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Development of Human Resources Competency Components: An Empirical Study in the Stock Exchange of Thailand

Pruksaya CHINNAPONG¹, Somjintana KOOMPAI², Somnuk AUJIRAPONGPAN³,
Supit RITKAEW⁴, Jaturon JUTIDHARABONGSE⁵

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Abstract

The objectives of this research are to establish and confirm the human resources competency components for listed companies in the Stock Exchange of Thailand. The sample group used in this research includes the company president, business owner, managing director, assistant managing director, general manager or human resources manager of 140 listed companies. The research instrument is a scale-estimated questionnaire. The obtained data were subjected to principal component analysis and were analyzed for the rotation of the perpendicular component using the Varimax method. Results were generated through the analysis of eight components, consisting of decision-making, creativity, strategic thinking, relationship and communication, teamwork, adaptability, self-management, and motivation. The research results demonstrate important components in human resource performance that are critical to the successful development of organizations. Organizations can apply these components to the development of human resource competencies in accordance with the operations that need to be adjusted to suit the changes that occur. These rapidly-changing conditions are important factors that can be studied and developed into variables and components that affect human resource performance in the future. As a result, organizations need to adjust to be well prepared to face problems and challenges in the harsh competitive environment in the future.

Keywords: Human Resources, Competency, Factor Analysis, Stock Exchange, Thailand

JEL Classification Code: J24, L20, M10

1. Introduction

National Economic and Social Development Plan No. 12 (2017–2021) has established strategies relating to the development of industrial manpower to support Thailand's industry in the future (National Economic and Social

Development Council, 2020). Driving the economy through innovation affects both the individual and organizational levels, whether it is the service industry or education. The tremendous strides in the development of technology and wireless connections have made the world smaller. People's lifestyles have changed tremendously in terms of the economy, society, politics, and environment. Volatile and unpredictable circumstances are the driving force behind intensifying business competition, and organizations have to keep up with these changes. Human beings must inevitably be directly involved in these changes, such as by changing to match development, so that they can benefit from the impact that will occur as a result of changes. Changes occur in lifestyle, working patterns, economic systems, and human resource relationships in society. As a result, all organizations have to be alert and develop their personnel to be well prepared for these changes. Trends in new economic development with the use of technology and knowledge as a developmental basis have forced organizations to accelerate the preparation and creation of a human resources development mechanism so that they can

¹First Author. Ph.D. Candidate, School of Management, Walailak University, Thailand. Email: sunisa83@gmail.com

²Corresponding Author. Assistant Professor, School of Political Science and Laws, Walailak University, Thailand [Postal Address: 222 Thai Buri, Tha Sala, Nakhon Si Thammarat, 80160, Thailand] Email: ksomjint@wu.ac.th

³Associate Professor, School of Management, Walailak University, Thailand. Email: asomnuk@wu.ac.th

⁴Assistant Professor, School of Management, Walailak University, Thailand. Email: supit.ritkaew@gmail.com

⁵Researcher, School of Management, Walailak University, Thailand. Email: cjaturon@wu.ac.th

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adapt to a new economic system as quickly and efficiently as possible. The human resource development mechanism is considered a solid foundation for enhancing the capacity and competitiveness of organizations. Organizations need to seek effective operational resources that are sufficient to create a competitive advantage. Human resources are the most valuable resources of organizations and are a factor that will make businesses operationally successful. The identification of core competencies is therefore necessary for organizations to gain a competitive advantage (Staškeviča, 2019; Ali et al., 2021).

Competence is defined as a skill that is self-developed and necessary in the performance of the person's job (Skorková, 2016). Developing more human resources capacity and capability is required in all sectors, whether it is a small or large, public or private organization. The success or failure of organizations depends largely on human resource management. With highly competent human resources, organizations are able to gain competitiveness and increase the quality of their productivity and service to meet the diverse needs of customers (McConachie & Hart, 2006; Ali et al., 2021).

Human resource development is the starting point for creating value for organizations. It is an essential foundation of administration to support the continued progress of the change and development of the organization. Organizations should recognize the importance of supporting the development of human resources in knowledge, abilities, and traits that are consistent with organizational strategies to create success in organizational management efficiency and effectiveness. Successful organizations are those focusing on human resource development (Uppathampracha, 2019), and the future of human resource development in organizations depends on the performance of human resource personnel with administrative skills and is responsible for judging the success or failure of organizations (Gilley & Egglund, 1989; Tepavicharova et al., 2019).

The development of human resource competency is an important issue and should primarily be accelerated, as this will lead to the further development of other areas in the organization. Human resources with suitable competencies for performance, for which they are responsible, will result in more success in various activities. In addition, current human resources must be prepared to accommodate the changes that may occur in organizations by using accurate and suitable human resource competencies. Studies on human resource competency will help to signify what and how competencies are necessary for successful jobs and, consequently, how they will be considered professional human resources. In general, organizations need human resources that have knowledge, skills, abilities, and qualities to successfully work for the organization, which will result in efficiency and effectiveness that meets the needs of the organization. The research objectives are: 1) to establish

the components of the human resources competency of companies listed on the Stock Exchange of Thailand and 2) to confirm the components of the human resources competency of companies listed on the Stock Exchange of Thailand.

2. Literature Review

2.1. Human Resources Competency

The concept of competency is often explained by the Iceberg Model, in which the attributes of a person are similar to icebergs and are divided into two parts: the part that floats above the water and the one that is underwater. The part that floats above the water includes the knowledge, skills, expertise, and specializations a person has in different fields. These attributes can be acquired through learning and be easily observed and measured. The underwater part is more difficult to observe and measure; it is the part that influences a person's behavior, such as one's social roles, self-image, traits, and motives. The above-water attributes are more related to the intelligence of the person. However, it is not enough for a smart person to have the knowledge and skills to make that person an outstanding performer. A person needs to have a strong driving force in personal characteristics. The person's self-image and the role it plays in society are also crucial and thus enable that person to be an outstanding performer (Spencer & Spencer, 1993).

Sumaryati et al. (2020) found that human resource competence affects the quality of local governance in relation to the agency, i.e., employees, persons, as agents, to contract in the form of laws and regulations obtained. To be assigned as a good government employee, they must train their talents or abilities and increase their understanding of the field of accounting, both in theory and practice, as well as in person or by computer. Agency relations serve different purposes between principal and agent. For the core, officials who are authorized to issue regulations in the public sector are intended to support the establishment of good governance with statements made by agents or government service personnel. While the agent's goal is to be rewarded for the effort as an employee complying with the existing regulations.

2.2. The Meaning of Competency

The development of new meanings and words occurs through their common use; the terms competence and competency (Strebler et al., 1997), in general, refer to suitable and appropriate behavior that an individual wants to express. The word competence in a job is used to refer to the meaning expressed as a standard of performance (Hoffmann, 1999). From the reviews of theoretical and research studies, scholars in the area give definitions of competency, as summarized in Table 1.

Table 1: Academics Names and Definitions of Competencies

Academics Names	Definitions
McClelland (1973)	Competency is a personal trait or a set of traits that lead to more productive work. In other words, competency is the ability to add value to a person's effort at work.
Klemp (1980)	Competency is a fundamental aspect of a person which results in higher productivity and efficiency on the job.
Boyatzis (1982), Boyatzis (2008)	Competency is a fundamental attribute of an individual that is associated with higher work performance, and it is divided into five groups: goal and management, implementation, leadership, human resources management, and focus on others.
Man (2007)	Competency is the ability to effectively perform relevant functions and manage situations that arise in the workplace.
Hunt and Wallace (1997)	Competency is an observable skill or ability to accomplish a task.
Lee and Beard (1994)	Competencies are the characteristics of managers that lead to the demonstration of skills and competencies that will result in performance efficiency. Competencies also include the ability to transfer skills and abilities from one job to another.
Spencer and Spencer (1993)	Competencies are skills and capabilities; what an individual does comes from work experience, life experience, and learning or training.
Talukder and Hawkins (2014)	Competencies are powerful personal skills and attributes. This includes observable and directly tested competencies, such as knowledge, skills, and assessable competencies that are relevant to personal attributes or personal abilities.
Gilbert (1996)	Competency refers to the ability that is consistently produced for a worthy outcome of behavior that is necessary to achieve maximum efficiency and effectiveness in meeting the organizational goals.
Kandula (2013)	Competency is the attribute of knowledge, skill, and thinking that results in efficiency and success.
Evarts, (1987)	Competency is a fundamental aspect of a person relating to a higher level of work performance.
Woodall and Winstanley (1998)	Competencies consist of skills, knowledge, and understanding, which are the qualities and attributes of values, beliefs, and attitudes that lead to productive performance in accordance with their responsibilities.
Rice (2006)	Competencies reflect the leadership development of an executive for building inspiration and setting a path for career advancement. This will, in turn, help increase the efficiency of the organization.
Cernuşca and Dima (2007)	Competencies are abilities that are linked to the performance and professional development of the employee.
Rothwell and Kazanas (2004)	Competency is the unique ability of an organization to improve human performance and combine individual abilities with the core competencies of the organization.
Kansal and Jain (2019)	Competency is the ability that is necessary for work since entering the organization. Competency will help address employees' needs for future training and development.
Kauffeld (2016)	Competency can be defined as the sum of knowledge, skills, and experience a person can use in the event of a new or unexpected situation.
Štaškeviča (2019)	Competency is the power and responsibility of employees to have the right to do certain activities based on their abilities and skills.
Giangrande et al. (2019)	Competency refers to connected forms of knowledge, skills, and attitudes that contribute to successful work and problem-solving ability.

The above definitions of competency have spanned the past decade. The most common definition is that competency is a collection of success factors required to achieve a goal or a critical outcome in a specific task or role. The success factor is the combination of knowledge, skills, and abilities (in the past, called KSAs) that are described in behavior-specific patterns and demonstrate superior performance. The meanings and definitions of competency by Robertson et al. (2002) state that competency is a set of behaviors that are instrumental in delivering the desired outcome. Competencies, defined in this manner, are practicable and observable (Schmitt & Borman, 1993). Therefore, it can be concluded that competencies are the ability to use or apply knowledge, skills, behaviors, and personal characteristics to accomplish important tasks in a specific role or position.

2.3. Characteristics of Competencies

Competence is the key to every individual's success in his and her career path. Therefore, developing the capacity of human resources is a major goal of national education (Le et al., 2020). Noor et al. (2020) found that employee competency direct effect on career management and career commitment. This shows that the improvement of employee competency increases the career management and career commitment. The nature of competency identifies the functional or behavioral ability required in performing tasks (Fogg, 1999). It is obtained from an analysis that distinguishes high performers from low performers (Mirabile, 1997). In the competency model, competency components are often classified as hierarchical and descriptive groups. The real numbers and groups of competency models depend on the nature and complexity of the task, organizational culture, and values that arise from work. Scholars have studied the characteristics of competencies and divided them into five important aspects as follows.

1. Skill refers to what a person does well and practices up to proficiency level, such as reading skills.
2. Knowledge means the specific knowledge of a person, such as the knowledge of English and knowledge of educational administration.
3. Attitudes include values and self-concept; for example, people who are self-confident tend to believe that they can solve any problem.
4. A trait is something that describes the person; for example, a reliable and trustworthy person is believed to have leadership traits.
5. Motive causes a person to exhibit behaviors that are directed towards a goal. For example, an achievement-oriented person will try to achieve the goal and improve the way he works at all times (Spencer & Spencer, 1993; Tucker & Cofsky, 1994; McClelland, 1998).

Determining the approach to establishing sustainable competency of human resources is necessary for all organizations, as they have to face an ever-changing environment. As a result, organizations have to adjust and keep pace with future changes. The results of the study of the Harvard Model of HRM and human resource management research show that the nature of organizations have changed according to the environment, so organizations must have change management, talent management, and organization design. At the same time the structure of organizations has to be adjusted to be made more flexible and to encourage creativity and life-long learning. This will lead to the creation of a human resource capacity that is able to meet the needs of the organization in the future. This not only creates a competitive advantage for the organization, also builds employees' morale to be ready for their work operations.

Müller and Rodney (2010) discuss the leadership attitude and competencies for a project's success. They assert that leadership competencies affect the capacity to build interpersonal feelings, motivation, and satisfaction at work. The differences in attitudes were found to be related to the success of the projects because attitude affects the satisfaction of the team, stakeholders, and customers. The leadership competency factor that comes from the internal factors (attitude) of the person is, in this way, associated with the success of the project (Reis et al., 2014). These internal factors have an impact on the development of the human resources competency of multinational companies where there are high cultural differences, resulting in the development of human resources capacity being reduced. Participation in networks outside organizations and agencies in multinational countries is essential to build relationships and make strategic contributions, which affect the development of human resource competency.

Research by Ibrahim et al. (2016) discusses the competencies of international business. Competencies in international business operations include creativity and innovation, decision-making, motivation, team collaboration, and communication. These competencies are essential to run an international business. This requires the ability to manage the business and solve problems by oneself. Experts have focused on intangible corporate assets, which refer to the organization's personnel. Staškeviča (2019) maintains that personal competence is a critical predictor of employee outcomes. As the rapid development of technology increases, the capability requirements have accordingly changed. Competency helps to improve efficiency, and an efficient evaluation system is also needed for each organization to identify and assess individual competence requirements. Ali et al. (2021) explain that competence becomes a competitive advantage for businesses, making human resources more efficient. Employment by capability, development, and performance appraisal allows the person to develop and adapt to the job they want and be flexible

at work. Hence, competency is seen as a combination of knowledge, experience, skills, motivation, and behavior that will lead to potential effectiveness in completing a task.

Therefore, in establishing sustainable competency of human resources, human resources must be involved in building new competencies. Upon the review of both

domestic and international competency-related research, researchers have compiled the components of human resource competency that were found and discussed by five or more investigators and summarized them for the present study. The meanings of human resource competency, recruited for the present study, are summarized in Table 2.

Table 2: Human Resources Competencies

Competencies	Meaning	Academics
Adaptability	The ability to adapt to a wide range of situations and groups of people; understand and accept the changes that have taken place; demonstrate a willingness to take responsibility for a shift in work; adapt their workflow to achieve their goals by adapting work plans and strategies to changing situations; and work with people at different positions and in high-risk situations.	Jerman et al. (2020), Tepavicharova et al. (2019), Müller et al. (2017), Cohen (2015), Brière et al. (2015), Trivellas and Drimoussis (2013), Zopiatis (2010), Thaithong (2017)
Creativity and Innovation	The ability to present new ideas, seek opportunities to learn and develop oneself; take initiatives in the workplace; initiate the workflow from the mistakes and success of the task; bring new work procedures to practice; and show acceptance of and apply new ways of working.	Khan et al. (2021), Tepavicharova et al. (2019), Dziekoński (2017), Müller et al. (2017), Karnouskos (2017), Cohen (2015), Liikamaa (2015), Robles and Zárraga (2015), Brière et al. (2015), Trivellas and Drimoussis (2013), Suh et al. (2012), Jamshidi et al. (2012), Shyan et al. (2011), Phitaktham (2016), Thaithong (2017), Chirakan (2012)
Motivation	Ability to motivate action; exhibit enthusiasm and strive for collaborative goals, such as accepting team goals and objectives, leading to the improvement of plans and methods for achieving the specified results; be driven from within and show directional behavior; manage one's work to achieve the specified goals causing the person to become the owner; and be ready to work towards the objectives or the desired condition.	Tepavicharova et al. (2019), Müller et al. (2017), Brière et al. (2015), Teijeiro (2013), Trivellas and Drimoussis (2013), Phitaktham (2016), Chirakan (2012)
Teamwork	The process of gathering people with differences in areas such as knowledge, skills, expertise, or experience to join together to work in the organization; contribute to the formulation of strategies, directions, goals, and teamwork plans; seek ways to reduce problems or obstacles in work to achieve team goals in connection with organizational goals.	Tepavicharova et al. (2019), Cohen (2015), Robles and Zárraga (2015), Brière et al. (2015), Trivellas and Drimoussis (2013), Azevedo et al. (2012), Jamshidi et al. (2012), Crawford and Nahmias (2010), Nauwan (2013), Chirakan (2012)

Table 2: Continued

Competencies	Meaning	Academics
Leadership	The activity of exerting influence on a person or colleague to try to perform a task with willingness and enthusiasm; having confidence in one's thoughts, words, and actions; establishing good working relationships with others and admitting the mistakes of their work; and paying attention to the sequence of work processes for mutual success.	Khan et al. (2021), Tepavicharova et al. (2019), Karnouskos (2017), Liikamaa (2015), Robles and Zárraga (2015), Brière et al. (2015), Trivellas and Drimoussis (2013), Kumpikaitė and Duoba (2013), Azevedo et al. (2012), Suh et al. (2012), Jamshidi et al. (2012), Shyan et al. (2011), Zopiatis (2010), Crawford and Nahmias (2010), Chirakan (2012)
Communication	Information exchange process and understanding between the sender and receiver, which may include more than one person; know and understand the content of information; ability to give accurate details in work; and ability to coordinate exchanges of information and report on progress.	Nauwan (2013), Chirakan (2012)
Decision-Making	Problem detection and root cause analysis; define alternatives and seek solutions to problems to guide and evaluate options; make the right decisions; follow up and assess the outcome of the decision making.	Ali et al. (2021), Dziekoński (2017), Müller et al. (2017), Cohen (2015), Brière et al. (2015), Teijeiro (2013), Kumpikaitė and Duoba (2013), Suh et al. (2012), Jamshidi et al. (2012), Zopiatis (2010), Crawford and Nahmias (2010), Nauwan (2013)

3. Research Methods and Materials

3.1. Population and Sampling

The research population in this study is one of a company's managing staff, including presidents/business owners, managing directors/assistant managing directors, general managers, or human resource managers for the listed companies in the Stock Exchange of Thailand (a total of 801 listed companies in SET, as of November 16, 2020). In this research, there is 1 latent variable, which can be classified into 7 observable variables. The sample size of the study is 140 companies, and a sampling method was used according to the specified population frame. This sample size was obtained by determining the sample

size for use in elemental analysis, requiring a sample group of not less than 100, and a ratio of sample units to the number of observable parameters or variables in a proportion of 20:1 (Kline, 2011; Angsuchot et al., 2014); that is, the number of samples should be 20 samples per observable variable.

3.2. Data Analysis

The research tool was a questionnaire containing general information about respondents and the competencies of human resources. The questionnaire was tested on a group that was similar to the research sample. Each question was found to have an alpha coefficient of at least 0.80, and the total result obtained had a coefficient of 0.972 (Cronbach, 1990).

Factor analysis was performed on data on the development of human resources competency components in the listed companies in the Stock Exchange of Thailand. Factor analysis (Angsuchot et al., 2014) is a statistical method that allows researchers to create clusters from multiple variables by combining groups of variables that are related to one another. Variables belonging to the same cluster are highly related, although the relationship can be positive or negative (Hair et al., 2014). The steps of factor analysis are as follows:

1. KMO and Bartlett’s test of sphericity was conducted to check whether the variables were related. If the variables were highly or significantly correlated, the technique could be further employed.
2. Factor extraction was conducted using the component analysis method, which is suitable for the analysis that requires a small number of components and can best describe the variance of the observable variables.
3. Factor rotation was employed using the varimax method, which is a method of rotating axes that keeps the component axes perpendicular to each other, to obtain the apparent common component.
4. The factor score was generated to create latent variables from observable variables. When the axis has been rotated, many variables can be collected into fewer groups.

5. The naming of the components was performed to cover or represent all variables in each component.

4. Results

The results on the general status of the respondents show that most of the respondents are female (79 people, 56.7%), are in the age range of 41–50 years (64, 46.3%), have a bachelor’s degree (125, 89.6%), have 5–10 years of work experience (69, 49.8%) and are in the agro-industry and food industry (42, 30.7%).

The result of the suitability test of the studied variables, using the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO), was 0.863, which is greater than 0.80, indicating that this variable was suitable for analysis of the components at a very good level, according to Kim and Mueller’s criterion (Kim & Mueller, 1978). The results of Bartlett’s test of sphericity show that the variables were statistically correlated at a level of 0.000, indicating that they could be used in the factor analysis, as shown in Table 3.

The results of the factor analysis using the Varimax method to extract the components are presented in Table 4.

The results of grouping and naming of the variables presented in Table 3 show a total of 36 variables with an eigenvalue of more than 1.00, indicating that each group of components can explain the variability of all 36 variables. In total, all eight components were able to explain 67.732% of the variance in all variables. The values for each of the eight components are as follows: component 1 can explain the variance of all 36 variables by 36.422%, component 2, by 6.077%, component 3 by 5.455%, component 4 by 4.962%, component 5 by 4.444%, component 6 by 4.178%, component 7 by 3.231%, and component 8 by 2.963%.

Table 3: The Measurements of KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.863
Bartlett’s Test of Sphericity Approx. χ^2	5385.923
df	630
Sig.	0.000

Table 4: The Results of the Factor Analysis using the Varimax Method

Components	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.112	36.422	36.422	4.314	11.983	11.983
2	2.188	6.077	42.500	4.275	11.874	23.857
3	1.964	5.455	47.954	3.502	9.727	33.584
4	1.786	4.962	52.916	3.241	9.002	42.586
5	1.600	4.444	57.360	2.922	8.116	50.702
6	1.504	4.178	61.538	2.181	6.058	56.760
7	1.163	3.231	64.769	1.975	5.487	62.247
8	1.067	2.963	67.732	1.974	5.484	67.732

After the grouping of the eight components, the names are given to each component to convey the meaning of the variables included in each component for suitability of use, as shown in Table 5.

The grouping of the components in Table 5 presents the eight groups listed as follows: Group 1: Decision-Making consisting of eight variables, Group 2: Creativity consisting of six variables, Group 3: Strategic Thinking consisting of five variables, Group 4: Relationship and Communication consisting of five variables, Group 5: Team Work consisting

of four variables, Group 6: Adaptability consisting of three variables, Group 7: Self-management consisting of two variables and Group 8: Motivation consisting of three variables.

5. Discussion and Conclusion

The results from the factor analysis of the development of human resource competency components in companies registered on the Stock Exchange of Thailand found eight

Table 5: Groups of Components

Components	Variables
1. Decision Making	<ol style="list-style-type: none"> 1. Identify alternatives/options 2. Evaluate options 3. Determine the problem and analyze its causes 4. Evaluate the choices made by decisions 5. Participate in the assignment of missions 6. Work in high-risk situations 7. Make the right choices 8. Follow the decision choices
2. Creativity	<ol style="list-style-type: none"> 1. Seek opportunities to learn 2. Bring in new ideas 3. Bring in and try out new steps 4. Initiate the work process 5. Accept and adopt new methods 6. Use communication to provide information for work
3. Strategic Thinking	<ol style="list-style-type: none"> 1. Modify plans and strategies in the work 2. Able to achieve work goals 3. Have a sense of ownership and cooperate in work with others 4. Determine strategies and work guidelines 5. Seek the ways to eliminate or reduce obstacles arising from work
4. Relationship and Communication	<ol style="list-style-type: none"> 1. Build up working relationships 2. Be responsible for the wrong job 3. Communicate to coordinate 4. Exchange information 5. Accept the opinions of others
5. Team Work	<ol style="list-style-type: none"> 1. Understand and accept the changes that have occurred 2. Set priorities and work processes 3. Understand the content of the information 4. Show responsibility for new changes
6. Adaptability	<ol style="list-style-type: none"> 1. Modify the plan 2. Show confidence in one's thoughts 3. Participate in program development
7. Self Management	<ol style="list-style-type: none"> 1. Modify work procedures 2. Complete one's work
8. Motivation	<ol style="list-style-type: none"> 1. Be enthusiastic 2. Accept the goals 3. Communicate to report progress

components: decision-making, creativity, strategic thinking, relationship and communication, teamwork, adaptability, self-management, and motivation. The results of this research can be applied to benefit human resource management in several aspects as follows.

1. Job Analysis

Job analysis for future employee competencies is the process of storing information and setting up the duties and responsibilities of the work systematically. Job analysis aims to identify the workload and work components, including knowledge, skills, attitudes, and other relevant elements to the job. Job analysis can enable employees to understand their duties and to be able to perform work according to the objectives for a successful job. The results of job analysis are, then, used to define job descriptions (J.D.) and job specifications (J.S.). Job descriptions must be defined flexibly because changes in future circumstances will affect the job characteristics and qualifications of employees. Prescribing flexibly helps simplify the implementation of planning, recruiting, and selecting individuals who are suitable for the specified employee competencies to work; therefore, they are able to manage the job effectively and, in turn, be efficient for the organization.

2. Human Resource Planning

Human resource planning needs to be linked to business plans and strategies at the organizational level to directly managing people and organizational goals in the same direction in determining the competencies of employees in the future. This is because the human resource plan is an important preparation in response to the vision, mission, goals, and strategy of the organization. A good plan in human resources contributes to the knowledge and ability of personnel in the organization to manage assignments more efficiently.

3. Recruitment and Selection of Human Resources

To obtain competent human resources to work in the organization, the employee competency for the job needs to be well specified. In job recruitment, companies want to recruit the necessary qualifications for the position and list the competencies in the job posting. That is, they set benchmarks of competencies for the selection of applications according to the specified criteria. They use the expected performance of job positions to create tools for recruiting candidates. Recruiting and selecting the competencies of future employees is considered a crucial mission, so many organizations place importance on processes and tools to be used in the selection of employees to create competitive advantages since human resources are a valuable resource and can create continuous growth for the organization.

4. Performance Management

Competency helps support the achievement of key performance indicators (KPIs). This is because competency can be an indication of what performance is required to achieve goals based on KPIs. It also ensures the results reflect the actual use of the employees' competencies by preventing the results from being biased or by luck or just by chance.

5. Career Advancement

Career progression planning is an individual's plan to make oneself suitable and ready for the competencies for the job they are doing. Competency not only enables organizations to know the strengths and weaknesses of their existing employees, but also determines the skills. Competencies and attributes are required for each employee's future target position, and career changes also require adaptation to the changing environment. Since the competencies of employees in the future are different from those in the past, the career advancement of an individual depends on how they set their career goals and interpret the rewards they are looking for.

The competency components of human resources proposed in this study are aimed at accommodating present-day changes. If studies at other levels of competencies are to be done, it is necessary to modify variables and components to suit the rapidly-changing context, which will also be influenced by economic, political, social, technological, and environmental conditions. These rapidly-changing conditions are important factors that can be studied and developed into variables and components that affect human resource performance in the future. As a result, organizations need to be adjusted to be well prepared to face problems and severe competition in the future.

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