

THE RELATIONSHIP BETWEEN COMPETENT WORKERS AND ORGANIZATIONAL COMPETITIVE ADVANTAGE IN MALAYSIA

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Human resource is one of the major factors in the mastery of the competencies for industrial workers in Malaysia. Given this situation, demanding workers in the industry to develop and increase their competence, skills, and abilities to work systematically are crucial. The purpose of this paper is to identify the importance of competent industrial workers of an organization. This paper will assess organization's competitive advantage through teams of competent workers. Human resources in an organization requires to be considered, organizations that want to move forward and evolve will think of its competent workers and competent workers will inspire an organization to gain competitive advantage. This paper is organized around three topics: (a) workers who are competent, (b) the organization's competitive advantage, and (c) discussion and recommendations.

Keywords: Human Resource Development; Competency; Competent Workers; Organization Competitive.

1. INTRODUCTION

As Malaysia aims to become a developed country especially in the industrial fields, the technological advancement has become an integral part of Malaysia's growth as an industrialized nation. Malaysia is known to offer a cost-competitive location for investors intending to set up operations for the manufacture of technological products for regional and international markets. Therefore, the demands on supplies competent industrial workers are crucial. Competency and personal qualities is one of the key factors to be considered in the recruitment (Deb, 2006). Human resource development, it is still a major factor in the mastery of the competencies of workers in all industrial fields. This is because the human resources are one very important asset for the development and growth of industrial fields. It is important to provide new workers who more educated and more have the knowledge, more intelligent and efficient manner, as required by the industry (Gadotti, 2009). Given this situation, demanding workers in the industry to develop and increase their competencies, skills, and abilities to work systematically.

Organizations faced with the challenge of obtain sufficient workers in terms of education (Streumer, Van der Klink & Van De Brink, 1999). Therefore, education has been responsive to the needs of human resource development by supplying competent graduates to the workplace. To strengthen education, maintain the

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competitiveness of Malaysian industries, and to benefit from the knowledge-based economy, it is crucial to strengthen the environment for innovation and knowledge. It is mentioned in the Third Outline Perspective Plan (OPP3), the Malaysian government emphasizes the need for fundamental realignment in the policies and strategies of human resource development for fulfilling the needs of industries (Malaysia Government, 2006). As nations develop, trained workers become indispensable to the achievement of national goals and education receives endorsements and support from the government and industries.

To work effectively and meet the requirements of jobs and organizations, workers must combine knowledge, skills, and other work-related capacities into specific competences actually needed (Loogma, 2004). The new trend is to transform knowledge, expertise and skills of workers to prepare them to be more competent employees and better suited to the job market. Competencies i.e. which includes knowledge, skills, attitudes and behavior can help employees in perform their duties effectively (Cooper & Rothmann, 2013). In Malaysia, the organizational structure and hierarchy are undergoing changes as a result of technological advancement and shifting industrial trends. The situation is forcing Malaysia to shift from their current practices in human resources of training and development, to become more aware of trends in workforce competencies and their positive social and economic impacts.

2. COMPETENT INDUSTRIAL WORKERS

Competencies are the skills, knowledge and qualities of effective leaders and managers (Hornby & Thomas, 1989). Competencies refer to skills knowledge and behaviors exhibited by individuals in their work (Liu *et al.*, 2014). The human resource development literature was more concerned with developing highly transferable generic competences that are required for most jobs or particular occupations or job roles (Stasz, 1997). Human resource practices have become an important issue in Malaysian organizations because of the needs of the changing workforce and the development process of workers (Salleh & Sulaiman, 2012a). Currently, employee productivity is determined by the competence and knowledge, whether acquired through education, training or work experience.

Paradigm change about employment in industry occurred as a result of globalization and better understanding of the need for competent workers who can improve the quality or performance of the industry. Similarly, Salleh, Sulaiman and Talib (2010) indicate that employees with a skills set and knowledge will benefit from integration into global economy, while those who lack of skills and knowledge are destined to fall further behind. Competence allows employees to work discipline and help organizations to develop advanced (Secord, 2003). To provide competent industrial workers, organizations need to provide new employees and has extensive skills on the challenges in the workplace whether in the present

and in the future. The new trend is to employ workers who have the knowledge, expertise, and skills for better suited employment and who can make greater contributions to the workforce market (Salleh & Sulaiman, 2012b).

Competition is fierce in the workforce and is like betting in life. Hence an employee should be constantly developing and enhance their competences (Covey, 2004). Therefore, employees involved in the industry should have the competence to improve work performance and able to face the many challenges existing. Employers require employees are competent and always strive to develop its potential (Martinez, 2008). The concept of competency is being actively employed by many of the service organizations or firms to improve the function of human resources.

From the perspective of a human resource-based theory of the organization, sustained competitive advantage is seen as deriving from an organization's internal resources if these can add value, are unique or rare, are difficult for competitors to imitate and are non-substitutable (Foss & Knudsen, 1996). The human resource development literature was more concerned with developing highly transferable generic competences that are required for most jobs or particular occupations or job roles (Stasz, 1997).

Pfeffer (1994) argued that organization's wishing to succeed in today's global business environment must make appropriate human resource investments to acquire and build employees who possess better skills and capabilities than their competitors. Organization's focus on competence management through acquiring, developing and utilizing employees with particular knowledge, skills and abilities (Wright, Smart & McMahan, 1995). That is because knowledge, skills, and other behavioral standards for improved performance are enhanced with informed programmes for development an organization's.

Skills and abilities needed by workers in order to carry out their duties effectively (Chandrasekar, 2011). Similarly, knowledge and skills enable an individual to perform a task but not necessarily competent if not supported by experience (Rudman, 1995). To ensure that competent workers contribute to human resource development and minimize the competency gap between the academic environment and industrial needs, it is critical to analyze the perceptions of current industrial workers in regards to their competency level. There is also a need for a high rate of participation of all stakeholders, including government, industries, and others, to close the competency gap and differences in perspectives.

Nowadays, competencies are important in the industrial field (Gupta, 2011). Competencies are a form of an assessment of the individual personality and behavior in various situations or work in a particular field (Sherman, 2004). Gupta (2011) also state competence consists of knowledge, attitudes, skills and experience that can improve employee performance in executing a job. This is in line with Norton (2013) which states that competence is the ability of an individual to improve

performance in the career fields of endeavor. Therefore, organizations and workers should be aware of and prepared for the transition to workforce competency demands. It is important to narrow the difference gap in needed competencies because it will lead to more training and development for the workers. This is because competence is a basic characteristic of individuals who can give the effect of a situation or work.

3. ORGANIZATIONAL COMPETITIVE ADVANTAGE

Competencies are such work related skills, know-how and personal characteristics which increase the probability that one can meet high expectation in a particular job in a sustainable manner. Global competition, advanced technologies and new knowledge have caused highly competitive and sharply changing business environment (Madu, 2009). Similarly, Salleh, Sulaiman and Talib (2010) argued in the globalization era, especially in the global marketplace, a competitive advantage is determined by performances that are being evaluated by a combination of knowledge and skills. To maximize these work values, employees should extend their own competencies in performing tasks. Competent employees potentially create competitive advantage where such competencies are organization specific and are difficult to imitate (Cappelli & Singh, 1992). The abilities, skills, attitudes and knowledge possessed by workers determine their levels of professional competence.

The key points of competency management involve firstly, bringing enhanced productivity to the company as it can choose the right person in the right place on the basis of competencies and qualifications identified and secondly, employees are also able to recognize missing skills or knowledge for the tasks and learn about them, ultimately resulting in individual development. Armstrong (2000) notes that in the process of establishing what executives are able to do, and the behaviour required of them to perform the role effectively, their competence profiles must be created. Veres *et al.* (1990) note that within the worker oriented approaches, competence is primarily constituted by attributes possessed by workers, typically represented as knowledge, skills, abilities and personal traits required for effective work performance. Knowledge workers are increasingly considered members of the organization the work and intellectual capacity of who is to be effectively and potential thoroughly capitalized upon.

According to Armstrong (2000), executives uniformly highlight certain characteristics of competence that are related to realistic practices that are evident at the work place, expressed as an outcome rather than the procedure or process, observable and assessable, not contain evaluative statements, but instead be tied to performance criteria against which they will be assessed, sensible and specific and not subject to diverse interpretations, and transferable across organizations, industries and occupations. Employees with a high level of normative commitment

feel that they ought to remain with the organization (Bentein *et al.*, 2005). The competitive environment both domestically and abroad is pressing human resource professionals to apply adequately talented workers in the organization (Payne, 2014). Human resources are the most valuable resources in order to achieve organizational goals by efforts and coordinating and utilization of other components of the organization (Ansari & Ghafari, 2014).

Meyer *et al.* (2000) have found that competent workers are more likely to remain with the organization and strive towards the organization's mission, goals and objectives. Therefore, organizations have continued to find and sustain competitive advantage through teams of competent workers. Organizations need competent workers in order to face the worldwide economic competition. The resource-based view suggests that human resource systems can contribute to competitive advantage by facilitating the development of competencies that are organization specific.

4. DISCUSSIONS AND RECOMMENDATIONS

Professional competencies mismatches are economically relevant since labor productivity, and thus wages, is likely depending on the quality of the fit between workers' capacities and the requirements of the jobs they perform. Lindgren and Henfridsson (2002) claimed that the competence of workers related to the goals of an organization. This is because organizations need workers who are competent in carrying out various tasks existing to face economic competition globally. The fact that Malaysia has faced growing competition from emerging destinations of international trade, it is crucial to enhance national competitiveness through reform and innovations (Siddique, 2010). It is important to note that human resource can be regarded as one of the vital assets which has been recognized and contributed to the development and achievement of organizations.

Core competencies a collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies (Prahalad & Hamel, 1990). Thus, competency-based human resource practices are more like a control system in ensuring there are coherence and standardization in the system and thus, the end results expected and targeted by the organizations could be fully achieved. Wright, Smart, and McMahan (1995) found that organizations exhibit higher performance when they recruit and acquire employees possessing competences consistent with the organization's current strategies.

Competency has an important role as a driving factor to achieve these work values and it includes a variety of personal traits such as knowledge, skills, values, motives and enthusiasm. Salleh, Sulaiman, Gloeckner (2015) claimed competencies involved an ongoing process that fosters individual knowledge, skills, and attitudes. Competencies not only exist for individual efforts but also for work functions that require team collaboration. Meyer, Allen, and Smith (2003) claimed that employees

whose primary link to the organization is based on continuance commitment remain with the organization because they feel they need to do so for material benefits. Employees with a high level of normative commitment feel that they ought to remain with the organization (Bentein *et al.*, 2005).

From a strategic point of view, competencies can be regarded as an organization's competitive advantage that competitors can never copy, including functions, processes and routines (Cardi & Selvarajan, 2006). Organization need to appraise employee's performance against the standard and may consider knowledge, skills and attitude as key performance indicators. According to the Organization for Economic Co-operation and Development [OECD] (2001), technological changes and innovation to drive the development of knowledge-based industries demanding increased worker skills. The goal is so that industrial workers able to adapt and remain competitive. Salleh and Sulaiman (2016) argued organizations are shifting to look for capable workers to perform multi-tasking jobs and various roles. This includes understanding the ins and outs of employment in the industry, skills and competencies needed to perform the task and identify various opportunities related to the job.

Figure 1: Malaysian competency model (Salleh, 2012, p. 109)

Therefore, the industrial workers' competency is in line with the requirements of workforce in the areas of industry in terms of human resources. However, the use of human resource systems that develop competences, although necessary for an organization to reach a competitive position, might not be enough to reach long term sustained competitive advantage. Thus it is necessary that the human resource system is relatively difficult to transfer to other organization, causally ambiguous, or both.

Acknowledgements

Thank you and gratitude to Universiti Tun Hussein Onn Malaysia (UTHM) [Vot 1502] for the support given in making this study a success.

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