

# The Conformity of Outsourced Employee Competence in Animal Feed Company

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**ABSTRACT :** One of the industrial sectors that needed a competitive advantage from the company to continued to survive in the fierce competition was the animal feed industry, especially chicken feed. The domestic animal feed industry plays a very important role in supporting the livestock industry in providing the availability of consumption of meat and its derivative products for Indonesian. Animal feed contributes around 70% of the total cost of livestock production. To meet the needs of employees or human resources, companies need to recruit through the outsourcing workforce. The use of outsourced labor could save company expenses, but could also hinder or reduce company productivity. The purpose of this studied was to determine the conformity of outsourcing employees' core competencies, conformity of the field of outsourcing employees, and alternative solutions that could be recommended to improve the competencies of outsourced employees. The data consists of interest data and capability data, using a Likert scale with a range of 1 to 5, using the competency gaped analysis and the IPA (Importance-Performance Analysis) matrix. The results showed that the core competencies of outsourced employees and the field competencies of outsourced employees were not as expected by the company.

**KEYWORDS:** Conformity, Core Competencies, Field Competencies, Importance

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## I. INTRODUCTION

Employee competence could be seen from the ability of the employee to carried out a job or task based on skills and knowledge and supported by the work attitude demanded by the job. Competencies possessed by human resources were competencies related to knowledge, skills, abilities, and personality characteristics that directly affect the performance. Thus, competence could provide a picture of an individual's ability to carried out certain tasks. [1].

One of the industrial sectors that needed a competitive advantage from the company to continued to survive in the fierce competition was the animal feed industry, especially chicken feed. The domestic animal feed industry plays a very important role in supporting the livestock industry in providing the availability of consumption of meat and its derivative products for Indonesian. Animal feed contributes around 70% of the total cost of livestock production.

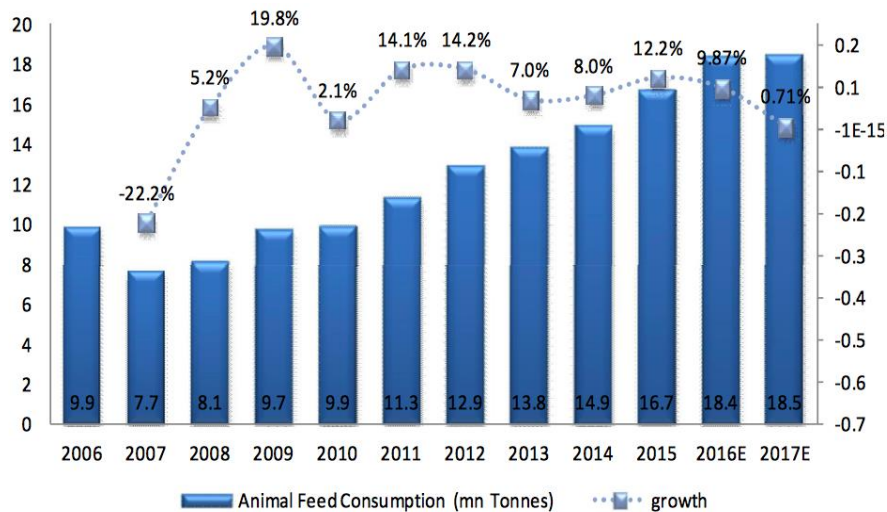


Figure 1. Demand of Animal Feed for 2006 – 2017

PT Charoen Pokphand Indonesia Tbk was the largest producer of animal feed, day-old chicken, and processed chicken meat in Indonesia. The products produced were broiler feed, layer chicken feed and other animal feeds. This company had developed into a company that focuses on agribusiness that covers all aspects of chicken farming, ranging from the production of quality animal feed to raising livestock that was resistant to disease and the production of high-quality poultry products. According to information from the public relations manager of PT Charoen Pokphand Indonesia Tbk, production failures often occur during animal feed production.

Feigenbaum [2] said that nine factors affect product quality, namely the market, money, management, people, motivation, materials, machinery, modern information systems, production process requirements. Companies need workers who were knowledgeable and had special skills in producing quality products. To reduce production failures and remain the ruler of the chicken feed market, naturally, it was necessary to improve the quality of competent human resources. Wibowo [1] said that every company wants its human resources to contribute as much as possible to the organization. However, in reality, it was often found that the ability of human resources had not been able to meet the expectations of managers and leaders. It was undeniable in the organization that there were often competencies owned by employees, not by what was expected by the organization, this results in the emergence of gaps. Setiarso [3] said that the competency gaped could indirectly affect the level of organizational success. For this reasoned, it was necessary to properly utilize and develop competencies.

The company needs to saw that its employees had the competencies needed in their current jobs. By knowing the conditions between expectations and reality, you will saw a gaped that occurs in employees in the company. Employee competency gaps or the gaped between the competencies expected by the company to be owned by every employee and what happens in the field could help companies know the competencies that were not yet owned by each employee, then the company will be able to determine the improvements needed or needed by employees. This studied aims to determine: (1) the conformity of mastering outsourced employees' core competencies, (2) the conformity of the field of outsourcing employees (3) alternative solutions that recommended for improving employee competencies.

## II. METHODS

This research conducted at PT Charoen Pokphand Indonesia Tbk, located at Serang Street km 30 in Cangkudu village, Balaraja district, Tangerang City, Banten Province, Indonesia. The research conducted for five months from March to July 2018. The selection of researched sites done purposively with the consideration that PT Charoen Pokphand Indonesia Tbk needed improvement in the quality of human resources. The method of determining respondents used in this studied was purposive (intentional) and saturated samples [4]. The saturated sample was a sampling technique if all members of the population used as samples. This often done if the population was relatively small. Another saturated sample was a census, where all members of the population sampled. The author uses a purposive technique to select the head of the animal feed

production department as the personnel manager as a respondent to provide an assessment of the competencies expected by the company with the consideration that the personnel manager in charge of managing human resources and

implementing company policies related to human resources. The number of employees was 52 people working on 13 work units, namely: machine operators, packing, feed processing, maintenance, pelletizing, safety health environment, hammer mill, extruder, intake, mixer, handed added, keg controlled, and stock warehouse keeper.

The data collected consists of data about importance and data about ability, using a Likert scale in the range of 1 to 5. The importance of leveled starts from very insignificant to very important. The ability leveled starts from very inadequate to very capable.

## 2.1 Gap Competency Analysis

Value of importance for each competency needed is as follows: Setiarso (2009) *in* Chandra [5]

$$Nki = \frac{(K1 \times 1) + (K2 \times 2) + (K3 \times 3) + (K4 \times 4) + (K5 \times 5)}{R}$$

Information:

NKi = value of interest in competence i

K1 = number of respondents with answer 1

K2 = number of respondents with answer 2

K3 = number of respondents with answer 3

K4 = number of respondents with answer 4

K5 = number of respondents with answer 5

The calculation formula for capability value for the each required knowledge is as follows:

$$NPi = \frac{(P1 \times 1) + (P2 \times 2) + (P3 \times 3) + (P4 \times 4) + (P5 \times 5)}{R}$$

Information:

NPi = capability value of competency i

P1 = number of respondents with answer 1

P2 = number of respondents with answer 2

P3 = number of respondents with answer 3

P4 = number of respondents with answer 4

P5 = number of respondents with answer 5

## 2.2. Importance Performance Analysis

Tjiptono (2011) said this technique was first put forward by Martilla and James in 1977 in their article "Importance Performance Analysis" (Oscar & Pambudi, 2014 : 5).

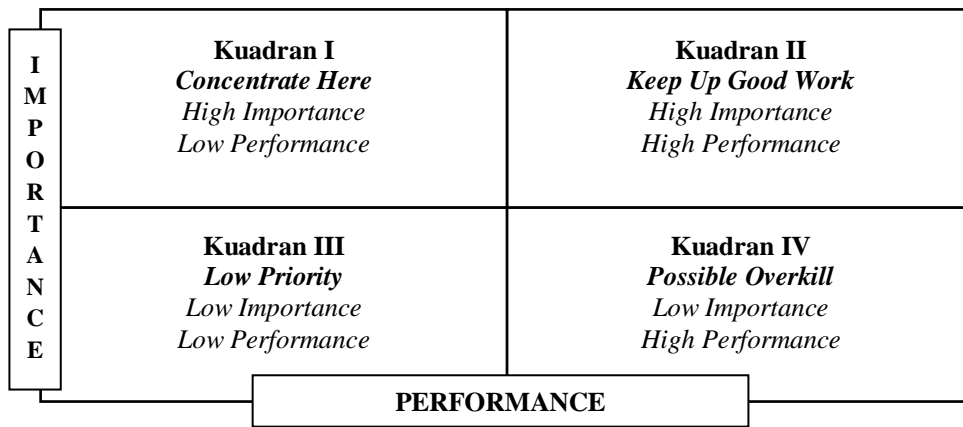


Figure 2. Matrix of Importance Performance Analysis

### III. RESULTS

The conformity of outsourcing employee competencies consists of the conformity of core competencies and conformity of field competencies. In this chapter: (1) the conformity of outsourcing employees' core competencies, (2) the conformity of outsourcing employees' field competencies, (3) the conformity and coordinate points of outsourcing employees' competencies, (4) the conformity and field competence points of outsourcing employees. Competency conformity is the result of a comparison of the number of capability scores with the number of interest scores by employees. By looking at the level of conformity, it will be seen the extent to which employees master competencies by the interests or needs of these competencies to be mastered in their work.

#### 3.1. The Conformity of Outsourcing Employees' Core Competencies

Conformity indicators of core competencies consist of:

(1) Results oriented (result oriented), consisting of six instruments, namely:

1. The ability to achieve targets,
2. The ability to achieve targets more than desired,
3. The ability to work with high morale effective and certain,
4. The ability to anticipate identifying and overcome problems,
5. The ability to take advantage of opportunities,
6. Creative thinking skills,

(2) Prioritize teamwork, consisting of nine instruments, namely:

1. The ability to lead teams to achieve targets,
2. The ability to effectively completed assignments in groups,
3. The ability to work together to achieve common goals,
4. The ability to respect colleagues,
5. The ability to share and appreciate the contribution of work,
6. The ability to show leadership by managed and integrated teamwork,
7. The ability to anticipate challenges,
8. The ability to make changes needed so that team goals can achieved,
9. The ability to express opinions well regarding members and teams about improvement or development,

(3) Global view, consisting of six instruments, namely:

1. The ability to recognize and solve problems outside the space environment and forward thinking, have the nature of wanting to learn,
2. Always trying to increase knowledge and knowledge new,
3. The ability to think innovatively,
4. The ability to adjust to change and not anti-change,

5. The ability to see problems both micro and macro,
6. Do not limit themselves to knowledge and skills in the field of work only but are open to other fields even outside the scope of the type industry.

The average conformity of core competencies is 91.74%. The core competency indicator has the highest conformity value is the ability to anticipate challenges, which is 98.01%. The smallest conformity value is on the innovative thinking ability indicator, which is 86.64%. Overall shows the capability of core competencies by outsourcing employees not by the interests because of the value of the conformity level less than 100%.

### 3.2. The Conformity of Outsourcing Employees' Field Competencies

Field competency conformity indicators consist of:

1. Capability or understanding of the production system in the current work,
2. Knowledge of the types of products produced at the factory in the current work,
3. Understanding of the product identity system in the factory by work instructions needed in the current work,
4. Understanding of the principles of the implementation of loading vehicle seals needed in the current work,
5. Understanding of the maintenance of production equipment needed in the current work,
6. The ability to handle production problems needed in the work when this,
7. The ability to master computer science is needed in the current work,
8. The ability to operate production machinery needed in the current work.

The average value of field competency conformity is 78.8%. Field competencies that have the greatest conformity value are the indicators of understanding about the maintenance of production equipment with a value of 84%. The smallest conformity value found in the understanding indicator of the principle of implementing a fit vehicle seal, namely 70%. Overall, the field competencies of outsourcing employees are not by their interests and capability because the conformity value is less than 100%.

### 3.3. Conformity and Coordinate Points of Core Competencies

The average value of the conformity of all core competencies is 91.74%. Placement of 21 core competencies of outsourced employees that analyzed grouped into four quadrants in the Cartesian diagram. It limited by two lines intersecting perpendicular to the point, where is the average of the capability level of all core competencies which is 3.74 and is the average the level of importance of all core competencies is 4.08. The first quadrant (I) is located in the upper left, the second quadrant (II) is in the upper right, third quadrant (III) is in the lower left, and the fourth quadrant (IV) is in the lower right. The position of each core competency in the four quadrants can used as a tool in providing alternative strategies to increase the level of compatibility of core competencies. The position of each core competency seen in the matrix below.

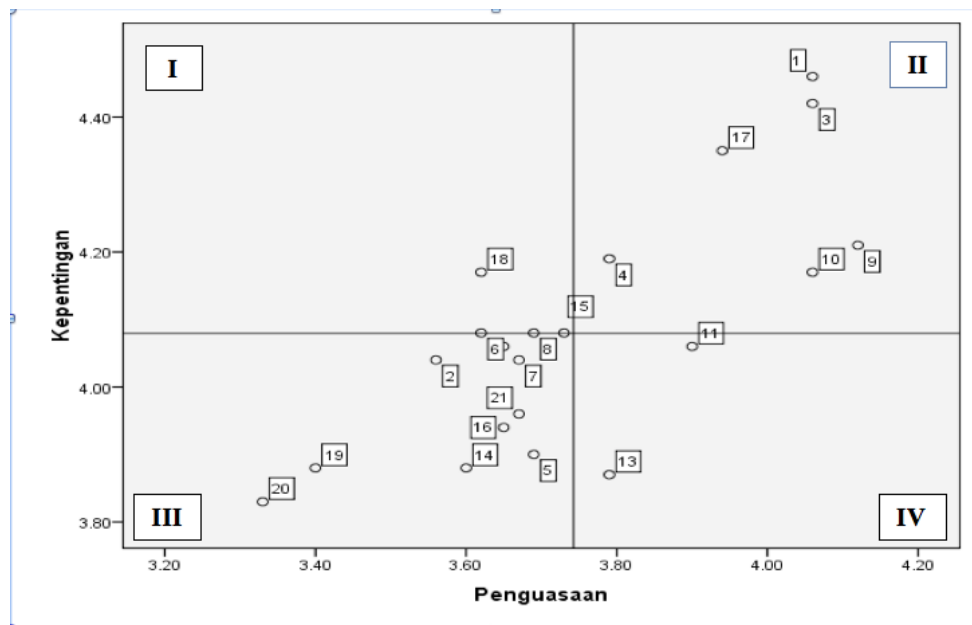


Figure 3. Cartesian Diagram of the Level of Importance and Capability of Core Competencies

Information:

1. the ability to achieve targets,
2. the ability to achieve targets more than desired,
3. the ability to work with high morale effective and certain,
4. the ability to anticipate identifying and overcome problems,
5. the ability to take advantage of opportunities,
6. creative thinking skills,
7. the ability to lead teams to achieve targets,
8. the ability to effectively complete assignments in groups,
9. the ability to work together to achieve common goals,
10. the ability to respect colleagues,
11. the ability to share and appreciate the contribution of work,
12. the ability to show leadership by managing and integrating team work,
13. the ability to anticipate challenges,
14. the ability to make changes needed so that team goals can still be achieved,
15. the ability to express opinions well regarding members and teams about improvement or development,
16. the ability to recognize and solve problems outside the space environment and forward thinking, have the nature of wanting to learn,
17. always trying to increase knowledge and knowledge new,
18. the ability to think innovatively,
19. the ability to adjust to change and not anti-change,
20. the ability to see problems both micro and macro,
21. Do not limit themselves to knowledge and skills in the field of work only but are open to other fields even outside the scope of the type industry.

3.4. Conformity and Coordinate Points of Field Competencies

The average value of the conformity level of all field competencies is 78.8%. The position of each field competency seen in the matrix below.

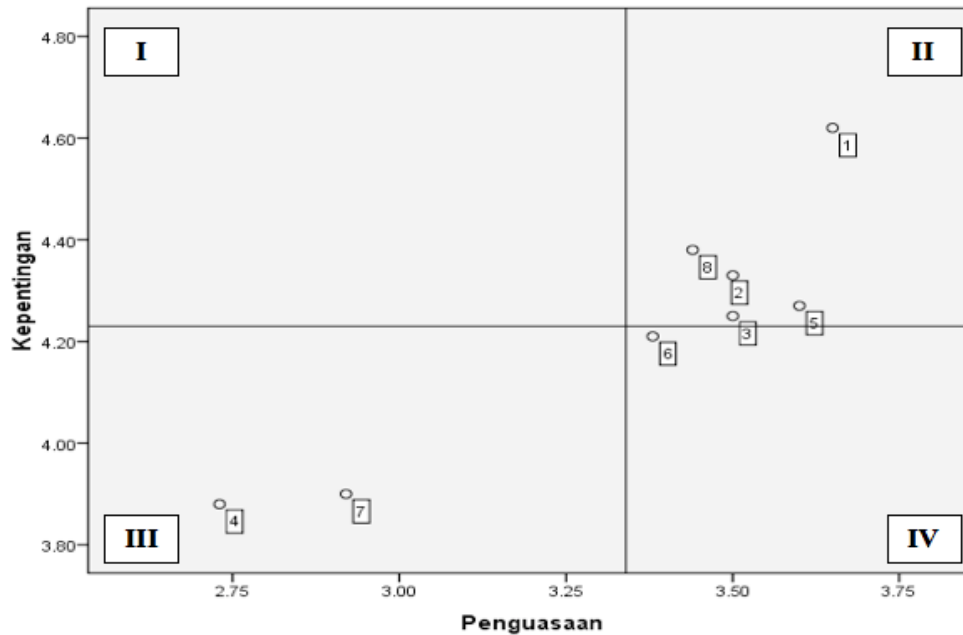


Figure 4. Cartesian Diagram of the Level of Importance and Capability of Field Competencies

Information:

1. Capability or understanding of the production system in the current work,
2. Knowledge of the types of products produced at the factory in the current work,
3. Understanding of the product identity system in the factory by work instructions needed in the current work,
4. Understanding of the principles of the implementation of loading vehicle seals needed in the current work,
5. Understanding of the maintenance of production equipment needed in the current work,
6. The ability to handle production problems needed in the work when this,
7. The ability to master computer science is needed in the current work,
8. The ability to operate production machinery needed in the current work.

#### IV. DISCUSSIONS

Spencer and Spencer (in Moeheriono, 2009:3) stated that competence is a characteristic that underlies a person related to the effectiveness of individual performance in his work or the basic characteristics of individuals who have causal relationships or as causal with reference criteria, effective or prime performance or superior at work or in certain situations. All individuals must possess five competency dimensions namely as follows (Moeheriono, 2009:15):

1. Skills to carry out tasks (Task skills), namely the skills to carry out routine tasks by workplace standards
- 2.
3. Task management skills, namely skills to manage a series of different tasks that appear in their work
4. Action skills (Contingency management skills), namely the skill of taking quick and appropriate actions when a problem arises in work,
5. skills to work together (Job role environment skills), namely skills to work together and maintain the comfort of the work environment,
6. Adaptation skills (transfer skills), namely skills to adapt to the new work environment

At present, the concept of competence has begun applied in various aspects of human resource management even though the most is in the fields of training in development, recruitment and selection, and the remuneration system. Ruky 2003 (in Sutrisno 2009:208), argues that the concept of competency is becoming increasingly popular and has been widely used by large companies for various reasons.

Often the performance of employees is not by what desired by the company. This condition allows the emergence of performance gaps in the company. By carrying out a performance gap assessment process within a company, it can be seen that the required performance and performance conditions are now available (Setiarso, 2012:28). Based on the level of

importance, it can be concluded that outsourcing employees assess that core competency are important to master. Core competencies which have the lowest average interest compared to other core competencies are the ability to see problems both micro and macro, with an average value of 3.83. According to the level of importance, employees assess that competency is important enough to have. This is by Mangkunegara (2012:40) said the ability to achieve the target is one of the important competencies for employees. Human resource competency is the ability possessed by someone related to knowledge, skills and personality characteristics that directly affect their performance that can achieve the desired goal or target.

To describe the level of importance and level of capability of the attributes possessed using the Importance-Performance Analysis (IPA) method. IPA analyzes the interests and capability of competencies to know what the company expects. By knowing what the company needs, employees are expected to be able to arrange the steps that are appropriate to their needs so they can achieve company expectations. IPA used to measure indicators or factors that influence employee competency from the level of interest expected by the company with the level of performance provided by employees to the company (Supranto 2011:29).

#### 4.1. Conformity of Outsourcing Employees' Core Competencies

Quadrant I (Concentrate Here) shows core competencies that considered very important by employees, but capability or performance is not good. Companies need to improve capability of these competencies. Competencies included in quadrant 1 are the main priority for improvement. Competence in this quadrant is the ability to think innovatively. Quadrant II (Keep Up Good Work), shows competencies that are considered important and have been mastered well by employees by the level of importance or by company expectations. The company should maintain competencies in this quadrant. Competencies in this quadrant:

1. Ability to achieve targets (1),
2. Ability to work with high enthusiasm, effective, and certain (3),
3. Ability to anticipate, identify and overcome problems (4),
4. Ability to work together to achieve common goals (9),
5. Ability to respect coworkers (10).

Quadrant III (Low Priority) shows competencies that considered less important and considered less well mastered by employees so that companies do not need to prioritize or give more attention to these competencies. Competence in this quadrant should considered whether it is improved or not. Competencies that are in this quadrant are:

1. Ability to reach the target more than desired (2),
2. Ability to take advantage of opportunities (5),
3. Ability to think creatively (6),
4. Ability to lead teams to achieve targets (7),
5. Ability to effectively done assignments in groups (8),
6. Ability to demonstrate leadership by managing and guiding teamwork (12),
7. Ability to make necessary changes so that team goals can still be achieved (14),
8. Ability to express opinions well about members and teams, about improvement or development (15),
9. Ability to recognize and solve problems outside of its scope and forward thinking (16), Ability to adjust to change and not anti-change (19),
10. Ability to see problems both micro and macro (20),
11. Do not limit yourself to knowledge and skills in the field of work alone but being open to other fields even beyond the scope of the arts s industry (21).

Quadrant IV (Possible Overkill) shows competencies that considered less important. The company need not fear competencies in this quadrant because employees have implemented it and implemented it very well beyond the expectations of the company. Competencies in quadrant IV are Ability to share and appreciate the contribution of work (11), Ability to anticipate challenges (13).



#### 4.2. Conformity of Outsourcing Employees' Core Competencies

Quadrant I (Concentrate Here) shows the competency of the field that considered very important by the employee but has not shown capability or good performance. Companies need to improve the capability of these competencies. Competencies included in quadrant 1 are the main priority for improvement. There are no competencies included in quadrant I. Quadrant II (Keep up Good Work), which shows competencies that are considered important and have been mastered well by permanent employees by the level of importance or by company expectations. The company should maintain competencies in this quadrant. Competencies contained in this quadrant: Capability/understanding of the production system (1), Knowledge of the types of products produced in the factory (2), Knowledge of the types of products produced in the factory (3), Maintenance of production equipment (5), Ways operate production machinery (8). Quadrant III (Low Priority) shows competencies that considered less important and considered less well mastered by employees so that companies do not need to prioritize or give more attention to these competencies. Competence in this quadrant should considered whether it is improved or not. Competencies in this quadrant: Principles for implementing loading vehicle seals (4), Mastering computer science (7). Quadrant IV (Possible Overkill) shows that competencies considered less important but employees master them so well that the company is better at allocating resources to increase these competencies to other competencies that have a higher priority level. The company need not worry the competencies in this quadrant because employees have implemented it and implemented it very well beyond what expected by the company. Competence in quadrant IV is the ability to handle production problems.

### V. CONCLUSIONS

There are two conclusions, namely: (1) The core competency of outsourcing employees is not by what expected by the company, (2) The competency of outsourcing employees is not as expected by the company.

### VI. RECOMMENDATIONS

Recommendations based on this research for companies are:

1. The company needs to continue to improve or improve the core competencies and competencies in the field of field outsourcing employees. It is the ability to achieve targets beyond what desired, the ability to think creatively, have the nature of learning, always try to add new knowledge and knowledge, the principle of implementing a vehicle seal maintenance of production equipment, production problems, and mastering computer science.
2. The company must maintain the competencies that well mastered by employees.
3. Companies need to implement several ways to improve competencies such as making a working system more efficient, more involving employees in gathering ideas, training and developing core competencies. While for field competencies, on-the-job and off-the-job training needed to improve the capability of competencies.

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