A STUDY ON COMPETENCY BASED HRM PROCESS AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE WITH REFERENCE TO TEXTILE INDUSTRY IN TRICHY DISTRICT

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Abstract

Business is complex and competitive. It will be more so in the days to come. Textile Industries keep adopting new techniques and are hunting for innovations, systems, methods, procedures and management practices. Textile industries around the world depend on human capital to achieve their strategic objectives. With the increase in competition, locally or globally, organization must become more adaptable, resilient, agile and customer-focused to success. HRM involves the productive use of people in achieving organizational strategic objectives and the satisfaction of individual employee needs. It executes diverse functions such as recruitment and selection, training and development, performance management, compensation management, managing diversity, industrial relation, labour laws, HR information system, career planning, employee health and safety, HR audit and managing all these in the changing world. With the emerging changes and challenges in the Textile world, Human Resource Management (HRM) has to evolve to become a strategic partner. The data are collected through questionnaire and the sampling technique is stratified random sampling technique. For statistical analyses, SPSS-25 version used and Statistical tools like percentage analysis, ANOVA, Correlation, Chi-square and 'z' test applied. The findings were based on the Research hypothesis, demographic profile and various dimensions of Competency based HRM process and its impact on organizational performance. Suggestions and Conclusion are based on those findings. This paper focuses on the importance of designing towards Competency based on HRM process and its impact on organizational performance.

Introduction

Textile industries around the world depend on human capital to achieve their strategic objectives. Nevertheless, how the Textile industries leverage their human resource is all that matters. Textile industry which does not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources. With the increase in competition, locally or globally, Textile industry must become more adaptable, resilient, agile and customer-focused to succeed.

With the emerging changes and challenges in the business world, Human Resource Management (HRM) has to evolve to become a strategic partner (Gopinath, 2016).

HRM involves the productive use of people in achieving Textile industry strategic objectives and the satisfaction of individual employee needs. It executes diverse functions such as recruitment and selection, training and development, performance management, compensation management, managing diversity, industrial relation, labour laws, HR information system, career planning, employee health and safety, HR audit and managing all these in the changing world. Every one of the functions has its own importance in the Textile industry. In order to succeed, HRM must be a business driven function, for which appropriate and adequate competency based approach has become inevitable.

The future success of any Textile industry relies on the ability to manage a diverse pool of talents that can bring innovative ideas and perspectives to their work. The challenges and problems faced at workplace diversity can be turned into a strategic organisational asset if it is able to capitalize on this melting pot of diverse talents. Competency based HR interventions are the best approach to face such emerging business environment. Hence, the competency based HRM process and its impact on organisational performance of the textile industry deserve an analysis to find out the ways and means to bring in a culture of competency based HRM.

Competency is the capacity of an individual developing behaviour, adequate for the job demands governed by parameters of the organisational environment in achieving desired results. The competency mix is comprised of Knowledge, Skills and Attitude.

It identifies the competencies required to perform a given job / role successfully. The tools used to identify the competencies are: job task forces, self benchmarking by superiors like HR specialist, job experts or subject specialist, task analysis workshop, questionnaire, interviews, group work, critical incident technique and repertory grid (Gopinath et al., 2020). Competency assessment is the process of assessing the required competency of an individual or group of individuals. The competency of individual or group is assessed using the tools such as Self and Superior Assessment, 360 degree feedback, Assessment centre, Psychometric tests, Interviews, Leaderless Group Discussion (LGD), In-basket exercise, Management Games, Role play, Case study, Scenario discussion and Portfolio presentation.

Review of literature

Sinani, Jones and Mygind (2007) researched the determinants of firm level specialized proficiency for Estonian horticulture, assembling and development firms utilizing a board information and Stochastic Frontier Analysis. They have additionally included organization size, age, possession type, rivalry score and time pattern as firm unambiguous elements. Their discoveries express that

unfamiliar possession, firm size and higher work quality upgrade specialized productivity, while delicate financial plan requirements unfavorably influence specialized proficiency.

Aggrey, Eliab and Joseph (2010) analyzed the relationship between firm size and technical efficiency in Ugandan and Tanzanian manufacturing firms using Data Envelopment Analysis approach. They found a negative relationship between firm size and specialized effectiveness in both Ugandan and Tanzanian manufacturing firms.

Aschalew Degoma (2017) studied marketing strategies of selected medium and large scale Ethiopian textile companies in Ethiopia. He found that the emphasis, commitment, resource and abilities gave to marketing strategy in these companies were too low.

Haan and Theuws (2018) examined and laid out a connection among Ethiopian and Dutch Garments industry. As per their decision, although Ethiopia is seen by global brands and retailers as an ideal country for garments production mainly due to its large and cheap workforce, the initial interest did lead to the expected increase in production. They reported that the existence of different difficulties, for example, low efficiency and quality, unrests related to land issues, and issues like poor government bureaucracy led to slow rate of garments production.

Tariq Mahmood (2020) studied the technical efficiencies of the textile manufacturing industries in Pakistan using industry data with Data Envelopment Analysis. It is found that imported raw material and machinery exercise a positive effect, whereas non-industrial costs affect technical efficiencies in a negative way. Power didn't assume it's expected part in influencing specialized efficiencies.

Research methodology
Statement of the problem

Today, competency based Human Resource Management process has become the key factor in determining how HR function is organized and measures the total performance of textile industries. Every textile industry is utilizing various tools and techniques to achieve excellence in its performance. At the same time the value and significance of human resources in the value creation process cannot be trivialized. Hence, the core focus on "Competency based Human Resource Management process" comes. Realizing this fact, textile industries have started instituting the concept of "Competency" in HR processes for industrial performance. And how this whole concept of competency based Human Resource Management processes work in Textile Industry in Trichy is the focal point on which this study revolves. Hence, this study has been taken up to critically analyze the process being followed in Human Resource Management in Textile Industry in Trichy District of Tamilnadu, especially in Recruitment, Training and Development and Performance Appraisal, all in terms of competency perspectives. Result of the study would help the textile industry for improving the Human Resource Management processes so as to make

them competency based, for the ultimate purpose of achieving better industrial performance. Competency, blossoming as a core concept of management requirement, will take the shape of business competency and people competency, the line pin being "Competency Development Process". One such process is called "competency based Human Resource Management process". Though the concept of competency has been creeping into business industries recently in India, whether it has been conceived in the right perspective in textile industry and if so to assess it and if not the reason for it, will be the crux of the study (Gopinath, 2014). The researcher also made an attempt to relate the competency based Human Resource Management process to the result or performance of the textile industries.

Objectives of the study

1. To find-out the level of Competency based HRM process and its impact on organizational performance with reference to textile industries.
2. To describe socio-demographic profile of the employees.
3. To examine the level of Recruitment and Training and Development.
4. To analyze various factors of Competency based HRM process and its impact on organizational performance.
5. To find out suitable suggestions for Competency based HRM process and to improve organizational performance with reference to textile industries.

Research Design

Research design proposed for the study is 'Descriptive' type of research design. This type of research deals with employees working in Trichy textile industries.   Sample size: 123. The sample data was collected from the employees who are working in Trichy textile industries in Tamil Nadu. Stratified random sampling technique has been used to select the sample.

Research Hypothesis:

1. There is a significant correlation between age of the respondents and various dimensions of Competency based HRM process and its impact on organizational performance
2. There is a significant difference between gender of the respondents and various dimensions of Competency based HRM process and its impact on organizational performance.
3. There is a significant variance among the respondents' designation with regard to various dimensions of Competency based HRM process and its impact on organizational performance.
4. There is a significant association between respondents' monthly income and various dimensions of Competency based HRM process and its impact on organizational performance.
5. There is a significant association between respondents' monthly income and various dimensions of Competency based HRM process and its impact on organizational performance.

Period of study

The study on Competency based HRM process and its impact on organizational performance towards textile industries at Trichy textile Industries in Tamil Nadu was carried out during the period of June 5th to July 23rd 2022.

Table 1: **Karl Pearson's Co-Efficient of correlation between the respondents' Age and various dimensions of Competency based HRM process and its impact on organizational performance**

S.No	Competency based HRM process and its impact on organizational performance	Correlation value	Statistical Interface
1.	Age and Skill evaluating criteria	0.264**	P < 0.01 Significant
2.	Age and Test administration criteria	0.301**	P < 0.01 Significant
3.	Age and Experience process	0.290**	P < 0.01 Significant
4.	Age and Training and development programmes	0.259**	P < 0.01 Significant
5.	Age and Performance Appraisal	0.270**	P < 0.01 Significant
6.	Age and Competency	0.272**	P < 0.01 Significant
7.	Age and Overall competency based HRM process and its impact on organizational performance	0.340**	P < 0.01 Significant

**** Correlation is **significant** at the **0.01** level
*** Correlation is **significant** at the **0.05** level

Table 1: There is a significant association between age of the respondents and various dimensions of competency based HRM process and its impact on organizational performance such as Skill evaluating criteria, Test administration criteria, Experience process, Training and development programmes, Performance Appraisal, Competency and Overall competency based HRM process and its impact on organizational performance.

Table 2: **'t' test between the respondents' Gender and Competency based HRM process and its impact on organizational performance in various dimensions**

S.No	Competency based HRM process and its impact on organizational performance	$\bar{X}$	S.D	Statistical Inference
1.	**Skill evaluating criteria** Male **(N:91)** Female **(N:32)**	28.8571 35.5313	7.94085 8.73991	**t =3.983** p < 0.001 **Significant**
2.	**Test administration criteria** Male **(N:91)** Female **(N:32)**	19.0879 23.1875	6.98196 8.25183	**t =2.722** p < 0.05 **Significant**
3.	**Experience process** Male **(N:91)** Female **(N:32)**	14.3626 17.8438	5.67552 6.77333	**t =2.834** p < 0.05 **Significant**
4.	**Training and development programmes** Male **(N:91)** Female **(N:32)**	14.0000 16.3750	3.25918 3.73950	**t =3.410** p < 0.01 **Significant**
5.	**Performance Appraisal** Male **(N:91)** Female **(N:32)**	24.4835 27.9375	5.62606 5.81953	**t =2.961** p < 0.05 **Significant**
6.	**Competency**			

Male **(N:91)**	27.2857	5.65349	**t =3.494**
Female **(N:32)**	31.5313	6.60881	p < 0.01 **Significant**
7. **Overall competency based HRM process and its impact on organizational performance**			
Male **(N:91)**	129.6813	20.69669	**t =3.859**
Female **(N:32)**	147.8438	28.34705	p < 0.001 **Significant**

Table 2: There is a significant difference between respondents' Gender and various dimensions of competency based HRM process and its impact on organizational performance such as Skill evaluating criteria, Test administration criteria, Experience process, Training and development programmes, Performance Appraisal, Competency and Overall competency based HRM process and its impact on organizational performance.

Table 3: **One way analysis of variance among the respondents' designation with regard to various dimensions of Competency based HRM process and its impact on organizational performance**

S. N	Source	Df	SS	MS	$\overline{X}$	Statistical Inference
1.	**Skill evaluating criteria**					
	Between Groups	2	5123.034	2561.517	G1=18.3600 G2=32.0169	**F=77.336** P < 0.001
	Within Groups	120	3974.640	33.122	G3=36.2821	**Significant**
2.	**Test administration criteria**					
	Between Groups	2	3374.398	1687.199	G1=10.0800 G2=21.5932	**F=57.491** P < 0.001

	Within Groups	120	3521.667	29.347	G3=24.4359	**Significant**
3.	**Experience process**				G1=7.1200	**F=55.277**
	Between Groups	2	2209.664	1104.832	G2=16.4237	P < 0.001
	Within Groups	120	2398.483	19.987	G3=18.7436	**Significant**
4.	**Training and development programmes**				G1=9.8000	**F=63.556**
	Between Groups	2	783.440	391.720	G2=15.2373	P < 0.001
	Within Groups	120	739.601	6.163	G3=16.7692	**Significant**
5.	**Performance Appraisal**				G1=16.9600	**F=73.246**
	Between Groups	2	2298.340	1149.170	G2=26.8305	P < 0.001
	Within Groups	120	1882.701	15.689	G3=28.5897	**Significant**
6.	**Competency**				G1=19.9600	**F=63.713**
	Between Groups	2	2398.520	1199.260	G2=29.4746	P < 0.001
	Within Groups	120	2258.749	18.823	G3=32.1538	**Significant**
7.	**Overall competency based HRM process and its impact on organizational performance**				G1=105.0400	**F=50.519**
	Between Groups	2	32578.797	16289.398	G2=135.7966	P < 0.001
	Within Groups	120	38692.878	322.441	G3=151.1282	**Significant**

G1= HR Training manager, G2= Recruiting Manager and G3= Payroll manager

Table 3: There is a significant variance among the respondents' designation with regard to various dimensions of competency based HRM process and its impact on organizational performance such as Skill evaluating criteria, Test administration criteria, Experience process, Training and

development programmes, Performance Appraisal, Competency and Overall competency based HRM process and its impact on organizational performance.

Table 4: Association Between respondents' monthly income and Various Dimension of Competency based HRM process and its impact on organizational performance

S.no	Competency based HRM process and its impact on organizational performance	Monthly income				Statistical Inference
		Below Rs.20000 (N:14)	Rs.20000 to Rs.30000 (N:59)	Rs.30001 to Rs.40000 (N:36)	Above Rs.40000 (N:14)	
1.	**Skill evaluating criteria** Low level High level	 12 2	 37 22	 4 32	 8 6	$x^2=33.014$ df =3 p < 0.001 **Significant**
2.	**Test administration criteria** Low level High level	 12 2	 32 27	 8 28	 8 6	$x^2=18.901$ df =3 p < 0.001 **Significant**
3.	**Experience process** Low level High level	 12 2	 31 28	 6 30	 7 7	$x^2=22.492$ df =3 p < 0.001 **Significant**
4.	**Training and development programmes** Low level High level	 12 2	 32 27	 5 31	 7 7	$x^2=25.565$ df =3 p < 0.001

S.no	Dimension					Statistical Inference
						Significant
5.	Performance Appraisal					x^2= 28.729 df =3 p < 0.001 Significant
	Low level	12	36	5	7	
	High level	2	23	31	7	
6.	Competency					x^2=31.908 df =3 p < 0.001 Significant
	Low level	12	38	5	5	
	High level	2	21	31	9	
7.	Overall competency based HRM process and its impact on organizational performance					x^2=26.001 df =3 p < 0.001 Significant
	Low level	12	36	6	7	
	High level	2	23	30	7	

Table 4: There is a significant association between respondents' monthly income and various dimensions of competency based HRM process and its impact on organizational performance such as Skill evaluating criteria, Test administration criteria, Experience process, Training and development programmes, Performance Appraisal, Competency and Overall competency based HRM process and its impact on organizational performance.

Table 5: Association Between respondents' experience and Various Dimension of Competency based HRM process and its impact on organizational performance

S.no	Competency based HRM process and its impact on organizational	Monthly income				Statistical Inference
		Below 5 yrs (N:10)	5 to 10 yrs (N:20)	11 to 15 yrs (N:44)	Above 15 yrs (N:49)	
1.	Skill evaluating criteria					x^2=36.440 df =3
	Low level	8	20	21	12	

	High level	2	0	23	37	p < 0.001 **Significant**
2.	**Test administration criteria**					x^2=**32.717** df =3
	Low level	8	20	16	16	
	High level	2	0	28	33	p < 0.001 **Significant**
3.	**Experience process**					x^2=**38.172** df =3
	Low level	8	20	15	13	
	High level	2	0	29	36	p < 0.001 **Significant**
4.	**Training and development programmes**					x^2=**38.956** df =3
	Low level	8	20	16	12	
	High level	2	0	28	37	p < 0.001 **Significant**
5.	**Performance Appraisal**					x^2= **36.667** df =3
	Low level	8	20	20	12	
	High level	2	0	24	37	p < 0.001 **Significant**
6.	**Competency**					x^2=**39.714** df =3
	Low level	9	19	22	10	
	High level	1	1	22	39	p < 0.001 **Significant**
7.	**Overall competency based HRM process and its impact on organizational performance**					x^2=**33.954** df =3
	Low level	10	18	20	13	
	High level	1	1	24	36	p < 0.001 **Significant**

Table 5: There is a significant association between respondents' experience and various dimensions of competency based HRM process and its impact on organizational performance such as Skill evaluating criteria, Test administration criteria, Experience process, Training and development programmes, Performance Appraisal, Competency and Overall competency based HRM process and its impact on organizational performance.

FINDINGS AND SUGGESTIONS
Findings based on socio-demographic profile
1. Nearly half (i.e.) 46.3 per cent of the respondents were in the age group of 25 to 35 years.
2. Nearly three-fourth (i.e.) 74.0 percent of the respondents were male.
3. Nearly three-fourth (i.e.) 72.4 percent of the respondents were married.
4. Nearly half (i.e.) 48.0 per cent of the respondents got monthly income from Rs.20000 to Rs.30000.
5. One-third (i.e.) 39.8 per cent of the respondents had experience of more than 15 years.
6. Nearly half (i.e.) 48.8 per cent of the respondents were Post Graduates.
7. High majority (i.e.) 83.7 per cent of the respondents belong to nuclear family.
8. Nearly half (i.e.) 48.0 per cent of the respondents were working in HR recruitment department.
9. Nearly half (i.e.) 48.0 per cent of the respondents were Recruiting managers.

Findings based on Low and high level of various dimensions of competency based HRM process and its impact on organizational performance
1. More than half (i.e.) 50.4 per cent of the respondents got high level with respect to Skill evaluating criteria.
2. More than half (i.e.) 51.2 per cent of the respondents had high level with respect to Test administration criteria.
3. More than half (i.e.) 54.5 per cent of the respondents obtained high level with regard to Experience process.
4. More than half (i.e.) 54.8 per cent of the respondents acquired high level with regard to Training and development programmes.
5. More than half (i.e.) 51.2 per cent of the respondents got high level with regard to Performance Appraisal.
6. More than half (i.e.) 51.3 per cent of the respondents had high level with respect to Competency.
7. More than half (i.e.) 50.4 per cent of the respondents had high level with respect to Overall competency based on HRM process and its impact on organizational performance.

Findings based hypotheses

1. There is a significant correlation between age of the respondents and various dimensions of Competency based HRM process and its impact on organizational performance
2. There is a significant difference between gender of the respondents and various dimensions of Competency based HRM process and its impact on organizational performance.
3. There is a significant variance among the respondents' designation with regard to various dimensions of Competency based HRM process and its impact on organizational performance.
4. There is a significant association between respondents' monthly income and various dimensions of Competency based HRM process and its impact on organizational performance.
5. There is a significant association between respondents' monthly income and various dimensions of Competency based HRM process and its impact on organizational performance.

Suggestions
1. Textile industries should review employees current work performance and plan for the future improvements.
2. Textile industries should arrange proper coaching, mentoring training and development for their employees.
3. Textile industries should provide HR employees to recognize and reward meritorious and employees' outstanding performance.
4. Textile industries should revise their human resource development polices in such a way that their employees are motivated, skilled and productive.
5. Textile industries should also revise their resource management systems regarding inputs of production used in productions.
6. Textile industries should arrange to improve their technical efficiency in their organizations.

Conclusion: Today, textile industries in Trichy are performing well. In Current situation they should provide timely guidance and feedback to their employees to strengthen their specific knowledge and skill to accomplish a task or to solve a problem if created in their industries. Competency is the combination of observable and measurable knowledge, skills, abilities and personal attributes that contribute to superior employee performance and ultimately result in textile industries success. Hence the textile industries need to take extra care for Recruiting process, training and development process, performance appraisal process and competency process to improve the performance of HRM employees.

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