

EMPLOYEE COMPETENCY DEVELOPMENT: THE KEY TO ORGANISATIONAL SUCCESS IN THE 21ST CENTURY

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Abstract

Employee competency development is key to organisational success in the 21st century, which is characterised by intense global competition and rapid technological change. High employee competence not only improves efficiency and productivity but also drives innovation and adaptation to change. Investment in employee development contributes to labour satisfaction and retention, reduces recruitment and training costs, and creates a positive work culture. In addition, good employee competence also reflects on the organisation's reputation, building trust and customer loyalty. As such, employee competency development is a strategic investment that supports the stability, sustainability and achievement of an organisation's business objectives.

Keywords: Employee Competencies, Organisation, 21st Century.

Introduction

In the rapidly evolving era of globalisation and the industrial revolution 4.0, organisations are faced with new challenges and opportunities. One of the key factors that determine the success of organisations in facing these challenges is employee competence. Employee competencies include various abilities, skills and knowledge that can support the achievement of organisational goals. Given the dynamics of the market and the rapid development of technology, developing employee competencies is becoming increasingly crucial (Banmairuoy et al., 2022).

Employee competence is a vital element in organisational success amidst increasingly fierce business competition in the 21st century. Competence encompasses the set of skills, knowledge, and attitudes that enable employees to perform their tasks effectively and efficiently (McCartney et al., 2021). Competent employees are not only able to complete their jobs well but also contribute to innovation and continuous process improvement within the organisation. Mastery of relevant competencies enables organisations to adapt quickly to market changes and technological advances, which in turn increases competitiveness and chances of long-term success (Chu et al., 2021).

In addition, superior employee competencies can reinforce a productive and collaborative work culture. Skilled and knowledgeable employees tend to have high

levels of motivation and job satisfaction, which has a positive impact on their retention and loyalty to the organisation. This reduces costs associated with employee turnover and training new employees (Day et al., 2021). As such, employee competency development is a strategic investment that contributes to a more adaptive, innovative and sustainable organisational strategy, driving the organisation towards future success.

Companies that are able to adapt quickly to changes in the business environment often have a competitive advantage. However, this adaptation depends not only on managerial and technological strategies, but also on the capabilities of their human resources. Therefore, investment in employee competency development is no longer an option, but a necessity (Shliakhovchuk, 2021).

Studies show that organisations that consistently invest in employee training and development tend to be more successful in achieving their business targets. Employee competency development is also closely related to increased productivity, innovation, and job satisfaction. However, many organisations still face various obstacles in implementing employee development programs, such as budget constraints, lack of management support, and resistance from the employees themselves (Chowdhury et al., 2022); (Corbisiero-Drakos et al., 2021).

In addition, in the 21st century, the competencies required by employees have also changed significantly. Not only are hard skills such as technical and operational knowledge required, but soft skills such as creativity, leadership, and adaptability are also increasingly important. The ability to work in teams, communicate effectively, and manage stress are also important aspects of employee competency development (Ostmeier & Strobel, 2022).

Thus, in-depth research and studies on employee competency development are fundamental for organisations that want to remain relevant and competitive. Effective implementation of competency development strategies can be one of the key determinants of organisational success in the 21st century. Therefore, this article will discuss various aspects related to employee competency development and its impact on organisational success.

Research Methods

The study in this research uses the literature research method. Literature research method, also known as literature study or literature review, is a research approach that involves collecting, evaluating, and analysing existing literature in a particular field of study. This method aims to gain an in-depth understanding of a particular topic based on data and information derived from published sources. (Syahrar, 2020); (Syahrizal & Jailani, 2023).

Results and Discussion

Identification of Employee Competencies Needed in the 21st Century

Employee competence is a combination of skills, knowledge, abilities, and attitudes possessed by an individual and required to perform tasks and responsibilities effectively in a particular work environment (Monteiro & Adler, 2022). Competencies cover both technical and non-technical aspects, including a deep understanding of the specific role, the ability to adapt to change, the ability to co-operate in teams, and a commitment to high professional standards. These competencies include not only innate abilities but also the result of training, experience, and continuous development (Ghani et al., 2022).

Employee competencies can be categorised into three main types: technical, managerial, and interpersonal. Technical competence includes the specific skills and knowledge required to carry out certain tasks, such as the use of specific software, in-depth understanding of a particular field of science, or other technical abilities (Wheelahan et al., 2022). Managerial competence involves the ability to plan, organise, lead and control work and teams to achieve organisational goals; this includes skills in decision-making, problem-solving and resource management. Interpersonal competence, on the other hand, encompasses the ability to interact effectively with others, whether in the context of teamwork, negotiation, or day-to-day communication; this includes empathy, active listening, and clear and effective communication skills. These three types of competencies complement each other and are essential for optimal employee performance in an organisation (Mikołajczyk, 2021).

In the 21st century, the need for employee competencies has evolved along with rapid changes in technology, globalisation, and changing work dynamics. One of the critical competencies in this era is digital literacy and technology skills. In an increasingly connected world, the ability to use software, analyse data and understand the basics of programming has become crucial. Employees need to adapt to constantly evolving digital tools and platforms, updating their skills regularly to stay relevant in a competitive job market (Škrinjarić, 2022).

In addition, critical thinking and problem-solving competencies are becoming increasingly vital. 21st century employees are faced with complex challenges that require creative approaches and innovative solutions. The ability to critically analyse situations, identify underlying problems and devise effective solutions is highly valued. These competencies also involve the ability to adapt and manage change, as today's work environment is full of uncertainty and shifting dynamics (Santana & Díaz-Fernández, 2023).

Interpersonal and communication competencies also remain important pillars in the modern world of work. Amidst the rise of remote working and international collaboration, the ability to communicate clearly and effectively, both orally and in writing, is crucial. Skills in working together in cross-cultural teams, building positive

professional relationships, and demonstrating empathy and emotional intelligence complement technical and managerial abilities. These competencies ensure that employees can not only adapt to current work demands but also contribute maximally to the organisation's competitive advantage and sustainable growth (Kannan & Garad, 2021).

Due to the evolution of the work environment to be more dynamic and interconnected, creativity and innovation competencies are also highly required in the 21st century. Employees are encouraged to think out-of-the-box and look for new ways to approach business challenges. This includes the development of new ideas, products or processes that can add value to the organisation. In addition, the development of trends such as artificial intelligence, automation, and big data analytics require a workforce that can not only understand these technologies but can also integrate them in ways that benefit the business (González-Pérez & Ramírez-Montoya, 2022).

Another important competency is the ability to work independently and have autonomy in performing work. In an era where remote working and flexible working models are increasingly popular, employees need to be able to manage their own time, stay motivated, and be productive without direct supervision. This means having self-discipline, responsibility, and the ability to set and achieve individual goals will be highly valued by employers (Khan et al., 2022).

Thus, employee competencies needed in the 21st century include digital literacy, critical thinking, problem solving, interpersonal skills, creativity, innovation, and the ability to work independently. Rapid developments in technology and changing work dynamics require employees to continuously develop and update their skills. Matching these competencies will ensure that employees can not only adapt to change but can also contribute significantly to the growth and success of organisations in the modern era.

Evaluation of Competency Development Strategy

Evaluation of competency development strategies is essential for organisations that want to ensure that their workforce has the necessary skills and knowledge to face future challenges. One way to evaluate this strategy is to measure the effectiveness of the training and development programmes that have been implemented (Thornhill-Miller et al., 2023). Performance indicators such as increased productivity, decreased turnover rates, and employee satisfaction levels can provide insight into the success of these programmes. In addition, how well employees can apply the skills they learn in real work situations is also an important indicator of the success of competency development strategies (Varga, 2021).

The next step in evaluation is to identify areas where training programmes may be less effective or need to be adjusted. This could involve surveying employees to get feedback on the training they received, a skills gap analysis to see if future competency

needs are being met, or an ROI (Return on Investment) evaluation of the training investment. The collection of quantitative and qualitative data helps identify weaknesses in the development strategy and determine the corrective measures needed (Dondi et al., 2021).

Strategy evaluation should also consider changes in the external environment such as technological advancements and changing industry trends that may affect future skills needs. Therefore, the competency development strategy should be flexible and adaptive to these changes. Regular evaluations should be conducted to ensure that competency development programmes remain relevant to the evolving needs of business and industry. This may involve revising the training curriculum, introducing new technologies, or forming partnerships with educational institutions to provide more relevant training (Kettler et al., 2021).

Finally, evaluation of competency development strategies should not only focus on short-term needs but also on long-term development. The creation of clear career paths, mentoring programmes, and opportunities for continued professional development can help retain and develop talent within the organisation. Investing in continuing education and leadership training will ensure that employees are not only ready to face current challenges but also ready to lead the organisation into the future. Thus, organisations can ensure that their competency development strategy is not only effective but also sustainable.

The Impact of Competencies on Organisational Success

Employee competence has a significant impact on the success of an organisation. High competence in employees increases operational efficiency and work productivity. When employees have adequate knowledge and skills, they can complete tasks more quickly and appropriately, which ultimately increases organisational output. It also means that resources can be allocated more effectively, reducing wastage and increasing profitability (Tramontano et al., 2021).

In addition, strong competencies in employees can improve an organisation's ability to innovate and adapt to change. In this dynamic and fast-changing business world, the ability to adapt quickly is crucial. Competent employees are usually better able to recognise new developments and trends in their industry and develop creative solutions to deal with them. This gives organisations a competitive edge in the market and allows them to remain relevant and sustainable in the long term (Gürsoy, 2021).

High competence also contributes to increased employee satisfaction and retention. When employees feel that they have the necessary skills and knowledge to perform their jobs well, they tend to feel more satisfied with their jobs. This employee satisfaction often translates into higher levels of loyalty, reduced turnover, and reduced recruitment and training costs for new employees. Organisations with high retention

rates usually also have a more positive work culture, which in turn, attracts more quality talent (Pacheco & Coello-Montecel, 2023).

Finally, high employee competence creates a good reputation for the organisation in the eyes of stakeholders, including customers, business partners, and investors. The trust and recognition from customers that the product or service provided by the organisation is of high quality stems from the competence of employees at all levels. This not only increases customer satisfaction and brand loyalty, but can also open doors to new business opportunities and strategic collaborations, as well as increase the value of the company in the eyes of investors (Graesser et al., 2022). As such, employee competency development is a critical investment that supports overall organisational success and growth.

Conclusion

Employee competency development is a fundamental element that cannot be ignored in achieving organisational success in the 21st century. Amidst intensifying global competition and rapid technological change, having competent employees provides a significant competitive advantage. Employees who possess relevant skills and knowledge are not only able to improve operational efficiency and productivity, but can also proactively contribute to innovation and adaptation to change.

In addition, high levels of competence in employees have a positive impact on labour satisfaction and retention. Organisations that invest in employee skills development tend to see increased loyalty and decreased labour turnover rates. This contributes to reduced costs of recruiting and training new employees as well as creating a more positive and collaborative work culture. Thus, employee competency development not only supports short-term goals but also supports organisational stability and sustainability in the long run.

Finally, an organisation's good reputation in the eyes of customers, business partners and investors is also often a reflection of the competence of its employees. Competent employees can ensure that products and services are of high quality, which in turn builds customer trust and loyalty. As such, employee competency development is a strategic investment that not only maintains the organisation's relevance in a changing market but also drives the achievement of overall business objectives.

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