

# LEGAL FRAMEWORK FOR ENHANCING COMPETENCY DEVELOPMENT IN THE AGE OF INDUSTRY 4.0: STRATEGIES AND CHALLENGES

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## Abstract

*Law Number 5 of 2014, concerning Civil servants, regulates that it consists of Civil Servants and Government Employees with Work Agreements who work in government agencies. They have the same rights and opportunities in developing competencies, which can be achieved through various methods, such as education, training, seminars, courses, and upgrading. Competency development is further regulated through State Administration Institution Regulation Number 5 of 2018. Although the main challenge in competency development is budget limitations, modernization of competency development is necessary to keep up with the times, especially in the industrial era 4.0, characterized by digital technology. This research uses a normative legal research approach or doctrinal law and focuses on developing the competence of Civil servants within the Prosecutor's Office of the Republic of Indonesia. The research results show that the Indonesian Prosecutor's Office carries out various tasks and authorities covering the realms of criminal law, civil law, and the intelligence sector. The coaching sector at the Prosecutor's Office plays an important role in developing employee competency, including aspects of career development, personnel, and bureaucratic reform. The Education and Training Agency is the element responsible for organizing education and training for Prosecutor's Office employees.*


**Keywords:** Law Number 5 of 2014, Civil servants, Competency development, Prosecutor's Office, Education and Training Agency

## INTRODUCTION

Law Number 5 of 2014 outlines the rights and opportunities of civil servants and government employees with work agreements working in government agencies. Civil servants are entitled to salaries, allowances, leave, pension, protection, and competency development, while Government Employees with Work Agreements receive salaries, allowances, leave, protection, and competency development. This ensures equal opportunities for competency development, which can occur through various means like education, training, seminars, and courses. The State Administration Agency further regulates competency development in Civil servants Employees through Regulations Number 5 and 10 of 2018, distinguishing between classical and non-classical training methods, which encompass various forms of learning outside traditional classroom settings.

State Administration Agency Regulation Number 5 of 2018 mandates that every government agency must allocate a minimum of 20 hours of competency development for their employees annually, with each lesson hour equivalent to 45 minutes. This requirement necessitates the preparation of an annual competency development plan within the agency's budget work plan, serving as the foundation for determining competency development needs, execution, and evaluations. However, limited budgets pose a significant challenge to competency development, with not all agencies providing funding for this purpose. A study by the Center for Administrative Reform Studies revealed that a central government agency requires IDR 6 billion to cover 50% of its employees' competency development. To keep pace with the rapidly evolving era of 4.0 and to enhance employees' skills, modernizing competency development is crucial. This modernization is a key lever for agency improvement.

Since 2011, the onset of the industrial era 4.0, marked by the adoption of technologies like big data, automation, cloud computing, and artificial intelligence, has necessitated adaptation across all aspects of life. Organizations and institutions are transitioning from manual processes to digital platforms. The growing demands of a digitally transformed society have pushed governments to align



national development initiatives with digital technologies. In this context, the author explores strategies for enhancing the competence of civil servants within the Prosecutor's Office of the Republic of Indonesia. The paper aims to describe and identify competency development within this context. The primary focus is on defining the direction and strategies for improving the competence of civil servants in the Prosecutor's Office.

### RESEARCH METHODS


This research adopts a normative legal research approach, also known as doctrinal law, to analyze legal concepts, principles, and documents pertaining to the development of competence among civil servants in the Prosecutor's Office of the Republic of Indonesia. The method primarily employs a conceptual approach, focusing on the examination of legal concepts and principles. Deductive analysis of legal materials is used as the analysis technique, involving minor premises and major premises to support conclusions. Additionally, library research analysis techniques are employed to gather and analyze documents, regulations, and legal literature associated with competency development in the era of Industry 4.0, characterized by the use of big data. This approach and technique aim to elucidate the conceptual framework and legal foundation underlying competency development within the Prosecutor's Office of the Republic of Indonesia.

### RESULTS

The Indonesian Prosecutor's Office holds significant authority in both criminal and civil law domains, exercising state power as outlined by law. Additionally, it plays a role in the intelligence sector, enforcing Law Enforcement Intelligence functions, and oversees personnel and bureaucratic reform. The Attorney General's Office assumes a pivotal role in coaching within the Prosecutor's Office, addressing diverse areas such as facility and infrastructure construction, personnel management, legal considerations, and drafting laws and regulations. The Personnel Bureau handles employee development, including planning, education and training needs analysis, career patterns, and administration of permits and leave. Effective competency development within the organization ensures a skilled workforce ready to undertake responsibilities, bolstering productivity and efficiency. In the employee development process, two interconnected activities play a crucial role: training and human resource development. These activities aim to enhance employees' competencies for effective utilization within the organization. Training activities serve as the initial phase of employee development, beginning with an orientation process and continuing throughout their tenure in the organization. In accordance with Law Number 5 of 2014 regarding Civil Servants, this orientation is conducted through an education and training process.

The Education and Training Agency, a supporting element of the Prosecutor's Office, is responsible for implementing education and training activities. Its role includes organizing education and training programs to develop the competence of prosecutors and Prosecutor's Office employees, as specified in Article 76 of Republic of Indonesia Prosecutor's Regulation Number 11 of 2019 concerning Career Management of Republic of Indonesia Prosecutor's Office Employees. Competency development, outlined in Article 74 of the same regulation, aims to meet employee competency needs aligned with position competency standards and career development plans. It ensures equal opportunities for all employees, involving at least 20 hours of lessons annually, contingent upon budget availability at the Prosecutor's Office. Competency development serves as a foundational element for career progression and appointment to positions within the organization, contributing to the overall growth and efficiency of the workforce.

Developing employee competency within the Prosecutor's Office. In this case, it is responsible for determining competency development needs and plans, including types of competencies that need to be improved, employee targets to be developed, competency development methods, implementation, implementation schedule, suitability with competency development agency curriculum standards, and the required budget. Competency development can take the form of higher education or training, where formal education at the higher education level is provided to develop



competencies in the form of education, while training can be classical (face to face in the classroom) or nonclassical (work practice and learning outside the classroom). With this regulation, the Prosecutor's Office ensures that its employees have the necessary competencies through various relevant development methods.

The cornerstone of competency development lies in education and training, recognized as the most effective policy tools for equipping employees with the skills and knowledge needed for their roles. Government Regulation Number 101 of 2000 emphasizes that training's primary aim is to enhance competencies, including knowledge, expertise, skills, and attitudes, ensuring that individuals can carry out their office duties professionally. This competency development is multifaceted and includes structural/leadership training, which focuses on leadership and managerial competencies according to the employee's hierarchical level, functional training that hones competency requirements specific to various functional positions, and technical training aimed at equipping individuals with the specialized technical skills necessary for their tasks. Furthermore, the empowerment and development of personnel within the Attorney General's Office of the Republic of Indonesia is based on a well-defined career management pattern grounded in principles of achievement, dedication, loyalty, and integrity. This approach ensures that every employee has the opportunity to reach their full potential, thus supporting the institutional development of the Attorney General's Office. As we transition into Industry 4.0, characterized by rapid technological advancements and digitalization, law enforcement agencies, including the Indonesian Attorney General's Office, can embrace Industry 4.0 concepts to enhance their legal services, law enforcement, and bureaucratic reform. These concepts encompass technologies such as cyber-physical systems, Internet of Things (IoT), cloud computing, and cognitive computing, which enable the provision of more efficient and responsive services to the community.

The adoption of technology within the Indonesian Prosecutor's Office is poised to enhance the quality of services offered to stakeholders by focusing on performance, reliability, ease of use, and aesthetics. This technological transformation is categorized into internal and external applications. Internally, technology supports the performance of Prosecutor's Office employees in areas like bureaucratic reform, personnel management, and legal services. Externally, technology comes into play when providing services to the public and collaborating with other institutions. This external application can be divided into three groups: Government to Government (G2G) for inter-constitutional relations, Government to Business (G2B) for profit-oriented services, and Government to Consumers (G2C) for customer-related public services.

Law no. 5 of 2014 underscores the right of every civil servant to develop competencies. However, the competency development of civil servants faces challenges in terms of insufficient lesson hours and meeting the demands of Industry 4.0. Inadequate responses to information technology, artificial intelligence, and big data limit the fulfillment of these competencies, creating a gap between the skills of civil servants and the evolving needs of a world-class government. As a result, it is crucial to address the development of civil servants' competence within the Prosecutor's Office of the Republic of Indonesia in the context of the Fourth Industrial Revolution.

## DISCUSSION

Competency development is of paramount importance to achieve organizational goals, with the aim of enhancing work productivity and equipping employees with the necessary knowledge, skills, and abilities to perform their duties effectively throughout their careers (Fachrizi, 2016). Employee development is a long-term process aimed at preparing individuals for a series of positions within an organization. This development involves two intertwined activities: training and human resource development. Training serves as the initial step, involving an orientation process that continues throughout an employee's tenure in the organization (Hasibuan, 2007). Competency development is a complex and time-intensive process, requiring consistent honing and practice (Simamora, 1997). According to Law Number 5 of 2014, government agencies must prepare the requirements for the number and type of civil servant positions, taking into account technical competency development qualifications, managerial competency, and socio-cultural competence. Fulfilling these competency



standards is not an instant process but requires time and practice. Competencies are shaped by various components, including motives, traits, self-concept, knowledge, and skills. These elements collectively influence individual performance in diverse work contexts, reflecting the importance of understanding and fostering competencies in employees to drive organizational success (Sudarmanto, 2009). Competencies are classified into four groups: (1) Core Competencies, which are operated at the organizational level and consist of the skills and technologies needed for the delivery of high value to customers; (2) Functional Competencies, which are linked to specific job positions, outlining the required knowledge and skills; (3) Behavioral Competencies, which are situated at the individual level, with a focus on essential traits for job performance; (4) Role Competencies, which are associated with team positions and include the definition of responsibilities within a team.

Analyzing an organization's resource development direction and strategy involves several crucial factors, including establishing a unified, balanced, and rational personnel system, anticipating strategic environmental changes, and enhancing civil servants' professionalism to align with organizational needs, career progression, and employee well-being. The development of civil servant competencies is regulated by various laws and government regulations, such as Law Number 5 of 2014, Government Regulation Number 11 of 2017, and Government Regulation Number 17 of 2020, outlining civil servants' rights in relation to competency development. State Administration Institution Regulation Number 10 of 2018 specifically addresses the development of civil servant competencies, with the government authorized to oversee education and training in this context.

Competency development is pivotal for improving the quality of public services, and every employee has the right and opportunity to enhance their competencies through various means, including education, training, seminars, courses, and upgrades. This development process is evaluated by the Authorized Official and serves as the foundation for appointments and career progress. Government agencies are mandated to formulate annual competency development plans as part of their budget work plans. Moreover, civil servants have the chance to gain experience in various agencies at central and regional levels, and engage in exchanges with private sector employees, fostering diversity in public service experiences. Government Regulation Number 11 of 2017 was enacted to implement the Law, particularly addressing the management of civil servants.

The policy aims to cultivate professional civil servants with strong ethical and professional values, free from political influence and corruption. It mandates that all employees have equal opportunities for competency development, requiring a minimum of 20 hours annually, regardless of their position. This regulation encompasses various roles within the civil service, including high leadership, administrative, supervisory, and functional positions. The competency development process encompasses three domains: technical, managerial, and social competencies. To implement this policy, an inventory of required competencies for each civil servant is compiled, competency development plans are verified, and needs and plans are validated. The agency's needs plan is then aligned with the national plan, and competency gap analysis data is submitted to the relevant Ministry via State Administration Institution Regulation Number 10 of 2018. This regulation serves as an elaboration of competency development as mandated by Government Regulation Number 11 of 2017 on Civil Servant Management. It outlines the detailed process of competency development, offering various development options and emphasizing the stages: preparing competency development requirements and plans, implementation, and evaluation.

In the era of Industry 4.0, HR management must align with Indonesian national work competency standards to meet the unique demands of this period. HR managers are expected to possess competencies that enable them to fulfill their roles effectively. Furthermore, in the context of globalization and disruption, the concept of learning organizations has gained prominence. These organizations continuously create, acquire, and transfer knowledge, adapting their behavior based on new insights. The corporate university model has emerged as an approach to competency development aligned with organizational policies and strategies, supporting an organization's mission, vision, and national development goals (Adiawaty, 2019). To keep pace with the automation-driven future, competency development must be adaptive to evolving HR needs. The trend points towards an increasing emphasis on soft skills, including critical thinking, creativity, communication, and




collaboration, alongside digital proficiencies in big data and IoT. The modernization of competency development should be collaborative, involving ministries, institutions, and regions, fostering knowledge sharing and adapting best practices to national learning needs. This approach ensures that HR competencies remain relevant and effective in the evolving landscape.

Competency development and curriculum modules in Indonesia are transitioning towards collaborative efforts involving various stakeholders, including non-governmental entities like universities, the private sector, civil society, development partners, and other relevant parties. This shift aims to broaden the scope of learning beyond bureaucratic and technocratic matters, extending it to encompass global issues. This approach seeks to foster a holistic and globally informed perspective in learning substance development. In the context of Industry 4.0, there's a need to revolutionize the learning paradigm from the traditional trainer-trainee model to an "anyone-anywhere-anytime" framework that is technology-driven. Information technology, particularly digital-based learning, becomes indispensable. Indonesia is already demonstrating a positive trend in online learning, but integration of e-learning platforms across various public sector organizations is essential. E-learning platforms offer dynamic and interactive learning experiences, going beyond mere content repositories. To enhance the effectiveness of competency development, policy strategies need to focus on contextual identification of competency development needs. This involves aligning competency development with position competency standards and career development plans. Performance and competency gaps are identified through assessments, enabling personnel managers to prioritize and tailor competency development for each employee. It's important to note that there are slight variations in competency development approaches between civil servants and government employees with work agreements, where the former emphasizes knowledge enrichment to support task implementation, while the latter focuses on performance assessment outcomes.

Competency development primarily aims to bridge the gap between an employee's current competencies and performance and what is considered ideal. However, if assessments don't reveal any competency or performance gaps, competency development focuses on enhancing the employee's career path. Integrating learning processes with organizational performance is vital for realizing institutional and national policy goals. The effectiveness of competency development becomes evident through improved individual-level performance and should extend to the organizational level. The development of employee competencies should align with the national and institutional strategic framework or follow the corporate university concept. Employee mapping, especially concerning talent management, involves the use of a nine-box matrix based on potential and performance. Originating from McKinsey in the 1960s, this tool helps organizations identify employee qualifications and determine suitable management or treatment based on these qualifications. Competency development programs differ based on employee categories in the matrix. For instance, high-potential, high-performance employees (quadrants 7, 8, and 9) receive tailored competency development as part of the succession plan, becoming part of the talent pool. The proportion of employees in this talent pool is determined by the organization, and they undergo various treatments to prepare them for future leadership roles (LAN, 2018).

The main function of HR management encompasses career development, including the design of career patterns. By effectively managing career development, organizations can provide employees with a clear path to align individual aspirations with organizational goals. It should adhere to merit system principles, aiming to enhance employee competencies, performance, and professionalism. Career patterns in the public sector often include horizontal, vertical, and diagonal progression and can involve transfers, promotions, or special assignments. Civil servant career development relies on qualifications, competencies, performance assessments, and agency needs, all while considering integrity and morality. Future career development must address competencies: technical (educational level, training, and experience), managerial (education, management training, leadership experience), and socio-cultural (experience with diverse societies to gain national insight). Competency development plays a crucial role in career development, as it ensures alignment between an employee's competency profile and the standards required for their current or future position. In the modern landscape of globalization and technological advancement, innovations in





competency development are essential to prepare highly skilled human resources that meet the demands of a changing environment. Modernization and technological integration, especially in the learning process, are crucial policy strategies. A hi-tech approach should extend beyond information technology to incorporate broader learning technology. A shift towards learner-centered learning, where participants engage in practical experiences and derive meaning and creativity from these experiences, fosters active, critical, and innovative learning during the competency development process.

Competency development should align with current strategic environmental conditions, emphasizing up-to-date and relevant curriculum and modules, including micro-learning for specific issues and increasing data and digital literacy. Integrated information technology infrastructure is vital for supporting competency development. Management processes, from planning to evaluation, should be integrated into a national-scale information system, providing a database for competency development, enabling real-time monitoring and evaluation. The learning aspect should harness information technology, enhancing distance learning and e-learning, while building a nationwide e-learning platform accessible through websites and mobile devices, ensuring flexibility in learning anytime and anywhere. This integrated system should cater to various fields, accommodating all of Indonesia's human resources.

### CONCLUSION

The main findings suggest that competency development is a fundamental right for every civil servant, promoting equal opportunities based on performance and competency assessments. The challenges posed by future competency needs, driven by the industrial revolution 4.0 and rapid changes, require a modernized approach. Competency development should adapt to soft skills such as critical thinking, creativity, communication, and digital skills, including big data and IoT proficiency. Four key strategies for future competency development are highlighted: identifying contextual competency needs, integrating learning with organizational performance, aligning competency development with talent management and career progression, and embracing hi-tech solutions in the learning process. In conclusion, the industrial revolution 4.0 has reshaped the competency landscape, necessitating a forward-looking and adaptable approach to competence development that caters to evolving skill requirements.

Theoretical implications of the findings underscore the need for a comprehensive understanding of competency development in the context of the industrial revolution 4.0. This includes recognizing the significance of both soft and hard skills in addressing the challenges of the VUCA environment. It highlights the importance of integrating competency development with national and institutional policy directions and the role of talent management in achieving organizational objectives. The concept of hi-tech in competency development emphasizes the use of innovative technologies to enhance learning processes. Practical implications suggest that organizations, especially in the public sector, must adapt their competency development strategies to meet the demands of the industrial revolution 4.0. This entails implementing modernized learning approaches, focusing on soft skills, data literacy, and digital capabilities. It also emphasizes the importance of an integrated information technology infrastructure to support competency development. Furthermore, there's a need for creating a national e-learning platform accessible to all human resources, fostering a culture of continuous learning and adaptability in a rapidly changing environment. Overall, these findings provide a roadmap for organizations to stay relevant and competitive in the digital era.

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