AN INVESTIGATION ON THE FACTORS THAT INFLUENCE MANAGERIAL COMPETENCIES OF MANAGERS IN BANKS

Mrs. BINDU ANTO OLLUKKARAN  
Guest Faculty, Government Law College, Thrissur  
Research Scholar Bharathiar University, Coimbatore  
E-Mail: binduantollukkaran@gmail.com

ABSTRACT

Ongoing and unrelenting economic, social and technological changes have spurred the need for flexible, skilled workers who can help their organizations succeed and sustain a competitive advantage. Businesses and managing business has and will always be complex. There is no denying the need to perform through a combination of utilizing predictive or forecasting tools, techniques and methods, yet without trivializing the need to sustain and drive a motivated high performing workforce. The company’s since needed to sustain in a competitive environment, gave rise to the need to understand and learn to establish the context of competency mapping. This article examines factors which influences managerial competencies in new generation banks. The study mainly focuses on managers employed in new generation private sector banks, Thrissur.

Key Words

Managerial Competence, Investigations, Bank Managers, Public Sector Banks, Private Sector Banks, Organizational Competencies, Competency Mapping.
INTRODUCTION

The fast pace of economic development in 20th century across the globe has created new endeavors for the organizations. Globalization has changed the world into a Global village. This change has pushed the organizations to strive hard to gain and sustain their competitive advantage, by reducing cost, increasing profits and improving operations. Banking Sector is one of the most regulated industries in India. It plays a critical role of a financial intermediary by acting as a channel between the surplus and the deficit areas. With the booming of Indian economy, there is a need for funds which necessitates a sound financial system.

The Indian financial sector comprises of a large network of commercial banks, financial institutions, stock exchanges and a wide range of financial institutions. It has undergone a significant structural transformation, since the initiation of financial liberalization in 1990s. The major players in the sector are Public Sector Commercial Banks, Private Sector Commercial Banks, Regional Rural banks, Co-operative sector Banks, NBFCs etc. Almost all these players have undergone modernization processes and started offering new products to their customers.

Need for the study

With the impact of global economy, the world has become a global village; firms have become more aware of the need for having competent employees for developing distinguished competencies for every organization. The main reasons behind these change are the increased cost of manpower, need for ensuring the competent people for performing various critical roles, downsizing adds to the consequent need to get a lot of thing done with fewer people and thus reduce manpower costs and pass on the advantage to the customer, recognition that technology, finances, customers and markets, systems and processes can all be set right or managed effectively if we have the right kind of human resources and recognition of the strategic advantage given by employee competencies in building the core competencies of the organization.

Statement of the Problem

Several organizations have realized the importance of competency mapping in the last one decade. Unlike in the past, the banks nowadays are market driven and market receptive. With the entrance of new players and multiple channels, customers (both corporate and retail) have become more discriminating and less "loyal" to banks. This makes it crucial that banks provide best possible products and services to guarantee customer satisfaction. To be relevant within organizations and indispensable to clients and customers alike, workplace learning and performance professionals must continually reassess their competencies, update their skills and have the courage to make necessary changes. Hence it is necessary to assess whether the right person is occupying at right place in right time.

Review of Literature
An Investigation On The Factors That Influence Managerial Competencies Of Managers In Banks - Bindu Anto Ollukkaran

Competency mapping identifies an individual’s strengths and weaknesses in order to help them better understand themselves and to show them where career development efforts need to be directed. Competency mapping 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.

Definition

A combination of knowledge, skills, attitude and personality of an individual as applied to a role or job in the context of the present and future environment that accounts for sustained success within the framework of organizational values.

Competencies include the collection of success factors necessary for achieving important results in a specific job or work role in a particular organization. Success factors are combinations of knowledge, skills, and attributes (more historically called “KSA’s”) that are described in terms of specific behaviors, and are demonstrated by superior performers in those jobs or work roles. Attributes include: personal characteristics, traits, motives, values or ways of thinking that impact an individual’s behavior.

Types of Organizational Competencies

The competencies in organizations tend to fall into following broad categories. They are Generic, Managerial, Functional and Technical Competencies.

Generic Competencies

Competencies which are considered essential for all staff, regardless of their function or level like communication, program execution, processing tools, linguistic are examples of generic competencies. These competencies include broad success factors not tied to a specific work function or industry. They can be represented as below, followed by a brief explanation of each of them:

Managerial Competencies

The competencies which are considered as essential for staff with managerial or supervisory responsibility in any service or program are termed as managerial competencies. The main factors that influence managerial competencies are:

1. Customer Orientation: Competency of customer orientation is defined as the set of human attributes required to understand and satisfy customer’s needs and requirements.

2. Organizing Skills: Competency of organizing is defined as the set of human attributes required to establish, nurture and troubleshoot organizational processes and relationships for effective delivery of objectives.

3. Cross functional Perspective: Competency of Cross functional perspective is defined as the set of human attributes required to understand one’s own job in relation with other functions within the organization.

4. Planning Skills: The competency of Planning is defined as the set of human attributes required to
understand inter relationships and requirements of different activities to be performed to achieve the desired objectives.

5. **Execution Skills:** Competency of Job execution is defined as the set of human attributes required to carry out the assigned activities to the satisfaction of the customer cost effectively.

6. **Analytical Skills:** Competency of Analytical skills is defined as the set of human attributes required to understand and interpret the data and information.

7. **Decision Making:** Competency of decision making is defined as the set of human attributes required to decide the course of action under any situation.

8. **Delegation:** Competency of delegation is defined as the set of human attributes required to empower the subordinates for effective operations.

9. **Leadership:** Competency of Leadership is defined as the set of human attributes required to take responsibility for accomplishing the desired objectives.

10. **Developing and supporting subordinates for effectiveness:** Competency of Developing and supporting subordinates is defined as the set of human attributes required to enable the subordinates to be effective in the assigned job and contribute to the organization.

**Functional/Technical Competencies**

The specific competencies which are considered be an essential to perform any job in the organization within a defined technical or functional area of work.

**Competency mapping**

Competency mapping is the process of identification of the competencies required to perform successfully a given job or role or a set of tasks at a given point of time. It generally examines two areas: emotional intelligence or emotional quotient (EQ), and strengths of the individual in areas like team structure, leadership, and decision-making. It consists of breaking a given role or job into its constituent tasks or activities and identifying the competencies (technical, managerial, behavioral, conceptual knowledge, attitudes, skills, etc.) needed to perform the same successfully.

**Area of Implementation of Competency Mapping In an Organization**

Competency mapping therefore is important and is an essential exercise. Every well managed firm should have well defined roles and list of competencies required for performing each role effectively. Such list should be used for recruitment, performance management, promotions, placement and training needs identification.

**Recruitment and selection**

Competencies can be used to construct a template for use in recruitment and selection. Information on the level of a competency required for effective performance would be used to determine the competency levels that new hires...
should possess. Depending upon the accepted definition, competency data may take the form of behaviors, skills, abilities and other characteristics. There is high turnover due to high failure rate among new hires. The organization needs to identify new hires with the potential to become future managers or leaders. A gap between the competencies needed and what the organization can hire for indicates the training new hires will need. A lengthy training period may transpire before new hires become productive. New hires with the competencies to do a job become fully productive faster.

Training and Development

It involves identifying gaps and helping employees develop in the right direction. Knowing the competency profile for a position allows individuals to compare their own competencies to those required by the position or the career path. Training or development plans could focus on those competencies needing improvement.

Career and succession planning

It involves assessing employees’ readiness or potential to take on new challenges. Determining a person job fit can be based on matching the competency profile of an individual to the set of competencies required for excellence within a profession. Individuals would know the competencies required for a particular position and therefore would have an opportunity to decide if they have the potential to pursue that position or not.

Rewards and Recognition

Compentency based pay is compensation for individual characteristics for skills and competencies over and above the pay a job or organizational role itself commands. One way of improving employee performance is by recognizing and rewarding effort. Competency pay is the best way to do so. Rewarding employees for their ability to make the best use of their skills and competencies in accordance with the organization’s needs was the logic behind this once popular HR tool.

Performance Management System

Performance has two dimensions

- Achieving business results
- Developing individual competencies

These days performance appraisal is seen by managers and employees as a bureaucratic “paperwork” exercises that they do not take seriously because it has little impact on employee development. Performance appraisals do not address the employees’ questions about skill development or career advancement.

Advantages of Competency Mapping

There are several advantages of competency mapping over traditional job analysis. The following section analyzes each of them in relation to the company, the managers and the individual employees. The section also gives a comparative view of the competency based approach and the job analysis approach.

For the company
The advantages of competency mapping for the companies or organizations are it establishes expectations for performance excellence, improved job satisfaction and better employee retention, increase in the effectiveness of training and professional development programs because of their link to success criteria, provides a common understanding of scope and requirements of a specific role, provides a common, organization wide standard for career levels that enable employees to move across business boundaries, help companies “raise the bar” of performance expectations, help teams and individuals align their behaviors with key organizational strategies.

For Managers

The competency mapping provides following advantages to the managers are identify performance criteria to improve the accuracy and ease of the selection process, provide more objective performance standards, easier communication of performance expectations, provide a clear foundation for dialogue to occur between the managers and employees and performance, development and career-oriented issues.

For employees

The employees in an organization get the following advantages by competency mapping are identify the behavioral standards of performance excellence, provide a more specific and objective assessment of their strengths and the tools required to enhance their skills, enhances clarity on career related issues, helps each understand how to achieve expectations.

Methodology

The Universe of the study includes all the managers in old generation private sector commercial banks in Thrissur District. Primary data and secondary data are collected. Primary data is collected through the questionnaires and interviews. I have sent 60 questionnaires to the respondents through the emails and also approaching them directly to fill the questionnaire. Out of this, I got 51 filled questionnaires and 4 partially filled up. The interviews were conducted with managers. Secondary data is collected through journals, official websites and magazines.

Simple random sampling was used for the study. Under this method each and every unit of the population under consideration has an equal probability of being selected.

<table>
<thead>
<tr>
<th>SAMPLE BANKS FOR SIZE</th>
<th>No. of Branches In Thrissur</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Indian bank:</td>
<td>44</td>
</tr>
<tr>
<td>Dhanalaxmi Bank</td>
<td>25</td>
</tr>
<tr>
<td>Catholic Syrian bank</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
</tr>
</tbody>
</table>

The total number of private sector commercial bank branches in Thrissur district is 90. The total number of managers in Kerala are 3641. Out of this population the Thrissur district will have approximately 256 managers. Out of this, 51 managers have been considered for the study as the sample size. The data analysis and interpretation was done with the help of ranking and percentage analysis.

Analysis and Interpretation

In the analysis, ranking method and percentage analysis is used. Ten variables are used for the study. They are customer orientation, organizing skills, cross functional skills, planning skills, executive skills, analytical skills, decision making skills, delegation, leadership skills and developing and supporting subordinates for effectiveness. The table No. 1 contains ranking of these variables.

### Table No: 1 - Factors Influencing Managerial Competency

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>RANKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Orientation</td>
<td>3</td>
</tr>
<tr>
<td>Organizing Skills</td>
<td>9</td>
</tr>
<tr>
<td>Cross functional Perspective</td>
<td>8</td>
</tr>
<tr>
<td>Planning Skills</td>
<td>2</td>
</tr>
<tr>
<td>Execution Skills</td>
<td>5</td>
</tr>
<tr>
<td>Analytical Skills</td>
<td>4</td>
</tr>
<tr>
<td>Decision Making</td>
<td>7</td>
</tr>
<tr>
<td>Delegation</td>
<td>10</td>
</tr>
<tr>
<td>Leadership Skills</td>
<td>1</td>
</tr>
<tr>
<td>Developing and supporting subordinates for effectiveness</td>
<td>6</td>
</tr>
</tbody>
</table>

Inference

The above table indicates that leadership skills are ranked first followed by Planning skills and customer Orientation. From this we can identify that the most influencing factors in managerial competency are leadership skills, Planning skills and Customer Orientation.

Finding and Future Research

Most of the managers in new generation private sector banks feel that they should have leadership skills as the first priority in order to have managerial competency. From the percentage analysis we can conclude that leadership skill, analytical skill, executive skills planning skills ,cross functional skills ,customer skills are favored by the managers while Decision making skills ,delegation, developing and supporting subordinates for effectiveness , organizing skills are not essential for managerial competency. Since the survey was conducted by bank
the job nature must have influence the result. There is wider scope for conducting research in this concept. Since this is conducted only in banks is taken as limitation it can applied in further areas also. The further research can be done in identifying keys competencies required to improve jobs.

References


5. www.citehr.com