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Developing Human Resource Competency with CBHRM Approach

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Abstract:

A competency was a basic characteristic of someone which enabled him/her to give advance performance in the job, role, or certain situation (Boulter, 2003: 41). To get a new potential employee, having relevant skill with the job and attitude which was suitable with the organization culture, a company generally made an ideal recruitment or selection system. It was done, for example, by establishing written test (test of intelligence, talent, ability, interest and integrity), interview and work stimulation tests so that it could help the management in determining the competency which was suitable with the job that would be undergone. (Robbins, 2007: 259). However, the recruitment system of company for the employee sometimes did not have special standard that determined the ideal requirement and provision (written test, interview, work simulation test). The employee replacement was only given based on the other manager's reference, rolling the old employees or employees' family. Therefore, in this case, the company had less opportunity to obtain more competency employee than those referenced by the company intern side. If the company obtained the incompetency employee, it would have impact to his/her less maximum performance. CBHRM was a management approach in managing human resource integrating the real management activity in managing the human resource by referencing all activities toward a competency series which had been agreed on.

This research method used descriptive qualitative by deep interview and purposive sampling to obtain the primer data. The result of this research was Organization Strategy for developing human resource based on competency it was begun by necessity analysis, organization assessment and planning using organization diagnosis of six We is board boxes model. After diagnosing the organization condition, it was found the advantage and the disadvantage of the organization which was then arranged developing competence using CBHRM model.

Keywords: Competency, human resource, CBHRM

1. Introduction

According to General Manager Human Resource of Department Texmaco Group, the company performance could not meet the expectation if the employees did not have any strong competency standard. (Mulyadi, 2013). Competency was a basic characteristic of someone which enabled him/her to give advance performance in the job, role, or certain situation (Boulter, 2003: 41). To get new potential employee, having relevant skill with the job and attitude which was suitable with the organization culture, a company generally made ideal recruitment or selection system. It was done, for example, by establishing written test (test of intelligence, talent, ability, interest and integrity), interview and work simulation tests so that it could help the management in determining the competency which was suitable with the job that would be undergone. (Robbins, 2007: 259).

However, the recruitment system of company for the employee did not have special standard that determined the ideal requirement and provision (written test, interview, work simulation test). The employee replacement was only given based on the other manager's reference, rolling the old employees or employees' family. Therefore in this case, the company had less opportunity to obtain more competency employee than those referenced by the company intern side. If the company obtained the incompetency employee, it would have impact to his/her less maximum performance. The employee's performance was showed through the service quality given to the customer so that the company based on the customer's perception could evaluate the employee's service quality through the practice of Human Resource Management

To the assessment of the product achievement yielded by the company, it could be proven by getting Top Brands Award which indicated the customer's satisfaction, trust, and loyalty to the employee's performance based on the service quality given. On the contrary, when the company did not obtain Top Brands Award anymore, it indicated the decline of the customer's satisfaction, trust, and loyalty which was influenced by the employee's performance quality in dedicating the product decreased as well.

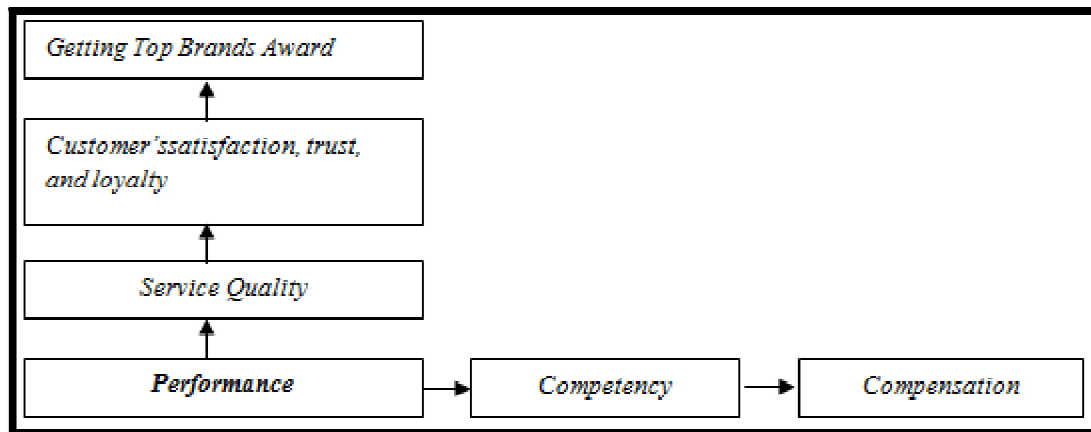


Figure 1: The Relation of Getting Top Brands Award with Compensation

When the employee was not given sufficient compensation rights by the company, the competency was low. The low competence would influence the employee's performance which could be shown by less totality in presenting the service toward the customer. In this case, it could be in the form of giving product whose quality was valued lower than the other. So, the customer felt less satisfied and trust and left his/her loyalty toward the company product. If it was, it could reduce the assessment criteria of getting Top Brands Award.

The high and low competencies of employees required to be concerned by the company because the company progress and decline was in their hands. The company should have skillful and high competency employee, in this way, it had owned very expensive asset that was hard to value with money. Therefore, a company required to make good planning and managing to either the employee in the present or future (Haryono, 2013: 37).

The company attitude, which did not give proper compensation rights to the employees, could be the trigger of their less competence in working so that their performance also decreased. This condition enabled the employees worked to get the salary only and they did not have any spirit to enhance their performance.

Because the problem related to this Human Resource the company needed to formulate the developing of the employee's competency. Competency model and the approach were integrated in MSDM. On the plot of Competency Based Human Resource Management model (Zainal, et al., 2015: 247) the compensation that became problem of Tong TJI Tea Company could be evaluated to develop and create the employee's competence motivation. Spencer and Spencer (2013: 78) stated an organization which did not choose to develop and create the competence motivation of the employee could not improve the productivity, profitability, and quality toward a product.

Competency-Based Human Resources Management System model (CBHRM) was valued as the advanced approach in Human Resources Management which could integrate the strategy of organization business with management system of human resources. This system involved the developing of competency model relating with business strategy and the usage of the functions of human research management such as planning (HR Planning), recruitment and selection of human resource (Recruitment & Selection), training and developing (Training & Development), Career Development, Remuneration and Reward, and performance assessment, developing performance and performance management which could be the company reference in developing the employee's competency. (Zainal, et al., 2015: 247).

2. Theory Study

2.1. Human Resource Management

According to The Chartered Institute of Personnel and Development (CIPD) in Mullins (2005: 42), human resource was stated as the potential and strategy of designing, implementing and maintaining for utilizing the human's potential for optimum effort performance, included developing and process, consisted of thought and physic powers of each human.

Human Resource Management was a science or the way how to organize the relation and role of resource (employee) belonged to individual efficiently and effectively and it could maximally be used so that it was reached the goal with the company, employees, and society to be maximum (Dessler, 2013: 83). MSDM was provided a basis for a concept that every employee was human not machine and only as the business resource. The MSDM study joined several domains such as psychology, sociology, and so on.

2.2. Competency

Competency was a set of knowledge, skill, and behavior which had to be owned, minded, mastered, and actualized by the human resource in implementing professional duty. Gordon (2010: 109) explained several aspects or domains contained in competency concept as the following:

- Knowledge, i.e. awareness in cognitive area.
- Understanding, i.e. depth cognitive.
- Skill, i.e. something belonged to individual to do a duty or job which was borne.
- Value, i.e. a behavior standard which was convinced and had united in the individual self psychologically.
- Attitude, i.e. feeling (happy-unhappy, like-dislike) or reacting toward a stimulation from outside.
- Interest, i.e. someone's tendency to do something.

2.3. Developing Competency of Human Resource

In enhancing competency, there were two main challenges which should be concerned: first, competency should be in accordance with the business strategy. Second, competency needed to be created through more than one mechanism (Sutjipto et al., 2012: 24). In this case, there were five ways to enhance the competency: buy, build, borrow, bounce, and bind. Each of them was explained as the following:

2.3.1. Buy (Replace the Old Employee with the New One)

The buy strategy here covered selection and staffing started from entry level till officer level. This method would run well if there was talent and it could be accessed, on the other hand, this method had big failing risk. The company perhaps did not find the talent outside better or more qualified than inside the company.

2.3.2. Borrow (Look For Employee from Outside)

In this strategy the company searched out human resource who could give idea, work outline, and instrument to make the company stronger. Using either effective consultant or partner was enabled to divide knowledge, to create new knowledge, and work design. Many companies were learning how to use consultant and did not depend on them.

2.3.3. Bounce (Discharge the Failed Employee)

The company should discharge the failed employee to do the standard duty. The employee, either who still worked or was discharged should understand why and what was expected from them. The fair process should fill law requirement.

2.3.4. Bind (Critical Action to All Levels)

Tightening employee was critical action to all levels. Keeping senior manager who had vision, direction, and very important competency, and keeping technicians, operators, and half-time workers was also important thing because the investment to build them took long time.

2.4. Human Resource Management Based Competency (Competency Based Human Resources Management System/CBHRM)

CBHRM was a management approach in managing human resource who integrated the real management activity in managing the human resource by referencing all activities toward a series of competency which had been agreed on together. The series of management activity which was done could involve (Rachman, 2014: 14-16):

- Position Design (Job Design). How would a job be designed in order to enhance the organisation capability?
- Human Resource Recruitment and Selection (Recruitment & Selection). What competency needed to be provided by the individual through recruitment process? Who would be the most competent candidate as the organisation's necessity?
- Performance assessment, Performance Developing and Performance management (Performance Management). What could we learn from the competence employees toward their performance? What developing competency was needed to enhance performance? What was the influence of competency gap toward performance?
- Remuneration and Rewarding (Remuneration & Reward). How was the salary level required as the competency? How was the employee's performance got award?
- Training Need Analysis (Training Need Analysis). What competency should be gotten by the employee in order to enhance the company productivity? What kind of training was needed based on the competency gap they had?
- Training and development (Training & Development). What kind of training strategy was provided for facilitating the competency needed? How effective were the training strategy and method given to develop competency?
- Succession Planning (Succession Planning). Who had the most exact competency profile to replace the leader in the company?
- Rotation, Termination (Redeployment). How was the way to manage the replacement employee?

Management activities usually based on different criteria, and of course, the consequence was that the activity was not related one to another effectively. The criteria used to choose someone to have certain position perhaps were not suitable with

the skill/knowledge needed in that position. Based on that matter the competency provided a way which could convince that the apart activities could be integrated and connected one to another.

3. Research Method

This research was done to get deep description about developing human resource competency and corporation performance by using qualitative or naturalistic paradigm, and research design of ex post facto. Ex post facto was a research which had purpose to find the cause enabling change, symptom or phenomenon caused by an event, behavior, or things which caused change that had happened.

In doing study case the researcher used deep inspection method of longitudinal toward a condition or event called as a case by using systematize ways in doing observation, collecting data, information analysis, and result report. As the result, it would be obtained deep comprehension about why something happened and could be the basis for the next research.

Besides that, the researcher of empiric data observation investigated a symptom in the real-life background. This strategy could give qualitative proof which based on various sources and development before from theoretic proposition. As the other research purpose generally, the researcher who used research method of study case basically had purpose to understand the object observed. In spite of this, different with the other research, the research of study case specifically had purpose explaining and understanding the observed object specifically as a case.

3.1. Developing Competency Model of Human Resource in Enhancing Performance

In fact, the competency model which only included recruitment and selection, placement and succession planning, and performance management did not give maximum competency outcome yet for the employee as the human resource. One thing, the company gave less attention in supporting the employee's competency, was paying for skills/competencies that was paying salary system based competency which would form culture to motivate the employees to enhance their competency. In human resource management based competency, competency based competency was one of central rumor. So, pay for skills/competencies should be the company's vital attention in supporting the employee's competency.

The concept of human resource management made pay for skills/competencies to be a form of compensation. The compensation explained more details a number of different forms of pay for skills/competencies which could be given by the company to the employee. Compensation should be concerned because it became the rights and main purpose of the employees to be competency in working. For the employees, compensation was income and guarantee for their life and family. The employees became very obsessed toward the great compensation accepted as the energy and skill contributions given to the company. Therefore, the compensation as the form of pay for skills/competencies became developing model of competency for the human resource system of company for enhancing the employee's performance.

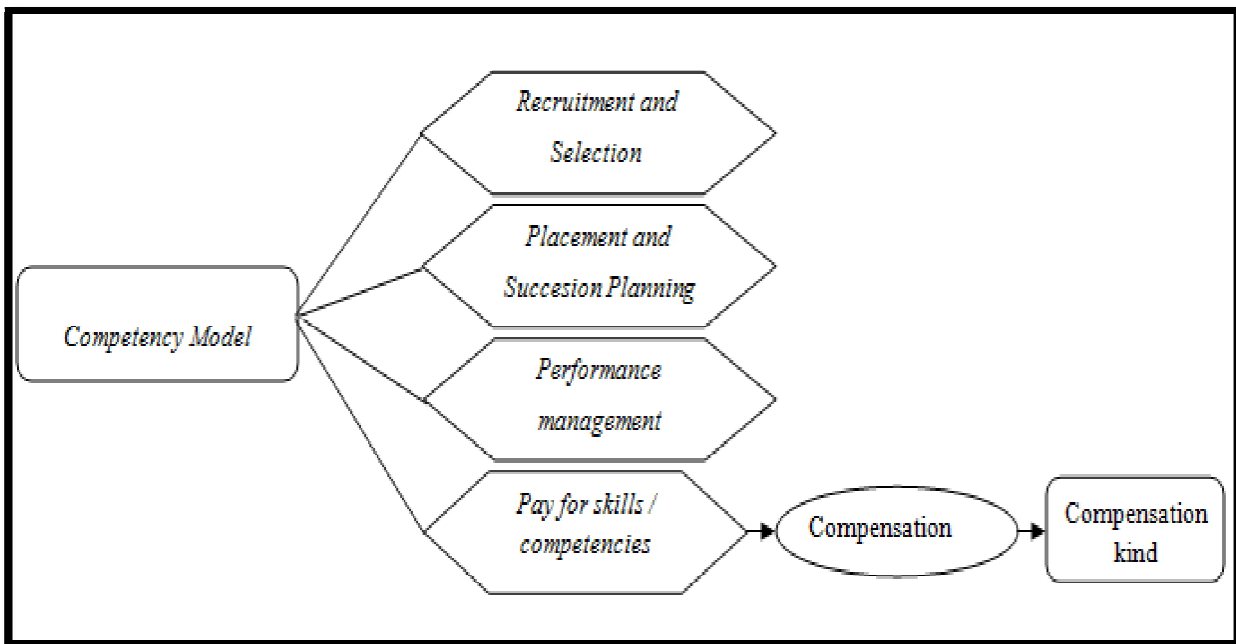


Figure 2: Developing Competency Model (Rivai, 2004: 358)

Giving compensation was one of the implementation functions of human resource management function which related with all kinds of individual award as exchange in doing the company duty. Compensation became the main reason for most people to look for a job or even survive in their job.

3.2. Compensation System for Employee

Compensation could be given by the company through job analysis, job description, compensation structure, administration rule, and compensation payment.

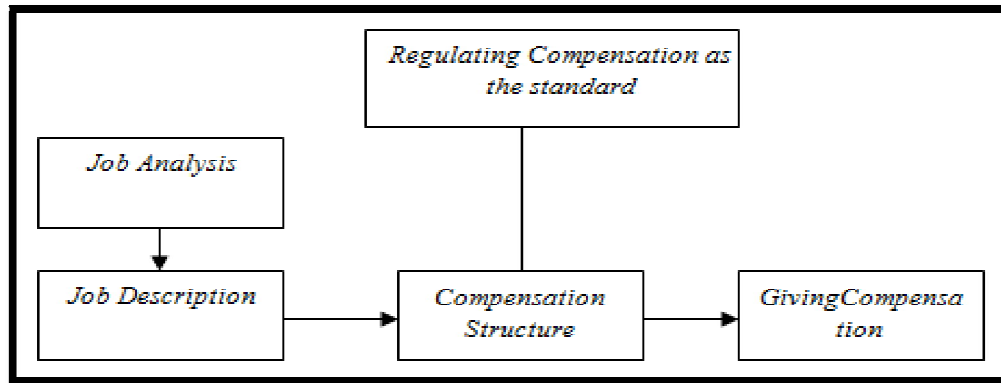


Figure 3: Compensation System

3.2.1. Job Analysis

Job analysis became the systematic process to obtain the exact data/information about the reality of a position and the conditions. The implementation of position analysis was done by identify the positions which would be analyzed, arranging position explanation, and arranging position specification. After the position analysis had been formulated, then explaining the duty and job responsible in the job description.

3.2.2. Job Description Explanation

The Job description made loaded the description about position containing the duty elements, responsible, authority, and relation among positions either horizontal or vertical. This position explanation was used as the job manual for every position holder and as the basic assessment of the employee's work result.

3.2.3. Compensation Structure

The position formulation and job description were used to arrange the compensation structure which would be given to the employees. The compensation structure contained compensation group's description and (range) compensation maximum and minimum.

3.3. Key Job Competence as the Indicator of Competency Development

The problem felt by the employees for the compensation that became their rights indicated that the company did not have the measurement aspect of the employee's developing competency yet and did not have manual in doing competency assessment. The competency assessment was required to decide the form of compensation which was proper given. When the compensation was normally accepted by the employees, they would be motivated to be competence in their job. This had impact to the company performance enhancement. Therefore, the company required an indicator in measuring competency. In this case, there were four key indicators for the employee's job competency (key of job competence), those were:

3.3.1. Result (Output)

The output meant was the duty and job responsible achievement of the employees. The employees who could complete their job they were stated competent and it had been determined in job description, the employees' duty and responsible should be fulfilled.

3.3.2. On Timing (Timing)

A time element also became competency measurer not only as a job that became the employee's responsible to complete, the employee should also complete the job on time. The employee was stated competent when he/she had implemented the duty and responsible in the time limit decided by the company.

3.3.3. Loyalty

The loyalty here meant the employee's time, energy, or thinking prioritized for company. The employees sacrificed themselves to work extra time given for completing the company importance. In this case, the employee/staff administration would stay on the work table until the administration business done without any problems. However, the staff's work was not for extra duty but he wanted it. The extra time used in completing the job was not caused by the other things such as extending the time or lazy, but, for example, there was something requiring corrected in the case of administration. Although it could be

done the next day, the employee would complete the unfinished business on that day. With this attitude, the employee was valued competent in the business of duty and responsible completion.

3.3.4. Integrity

When the employee could finish the job before the time limit determined and then he/she did the job in the other part to make the company work importance done, he/she was stated having integrity. The integrity became the highest measurement of the competent employee. He/she had met three indicators before, i.e. obtaining the work result, on time, and work problem completion without extending work time.

When the four indicators were applied in measuring the employee's competency the advantage and the disadvantage of competency model applied before would be found. Developing the employee's competency model of Tong TJI Tea Company Tegal was based on the competency measurement which could be the basis in giving proper competency. So the complain/problem of compensation that was not suitable with the employee's expectation did not appear back.

4. The Organization Strategy in Developing Human Resource Based Competency

The analysis used in developing the competency was based on CBHRM model. Therefore, the organisation strategy in developing human resource based competency also based on CBHRM model as the development of five steps model by Dubois. The organization strategy in developing human resource based competency was begun by necessity analysis, organisation assessment and planning used an organization diagnosis of six Weisboard boxes model. After diagnosing the organisation condition, it was found the advantage and the disadvantage of organisation variable which was then arranged developing competency by CBHRM model.

The next step was work planning applied by the implementation of developing competency as described in adding the component of CBHRM model by the company. The organisation strategy in developing human resource based competency based on the developing of five steps model by Dubois drawn to the chart below:

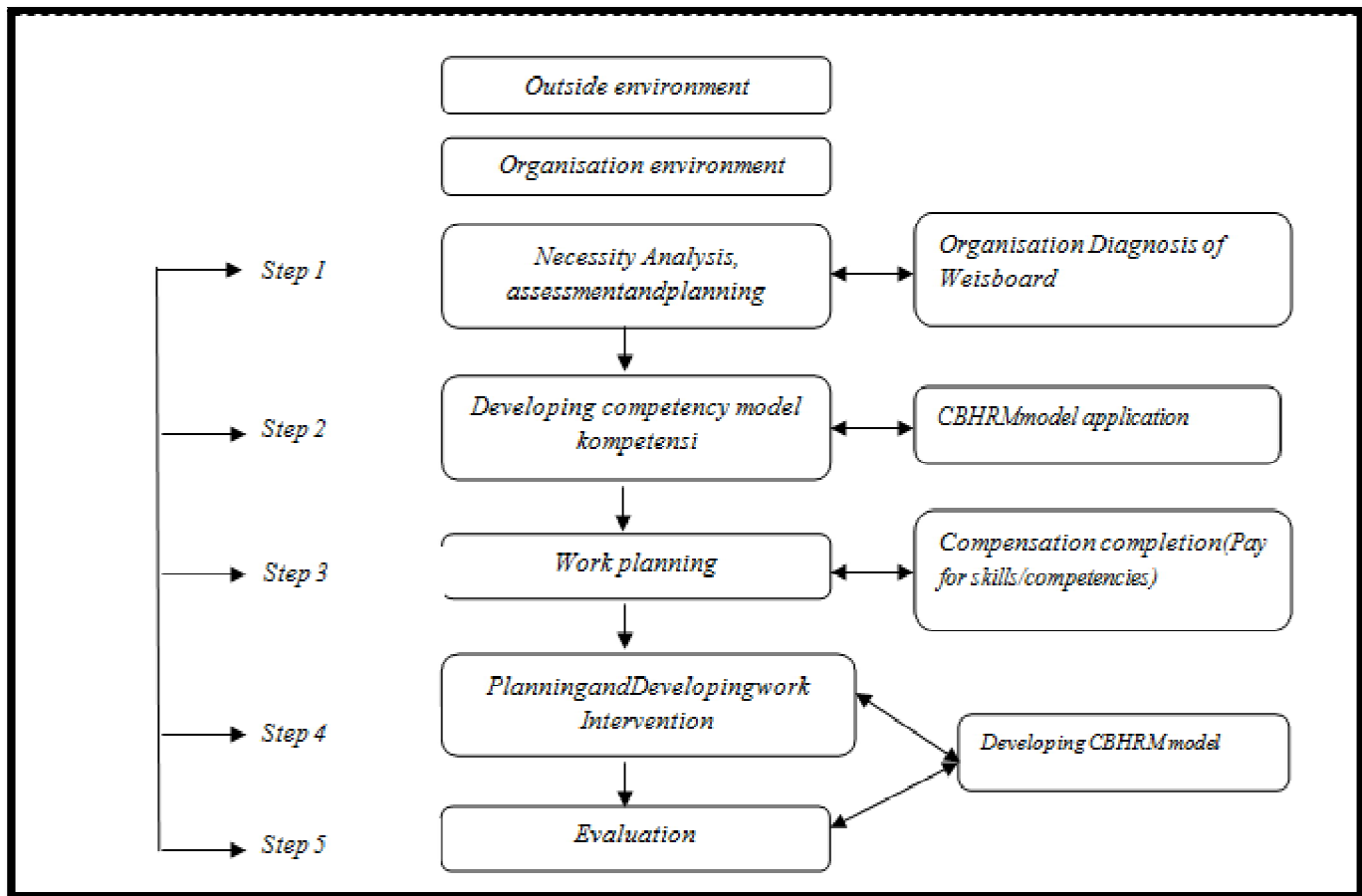


Figure 4: The Strategy Model to Create and Manage the Program of Enhancement of Human Resource Performance Based Competency

4.1. Organization Diagnosis Using the Organization Theory of Six Boxes of Weisboard

An organization diagnosis was one of the building organization methods which focused on things which were found influencing the organization instability or unsucession in reaching the purpose. The model for diagnosing organization, one of

them, was the model of six Weisboard boxes consisted of; purpose, structure, relation manner, rewarding, leadership, and work method.

4.2. Developing CBHRM Model (Competence Based Human Resources Management)

CBHRM model was made to identify the competency component applied by the company. Developing the company CBHRM model could be by adding the component of pay for skills/competencies in the form of compensation for competency evaluation. So, CBHRM model in developing the employee's competency was:

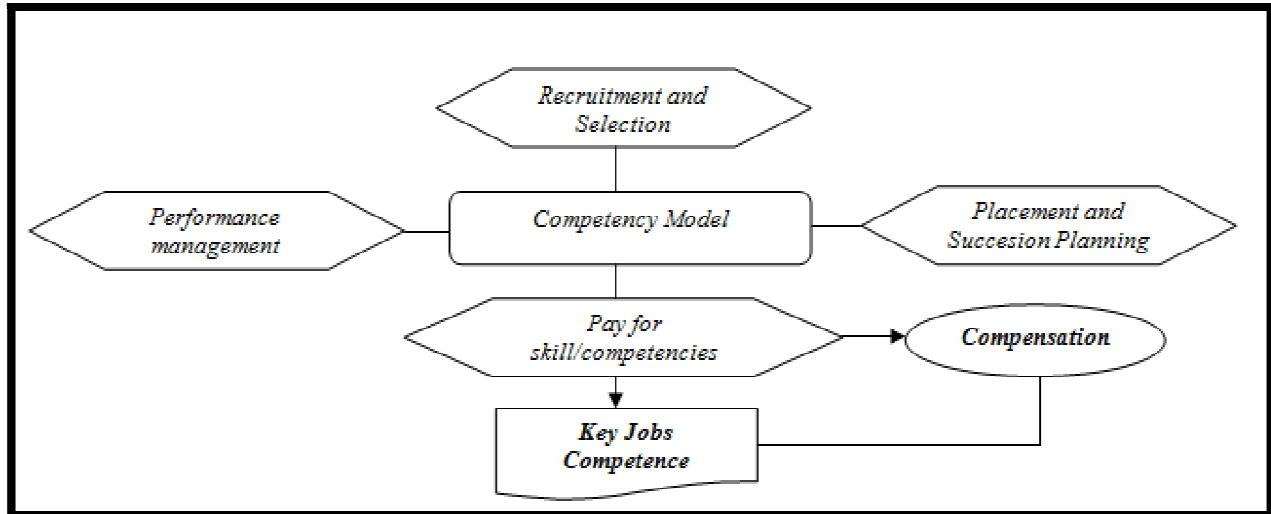


Figure 5: Developing CBHRM Model

5. Conclusion

One component which should be tried by the company in supporting the employee's competency was pay for skills/competencies which was payment salary system based competency which would form culture to motivate the employee enhancing his/her competency. Therefore, the compensation as the form of pay for skills/competencies could be the component addition of CBHRM in developing competency model for the company human resource system.

The organization strategy in developing human resource based competency was started by necessity analysis, organization assessment and planning using organization diagnosis of six Weisboard boxes model. After diagnosing the organization condition, it was found the advantage and the disadvantage of organization which was then arranged developing competency by CBHRM model.

The component of pay for skills/competencies was found as the compensation form which became the employee's problem. Therefore, the company needed to formulate key jobs competence as the measurement in developing competency. The competency assessment based on the key jobs competence could be become a manual in giving compensation as the employees hoped.

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