

# Developing Employee's Competency through the Implementation of an Individual Development Plan (IDP) for Isra Presisi

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**Abstract—Purpose—The purpose of this paper is to apply the Individual Development Plan (IDP) that had been created by earlier researches in the same company (Isra Presisi Indonesia) and to conduct a training plan for the employees based on the IDP result. Design/methodology/approach—Business coaching methods, through structured interviews, observation, and the IDP application, was conducted in Isra in Cikarang, to help solve the company's gap in the employee development processes. The results from the structured interviews were analyzed to understand the gap between the ideal and actual condition of the company. The results were also used to improve the IDP form to better suit the company. The findings indicate that the application of IDP in Isra is effective in helping the company develop the Production Department employees' competency and performance in the field through training. The IDP results will help the company to plan a better training regime that is suitable for the employee competencies needs. Research limitations/implications—The limitation of this paper is that the IDP was only applied to Isra's Production Department employees. This is due to the fact that the majority of the employees in the company (more than 50%) are working in that particular department. Originality/value—This paper adds to the literature of employee development process in small-medium enterprises (SMEs) in Indonesia by directly using and applying the concept of IDP in the company.**

**Keywords—individual development plan (IDP), employee development, competency, performance**

## I. INTRODUCTION

This Indonesia's automotive industry is one of the biggest contributors in the manufacture sectors, with high amount of production every year and the establishment of both international and local manufacturing [1]. This was due to the increasing demand of vehicles over time. Based on Indonesia Autos Report, vehicle sales were forecast to grow 4.9% in 2017. Also, based on Indonesia's Autos Production Risk/Reward Index score, the country is in the top five most attractive for carmakers to begin or maintain autos manufacturing in the region. Furthermore, in the automotive industry, Indonesia's key strengths lie in its low cost of labor, well developed manufacturing industry, strong automotive policy, and a sound short-term economic outlook. Indonesia also benefits from its large scale vehicle production volumes and the positive outlook for its vehicle production growth [2]. The production of items for the automotive industry is

carried out by both large companies and small-medium enterprises (SMEs).

Human resource development is one of the most important assets for a company. However, there are only a few companies in Indonesia, especially SMEs, that are already focused on developing its Human Resource Development (HRD) system [3]. Established in 2011, Isra is a SME in the automotive industry as a die and mold maker, producing precision parts and jigs, and checking fixtures and machining processes, based in Cikarang, Bekasi. The company's revenue per year is Rp 18.000.000.000. The company's owners wishes to expand their business in the future, but the competency of their employees is still limited. Employee development will be needed to remedy this situation [1].

Isra has already developed its HRD system (in the form of skill matrix and performance appraisal), but they do not have a development plan for their employees. Isra needs to know the competency gap between the company's target for employee achievement and the kind of development that the employees needed to fill this competency gap. To achieve the company's target in the future, it needs to be balanced with the employees competency that supports the company's goals and the competency of their employees. Furthermore, the employees competency is also needed to face business development in the future, so employee development needs to be planned systemically in the Human Resources department of Isra. [1].

Furthermore, In order to stimulate employees to undertake learning and development activities, many organizations have been implementing personal development plans, a strategic development tool used by Human Resource departments to stimulate employee formal (e.g. training) and informal (e.g. reading a book, peer feedback discussions) learning, which in turn is assumed to improve occupational expertise-growth and performance [4].

This paper focuses on the effectiveness of the Individual Development Plan (IDP) application (that was created by an earlier researcher in the same company) on Isra's employee development for the company's Production Department employees. This paper employs a qualitative analysis by using business coaching methods through conducting structured interviews, observations, and IDP applications.

The structure of this paper comprises five sections: introduction, literature review, research methodology, results and findings, and conclusions.

## II. USING INDIVIDUAL DEVELOPMENT PLAN (IDP) TO DEVELOP EMPLOYEE'S COMPETENCY

Training is a planned effort by a company to facilitate learning of job related competencies, knowledge, skills, and behaviors by employees. Training is divided into two categories, formal and informal training. To design training process in a company, one of the process that need to be conducted is a needs assessment. This refers to the process used to determine if training is necessary [5]. IDP is one of the tools that can be used to identify the need for training and in the end, help the company to develop the employee's performance through their competency.

The IDP is a form of personal development planning, which aims to support the learning process and to provide various knowledge and abilities that can assist employees in developing their career. Personal development planning processes contain the things that are needed to help improve employee capabilities, improve performance, and advance careers. Components in the IDP include the needs of employees related to science and skills (learning needs), expected outcomes after the development process is completed (outcome expected), the type of development required to meet the requirements of company competence (learning activities to meet the needs), the parties involved (responsibilities for learning), as well as the time it takes the employee to complete the development process (timing) [6]. In addition, to encourage employees to participate in various learning programs and development activities, many organizations implement personal development plans, which are strategic development tools used by the HR department to encourage the learning process of employees, whether in formal form (eg training), or informal (eg reading books, discussion with feedback), which is expected to improve employee skills and performance [4].

## III. MARKETING FRAMEWORK

This research adopts the framework of business coaching to study the problem in the Isra Gap analysis between the actual and ideal condition was conducted to understand the most urgent problems that need to be resolved. To conduct the gap analysis, the company's condition needs to be analyzed using a marketing framework, as follows:

### A. Business Process

To identify all of the business process aspects, or the SIPOC (Suppliers, Inputs, Processes, Outputs, Customers) aspects more clearly, simpler, and easier to understand, the business process flowchart can be used. The lack of the overall business process can be identified using the business process flowchart, leading to the company implementing a total quality management system [7]. In conducting their business process, there are a few things that become the main focus in the company, one of them is product delivery that did not suit the agreement with the buyer, the technology and process used are still not on par with their competitors, limited skill and competencies from the employees because of their various academic background, dual positions in the

HRD and purchasing departments, and the lack of maximization using the company's website and profile as a marketing tool. The main problem in the business process within the company is the gap in the process used that is still not on par with competitors. Isra does not use an integrated management information system to control their production and the lack of using the company's full capacity by only accepting job orders.

### B. Segmenting, Targeting, Positioning (STP)

The first thing that a company does to market their products is to divide their market into different segmentations. Market segmentation can be identified with different analysis, such as demography and customer behavior. The company can then choose potential customers with a greater opportunity to gain additional business. The product that will be developed by the company is a product that the customers assume to have a value or benefit expected by the customers [8]. Market segmentation of the company is customer operated in the automotive industry around the Cikarang, Bekasi, Karawang, and Cibitung areas, with the companies that operate specifically in the automotive spare parts segment as customer targets. Isra have positioned themselves as a company that provides high quality products with competitive prices and on-time delivery, based on the agreement that was made with the customers. From the STP analysis it also can be concluded that Isra does not have enough knowledge regarding their potential market outside the automotive industry.

### C. Ansoff's Matrix

Ansoff's matrix analysis is used to describe different alternatives on developing the company's strategy. It is focused on market development, new product development, or the current market and product the company have to offer [1]. Based on the Ansoff's matrix analysis, Isra is currently in the second quadrant, which focuses on new market development. This also related to the company's vision to develop their business with current products in the form of mass production and market development to the non-automotive sector.

### D. Porter's Five Forces

Porter's Five Forces is used to analyze the industry where the company operates [9]. Based on this analysis, it can be concluded that the rivalry among competitors in the industry is relatively high, threats of new entrants is relatively high, threats of substitutes products relatively low, bargaining powers of buyers relatively high and the bargaining power of suppliers is relatively low.

### E. Marketing Mix

Marketing mix is a marketing tool that is used by a company to influence the demand of their target market for their product. Marketing mix is divided into product, price, place, and promotion variables [8]. Isra produces product based on the customer's orders, and they have started to expand their business outside the automotive industry. The company is located close to their customer targets and subcontractors in the Cikarang and Karawang area. The company determines their price based on competitor pricing, the speed of completing the product and the product

complexity. Total company use is still not maximized. The company's website is still not informative enough.

#### F. VRIO

Value, Rarity, Inimitability, and Organization (VRIO) is used to analyze the internal environment of Isra. Based on this analysis, it can be concluded that the company resource is parity, technology is parity, image is a temporary advantage, employees skill is a temporary advantage, work culture is parity, relation with suppliers and subcontractors is a sustained advantage, and the relation with the customer is also a sustained advantage. Based on the analysis, it also can be concluded that the employees have limited skill.

The result of the analysis then will be used to calculate the gap between the actual and ideal condition of Isra. Analysis with a high gap indicates that there is a problem related to that field and it needs to be resolved sooner rather than later. This paper will focus on the limited skill of the employees.

#### IV. METHODOLOGY

For qualitative analysis, this study uses a purposive sampling method to choose samples in order to find out the suggested solutions for the problem that the company faces. The sample chosen for qualitative analysis is based on the department with the largest number of employees in the company (The Production Department). The sample for this study is as follow (Table 1).

To implement the IDP data about the employees current and expected competencies needs to be collected. The company already has a skill matrix to assess the employee's current competencies, this data is transferred from the company's skill matrix. The expected competencies data collected was based on structured interviews with the HRD manager and Production Department manager and observation within the company. The difference between the current competencies and expected competencies will be calculated and weighted to understand the competencies gap for each of the employees. The competencies gap will then be categorized as follows (Table 2).

TABLE I. THE SAMPLE OF THE STUDY

No.	Machine Operated	Name	Work Length
1.	Buffing	Worker A	1 year 5 months
2.	Buffing	Worker B	5 month
3.	Buffing	Worker C	8 months
4.	CNC Bubut	Worker D	1 year 9 months
5.	CNC Bubut	Worker E	1 year 1 month
6.	CNC Milling	Worker F	2 years 5 months
7.	CNC Milling	Worker G	2 years 1 month
8.	CNC Milling	Worker H	2 years 5 months
9.	CNC Milling	Worker I	3 years 3 months
10.	CNC Milling	Worker J	4 years 11 months
11.	CNC Milling	Worker K	8 months
12.	Manual	Worker L	1 year 5 months
13.	Manual	Worker M	1 year
14.	Manual	Worker N	1 year 1 month

TABLE II. CATEGORIZATION OF THE COMPETENCIES GAP

Category	Competencies Gap	Explanation
A	0 to 1	Employees are ready to be promoted, because the competency gap is small or can be immediately promoted after the gap is fulfilled.
B	1.01 to 2	Employees need training because the competency gap is at the middle level and training and development in the field is required to reduce the gap before employees can be placed into other positions or higher positions.
C	2.01 to 3	Employees do not yet have an appropriate competency, because the competency gap is so big that it needs to be developed for employees to reduce the gap. Employees in this category are not yet fit to be moved to another position or a higher position in the near future.

TABLE III. THE GAP OF EACH EMPLOYEE

No.	Machine	Name	Work Length	Competency Gap	Gap Category
1.	Buffing	Worker 1	1 year 5 months	1	A (ready to be promoted)
2.	Buffing	Worker 2	5 months	1	A (ready to be promoted)
3.	Buffing	Worker 3	8 months	0	A (ready to be promoted)
4.	CNC Lathe	Worker 4	1 year 9 months	1.17	B (need training)
5.	CNC Lathe	Worker 5	1 year 1 months	1	A (ready to be promoted)
6.	CNC Milling	Worker 6	2 year 5 months	1.57	B (need training)
7.	CNC Milling	Worker 7	2 years 1 months	1.54	B (need training)
8.	CNC Milling	Worker 8	2 years 5 months	1.34	B (need training)
9.	CNC Milling	Worker 9	3 years 3 months	1.23	B (need training)
10.	CNC Milling	Worker 10	4 years 11 months	1.1	B (need training)
11.	CNC Milling	Worker 11	8 months	0.75	A (ready to be promoted)
12.	Manual	Worker 12	1 year 5 months	0	A (ready to be promoted)
13.	Manual	Worker 13	1 year	1	A (ready to be promoted)
14.	Manual	Worker 14	1 year 1 month	1	A (ready to be promoted)

TABLE IV. THE PERCENTAGE AND IMPORTANCE OF THE GAP CALCULATION

No.	Competency Name	Percentage (%)	Importance Gap (Scale 1-10)	Percentage x Importance Gap
1.	5R Program	45%	10	4.545455
2.	Basic Mentality	78%	10	7.777778
3.	Team Work	75%	9	6.75
4.	Leadership Skill	100%	7	7
5.	Safety	45%	10	4.545455
6.	Reading Engineering Drawings	73%	10	7.272727
7.	Tools Utility	57%	10	5.714286
8.	Measuring Tools Utility	75%	10	7.5
9.	Machinery Utility	57%	10	5.714286
10.	Mastercam Utility	88%	7	6.125
11.	AutoCAD Utility	100%	7	7
12.	Work Unit Settings	57%	10	5.714286
13.	Machinery Mastery	57%	10	5.714286
14.	Manual Program Mastery	82%	7	5.727273
15.	Work Unit Process	79%	8	6.285714

TABLE V. THE URGENCIES OF COMPETENCY

No.	Competency	Percentage x Importance Gap
1.	Basic Mentality	7.77777778
2.	Measuring Tools Utility	7.5
3.	Reading Engineering Drawings	7.272727273
4.	Leadership Skill	7
5.	AutoCAD Utility	7
6.	Team Work	6.75
7.	Work Unit Process	6.285714286
8.	Mastercam Utility	6.125
9.	Manual Program Mastery	5.727272727
10.	Tools Utility	5.714285714
11.	Machinery Utility	5.714285714
12.	Work Unit Settings	5.714285714
13.	Machinery Mastery	5.714285714
14.	5R Program	4.545454545
15.	Safety	4.545454545

## V. RESULTS

After the implementation of IDP for 14 employees within the production division staff in Isra on August 2017, it is apparent that there are six employees who still need training in the field of the competence concerned. This is because the competency gap is at the middle level (1.01 to 2), so the gap should be reduced before the employee can be placed in another position or a higher position. On the other hand, eight employees are ready to be promoted, since the competency gap is small. However, it would be better if the employee reduced this gap they had before being promoted to a higher position. Of the 14 employees, only two people

have a 0 (zero) competency gap, while other employees have a competency gap. Below is a Table 3 highlighting the gap of each employee.

The percentage of employees who have a gap for each competency should be remedied by the total number of employees who must have the required competencies. Furthermore, the manager of the production division will also conduct the importance/urgency scale of each competency, as follows (Table 4). Based on this percentage and importance of the gap calculation, the urgencies of each competency can be listed as follows (with number 1 being the most urgent to train) (Table 5).

## VI. CONCLUSION

From the results of the IDP, then the distribution of benefits that can be given to the company are as follows.

- To know in more detail the competencies of each employee.
- Knowing the needs of each employee in terms of developing the various competencies required of them.
- Have a guide on employee training and development programs, so that the company can plan more targeted programs.
- Can be directly and timely required to improve employee competence through training and development programs.
- Meeting the needs of employees for training and development in accordance with their respective competencies can encourage employee performance in the future.

Follow-up that can be done by Isra is to make adjustments to the training program planning process based on the recommendations given by a coach. The list of urgency of the competency can be used as a company reference in developing training and development programs for employees.

Finally, the commitment of all employees of Isra is needed so that the training and development programs that

have been prepared can be implemented in a timely manner. The management of the company needs to communicate to its employees that this training and development program is one of the company's efforts to improve its performance, not only for the company as a

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