RESEARCH ARTICLE

HUMAN RESOURCE COMPETENCIES PERCEIVED BY MALAYSIAN HUMAN RESOURCE PRACTITIONERS AND CONSULTANTS

[1]Abdul Hamid Abdullah and [2]Ilham Sentosa

[1]EMC Management Centre Sdn. Bhd., Malaysia
[2]Limkokwing University of Creative Technology, Malaysia

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ABSTRACT

The study of Human resource (HR) competency models/frameworks has gained a great deal of interest over the years. Most of the notable HR competency frameworks/models are developed in the USA and Europe. The aim of the study was to develop a statistically validated Human resource (HR) practitioner competency model. The competency domains in the generic/behavioural competency category, business competency category and the technical HR competency category were analysed using exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modeling (SEM). The competency categories significant in the study were the generic/behavioural competency category and the technical HR competency category. The business competency category was not significant in the study. The statistically validated HR practitioner competency model was derived in a local Malaysian cultural setting and it will benefit the HR practitioners, HR consultants, HR communities of practice, the academia, organisations and other related individuals.

INTRODUCTION

Worldwide socio-economic developments such as globalisation, increasing speed towards a service economy, shorter product life cycles, changes in workforce demographics, focus on customer loyalty, the increasing *war on talent* and emphasis on financial performance challenges the human resource (HR) function in its role for creating added value to the organisations (Brockbank *et al.,* 2002 and Bucknall and Ohtaki*,* 2005). Today the function of HRM is more strategic as the human resource (HR) plans and strategies are developed on a long term basis, considering likely changes in the society, industrial relations systems, economic conditions, legislation, global and technological issues as well as new directions in business operations (Compton, 2009). A great deal has been written on the evolving role of human resource and the shift from a more transactional to strategic or transformational role by authors including Boudreau and Ramstead (2007), Compton (2009), Flamholtz (2005), Phillips (2005), Nankervis *et al.*(1999) and Ulrich and Brockbank (2005). The authors, too, compared the traditional role of human resource with an emerging need for a more strategic function. Traditionally, the role of human resource has included a

*Corresponding author: dr.ilhamsentosa@limkokwing.edu.my;
abdul.hamid@emcgroup.com.my

fair percentage of administration work, which in many organisations has now been outsourced, substituted for advanced information technology programmes or in some way reorganised within the overall structure of human resource. Since 1990s, a lot of emphasis has been placed into formulation of the appropriate competencies into HRM and the development of human resource (HR) competency frameworks and HR competency models. Palan (2003) asserts that the study of competencies is important for the organisations, employers and performance. Organisations need competent people to achieve results efficiently and effectively. Organisations depend upon competent people to generate returns on investment on the use of physical and technological resources. Mc Daniel *et al.* (1998) suggests that competency models /frameworks can be used for the following reasons: developing individual development plans; developing training curriculum; supporting in staffing decisions such as hiring, transfers, and promotions; carrying out succession planning; conducting performance appraisals and developing job descriptions. An empirical study carried out in developing an HR practitioner competency model in Malaysia can to an extent assist the HR practitioners to observe their new tasks and work dimensions and the competencies they are expected to acquire and hence profess them. This, too, will support in the redefinition of the function of human resource and the expectations of it. The model, too, can

support in helping individuals and organisations to improve their performance and deliver business results (Abdul Hamid, 2010).

Literature Review

The Harvard Business School developed an influential model of HRM as given in Figure 1. The Harvard framework or commonly referred to as "Harvard map" is based on an analytical approach and provides a broad causal depiction of the "determinants and the consequences of policies." It shows human resource policies are influenced by significant considerations - situational factors in the outside business environment or within the firm and stakeholder interests including those of shareholders, management, employees, unions, community and government (Beer *et al.,* 1984). A study project was carried out by the World Federation of Personnel Management Associations (WFPMA) in 2000. In the study, six terms: competences, capabilities, skills, knowledge, attributes and characteristics were used interchangeably to represent competencies (Brewster *et al.,* 2000). The study project carried out by WFPMA (Brewster *et al.,* 2000) categorised the competencies into four broad categories of skills and knowledge. Those include personal, organisational, managerial and functional.

Figure 2 outlines the evolution of the Human resource competency studies carried out by University of Michigan's Business School from 1987 to 2002. The four grounded HR competency models have been further studied by other researchers globally. Among the four HR competency models, the HR competency model established in 2002 is a significant seminal study because it emphasises the importance of the competency domain "strategic contribution." (Ulrich *et al.,* 2008). In 2007, the HR Competency study was further continued with its Round Five by the RBL Group and the University of Michigan's Business School. The findings show that the HR professionals must be adept in six major competency areas that include credible activist; culture and change; talent manager/organisation designer; strategy architect; operational executor and business ally (Ulrich *et al.,* 2008). The competency model is given in Figure 3 below:

A survey, too, was carried out by the Society for Human Resource Management in 2009 on the key competencies that senior HR leaders must know (SHRM, 2010). The survey shows that the top five competencies important for senior HR leaders in the USA are: effective communication, strategic thinking, HR knowledge, integrity and ethical behaviour.
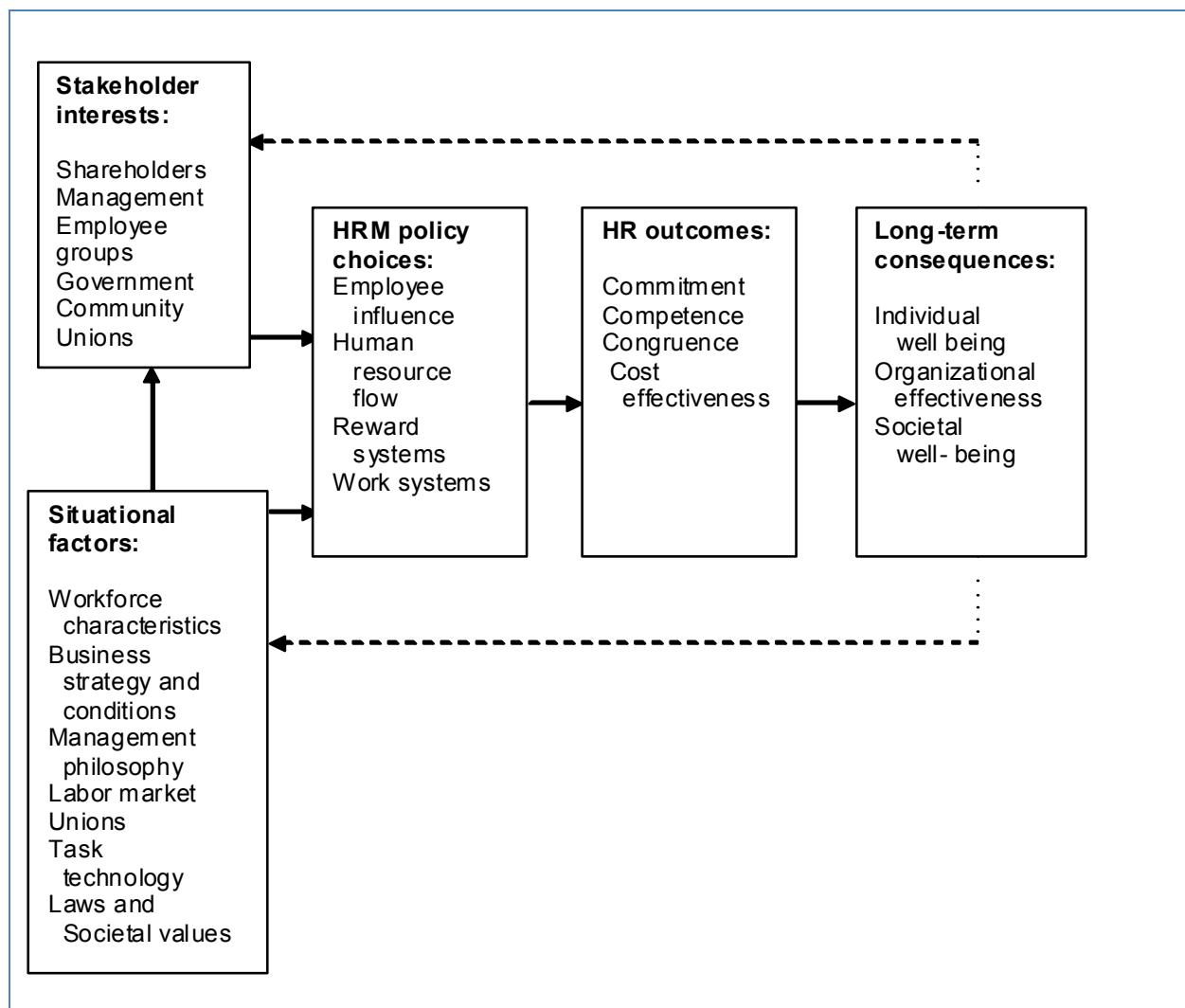

Figure 1. The Harvard Framework for Human Resource Management (Beer et al., 1984)
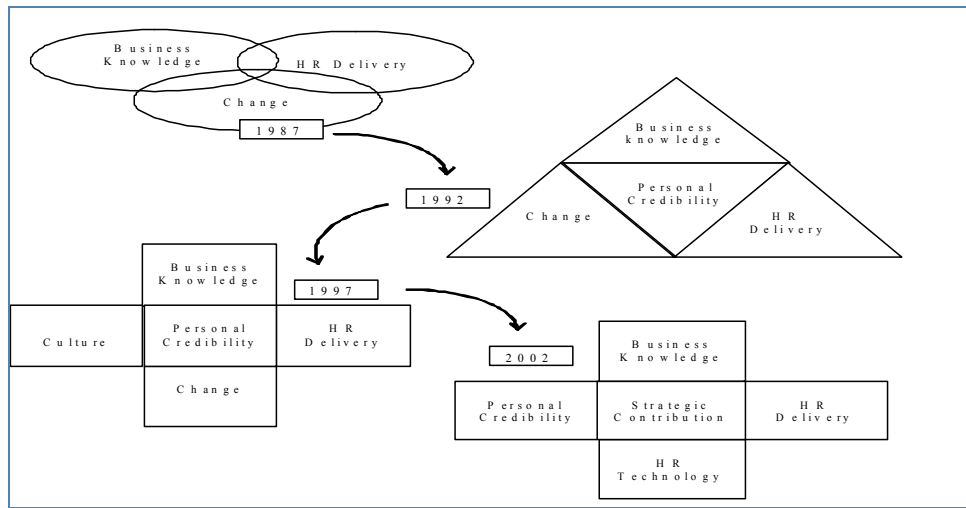
Figure 2. Evolution of HR Competency Models from 1987 to 2002 (Ulrich et al., 2008)
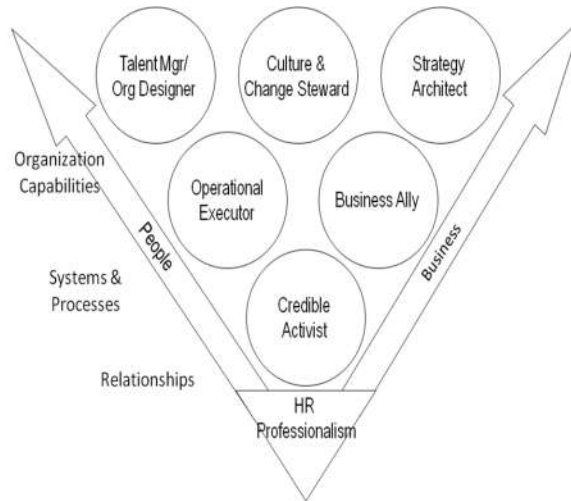

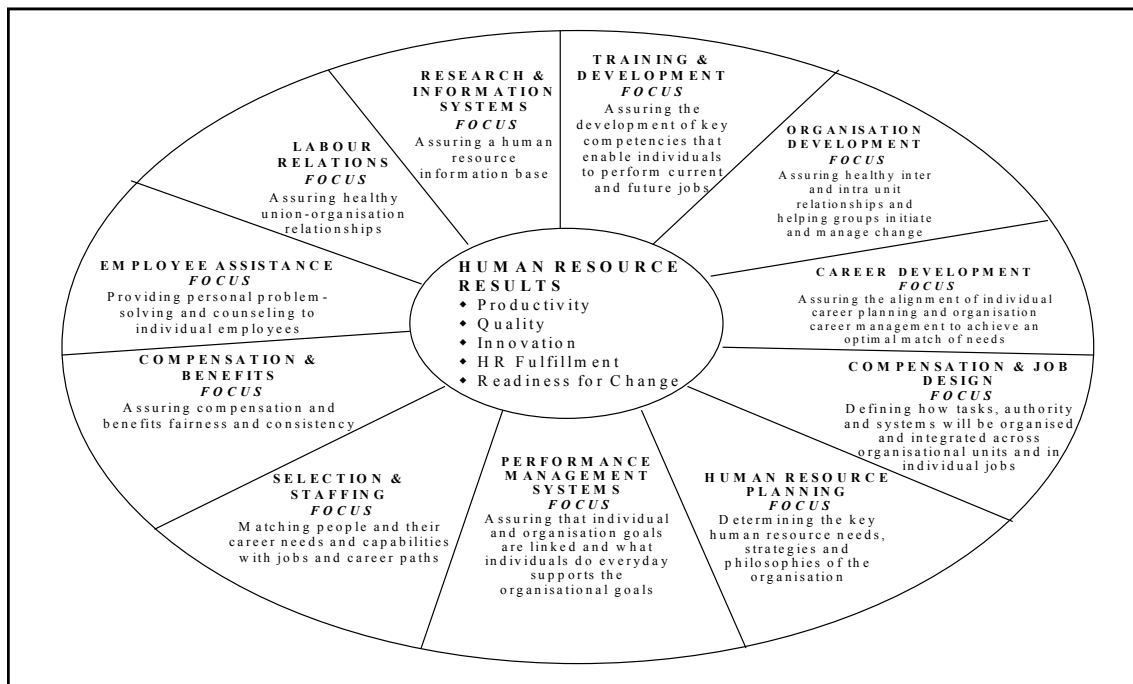**Fig. 3. Human Resource Competency Model (Ulrich et al., 2008)**

Figure 4. Human Resource Wheel (McLagan, 1989)

Figure 5. Driving Business Performance (Bernthal et al., 2004)

McLagan (1989) carried out a study for the American Society for Training and Development (ASTD) to identify the Human resource development (HRD) roles and competencies needed for human resource departments to function effectively. The study carried out by McLagan is believed to be a primary effort to research broad-based HR competencies. Her work initially examined competencies of HR development professionals and it was then generalised to all HR professionals (McLagan and Suhadolnik, 1989).

The model of HRD practices developed by McLagan (1989) was referred to as the "Human Resource Wheel." The wheel as given in Figure 4, shows the various HRD and HRM functions. Bernthal *et al.* (2004) in a further study on ASTD Competency Model, too, developed an improved version of the "Human Resource Wheel." This is given in Figure 5 below. The improved "Human Resource Wheel" places more emphasis on business strategy. Boxall and Dowling (1990), Khatri (1999), Nankervis *et al.* (1999) and Budhwar and Debrah (2001) assert that HR competency models/frameworks developed in the west may not be suitable in the east due to the different culture and diversity. Hsu and Seat (2000), too, observes that in the academic literature, many of the prominent theoretical or analytical models of HRM and strategic HRM have been developed by American or European researchers. There is very limited academic literature available on the development of HR practitioner competency models. What has prompted this study is that currently there is a scarcity of complete empirically tested HR practitioner competency models available in Malaysia. Although some attempts have been made by a few of the researchers in this area, the research carried out does

not establish a complete model that HR practitioners can use in further professionalising the HR profession.

RESEARCH METHODOLOGY

The study carried out is an empirical study and it was limited to the development of the HR practitioner competency model for the management level of employees in the private sector. Management level employees refer to those who are supervisors, administrative officers, executives, managers, senior managers, general managers, directors, etc. and those above in standing. The survey was restricted only to HR practitioners who were working in the private sector. The respondents for this study were the HR practitioners and HR consultants. In the study, the proposed HR practitioner competency model comprised the three competency categories: generic/behavioural competency category, business competency category and technical HR competency category. In the category of generic/behavioural competency, 30 competency factors were included in the survey. For the technical HR competency category, 25 competency factors were included in the survey. Altogether, 35 competency factors representing the business competency category were included in the survey questionnaire. The study observed and analysed the competency factors which are the measured variables that are important to the HR practitioners in the industry. The study, too, analysed the competency domains which are the unobserved variables. Competency factors were primarily selected from the studies carried out by Brewster *et al.* (2000); and Brockbank and Ulrich (2003), Ulrich *et al.* (2008) and those offered by Spencer and Spencer (1993).

Table 1. Measurement Variables of the Study

Competency Category	Competency Domain	Competency Factor	
Generic/ Behavioural Competency Category	Leadership	• Process management • Leadership • Team leadership	• Directiveness • Motivation and drive
	Building work relationship	• Flexibility • Communication skills • Tolerance • Adaptability • Interpersonal skills • Cross-cultural sensitivity	• Results orientation • Team work • Resilience • Commitment • Relationship building • Changing composition of workforce
	Personal credibility and attributes	• Personal effectiveness • Loyalty • Strong initiative • Pro-activeness	• Persistency • Professional image • Pride at work • High integrity
	Self-development	• Ability to change • Analytical thinking • Information seeking	• Conceptual thinking • Continuous learning
Business Competency Category	Entrepreneuri-al and business acumen	• Financial knowledge • Consulting skills • Accountability • Sales and marketing • Accounting knowledge • Information & communication technology • Business process design	• Entrepreneurial skills • Responsibility • Project management • Knowledge management • Globalisation awareness • Technology awareness
	Strategic orientation	• Strategic alignment • Strategic thinking	• Strategic planning
	Customer orientation	• Customer satisfaction • Consciousness toward quality	• Knowledge of products/services • Responsiveness
	Essential performance enablers	• Decision making • Problem solving skills • Professionalism and ethics • Facilitation skills • Presentation skills • Negotiation skills • Persuasion skills • Creativity	• Management skills • Handling conflict • Managing resources • Command of English language • Writing skills • Influencing skills • Innovation
Technical HR Competency Category	Resourcing and talent management	• Recruitment and selection • HR planning & acquisition • Policy formulation • Organisational development	• Talent management system • Talent retention • HR strategy • Human resource information system
	Learning and development	• Human resource development • Career planning	• Succession planning
	Rewards and performance management	• Salary and payroll administration • Rewards management • HR performance measurement • Human performance technology	• Compensation and benefits • Performance management and development • Human performance improvement
	Employee relations and compliance	• Employee relations • Staff welfare • Termination and separation • Security management	• Discipline • Employment laws and legislation • Occupational safety and health

The competency categories, competency domains and the competency factors are set out in Table 1. A self-developed questionnaire was formulated mostly based on the studies carried out by Brewster *et al.* (2000); Brockbank and Ulrich (2003) and Ulrich *et al.* (2008). The questionnaires were prepared in English Language to avoid misleading and controversial interpretations. The questionnaires were mailed to all the HR practitioners. But for the HR consultants, the questionnaires were either mailed or personally handed to them. The list of organisations in Malaysia were obtained from a number of primary sources - directories of information including the Directory of Federation of Malaysian Manufacturers (FMM, 2007), Directory of Human Resources Development Council (HRDC, 2006) database of employers, and SMI Malaysia – Web Guide (SMI, 2006).

Information, too, was obtained from secondary sources including the local newspapers including the STAR and New Straits Times edition published on Saturdays, yellow pages and the internet. For the three competency categories, the respondents' perceptions were measured by way of a five - point likert interval scale based on the importance of the particular competency factor (i.e., measurement variable). The population for this study was limited only to the HR practitioners who were working in the manufacturing and services-based organisations in Malaysia. It, too, included the HR consultants who are providing service to the Malaysian organisations. A sample size of 1100 HR practitioners were selected through disproportionate stratified random sampling frame (Sekaran,2003). Survey questionnaires were sent to the manufacturing sector and the

Table *2*. Summary of Profile of Respondents (N=380)

HR Category	N	%
HR practitioners	328	86.3
HR consultants	52	13.7
Total	380	100
Gender		
Male	219	57.6
Female	161	42.4
Total	380	100
Age		
< 30 years	37	9.7
30 – 40 years	143	37.6
41 – 50 years	122	32.1
> 50 years	78	20.5
Total	380	100
Education Level		
Secondary Education	17	4.5
Diploma Degree	65	17.1
Bachelor Degree	38	10.0
Master Degree	136	35.8
PhD Degree	101	26.6
Professional/Others	23	6.0
Total	380	100
Years of Organisation in Operation		
Less than 1 year	8	2.1
1 – 5 years	61	16.1
6 – 10 years	58	15.3
More than 10 years	253	66.6
Total	380	100
Years of Working Experience		
Less than 5 years	30	7.9
5 – 10 years	81	21.3
11 – 20 years	137	36.1
More than 20 years	132	34.7
Total	380	100
Years of Working Experience with HR		
Less than 5 years	103	27.1
5 – 10 years	111	29.2
11 – 20 years	112	29.5
More than 20 years	54	14.2
Total	380	100
Number of Employees in Organisation		
Less than 100	94	24.7
100 – 500	101	26.6
501 – 1000	36	9.5
More than 1000	149	39.2
Total	380	100
Category of Economic Sectors		
Manufacturing	225	59.2
Services	155	40.8
Total	380	100
Job Category in Organisation		
Top Management	64	16.8
Middle Management	175	46.1
Supervisory	37	9.7
Others	52	13.7
Total (1)	328	86.3
Missing	52	13.7
Total (2)	380	100
Current Job Title/Designation		
Executive/Administrator	66	17.4
Senior Executive/Administrator	38	10.0
Manager	91	23.9
Senior Manager	34	8.9
General Manager	41	10.8
Director	12	3.2
Others	46	12.1
Total (1)	328	86.3
Missing	52	13.7
Total (2)	380	100

services sector. For the HR practitioners, they were chosen from medium scale and large organisations. But for the HR consultants, purposive sampling frame was used and the guidelines as prescribed by Sekaran (2003). Out of the

1100 survey questionnaires distributed to the HR practitioners, a total of 369 responses were received. Altogether a total of 380 survey questionnaires were useable in the study. The data were input into SPSS Windows version 18.00 software programme and analysed using AMOS package version 18.0 (Arbuckle, 2010). Exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and Structural equation modeling (SEM) procedures were used in the study.

RESULTS AND DISCUSSION

Table 2 below sets out the summary of profiles of respondents. From Table 2, it was observed that the majority of the sample comprised HR practitioners (86.3%) compared to HR consultants (13.7%). Altogether 72.4% of all the respondents possessed a minimum of a bachelor's degree. Altogether 69.7% of the respondents were 30 years and above of age. With reference to the profile of the companies in operation, this study shows that 253 (66.6%) respondents indicated that their organisations had been in operation for more than 10 years. The size of the workforce represented by the companies in which the HR practitioners were working in were: more than 1000 employees (39.2%), 100 to 500 (26.6%) and less than 100 employees (24.7%). Altogether 62.9% of the HR practitioners represented middle management and higher positions. Altogether 70.8% of the total respondents had working experience of more than 10 years. Altogether 72.9% of all the respondents had HR working experience of more than 5 years. In the study, the competency categories were generic/behavioural competency category, business competency category and the technical HR competency category (Abdul Hamid, 2010). The competency domains significant in the generic/behavioural competency category were: "relationship building and process drivers," and "personal credibility and attributes." The domain "relationship building and process drivers" was used in place of the domain "building work relationship." In the domain "relationship building and process drivers," "process management," "flexibility," "information seeking" and "strong initiative" were the only significant competency factors. In the competency domain "personal credibility and attributes," the competency factors such as "pride at work," "pro-activeness," "ability to change" and "leadership" were the only significant competency factors.

The competency domains significant in the "business competency category" were: "entrepreneurial and business acumen" and "essential performance enablers." The measured variable (i.e., competency factor) "problem solving skills" was incorporated into the competency domain "essential performance enablers" as suggested by the structural modeling procedures. This is appropriate as problem solving skills are very closely associated with the competency factor "decision making." Often in management, both are integrated and commonly referred to as "problem solving and decision making" and therefore it is appropriate to shift "problem solving skills" into the "essential performance enablers" competency domain. In the domain "entrepreneurial and business acumen," only "creativity" and "entrepreneurial skills" were significant. Creativity and entrepreneurial skills are strategic related competencies. In the domain "essential performance enablers," the competency factors "information

and communication technology," "knowledge management," "problem solving skills" and "decision making" were significant. The competency domains significant in the competency category "technical HR competency category" were: "resourcing and talent management" and "employee relations and compliance." The significant measured variables (i.e., competency factors) in the "resourcing and talent management" domain were: "organisation development," "career planning" and "succession planning." The significant measured variables in the "employee relations and compliance" domain were: "discipline," "occupational safety and health" and "human performance improvement."

Due to the rearrangement of all the valid measured (observed) variables through the application of SEM, the domain "building work relationship" does not appear to be semantically appropriate. The researcher is of the opinion that a more suitable name for the said domain is "relationship building and process drivers."

"entrepreneurial and business acumen," strategic orientation," "customer orientation" and "essential performance enablers." All the three competency categories: "generic/behavioural competency category," "technical HR competency category" and the "business competency category" however shows interactional effect with the HR practitioner competency model. The study, too, shows that the interactional effect of the HR practitioners and HR consultants on the competency categories: generic/behavioural competency category, the business competency category and the technical HR competency category influenced the HR practitioner competency model. The findings of the study shows that the present HRM practices in Malaysia are of mixed mode. Some of the HRM practices appear to be still traditional or conservative and highly operational (i.e., the significance of the technical HR competency category); whereas others are somewhat progressive and forward thinking (i.e., the significance of the generic/behavioural competency category).

Figure 6. Human Resource Practitioner Competency Model With Significant Competencies (Abdul Hamid, 2010)

This is because all the competency factors listed in the domain from the given definitions require good organisational relationship building skills and they catalyse a lot of dynamic actions in an organisation. Based on the statistically analysis and SEM procedures, it was found that the business competency category did not have a direct and positive relationship with the HR practitioner competency model. Business competency category was thus eliminated from the structural model determined by SEM procedures. Thus only the generic/behavioural and technical HR competency categories were significant in the study. The HR practitioner competency model confirmed the significance of the generic/behavioural competency category (β=0.31) and the technical HR competency category (β=0.46) in the HR practitioner competency model (Abdul Hamid, 2010). From the study, it can be concluded that the HR profession in Malaysia does not observe the importance of the "business competency category" that include the competency domains

The significance of the competency factors "discipline," and "occupational safety and health" in the study strongly indicate that HRM practices in Malaysia are highly traditional and operational. And the significance of the competency factors "process management," "information seeking," "ability to change," "organisation development," "succession planning," and "human performance improvement" in the study somewhat shows that the HR profession is progressive and forward thinking. However, the non significance of the business competency category indicates that the HR profession in Malaysia is somewhat not a "strategic business partner" as it does not get involve into the mainstream of the business strategy of the organisations. With regards to this, the HR profession in Malaysia lags behind the practices in the west. The significant competency domains and competency factors derived from the tested model are illustrated in form of a pie graph (Figure 6).

Conclusions and Recommendations

In the generic/behavioural competency category, only two competency domains were significant namely the "relationship building and process drivers" and "personal credibility and attributes." In the business competency category construct, the two competency domains significant were namely the "entrepreneurial and business acumen" and "essential performance enablers." In the technical HR competency category, only two competency domains were significant namely the "resourcing and talent management" and "employee relations and compliance." The study shows that both the competency categories: generic/behavioural competency category and the technical HR competency category influenced the HR practitioner competency model. The business competency category however was not significant as determined through SEM procedures and therefore it does not influence the HR practitioner competency model. The study found that the business competency category did not have a direct and positive relationship with the HR practitioner competency model. Thus the hypothesis was rejected. The researcher is of the opinion that the business competency category is however important and the HR practitioners should also place emphasis on those competencies. Further research on the "business competencies" is suggested. The study is comprehensive as it covers a broad spectrum of competencies (i.e., the generic / behavioural, business and technical HR competencies). The established HR practitioner competency model can be used by other researchers to develop ontology and pragmatic models. This will useful for the HR consultants, academia, HR practitioners and HRD practitioners. The study resulting in empirically tested HR practitioner competency model complements the work done by other researchers in the USA or Europe. As it is done in a local Malaysian cultural setting, it should benefit the HR practitioners, HR consultants, the academia, organisations and other related individuals in Malaysia. It is proposed that further research should be extended widely to include the CEOs, Directors, General Managers, Line Managers, peers of HR practitioners, academia and all customers of the HR practitioners.

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