

COMPETENCY MAPPING OF BANK MANAGERS AN EMPIRICAL STUDY

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Abstract - Human resource management plays a vital role in the development of any organization. There is no doubt that properly designed, implemented and managed human resource practices lead the organization towards success. Competencies are skill, knowledge and capability of an individual which result in superior performance on the job. And the process of identifying, assessing and developing these competencies is known as competency mapping. Competency mapping not only helps the organisations' in identifying the key competencies required to perform on the job effectively, it also aids in assessing the levels of competencies possessed by the people on key roles in the organization. Most of the times people perceive their competency level as good, but that would not be true. Measuring the difference between self and others perception of one's competency helps in improvement. This paper is an attempt to identify and assess the gap between self and other ratings on competency levels of branch managers belonging to two banks.

Introduction

Globalization forces the organizations to innovate new practices to effectively manage the work force. The rapid changes that are taking place in the societal, technological and demographical front stress on the employee skill improvement and development. In this regard Human resource managers face a challenging task of enhancing employee productivity and growth. Competency mapping is the recent practice of organizations in this direction. Competency mapping involves identifying, assessing and developing competencies of the employees' results in having competitive advantage for the organizations. Competency mapping is a tool in the hands of organizations to take decisions regarding, compensation, succession planning, training and career development.

Conceptual Framework

In 1973, the American psychologist David.C.McClelland

published his research findings, which indicate that traditional academic aptitude and knowledge content tests as well as school grades and credentials did not predict job performance or success in life and were often biased against minorities. This research has laid the foundation for studies on competencies. Soon it became a buzzword in the corporate, more people from academia and corporate have made attempt to help the corporate and other not for profit organizations, in building their people competencies.

As such, the word 'competency' being a generic word, scholars have tried to apply competency approach both in the context of organization and that of employees. For instance, Prahalad and Hamel (1990), Antonacopouloy and FitzGerald (1996) looked at the competencies from the organizational strategy perspective, while others like Boyatzis (1982), Burgoyne (1989) and Collin (1989) studied the competencies from the angle of employees. This paper also limits its discussion on competencies to its people. Before proceeding to review the research on competencies, it may be apt to understand the scope and meaning of competencies. From these definitions we can summarize that what is required of a person to be successful in a given job is competency. The recent researches by Daniel Goleman in 'Emotional Intelligence' and Richard Boyatzis, in 'The Competent Manager' also reinforce the importance of competencies as essential predictors of outstanding performance.

Competencies can be classified into threshold competencies and differentiating competencies based on performance outcomes. People possessing threshold competencies show normal performance results, say achieving the assigned targets, whereas people possessing differentiating competencies perform exceptionally well above the assigned targets by fixing their own benchmark standards. Competencies can also be classified as generic competencies or specific competencies based on their universality. Normally generic competencies are behavioral and specific competencies are technical in nature.

Competencies can also be classified as higher order and lower order competencies in terms of the significance to success at work, the nature and degree of difficulty in developing them and the management level at which they needed most. When the competencies possessed by successful managers are discussed, the term “managerial competencies” is frequently used (Burgoyne, 1989; Collin 1989; Raelin and Cooledge, 1995). For managerial people in leadership roles, the motives, attitudes, traits and self concept (higher order) are more important than (lower order) competencies like knowledge and skills because managerial work involves getting the work done through people. Whereas for workmen in the lower level of management who works under one supervisor, the knowledge and skills become higher order competencies and the rest are in lower order. Rao (2003) classified the competencies into four groups namely technical (dealing with the technology or know how associated with the function, role ad task), managerial or organizational (dealing with managerial aspects, organizing, planning, mobilizing resources, monitoring and systems use), human or behavioral (competencies that are personal interpersonal and team related), and conceptual or theoretical (competencies like visualizations and model building).

Objectives of the study

1. To identify the competencies required for branch managers
2. To assess the current competency level of branch managers
3. To study the differences in self-other ratings on managerial competencies

Methodology

Literature review undertaken and purposive conversations with professionals from banking helped in mapping critical competencies for bank managers. Five focused group discussions were conducted with Chief General Manager, General Manager, Deputy General Manager, Assistant General Manager, Branch Manager, Chief Manager, Manager, Deputy manager, Assistant manager and Assistant to Deputy General Manager, of respective banks to identify competencies that would be required by Bank Branch Managers. The discussions generated a list of 49 critical competencies (behaviors) that are required for a bank managers’ position. This list was subjected to further screening and refinement in the in-depth discussions with Human Resource Managers of respective banks and industry experts. The discussions resulted into 15 critical leadership and managerial competencies. This paper details the four

identified managerial competencies, viz Customer Service, Decision Making. Time Management and Result Orientation.

Design of Survey Instrument

A structured questionnaire was prepared elaborating the four managerial competencies. Five important critical behaviors statements (items) are written for each competency; therefore 20 critical behavioral statements (items) are identified. The answers are elicited on a five point Likert scale with labels ranging from strongly disagree (=1) to strongly agree (=5) and used for recording the responses. The questionnaire was pilot tested on a sample of 23 banking professionals for clarity and relevance. Reliability and validity of questionnaire estimated. The internal consistency and Cronbach’s alpha coefficient (Cronbach 1951) of instrument being 0.61. The generally agreed limit for Cronbach’s alpha is 0.7, (Robinson et al, 1991), although it may decrease to 0.6 in exploratory research (Robinson et. al., 1991; Hair et. al., 1998). As, the present study is an explorative nature; the alpha derived for the instrument (0.61) is acceptable. The following is the broad categorization of leadership and managerial competencies.

Sampling

The study examined the managerial competencies of branch managers of select banks. The sampling method followed in this study is purposeful. The banks chose the sample managers of their banks for assessment.

Sample size

The primary sample consists of 22 branch managers of a Cooperative Bank and 16 branch managers of a private Bank. However, as the 360 degree feedback is adopted for the study, sample also includes superiors, subordinates, peers and customers associating with above managers. The assessment of each manager is done by self (1) subordinates (2), superior (1), peer (2) and customers (2). The sample, thus, represents 128 respondents from private bank and 176 respondents from Cooperative bank (38 self raters, 76 subordinates, 38 superiors, 76 peers and 76 customers put together 304 respondents participated in the survey.

Data collection

Data for this study is gathered through a structured questionnaire. A total of 304 questionnaires were administered, and all the care was taken by the researcher so that are

1.in only two banks; hence the findings of the study cannot be generalized to the overall banking industry.
2.The research design was limited to the opinion/assessment of branch managers of banks, therefore, the data findings cannot necessarily be generalized to other levels in banks.

In providing feedback on performance of branch managers, because of their work and personal relationships, the complete in all respects. For instance, in post data collection, the data collected was cross checked for double entries and missing responses.

Data Analysis

The data collected was fed into Excel sheets and processed using SPSS 15.0.
Limitations of the study

The study has following limitations:

1.The study is conducted respondents might have given biased information, which could have influenced the data results. The researchers have no control on this.

Results and Discussion

The study finds that majority of bank managers possess high level of competency in the identified managerial competencies viz., customer service, decision making, time management, and result orientation.

Competency Gaps:

A few managers from both banks (sectors) have competency gaps in crucial competencies like decision making, time management and result orientation. The study reveals that there are few grey areas of competency like time management where some managers have shown low performance. These findings have important implications for bank managements' in designing various learning and development programmes for branch managers.

Self – Other ratings:

The findings of the study shows that self ratings on customer service and result orientation competency of both banks' managers' do not differ with other's ratings. Also there is no significant difference in self-other ratings of two banks on customer service and result orientation competency. However the findings of this study differs with the earlier studies like Holzbach (1978), Stell & Ovalle, (1984), who found self ratings are inflated for reasons such as self-defensiveness

leniency (Farh & Dobbins, 1989), and attribution bias (Devader, Bateson, & Lord, 1986; Jones & Nisbett, 1972)

Difference in raters of Banks:

Self ratings on decision making and time management competency of cooperative bank managers do not differ with other's ratings, while self ratings on decision making and time management competency of private bank managers do differ with other's ratings. The above findings of this study are in disagreement with others like Atwater and Atwater et al. (1998), Atwater, Roush, and Fischthal (1995), Atwater and Yammarino (1992), and Van Velsor, et al. (1993) which suggest that self-other agreement reflects self-awareness and it is related to several outcome measures including leadership and managerial effectiveness.

Implications of the study:

Review of literature reveals that competencies are directly responsible for on-the-job performance of the individuals. As such, the research happened in the area of competencies is minuscule when compared to its need and it covered only the limited demographics. Further, there is an absence of empirical studies on the competencies of branch managers covering the two sectoral (private and cooperative) banks in India. In light of this research gap, the researcher has taken up the present study. The research suggests that by acquiring the desired level of competencies, the managers can contribute much to the development of their organizations as well their individual effectiveness.

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Table 1 Distribution of Branch Managers of Cooperative Bank according to their level of customer service competency

Customer Service Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	21	40	44	36	19	160	0.042
Medium	1	4	0	8	3	16	
Total	22	44	44	44	44	176	

(Primary Source)

Table 2 t- test showing self-other agreement for customer service competency

Assessors	Mean	SD	Significance
Self	3.65	0.41	0.092
Other	3.84	0.34	

(At 5% level of significance)

Table 3 Distribution of Branch Managers of Private Bank according to their level of customer service competency

Customer Service Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	16	32	31	31	12	122	0.002
Medium	0	0	1	1	4	6	
Total	16	32	32	32	16	128	

(Primary Source)

Table 4 t- test showing self-other agreement for customer service competency

Assessors	Mean	SD	Significance
Self	3.91	0.31	0.868
Other	3.93	0.28	

(At 5% level of significance)

Table 5 Distribution of Branch Managers of Cooperative Bank according to their level of decision making competency

Decision Making Level	Self	Superior	Subordinate	Peer	Customer	Total	P value
High	14	15	27	38	24	118	0.023
Medium	8	7	17	6	20	58	
Total	22	22	44	44	44	176	

(Primary Source)

Table 6 t- test showing self-other agreement for decision making competency

Assessors	Mean	SD	Significance
Self	3.61	0.43	0.47
Other	3.53	0.30	

(at 5% level of significance)

Table 7 Distribution of Branch Managers of Private Bank according to their level of decision making competency

Decision Making Level	Self	Superior	Subordinate	Peer	Customer	Total	P Value
High	15	11	24	26	19	95	0.001
Medium	1	5	8	6	13	33	
Total	16	16	32	32	32	128	

(Primary Source)

Table 8 t- test showing self-other agreement on decision making competency

Assessors	Mean	SD	Significance
Self	3.84	0.31	0.03
Other	3.60	0.28	

Table 9 Distribution of Branch Managers of Cooperative Bank according to their level of time management competency

Time Management Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	18	37	38	27	10	130	0.002
Medium	3	7	6	16	12	44	
Low	1	0	0	1	0	2	
Total	22	44	44	44	22	176	

(Primary Source)

Table 10 t- test showing self-other agreement on time management competency

Assessors N=22	Mean	SD	Significance
Self	4.02	0.8	0.63
Other	3.93	0.32	

(at 5% level of significance)

Table 11 Distribution of Branch Managers of Private Bank according to their level of time management competency

Time Management Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	16	29	28	31	10	114	0.014
Medium	0	3	4	1	5	13	
Low	0	0	0	0	1	1	
Total	16	32	32	32	16	128	

(in percentage)

Table 12 t- test showing self-other agreement on time management competency

Assessors N=16	Mean	SD	Significance
Self	4.43	0.44	0.01
Other	4.08	0.26	

(at 5% level of significance)

Table 13 Distribution of Branch Managers of Cooperative Bank according to their level of result orientation competency

Time Management Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	21	41	44	38	19	163	0.11
Medium	1	3	0	6	3	13	
Total	22	44	44	44	22	176	

(Primary Source)

Table 14 t- test showing self-other agreement on result orientation competency

Assessors N=22	Mean	SD	Significance
Self	3.84	0.54	0.36
Other	3.72	0.22	

(at 5% level of significance)

Table 15 Distribution of Branch Managers of Private Bank according to their level of result orientation competency

Time Management Level	Self	Subordinate	Peer	Customer	Superior	Total	P Value
High	15	32	32	32	13	124	0.00
Medium	1	0	0	0	3	4	
Total	16	32	32	32	16	128	

(Primary Source)

Table 16 t- test showing self-other agreement on result orientation competency

Assessors N=16	Mean	SD	Significance
Self	3.88	0.51	0.63
Other	3.81	0.18	

(at 5% level of significance)