

## Dynamics of Competency-Based BumN Leadership Selection Process in The Era of Global Competition in The Context of Corporate Communications (Implementation of Steps for Selection of BumN Ceo's)

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**ABSTRACT:** Leadership is a unique power that a person has in carrying out their responsibilities to bring prosperity and progress to a business. Leadership is unreal that emphasizes the elements of value, power and competence as well as the principles of work that determine the right direction. In the current era of global competition, it is very important for every company or organization to determine a leader who has great capacity and high honest culture and qualified competence. BUMN as a state-owned company has a national vision and mission as the pillar of the economy and helps support the development of the country. Achievement in realizing Good Corporate Governance practices is the main foundation for every BUMN leader. The purpose of this research is to analyze the competence of BUMN leadership in the era of global competition. The research method used is a literature study with a descriptive qualitative approach.

**KEY WORDS:** *Competence, Global Competition Era, Global Leadership, Corporate Communication, BUMN*

### I. INTRODUCTION

In an organizational activity, human resource management is very necessary for effectiveness in improving performance and within a company. The aim of this is to provide the company with an effective work unit to achieve company management goals, how the company should be able to develop, use and maintain employees in constant quality and quantity. And the purpose of recruitment and selection is to get the right person to occupy the position. Failure to implement a workforce recruitment system will have an impact on the process of achieving company goals.

Considering the importance of the recruitment and selection process for companies, it is hoped that a good and effective recruitment and selection process will have an impact on the company's future development in obtaining quality resources. Human Resource Management (HR) is important in achieving goals. Generally, company leaders expect good performance from each employee in carrying out the tasks assigned by the company. The company realizes that Human Resources (HR) are the basic capital in the company and even national development process, therefore the quality of HR must always be developed and directed to achieve the goals set by the company. One of the activities in HR management is recruitment and selection. According to Handoko, "Recruitment is the process of searching for and "attracting" prospective employees (applicants) who are capable of applying as employees." To get quality prospective employees, the company must be able to carry out a good recruitment process. The benefit of recruitment is that it has the function of "the Right Man on the Right Place", where this becomes a guide for managers in placing existing workers. at his company. Performance is basically what employees do or do not do.

An employee's performance will be good if the employee has high skills, is willing to work, has adequate wages/rewards and has hopes for the future. Optimal performance will be realized if the organization can select employees who have the motivation and skills appropriate to their work and have conditions that allow them to work optimally. Recruitment as a process of gathering candidates for office holders who are in accordance with the employee's plan to occupy a certain position in the employee's job function (employee function) is currently regulated in Government Regulation (PP) Number 98 of 2000 concerning Procurement of Civil Servants as amended by PP Number 11 of 2002 and PP Number 97 of 2000 concerning the Formation of Civil Servants as amended by PP Number 54 of 2003 and PP Number 100 of 2000 concerning the Appointment of Civil Servants in Structural Positions as amended by PP Number 13 of 2000.

The implementation of this policy actually aims to obtain quality employees, namely employees who are smart, skilled and competent, can work hard, are creative and have high morals. However, its

implementation has not met the needs that can support the successful performance and professionalism of employees. This condition is caused by personnel planning which is currently not based on real needs in accordance with organizational needs and employee placement is still based on orders so that efforts to realize the right man on the right place principle are less prominent.

The employee category is not limited to the lowest level of labor or employee in an organization's chart, but includes the level of directors up to the CEO (President Director). The employee selection process requires an accurate and timely agenda setting strategy and readiness, because this process requires costs. In practice, determining a top leader who is capable and has a visionary and global perspective is also a very complicated job.

According to Jackson in Handoko (2015), job selection is the process of selecting people who have the qualifications needed to fill job vacancies in an organization. Sunyoto in Walgito (2010) states that the selection process is an effort to capture those who are deemed to be able to adapt to the job being offered, they are deemed to be able to demonstrate cognitive, affectional and interactive abilities, which are expected by the leaders of an organization and this is the general purpose of selection. carried out and specifically is to find the right candidates in the required field of work.

In the process in the field, sometimes there are candidates whose abilities do not match the requirements needed for their position. Henry (1997), explains that this can happen even often, but is not to be revealed (policy), because a person takes office not because of his/her abilities, but because of other strengths and values, so that the candidate gets the position, because of their existence; 1) power such as: being close to the boss, 2) there is a value that is taken into account (added value), such as: mastering more than 1 or more foreign languages, 3) the existence of competency that is measured by Human Capital (HRD).

Selection is a screening activity in human resource management (HR) which is carried out in several stages starting with opening a narrative of employee vacancy information and accompanied by general and specific prerequisites or criteria, which are appropriate to the job in question. After collecting a number of applicants who meet the requirements, you can choose which one can be appointed as an employee or director in a company such as a state-owned company (BUMN).

Prasetio (2018), explains in his book *Power, Value and Competence*, that BUMN in the eyes of the President of the Republic of Indonesia Joko Widodo are the cornerstones of the economy. BUMN must be able to carry out its role as a driver of the country's economy and provide a multiplier effect on the environment, of course generating dividends for the country.

The President, as the head of the State, also determines the selection process for the Main Director (CEO) of BUMN. Miller (2015), in his book *Organization Communication*, the top leadership, in this case the CEO, becomes the center of human relations, everything is centered on how the relationship between superiors and subordinates socially plays a very important role in the smooth running of programs and work speed, decision making and creating comfortable and comfortable working relationships. safe. Leaders in their leadership do not act for themselves but act for the interests of the company and employees as well as business continuity. BUMN, as a central and peripheral player in activating the domestic and foreign economy, really needs a leader (CEO) who has global quality and is a visionary.

## II. DISCUSSION

### Dynamics

Is one word in terms of okestra in the world of musical art, dynamics is the description of the high and low notes in the pitch arrangement of musical notes. Dynamics comes from the Greek word, namely: dynamics, which means force. The strength in question is the strength that is given emphasis (force), so that the high and low notes will feel weak, high, sad, happy. As time goes by, the word dynamics is now often used in conversation and in operational terms.

Dynamics, according to Santoso (2004), is behavior that directly influences other people in a reciprocal manner. Dynamics is further explained as interaction and interdependence between individuals and groups. Rahmi (2022) in his book *Organizational Behavior*, explains the words dynamics means moving, developing and growing following the situation at that time and then. As reported in *Omnibus Law's New Normal Era book* (2022), in the legal aspect, dynamics is the continuous movement of the social environment, which causes changes in an order: society, organizations, groups, communities, companies and governments.

### Competence

Satori (2007) stated that competency comes from the English language competency which means skill, ability and authority. So competence is performance that leads to the complete achievement of goals towards the desired conditions.

Based on the estimological meaning, competency is defined as the required abilities needed to do or carry out work that is based on knowledge, skills and work attitudes. So it can be formulated that competency is defined as a person's ability that can be observed, including knowledge, skills and work attitudes in completing a job or task to complete a job or task in accordance with established performance standards.

According to Usman (2006), a person is called competent if they have the skills to work in a certain field. This means that competency is also defined as something that describes a person's qualifications or abilities, both qualitative and quantitative. Fachruddin (2009) states that a person's qualitative ability is the ability of a person's attitudes and actions which can only be assessed by measuring good and bad. Meanwhile, quantitative ability is a person's ability that can be assessed and measured.

In teacher training, the meaning of complete and capable individual competence has 3 interrelated dimensions, which are written in Bloom's Taxonomy theory and presented in the presentation of the creation of the KKNi (2011), as shown in the picture:



Competence is a completeness that a person has that has been prepared over a long period of time and will continue to increase along with his ability to develop and implement a series of work performance processes. The results of performance or what is known as performance become a point of consideration and reference for recruiters to determine their decisions in the selection process.

### Global Competition Era

The era of globalization provides direction on how a nation is required to have advantages, both comparative advantage and competitive advantage, which must lead to the realization of the nation's competitive strength. Unpreparedness to face global competition which is characterized by competition in quality can result in a decline in self-confidence as a nation, a condition which of course must be avoided.

Anonymous in Umar (2016), emphasized that globalization can have an impact on national culture which has the potential to erase the nation's character and identity, resulting in the alienation of traditional values. This, if not addressed carefully, will create dependence on foreign parties, not only in capital and investment but also in human resources, science and technology, values and even competition with foreign experts and foreign graduates in the local job market are also challenges that must be faced.

Furthermore, the definition of globalization is the movement of systems or individual procedures for interacting in every activity, conservative thinking is being shifted by massive modernization.

Giddens in Chandra (2004) provides another definition which states that globalization is world interconnection at the cultural, political and economic levels resulting from the elimination of communication and trade barriers.

The explanation regarding globalization is that it is an externalization that opens up the intensity and scope of very competitive and broad competition. The competitors they face no longer come from the local region or geographical area but could also be global forces from abroad present to influence each other and each affected party will experience an internalization process.

Table Explanation of Externalization and Internalization

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|--|--|
| <p>Eksternalisasi pengetahuan adalah proses di mana terjadi pertukaran pengetahuan personal, sehingga pengetahuan dikomunikasikan di antara anggota.</p> | <p>Internalisasi pengetahuan dilakukan melalui kegiatan pencarian dan menemukan kembali pengetahuan yang tersimpan dalam organisasi.</p> |
|--|--|

In substance, facing globalization will essentially continue to face challenges presented by changes taking place in the wider realm. As stated above, the global era demands the strength of the nation's competitiveness to face it. This measure of competitiveness is often used to determine a nation's ability to compete with other nations. The weaker a nation's competitiveness, the more difficult it is to develop, and the weaker the leadership's (CEO's) competence, the more difficult it is for a company to compete and survive the flow of change, which is inevitable.

### Global Leadership

Facing changes that continue to roll like a jet coaster, especially after the pandemic and entering the open boarder phase. Many entrepreneurs are competing to find effective breakthroughs with work programs that require the readiness of qualified and skilled human resources or ready to face the current of transformation or other forms of change. The quality of human resources determines the future direction of a business to become a winner or a supporting player in the world economic arena. Human resource excellence is an absolute foothold and foundation. Noe and Khoiriyah (2001), stated that there are 4 (four) challenges faced with the arrival of the current era of globalization. The four challenges in question are challenges related to:

- 1) quality, institutional challenges related to efforts to meet the need for quality products and services.
- 2) global challenges, challenges faced by institutions in the context of market expansion towards global markets and efforts to prepare human resources to work abroad.
- 3) social challenges, institutional challenges regarding how to manage diverse employees, changes in the composition of the workforce, as well as challenges to improve employees' skills or abilities in reading, writing, or abilities in the fields of information technology and mathematics.
- 4) work system challenges, challenges faced by companies in combining new technology with work design, which is widespread in the era of digitalization, namely combining human intelligence and expert systems (Artificial Intelligence) and ChatGPT.

Therefore, competency development has become an inherent provision and must continue to be updated and improved. According to Widyasari (2003) there are several development efforts to improve human resource competency, namely:

1. Competency-based training (CBT): The training program is an integrated method that is oriented towards current work demands with an emphasis on skills, knowledge and abilities (SKA) so that a system needs to be created that can integrate individual needs within the framework of organizational interests with training program
2. Competency-based Recruitment and Selection, which has advantages, including: a) The level of accuracy in assessing whether or not someone is appropriate to be placed in a type of job according to their potential. b) Can be used to specify certain characteristics and skills in the work plan that can be used as targets for the focus that needs to be developed. c) Used to facilitate a match between an employee's skills and interests and work needs.
3. Integrating academic abilities with practice in the field
4. Increasing capabilities in the field of information technology, the demand for mastery of information technology is an absolute necessity because companies certainly apply technology and in partnership relationships both between companies and relations with consumers by using access to the latest information technology.

Based on the review above, it becomes clearer that the selection to determine a strong and capable leader in academic and practical aspects is an indicator and also a reference for shareholders and a determinant of the company's sustainability in selecting a CEO.

Prasetio (2018), explains clearly that the determination and appointment of a CEO within a state-owned company is not just based on competence, it is necessary to look at leadership values which consist of 8 (eight) important values that the candidate should have: the value of honor, the value of integrity, differentiation value, authenticity value, risk taker value, service value, humility value, wisdom value.

Within the company's goal of Good Corporate Governance, the appointment and dismissal of a CEO within a BUMN is part of preventing negative intervention from shareholders or stakeholders in the recruitment process. Prasetio (2018) further explains that in global corporations, the competencies needed by a CEO candidate can include: essential qualities, the recruiter's ability to see the candidate's uniqueness as a differentiating factor, the recruiter's astuteness in seeing the candidate's combined abilities in academic and practical aspects, the recruiter's willingness to see imperfection of the candidates who have been selected.

Being a CEO of a state-owned company in Indonesia has its own burdens, apart from the duties of a state-owned company as a pillar of the economy, it is also required to provide profits to the state. Most importantly and of special note, the CEO of a state-owned company is a political position. In general, the description of CEO responsibilities explained by a team of experts from McKinsey is as follows:



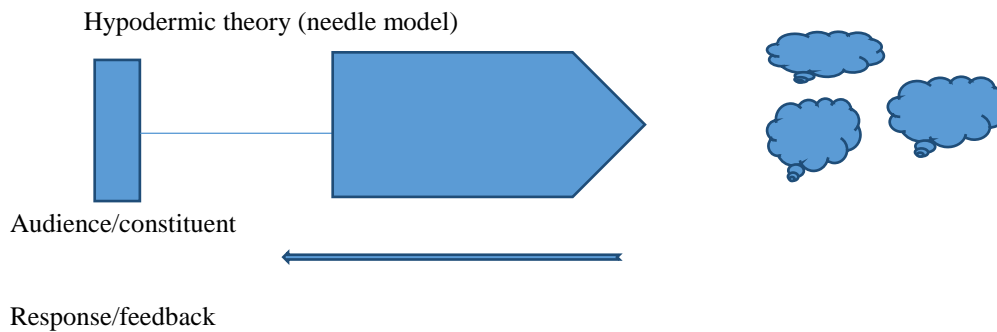
McKinsey put together a model for CEO excellence by showing which mindsets and practices have been proven to make the most effective CEOs. The model is the fruit of a long-term effort to study the performance data of thousands of CEOs, revisit our first-hand experience helping CEOs improve their leadership approaches, and extract a set of broadly applicable empirical insights about how great CEOs think and act.

McKinsey also offers a self-assessment guide to help CEOs (and CEO observers, such as the BOD) determine how closely they adhere to the mindset and practices that are closely linked to superior CEO performance. With this model it is hoped that all CEOs, new or long-serving, can use this tool to better apply their limited time and energy.

Some academic research on the role of the CEO does not explain how CEOs think and how to make breakthroughs to excel, as studies that detail the activities CEOs spend their time do not show the difference between good and bad uses of their time. Academic research regarding encouragement and values that show and show character and attitudes such as motivation, resilience and risk tolerance make CEOs more successful.

Entering the era of digitalization which is part of the continuation of globalization, by prioritizing advances in communication technology in the form of smart devices, such as expert systems, namely artificial intelligence and ChatGPT. The CEO's duties and role are an important pivot point as a source of program movement and business continuity. Mc. Kinsey said there were 4 main pillars of CEO responsibility, including: HR, Finance, Marketing and Sales, before the digitalization era. In this global era, it has developed into 6 (six) pillars of CEO responsibility, namely: HR, marketing, finance, sales, IT and Production. The pillars of responsibility of a CEO are summarized in the POAC (planning, organizing, actuating, controlling) work unit concept. POAC is a message that is connected to the activities and work programs of an organization or company. In the communication process, the messages conveyed can be verbal and non-verbal. This is explained by Devito in Maulana (2013), the message is the essence of a communication transaction in an organization in the form of information flow and contains narratives or symbols in print media, digital media and electronic media.

The flow of organizational communication originates from communicators who are none other than company leaders. Jefkins (2003) explains that a leader in carrying out the organizational work concept unit (POAC), must have 3 (three) communication skills: interpersonal, mass and persuasive. Maulana & Gumelar (2013) in a book on psychological and persuasive communication, explains that carrying out POAC in action management with these 3 communication skills tends to be difficult, but there is one communication model that can combine the 3 communication skills, namely the syringe or hypodermic theory. Mass communication theory which in practice aims to have a strong influence on internal and external audiences or constituents, namely: customers, employees, shareholders, government and provide varied responses to the content of the message, as in the illustration below:



It can be concluded that global leadership from a CEO is leadership that upholds strong strengths, values and competencies, including communication skills at an advanced level, which are a solid foundation in running the POAC working group to outline the 8 pillars of a leader's (CEO) responsibility.

#### Organizational Communication

An organization is a group of people who carry out activities together with the same goal. In practice, an organization will form a chart that makes it easier for each activity to be monitored and programmed well.

Etzioni (2020) in Morrisian, states that organizations are formed through communication when individuals within them interact with each other to achieve individual and shared goals. The communication process that occurs in an organization produces various things such as authority relationships, the creation of roles, the existence of communication networks and organizational climate. Communication in organizations helps members achieve personal goals, but the communication carried out is also directed or aimed at achieving organizational goals. Communication activities in organizations create patterns that influence the organization. Important topics uncovered by various sources related to organizational communication are the two faces of communication, namely: the role of communication in enabling individuals to achieve goals (first face) and the role of communication in creating structures and arrangements that function to organize and limit individual activities within it and attract focus on programs. together.

The industrial era 4.0 or what is known as the era of disruption changes many things which eventually become established. Individuals communicating face to face will often use digital media or virtual media. Human order and behavior also changes, this is carried over to their activities at work and their work environment: companies or corporations. It is important for every corporation to prepare for the 4th wave of disruption, namely entering the industrial era 5.0. Business competition will become increasingly fierce, global thinking must be more innovative, even in ways that other company leaders cannot imagine.

For leaders to carry out all work programs to develop and increase revenue, they must be more comprehensive, most up to date and even take action, namely being resilient and not giving up ideas.

### III. RESULTS

Globalization and digitalization are stimuli born from the fruit of intelligent human work in finding the best and most appropriate solutions at the current time and this helps humans in their work. The jet coaster era has entered the fourth (fourth) wave of change, namely: technology in communication. Alvin (1980), in his book *The Third Wave*, wrote about the global transformation that we are currently experiencing, and started with the first wave, namely: agrarian society, second wave: post-industrial revolution (the birth of the typewriter, cable telephone, telex machine third wave: the information age changes human life from a conservative village to an electronic global village.

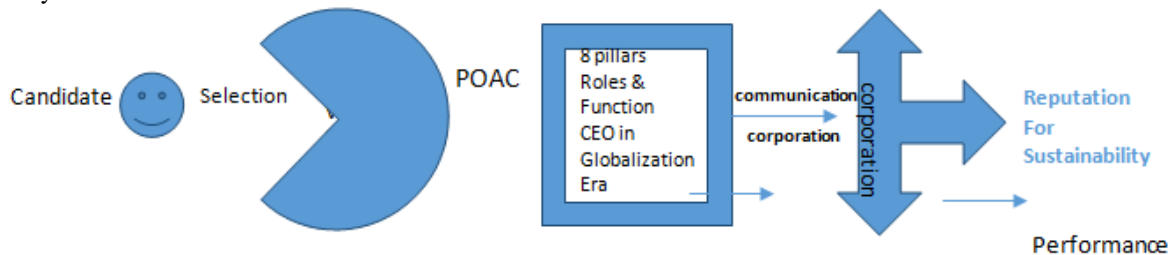
We can access all information and open communication, even all the world's information in a matter of seconds. Information can include various aspects of politics, economics, law, health, education, commerce, trade and all other aspects related to human life. Likewise, with the position of corporations in the industrial era 4.0, especially BUMN, it is very important to build appropriate corporate communications and build an appropriate corporate culture and choose corporate leaders who think globally, are visionaries with all measurable, concretely tested competencies.

The power given to stakeholders should not be for winning individual goals, but rather for corporate sustainability, corporate reputation, corporate performance and corporate identity. Fadli (2020) in his journal article, stated that corporations can continue to be healthy if the leadership of the corporate axis and drivers can combine these 3 aspects correctly.

Prasetio (2018), explains how corporations are run with noble goals and provide transparent effects to all interests/constituents. These three aspects are written as the title of the book: Power, Value and Competence. He can read and map important aspects that can influence the sustainability of a corporation: corporate identity, corporate performance and corporate reputation.

Linked to the POAC work concept cluster with the 8 pillars of CEO responsibility, it is increasingly clear that the selection of a CEO in the era of digital transformation must and is a necessity, he is a figure who is full of ability, knowledge and has the right direction to lead the corporation, not because of closeness, individual interests or other forces.

Identity



From the description above, researchers can underline that a corporation in the global era of digitalization needs strong personnel who can answer current, future and future transformation challenges. The leadership of a corporation like BUMN does not only have academic abilities but needs to be supported by practical aspects and a well-recorded track record of experience. Everything can start from a selection process flow that is effective, right on target and makes the right decisions, as in the picture.

#### IV. CONCLUSION

Responding to the global challenges we are currently experiencing is not ordinary with ordinary abilities but must reach an extra ordinary level. A leader of a corporate company, such as a State-Owned Company (BUMN), must have abilities and competencies that exceed the expectations of a commissioner or shareholder. Carrying out all corporate actions in the POAC work group with 8 CEO responsibilities will take up an extraordinary amount of time, energy and thought. BUMN as an example of a global corporation owned by the State, is a company that plays an important aspect in the sustainability of the nation and state.

The Industrial Era 4.0 is the right entry point in determining reform steps for selecting a CEO in a selection process based on global knowledge, skills, adjustments and common sense that is appropriate to the conditions of the time. Change is an important point in this theme, through a transformation of information in the 3rd wave, becoming extraordinary is not a privilege, but escaping the ravages of global competition by adapting and equipping oneself, becoming a CEO with the character of a leader and not an executive. The syringe or hypodermic needle theory is one of the many bullets of a CEO's ability, communication skills, narrating all work programs and directions to his subordinates, so that in his leadership, the corporation meets the CGC (corporate good governance) aspects, which include: corporate brand, corporate performance and healthy corporate reputation.

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