

Indonesian Work Force Competency in Addressing the Challenges of the Asean Economic Community

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Abstract:

The collaboration between ASEAN countries on economic integration or ASEAN Economic Community ultimately created a unified market in the flows of goods and services across these countries. Nevertheless, the economic integration bring wider job opportunities in any sectors related that might assist the the economic development. Construction sector for example contribute about 45 to 60 per cent of income in almost all ASEAN countries, including Malaysia. However, to unleash the potential of the human resource competency, the requirements of a common standard in the construction sectors are vital in order to meet the industry expectation. This paper discuss the level of competency among Indonesian construction sector work force in Malaysia which focus on the issues related to provide talent in that fit with the standard required.

Index Terms: ASEAN Economic Community, competency, construction work and training.

I. INTRODUCTION

The economic performance among ASEAN countries varies. According to the 2016/2017 Economic Report issued by the Malaysian Ministry of Finance, in the first six months of 2016, the ASEAN economy recorded a steady growth in the environment of lower global commodity prices and anticipated a slower economic recovery among developed countries and continued moderate growth in China. Consequently, countries like Indonesia, Thailand, and the Philippines have recorded a higher growth yet other major economies such as construction have grown moderately.

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II. LITERATURE REVIEW

A. Indonesian Competence Scenario in the Construction

Sector

The existence of the Indonesian Economic Community (MEA) consisting of Indonesia provides convenience for Indonesian citizens to work in other countries. Higher payroll and broader employment opportunities promoted many people to choose to work abroad, especially working as construction workers. Although Indonesia needs many about builders, most Indonesian people come to Malaysia to become labourers. The Indonesia Trade Investment News (2008) reported that 5.8 million migrant workers have worked outside Indonesia and half of these workers have worked in Malaysia. Zulkiply Omar from the Malaysian Institute of Economic Research (MIER) also noted that approximately 1.8 million foreign workers help those who work in the construction labour union between 2011 and 2014.

The inclusion and dumping of TKI who have no competence in line with the current market needs have sparked various problems. Several significant problems experienced by migrants are the competitiveness by labour migrants from other countries, especially from the Philippines (Ananda et al., 2016), the quality of work that cannot meet the standards required by the client and affect the overall construction cost as 44% of the cost of construction building refers to the cost of labour wages (Yahya et al., 2007). However, Ananda et al., (2016) explain that the competence of migrant workers in the workplace is not only dependent on the skills and knowledge gained by TKI but also influenced by other factors such as inadequate communication at work, problematic employers, and migrant workers to work. Table 1 shows the problems affecting the competence of migrant workers while working in Malaysia.

Table 1: Types of Problems among TKI in Malaysia

Problems	2011	2012	2013	2014	2015
Problem of communication	113	85	1	0	0
Can't work	45	35	24	8	85
Employer is problematic	22	22	7	3	32
Work illness	34	19	23	1	77

Uncompleted documentation	173	8	12	16	25
Problem of communication	45	35	24	8	85

Source : Badan Nasional Penempatan dan Tenaga Kerja Indonesia (BNP2TKI, 2016)

The CIDB News Report in March 2002 highlighted that most of the employed foreign workers do not have sufficient competence and skills. Although there has been a significant increase to 1 266,742 migrant workers (from 1997 to 2007), most migrants are more likely to be placed as labour workers and do basic works at the construction site such as woodwork (98%), ironwork (91%), plastering (64%), brickwork (63%), and concrete work (61%). The placement of migrant workers in these areas is because majority of the migrant workers are in the unskilled labour groups (Che Hashim, 2009) and do not have of the necessary competence. According to Hyoji (2007), Indonesia recorded the highest number of unskilled foreign workers compared to Nepal, India, Myanmar, Vietnam, Bangladesh and others, accounting for 61% of the total foreign workforce of 1, 914, 049. The World Economic Forum (WEF) through The Global Competitiveness Index (GCI) data shows that the competitiveness of Indonesian Labor is still low compared to other ASEAN countries as shown in Table 2.

Table 2 : ASEAN Competency and Competitiveness

Country	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Singapura	2	2	2	2	2
Malaysia	21	25	24	20	18
Thailand	39	38	37	31	32
Indonesia	46	50	38	34	37
Filipina	75	65	59	52	47
Vietnam	65	75	70	68	56
Singapura	2	2	2	2	2

Source : World Economic Forum (2015)

B. Competency

The concept of competency is often confused with “skill” since these terms are used interchangeably. From the management perspective, competencies are defined by two main streams, namely, organizational and personal. The Human Resource Management (HRM) literature has placed great focus on the individual competency. According to Boyatzis (2008), competencies are referred as underlying characteristics of an individual who could be a motive, trait, skill, aspect of one’s self-image, social role, or a body of knowledge which he or she uses. These characteristics are revealed in observable and identifiable patterns of behaviour, related to job performance, and usually include knowledge, skill, and abilities. In other words, competencies are specified ‘being able to perform a work role to a defined standard with reference to real working environments’.

Dingle (1995) defined competency as the combination of knowledge, skill, and awareness where *knowledge* refers to the understanding of fundamental principles required to accomplish the task at hand, *skill* refers to the application of this understanding, and *awareness* refers to the proper application of skill in accordance with professional and corporate “good practice”. Similar to Dingle (1995), Özçelik and Ferman (2006) refer competency as a cluster of related

knowledge, skills, and attitudes that affects a major part of workers’ responsibility that correlates with on-the-job performance that can be measured against well-accepted standards and improved via training and development.

Worker competence can be defined as a combination of knowledgeable, skilful, competent, and personal characteristics that can be measured and contributes to improved employee performance and organizational success. Efficiency is not determined through work performance only because competence is more important to improve the worker's performance. Organizations will provide various courses or training sessions that are appropriate to the needs of employees to increase the level of competence and efficiency among employees. This is because competence is not only being built on formal education such as training but also through experience (Paloneami, 2013).

Sandberg (2000) added that competence is manifested as something that could be understood from the viewpoint of job demands, personal qualifications, and their interactions. Several job-competencies were found within the two domains of work. Competence related to job content, ICT knowledge and skills, social skills, and overall managing of one's work was shared between employees from all the participating companies.

The field of construction requires a highly competent workforce since the construction field is one of the backbones in strengthening the country’s economic development. Omran dan Suleiman (2017) studied four competence dimensions, namely, knowledge competence, functional competence, personal/behaviour competence, and value/ethical competence where each dimension is measured by several constituents. The results showed that a mixture of knowledge, functional, personal, and values competence must be considered to produce a competent construction project manager in the Palestinian construction industry. According to Omran et al., (2017), competency is achieved by the integration of the skills developed through experience, education, the knowledge acquired during training, and the application of such acquired knowledge and experience, then it is related to the capability to perform better on-site. Therefore, Birnberg (1992) added that construction workers are more important for organizational success because they have a unique set of knowledge and skills.

Gonczi and Athanasou (2006) categorized competent into three groups: competence as a list of tasks, competence as a collection of attributes, and competence as a holistic or integrated relationship. Construction workers working in projects where technical issues are important must have the competency to deal with problems as they are required to identify the issue and be confident that suitable actions are taken. Therefore, Jaes et al., (2018) found that being able to contribute by giving ideas and able to communicate in the local language is one of the indicators to determine the level of competency of Indonesian migrant workers.

Various research has clarified the relationship between competencies and employees’ job performance (Dainty, 2004; Levenson, 2006; Ryan, et.al, 2009). Ahadzie et.al.’s (2009) demonstrate the



suitability and potential usefulness of their competency-based model that reflects elements of both performance behaviours and outcomes in predicting performance. Other research (Ryan et.al, 2009; Spencer, et.al 2008) highlighted the validity and utility of competencies in predicting employees' work performance. The relationship between individual competencies and organizational performance is also stated (Zaim et al., 2013).

Noe (2002) described three types of competence which are functional competence, generic competence and core competency. Functional competence refers to the knowledge, skills, and personal qualities required to carry out the duties and responsibilities of a position. It explicitly refers to the specific competence required for a position or function. Generic competence refers to the knowledge, skills, and personal qualities required to carry out the duties and responsibilities of a position. It needs to be available for all members in a comprehensive manner. Generic competence can be divided into two types, namely, core competency and professional competence. Core competence refers to the personal characteristics and basic values inherent in the individual itself such as discipline, integrity, transparency, and accountability. This competence has a direct connection to the relevant field of work or profession.

The success of an organization lies in the extent to which competency is developed in a field (Blanchard & Thacker 2004). Competence is related to knowledge, skills, and attitudes that distinguishes performing and non-performing employees. Mansfield, (1996) states that competency models can be implemented using several different approaches but are often used as individual work and at organizational levels. A high level of competence will determine the success of both the organization and the workers. Zaim et al., (2013) determined that there is a positive linear correlation between aforesaid key dimensions of competencies and both individual and organizational performance. Furthermore, core competencies had the utmost significant effect on individual performance.

C. Competency Research Framework

According to Rozalizam (2012), the competency model emphasizes the role of knowledge as a basis that affects a worker's attitude and skill as follows:

a) Knowledge

This includes knowledge of Indonesian labour in the construction sector, especially work of iron, stone, concrete, finishing, and others. Knowledge also includes rules and regulations that the workforce must abide while working in Malaysia. Workers should also have mastered the basic knowledge of reading, calculating, and writing. This basic knowledge is perceived as at least knowledgeable in the Indonesian workforce to enable the workforce to always learn something new whether in formal or semi-formal situations. In the context of job specification, the majority of TKI is educated until junior high school and have working experience in Indonesia and Malaysia. They have 3M skills to write, read, and calculate and also speak Bahasa Malaysia. Additionally, they have the skills needed in building and the most common five types of skills are

bricklayers, iron cutters, blockers, fine carpenters, and iron bends.

b) Skills

The skills of the workforce tested include skill work of iron, stone, concrete, finishing, and others. Research also recognizes the skills that meet the needs of the people in Indonesia. Skills can be defined as the ability to perform well or better than average. It also refers to the ability to translate knowledge into action. The ability to connect or interact with colleagues can help employees share knowledge with each other and consequently learn new skills.

c) Attitude

The attitude of this study covers the attitude of the workforce when working on-site, the attitude towards colleagues, the safety factor, the attitude when using building materials, and so on. Workers' attitudes will also affect the level of competence and performance of the workers. For example, skilled workers who are willing to learn have a higher level of knowledge and skills compared to less hardworking and timid employees. Additionally, employees with a sense of responsibility towards the work done will excel than those who have a busy attitude at work.

However, the majority of TKI is identified to have low liability to employers and colleagues regardless of whether they are in Indonesia or Malaysia despite able to communicate with their colleagues and understand the instructions given by the employers. This situation can be attributed to the unstable relationship between Indonesian workforce and the workers at the construction site. Attitudes with employers can be credited to the employee's respect for employers.

III. CONCLUSION

A thorough review of the related literature has provided the definition of competency which can be summarized as an underlying characteristic of an individual causally related to criterion-referenced effective and/or superior performance in a job or situation. Job competency refers to a set of behaviour patterns that an employee needs to perform his or her tasks and functions with competence. Job competency can be measured using motive, trait, skill, self-concept, body of knowledge, or an attribute that allows an individual to perform a task or activity within a specific function or job scope.

The discussion in this study shows that the Indonesian workforce has a moderate level of knowledge and skills that directly exhibits a moderate level of competence while at work. However, the indigenous workforce is still 'far away' between colleagues and employers. In this context, employers find it difficult to assess the level of competence and workforce performance of indigenous people. Finally, the results demonstrate that competency in the construction sector plays an important role for individual and organizational performance.

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