with high performance on a job. In developing organisational pool of talents especially professionals, Kermally (2004) posits that there are a few aspects that an organisation needs to focus on namely, functional talent, leadership, creativity and decision making skills. A study by Jones & Fear (1994) on members of the Institute of Personnel and Development (IPD) of Cardiff branch, United Kingdom (UK) reveals that in terms of required competencies, their respondents indicate several areas that were considered as important such as functional skills, financial and budgeting skills, marketing and PR skills, computerized information systems skills, and computer skills. With respect to core or generic competencies that determine one’s employability, a study by Heijden et al. (2008) reveals that employability of professionals is increased if they have a strong combination of occupational expertise and four other generic competencies such as anticipation and optimization, personal flexibility, corporate sense, and lastly, balance.

Since there are quite a number of competency types, Parry (1998) has grouped the most common core competencies into four clusters, namely administrative, communication, supervisory, and lastly cognitive competency. On one hand, in the field of HRM for instance, scholars agree that there are at least four core competencies required, namely administrative, leadership, business sense, and lastly managing people competency (Dessler, 2008; Maimunah, 2011; Mathis & Jackson, 2003; Snell & Bohlander, 2013). In a more recent study by Lindberg & Rantatalo (2015), it was found that professional practitioners, such as medical doctors and police officers, required four types of competencies, namely flexibility, drive or ambition, social competence, and the ability to balance between being highly capable and being humble before others. Also, Cohen (2015) in the most recent HR competency model developed in 2011, highlights several crucial competency domains such as HR technical expertise and practice, relationship management, consultation, leadership and navigation, communication, global and cultural effectiveness, critical evaluation, ethical practice, and business acumen. Based on previous studies, competency requirements show no consistency on the important traits most needed from employees. Scholars in this field continue to debate on the types or clusters of competencies required among professional members in an organisation that can lead towards organisational excellence.

Given the above arguments, therefore the objective of the study is to identify what the most critical competencies required by professional employees in the organisation are, particularly in service-based organisations. The main motivation to conduct this study is to find out in a more in-depth manner the critical set of competencies professional employees need to be equipped with regardless of their positions or nature of job in a service-based organisation based on the top management’s perspectives. The scope of this study
encompasses the service-based industry, where the service-based organisations rely heavily on their valuable resources, that is, their human resources or professional employees. The service industry increasingly plays a significant role in the economies of many countries. In many well-developed countries, the service sectors generate economic growth by exporting expertise and knowledge-based services. Junaidah (2008), Sarif & Ismail (2012), Kermally (2004), Zakaria et al. (2012), and Tomé (2011) have pointed out that the services industry is an important sector of the economy and many countries have shifted or are undergoing transition from manufacturing-based economy to service-based economy.

The next section deals with the research methodology that was employed in this study in order to find out, what the core competencies required among professional employees are regardless of their positions and work nature in the Malaysian service-based organisations or industries followed by data analysis and interpretation.

METHOD

The motivation of this study is to investigate the core competencies needed among professional employees regardless of their position and work nature from the top management’s point of view. A qualitative study was employed through an in-depth interview with 15 HR Directors and HR Managers in a Malaysian service-based industry located in the Klang Valley which comprises three different states (Selangor, Kuala Lumpur and Putrajaya). An in-depth interview allows the researcher to conduct an intensive individual interview with a small number of respondents to explore and to gauge their perspectives on a particular idea, issue, program or situation (Kumar, Salim, & Ramayah, 2013). This is pertinent in getting rich comments and feedback from them and allows the researcher to probe further in order to have a better understanding about the problem or issue being studied.

Given the fact that a service-based industry is huge in nature, four different sectors were identified and chosen, namely Multi-National Corporations (MNC), Government-Linked Corporations (GLC), Small Medium Enterprises (SME) and Malaysian Government Agencies (MGA). These four sectors represent service-based industries in which each sector operates in a different type of service business. The data collected were audiotaped, transcribed and analysed using thematic analysis technique. The data collected through qualitative method (via interview) will be triangulated with survey data via questionnaires (quantitative method) at a later stage. This mixed method approach will ensure that the data collected are robust, of high quality, reliable and valid. However, this paper presents a qualitative findings obtained through interviews. All interview data are transcribed in verbatim and validated by the interviewees to ensure they reflect the true feedback from these key respondents.

The list of the informants who were involved in the interviews is depicted in Table 1. The selection of the informants is based on their expertise and capability in the areas being studied. They have agreed to participate and be part of this study and consent letters of agreement were given to them in which they can either freely be involved or withdraw from this study. Pseudonyms were used to ensure that their privacy and confidentiality are highly protected.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Position</th>
<th>Type of Sector</th>
<th>Nature of Service Business</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Associate Manager (Learning and Development)</td>
<td>MNC</td>
<td>Delivery of Goods and Documents</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>R2</td>
<td>Human Resources Manager</td>
<td>SME</td>
<td>Hotel and Hospitality</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>R3</td>
<td>Principal Assistant Director</td>
<td>MGA</td>
<td>Advisory and Enforcement of Medical Policy</td>
<td>Putrajaya, MALAYSIA</td>
</tr>
<tr>
<td>R4</td>
<td>Deputy Director</td>
<td>MGA</td>
<td>Advisory and Enforcement of Agricultural Policy</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>R5</td>
<td>Assistant General Manager (Career Development, Specialist and Talent Management)</td>
<td>GLC</td>
<td>Telecommunication</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>R6</td>
<td>Head, (Learning and Human Capital Development)</td>
<td>GLC</td>
<td>Banking</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>R7</td>
<td>Human Resources Manager</td>
<td>GLC</td>
<td>Utilities</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>R8</td>
<td>Head, (Corporate and Business Resourcing)</td>
<td>MNC</td>
<td>Banking</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>R9</td>
<td>Group General Manager Human Resources</td>
<td>GLC</td>
<td>Hospitality</td>
<td>Selangor, MALAYSIA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Sector</th>
<th>Nature of Service Business</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNC</td>
<td>Delivery of Goods and Documents</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>SME</td>
<td>Hotel and Hospitality</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>MGA</td>
<td>Advisory and Enforcement of Medical Policy</td>
<td>Putrajaya, MALAYSIA</td>
</tr>
<tr>
<td>MGA</td>
<td>Advisory and Enforcement of Agricultural Policy</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>GLC</td>
<td>Telecommunication</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>GLC</td>
<td>Banking</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>GLC</td>
<td>Utilities</td>
<td>Selangor, MALAYSIA</td>
</tr>
<tr>
<td>MNC</td>
<td>Banking</td>
<td>Kuala Lumpur, MALAYSIA</td>
</tr>
<tr>
<td>GLC</td>
<td>Hospitality</td>
<td>Selangor, MALAYSIA</td>
</tr>
</tbody>
</table>
RESEARCH RESULTS AND INTERPRETATION

The following is the summary analysis of the main findings in relation to the core competency requirements among professional employees in the organisation from the top management’s perspectives. There are at least four core competencies that have been identified from the findings. These four core competencies are required by organisations regardless of positions and nature of work of professional employees in the organisations. Each respondent was asked to identify what the core competencies needed among their professional employees are. Their responses were analysed and tabled as depicted in Table 2 below.

<table>
<thead>
<tr>
<th>Informants</th>
<th>Functional</th>
<th>Leadership</th>
<th>Communication</th>
<th>Cognitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R2</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R3</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R4</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R5</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R6</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R7</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R8</td>
<td>✔</td>
<td>✔</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>R9</td>
<td>✔</td>
<td>✔</td>
<td>X</td>
<td>✔</td>
</tr>
<tr>
<td>R10</td>
<td>✔</td>
<td>X</td>
<td>X</td>
<td>✔</td>
</tr>
<tr>
<td>R11</td>
<td>✔</td>
<td>X</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R12</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R13</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R14</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>R15</td>
<td>✔</td>
<td>X</td>
<td>✔</td>
<td>X</td>
</tr>
<tr>
<td>Total</td>
<td>15/15</td>
<td>10/15</td>
<td>15/15</td>
<td>10/15</td>
</tr>
<tr>
<td>%</td>
<td>100%</td>
<td>67%</td>
<td>100%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Based on Table 2 above, it clearly shows that there are at least four types of core competencies that are critical in the organisations, namely functional competency, leadership competency, communication competency and lastly cognitive competency. A majority of the respondents indicate that functional skill and communication skill are the top two important skills required in the service-based industry in Malaysia. All informants R1-R15 (100% or 15/15) agreed that for service-based business to sustain, functional and communication skills are the most important competencies to convince and gain customers’ trust.
With regards to functional skills R8, R10, R7 and R15 said that:

“(The competency required) depends on the job function and units. The importance of the skills and competencies are based on the job description and translated into a learning roadmap” [R8].

“You see, common competencies in human resource are all about services like doing accurate work, not entering wrong data, getting people admitted to the hospital due to accident at work place, falling sick etc. That kind of things they cannot say forget to do or delay which has caused in enhancing the injury or fatality. That kind of things none of the companies will tolerate. It is expected of you. In terms of work concern, any excuses we take are lame excuses” [R10].

“When we talk about (employee) competency, we will look at the technical component and a few soft skill components [R7].

“I believe in this profession, your bread and butter are still your measurement (technical) and your contractual knowledge especially if you are doing the plan form or the JKR form. You must be very competent in that because the client may ask you what the contract says about this and that. Which clause says this? You must know this. At least if you cannot quote the clause, at least you must know what does the clause say or what does it imply? That’s the bread and butter. 80% of it but I think the next thing that you must have is the communication skills. Communication skill is definitely important” [R15].

Functional competency is therefore a must have among professional employees in which they are expected to be competent and have better understanding pertaining to their job or work. Functional competency as one of the important core competencies is also supported by several authors such as Heijden et al. (2008); Dessler (2008); Junaidah (2008); Kermally (2004); Parry (1998); Snell & Bohlander (2013); Tomé (2011) and Udin et al.(2012).

In terms of communication skills, the following are the statements that reflect communication competency as pointed out by R3, R5, R11 and R14:

“I think when we deal with the industry; definitely communication is very important that our staff must have” [R3].

“Across the company the common competencies are business communication, presentation skills, analytical skills, adaptability, innovation, entrepreneurial skills, technical and leadership skills” [R5].

“I think the other skill is communication skill. Sometimes outside people think that everyone (in the organisation) will know the property price since we are in property business. When they call, they don’t bother to call up the finance (department); then they will ask this and that. So first their communication skill must be very good then of course your service, your politeness to the clients will be very good as well” [R11].

“Regardless of any position, across the board we have identified several common competencies that the staff should have such as leadership skills which include decision-making and problem-solving, communication skills, influencing skills, teamwork, integrity, professionalism, philosophy and policies as well as culture. This applies to all lower and upper level” [R14].

Research findings also revealed that communication competency is identified as important despite different positions and nature of work these professionals have in their respective organisations. All respondents (15/15 or 100%) agreed that communication competency is critical in the organisation and is expected from their professional employees. Furthermore, previous studies also indicate that communication is critical in the organisation. Poor communication skills among professional employees in the organisation has resulted in incompetent decision making that affected organisational performance (Johnnie, 1993; Junaidah, 2008; Maimunah, 2011; Parry, 1998; Udin et al., 2012).

With regards to leadership competency, a majority of informants (67% or 10/15) agreed that leadership competency is crucial in their organisation especially at executive position or level. Executives are expected to have this skill as to guide their subordinates. As pointed out by R13, R6, R5, and R1 the following are
statements that reflect leadership as one of the core and critical competency needed among professionals in the organisation.

“I feel that as a QS working in a construction industry, they would need to have or they would need to be able to lead and manage. They must also observe and see how their boss lead and manage because we don’t only have to deal with the people in the office; we also deal with architects and engineers” [R13].

“Yes, at this level they must have that soft skills in leadership so that they can perform efficiently and based on management expectations. So we have just started but did not roll-out yet. That means the common one would be things like we want the executives to go through 7 habit programs, supervisory programs, leaders like the head and section heads they need to go through leadership programs. To me executives’ levels who are supervisors should go through supervisory skills programs and have one-core values programs. Our core value is X. We call it X. So everybody at all levels has to go through that program” [R6].

“Most of the time our competencies that we have in training department are technical competency plus leadership competency” [R5].

“Leadership skill is the main competency. Mainly focus on people who are managing people. We call this group of people as people’s managers. They can be the supervisor, they can be the team leaders, and they can be the managers, senior managers, junior managers or even directors. Whoever have people reported to them, they need to have this set of competencies” [R1].

Despite the importance of leadership competency among professional employees in the organisation as agreed by scholars (Cory, 2005; Dessler, 2008; Graetz, Rimmer, Lawrence, & Smith, 2006; Kermally, 2004; Maimunah, 2011; Parry, 1998; Rose et al., 2006; Snell & Bohlander, 2013; Stankosky, 2006); R3, R13 and R15 pointed out that at executive level, leadership competency is not a common core competency as it is something that can be developed in tandem with time and experience. R15 and R3 said that:

“To me, leadership skills you learn, it is who, is guiding you. You may follow that person and you will learn. It’s the style. You may like the person’s style, you may follow it” [R15].

“If you are talking about management, leadership, teamwork, so these things you cannot get from proper training. No. You need to really engage with your director or your superior to get their skills” [R3].

With regards to cognitive competency, a majority of the respondents (10/15 or 67%) agreed that this cognitive competency is important in the organisation especially among their professional employees. For instance, R5 commented that:

“I would think that across the company, the common competencies are communication (business communication), presentation skills, the analytical skills, adaptability, innovative (innovation), entrepreneurial” [R5].

Research findings also reveal that in terms of cognitive competency, the professional staff in the organisation should be able to acquire some analytical skills and be able to make decisions. Findings that indicate cognitive ability as one of the critical competencies are in tandem with several scholars. They agree that professional employees should be able to handle and overcome problems related to work and also be able to make sound decisions-making that benefit their organisations (Bonn, 2001; Hamid, 2003; Kermally, 2004; López-Cabrales, Real, & Valle, 2011; Lucia & Lepsinger, 1999; Parry, 1998; Udin et al., 2012).

However, interestingly, several respondents argued that this requires some experience in the functional competency area which makes them fit to make decisions and solve problems related to work. As pointed out by R13:

“In terms of problem solving skills, I suppose it comes with experience because in the construction industry, each project is different. So you might have this problem in this project, you may not face the same problem in other projects. So the technical skills must be very good before you will be able to solve the problems. Just like the engineering also, I think they have the same view. For decision-making skills it is also based on their competency in technical aspect. So if they are well-versed in their technical skills, then they can make sound decisions” [R13].
On the other hand, even though a majority of the informants (10/15 or 67%) agreed that executives or professional staff should have a strong capability and confidence in decisions-making and problem-solving, a few of them (5/15 or 33%) namely R8, R9, R10, R11, and R15 did not mention or see this competency as a critical competency. As R15 pointed out, at executive level, cognitive competency is less important as the clients would like to meet and get a firm decision from the director rather than the executives:

“I think in my profession, if there is decision-making to be done, the clients will say, I want your director to be there. They will call me and I know that they want some decisions to be made” [R15].

Interestingly, this study also found that several informants (R1, R3, R9, R10, R13, and R14; 40% or 6/15) stressed on team working or collaboration among professional employees as an important competency. For instance R3, R9 and R10 argued that:

“Yes, team work is important because when you need to solve a problem you need to have one leader to guide you and then also, the team to work on it. So, I think that’s the important thing that we need to have” [R3].

“If you want my opinion, I go for collaboration, teamwork and communication. This is the common one. I think this is the top three. When we hire people, I have to make sure that they have these 3, because they are important. If you cannot collaborate with other departments, it is tough. Teamwork you know, is like a football team, so only the squad brings this championship not the player” [R9].

“What we need to emphasise is teamwork. It must be there you know. It’s currently lacking in my department especially in HR department” [R10].

Another interesting finding of this study emphasises that attitude of employee (as pointed out by R11) and knowledge about business acumen (as highlighted by R1, R7, R9, and R12) are also paramount to service-based business. With regards to attitude as a critical competency skill, R11 commented that:

“Let’s say we do have vacancies, honestly if you want to do sales, you don’t need to have sales experience. What I emphasised is, you must have the right attitude. You see in the sales line, an agent when they want to close the sales; clients have to pay 3% deposit. When we take people’s money, I want to make sure this agent won’t use this money. There is a lot of agencies out there, they do have these kind of agents that give them problems. They are not honest; I would say; not professional” [R11].

For attitudes, professional employees are expected to be honest and act professionally at all times which reflect the good image of their respective organisations and professions. On business acumen competency, some informants highlighted that it is one of the critical skills that the executive level and above should have. For instance R9 said that:

“We need people who can deliver in accordance to the organisation’s direction. So, in order to do that they must understand where the organisation is going, am I right? So knowledge on industry is important. That’s why business acumen or knowledge of respective industries within the group is important and this one can be also one of the barriers, because not many people are equipped with business acumen competency” [R9].

Based on the research findings and interpretations made to the responses derived from the informants, this study has identified several core competencies which are critical in the organisation particularly in service-based industries. These core competencies emerged as important competency attributes from the top management’s point of view. The professional employees that they hire are expected to master and equip themselves well with several core competencies in order to perform well in their work as discussed above. The subsequent section deals with the conclusions and recommendations which made up the final part of this paper.

CONCLUSIONS AND RECOMMENDATIONS

This paper concludes that regardless of different positions, tasks, and nature of service-based businesses, core competencies play a salient role for organisational excellent performance. The onus to identify and develop these so called ‘core competencies’ is on the organisational effort and initiatives. This is pertinent especially in service-based organisations that rely on their human capital to distinguish themselves from their rivals through
highly-trained and competent professional employees. The findings of this study thus, provide useful information with respect to identifying a set of core competencies required of professionals in the organisations.

Based on the findings obtained from the interviews, several competencies have emerged and are regarded as important by the top management in the service-based organisations or industries in Malaysia. However, regardless of the different positions and the nature of work in these respective organisations, there are at least four core competencies that organisations consider as critical, of which the professional employees are expected to have. The core competencies that have been identified as critical for organisational excellence are functional, communication, leadership and cognitive competencies. Therefore, professionals should ensure that they are well-equipped with these competencies and continuously develop them in order to facilitate their day-to-day work and deal with different levels of colleagues in their respective organisations. Not only that, future professionals should also equip themselves with these critical core competencies in order to compete with others in the highly competitive job market. Thus, these findings suggest that first, organisations shall identify several types of critical competencies needed and expected among their professional employees. Secondly, organisations shall take into consideration the importance of developing core competencies among their professionals as it will determine organisational competitive advantage and excellent organisational performance. Thirdly, once core or critical competencies have been identified, organisations can determine and develop specific competencies, tailored to the jobs or positions respectively.

However, the findings from this study need to be used with caution as they were qualitative in nature and involved a small number of respondents. Thus, a generalisation cannot be made to the whole population of service-based industries. Future research should consider collecting data based on the quantitative approach using the survey method in an acceptable sample size. In addition, future research should also employ a longitudinal study to determine the cause and effect changes over time with respect to professional competency. Nevertheless, this study is insightful and will contribute to the existing body of knowledge with respect to HRD and employee competency. Furthermore, this study also provides useful information for service-based organisations to relook into their current practice of developing and identifying core competencies among professional employees. Organisations can perhaps emphasise more on developing these core competencies which can be applied across the board in the organisations regardless of positions, nature of work and types of services offered.

ENDNOTES

* Acknowledgement
The author would like to thank her PhD supervisory team (Dr Maniam and Dr Nafis) who are also the co-authors of this paper for their trust, comments and suggestions throughout this research paper, and several close colleagues from the Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA for their continuous support. Special thanks also go to Universiti Teknologi MARA, MALAYSIA and the Ministry of Higher Education, MALAYSIA for funding this research paper.

REFERENCES


