



Impact of Employee Skill Development on Organizational Performance in Banking Industries with Special Reference to Y.S.R. District

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ABSTRACT

Human resource management is a process of bringing people and organizations together so that the goals of each other are met. Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order. In today's competitive world it is becoming very important to build on the competitive activities of the business, particularly regarding what competencies a business needs to have in order to compete in a specific environment. Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. Skill development identifies an individual's strengths and weaknesses in order to help them understand themselves and to show them where career development efforts need to be directed. Skill development is not only done for confirmed employees of an organization and it can also be done for contract workers or for those seeking employment to emphasize the specific skills which would make them valuable to a potential employer. The main aim of this study was to know the process of skill development in organizations, to identify the components that are offered in the bank industries operating at Kadapa region of Andhra Pradesh.

Keywords-- Skill; Organization; Performance; Development & Management

I. INTRODUCTION

These skills, knowledge and attitudes required for the work are usually collectively referred as competencies. The competency framework serves as the bedrock for all HR applications. As a result of competency development, all the HR processes like talent induction, management development, appraisals and training yield much better results. Competencies and skills management have been highly linked to the efforts of companies to create a setting for the empowerment of their workforce in order to increase a competitive advantage, innovation effectiveness.

Yet often to perform well, it is not enough just to have these skills. It is also critical to complement the skills with the necessary knowledge and attitudes.

II. LITERATURE REVIEW

Kuijpers (2003) discerns three important types of competencies at work. First, functional skills are defined as the knowledge and skills necessary for employees to successfully perform their jobs. These functional competencies are based upon the employees' tasks and roles and, hence, differ according to the industry and function. Second, learning competencies are defined as the individual characteristics of an employee that enable him/her to develop new functional competencies.

According to Lindley (2002), learning competencies increasingly gain importance in the work environment since the rise of the knowledge economy and the growing need for flexibility make it important for employees to continuously invest in their development.

III. RESEARCH METHODOLOGY

NEED FOR THE STUDY

There are some useful benefits of using competency model for the bank, managers, and employees

For The bank

- Establish performance appraisal by a systematic approach for career growth which results in improved job satisfaction and better employee retention.
- Increase the effectiveness of training and professional development programs by linking them to the success criteria.

For Managers

- Identify performance level to improve the accuracy of selection process.
- Provide good communication, Develops Employer Employee relationship.

IV. OBJECTIVES OF THE STUDY

1. To find out the effect or impact of the skill development on organizational performance.
2. To identify the particular skill development that increases the highest degree of performance.

V. SCOPE OF THE STUDY

- The study analyses the skill level of job holder in the bank, so that the training needs can be found out.
- The study could also provide an insight to the staff's multi-skill level.

VI. RESEARCH DESIGN

I have undertaken Descriptive Research Design to Study the skill development programme in Banking industry at Kadapa Region.

Samples & Sampling Technique

It was quite difficult to conduct census study in terms of covering all employees at bank industries, so I have relied upon Sample Study by selecting samples

through Convenience Sampling Method from Management Level acting as a representative of census population. Sample Size Selected is 50 Management Employees from bank industries like SBI, ANDHRA BANK, RURAL BANKS (APGB & SAPTHAGIRI GRAMEENA BANK) Operating at Kadapa Region.

Tools Adopted For the Study

Survey method is used for Data collection work which is commonly practiced to collect primary data from the respondents. I have relied upon Questionnaire as a tool for collecting primary data to carry out Research Work. Structured Questionnaire was used to elicit the necessary information from the respondents which is a combination of both Close ended and open ended questions

Hypothesis Testing

Test on organizational performance depends on skill development level or not Ho: There is no significance relationship between organizational performance & employee satisfaction towards skill development. H1: There is significance relationship between organizational performance & Employee Satisfaction towards skill development.

Satisfied organizational performance	Skill development satisfied	Skill development dissatisfied	TOTAL
Yes	36	4	40
No	7	3	10
TOTAL	43	7	50

Observed Frequencies:

$$E_{ij} = R_i * C_j / N$$

For,

$$E_{11} = (40/50) * (43) = 34.4$$

$$E_{12} = (40/50) * (7) = 5.6$$

$$E_{21} = (10/50) * (43) = 8.6$$

$$E_{22} = (10/50) * (7) = 1.4$$

Expected Frequencies Table

Satisfaction Organizational performance	Skill Development Satisfied	Skill development Dissatisfied	TOTAL
Yes	34.4	5.6	40
No	8.6	1.4	10
TOTAL	43	7	50

Calculation Table

O	E	(O-E) ²	(O-E) ² /E
36	34.4	2.56	0.07
7	8.6	2.56	0.30
4	5.6	2.56	0.46
3	1.4	2.56	1.83
TOTAL			2.96

$$\chi^2 = \sum (O-E)^2 / N$$

$$= 2.96$$

Degree of Freedom:
= [C-1] [R-1]

$$= [2-1] [2-1]$$

$$= [1] [1]$$

$$= 1$$

Table Value

Looking into χ^2 table at 10% & degree of freedom 1, the value is 2.706. The calculated value of χ^2 2.96 is greater than the table value. Thus, the Null (H₀) hypothesis is rejected. Hence, organizational Performance level & Employee satisfaction level towards competency development have significance relationship.

VII. MAJOR FINDINGS OF THE STUDY

- □ Major components of skill development are talent development, knowledge development and attitude development & Employees are agreed that skill development structure is as per their expectation in Banking industry at Kadapa Region.
- □ It is found that Competitors Benchmarking (35%) is the main factor, retrenchment (33%) is the next important factor, lastly Training & Development are the factors on the basis of which organization decide to conduct skill development program for their employees.
- □ Major factors which hinders compensation management system are Market Rate in industry (40%), organization ability to pay (35%) are most critical components & lastly Availability of skilled employees in the market (15%) & Demand & Supply of employees (10%) also hinder compensation system in bank industry.
- □ Organization increase competencies on Annual Basis & it is based on the performance of employees during the preceding year.
- □ 76% of the respondents agreed that skill development has direct effect on the productivity level of organization.
- □ It can be found that majority of respondents (80%) are satisfied while very few them (20%) opined that they are dissatisfied with their skill development system.
- □ From the Study, it can be opined that majority of respondents (90%) agreed that skill development help an organization to improve performance.

VIII. RECOMMENDATIONS FOR THE STUDY

- It has been observed through the study that the skill development at cement Industry is good But certain suggestions to make it more better as under:-
- □ Organization should ensure that the key in designing any skill development is to develop and understanding of the firm's vision and direction. A Ill-designed competency development plan becomes one of many tools a firm can use to help reach its strategic goals.
 - □ Organizations should try to design its pay as per Competencies. It should continuously analyses its key position to determine what competencies i.e. skills,

knowledge, attributes that differentiate average from outstanding performance. Particularly that competencies which are most critical to achieve the organization future focused objectives.

- □ It has been known through the study that major Cement industry players provides career information, tools and resources to facilitate career and professional development, but employees are equally responsible for managing their own careers. This can include conveying their career goals, looking for ways to enrich and enlarge their jobs, building future focused professional skills.
- □ Organizations must allocate proper budget for competency development.
- □ Analyze all aspects of competency development with detailed reports, analytics and interactive. Dash boards to make more important decisions.
- □ Ensuring that Competency development system reduces complexities and improve visibility by Centralized Competency development practice data.

IX. CONCLUSION

Competency is a set of knowledge, skills and attitudes required to perform a job effectively and efficiently. A skill is said to be how a job might be done excellently. A skill only describes what has to be done. Competency development is one of the most accurate means in identifying the job and behavioral competencies of an individual in an organization. Skill development majorly focus on training and development but it should not be seen as rewards. Skill development is not only done for Confirmed employees of an organization and it can also done for those seeking employment to emphasize the specific skills which would make them valuable to a potential employer. Finally, as a cost saving measure as Ill as creating a sense of loyalty, the top management should think in terms of developing internal training to the employees, employees who got the requisite skills & expertise and have excelled may be identified and can be developed as trainer.

X. DIRECTION FOR FUTURE RESEARCH

- □ On the basis of the findings of this study will help an researcher or to bank industry players in terms of introducing different training and development to improve employees performance.
- □ Secondly it help all bank industries to design the tailor made competency development structure for different types of workers like Directors , Executives, & Customer Service Employees & lastly for Knowledge Workers.

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