

A Study on The Significance of Behavioural Competency for Employees in Private Sector Organisation

Aditya Singh, NMIMS Kirit P. Mehta School of Law, Mumbai, MH, India.

Abstract - The research paper goes through various concepts like employee competence and organizational performance. During the preparation of the research paper the author went through various measures of organization performance which may be divided into two sub-parts: Financial performance and Non-financial performance. The author during his research have mentioned about five behavioral competence which are: Individual Competence, Interpersonal Competence, Motivational Competence, Managerial Competence and Analytical Competence. The author has taken up a research finding from another research scholar who have surveyed about the demographics, reliability or convergent level in their organization and discriminant validity and correlation of public and private sector banks. Factors figured in this survey was well-versed for banking sector as well as other private organizations. The author expects that from this articulated work following could be expected in the near future that private organizations may focus on various competency levels before hiring new employees while role of labors may reduce in the near future due to various technological advancement. Whereas, companies would like to retain its most efficient employees even while the company may be facing financial troubles. While employees would be expected to act according to the organizational goals to achieve organizational performance.

Keywords – Employee, private sector, organization.

I. INTRODUCTION

Whether it being a public sector organization or private sector organization, there is an interlink between Employee Competencies and Organizational Performance. Organizational performance is affected by employee competency. Here's a brief explanation about the two subjects mentioned above:

1. Employee Competencies

Employee competency have a major role to play in determining an employee's work strength or performance. It also has a significant impact in the performance of an organization. Competence can be termed as an individual's capacity to interact effectively given the work environment. McClelland (1973) popularly developed the concept of 'Testing for competence rather than Intelligence'. McClelland opined to the fact that an employee's behaviour traits and character is a more important aspect compared that to the traditional knowledge or aptitude tests deciding in an employee's performance and success rate in the given tasks. Employee Competence consists of 'cluster of knowledge, skills and attitude of the employee, it tallies with the performance which can be measured against the standards set and could be improved through extensive training and development of that employee'. It is a personality attribute consisting of knowledge, skill, motive, attitude and ability that is resulting in effective and superior performance of an employee. here are four division under employee competencies that are: Self competence, Team Competence, Communication Competence and Social Competence.

2. Organizational Performance:

Organizational performance is a very hard concept to define and measure. It can be defined according to the person in charge and may differ with change in personnel. Delarue et al. (2008) discussed about the criteria of performance, which depends upon the objectives given by an organization. Kim (2005) explained the concept of organizational performance through effectiveness and efficiency by which an organization compels its goals within the company's mandate. An organization can measure its performance by two ways which are as follows:

1. Financial performance;
2. Non-financial performance.

Financial performance measures the following parameters which are as follows: sales growth, performance stability, operating efficiency, financial strength, market performance and the ability to raise capital. Non-financial performance measures the following parameters which are as follows: customer satisfaction, Human Resource Management practices, ability to attract and retain employees, quality of products and services, development of new products and relation between employees and managers. Many research scholars have different viewpoints or measures for organisational performance and hence the researchers came across two such measures: Objective Measure and Subjective Measure. Objective measures are said to be consistent and are coefficient to the results obtained through subjective measures. During the research work the author spelled out five types of behavioural competencies affecting the organizational performance of an organization. The types

are as follows: Individual competency, Interpersonal Competency, Motivational Competency, Managerial Competency and analytical Competency.

Research Objectives:

1. To study the relationship between behavioral attributes of an employee and organization's performance.
2. To study the ways in which we could measure behavioral competency of an employee.
3. To study if a highly behavioral competent employee has a positive impact on an organization or not.

Research Hypothesis:

H0 - There is a significant impact of behavioral competencies of employees on organizational performance.

H1 - There is no significant impact of behavioral competencies of employees on organizational performance.

Research Problem:

- What are the parameters required to measure organizational performance?
- How employee competency effects organizational performance?
- What are the several parameters required to measure behavioural competency of an employee?

II. LITERATURE REVIEW

• SELF-COMPETENCE AND ORGANIZATIONAL PERFORMANCE:

Siriwaiprapan (2004), self-competence refers to "ability to change, preparation to learn, preparation to develop yourself, preparation and ability to initiate actions, faith, tolerance, acceptance, broad mindset, self-discipline, self-respect, individuality, and self-determination." It surrounds a range of knowledge, skills and ability that helps in identifying one's strengths and weaknesses, assess personal and professional goals, the ability to manage themselves in emotional situations, and the ability to understand and work the motivations and feelings of work (Elbaz etc., 2018). It is argued that self-qualification increases the ability, skills, performance, success and adaptability of employees in stress situations (Tafarodi and Swan, 1995). Studies have shown that self-esteem has a significant and positive relationship with institutional obligations (Matthieu and Zajac 1990) and job satisfaction (Bhagat and Allie, 1989), improving organizational performance. In short, employee self-qualification is an important decisive role in employee performance, helping companies achieve their goals successfully and achieving higher performance (Potnuru and Sahoo, 2016).

• TEAM COMPETENCE AND ORGANIZATIONAL PERFORMANCE:

Potnuru and Sahoo (2016) referred to team competence in the following sense "knowledge, skills and abilities of the individual for the development, support and leadership of the team to achieve the goals" are rather "the skills, skills and abilities of the individual". his is a manifestation of the necessary behaviour and optimistic attitude on the part of individuals in a team necessary to achieve individual and organizational goals. Eby and Dobbins (1997) Discussed that team competence conveys shared effort and information and a better allocation of resources, which improves productivity. It produces cooperative and productive teams, achieving group goals, improving quality, increased team participation, and improved organizational efficiency. Over the past few years, teamwork has received a lot of attention among organizations, forcing them to develop strategies to improve and nurture the team competencies of employees, which will ultimately lead to increased and sustainable organizational growth.

• COMMUNICATION COMPETENCE AND ORGANIZATIONAL PERFORMANCE:

Communication qualification refers to the ability of colleagues to choose between their appearance and communication behaviour available to meet their own interpersonal goals during an encounter while maintaining lines within limitations of the situation. Communication qualification includes the knowledge, skills and abilities (KSAs) of the person who is efficient in sharing information, ideas, thoughts and feelings with others (Hellriegel & Slocum, 2011). For being communicable, a person must use communicative resources such as language, voice and gesture appropriately (Stohl, 1986), listen to others in depth, communicate clearly and briefly and share information immediately and respond (Shaw, 2005). Communication qualifications encourage the formation of creative and cooperative groups, increase the performance of employees and reduce conflicts in institutions, participation of employees (Elbaz etc. al.) and enhances productive of employees and ensures job satisfaction to an employee which leads to loyalty towards the organization, thereby leading to improvement of performance by the organization as whole.

• SOCIAL COMPETENCE AND ORGANIZATIONAL PERFORMANCE:

In general, social competency refers to an individual's efficient management of social interactions. It is about developing and maintaining a good relationship with others and being in a good way with others. "Given the complexity of social interactions, social competencies are the products of a wide range of cognitive, emotional processes, behaved, social and cultural values relating to inter-human relationships" (Orpinas, 2010). Moreover, Orpinas and Horne (2006) define "social skills" as "the age-appropriate skills and skills of a human being to function in a pacific and creational way in their community or social community".

Socially skilled people are defined by the able to building and building their networks, to develop competencies and perform brilliantly well in the team (Sucher - Cheung, 2015), which lead to the achievement of individual and group goals and, eventually, an enhancement of organizational performance.

- **Interpersonal Competency:**

Interpersonal competence are those essential skills applied in relation to other people mainly on a one-on-one basis. The behaviour of interpersonal communication of many people suggests that they assume an ability to communicate effectively that they do not possess are taking those skills for granted. One must work consciously to develop his/her interpersonal skills, by doing their tasks accurately and shall be precise at all times. The performance shall be constant until they become perfect to the given task. Like any human skill, interpersonal competence can be improved through conscious efforts. Successful interpersonal communication involves modelling the behaviour of others often, while opposing their modelling behaviour. To have a chance to be successful, any interpersonal contact must have a target, that each and every effort must be made to avoid creating win or lose situation whenever possible.

- **Individual Competency:**

Individual competency is an important aspect which defines job or work load. An individual's skills are necessary for both technical and behavioural requirements which will enhance their roles in an organization. In the research paper, the author has mentioned about the organization tending towards hiring of new employees and promotion of employees based on technical skills. The author in his research paper have given a suggestion that the organizations should consider both the requirements necessary (technical competency and behavioural competency) to assess new hires of an organization, promotion of employees and in succession of plans made. The research scholar has distinguished technical competency as specific knowledge, skills and ability is required to accomplish a specific task or work given to an employee and therefore it can't be confused with operational goals as they specific to projects and technical skills helps in the output of that project. Whereas, behavioural competency is a broad outlet of what technical competencies are, as it helps in identifying organizational competency which is applied for each and every employees of an organization and may distinguish output as each individual have different set of skills in which they are experts and may have different overview of organizational goals.

- **Managerial Competency:**

The manager's qualification is to include the skills, objectives and attitudes required for the job, and such as communication skills, problem solving, customer focus and ability to work within the team. While companies have long been able to analyse and invest financial and other "difficult" assets, it is harder to adapt to the equation for human resources involved in management qualifications. While

skills and knowledge are part of a manager's qualifications which can be quite easily measured, ineffective resources such as effective communication and teamwork, when essential, are difficult to assess.

- **Analytical Competency:**

Analytical competence refers to a person's ability to collectively analyse the information, troubleshooting the problems of an organization and the person shall have the skill to of decision making. Organization search for employees with such skill sets as they need an efficient person who possess an ability to analyse what problems an organization is facing and to find an ideal solution to the problems effectively. There are five types of Analytical competence which are as follows:

1. Communication.
2. Creativity
3. Critical thinking
4. Data Analysis
5. Research

- **Motivational Competency:**

Employees who successfully try a new skill or task and receive a positive certification incorporate the reward system and aim for excellence. This can have both positive and long-term consequences for their self-confidence. As they embody their own standards, employees no longer rely on others to judge their performance or to encourage them to move forward. Instead, they are encouraged to move on on their own because they understand that they are good about it.

People who feel competent in the field show more effort and persistence and prefer harder work. Highly qualified people also have high self-confidence and self-confidence, which can affect all areas of their lives, from relationships to employment.

By using appropriate praise and positive confirmation, you can encourage employees who want to work in a way that generates more praise. A sense of achievement is an added value. Employees can also define their own goals to the master. The result of positive reinforcement is the general sense that you can influence your situation.

Significance of the study:

The study aims to find if there is a relationship between behavioral competencies of employees and the performance of organizations. The study has mentioned some of the behavioral competencies and has considered them as independent variable. Performance of the organization is the dependent variable. The challenges faced during this study was to find a way to measure behavioral competencies and performance. This is needed to be done so that there is way through which we are able to find a correlation between the two factors. This study has taken help of various other studies and research done in the same area. An attempt has been made in this study to find the best methodologies from various studies and finally come to a conclusion.

Research Limitations:

This study is not explanatory as it is based on only secondary data from research papers, journals, books and articles. It is not a primary research work done by the author due to lack of time and resources.

banks. The first table is a sample survey took from two public sector banks: SBI (State Bank of India) and BOB (Bank of Baroda) and two private sector banks: HDFC (Housing Development Finance Corporation) and ICICI (Industrial Credit and Investment Corporation of India). The sample Figure 1: Sample Respondents and Demographics

took from the following banks are as follows: ICICI bank (27.69%), SBI (25.85%), HDFC bank (24%), BOB (22.46%). The second table includes the demographic of the employees at those banks and the results were as follows: most employees were below 30 age group (48%), majority of the respondents were male (64%), more than half of the respondents were postgraduate (56%). Majority of employees had less than 5 years 'working experience at their organization (48%) while total work experience of employees (43%) were 5-10 years.

Table 1. Sample Respondents

Bank Type	Bank Name	Frequency	Percentage	Cumulative
Public	SBI	84	25.85	25.85
	BOB	73	22.46	48.31
Private	HDFC	78	24.00	72.31
	ICICI	90	27.69	100

Source: The authors.

Table 2. Demographic Profile of Respondents

Item	Contents	Frequency	Percentage
Age	Below 30	156	48
	30-40	123	38
	40-50	20	6
	50 and above	26	8
Gender	Male	208	64
	Female	117	36
Educational qualification	Undergraduate	142	44
	Postgraduate	183	56
Organizational tenure	Below 5	157	48
	5-10	126	39
	10-15	14	4
	15 and above	28	9
Total work experience	Below 5	121	37
	5-10	138	43
	10-15	26	8
	15 and above	40	12

At this point, researchers are evaluating the reliability and validity of all latent variables. The internal reliability of the structure is confirmed by the alpha and strength of the Cronbach's mixture. Certified confidence was determined by analyzing two key parameters: factor loading and individual mean variance (AVE) analysis. As shown in Table 3, Cronbach's alpha values range from 0.836 to 0.908 for all structures, mixed structure reliability from 0.839 to 0.909, and break values above 0.70 (Fornell et al.). Larker, 1981; Kline, 2011). ...), indicates sufficient internal reliability. The factor loading ranges from 0.70 to 0.86 for all latent variables, exceeding the recommended value of 0.60 and above (Bagozzi & Yi, 1988; Kline, 2011), indicating sufficient homologous confidence. The AVE plan ranges from 0.571 to 0.635, with a tolerance rate of more than 0.50 (Fornell and Larcker, 1981; Hair et al., 2011), indicating good reliability. The AVE plan ranges from 0.571 to 0.635, with a tolerance equal to 0.50 (Fornell and Larcker, 1981; Hair et al., 2011), indicating tight reliability. Discriminant validity was determined by comparing the square roots of each AVE in each construct (Fornell and Larcker, 1981; Henseler et al., 2009). As shown in Table 4, the square root of the AVE for each structure is greater than the correlation between sectors, indicating good discrimination. Moreover, the multidimensional assumption of normality supports bias, with all values ranging from + 1.50 to 1.50 (Tabachnik and Fidel, 2013).

Figure 2: Reliability, Convergent, Discriminant Validity and Correlation

Table 3. Reliability and Convergent Validity

Constructs	Items	Item loading	Cronbach's alpha	CR	AVE
Self-competence	6	0.71-0.86	0.897	0.897	0.592
Team competence	4	0.70-0.83	0.869	0.871	0.628
Communicative competence	3	0.76-0.85	0.836	0.839	0.635
Social competence	7	0.70-0.83	0.908	0.909	0.589
Organizational performance	7	0.71-0.81	0.903	0.903	0.571

Source: The authors.

Table 4. Discriminant Validity and Correlation

	Communication Competence	Self-competence	Social Competence	Organizational Performance	Team Competence
Communication competence	0.797				
Self-competence	0.642	0.769			
Social competence	0.661	0.658	0.767		
Organizational performance	0.538	0.424	0.507	0.756	
Team competence	0.766	0.758	0.731	0.516	0.792

Source: The authors.

Note: The bold values represent the squared root of average variance extracted (AVEs) which are greater than inter-construct correlations and thus confirm the discriminant validity.

III. CONCLUSION

In the research paper various types of employee competencies have been discussed. An attempt has been made to use these competencies of employees as an indicator of an organization's performance. Although, there is no fixed way of measuring employee competencies as an independent variable, this research has taken help of scholarly articles who worked on a similar study. Taking help from these works and based on a similar study done for this research, it can be concluded that there is a significant impact of behavioral competencies of employees on organizational performance. This impact is positive, i.e., employees with good behavioral competencies will lead to greater performance of their respective organizations. While a survey of banking sector was used to know the findings of the research, whereby various factors like demographic like age, gender, educational qualification and other factors were asked to find the frequency level of hired personnel in the banking sector. While various competent level of employees was measured such as social competency, team competence, organizational performance, etc. These competency survey examined the types of employees an organization may look for before hiring, allotment of tasks, etc.

IV. SUGGESTIONS

Keeping in mind, the conclusion of the study that there is a significant impact of behavioral competencies of employees on organizational performance and this impact is positive, we can say that organizations need to work on their employees' behavioral competencies in order to flourish. Companies have to develop a strategy in order to improve employee competencies. This can be done by having regular workshops to enhance soft skills of the employees. Employees also need to upskill in order to grow in their respective careers. Organizations can enroll or sponsor their employees into courses or certifications, that will enable the employees to upskill and be aware/up to date about the most recent technologies. Employees also need to be trained about change management as it is very important for employees of an organization to adjust to changes done by the higher-level management for the betterment of the organization. Organizations also need to give intrinsic and extrinsic rewards to their employees for developing their behavioral competencies. These rewards can include verbal appreciations by managers or providing awards or bonuses for showcasing good development. After all, employees are the people who decide how an organization operates, taking care of them is important.

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