Faculty of Cognitive Science and Human Development

THE RELATIONSHIP BETWEEN EMPLOYEE COMPETENCIES AND
EMPLOYEE PERFORMANCE IN A GOVERNMENT-LINKED
COMPANY (GLC)

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(Human Resource Development)

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The project entitled **'The Relationship between Employee Competencies and Employee Performance in a Government-Linked Company (GLC)'** was prepared by Eshwari Priya Ravindra (60726) and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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Date:

20th July 2020

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ABSTRACT

This study is aimed at investigating the relationship between employee competencies and employee performance in a government-linked company (GLC). This research as done by using quantitative method where the data were collected by using questionnaires as the instrument. The questionnaires were in the form of Google Forms online due to the pandemic situation and the data was collected from 460 samples in one of the government-linked company in Bintulu, Sarawak. The data were then analysed by using both descriptive and inferential statistics. Besides, Pearson Correlation test procedure was used to measure the relationships between the independent variables and the dependent variables. The finding have shown that there is a significant relationship between the employee competencies and the employee performance. It was also found that …. is the most dominant factor affecting employee performance. As such, the researcher has recommended a focus on the study that may guide the organizations and future researches.

Keywords: Employee Competencies, Employee Performance

CHAPTER ONE: INTRODUCTION

1.0 Background of research

Employee competencies are believed to be the fundamental factor that contributes to an organizational performance (Ciziuniene, K., Vaiciute, K., & Batarliene, N., 2016) because of the unique characteristic (Vathanophas, V., & Thai-ngam, J., 2007). Therefore, many studies have been conducted to determine the role of diverse employee competencies which includes technological, marketing and integrative competencies in developing organizational performance (Chung, 2000; Naquin & Holton, 2006, Ciziuniene et al., 2016). For example, factors such as network, intra-culture, inter-company collaboration, partnership and cross cultural interpersonal skills (Ibrahim, Z., Abdullah, F., & Ismail, A. , 2016); desktop and language skills, sentiments and morals, group work and management, information and skills. (Serirat, 2009) proved to be significant dimension of employee performance altogether. An organization would not be able to achieve its goals without the presence of employee competencies, especially under the current workplace (Ciziuniene, K., Vaiciute, K., & Batarliene, N., 2016).

In any occurrence, the convenience of the new research writing for administrators and organizations remains restricted, despite the wide proof of the job of such skills in promoting implementation. To tell the truth, though it has been shown that an unrivaled exhibition is regularly the product of a gesture of a few interconnected and commonly fortifying components (Nordqvist, M., Sharma, P., & Chirico, F., 2014), the surviving writing is silent in distinguishing the blends of skills that drive execution. Up until recently, most of the past works focused on the individual impact of each competency and ignored the combined impact of those elements. This is a significant containment, since it would be essential to reveal such mixes to help companies send the applicable asset techniques. Companies often express their strengths and resources in packs together to conduct their resources in this

respect (Gruber, M., Heinemann, F., Brettel, M., & Hungeling, S. 2010). Consequently, policy developers and firm managers trying to build favorable position may be given restricted down to earth guidance (Kuc, M. H., & Morecroft, J. D., 2010). A design approach along the same lines would provide exceptional opportunities to resolve such an obstacle and offer the board writing (Nordqvist, M., Sharma, P. & Chirico, F., 2014) much like the travel industry writing (Pappas, N. & Papatheodorou, A., 2017) down to earth bits of information to growing independent companies. Besides, there is a need to think about the elements that could compromise those skills when concentrating the employee competencies that encourage employee performance.

1.1 Problem Statement

The concept of "competence" is so misinterpreted and argued that it is hard to ascertain or allocate a consistent definition, or to come up with a meaning that can satisfy and align all the different ways in which that term is used. (Norris, 1991) argues that because the conceptual understanding of the word 'competence' has been overtaken by the necessity for clear description and operationalization of meanings, the conceptual uncertainty has overshadowed concreteness and the apparently straightforward has become fundamentally complicated. (Boon, J. & van der Klink, M., 2002) postulate, along such lines, that competence is a bit problematic, but it is a meaningful concept to narrow the gap between both the requirements of education and employment. (Hartle, 1995) and (Mansfield, 2004) suggest that competence is perceived as a performance (personal ability) of an employee. That is, as a kind of intellectual capital or as a human resource that can be turned into a certain degree of accomplishment. Similarly, (Boam, R. & Sparrow, P., 1992) and (Smith , 1993) were of the opinion that competence was expressed in terms of the requirements of the tasks which comprise a specific job (competence at work). (Ellström, 1997) defined personal competence as a person's ability to achieve success mostly on grounds with certain formally

or informally criteria, set by oneself or somebody else, to handle certain situations or to achieve a given job or task. He also proposed that such a capacity could be expressed in terms of motor skills skills , cognitive factors , personality traits and social skills. Behavioral skills are the relationship between the capacity of the individual and the requirements of a particular situation or job, intelligence and intellectual skills, non-cognitive factors and the capacity of a complex function (Ellström, 1997). (Hellriegel, D. & Slocum, J.W. Jr, 2011) described self-competence, collaborative skills, changing skills , communication skills, ethical skills, multiculturalism skills and cross - border skills as the seven competitive advantages that influence an individual behavior, teams and effectiveness of the organization. The preceeding competencies were evaluated on the basis of literature: self-competence, team skills, change skills , communication skills and ethical competence.

(Mathis, R.L. and Jackson, J.H., 2009) found that the success of the employee is consistent with the quantity of output, the consistency of output, the timeliness of output, the presence or attendance at work, the productivity of the completed work and the effectiveness of the completed work. (Price, 2001) had been in accordance with the above theory when it referred to employee performance as the effective alignment of the employee towards his or her job. Sempane et al. (2002) argue that employee performance is a person's overall interpretation and assessment of the work environment. Islam and Siengthai (2009) have seemed to support that statement, implying that employee success is a strong psychological status that arises from an individual's work assessment and work experience. Similarly, Mastrangelo et al. (2014) emphasised that the efficacy of the organization consists of the achievement of each of its individual employees. The following performance measures for employees were analyzed on the basis of literature: job quality, work preparation, creativity and innovation, and efforts.

Based on the background, this research communicates the following questions: (1) Does the practice of employee competencies have any influence on employee performance? (2) Which of the employee competencies encourages the employee competencies most? To answer these questions, this research will be conducted in a government-linked company (GLC).

1.2 Research Objectives

General Objective

To investigate the relationship between employee competencies and employee performance in government-linked company (GLC).

Specific Objective

1. To determine the relationship between self-competency and employee performance.
2. To determine the relationship between team competency and employee performance.
3. To determine the relationship between change competency and employee performance.
4. To determine the relationship between communication competency and employee performance.
5. To determine the relationship between ethical competency and employee performance.

1.3 Research Hypotheses

H_{a1}: There is a significant relationship between self-competency and employee performance.

H_{a2}: There is a significant relationship between team competency and employee performance.

H_{a3}: There is a significant relationship between change competency and employee performance.

H_{a4}: There is a significant relationship between communication competency and employee performance.

H$_{a5}$: There is a significant relationship between ethical competency and employee performance.

1.4 Conceptual framework

Table below presents the conceptual framework of this project. The independent variables are the self-competency, team competency, change competency, communication competency and ethical competency while the dependent variable is the employee performance.
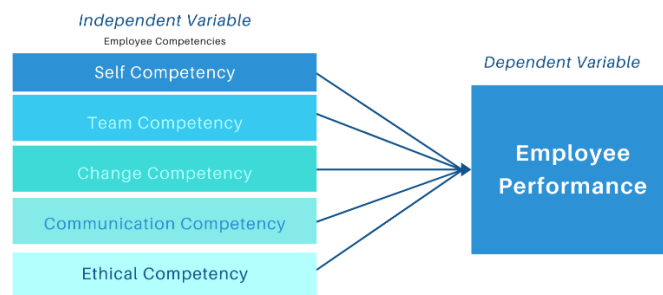

Figure 1: Proposed conceptual framework

Sources: (Frank Nana Kweku Otoo, Mridula Mishra, 2018)

Figure 1 shows the relationship between employee competencies such as self-competency, team competency, change competency, communication competency and ethical competency and employee performance.

1.5 Definition of term

DEFINITIONS

Terms	Conceptual Definition	Operational Definition
Employee Competencies	1. Hellriegel and Slocum (2011) identified self-competency, ethical competency, team competency, change competency, communication competency and cross country competency as the seven key competencies that affects the behaviours of individual, teams and effectiveness of an organization. 2. Boam and Sparrow (1992) and Smith (1993) suggest that competence is defined in term of he requirements of the tasks that constitute a certain job (occupational competence).	Focuses on the employees' capabilities such as self-competency, team competency, change competency, communication competency and ethical competency to fulfil a particular job requirement.
Employee Performance	1. Sempane et al. (2002) considers that employee performance represents an individual's overall perception and evaluation of the work environment. 2. Mastrangelo et al. (2014) emphasized that the effectiveness of an organization consist in the efficiency of each of its individual employees.	The efficiency shown by the employees in completing a task given by the employer or the organization which contributes to efficiency of work, plan of work, creativity and innovation and making efforts.

Table 1: Definition of terms of the research regarding relationship between employee competencies and employee performance in a government-linked company (GLC).

1.6 Significance of study

The purpose of this research is to understand the relationship between employee competencies and employee performance which plays an important role in an organization. The main objective for this study to be conducted is to investigate the relationship between employee competencies such as self-competency, team competency, change competency, communication competency and ethical competency and employee performance which contributes to efficiency of work, plan of work, creativity and innovation and making efforts in an organization.

This research will help management in understanding the role of employee competencies and how the employee competencies will be able to influence the employee performance in an organization. Furthermore, this study will help the management in an organization to increase employee performance by making use of the employee competencies. This research will show if the employee competencies will be able to increase

the efficiency of work, plan of work, creativity and innovation and making effort in an organization.

This study will provide short description on different significance of study in relation to five independent variable which include self-competency, team competencies, change competency, communication competency and ethical competency. This research will also contribute in the understanding of the leaders and employees on their responsibilities regarding their competencies and performances. This is important because by understanding and increasing employee competencies, the employee performance will increase, and it will contribute to organizational effectiveness.

As a conclusion, the government-linked company (GLC) will be able to understand, emphasize and increase employee competencies that may help in improving employee performance.

CHAPTER TWO: LITERATURE REVIEW

2.0 Literature review

2.1 Employee Competencies

Competence is an important concept for organizational management, as it is closely linked to excellent work performance (Levenson et al., 2006). As powerful predictors of employee performance and achievement, McClelland (1973) developed the concept of "competence." Boyatzis (1982) describes ability as the fundamental attribute of an individual who may be a purpose, quality and abilities, component of one's self-image or social position, or a body of information he or she uses. Similarly, Draganidis and Mentzas (2006) are in agreement with this definition when they refer to competence as a combination of tacit and explicit knowledge, behavior and skills that gives someone the potential to be effective in performing tasks. Hellriegel and Slocum (2011) described employee ethical competency, self-competency, diversity competency, cross-country skills, team competency, and change competency as the seven main competencies that influence an organization's individual behaviour, teams, and effectiveness. In the same vein, several authors have identified team competence, ethical competence, change skills, communication skills and self-competence as the core competencies needed for hospitality occupations (Hai-Yan and Baum, 2006; Sandwith, 1993; Jauhari, 2006). The following competences are therefore examined: self-competence, team competency, transition competency, communication skills and ethical competency.

2.1.1 Self-competency

(Hellriegel and Slocum 2011, p. 12) states that self-competence applies to' awareness, skills and abilities to identify personal strengths and weaknesses, to set and achieve professional and personal ambitions, to combine work and personal life and to participate in new learning.' Additionally, (Mar, DeYoung, Higgins, and Peterson, 2006, p. 5) describe self-

competence as "the sense of one's skill derived from multiple experiences of productive deliberate achievement of aim." Self-competence has core characteristics, like KSAs, of understanding one's own personalities and behaviors, determining one's own developmental, personal and job goals, and being responsible for managing oneself and one's careers under stressful conditions at any time, knowing and acting on work impulses and feelings, and, ultimately, identifying and judging oneself and others correctly. Getting this expertise would help to create positive personal qualities that would be required for the effective creation of other competencies (Hellriegel, D. & Slocum, J.W. Jr, 2011). For example, communication skills cannot be strengthened if workers are unable to understand, identify and clarify discrepancies and attitudes between employees. In addition, Tafarodi and Swann (1995) argued that self-competence could increase the capacity of workers, productivity, output, success and adaptation under pressure. As a result, developing self-employed skills through the production of self-HRD is an important tool for enhancing organizational efficiency (Potnuru & Sahoo, 2016).

2.1.2 Team competency

Group skills of employees relate to the willingness of employees to create generally successful decisions, value group ideas, improve personal skills, maximize team performance of the company, and motivate others to deliver results (Wang, 2013). In the tourism and hospitality industry, collaboration is seen as best practice when it comes to HRD, but soft skills are often missing among workers (Nickson, 2013). In addition, (Potnuru and Sahoo, 2016, p. 351) define team competence as "knowledge, skills and abilities to develop, support and lead a team to achieve goals." Group competence includes features that include the KSAs of staff, and include the following: identifying the rationale for forming a team; designing the plans needed to build a team; setting specific goals for the performance of the team; engaging in the assessment of the team's roles and activities as a whole; taking responsibility for achieving the aims of the team, rather than the private goal; evaluating the

implementation of the plan; identifying the obstacles facing the team and how to resolve them; and, finally, identifying and resolving conflicts between the members of the team (Hellriegel & Slocum, 2011). Most companies utilize teams to streamline processes, increasing employees ' engagement and improve quality. Employee collaboration in this respect has been shown to be a performance enhancer as it often contributes to clearer goals and improved allocation of resources, thereby supporting a partnership between coordination and employee efficiency (Eby & Dobbins, 1997). Similarly, Nzewi, Chiekezie, and Nnesochi (2015) affirm that teamwork contributes to better organizational success, increased job satisfaction, interpersonal engagement, inspiration, behavioral change, productivity, results, creativity and innovation, and intellectual capacity.

2.1.3   Change competency

Change skill refers to "the capacity of workers to work efficiently in the current world, through change and in the future state; to have all the resources and processes to successfully manage their personal transition through transformation" (Potnuru & Sahoo, 2016, p. 353). Management skills are closely linked to improvements in performance (Wadood, Gharleghi, & Samadi, 2016). The ability to adapt includes characteristics that include the KSAs of workers to be successful by adapting the previous qualities to identify, develop and implement the required changes, as well as to include leadership that has the capacity to handle the progress of the expected transition. In fact, the capacity to adapt includes the ability to recognise the sources of resistance to change (whether internal or external) (Hellriegel & Slocum, 2011). Changing integrity is a tool for organisations to deal with a rapidly changing work environment (Voet, 2014). Kansal and Chandani (2014) suggest that an individual with a change in expertise is likely to be able to effectively implement the change. Change competence also helps organizations develop capacity for continuous change (Lines, Sullivan, Smithwick, & Mischung, 2015), promote new innovative ideas, create

conditions for them, listen and learn from the reactions of employees, and foster collective learning (Fullan, 2011b).

2.1.4 Communication competency

Communication competence is defined as' the ability to choose between available communicative behaviors to achieve one's own interpersonal goals while maintaining the face and line of fellow interactants within the constraints of the situation' (Potnuru & Sahoo, 2016, p. 353). Communication skills, like employee KSAs, have features to be successful in transferring information, ideas and feelings with others as they are, according to (Hellriegel, D. & Slocum, J.W. Jr, 2011). This potential is based on the talents, expertise and actions of workers to perform these activities. Use electronic communication services such as emails and the Internet helps to create direct communication between companies, staff, vendors, information tools, and consumers around the world. Effective communication avoids rushed and inaccurate generalizations. It also helps to provide other people with accurate feedback. (Femi, 2014) states that effective use of communication skills leads to increased efficiency, job satisfaction, profitability, and corporate loyalty for employees. Effective communication allows workers to realize what they want and to prevent any ambiguities.

2.1.5   Ethical competency

Ethical competency is, according to (Potnuru and Sahoo. 2016, p. 353), "the capacity to integrate values and principles that discern what is good from what is wrong while making decisions and determining actions." As Hellriegel and Slocum (2011) point out, ethical competences have essential characteristics, including employee KSAs to effectively identify ethical decision-making rules, assess the importance of ethical issues, enforce government laws and regulations in decision-making, ensure honesty, dignity and respect in the workplace, and finally implement the principles of justice related to decision-making. Kuye and Sulaimon (2011) have confirmed that employees need to be involved in ethical roles decision-making. Participation has benefits such as increased job satisfaction (Lam, Chen, &

Schaubroeck, 2002), increased organizational engagement, strengthened corporate citizenship habits, optimistic workplace attitudes, increased productivity, an incentive for workers to use their knowledge and experience to make better decisions, stability in the organisation, improved quality and high output. Pradeep, Sakthivel, and Hareesh (2014) note that ethical principles are among the main competencies of service organizations as conveyed to customers and employees.

2.1.6 Employee Performance

Mathis and Jackson (2009) concluded that the success of the employee is the value correlated with the volume of output, consistency of production, timeliness of output, appearance or participation at work, productivity of the completed work and efficacy of the completed work. Price (2001) was in accordance with the above concept as he related to employee performance as an employee's successful attitude toward his or her job. Sempane et al. (2002) suggests that workplace success is the overall understanding and appraisal of the work environment by a person. Islam and Siengthai (2009) seem to support this view, suggesting that workplace success is a positive emotional condition that emerges from an individual's work assessment and job interactions. Mastrangelo et al. (2014) has emphasized that an organization's productivity is the efficiency of each of its individual employees. The following performance measures for workers were analyzed on the basis of literature: job quality, work preparation, creativity and innovation, and actions.

2.2 Theories Related to the Research