

# Competencies by Learning and Development- A key to Performance Management

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*Abstract: Organizations are a combination of human and technology. Empowering human skills with technical systems lead to achieve real growth to the organizations. Human Resource Development is in a constant state of development, responding to organizational and environmental change. It is a powerful device to endow individuals, organizations and societies to compete effectively in a global market place. A study on Performance Management encourages employees to achieve optimum level of work performance in align with the organizational goals. This research not only helps to explore the relationship between PM in a Public and a Private organization, but it facilitates a framework to develop employee morale by learning and development. In this context, it is vital to depict the outcomes of two independent variables viz. competencies, and learning and development towards its dependent variable, PM. It highlights on the employee perception about PM practices of the two companies, which is a fundamental factor for attracting, retaining, and motivating employees. Accordingly, the study is concentrated at Kochi, Kerala, in the shape of “Competencies by Learning and Development- A key to Performance Management,” with a focus on the Plant level workers and the Managerial staff consists of sample size 481 and 475 respectively. Furthermore, it has been statistically verified that two factors show a positive relationship with PM. Along with this, it identifies the extent to which the PM and its work-life factors are provided by the selected companies. The outcome of the survey generated relationship between dependent variable (PM) and independent variables (work-life factors), different opinion in their PM processes, their outlook about PM practices and work-life factors with respect to demographic factors, personal satisfaction about their PM methods, varying satisfaction level with respect to the demographic factors, and the influence of work-life variables in the selected companies.*

*Keywords: Competencies, learning and Development, Performance Management*

## 1 Introduction

Every business must be prepared to deal with the global economy. Organizations in this 21st century face a lot of challenges to survive in the global market. One of the challenging factors is the management of human assets because these cannot

be substituted with any other assets. If organizations provide a constructive platform to develop their full potentials in life and work, there is no need to replace with any other alternatives for the success and survivability of organizations. People should enjoy their work-life in order to get maximum output. Human resource development performs an imperative role in improving employee performance. It focuses on the central goal of developing human potential in every aspect of all-time learning. A focus on the organizational goals along with personal goals by systematic expansion of peoples' work-related abilities must be the need of the hour.

Businesses of all sizes benefit when HRM operates with a competency framework. Competitiveness refers to a company's ability to maintain and gain market share in an industry. Competencies for performance managers are in various ways. These organizational designers should have a mastery over contemporary human resource tasks such as acquiring, training, and compensation employees. Talent managers are always culture and change stewards which mean they are capable of creating HR practices that support the firm's cultural values. Managers must be strategy architects with the skills to help in establishing the company's overall strategic plan and to put in place the human resource development practices required to accomplishing that plan. As operational executors, they are capable to anticipate, draft, and implement above practices. The departmental (finance, sales, production) goals can be achieved by helping functional and general managers in business allies by applying business knowledge. A wide outlook on competencies creates credible campaigners with skills in leadership, respectful, admirable, listening and proactive in taking challenges.

Training in organizations is a planned effort by a company to facilitate learning of job-related competencies, knowledge, skills, and behaviors for employees. Its goal is to master them with these competencies and allow them to apply in their day-to-day activities. Moreover, development includes training as well as formal education, job experiences, relationship and assessments of personality, skills, and abilities that help employees prepare for future job or positions. It is a continuous and never-ending process.

Performance management process represents three steps; goal-setting/appraisal/feedback. It is the constant process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organizational goals.

The selected Universe for the study is highly reinforced with talented and skilled professionals, good infrastructure, economic viability and expatriate remittances. So, this study will be an eye-opener for young professionals, entrepreneurs and corporates and for industrial sectors. Data reveals that there is more migration of skilled labors from Kerala, India to Middle East and Western countries such as US, UK and Europe.

In the light of above background, this study could definitely throw light on the PM practices with respect to competencies and Learning and development in Public and Private organizations. It highlights on the employee perceptions on these factors and thus companies can develop these factors for its effectiveness. Furthermore, it has been statistically verified that this personal satisfaction towards their work-life can bridge the gap towards organizational and personal goals.

## **2 Literature Review**

Globalization and industrialization force companies to expand into new markets not only due to enormous demands of consumers but to produce their products and services in areas with less production costs. This resulted in more job opportunities in developing countries which can reduce unemployment.

Migration, both internal and international has become progressively important policy question both in developed and developing countries. Kerala state always witnesses high level of migration. The Kerala Migration Survey-2016, conducted by Centre for Development Studies shows an absolute decline in the total number of Kerala emigrants abroad from 2.4 million in 2014 to 2.24 million in 2016, constituting a drop of 1.54 lakh. It is for the first time the number has declined since CDS started conducting migration surveys in 1998. The people in the migration prone-age group of 20-30 years have declined significantly in the state. While 42% of total population of the state in 1960 were in the age group of 0-14 years, it has dropped to just 23% in the 2011 census, another reason is the steady decline in the wage differential between Kerala and Gulf, especially to blue-collar jobs. The survey however shows that Gulf region continues to be the favorite destination of migrants from the State with 89.1% of emigrants live in the GCC countries. Among the non-Gulf countries, USA had the most number of emigrants (4.2%) followed by UK (1.6%). Significantly, the study has also for the first time in the last two decades show decline in remittance flow to the state from Rs. 71,142 crore (10,163.14 million USD )in 2014 to Rs. 63.289 crore (9.041 million USD ) in 2016. NRKs' in the Gulf have been facing a series of setbacks in recent years in the form of growing nationalization, rising costs of living and uncertainties caused by geopolitical shifts.

Owing to these reasons, this study has a lot of scope for improving the infrastructure and working conditions of present industries in the state and to attract and retain the work force. The study utilized two models for profound understanding of Performance management systems in selected companies. Goal setting theory by Edward Locke (1984) and Expectancy theory by Victor Vroom (1964) form the basis for theoretical aspects. Locke's primary revelation was around the power of setting specific and measurable goals, rather than keeping

outcomes general. Employees can be motivated with these above factors along with a proper feedback. Vroom suggests that an employee's beliefs about Expectancy, Instrumentality, and Valence interact psychologically to create a motivational force so that the employee can enjoy and avoid pain.

Elangovan and Karakowsky (1999) argue that organizations gain from training programs through the improved performance and increased productivity that accompany employee development, while employees enjoy intrinsic and extrinsic rewards associated with skill development and performance improvement. An examination of the dimensions of commonly used training interventions highlighted on; Lectures, role plays, group discussions, workshops, case studies, projects, distance learning including e-learning learning logs, mentoring/apprenticeship, outward bound trainings.

As an expensive investment in an employee's future, organizations are constantly seeking to improve on the effectiveness and return on their investment (Cheng and Ho, 2001). Consequently much attention has been devoted towards optimizing training design and facilitating greater transfer of training back to the workplace (Holton and Bates, 2000). For the last two decades, competency frameworks have been employed as an effective means of structuring development processes within organizations. As Hafeez and Essmail (2007) point out, competences refer to the activities that an organization must excel at to outperform competitors, whereas competencies relate to individual knowledge, skills and attributes necessary to carry out a function effectively.

Nowadays, management began to recognize the importance of human resources in face of increased competition. McLagan (1989) maintains that HRD involves training and development, organization development and career development. Accordingly, HRD is focused on the three elements that contribute to individual performance improvement.



Figure 1 McLagan, P. (1989) Models for HRD Practise, Alexandria, VA: ASTD Press.

### 3 Methodology

Based on the literature survey about Human Resource Development in organizations, a framework for research questions has been designed. Accompanied by the information gathered from secondary data, it is decided to focus the study on the subjective aspects about the Performance management factors of employees in public and private organizations. Those experience highlights on the inner desires, beliefs, motives, skills from employee perspective. It is imperative to measure these factors through statistically. Hence, the study is a combination of quantitative and qualitative forms of inquiry. The objectives for the study are;

- To understand the importance of PM in a Public and a Private organization
- To identify the employee perception about PM and its related variables
- To categorize the difference in the perception about PM in Public and Private organizations with respect to demographic factors
- To pinpoint the satisfaction level of employees related to variables with respect to demographic factors.

A pilot study has been conducted to test the reliability of the research questions and methods to be adopted. Based on this, the questionnaire was further refined and utilized for data collection. It was a self-developed with Likert point of scale. Demographic factors forms the first part followed by independent variables and related sub-variables. As a final part, satisfaction level of employees was also mentioned. An appropriate survey helped to get data from a large sample of population from different industries. Universe consists of the selected employees from Public and Private Companies. As it was a stratified proportional sampling method, quantitative (survey) and qualitative (interview/interaction) data were collected from both managerial and plant level workers (blue-collars) from two companies as a cross sectional study. Thus, the sample size consists of 481 from Public sector and from 475 Private sector.

Table 1 Sample Profile

	Company	POSITION		TOTAL
		Administration	Plant	
1	Public	313 (65.1%)	168 (34.9%)	481
2	Private	148 (31.2%)	327 (68.8%)	475
	Total	461	495	

Table 2; Variables and Measures

Sl. #	Variables	Sub variables
1.	Competencies	Promotion policies and its implementation
		Design of the Job/Challenging
		Job description aligned to organizational goals
		Professionalism among supervisors/superiors
		Technological advancement
		Work-life balance and achievement of personal goals
		Reward system
		Salary benefits
2.	Learning and Development	Updating the technology
		Soft skill training
		Feeling of competency
		Improvements in academic field
		Awareness in health and safety measures
		Job rotation
		Stress management
		Job enrichment activities

The edited questionnaires were then undergone for coding of the responses i.e. for demographic factors, and for each point of scale. The responses were then keyed to SPSS. After that, Mean, Standard deviation, percentage and frequencies were first calculated to get the initial response to each item in the questionnaire. Thus, all items were analyzed using descriptive statistics. One sample Z-test was used to investigate the level of Performance management. Along with this, an independent Z test helped to find significant variation in the responses between two companies. In order to find any difference in responses due to demographic factors, ANOVA test has been utilized. Moreover, Chi square test has applied to find the dependency of personal satisfaction level with the demographic factors.

Reliability of the scale was measured by Cronbach's alpha. The major approaches done in the study for scale refinement and validation are Exploratory factor analysis (EFA) and Confirmatory factor analysis (CFA). The EFA was done by SPSS-17.

### **3.1 Limitations of the survey**

The researcher was not allowed to collect the information directly from all the plant level workers due to the strict safety norms in manufacturing area. The questionnaire was submitted to the administrative office and the respective officers collect the information for the researcher.

## **4 Data Analysis**

This part of the study deals with comparative investigation of work-life dimensions of the Public sector and the Private sector Companies. The statistical analysis comprises two stages; the first stage is the descriptive statistics of the measurement items and the second part tested the proposed research model which examined the importance and influences of the manifest variable's path coefficient.

Table 3; Analysis of Socio-environmental Character of Respondents

Factors	FACT	ATL
<b>Gender</b>		
Male	333 (69.2%)	460 (96.8%)
Female	148 (30.8%)	15(3.2%)
<b>Age</b>		
20-30	30(6.2%)	75(15.8%)
31-40	37(7.7%)	151(31.8%)
41-50	231(48%)	204(42.9%)
Above 50	183(38%)	45(9.5%)
<b>Qualification</b>		
Professional	132(27.4%)	64(13.5%)
Post Graduate	82(17%)	69(14.5%)
Degree	96(20%)	15(3.2%)
Diploma	99(26%)	42(8.8%)
Pre-degree	51(10.6%)	150(31.6%)
High school level	21(4.4%)	135(28.4%)
<b>Experience</b>		
3-10	36(7.5%)	84(17.7%)
11-15	30(6.2%)	112(23.6%)
16-20	49(10.2%)	69(14.5%)
21-25	205(42.6)	99(20.8%)
Above 25 years	161(33.5%)	111(23.4%)
<b>Living background</b>		
Panchayat	172(35.8%)	233(49.1%)
Municipality	246(51.1%)	242(50.9)
Corporation	63(13.1%)	0



Table 4; EFA Model Fit

Variables	No. of Variables	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity -Chi	Df	Sig.
Learning and Development	8	0.813	2050.088	28	<0.001
Competencies	8	0.891	8552.89	300	<0.001

Exploratory factor analysis proved the suitability of work-life variables in each mentioned independent variables using principal component analysis in SPSS. The KMO value for all the two variables found to be exceeded the recommended value of 0.6 and the Bartlett's Test of Sphericity has reached statistical significance, which supports the factorability of the correlation matrix.

Table 5; Descriptive Statistics for Hypotheses test

Variables	Mean	Standard Deviation	Maximum score	Mean % Score	CV
Learning and Development	16.67	3.51	32	52.08	21.07
Competency	19.32	3.87	40	48.30	20.02
Performance Management	35.99	7.38	72	50.19	20.54

Table 6; Performance Management score and its Z test for Public and for Private companies

PM	Mean	Std.Deviation	Maximum score	Mean % Score	CV	Z	P value
Public	206.93	22.18	348	59.46	10.72	-2.047	0.021
Private	191.24	19.20	348	54.95	10.04	-20.163	<0.001

Tabulated value: 1.645

As it is observed from the above table, the MPS of the PM in the Public is 59.46 and that of Private is 54.95, which indicates that the perception of the employees is only moderate as far as the PM in both companies concerned.

In addition, the table above indicates that a comparatively higher work-life environment exists in Public than in Private as the MPS of the respondents from the Public is 59.46 and that of Private is 54.95. To test any significant difference exists among the mean score of the PM among two companies; following are the formulated hypothesis for testing:

H0: The mean score of PM in Public and Private are the same, against the hypothesis

H1: The mean score of PM in Public is greater than that of Private.

Table 7; Comparison of PM score between Public and Private companies

PM	Mean	Mean % Score	CV	Z	P value
Public	206.93	59.46	10.72	11.687	<0.001
Private	191.24	54.95	10.04		

Two sample Z test carried out for testing the above hypothesis has a value of 11.687, which is greater than the tabled value of 1.645. Thus, the test proved that the mean score of PM in Public is greater than that of Private.

A comparison of the PM with respect to socio-environmental factors for each company identifies the relationship of PM with various employees in their gender, position, education, experience, and living background. The two sample Z test shows the significance level in each category. The two sample Z test indicates that there exists a significant difference between the mean of the male and female. PM in Private for the respondents from administrative section is better than that of the Plant employees.

The ANOVA clears that the factor, age, is not significant. So, it states that the age has no significant role in PM in Private. There is significant difference in the age group and PM in both companies. In Public, the result shows that there is not much variation in the outlook of PM with different education levels. This is an influencing factor for PM as far as Private is concerned. In both companies, the F value of the ANOVA test is found to be significant at 1% level, which indicates that there is difference in the mean score of PM with change of work experience. Moreover, the mean score is independent to the place of residence.

Table 8; Comparison of Personal Satisfaction level about PM in Public and in Private

Company		Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Public	Count	80	187	211	3
	% within the company	16.6%	38.9%	43.9%	6%
Private	Count	146	212	108	9
	% within the company	30.7%	44.6%	22.7%	1.9%
Chi-Square Test	Pearson Chi-Square	Value	df	P value	Conclusion
		57.062	3	<001	Significant

The employees in Private were more satisfied than that of employees from Public as the percentage of the satisfied respondents in Private were about 30.7% and that of Public were about 16.6%. Like this, a comparison of personal satisfaction about PM with socio-environmental factors in both sectors was also tested.

## 5 Conclusion-Findings and Suggestions

It is evident from the values of MPS and CV from hypotheses test that PM factors and its related work-life factors established the effectiveness of the instrument by confirming the scales of two independent variables and, its positive correlation with all the 16 points by different feelings. Z test and multiple comparison tests clarified the significant difference of diverse groups. All other 16 scales have direct linkage with employee's work-life satisfaction.

Findings from the feelings of respondents about 'Competence,' proved that all factors are consistent with Locke's and Vroom's theory. Though the result showed satisfactory in their PM methods in Private, management should consider the points because ability, job requirements, job content and job context factors can motivate the attitude and character building. This leads to the accomplishment of goals and a balance to work-life.

Z test showed significant values, with P value  $<.001$  for the comparison between PM score and demographic features. Likewise, ANOVA and multiple comparison tests confirmed these variations among gender, position, age, education, experience, and community. In Public, PM score varies with demographic variables except for position, education, and living background. In Private, mean scores of PM fluctuates with all socio-environmental factors. The significance level can be cleared from the values of Two sample Z test, One way ANOVA, Tukey's multiple comparison test. Lack of agreement between expectations and reality would result in conflict and frustration. Identifying any product with their effort and responsibility makes them enthusiastic within the department and management as well. 'Task identity' allow employees to maintain a competency among workers. It affects the attitude towards work as human desires would change with respect to the selected factors and thus the result is consistent with Herzberg's Need theory and motivational theory.

The personal satisfaction with respect to each socio-environmental factor for PM has significant influence in both organizations. Thus, it established the power of independent variables on PM factors. Overall analysis of satisfaction level from both companies showed that more respondents were not much happy in their work-life. In comparative analysis, the employees from Private were more satisfied than the employees from Public, based on the Q: 17. In Public, personal satisfaction level on PM varies with all socio-environmental factors. In Private also, satisfaction level on PM shows inconsistency except for living background. As the research is based also on qualitative analysis, Chi-square test established the significance between two nominal (categorical) variables: satisfaction and company, with a P value of  $<.001$ , generally and independently. All the above factors related to each other towards employee satisfaction. It can thus be concluded that employee satisfaction level in private sector is more than public sector even though with better work-life factors in public sector.

The outcomes from statistical analysis established the fact that individuals' diverse needs interact with the work environment that shapes on-the job wants, so that employees from both companies call for learning and development. Eventually, these feelings in work-life sub-variables not only helped to understand the influence of each variable in their work-life satisfaction, but also for the accomplishment of their PM variables. The findings achieved by using the developed instrument can assist selected companies to design a job with employee engagement programs to improve or prioritize the work-life factors. In addition, comparison of two work-life variables with demographic factors in FACT and in ATL has facilitated to achieve the objective: interrelationship between two independent variables. It is evident from the findings that which indicator delivers more towards better work-life for different groups. So, logical increase in those particular areas of each indicator can guide to better PM. The results explained the variations with respect to all demographic factors. Thus, the study proved that the employees from both industries were not much satisfied with the present work-life.

Though the result showed satisfactory in their PM elements with respect to dependent variables, management should consider wide range of individual development plans, job postings/job rotations, formal career-oriented performance appraisals, career planning centres, formal counseling and mentoring with managers, succession planning for high-potential employees because ability, job requirements, job content and job context factors can motivate the attitude and character building. This leads to the accomplishment of personal goals and a balance to work-life. The results of the study highlighted that each point could be able to pin-point the areas of weaknesses in qualitative elements of human resources, though surveys are not complete and neutral information-gathering devices. Organizations can prioritize these factors in accord with the values from the findings because the descriptive statistics confirmed that existing work environment needs some improvements in their PM in both companies.

Today owing to recessions, outsourcing, mergers and, downsizing, organizations must be more competitive to survive in the existing economic scenario. In such situations, more work-life factors other than from these two mentioned factors can be identified. Besides, India is powered with skilled and well-educated work force. With greater emphasis laid on HRD aspects the employees today exhibit an attitude of responsibility and performance to the quantitative and qualitative standards. The new generation not only demands a better deal in their work environment, but also keen to fulfill their involvement with the organization. More important, consumer trends and technical innovations are developing rapidly. Thus the study imparts 'the success of any effort at improving quality' must include their employees because, they are not only a major force in carrying out changes, but access their competency and develop their proficiency.

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