

Human Resource Competencies and Organizational Performance: A Study on Banking Sector Managers in Pakistan

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Abstract

This research attempts to explore the human resource competencies of banking sector employees in Pakistan. Human Resource Competency Survey model encompasses strategic contribution, business knowledge, personal credibility, human resource delivery and technology, incorporated in this study. Five hypotheses were developed to assess the relationship between human resource competencies and organizational performance. A cross sectional non-experimental survey design was used to test the hypothesis. Data was collected using through structured questionnaires from sample of 985 middle and entry level managers working in seven private banks using random sampling technique. Analysis was conducted using correlation and regression. The results revealed that the aforementioned human competencies were positively and significantly related to organizational performance.

Keywords: Human resource competencies, Organizational performance, HRCS, Banking sector.

Introduction

The role of human resource is axiomatic in organizations. Organizations around the globe heavily depend on the knowledge, skills, abilities and other characteristics (KSAOs) of their employees for achieving their objectives. A set of these KSAOs is known as competency model (Campion et al., 2011). Objectives of the organization can only be achieved in worthwhile fashion if the employees are equipped with the set of required competencies and the competencies are aligned with the organizational objectives. The study at hand attempts to develop competency model for employees in banking sector. This research will help organizations to hire the people with right competencies and to refine these competencies by developing an appropriate training and development programs. The right combination of competencies will

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ensure the improvement in organizational performance leading to achieving its objectives.

A competency is knowledge, skill, attitude, experience, ability and trait that enables individuals to be successful in their interactions with others at work, school, home, and community. Competencies are predictions of success in the HR profession. Competencies fluctuate by the nature of position within HR professional (Ramlall, 2006) HR Professionals should develop a relationship of trust with their clients (Choi, 2009). With an increasing importance on HR metrics, there is a need for more stress on measuring HR's input to the business strategy and the effectiveness of the respective HR strategies (Ramlall, 2006).

Competency means the state or quality of being adequately or well qualified and having the ability to perform a specific role (Hoffmann, 1999). The concept of competence has different meanings, and continues to remain one of the most diffused terms in the management development sector, and the organizational and occupational literature. Six competencies, which are most important, include effective leadership skills, problem-solving skills, communication skills, customer-orientation, results-orientation, and team orientation (Abraham et al., 2001). A number of strategies have evolved that suggests that organizational resources and capabilities that are rare and valuable are hard to imitate and form the basis of competitive advantage. Resource-based view suggests that human resource can contribute to sustained competitive advantage by facilitating the development of competencies that are firm specific, producing complex social relationships, reflect firm's history and culture, hence, generating tacit knowledge in organizations. According to non-HR respondents strategic contribution is the competency that will lead to financial competitiveness, while HR managers consider business knowledge to be crucial for added value of the HR function (Boselie, 2005).

Relationship between competencies and organizational performance focuses on the link between business activities and employees, business activities, strategic plans and customer value (Eichinger and Ulrich, 1995). A competency model can have the potential to considerably improve the organization performance and employee satisfaction, if the suitable possessions are specified to the plans, and executions are applied.

There are different approaches in the development of competency models such as single-job competency model, one-size-fits-all approach, and multiple jobs approach (Mansfield, 1996). The multiple-job approach provides two advantages. First, is a common conceptual framework and second is customization for individual jobs. Hence, it is the only approach that facilitates comparison of competency models with each other and comparison of employee profiles with

multiple jobs. It is also more cost effective as compared to single-job approach (Mansfield, 1996). Research strongly indicates that organizations most successful at employing competencies allocate the greater part of their assets towards aligning competency standards with strategy and integrating them into day to day practices. Moreover, competitive HR groups utilize top change management practices to ensure innovative behavioral requirements are acknowledged and influenced over time to facilitate employees and functioning of the organization as a whole. However, the major error many HR departments make is that instead of institutionalizing the standards they focus on being unnecessarily meticulous in the pursuit of perfection.

The utilization of competency frameworks as a beginning for administrative center education is a common practice in the organizations (Garavan and McGuire, 2001). Human resource systems can add to continuous competitive advantage by facilitating the growth of competencies that are organization specific and can generate multifaceted social dealings. Sound appreciated HR functions are given the resourcing which is required to initiate the complex but valuable systems reinforcing competency frameworks (Heffernan, 2000). It is also recommended that those focusing on the management's needs and development should take into consideration the future requirements. Furthermore, it is very important that the lists of competencies and competences must be reviewed regularly to reproduce the finest estimate in conformity with the future requirements (Cheng, 2005). An HR system, focused on human capital enhancement, is directly related to multiple dimensions of operational performance i.e. employee productivity, machine efficiency, and customer alignment, however, subsequent analysis reveal that this main effect is significantly the result of linking human-capital-enhancing HR systems with a quality manufacturing strategy (Youndt et al., 1996).

The factors that lead to objective career success are sometimes quite different from those that lead to subjectively defined success (Judge, et al., 2006). Human capital moderates the relationship between strategy and firm performance, thus, holding a resource-strategy contingency fit (Hitt, M.A, Biremant, L, 2001). Competencies are the representation of the language of expected performance in an organization, they clearly signify both the expected outcomes of an individual's efforts and the way in which these activities are carried out (Garavan, 2010). In the near future, people are anticipating the managers to be entrepreneurs. These entrepreneurs should be risk takers, customer oriented, have business acumen, HR knowledge, responsible for results, open minded and facilitate change initiatives (Boselie, Paauwe, 2005).

Literature Review

HR professionals particularly those in developing countries, lack the competencies clearly linked to business. Competencies such as culture management, market driven connectivity, strategic decision making, rapid adaptability, value-chain knowledge and HR technological know-how are absent and are amongst the weakest abilities of HR professionals (Long, 2008). With the passage of time, the strategic contribution, including the focus on implementing fast change, will achieve higher significance (Boselie and Paauwe, 2005).

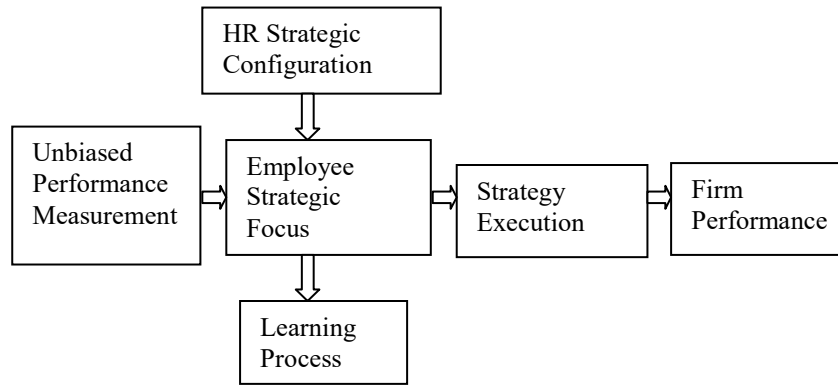
There is a strong correlation between HR technical competence and strategic contribution. The acceptance of the effect of the competencies on the range of organizational functions, can lead towards the formulation of a new directed strategy, intending to develop the expertise of HR professionals. Consequently, a new realistic function can emerge (Ramlall, 2006).

HR professionals are required to develop into more successful strategic business partners and eventually becoming contributors in organizations (Long, 2008). The basic concept of organizational performance focuses on the achievement of potent results based on financial outcomes, which are considered as an important indicator of the accomplishment of economic objectives of the organization (Schyeck, 2011). The entire human resource functions must collaborate with organization in achieving its mission, vision and strategic goals, which can be in a direct or an indirect manner. Hence, all the organizational functions must be strategic in nature (Eichinger and Ulrich, 1997).

A competency model gives a method to find out the effectiveness of managers. It differentiates between competent and incompetent people. Organizations can use these models in the training programmes, however, they should be used only as a tool not as a cure (Dalton, 1997). Competences are intellectual based whereas competencies are moral based. Competences are attributes and competencies are behaviors (Rowe, 1995). The competency involves moral principles and honesty, time management, flexibility and self development. Strategic contribution was the second most important competency. It involves understanding customer needs, quality enhancement, stakeholder's management and other public issues. The least important factors encompass business knowledge, interpersonal skills and leadership skills (Chung, 2003).

HR system means that organizations policies and practices must be aligned with strategies to achieve high performance. Employees' behavior means that their attitudes, motivations, and behaviors should be strategically focused.

Strategy Map (Sindu N.M., Yogesh K., Poja Desai).



Strategic human resource management is negatively related to employee turnover and positively related to the organization's marketing performance. Strategic human resource management is effective only when it is accompanied by sufficient amount of capital, which in turn will increase productivity and financial performance of the organization (Mazzali, 2001).

HR professionals in mechanized companies of the southern region of Malaysia are deficient in business related human resource competencies. This is one of the major setbacks to be resolved, if local HR professionals want to turn into strategic business partners in their organizations. Hence, it is very important for HR professionals to master the accurate competencies to increase overall firm's performance and productivity. They should also acquire the ideas by striving to excel in various areas particularly in knowledge ahead of the basic HR activities. In the future this could be the vital road map towards success for all HR professionals (Long, 2008).

Studies revealed that instead of focusing on the adoption of transformational HR roles, that are more instrumental for the effective functioning of the organizations, a considerable amount of time is spent in the accomplishment of traditional tasks. It is imperative for organizations to acquire competencies and execute strategies in order to gain sustainable competitive advantage. Poor planning, analysis, execution, and evaluation are the significant reason for the failure of the strategies. Hence, there is a need for the establishment of an organization which has policies that facilitate exceptional deliverance of the selected strategies.

In order perform effectively and to be competitive, there is a dire need for both the line managers and human resource executives, to comprehend the significance of recruiting, developing, and retaining human assets. They must be aware of all the challenges and

opportunities. Traditional operational measurements are only considering the internal efficiencies, which are insufficient. Organizational departments should be able to display the worth of their strategic contributions (Cabrera, 2005). Research has considered that employee's profession must claim the extent of non-financial knowledge in firm's accounting and reporting issues. This defines some very essential points of the organization (Gregory, 2010). There are five major areas to the strategic contribution competency namely culture management, change management, strategic decision making, customer professionals and market connection (HRINZ).

HRM has a strong and significant impact on organization learning and knowledge management capability. HRM affects organizational performance indirectly through organizational learning and knowledge management capability. Furthermore, organizational learning and knowledge management capability are directly and significantly related to organizational performance (Lin, 2007). Organizations can provide a reward system to motivate employees to participate in organizational learning and knowledge management capability practices.

It is also essential that employees, specifically middle managers and line managers, should be involved in organization learning and knowledge management capability practices to increase organizational performance (Lenny, 2007). Organizations' associates should be capable of dealing with fast transformations and to operate jointly, though this demands the aptitude to recognize and be aware of the sensitive influence of organizational revolution. The most valuable owners are those who are competent of judging how their workers think about their work position. Similarly, the most valuable workers are those who can judge how their owners think about them and what are their visions (Tallon, 2007).

It may be claimed that the idea of the learning organization offers executives and others with an image of how things may be inside an organization. It may be that the idea of the 'learning organization' has its 'fifteen notes of recognition'. Though, there is some life in this idea so far. It presents an option to an additional technical structure, and encompasses a number of significant chances for organizations aspiring to grow and develop (Smith, 2001).

The first generation knowledge management practices are followed by broader understanding of second generation applications and technology. It utilizes the knowledge life cycle to support sustainable innovation, to facilitate knowledge production and not merely integrating knowledge as in the first generation. (Alstete and Halpern, 2008). It is evident from the research that there has been a significant gap between the learning practices, which were considered instrumental by

organizations and assumed to be contributing directly to the organizational performance (McKeen et al., 2006). When the newly hired employees want to make some major changes, they are advised to spend most of their time in learning cultural and political disputes (Martha, 2003).

Performance management is a major part of talent management and mature practices. Nevertheless, many organizations are not endeavoring to integrate it into the routine practices. A research on performance management for talent management showed that only 30% of the organizations were highly innovative in all areas whereas only 18% were innovative in the technological area. Organizations were mature in terms of their processes or information but deprived in terms of people related skills for managing talent.

HR is sometimes considered as a cost centre, instead of an origin of worth. Moreover, decades of regulation and tapering of labor markets is constraining HR's usefulness and is keeping it out of strategic development. The inability of the organizations to discover and coach the right talent is becoming a vital concern. Such practice is more prevalent in the consumer services domain as employees are more and more taken as expansions of products and services (Traci, 2010). The increase in the dependent labor forces has added hesitancy with regard to the inquiry of the type of workforce an organization has. Tackling these disputes directly affects the capability to deliver services that businesses are looking forward to. Hence, it is required to consider the complete variety of development prospects, which can be accomplished through development plans and self-service functions.

Employee turnover is an important element of organizational performance. Communication competency has proved to be enhancing the employee intention towards turnover because employees have the ability to say something strong. Conversely, it can mitigate turnover if upper management has the ability to persuade employees. Trustworthiness of human resource supervisors and their skills in conveying the fundamentals in the field of staffing, development and management are requisites and crucial for becoming effective (Boselie and Paauwe, 2005). Moreover, organizations using HR technology properly are saving their time, money and energy. Consequently, organizations of all sizes whether small, medium and large will adopt such technology in the near future, which will enable them to better display the impact of human asset innovation (Lockwood, 2006). Further research of how diverse fundamentals of managing and staffing attach to competence and success of the employment practice can drop glow on which things are more essential than others.

Technological competence and imitability are the fundamental resources for organizations. If organizations are to be viewed as a

resource-based entity then relationship between three variables needs to be understood, which are technological competence, imitability, and performance. These three variables were studied in relation to marketing and financial performance to comprehend their impact on pharmaceutical industries. Results revealed that technological competence was negatively related with market based performance and was positively related with financial performance. Moreover, imitability showed a negative significant impact on marketing and financial performance.

Computerization has a significant relationship with the firm's overall performance. Organizational performance was measured on the basis of three groups. First group was formed to compare users and non users of computers. Second group was created based on computer usage in organizations in terms of less, moderate or high. Third group was formed to study the class or size of the organizations. Results indicated that computerization and performance were inter-related. Non-users were small sized organizations having average performance. Organizations using computers extensively were at the two extreme ends of the performance continuum. Some indicated high performance, whereas others revealed low.

A Sustainability Performance Indicator (SPI) can be applied to cover a number of organizational factors. These factors are environmental, social, economic information. However, a lot of companies are measuring these factors using different indicators. These factors can be effectively measured by grouping sustainability performance indicators. Furthermore, the SPIs can be used to measure the sustainability of profits based on which the future progress can be made by guiding decisions (Christensen, 2003).

The major contribution in the technology would be to formulate a framework of technological requirements, which will help in adopting technology enhanced learning and semantics web technology. Thus, strategies will be formulated, in relation to competency management in advanced organizations (Pablos and Lytras, 2008). It is imperative to unfasten this indicator, which requires firms to change the methods by which they are administered, controlled, and utilized throughout the industry. In this way an organization with the liveliness, effectiveness and accuracy to continuously face the rivalry forces will achieve the desired results (Shankar, 2010). There is a need for evolution in which the entire culture of the business facilities connectivity, liveliness, accuracy and consistency.

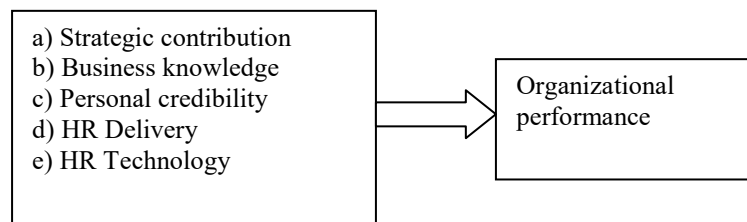
Recent research shows that 63% of the leading companies have aligned their business performance objectives with employees' performance objectives in order to achieve the performance management goals of the employees. Research also revealed that the difference between best in class and laggard companies was that best in class were

completely aware of their employees' skills and knowledge, their core competencies and the capability of the organization to attain its objectives (Wachira, 2014). Individual's value and employee improvement attributions were absolutely associated to their levels of organizational commitment and satisfaction, whereas individual's cost and employee utilization attributions were negatively correlated to their levels of commitment/satisfaction. Group-level employee approaches defined as a collective intelligence of employee commitment/satisfaction within a solitary organizational department, were positively correlated to organizational residency behaviors. Organizational citizenship attitudes were positively associated to customer ratings of performance (Taing, 2011).

Research shows that the duty of a frontline childcare person is seriously an important issue. Probably, it is the most demanding task. There is a direct link between the quality of administration and critical employee actions such as staff turnover rates, motivation level and task performance, and commitment. As the following framework is showing that competent managers produce motivated employees because the competent managers will have the required skills to motivate their employees. These motivated employees will give desired results to children and families. As a result there will be less turnover rate and organizational performance will be improved. A major challenge for child welfare agencies is to hire competent people for such vital jobs and enhance their efficiencies. Moreover, it is very important to facilitate them once they are hired or promoted.

Survey results of 2010 show that 29% of the companies have increased their investments in human resource technology. Hence, technology is a key stimulator of growth, productivity and business outcomes, which is reflected from the investment levels (smart kips.com).

Theoretical Framework



Hypothesis

- H1: Strategic contribution is significantly related to organization's performance.
- H2: Business knowledge is significantly related to organization's performance.
- H3: Personal credibility is significantly related to organization's performance.
- H4: HR Delivery is significantly related to organization's performance.
- H5: Technology is significantly related to organization's performance.

Methods

Sample

The target population of the study at hand was employees at entry level and middle level managers working in private banks in Peshawar city of Khyber Pakhtunkhwa, Pakistan. The designations of employees were Customer Relationship Officer, Personal Banker Consultant, Manager Operations, Direct Sales Representative, Branch Manager, Relationship Manager, Relationship Officer, Assistant Vice President, Vice President, Lockers Custodian, Regional Head Branch Distribution, Cash Supervisor, Area Manager, Compliance Manager, Senior Relationship Manager, Operations Assistant and Sales Representative. The education level of most of the employees was Masters in Business Administration, Computer sciences and Economics etc. Seven banks were selected, which included Standard Chartered, Habib Bank, Muslim Commercial Bank, KASB, JS Bank, Faisal Bank And Dubai Islamic Bank.

Instruments

A composite questionnaire was used in the study at hand. The first part comprised demographics such as, gender, age, designation and name of organization. The remaining part of the questionnaire included five competency domains and one organizational performance domain. Competency domains are the part of human resource competency study (HRCS); a competency model given by Brockbank and Ulrich. The competency domains reflect the four major roles of HRCS. The five competency domains that have been used in the study are strategic contribution, personal credibility, HR delivery, business knowledge, and HR technology. Previous studies indicate that researchers have used these indicators to predict organizational performance.

Boselie and Pauwe (2005) used two items to measure performance, which were financial competitiveness and relative ranking of the perceived human resource function. The items were used to study HR function competencies in European countries. William (2008) also used financial turnover and employee turnover as independent variables,

having impact over the adoption of competency models. Dependent variables in these studies were competencies. Questions were asked regarding the competencies used in human resource systems. The competencies included recruitment and selection, training and development, performance management, succession planning, remuneration, and promotion.

Pilot testing was conducted in the study at hand by using sample size of 20 employees from the banks. Questionnaires were randomly distributed. Results of the pilot study revealed that sampled employees had no significant issues in responding to the questions.

The highest correlation was of culture management item (item of strategic contribution) with organizational performance, which was .627. The second highest correlation was of strategic HR technology (item of HR technology) with organizational performance, which was .591. The third highest correlation was of strategic decision making (item of strategic contribution) with organizational performance, which was .565. Hence, it can be concluded from the results that strategic contribution is highly related with organizational performance. The least correlation was of HR delivery and organization structure with organizational performance, which was .145. The second least correlation was of staffing with organizational performance, which was .250. The aforementioned three items are from HR delivery, which leads towards the conclusion that HR delivery competency domain is less related with organizational performance.

Cronbach alpha coefficient was calculate to examine the overall reliability of the questionnaire, which was .867, signifying very good reliability. Moreover, the Cronbach alpha score for competency, organizational performance domain, strategic contribution domain, personal credibility domain, HR delivery domain, business knowledge domain, and HR technology domain was .807, .871, .845, .810, .810, .875, and .945 respectively, indicating a reliability ranging from very good to excellent.

In the study at hand, the competencies have been examined through their “means” as used by Boselie (2005) and Ramllal (2006) in their research. Means indicate that which particular competencies are more or less perceived by the employees. Then the impact and relationship of these human resource competencies on dependent variables has been measured through multiple regressions. The value of organizational performance variable has been calculated by taking the mean of five performance indicators in all the questionnaires. The five performance indicators are financial, operational, sustainability of profits, staff turnover, and opportunities for growth. Furthermore, mean values of the five competency domains have been calculated, which are then regressed to find their R and R square.

Procedures

Thirteen hundred (1300) questionnaires were randomly distributed among the employees using personal network of friends and previous colleagues. Simple random sampling was used. Employees were given ten days to return the filled questionnaires. Those who did not return the filled questionnaires were reminded using the focal person in each bank, which improved the response rate.

Analysis

The first objective of the study at hand was to explore the human resource competencies. Therefore, table 1 given below presents the mean values of competency items included in the research.

Table 1

S.No	Competency	Mean	S.No	Competency	Mean
1.	Personal communication	3.96	2.	Use of technology	3.26
3.	Culture management	3.95	4.	Organization structure	3.38
5.	Effective relationships	3.94	6.	Labor knowledge	3.36
7.	Achieving Results	3.81	8.	Value proposition knowledge	3.4
9.	Market driven connectivity	3.78	10.	Value chain knowledge	3.4
11.	Strategic decision making	3.7	12.	Performance management	3.36
13.	Fast Change	3.65	14.	Legal conformity	3.74
15.	Staffing	3.38	16.	Strategic HR technology	3.27
17.	HR development	3.34			

Table 1 shows that the items which have got the highest mean values are culture management, building relationships and. These three items belong to the domains of strategic contribution and personal credibility. The items which have scored the lowest mean values are use of technology and strategic HR technology. Both of these items belong to the domain of HR technology.

The mean values of the first and second item of strategic contribution competency domain are 3.95 and 3.65 respectively, implying that employees are weak in adopting changes in contrast to managing norms and values. Moreover, the means values of the third and fourth items of strategic contribution domain are 3.70 and 3.78. Hence,

the skills to solve problems and contribution to the organizational strategy are equally perceived by the employees.

The second competency domain is personal credibility. The first item, i.e. achieving results has mean value of 3.81. Furthermore, the mean scores of the second and the third items, which are the ability to maintain effective relationships and communication skills, are 3.94 and 3.96 respectively, being approximately equal. Hence, both these abilities are equally perceived by the employees.

The third competency domain is HR delivery. It has five items. The four competency items: staffing, HR development, organization structure, HR measurement and performance management have scored mean values 3.38, 3.34, 3.38 and 3.36 respectively. Therefore, it can be implied that these skills are perceived equally by the employees since there is negligible divergence in their mean values. However, the mean value of the fourth item of the competency domain, which is legal compliance, is 3.74. Hence, employees have more ability to confirm to legal requirements as compared to the other items of this domain.

The fourth competency domain is business knowledge, which has three items, namely, the ability to understand that how the organization integrates, knowledge of organization's wealth, and labor knowledge. Their mean values are 3.40, 3.40 and 3.36 respectively. Hence, there is not much difference in employees' perception of these abilities.

The fifth competency domain of the study at hand is HR technology, encompassing two items, which are the use of technology and strategic HR technology. The means scores of these items are 3.26 and 3.27, signifying that they are equally perceived by the employees.

The findings of the study hand are different from the previous researches. For instance, Long's (2008) research revealed that there was a lot of difference in the mean values of competency items, however, there is a slight difference in the mean values of competency items in the study at hand. Furthermore, Ramlall's (2000) research indicated that business knowledge, HR delivery and strategic contribution had the highest mean values.

Multiple linear regression analysis was used to predict organizational performance of employees with regard to their strategic contribution, personal credibility, HR delivery, business knowledge, and HR Technology. Basic descriptive statistics and regression coefficients are shown in Table 1. The five predictor model accounted for 52.9% of the variance in organizational performance, $F(5, 25) = 11.13$, $p < .001$, $R^2 = .64$, 90% CI [.35, .72].

Table 2

Model Summary				
Model	R	R ²	Adjusted R ²	SE
1	.727 ^a	0.529	0.522	0.40852

a. Predictors: (Constant), HR Technology, Business Knowledge, HR Delivery, Personal Credibility, Strategic Contribution

Table 3

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.419	5	12.884	77.200	.000 ^a
	Residual	57.409	344	.167		

a. Predictors: (Constant), HR Technology, Business Knowledge, HR Delivery, Personal Credibility, Strategic Contribution

b. Dependent Variable: Organization Performance

Table 4

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	SE	β		
(Constant)	0.671	0.17		3.936	0
Strategic Contribution	0.102	0.05	0.107	2.039	0.042
Persona credibility	0.106	0.044	0.113	2.406	0.017
HR Delivery	0.235	0.04	0.25	5.821	0
Business Knowledge	0.119	0.035	0.145	3.365	0.001
HR Technology	0.316	0.029	0.439	10.835	0

a. Dependent Variable: Organization Performance

As the regression analysis in table 1 indicates that the overall human resource competencies model is significant. The value of R square is 0.529 ($R^2=0.529$, $p<0.05$), which signifies that about 53% of the variation in dependent variable (organizational performance) is explained by the independent variables (HR competencies). The value of R is 0.727 ($R=0.727$, $p<0.05$), which indicates that human resource competencies and organizational performance are 72.7% associated with each other. All the competencies have positive relationship with organizational performance.

As shown in table 4, the results of regression analysis suggest that all the HR competencies have a positive impact on organizational performance. The value of strategic contribution regression coefficient is 0.102, which means that 1% change in strategic contribution will increase organizational performance by 10.2%. Value of personal credibility regression coefficient is 0.106, indicating that 1% increase in

personal credibility will cause 10.6% increase in organizational performance. Value of HR delivery coefficient signifies that 1% increase in HR delivery will cause 23.5 % increase in organizational performance. Value of business knowledge regression coefficient suggests that 1% change in business knowledge competency will increase organizational performance by 11.9 %. Value of HR technology competency is 0.316, revealing that 1% change in HR technology will increase organizational performance by 31.5 %.

The results reveal that human resource competencies are having a positive impact on organizational performance. Moreover, HR technology is having more impact on organizational performance compared to other competencies whereas strategic contribution and personal credibility are having least impact on organizational performance.

Table 3 shows that all the human resource competencies have significant positive relationship with organizational performance. Strategic contribution is significantly related to organizational performance ($p < 0.05$), which is in conformity with the finding of Long (2008) and Boselie (2005). This finding clearly reflects the importance of strategic contribution for the effective organizational performance. Hence, employees should work as strategic business partners in their organizations. They should be able to adopt the norms and values of the organization, have the ability to accept changes, and the skills to identify problems, make appropriate decisions and support the organizational strategy according to the market trends.

Personal credibility competency is significantly related to organizational performance ($p < 0.05$), these results are aligned with the findings of Boselie (2005). However, Long (2008) research revealed there is no correlation between personal credibility and organizational performance. Hence, it can be concluded that personal credibility competency has also an important impact over organizational performance. Employees need to build good relationships with each other to contribute in the financial, operational and multiple other aspects of organizational performance. If they are unable to develop trust and credibility, they cannot avail the existing opportunities, which will ultimately increase employee turnover. Employees cannot support organizational strategy unless they are trustworthy and credible.

HR delivery competency is significantly related to organizational performance ($p < 0.05$). Boselie (2005) revealed that three factors of HR delivery were significantly related to organizational performance. However, Long (2008) accentuated that HR delivery has no correlation with organizational performance.

Business knowledge competency is significantly related to organizational performance ($p < 0.05$). These results are in conformity

with the findings of Long (2008). However, Boselie (2005), results indicated that it business knowledge competency has no significant relationship with organizational performance.

HR technology competency is significantly related to organizational performance ($p < 0.05$). These results are aligned with the findings of Long (2008). However, Boselie (2005) findings indicated that HR technology has no significant relationship with organizational performance.

The findings fully support the five research hypothesis. Previous research findings revealed that in Long's (2008) research only three competency domains were significantly related to organizational performance, which were strategic contribution, business knowledge, and HR technology. In Boselie (2005) research four competency domains were significantly related to organizational performance, which were strategic contribution, personal credibility, business knowledge, and HR delivery. Danaher (1997) also accentuate that organizations adopting competencies in their daily operations are more effective in their financial performance. Likewise they showed that strategic contribution and personal credibility were the most important factors for performance.

Furthermore, this study reveals that the mean values of strategic contribution and personal credibility domains are greater than the mean values of HR technology domain, however, they have less impact on organizational performance compared to HR technology. Hence, employees have the ability to display reliable results, manage relationships and communicate properly but this credibility is having less give impact over organizational performance compared to HR technology.

Strategic contribution

In the literature review major points of HRINZ (human resource institute of New Zealand) competency framework have been discussed. The difference between "competence" and "competency" has been highlighted. Furthermore, human resource information system has also been discussed. The target population of the study at hand has been the banking sector. Previous researches have been conducted in the manufacturing companies, group of human resource, and non human resource professionals. 17 competency items have been used in the study at hand. The first 4 competency domains include the same items as those included in Boselie (2005), however, in last HR technology domain, items are taken from the Long's (2008) research. Moreover, the five items in organizational performance domain are same as those used in Long's research (2008).

Conclusion and Recommendations

HR delivery and HR technology have more significant correlation and higher impact on organizational performance compared to other competencies. However, the mean values of these items are less than the other competency domains. Thus, strategic contribution, personal credibility and business knowledge are perceived by the employees but their impact on organizational performance is not very strong.

The findings of the study at hand suggest that employees have the ability to manage cultural values, build good relationships with others, and deliver human resource services along with the business knowledge and HR technology. All these skills are positively related to organizational performance. Hence, the findings reveal that employees score high in strategic contribution and personal credibility, but their correlation with organizational performance is not having less impact on organizational performance as compared to other competencies.

Organization performance is more dependent on HR delivery and HR technology, therefore, employees must have the skills to use technology for human resource functions in order to utilize e-HR or web based procedures to properly deliver value to customers. Training and development programmes should be arranged so that employees can take advantage of technological innovation, which will facilitate effective communication of employees with all the stakeholders.

The findings also reveal that HR delivery is more significantly related to the organization performance than other competencies. Therefore, important factors of human resource delivery should be properly considered such as the executives should attract, promote, and retain right people for the right job. All the employees must be able to conform to legal issues and they should use performance based measurement procedures for reward and benefit packages. However, merely focusing on HR delivery and HR technology is not sufficient. Other competency factors like strategic contribution, personal credibility, and business knowledge should also be taken into account.

Another major finding of the research is that the competency factors, which are more perceived by the employees, have less impact on organizational performance, which should not be the case. Organizations should utilize the employee's strengths and minimize their weaknesses. If the employees are strategically strong, they can change according to the situation, which will enable the organizations to take advantage of their competencies. All these human resource competencies can contribute to the organizational performance, which necessitates the development of competency models. In these models, organizations should demonstrate the related competencies and organization performance indicators along with the basic competency requirements.

Organizations can use these models in recruitment, selection, and training programmes.

The study at hand can help organizations identify the significant competencies for their success. Such researches assist organizations in deciding whether to rely on basic success factors or modify them. Moreover, they can achieve their goals, objectives by hiring educated and experienced people or they need some more skills and competencies for their progress. It may be possible that for effective financial performance, organizations need to take new risks and opportunities and can act strategically. Furthermore, it may also be possible that in order to reduce employee turnover, organizations need to build positive relationships with employees to maintain personal credibility.

Competency models can be used in training and development programmes. Future research can help in investigating which competency item and performance indicator are more correlated. Organizations can identify more significant competencies other than the existing competency domains. Research surveys on successful organizations can develop different competency models.

Further research on this topic can help organizations to change their job designs. In this way career opportunities can change. Right person for a right job should be employed, which will increase production, turnover, and output.

Organizations can identify tacit knowledge of their employees. They can unravel the business and technological knowledge their employees possess. In this way competitive edge can be achieved in the market. Mergers and acquisitions can take place with the help of competency surveys.

Change is a regular assessment, which warrants regular evaluations. Competency survey can play an important role in managing changes, through which organizations can be navigated in the right direction and ultimately a strategy can be made. Organizations can recognize the occurrence of resistance before implementing change. Trust and personal credibility is also necessary for bringing changes.

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