The Impact of Competency Framework on Job Performance of Employees in Pharmaceutical Sector in Kerala Context

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Abstract

A competency framework is a model that broadly defines the blueprint for 'excellent' performance within an organization or sector. The framework will consist of a number of competencies, which can be generically applied to a broad number of roles within the organization. Each of these competencies is then defined in a way that makes them relevant to the organization or sector, using language that is clear enough to ensure that everyone has a common understanding of what 'excellent' job behavior looks like within the generic context. Competency Framework provides an excellent foundation for integrating all HR processes around selection, retention, development and career transition.

Keywords: Communication Skills, Teamwork, Problem Solving, Proactive Decision Making, Business Acumen, Innovation, Delegation & Empowerment

1. Introduction

Many organizations now view competencies as foundational to effective talent management and have classified the competency framework as a strategic imperative. Assessing competencies as a part of performance management is an important means of assisting employees in understanding performance expectations and enhancing competencies. Leading organizations are using competency frameworks to recruit and select employees with a strong fit to the role and organization, set performance expectations and measure contributions objectively, focus employees on what is critical to enhancing their performance and increasing their level of work satisfaction, provide a roadmap for employee development and career planning, identify and assess 'competency gaps' in individuals and groups, thereby providing valuable insights for creating highly targeted development and training initiatives. Most organizations have their own competency framework. It is normally carried out in a hierarchical way. However, few companies do not have a well-established competency framework. These competencies will have both positive as well as negative impacts on the performance and growth of its employees. This study seeks to identify the Impact of Competency Framework on the Job Performance of Employees at Pharmaceutical sector in Kerala. The topic was chosen because, the performances of employees are directly and/or indirectly linked with the competency framework, which set the competencies that are required for a particular job. These competencies are rated using proficiency scales. In multinational companies, the jobs are distributed based on the multiple skills of employees. Thus, this study enables to check with the satisfaction level of employees with respect to their job performance.

2. Objectives of the study

- To understand whether there is a difference in opinion among groups based on demographic factors with respect to the job performance.

- To analyse the Impact of Competency Framework on the Job Performance of Employees at Pharmaceutical sector in Kerala

3. Review of Literature

Steve Whiddett and Sarah Hollyforde (2014), defines competency framework as "Many organizations develop a competency or behavior framework with a view to managing performance and progression more effectively. However, many managers and individuals find it hard to use the frameworks to help achieve their goals and, therefore, the goals of the organization". Competency frameworks improve business performance by Hudson (2004) said "Competency Framework provides an excellent foundation for integrating all HR processes around selection, retention, development and career transition." Many organizations now view competencies as foundational to effective talent management and have classified the competency framework as a strategic imperative. Jo Potter, Management Consultant, and Nick Cotter, Head of Organizational Development, Oakleigh Consulting Ltd (2007), said 'Since the introduction of the competency framework our organization has become a much more attractive place to work. Lucia and Lepsinger (1999) "The Art And Science Of Competency Models", identified that since competency models describe the qualities required of a worker to be successful in a position, on a team, and within an organization, a competency framework must be robust, dynamic, fluid, and flexible to change with technological, economic, and other changes. They should be re-evaluated and refined, along 42 with the selection and other human resource tools developed and used with the competency

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model. Dubois (1993) identified 'the competency framework defines the core competencies for roles within the organization and the associated levels for each competency. The purpose of the competency framework is to help individuals rate themselves across each of the competency areas, and then to perform a gap analysis.' Brooks (1993) identified a critical aspect of all competency frameworks is the degree of detail. If a framework is too general, i.e. containing only general statements, it will not provide enough guidance either to employees as to what is expected of them or to managers who have to assess their staff against these terms. Dickson and Hargie (2004) "Communication Skills For Effective Management" identified communication skills are one among the core competencies that are required for a professional. In academic and professional spheres, the term "communication skills" reflects the verbal and nonverbal competence, written and social strategies, used to interact, influence and solve problems within the group. Wiemann (1977) "A Description Of Competent And Incompetent Communication Behavior" identified communication skill is the ability of choosing between different available communicative behaviors, those that successfully fulfill their own interpersonal goals. Brooks and Heath (1993) "Speech Communication"defined the process by what information, meanings and feelings are shared by people through the exchange of verbal and nonverbal messages. Greene and Burleson (2003)"Handbook Of Communication And Social Interaction Skills" identified the concept of communication skills expresses social and interpersonal skills. In literature, these terms tends to be used interchangeably. Some scholars have tried to differentiate among these terms; however, such distinctions have not been widely recognized. Borman and Motowidlo (1993) "The Effects Of Motivational Fit On Employee Job Performance, Work Attitudes And Intent To Leave" identified two types of employee behavior that are necessary for organizational effectiveness: task performance and contextual performance. Butler (1991) "Transforming The Curriculum" identified open communication implies that employees are willing to exchange their thoughts and ideas, even if the ideas go against the grain of popular opinion. Studies have shown that good and open communication is another key factor related to interpersonal trust.

4. Key Competencies

A competency is a set of skills, knowledge, abilities, attributes, experience, personality traits and motivators which has a predictive value towards an individual effectively performing in a job. The main competencies are contributors to build a framework as Communication Skills, Teamwork: Problem Solving: Proactive Decision Making: Business Acumen: Delegation & Empowerment and Negotiation Skills:

5. Hypotheses of the study

Hypothesis 1

To understand whether there is a difference in opinion among groups based on demographic factors with respect to the job performance

H_{01}: There is no difference in opinion among groups based on demographic factors with respect to the performance of employees.

H_{11}: There is difference in opinion among groups based on demographic factors with respect to the performance of employees.

Hypothesis 2

H_{02}: There is no impact of Competency Framework on Job Performance of Employees.

H_{12}: There is impact of Competency Framework on Job Performance of Employees.

6. Research Methodology

The study is conducted on impact of competency framework on the job performance of employees in Pharmaceuticals industry. Accordingly; the research is being carried out by conducting a survey among employees in Pharmaceuticals sector in Kerala. Spencer (1993) The instrumentation used for this study is questionnaire. A structured questionnaire was used to study the impact of competency framework on the job performance of employees in Pharmaceuticals sector in Kerala. The questionnaire consisted of three parts namely, the demographic characteristics of the employees, the variables that were related to the impact of competency framework and their effect on the job performance of employees. The variables used in this study could be categorized into dependent variable and independent variable. The dependent variable used in this study is job performance of employees in Pharmaceuticals industry in Kerala In this regard the employees were asked for the different dimensions on the effect on a five point Likert Scale: Strongly Agree- 5, Agree-4, Neutral-3, Disagree-2, and StronglyDisagree-1. The independent variables comprise of demographic characteristics of the respondents and the variables related to the impact of competency frame work. Demographic Characteristics: The demographic characteristics of employees include gender, age, marital status, experience, educational qualification, income and grade. Naresh K Malhotra(2009)The statistical tools used for data analysis are ANOVA and Multiple Regression.

7. Data Presentation and Analysis

The research methodology used by the researcher to achieve the objectives of the study was discussed. The analysis and interpretation of the data collected from the respondents (n=60). To realize the objectives of the study both the

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descriptive statistics and inferential statistics are employed. The statistical techniques used to do the data analysis are ANOVA and Multiple Regression. The statistical tool used for analysis is SPSS (Version 20). To test the above mentioned hypothesis, the statistical technique ANOVA (Analysis of Variance) is used. The below table displays the F-value and P-value.

Table 1 showing the results of ANOVA in examining the difference in opinion between groups based on age with respect to performance of employees.

Factor	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	46.642	3	15.547	1.051	.377
Within Groups	828.342	56	14.792		
Total	874.983	59			

Table 1a showing the results of ANOVA in examining the difference in mean between age groups with regard to performance of employees.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
21-29	25	30.56	4.709	.942	28.62	32.50	22	39
30-39	22	32.00	3.309	.706	30.53	33.47	25	38
40-49	11	32.27	2.573	.776	30.54	34.00	29	37
Above 50	2	34.00	.000	.000	34.00	34.00	34	34
Total	60	31.52	3.851	.497	30.52	32.51	22	39

From the table, it is observed that the F statistic value 1.051 is significant at 5% level (i.e. p = 0.377). Hence, the null hypothesis H_{012} is accepted and the alternative hypothesis H_{112} is rejected. Therefore, it is evident that there is no significant difference in opinion among groups based on age with respect to the performance of employees. In scrutinizing the mean values from the, it is found that the employees of the age group Above 50 are mostly opinioned, the age group 40-49 and 30-39 is moderately opinioned, and the age group between 21-29 years is least opinioned with regard to job performance.

Table 2 showing the results of ANOVA in examining the difference in opinion between groups based on experience with respect to performance of employees.

Factor	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	101.426	2	50.713	3.737	.030
Within Groups	773.557	57	13.571		
Total	874.983	59			

From the table, it is observed that the F statistic value 3.737 is significant at 5% level (i.e. p = 0.030). Hence, the null hypothesis H_{014} is rejected and the alternative hypothesis H_{114} is accepted.

Table 2a showing the results of ANOVA in examining the difference in mean between groups based on experience with respect to performance of employees.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
1-5	29	30.17	4.184	.777	28.58	31.76	22	38
5-10	22	32.77	3.250	.693	31.33	34.21	26	39
10-15	9	32.78	2.774	.925	30.65	34.91	29	38
Total	60	31.52	3.851	.497	30.52	32.51	22	39

Therefore, it is evident that there is a significant difference in opinion among groups based on experience with respect to the performance of employees. In scrutinizing the mean values from the, it is found that respondents with experience between 10-15 years are the most opinioned, followed by those with experience between 5-10 years, and those with experience 1-5 years are comparatively less opinioned with respect to their job performance.

Table 3 showing the results of ANOVA in examining the difference in opinion between groups based on educational qualification with respect to performance of employees.

Factor	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.321	2	6.160	.407	.668
Within Groups	862.662	57	15.134		
Total	874.983	59			

From the table, it is observed that the F statistic value 0.407 is significant at 5% level (i.e. p = 0.668). Hence, the null hypothesis H_{015} is accepted and the alternative hypothesis H_{115} is rejected.

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Table 3a showing the results of ANOVA in examining the difference in mean between groups based on educational qualification with respect to performance of employees.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
Graduate	18	31.11	3.324	.783	29.46	32.76	22	35
Post Graduate	26	31.35	4.534	.889	29.51	33.18	22	39
Technical Qualification	16	32.25	3.276	.819	30.50	34.00	26	38
Total	60	31.52	3.851	.497	30.52	32.51	22	39

Therefore, it is evident that there is no significant difference in opinion among groups based on educational qualification with respect to the performance of employees. In scrutinizing the mean values from the table, it is found that the employees with technical qualification are the most opinioned, followed by those with educational qualification of post graduate and undergraduate with regard to job performance.

Table 4 showing the results of ANOVA in examining the difference in opinion between groups based on income with respect to performance of employees.

Factor	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	43.695	3	14.565	.981	.408
Within Groups	831.289	56	14.844		
Total	874.983	59			

From the table, it is observed that the F statistic value 0.981 is significant at 5% level (i.e. p = 0.408). Hence, the null hypothesis H_{016} is accepted and the alternative hypothesis H_{116} is rejected.

Table 4a showing the results of ANOVA in examining the difference in mean between groups based on income with respect to performance of employees.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
10,000-30,000	8	29.63	3.998	1.413	26.28	32.97	22	33
30,000-50,000	35	31.97	3.981	.673	30.60	33.34	22	39
50,000-70,000	13	31.85	2.340	.649	30.43	33.26	28	35
70,000 Above	4	30.25	6.185	3.092	20.41	40.09	23	38
Total	60	31.52	3.851	.497	30.52	32.51	22	39

Therefore, it is evident that there is no significant difference in opinion among groups based on income with respect to the performance of employees. In scrutinizing the mean values from the table, it is found that respondents with income between Rs.30,000-50,000 are the most opinioned regarding the job performance, followed by those with income between 50,000-70,000; Respondents with income 70,000 and above are moderately opinioned whereas, those with income of range 10,000-30,000 are least opinioned with regard to their performance .

Observing the impact of the competency framework on the performance of employees. To realize this objective the following hypothesis is framed.

H_{02}: There is no impact of Competency Framework on Job Performance of Employees.

H_{12}: There is an impact of Competency Framework on Job Performance of Employees.

To test the above mentioned hypothesis, the statistical technique multiple regression is used. The below table displays the R Square and adjusted R Square value.

Table 5 showing impact of competency framework on the job performance of employees.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.493[a]	.243	.107	2.229

From the above table, it is observed that the R^2 value is 0.243 which means the strength of association between the dependent and independent variables is 24.3%. It also

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means that other factors account for 75.7% which are not considered in this study. Therefore, it is evident that competency framework has only a 24.3% impact on the performance of employees.

Table 6 showing the Standardized and Unstandardized Coefficients

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	18.529	5.062		3.660	.001
Communication Skills	-.182	.117	-.195	-1.549	.128
Team Work	-.054	.117	-.059	-.462	.646
Problem Solving	.117	.141	.111	.834	.408
Proactive	.284	.131	.288	2.173	.035
Decision Making	-.087	.130	-.087	-.667	.508
Business Acumen	.349	.132	.348	2.650	.011
Innovation	.035	.130	.036	.268	.790
Delegation and Empowerment	-.160	.130	-.169	-1.234	.223
Negotiation Skills	.148	.140	.139	1.062	.294

It is also evident from the table, that the t statistic value for the factor business acumen is 2.650 which is significant at 1% level (i.e., $p = 0.011$). Thus, it is one of the factors among independent variable that is closely related to significant level 5% (i.e., $p = 0.05$). Also, the t statistic value for the factor proactive is 2.173 which is significant at 3% level (i.e., $p = 0.035$). Hence, it is also closely related to level of significance 5%.

8. Findings of the study

Findings on difference in opinion among groups based on demographic factors with respect to the Job Performance

The male respondents are found to be more opinioned on the performance of employees than the female respondents. The employees between the age 21 & 29 are most contended with their opinion on job performance followed by employees of age 30-39, while above 50 are least contended in their opinion. The employees who are married and unmarried are equally opinioned in their responses with regard to job performance The employees with an experience of 1-5 years are more opinioned on performance of employees comparatively, followed by those with an experience of 5-10 years and those with an experience of above 10 years are the least. In case of educational qualification, irrespective of their qualification Post Graduates are more satisfied, while Technically Qualified employees are more opinioned with respect to their job performance. The employees earning income in the range of Rs.30,000-50,000 are more opinioned on the performance of employees in the survey. The employees of Grade 30 opinioned the most regarding their job performance and satisfaction. Simultaneously, Grades ranking from 35-50 and Grade 25 have also responded following the same.

Findings on the impact of competency framework on the job performance of employees

From the inferential analysis, it is found that the R^2 value is 0.243 which means the strength of association between the dependent and independent variables is 24.3%. From the inferential analysis, is observed that R value is .493[a] therefore, the relation between the dependent and independent variables are 49.3%. Among this, the independent variable 'business acumen' has the more impact on the dependent variable i.e., the t statistic value for the factor business acumen is 2.350 which is significant at 1% level (i.e., $p = 0.011$). Followed by 'proactive' another independent variable with a t statistic value 2.173 which is significant at 3% level (i.e., $p = 0.035$). Using multiple regression analysis, it is observed that the factors which contributes to define the strength of association among the dependent and independent variables are business acumen ($p = 0.011$), proactive ($p = 0.035$), problem solving ($p = 0.408$), innovation ($p = 0.790$), and negotiation skills ($p = 0.294$). It is observed from the inferential statistics that the factors which shows a negative value do not contribute towards strengthening the association between the dependent and independent variables. Such factors include communication skills (ß = -0.195), team work (ß = -0.059), and delegation & empowerment (ß = -0.169). The independent variable business acumen is a very relevant factor that every professional should possess towards the organizational and individual development. Thus, it is plays a vital role in improving the job performance of employees. The next important factor comes proactive which is very essential to succeed in a competitive world. Also, the factors such as problem solving skills, innovation and negotiation skills contribute towards the betterment of job performance.

Conclusion

The major aim of the study was to understand and analyze the impact of competency framework on the job performance of employees. The study has shown that the Competency Framework has slight impact on the performance of employees. Therefore it can be concluded that competency framework is just one of the factors that has impact on the performance of employees while the other factors are not a part of the study conducted by the researcher. Even though competency framework has little effect on the performance of the employees it can help to

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facilitate the competencies required for each Grade through which actual performers and non-performers can be identified. This is beneficial to the company as it can then motivate the performers by rewarding them with promotion, incentives or bonuses for the extra effort they put in so as to keep meeting the expected performance from them. This can even help the non-performers to identify the areas to be improved.

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