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# Impact of Competency Development on Job Performance among BPO Sector Employees in Salem District



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ARTICLE INFO	ABSTRACT
<p><b>Received:</b> 27-07-2021 <b>Received in revised form:</b> 26-08-2021 <b>Accepted:</b> 31-08-2021 <b>Available online:</b> 30-09-2021</p> <hr/> <p><b>Keywords:</b> Competency; Knowledge; Skill; Employees' Attitude; Job Performance; Organizational Performance.</p>	<p>The goal of this research is to examine the competency development's impact on the job performance of the employees working in the BPO industry in the Salem District. The researcher employs the significance of current information as primary competency to suggest three competencies in a competency model. Data was gathered from 50 BPO employees in the Salem district. Path analysis was used to do the data analysis. In the course of the investigation, it was observed that aspects of competency development such as knowledge, skill, and attitude had an impact on the job performance of BPO employees. It has been shown that the job performance of BPO employees has an impact on the overall organisational performance. The analysis identified the three dimensions of competency development namely knowledge, skill and attitude have an impact on organisational performance. The authors concluded that the BPO agencies need to be formulated in leadership competency and styles, integrity and innovation for employees, appropriate actions and evaluations in disciplinary action, and always determined to develop work experience during employees' work development examples so that this has a good influence on job performance and organizational performance.</p>

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## 1.0 INTRODUCTION

The word competency is derived from the Latin word "Competere". The meaning of this word is called 'appropriate'. The concept of the performance was first developed from psychology. The performance indicates the ability of individuals to respond to demands placed on them by their environment. Ulrich distinct the skills, knowledge, ability of employees related to organizational performance. According to [HayGroup \(2004\)](#), employees are the source of a company's most valuable competitive advantage. Competitors might copy business models, products, strategies, and services.

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But, the difference between unskilled and skilled employees remains constant. Human resources, including manpower and commitment, are among the most important resources available to any organisation. Often, a company's ability to create and achieve objectives depends on the strength of its human assets and the capabilities of its employees. As a result, employers in both the manufacturing and service sectors are finding that they need more effective employees. Human resource management's 'Competency' has been more integrated during the last three decades. Competency comprises a broad variety of qualities, skills, knowledge, and abilities that allow individuals to perform a certain job within a specific role or profession ([Boyatzis, 1982](#)). The goal of this research is to examine the competency development's impact on job performance among employees in the Business Process Outsourcing (BPO) industry in the Salem district. The researcher employs the significance of current information as primary competency to suggest three competencies in a competency model.

### 1.1 Review of Literature

It was observed by [McClelland and Boyatzis \(1982\)](#) that competency has an impact on job performance.

[Vathanophas and Thaingam \(2007\)](#) discovered that there were twenty-three competencies that higher-level job performance used to do this job successfully.

[Krishnan \(2012\)](#) discovered that all the BPO employees were opined that Leadership skills, Communication skills, Interpersonal skills, Teamwork skills, Creative and Innovation qualities are essential for BPO employees in Chennai. The competency development can be noted in the subsequent areas like cross-training on penalty of customer's decision and value achieved by the individual is related with competency and it enlarges the quality of work. These skills could be enlarged by providing training and personality development programs for their employees.

[Barbosa and Cintra \(2012\)](#) found that innovation and competencies had an impact on the articulating constructs of organisational performance.

[Xu and Ye \(2014\)](#) discovered that the competence of teachers has an impact on their job performance at research universities. In addition, the study confirmed the positive relationship between job performance and teacher competencies, such as research capability, industry characteristics, and industry awareness. Finally, the researchers found that the environment in the classroom had a significant impact on the relationship between job competence and job performance for the respondents.

A study conducted by [Kolibacova \(2014\)](#) revealed that "there is no relationship between employee competency and work performance. The author stated that the discussion should focus on building an organisation assessment system that can be used in any organisation where job performance and abilities are appraised".

It was discovered by [Sukrapi et al., \(2014\)](#) that the performance of teachers is closely related to the level of professional competence found in educational institutions.

[Rofiaty \(2017\)](#) found that the organisational culture and leadership qualities have no substantial impact on employee performance.

According to [Owoeye and Muathe \(2018\)](#) found that the involvements and individual competencies have an impact on the performance of the organisation.

In their research, [Misra and Srivastava \(2018\)](#) observed that "there is a significant relationship between employee performance and team-building abilities".

Seemiller (2018) discovered that there is an influence of enhancing leadership competencies on employees' career readiness.

Manani and Ngui (2019) observed that employee job performance is positively influenced by the competencies such as leadership, communication, academics, and problem-solving. According to the findings, employees' job performance is least affected by leadership competencies. Possession of communication skills has a significant impact on an employee's ability to do their work well.

Martini *et al.*, (2020) observed that employee commitment and performance are positively impacted by competencies such as skills, knowledge, and attitudes. Furthermore, the studies revealed that an individual's level of job commitment influenced their overall performance. Also, the study found an association between employee commitment and performance.

## 1.2 Objectives of the Study

- To investigate the impact of competency development dimensions such as knowledge, skill and attitude on BPO employees' job performance.
- To know the influence of BPO employees' job performance on organizational performance.

## 1.3 Testing Hypotheses

- BPO employees' job performance is affected by competency development dimensions including knowledge, skill, and attitude.
- The job performance of BPO employees has no impact on the overall performance of the organisation.
- There is no influence of dimensions of competency development such as knowledge, skill and attitude on organizational performance.

## 2.0 METHODS AND MATERIALS

### 2.1 Framework of the Research

An investigation of the competency development's impact on job performance of the employees in the BPO industry in Salem District was carried out using this method. Competency development is considered as the independent variable. Competency development of BPO employees is classified into three types such as knowledge, skill and attitude. The job performance of BPO employees was taken into account as a mediator variable and organisational performance was taken into consideration to be the dependent variable (see Figure 1).

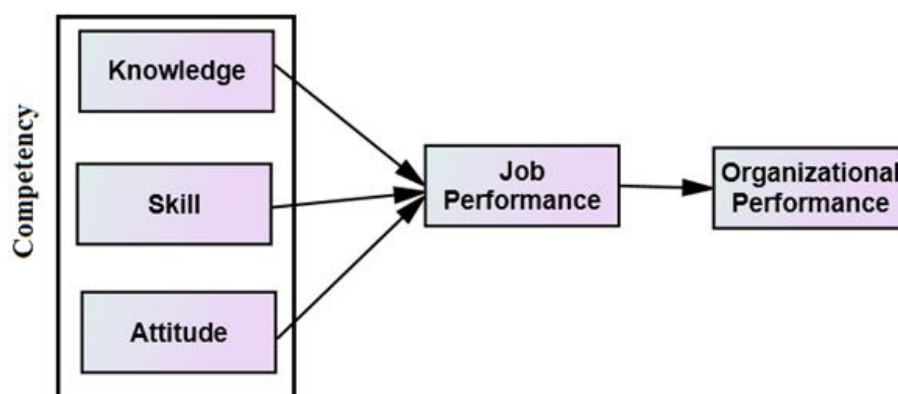


Figure 1 – Conceptual Framework of the Study

## 2.2 Structure and Reliability of Questionnaire

Table 1 – Structure and Reliability of Questionnaire

Variables	Reliability
Competency Development	0.80
Job Performance	0.88
Organizational Performance	0.92

Primary data was collected with the use of standards tools. The Cronbach Alpha value is ranged between 0.80 and 0.92 (*vide* Table 1). This reliability value shows that the assertions in the questionnaire have a high degree of dependability.

## 2.3 Area of Sample and Justification

The Salem district was chosen as a sample location for this study. As a result, it is needed to safeguard and develop the lifestyle of the BPO employees. This study helps the researchers to evaluate the competency development, job performance, and overall organisational performance of the BPO industry in Salem District.

## 2.4 Sampling Technique

The sample is made up of BPO employees in the Salem District of Tamilnadu. For the Pilot study, 50 samples were collected from the employees working in the BPO industry in Salem District. To gather primary research data, the convenience sampling method was used, and the Path analysis is used to analyse the collected primary data. An investigation of the competency development's impact on the job performance of the employees in the BPO industry in Salem was carried out using path analysis.

## 3.0 RESULT AND DISCUSSION

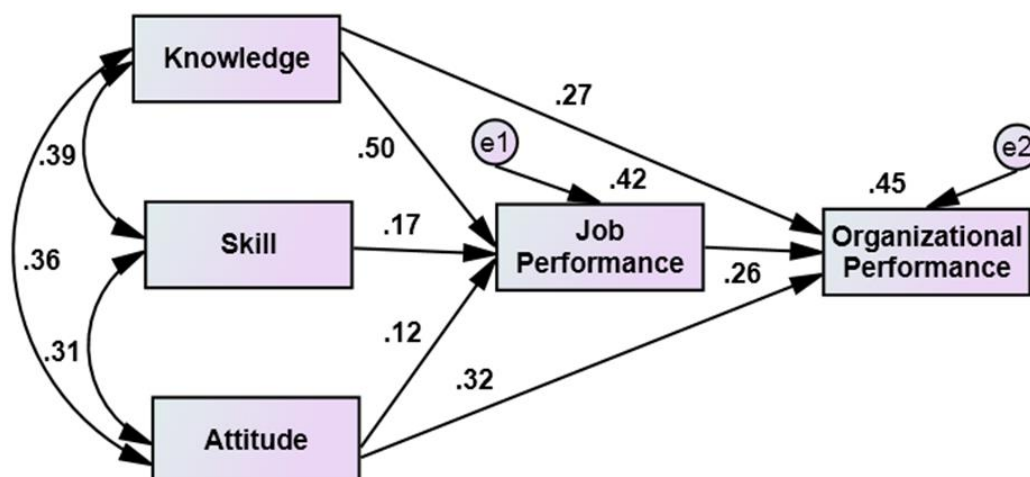


Figure 2 – Competency Development on Job Performance among BPO Sector Employees

Table 2 – Fit Indices for Measurement Model

Fit Indices	Obtained	Recommended Values
Chi-Square	1.032	---

p-Value	0.311	> 0.050
GFI	0.991	> 0.90
AGFI	0.962	> 0.90
CFI	0.995	> 0.90
NFI	0.999	> 0.90
RMS	0.001	< 0.080
RMSEA	0.001	< 0.080

**Source:** Primary data

The value of Chi-square was found to be 1.032 in the model fit table (*vide* Table 2). The significant value is 0.311 (which is greater than 0.05). According to “Charles and Velaudham (2020) and Premapriya *et al.*, (2016) stated that the scores of GFI and AGFI should be more than 0.90”. A prediction of Velaudham and Baskar (2015), “the estimated value of CFI and NFI were higher than 0.90”. As recommended by Deepak and Velaudham (2019) the RMSEA and RMS values were also found to be less than 0.08. According to the model summary, “it is perfectly matched the findings of Velaudham and Baskar (2016) and Indra *et al.*, (2020)”.

*Table 3 – Standardised Regression Weights*

Response		Predictor	Estimate	S.E.	C.R.	$\beta$	p
Job Performance	<---	Knowledge	0.373	0.030	12.395	0.498	0.001
Job Performance	<---	Skill	0.163	0.038	4.318	0.171	0.001
Job Performance	<---	Attitude	0.127	0.040	3.196	0.125	0.001
Organizational Performance	<---	Job Performance	0.474	0.080	5.932	0.264	0.001
Organizational Performance	<---	Knowledge	0.358	0.060	5.966	0.266	0.001
Organizational Performance	<---	Attitude	0.589	0.069	8.480	0.320	0.001

**Source:** Primary data

**H<sub>0</sub>:** Competency knowledge doesn't have any impact on job performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of competency knowledge on job performance is 12.395, and its standardised regression ( $\beta$ ) value is 0.498 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that competency knowledge has a 49.8% impact on job performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that competency knowledge has an impact on job performance among employees of the BPO sector in the Salem district. According to the findings of the study, competency knowledge has an impact on job performance, which is along with (Martini *et al.*, 2020; Manani and Ngui, 2019; Owoeje and Muathe, 2018; Seemiller, 2018; Rofiaty, 2017; Barbosa and Cintra, 2012; McClelland and Boyatzis, 1982).

**H<sub>0</sub>:** Competency skill doesn't have any impact on job performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of competency skill on job performance is 4.318, and its standardised regression ( $\beta$ ) value is 0.171 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that the competency skill has a 17.1% impact on job performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that competency skill has an impact on job performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance ([Martini et al., 2020](#)).

**H<sub>0</sub>:** Competency attitude doesn't have any impact on job performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of competency attitude on job performance is 3.196, and its standardised regression ( $\beta$ ) value is 0.125 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that the competency attitude has a 12.5% impact on job performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that competency attitude has an impact on job performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance ([Martini et al., 2020](#)).

**H<sub>0</sub>:** Competency knowledge doesn't have any impact on organisational performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of competency knowledge on organisational performance is 5.966, and its standardised regression ( $\beta$ ) value is 0.266 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that competency knowledge has a 26.6% impact on organisational performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that competency knowledge has an impact on organisational performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance ([Martini et al., 2020](#)).

**H<sub>0</sub>:** Competency attitude doesn't have any impact on organisational performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of competency attitude on organisational performance is 8.480, and its standardised regression ( $\beta$ ) value is 0.320 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that the competency attitude has a 32.0% impact on organisational performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that competency attitude has an impact on organisational performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance ([Martini et al., 2020](#)).

**H<sub>0</sub>:** Job performance doesn't have any impact on organisational performance among the employees of the BPO industry in Salem District.

The computed CR value for the impact of job performance on organisational performance is 5.932, and its standardised regression ( $\beta$ ) value is 0.264 (*vide* Table 3). The standardised regression ( $\beta$ ) value shows that job performance has a 26.4% impact on organisational performance. Hence, the p-value is lesser than 0.05 and the null hypothesis is failed to accept. As a consequence of the findings, it is concluded that job performance has an impact on organisational performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance ([Manani and Ngui, 2019](#); [Owoeye and Muathe, 2018](#)).



#### 4.0 FINDINGS OF THE RESEARCH

- In the study, it was observed that the job performance of BPO employees is influenced by the dimensions of competency development such as knowledge, skill, and attitude. The study found that competency has an impact on job performance, which is along with (Martini *et al.*, 2020; Manani and Ngui, 2019; Owoeye and Muathe, 2018; Seemiller, 2018; Rofiaty, 2017; Barbosa and Cintra, 2012; McClelland & Boyatzis, 1982).
- Results show that job performance has an impact on the organisational performance among the employees of the BPO industry. This confirms the earlier reported findings on job performance on organizational performance (Martini *et al.*, 2020).
- The findings of the study also revealed that dimensions of competency development such as knowledge, skill, and attitude had an impact on organisational performance among the employees of the BPO industry in Salem District. This confirms the earlier reported findings on competency on job performance (Manani and Ngui, 2019; Owoeye and Muathe, 2018).

#### 5.0 RECOMMENDATIONS

- The BPO agencies need to assess a variety of matters such as patterns, training and providing skills and educational materials for employees.
- The BPO agencies need to be formulated in leadership competency and styles, integrity and innovation for employees, appropriate actions and evaluations in disciplinary action, and always determined to develop work experience during employees' work development examples so that this has a good influence on job performance and organizational performance.
- The BPO agency can provide awards, a better working atmosphere, performance allowances, opportunities to develop, teamwork, and fair and transparent dispositions so that employees will be provoked and this will influence on improving employee performance.

#### 6.0 CONCLUSION

This conclusion can be drawn from the hypotheses test results, competency development is reflected by knowledge, skill, and attitude have a significant positive impact on the job and organisational performance of the employees working in the BPO industry in Salem District. The growth of an employee's competency has the greatest impact compared to other factors. The findings of this research demonstrate the significance of efforts to increase competency development to achieve higher levels of achievement. Additionally, it is necessary to maintain high levels of employee commitment to preserve the quality of the work performed by the employees. Further research will be able to compare the findings of this study in other industries and geographical locations to determine the similarities and dissimilarities.

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