

# The Core Competencies of Graduates in B.B.A for the Service Sectors in Thailand

■ Hathaikorn Pannung

**Abstract.** *The purposes of the research were to investigate and create a model of core competencies of business administration graduates who work in service sectors in Thailand. This study applied a Mixed Method Research Design in order to investigate the core competencies of business administration graduates who work in service sectors in Thailand. At the beginning, using a qualitative research approach by interviewing 20 experts in the service business, qualitative data collection was achieved through this approach. Next, the researcher generated opinions to establish a questionnaire for the quantitative approach. Confirm Factor analysis was also used to prove the reliability of each item on the questionnaire. The sampling data from the respondents was used systematically under the quantitative method with the aim to determine the competencies of B.B.A. graduates who are currently working in business service sectors. There were 381 respondents. The initial data analysis was frequency distribution and percentage of initial data. The researcher used Mean ( $\bar{X}$ ), Standard Deviation (SD), Skewness and Kurtosis, then compared the results of the mean of Manifest variables that measure latent variables of the core competencies of B.B.A. graduates. Correlation analysis result among observable variables which gained 17 and confirmatory factor analysis with LISREL via the core competencies of B.B.A. graduates. Finally, test for goodness of fit between the models of core competencies of graduates. The research results are summarized as follows: An overview of the model of core competencies of B.B.A. graduates. Graduates for service sectors in Thailand were fitted with empirical data considering Chi-square=70.45,  $df = 61$ ,  $p = 0.191$ ,  $GFI = 0.98$ ,  $AGFI = 0.95$ . This model is the K-SEA Model. There are four themes: (1) Knowledge, (2) Skills, (3) Abilities, and (4) Ethics. There are three implications for practices: (1) Implications for Competency criteria of B.B.A. graduates; (2) Implications for Guidelines for B.B.A. students to prepare themselves; (3) Implications for Guidelines for educational policy makers, especially in the Thai Qualifications Framework for Higher Education (TQF:Hed).*

**Keywords:** Core Competencies, Service Sector, Business Administration, Mixed Method, Thailand

## Introduction

In today's business environment, organizations are faced with ever-increasing challenges. Many companies have discovered that in order to maintain a competitive edge, it is crucial to retain the best workforce possible in their organization. However, to be able to actually achieve this goal is something that many companies have found difficult in doing (Lucia & Lepsinger, 1999). Besides, human resource is widely accepted as a source of competitive advantage (Analoui, 2007).

Thailand has begun writing workforce master plan projects to develop the workforce after the country's financial crisis in 1997. The first one is the workforce Development Master Plan for Service and Manufacture Industry 1998-2006 which resulted from the conclusion of the committee of the National Workforce Development and Vocational Coordinating in the 1/1998 conference. This was followed by several workforce projects in several organizations such as Office of Industrial Economics, 10 years after the first project, and there have been many changes and much competition for the country's business and investment. In order to survive in a changing world, we need to adjust ourselves and increase our competitive ability by moving into a knowledge based economy. However, it is not easy to reach this goal and the government has to overcome the following problems:

1. The knowledge and quality of the Thai workforce are lower than that of our neighbors.
2. The government has invested a lot of money in higher education, yet the outcome on specialized or advanced human resource is still low.

3. The size of the workforce in science and technology is low compared to the increase of industry. Moreover, the trend of workforce demand is increasing.

4. The quality of the workforce graduating from academic institutes does not meet the business sector's needs.

Thus, academic institutes should improve the quality and competency of their graduates to meet its standards and to be able to compete with the foreign workforce. This is in accordance with the workforce development concept in the National Economic and Social Plan (2007-2011) which emphasizes producing students with knowledge and morals, competency, work skill and competitiveness.

Furthermore, the Asian Economic Community is another variable that will change our economy, as we are going to connect and unit into a "Single Market and Production Base". This will result in a free workforce movement which requires an even more qualified workforce in order to compete with the workforces of other Asian members.

The workforce Development Master Plan Project, The National Social and Economy Development Plan, The Asian Economic Community and The National Education Act 1999, are all major causes to reform our education at all levels. Especially on the aspects of curriculum and teaching methodology which are the important keys to improve our student's thinking processes as well as their problem solving abilities.

On the other hand, we have established higher educational institutes, such as Rajapath University, Rajamangala University of Technology, and community college bachelor degree students instead of diploma vocational students. Having higher educational institutes means providing more educational opportunities to the students. However, it does not mean that the students who have graduated from these institutions are qualified, nor are they having the same educational standard as those graduated from the more reliable ones.

These qualities and standards that we are concerned about and seeking can be measured by the graduates' learning outcomes namely: their knowledge, ability, working skill, and other traits which are necessary to work effectively and happily with their colleagues. In other words, we want to arm them with "competency" before sending them into the work battle. Accordingly, higher educational institutes should participate in setting up standard criteria to measure and evaluate the graduates' learning outcomes or their competency. This concept resulted in a standard framework known as "Thai Qualifications Framework for Higher Education" (TQF:HEd).

Thailand's economic structure is divided into three sectors which are the agriculture, industry and service sectors with sector shares in GDP (Real terms, 2007) 9: 41: 50, respectively. It was noted that during 1980-2007 the service share in GDP gradually increased. As a developing country, the growth of our economy depends mostly on the growth of our manufacturing. The proportion of industrial products to the gross domestic product and the proportion of industrial goods exported to the export value are increasing sharply, especially among industrial products which need medium and high technology, such as automobiles, electronics and appliances. This group of products takes advantage of the competition because it needs unskilled labor which costs low wages. On the other hand, productivity with innovation is low owing to the lack of knowledge needed to develop the labor potential and the endogenous efforts. This is in accordance with the information given by the president of Ranong Industry Chamber, Mr. Kritsana Eamwongnatee (2007). The critical problem which the manufacturers have to face is not only the political problems but also the problem of a lack of skilled and unskilled workers.

This research aims to study the core competency of business administrators in the service sectors. These sections are chosen because they are the majority of the business sectors as reported by the National Statistical Office in 2007 for 820,137 urban business organizations in Thailand: 686,057 (83.7%) are trading and service businesses, and 111,127 (13.1%) are manufacturing businesses.

## Purpose of the Article

1. To investigate the core competency model of business administration graduates who work in service sectors in Thailand.
2. To create a core competency model of business administration graduates who work in service sectors in Thailand.

## Research Questions

1. What are the core competencies of B.B.A graduates working in service sectors in Thailand?
2. What is a core competency model for business administration graduates to be effective in service sectors in Thailand?

## Literature Review

### Definition of Competency

Competency is the ability comprised of knowledge, attitude and practice that a person has in managing or performing tasks successfully. So it can increase the organizations competitiveness, and has an effect on human resource management, in particular. Competency helps its organization to develop human resource's potential which leads directly to the organization's development. That is the reason why every organization tries to use competency as a tool to manage its human resource, curriculum, service or the executive's leadership. McClelland (1973) defines the word competency as "a symbol for an alternative approach to traditional intelligence testing." In this approach, McClelland advocates the use of skill set related to performance on the criteria based on criterion sampling.

In 1973, McClelland wrote an article called "Testing for Competence Rather than Intelligence" in which he suggested that in recruiting people considering a performer's ability is more important than looking at his intelligence. He also stated in the article that testing solely on intelligence could not predict that the performer could perform efficiently in his work or would have a successful life. On the other hand, his competency could indicate high performance. Therefore, this article was the origin of the competency concept which can explain human's ability. Competencies are now commonly conceptualized as measurable patterns of knowledge, skills, abilities, behaviors, and other characteristics (KSAOs) that differentiate high from average performance (Athey and Orth, 1999; Mirable, 1977; Rodriguez et al., 2002)

Kochanski (1996) offered a simple description of competencies as the success factors in an employee's organization and profession. For example, competencies may be thought of as the factors that distinguish higher performers from average or lower performers in an organization. Similarly, Kennedy and Dresser (2005) recently defined competencies as anything employees have or acquire that contributes to the organization's success.

Sparrow (1996) divided competency into three categories: organizational competency, managerial competency, and individual competency. He defined individual competency as a list of behavioral characteristics related to job tasks. Although competency has been defined in several ways, its definition can be generalized as individual knowledge, skill, ability, or characteristics that bring excellent performance. As the definition closely correlates with performance and it is a factor to be valid from correlation with performance at its development (Mirable, 1997), it is greatly expected to be a management tool for recruiting, developing, and evaluating highly potential people.

Therefore, employee competencies are characteristics associated with successful performance. These characteristics should manifest themselves in observable behavioral patterns that make a positive difference. It is important to recognize that there are a number of characteristics that may not have as direct an impact as knowledge, skill and ability (KSAs) on performance yet can be important determinants of success.

### Structure of Competencies

Competencies are the core of this study. Definitions of competency are legion. However, competency is usually defined as clusters of skills, knowledge, abilities, and behavior required for job

success (Albanese, 1989; Bernthal, et al., 2004; Boyatzis, 1982; Kochanski, 1997; Mansfield, 1996; Rothwell, et.al., 1999). Parry (1996) stated “a Cluster of related knowledge, skills and attitudes that affect a major part of one’s job (a role or responsibility), that correlated with performance on the job can be measured against well-accepted standards, and that can be improved via training and development.”

Spencer & Spencer (1993) stated that there are five types of competency characteristics: knowledge, skill, motive, self-concept and trait. The structure of competencies is the well known iceberg model.

1. Knowledge is information which an individual specifically acquired and such knowledge could be predicted whether the person was able to work or could not predict.

2. Skill is the ability of expression or ability to work, both psychologically and physically.

3. Motives are things an individual thought or wanted which drew action. Motives would drive, lead and select behavior that lead to a specific target or having different behavior.

4. Self-concept is a personal image; it is the values, beliefs or personal attributes. People who have values, beliefs or attitudes do not work from talent, they are mostly failures rather successes.

5. Trait is refers to the physical expressions and the regular responses to situations and information such as creativity and emotional controls. Trait competencies are talent which predicts if that person would fulfill assignments regardless of supervision.

#### **Components of competencies**

Srisermphoke (2003) defined 3 components of competencies which are: (1) Personal characteristics referred to habits, attitudes, and motives influencing and individual expression, (2) Behavior referred to both positive and negative individual expressions, and (3) Performance referred to consequences of action or work. Competencies were divided by objectives (Srisermphoke, 2003). By foundation of working, it was divided into 2 groups: core competencies and technician competencies. By nature of knowledge which was used as behavioral foundation of expression necessary for work, divided into 3 types: (a) Managerial competencies referred to ability related to planning, management, critical thinking, problem solving and decision-making, (b) Generic competencies referred to the general knowledge of a leader such as negotiation, communication and teamwork, and (c) Technical competencies referred to ability related to a specific work.

## **Research Design**

This study applied a Mixed Method Research Design that is sequential exploratory in order to investigate the core competency model of business administration graduates who work in service sectors in Thailand. It was arranged into the following sections: (a) Phase I: Qualitative Research and (b) Phase II: Quantitative Research.

**Phase I: Qualitative Research** was divided into 3 steps as the follow:

Step 1: Collect data from the samples using in-depth interviews and semi-structured interviews with executives or human resource managers in service sectors; tourism and hotel, wholesale and retail business and finance. The samples were selected by purposive methods because they have a lot of experience in the fields of their performance and duty. So they are qualified and experienced enough to demonstrate their valued opinions which will be available for the study. The samples are executives or human resource managers of 4 associations; The Thai Bankers’ Association, Thai Retailers Association, Thai Hotel Association and Association of Thai Travel Agents. The data from the interviews was analyzed and a model of core competencies was created from it.

Step 2: The model in step 1 was created and confirmed by using a focus group method. They checked the questionnaires for interviewing in content, language in order to have qualified questionnaires in structure validity, in content validity and reliability. The focus group was composed of staff in the tourism and hotel, wholesale and retail business and finance sectors.

Step 3 Distribute the questionnaires.

**Phase II: A Quantitative confirmatory in the competency of business administration graduates who work in service sectors in Thailand.**

The researcher uses quantitative inquiry to confirm the model of competencies results from Phase I. Then, the model is confirmed by a questionnaire responded by B.B.A. graduates working in service sectors. Researching in Phase II gained from interviewing to study the opinions of the executives or human resource managers in tourism and hotel, wholesale and retail and finance sectors to conduct the core competencies of business graduates. Then, the model of core competencies for graduates in B.B.A. is investigated with the data from the staff in the tourism and hotel, wholesale and retail and finance sectors. Finally, factor analysis was confirmed by LISREL program.

## Data Collection and Analysis

**In Phase I**, the researcher used manual coding to analyze the findings. Sakulkoo (2009, p.69) reviewed the coding process. He concluded that: "There are several scholars reflect on various different terms used to describe coding process. For example, Strauss & Corbin describe coding process in term of open coding, axial codes, and selective coding (Corbin & Strauss, 2008; Strauss & Corbin, 1990, 1998). Charmaz, (2006) use the different term: initial coding, focused coding, axial coding and theoretical coding. On the other hand Richard (2005) uses the term: descriptive, topic and analytic coding. Layder (1998) use another different term. There are provisional, core and satellite codes (Layder, 1998). For Miles and Huberman describe their coding process by suing the term: descriptive, interpretive and pattern coding (Mile & Huberman, 1994; Sakulkoo, 2009, p.69).

The researcher applied several coding techniques as follows:

- (a) First Round processes called "*Structural coding*" had 26 categories to identify the core competencies for B.B.A. graduates in the service sector.
- (b) Second Round processes called "*Focusing Coding*" had 17 categories to categories out of 26 finding from the first round coding.
- (c) Final Round processes called "*Selective Coding*" had 4 final core competencies for B.B.A. graduates in service sector categories which mainly included knowledge, skill, abilities and ethics.

**In Phase II**, questionnaires were sent to a sample of 381 participants in the service sector. The returned questionnaires included: tourism and hotel - 121, wholesale and retail – 142, and finance – 118. Descriptive statistics used for data analyses were the mean, standard deviation, Shewness and Kustosis. Confirmatory factor analysis was performed using LISREL version 8.5 which indicated that the Core Competencies model of B.B.A graduates in the service sectors in Thailand are a fit.

## The Findings and Discussion

The finding of the research revealed: (1) From qualitative, the core competencies of B.B.A Graduates for the Service Sectors in Thailand were consisting of 4 categories: knowledge, skill, ability and ethic, (2) From quantitative, the level of core competencies of B.B.A Graduates for the Service Sectors in Thailand were high level. The ones that were found at high level were ethic ( $\bar{x} = 5.07$ ) and abilities ( $\bar{x} = 4.71$ ), (3) the core competencies model of B.B.A Graduates for the Service Sectors in Thailand was fitted to the empirical data. The statistic values of the model were as follows:  $\chi^2 = 70.45$ ,  $df = 61$ ,  $p$  value = 0.191, GFI = 0.98, AGFI = 0.95, RMSEA = 0.02, RMR = 0.05

### Response to Research Question One: "What are the core competencies of B.B.A graduate working in service sectors in Thailand?"

In responding to this research question, the core competencies of B.B.A graduate working in service sectors in Thailand as described above is integrated to answer the question. Findings for the corecompetencies of B.B.A graduate working in service sectors from the mixed methods approach the researcher will begin with the findings that emerged from the participants may be divided into four interrelated themes that have emerged as follows:

#### Qualitative Approach

Four themes of findings were used to answer the research questions which are knowledge, skill, ability and ethic. The results of the main competencies which emerged from the findings in this study will be discussed below

### **Theme One: Knowledge:**

The B.B.A students in the three service areas are required to have particular knowledge. According to the term of “*Knowledge*”, Hung, Lien & McLean (2005) concluded that no consensus currently exists on a definition for knowledge. However, Quinn, Anderson, & Finkelstein (1996) suggested that knowledge is professional intellect. Alavi and Leidner (2001), on the other hand pointed out that knowledge is meaning made by the mind; without meaning, knowledge is merely inert, static, and disorganized information. Furthermore, Nonaka (1991) defined knowledge as justified belief, whereby beliefs are utilized to justify self-interest.

Srisermphoke, (2003) stated that knowledge is used as the behavioral foundation of expression necessary for work and is divided into 3 types as follows: (a) Managerial competencies referred to ability related to planning, management, critical thinking, problem solving and decision-making, (b) Generic competencies referred to general knowledge of a leader such as negotiation, communication and teamwork, (c) Technical competencies referred to ability related to specific work. This study relates to technical competencies from that study of Srisermphoke (2003). They referred to a specific foundation in each aspect, analyzed from: (1) Knowledge such as education or training, (2) Abilities such as initiative, work values, and work commitment, and (3) Skill such as life experience or adjustment.

In short, “Knowledge” is one of the crucial components of competency. Human capital is the competency, the potential and also the determinant of the strategy which is very important to any organization. Employees must have various skills, knowledge, and the capability to help the organization be at an advantage (Office of the Public Sector Development Commission Thailand; 2006). Sakulkoo (2009) reviewed the context of social capital. Human capital refers to the use of personal contacts to acquire knowledge, skills, abilities, and expertise to improve performance. So that human capital refers to the knowledge, skills, and abilities (KSA) that exist within individuals. Human capital enables individuals to increase productivity and earnings, which in turn improves the productivity of the organizations in which they work and the societies in which they live (Kim, 2006; Schuller, 2001 cited in Sakulkoo, 2009).

To gain more knowledge people need to be educated. Education is deeply implicated in these transformations and affected by the accelerating transnational dynamics of globalization. Through major advances in information and communication technologies, educational ideas and ideologies now circulate around the world at a more rapid rate, resulting in global educational policy networks which are often more influential than local political actors (Hershock, Mason, & Hawkins, 2007). International organizations like APEC, the OECD and the World Bank are increasingly playing a more important role in the processes of educational policy formation and evaluation at the national level. Thailand is also an example of the countries which are affected by the impact of a changing world. Thus, the education of the workforce must be raised while specific knowledge and skills must be developed so that they can work on more different kinds of work (Office of National Education Board, 2000).

Knowledge in this study is one of the main core competencies. From the findings and qualitative data analysis, emerged seven knowledge components for graduate B.B.A: (1) Knowledge in Economic (2) Knowledge in Business Law (3) Knowledge in Finance, (4) Knowledge in Marketing, (5) knowledge in Thai Culture, (6) Knowledge in Quality Control and (7) Knowledge of Accounting

### **Theme Two: Skill**

There are many aspects of business, such as service mind and speedy service aimed at ensuring customer satisfaction. The quality of service and good management systems need to improve at all times. Therefore, it is simply understood that, the business school, stakeholders, and B.B.A students must be aware of these particular issues. Skills from the qualitative data analysis in this study include: (1) selling skill, (2) management skill, (3) communicative skill, and (4) computer skill.

In the study of Hodgson (1998) competencies define the skills of the individual within an organization. They are essential for carrying out the various business and organizational practices,

including those related to organizational and technical changes. In today's business environment, organizations are faced with ever-increasing challenges. Many companies have discovered that in order to maintain a competitive edge, it is crucial to retain the best workforce possible in their organization. However, to be able to actually achieve this goal is something that many companies have found difficulty to do (Lucia & Lepsinger, 1999). Besides, human resource is widely accepted as a source of competitive advantage (Analoui, 2007).

At this point, the important factor to help them win the competition is "human capital". Human capital is the competency, the potential and also the determinant of the strategy which is very important to any organizations. Employees must have various skills and the capability to help the organizations be at an advantage (Office of the Public Sector Development Commission Thailand, 2006).

It should be noted here that the increased focus on the English language has had a similar outcome, and the communication skills and ability to communicate in English has become a major source of differentiation between people and communities. Similarly, Hershock, Mason, and Hawskins, (2007) stated that international education has also become a marker of social status in many countries. In the context of emerging policies and practices of global trade in education, it is increasingly dependent on the student's ability to pay for it, rather than on merit or educational excellence. International education, which was once defined in terms of political and intercultural terms, has now become thoroughly commercialized, and has perpetuated class and national distinctions that run counter to its cosmopolitan aspirations.

In conclusion, the service business is a highly competitive business especially in Thailand. There are many aspects of this kind of business to ensure customers and stakeholder satisfies. Thus, the B.B.A student is required to have particular skills. This is in accordance with the statement, "People are our greatest assets" and from a research on "Office of Personnel Management" (1999) which has found the relation between the quality of personnel management and the increasing of an organization's achievement.

### **Theme Three: Ability**

The B.B.A student in the three service areas is required to have a particular ability. In term of "Ability" today, globalization thus demands that we rethink educational aims. It has been argued that the global economy demands a new kind of worker who is multi-skilled, service-oriented, can easily adapt to changes in both the nature of work and labor conditions, and can work in a global environment characterized by cultural diversity (Hershock, Mason, & Hawskins, 2007).

In the past, the concept in Thailand was "Human resource is one of the factors of manufacturing or of economic and social development", but now the new concept is "Human resource is the core of economic and social development." This concept can be found in the Eighth National Economic and Social Development Plan (Office of National Economic and Social Board, 1997-2001). This point is also mentioned in the 28<sup>th</sup> meeting of International Personnel Management Association (IPMA) in 2003. The content, is the governmental organizations have paid more attention to the concept that human is the cost which can promote added value to the organizations and help them achieve their strategic goals as well as respond to a changing-world society

As mentioned earlier, human capital is the competency, employees must have various skills, knowledge, and ability to help the organizations be at an advantage. Human capital is the use of personal contacts to acquire knowledge, skills, abilities, and expertise to improve performance. Therefore, ability is one of the main core competencies in this study. Abilities from the qualitative data analysis in this study including: (1) Service mind, (2) Practice & Experience, (3) Task Achievement and (4) Personalities.

### **Theme Four: Ethics**

This theme presents the "Ethics". Velasquez (2006) defined as the discipline that examines one's moral standards or the moral standards of a society. It asks how these standards apply to our lives to our lives and whether these standards are reasonable or unreasonable – that is, whether they are supported by good reasons or poor ones. Therefore, a person starts to do ethics when he or she takes

the moral standards absorbed from family, church, friends and work place.

However, under this section the researcher will focus on business ethics. Velasquez (2006) concluded that *“Business Ethics”* is a specialized study of moral right and wrong. It concentrates on moral standards as they apply to business institutions, organizations, and behavior. This characterization of ethics has been intended to convey an idea of what ethics is.

This study is concerned not with ethics in general, but with a particular field of ethics: business ethics. Two main components emerged from the findings in this study focus which are: (1) Responsibility and (2) Morals. Below are some statements that emerged from interviews regarding responsibility issues:

*“Besides knowledge and work experience, having a sense of responsibility is essential for good work performance. The young nowadays are irresponsible in their work duties...”*

(W11)

Some participants commented about this issue:

*“...An important curriculum item that educational institutes should emphasize is ethics. Young people nowadays seem to lack a sense of ethics, so it should be actively cultivated in them by the schools...”*

(F13)

*“...Employees should constantly work on developing and improving themselves. They need to create trusting relationships with their customers. When you interact with customers with sincerity and honesty, and show them that you have their best interests at heart, customers will trust you and want to work with you. You absolutely must be honest with the customer....”*

(F16)

In general, the most influential institutions within contemporary societies may be their economic institutions. These are designed to achieve two ends: (a) production of the goods and services the members of society want and need, and (b) distribution of these goods and services to the various members of society (Velasquez, 2006). It is therefore, economic institutions determine who will carry out the work of production, how that work will be organized, what resources that work will consume, and how its products and benefits will be distributed among society's members.

In conclusion, business organizations are the primary economic institutions through which people in modern societies carry on the tasks of producing and distributing goods and services. In order to carry out these tasks, employees must have morality and responsibility on the job. Without morals and responsibility of the workers the business may not succeed. For instance, business organizations provide the fundamental structures within which the member's society combines their scarce resources such as land, labor, capital, and technology into usable goods. And the business organizations also provide the channels through which these goods are distributed in the form of consumer products, employee salaries, investors' return, and government taxes. So that *“Ethics”* is one of the core competencies in the business sector particularly in this study.

### **Quantitative Approach**

This study applied a Mixed Method Research Design in order to investigate the core competency model of business administration graduates who work in service sectors in Thailand and created the core competency model of business administration graduates who work in service sectors in Thailand. The participant selections and samples, for both qualitative and quantitative methods, have worked in the service business, and consisted of three areas in the Tourism and Hotel, Wholesale and Retail, and Finance fields. At the beginning, using a qualitative research approach by interviewing 20 experts in the service business, qualitative data collection was achieved through this approach. The researcher then got from the findings of the study. Based on manual coding, data analysis of qualitative data from in depth interviews, there were 17 categories. The findings of core competencies obtained from manual coding methods, finally include four core competencies, which include: (1) Knowledge; (2) Skills; (3) Abilities; and (4) Ethics.

The researcher established a questionnaire for the quantitative approach. Confirm Factor analysis was also used to prove the reliability of each item on the questionnaire. There were 381 respondents. The initial data analysis was Frequency distribution and percentage of initiative data using Mean ( $\bar{x}$ ), Standard Deviation ( $SD$ ), Skewness and Kurtosis, then compared the results of the mean of Manifest variables that measure latent variables of the core competencies of graduates in B.B.A of knowledge, skills, abilities and ethics. The first group was employed in the tourism and hotel group, the second group was employed in the wholesale and retail group, and the third group was employed in the finance group.

Correlation analysis results among observable variables which gained 17 and used confirmatory factor analysis (CFA) via the core competencies of graduates in B.B.A of the performers in 3 service sectors.

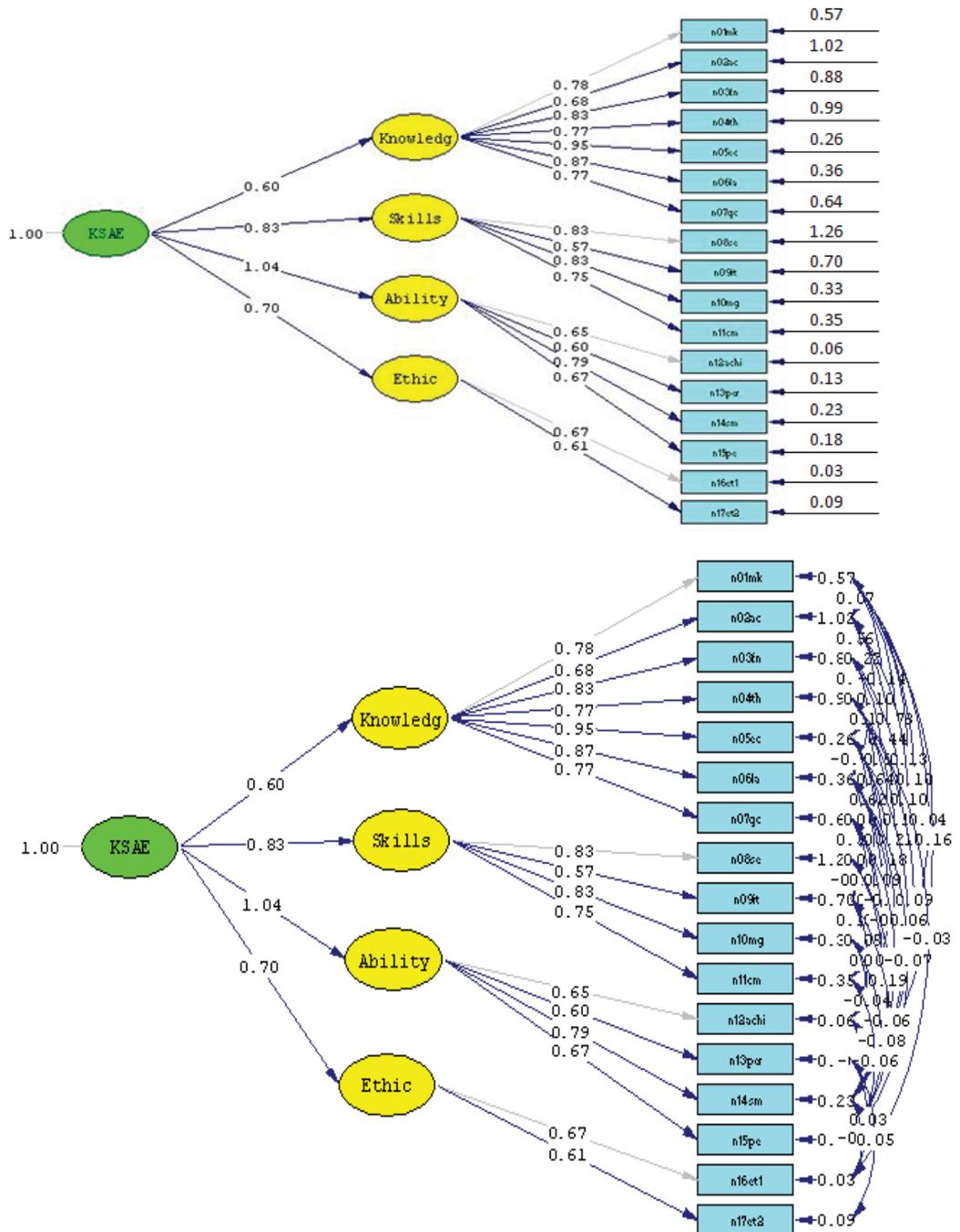
Finally, the measure fit the model of core competencies of graduates in B.B.A according to the hypothesis with manifest data of the employees in service sectors of the three groups. The highest percentage of the samples' age is below 30 years old, in the Tourism and Hotel, Wholesale and Retail, and Finance fields; the percentage of each group was 54.55%, 47.18%, and 34.75%, respectively. The gender of the respondents was mostly male – 56.20 % in Tourism and Hotel, 67.61 % in Wholesale and Retail and 64.41 % in Finance. The marital status was mostly single in each field – 75.21 %, 72.54 % and 60.17 % respectively. The educational background was mostly a bachelor's degree in each field – 90.08 %, 86.62 %, and 49.15 %, respectively.

When looking at the respondents' majors in their degrees, the findings showed: Tourism and Hotel field- the highest percentage was management 33.88% and other 32.23%; Wholesale and Retail – the highest percentage was management 26.76% and marketing 22.54%; and Finance – the highest percentage was other majors 27.12% and marketing 25.43%. Work experience was highest at over 5 years in the field of Tourism and Hotel 55.37%; Wholesale and Retail 68.31% and Finance 69.49%. Table 1 and Figure 1 illustrate the results of the confirmatory factor analysis of the core competencies of B.B.A. graduates working in the service sectors.

Refer to Table 1 and Figure 1 for the results of the confirmatory factors on core competency of B.B.A graduates working in service sectors

Table 1 Weight Factors of core competency of the K-SEA Model

| Competency                  | Symbols | Weight Factors |
|-----------------------------|---------|----------------|
| 1. Marketing                | MK      | 0.78           |
| 2. Accounting               | AC      | 0.68           |
| 3. Finance                  | FN      | 0.83           |
| 4. Thai Culture             | TH      | 0.77           |
| 5. Economic                 | EC      | 0.95           |
| 6. Business Law             | LA      | 0.87           |
| 7. Quality Control          | QC      | 0.77           |
| 8. Selling Skill            | SE      | 0.83           |
| 9. Computer Skill           | IT      | 0.57           |
| 10. Management Skill        | MG      | 0.83           |
| 11. Communicative Skill     | CM      | 0.75           |
| 12. Achievement             | ACHI    | 0.65           |
| 13. Personality             | PER     | 0.60           |
| 14. Service Mind            | SM      | 0.79           |
| 15. Practice and Experience | PE      | 0.67           |
| 16. Responsibilities        | Ethic1  | 0.67           |
| 17. Moral                   | Ethic2  | 0.61           |



Chi-Square=70.45, df=61, P-value=0.19097, RMSEA=0.020

Figure 1 Core Competencies Model of B.B.A graduates working in service sectors

There are four core competencies that can be divided into 17 elements of competencies in this study.

Daud (2006) studied the need for effective job performance. The title of the study is “Competency – Based Training Needs Assessment: A Case of Malaysian Public University”. The study identified and assessed the current competency level of academic staff, to examine the extent of the competency gap amongst academic staff and to identify the future training needs of academic staff. 154

questionnaires were distributed to the academic staff of University Technology MARA and 40 respondents, which represented 26 percent, were completed and analyzed using SPSS Window (Version 12). The results of the analyses found that the current competency level of the academic staff in this particular faculty ranged from basic to intermediate. The academic staff's current competency level in the area of teaching, delivery techniques, specialized subject knowledge, and testing and evaluation is intermediate. The researcher has pointed out the limitations of this study. Firstly, the generalization of the study is limited since it was done with the academic staff of this faculty only. Secondly, the measure of competencies was obtained based on the perception of the individual academic staff, so the actual competency level cannot be ascertained. Finally, due to the excessive length of the questionnaire, the number of the answered and returned was limited. It is suggested that future research on a similar topic be done to other branch campuses of a similar nature. Moreover, the information on the various competencies should be asked in a more compact questionnaire.

The study, "Competencies as a Mediator of the Relationship between Learning Opportunities and Job Performance" conducted by Yu, (2005). The researcher proposed 3 hypotheses: (1) Learning opportunities have a positive impact on competencies, (2) Learning opportunities have a positive impact on job performance, and (3) Competencies have a positive impact on job performance. This survey research was used to investigate the relationship among HRD managers' learning opportunities, competencies, and job performance. There were 350 returned questionnaires, 35%, by HRD managers from Taiwanese companies and were complete to be analyzed. According to the results, there are five paths from learning opportunities to job performance. Dealing with diversity, an importance factor of learning opportunities, has a positive but small impact on job performance; moreover, dealing with diversity also influences job performance through competencies. The total effect of dealing with diversity is higher than any other factor of learning opportunities. Both experiencing a job transition and creating change have small but negative impact on job performance. Finally, managing at high levels of responsibility has a positive impact on job performance.

In conclusion, the service business is a highly competitive business, especially in Thailand. There are many aspects of this kind of business to ensure customers and stakeholder satisfaction. Thus, the B.B.A student is required to have particular competencies. This study presents four core competencies that are divided into 17 elements of competencies. Business schools and universities have an important role in a competitive world society. They provide and develop human resource to fulfill the needs for workforce of all other organizations. At the moment, one of Thailand's goals is "Heading to be a Newly Industrialized Country". To achieve the goal, universities have to be aware of their role and try to improve the quality of their students to meet the market's requirements. It was also shown in a survey on the need of the workforce in 2004 that the percentage of the need for university graduates to work in businesses, services and manufacturing sectors are 48.2%, 65.1% and 33.9%, respectively. It also found that large organizations with over 31 employees required more university graduates than medium and small ones (National Statistical Office, 2004).

However, the advancement of new technology, a changing society and growing businesses have changed the need for university graduates in the workplace. Universities are also driven by changing policies to review and analyze the qualifications of their products – the graduates – to meet the requirements of the workforce market. The results in the study can be one of valuable information for all stakeholders for rethinking and to find ways to more forward in the business world.

**Response to Research Question Two: "What is a core competency model for business administration graduates to be effective in service sectors in Thailand?"**

The Mixed Method Research Design of this study in order to investigate the core competency model of business administration graduates who work in service sectors in Thailand. This study is based on the finding form both, qualitative and quantitative. There are relevant studies and concepts regarding the establishment of this model. Schoonover, Nemerov, and Enly (2000) defined the competency model as a set of success factors which include the key behaviors required for excellent performance in a particular role, and can be used to identify the required competencies which employees need in order to improve performance in their current job or to prepare for other jobs. Competency consists of knowledge, skills, ability, and some qualifications like values, ethics,

personality, appearance and other qualification needs suitable for the organization. It is very necessary that these qualifications can be discriminated as to which will support work performance and which won't (Sakworrawit, 2004).

Srisermphoke (2003) proposed 2 techniques. Technique 1 is a top down technique which was set by the top management which might have been gained from executive and human resource development manager interviews. Technique 2 is a core competencies model confirmed by a competencies survey by designing a survey form of competencies disseminated among business administration graduates who work in service sectors in Thailand. The later data summarizes which group of competencies gained LISREL. All knowledge gained would be concluded in the competencies model.

In Burgoyne's article, "Creating the Managerial Portfolio: Building on Competency Approaches to Management Development" in 1989, competency was defined as the ability and the willingness to complete a task successfully. This shows that competence doesn't mean ability alone, but willingness must be included (Wedchayanon, 2004).

Prahalad and Hamel (2004); Spencer & Spencer (1993); Srisemphoke (2003); and Hamel (1994) applied knowledge and created competencies models. First, set core competencies by analyzing core competencies based on ability and development behavior and solving problem in each aspect of a business administration graduates and being considered from knowledge such as educated and trained, abilities such as initiative, work values and work commitment, and skill, such as experience of social works and adjustment. Next, mapping a competencies dictionary was the application of competencies gained from analyses of depth interviews and establishing a competencies dictionary to explain details of each competency by work order. Then, setting a competencies weight which was setting each competency in each group should have its weight or priority. It is recommended to use percentages.

In conclusion, creating the K-SEA Model for this study is based on the findings from both the qualitative and quantitative. The researcher reviewed and integrated several ideas from the literature that relate how to create a core competency model. Many companies and industries have begun using competency models to help them identify the knowledge, skills, and personal characteristics that are required for successful job performance. Although competency has been defined in several ways, its definition can be generalized as 'individual knowledge, skill, ability, or characteristics that bring excellent performance.' Employee competencies are characteristics associated with successful performance. These characteristics should manifest themselves in observable behavioral patterns that make a positive difference. It is important to recognize that there are a number of characteristics that may not have as direct an impact as knowledge, skill and ability (KSAs) on performance yet can be important determinants of success.

The researcher would like to note here that one of the important issues in this study that emerged from the findings of the qualitative data and also confirmed by factor analysis is "Ethics". This study is concerned here, however, not with ethics in general, but with a particular field of ethics: business ethics. The findings of this study emerged into two main components: (1) Responsibility and (2) Morals. As mentioned earlier, without morals and responsibility of the workers the business may not succeed. Business organizations provide the fundamental structures within which the members of society combine their scarce resources such as land, labor, capital, and technology into usable goods. Business organizations also provide the channels through which these goods are distributed in the form of consumer products, employee salaries, profit, and government taxes. So, in this study "Ethics" is one of the core competencies in the business sector.

## Implications

The findings above discuss both the qualitative and quantitative and may be used as guidelines for business schools and other higher education institutions to implement and plan their policies, curriculum development, teacher training, and other special programs, especially internships in order to become efficient graduates who are suitable for the current global job market. Additionally, the findings are also useful for future research. The implications are discussed below.

### **Implications for Practice**

This study is useful for higher education institutions especially in Business Administration Programs for the purposes of preparing and developing their curriculum and special programs as needed by students. The researcher would like to recommend the following guidelines for core competencies for B.B.A graduates in tourism and hotel, wholesale and retail, and finance.

#### **Implication for Practice #1: Competency criteria of B.B.A graduates**

The results of this study found that competencies are very important for B.B.A graduates who are the most important human capital of any business field or organization in the business world. Therefore, business schools should provide curriculum and/or develop special programs as needed by their students in order to meet the job requirements of the companies.

For example, according to the results in this study there are four main core competency components: (1) Knowledge, (2) Skill, (3) Ability, and (4) Ethics. One of the important issues is work experience so students may need more practice in the real work that relates to their major area of study. They can gain more skill and ability at the same time they also can learn more about the ethical protocol of the companies where they do internships. The assessment or checklist of competencies criteria for B.B.A students may need to set standard requirements for the recruitment process. This will help companies become consistently successful in their business as they have good human resource support. More importantly, the findings concerning competencies for B.B.A graduates under this study will be more valuable for many B.B.A academic programs that have currently opened in many universities. The importance of competencies should include a course in practical training in real work areas in business, industrial, and public sectors as the competencies in the service business areas are very important. Some B.B.A programs have not provided many links to companies, just a section that teaches about the courses in the classroom that have not proven to be enough for students to learn as in field work. Businesses have many aspects to assimilate about competency issues, such as service mindedness, communication, decision making, teamwork, ethics, etc. All of these elements should be incorporated into the required subjects for B.B.A programs, especially for students who want to work in the service sector. Practical training hours can enhance their skills and ability, and competencies can prepare them for the real world where they will confront situations and positions in their future careers.

#### **Implications for Practice #2: Guidelines for B.B.A students preparing to meet the competency criteria of B.B.A. graduates**

These findings are of benefit to B.B.A. students when they wish to prepare themselves by using these core competencies. If they lack any competency skills, they should plan to have more practical training. Furthermore, they can also gain more knowledge in their field by locating material support for example, handbooks or textbooks to study and learn more extensively.

In this particular study, the researcher found that English skills are an important competency in the area of the service business. As a result, B.B.A students should find ways to improve their English language skills for on-the-job performance. This will be beneficial and profitable to individuals and businesses as a whole.

#### **Implications for Practice #3: Guidelines for educational policy makers especially for the Thai Qualification factor (TQF).**

It should be noted here that the researcher has worked in higher education at Rajamangala University of Technology for over 10 years. The National Education Act B.E 2542 (1999) and the Amendments of the Second National Education Act B.E. 2545 (2002) Chapter 1, Section 6 state as follows:

*“Education shall aim at the full development of the Thai people in all aspects: physical and mental health; intellect; knowledge; morality; integrity; and desirable way of life so as to be able to live in harmony with other people (p. 4).”* (Office of the National Education Commission & Office of the Prime Minister, 2002)

In Thailand, the government has tried to do more complex educational reform. However, there is still a long way to go for globalization and dealing with ASEAN in the next few years (2015); so, there are challenges for the new policies in higher education called “TQF”. There are four areas of core competencies for B.B.A graduates: tourism and hotel, wholesale and retail, and finance (What are the three areas: tourism and hotel, wholesale and retail, and finance?) that are presented in this study that can be useful for policy makers to consider to set the TQFs for related program, and these can be crucial information for the economy and industrial sector as well.

### Recommendations for Further Research

The researcher has the following recommendations for further research which are outlined in this section.

**Firstly**, this research was conducted by collecting data from 3 areas of the service business by using in-depth interviews for the qualitative method and using a questionnaire for the quantitative method. Therefore, the researcher recommends that further research should study different service areas, such as healthcare services, hospitals, elderly care services, alternative medical services, entertainment services, airline services, and other service businesses.

**Secondly**, the findings of this study indicate that ability and ethics are most important so that they can be the key words for literature review in order to expand other issues for further research, especially the ethical issues in business.

### References

- Albanese, R. (1989). Competency-based management education. *Journal of Management Development*, 8(2), 66-76.
- Athey, T. R., & Orth, M. S. (1999). Emerging competency methods for the future. *Human Resource Management*, 38(3), 215-225.
- Bentler, P.M., & Chou, C. P. (1987). Practical issues in SEM. *Sociological Methods and Research*, 16, 78-117.
- Bernthal, P., Colteryahn, K., Davis, P., Naughton, J., Rothwell, W. J., & Wellins, R. (2004). *ASTD 2004 competency study mapping the future-new workplace learning and performance competencies*. Alexandria, VA: American Society for Training and Development.
- Boyatzis, R. E. (1982). *The competence manager: A model for effective performance*. New York: John Wiley & Sons.
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, CA: Sage.
- Corbin, J., & Strauss, A. (2008). *Basics of qualitative research* (3rd ed.). Los Angeles, CA: Sage.
- Huberman, A. M., & Mile, M. B. (1994). Data management and analysis methods. In N.K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 413-427). Thousand Oaks, CA: Sage.
- Kennedy, P. W., & Dresser, S. G. (2005). Creating a competency-based workplace. *Benefits & compensation digest*, 42(2), 20-23.
- Kochanski, J.T. (1996). Introduction to special issue on human resource competencies. *Human Resource Management*, 35(1), 36.
- Kochanski, J. T. (1997). Competency-based management. *Training & Development*, October, 41-44.
- Layder, D. (198). *Sociological practice: Linking theory and research*. London: Sage .
- Lucia, A., & Lepsinger, R. (1999). *The art and science of competency models: pinpointing critical success factors in organizations*. San Francisco: JosseyBass/Pfeiffer.
- Mansfield, R. S. (1996). Building competency models: Approaches for HR professionals. *Human Resource Management (1986-1998)*, 35(1), 7.
- McClelland, D. C. (1973). Testing for competence rather than for “intelligence”. *American Psychologist*, 28(1), 1-14.

- Mirabile, R. J. (1997). Everything you wanted to know about competency modeling. *Training and Development*, 51(8), 73-77.
- Office of the National Education Commission, Office of the Prime Minister in Cooperation with Ministry of Education 2002/2003. Bangkok : AmarinPrinting and Publishing, 2003.
- Parry, S. B. (1996). The quest for competencies. *Training*, 48-56.
- Rodriguez, D., Patel, R., Bright, A., Gregory, D., & Gowing, M.K. (2002). Developing competency models to promote integrated human resource. *Human Resource Management*, 41(3), 309-324.
- Rothwell, W. J., & Lindholm, J. E. (1999). Competency identification, modeling and assessment in the USA. *International Journal of Training and Development*, 3(2), 90-105.
- Rothwell, W.J., & Sanders, E.S., & Soper, J.G. (1999). *ASTD models for workplace learning and performance: Roles, competencies, and outputs*. Alexandria, VA: ASTD Press.
- Sakulkoo, S. (2009). Volunteering as active aging: *A study of elderly Thai's who are members of the brain bank* (Unpublished doctoral dissertation). Burapha University, Chonburi, Thailand.
- Schoonover, S.C., H., Nemerov, D., & Ehly, C. (2000). *Competency-based HR applications: Results of a comprehensive survey*. MA : Schoonover, Arthur Andersen, & SHRM .
- Srisermphoke, Krerkkiat (2003) *Competency-based approach*. Bangkok:Nagota Press.
- Spencer, L. M., & Spencer, S. M. (1993). *Competence at work: Models for superior performance*. New York: Wiley.
- Strauss, A., & Corbin J. (1990). *Basics of qualitative research: Grounded theory, procedures and techniques*. Thousand Oaks, CA: Sage.
- \_\_\_\_\_. (1998). *Basics of qualitative research: Techniques and procedures for developing grounded theory* (2nd ed.). Thousand Oaks, CA: Sage.
- The National Education Act B.E 2542 (1999) and Amendments (Second National Education Act B.E. 2545 (2002). Office of the National Education Commission.
- Wedchayanon. N. (2004). *CEO-style governor : Thailand as a case study*. Retrieved February 5, 2009, from <http://library1.nida.ac.th/ejournal/tjpa/>