



**LINKING EMPLOYEE COMPETENCIES WITH TALENT
MANAGEMENT OUTCOMES: EVIDENCE FROM SELECTED
MANUFACTURING INDUSTRIES IN GUJARAT STATE**

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ABSTRACT

The shortage of qualified personnel for critical roles is a common problem among employers globally, according to a 2014 poll by Right Management-Manpower Group. This worry is widespread, but it is most pressing in the Asia Pacific area, where fast economic growth makes it difficult to find the expertise needed to support corporate objectives. India has a 30% shortage of qualified candidates for critical positions (Haid, 2012). Global enterprises face substantial hurdles as a result of the skills shortage. In addition to impeding recruiting efforts, it also has an impact on leadership pipelines and the accessibility of necessary competences. The development of talent for leadership positions is a crucial topic of concern. Organizations struggle to acquire personnel with the specialized abilities needed to convert strategic goals into actionable results. Talent management is no longer primarily the duty of the Human Resources division. More academics and professionals are calling on top management to help make sure the right talent is available when it's required. All key choices made at the executive level, sometimes known as the C-Suite, are influenced by talent. Regardless of location, accessing, mobilizing, and nurturing the right people is essential for attaining corporate goals. (Dave Bartram, 2016). Failure to manage talent initiatives inside an organization may have serious repercussions, such as a lack of the necessary skills for corporate growth. There is a talent gap created when there aren't enough qualified people taking on leadership roles, which may have a big influence on how businesses operate (Inceoglu & Bartram, 2012). Overall, the poll underscores the value of talent management in closing the skills gap and the need of senior management working together to guarantee the availability of qualified

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individuals for organizational success. With a focus on developing leadership skills appropriate for the Human Age, businesses now place a much greater emphasis on talent acquisition and development. Future leaders will need to develop new skills to handle the complexity of today's corporate environment as well as managing people and organizations. With their strategic and tactical thinking, as well as conceptual and action-oriented methods, they will serve as information curators and team coaches. These leaders will be skilled at foreseeing and handling a variety of circumstances while looking into new opportunities. A strategic strategy called competency management entails identifying and evaluating the information, skills, abilities, experiences, motivations, and personality qualities needed by an organization's workforce to meet its present and long-term strategic goals (Cheese et al., 2008). Well-designed competence models provide specific criteria for enhancing performance management, talent evaluation, recruiting, development, redeployment, succession management, and promotion processes inside the business by encouraging creativity, engagement, and retention (Association of Talent Development, 2014).

1. INTRODUCTION

The contemporary discourse on human resource management reflects a deeper structural shift from administrative personnel management to strategic talent orchestration. A critical concern emerges from the persistent shortage of skilled talent across industries, particularly in emerging economies such as India, where nearly 30% of critical roles remain unfilled due to competency gaps (Haid, 2012). This indicates not merely a supply-demand mismatch but a systemic misalignment between educational outputs, workforce capabilities, and organizational expectations.

From a strategic perspective, talent management is no longer confined to the operational domain of HR departments. Instead, it has evolved into a core organizational function that directly influences leadership pipelines, innovation capacity, and long-term competitiveness (Bartram, 2016). This transformation reflects a broader recognition that organizational success is contingent upon the ability to access, develop, and retain competencies that are aligned with strategic objectives.

However, while organizations increasingly invest in talent management systems, a paradox persists. Despite significant investments in training, recruitment, and performance management, organizations continue to experience high rates of talent misalignment and underutilization. This suggests that existing approaches to talent management may be overly fragmented and insufficiently grounded in a coherent competency framework.

Competency management emerges as a potential solution to this paradox. By focusing on the



identification, development, and deployment of knowledge, skills, abilities, and behavioral attributes, competency-based approaches provide a structured mechanism for aligning individual capabilities with organizational goals (Cheese et al., 2008) . Moreover, well-designed competency models facilitate integration across HR functions, including recruitment, development, and succession planning (Association of Talent Development, 2014) .

This study is situated within this broader context and seeks to examine the linkage between employee competencies and talent management outcomes in manufacturing industries in Gujarat. The focus on manufacturing is particularly relevant, given its strategic importance to India's economic growth and its increasing dependence on skilled human capital.

2. THEORETICAL FOUNDATION

The conceptualization of competency has evolved through multiple theoretical perspectives, reflecting its multidimensional nature. White (1959) introduced the concept of effectance motivation, emphasizing competence as an intrinsic human drive to interact effectively with the environment. This perspective positioned competency not merely as a skill set but as a motivational construct underlying human behavior.

McClelland (1973) further advanced this discourse by challenging the dominance of intelligence-based assessment, arguing that competencies provide a more accurate predictor of job performance. This marked a significant shift toward behavior-based evaluation, emphasizing observable and measurable attributes.

A critical distinction emerges between competence and competency. While competence refers to the possession of skills and knowledge, competency encompasses the behavioral application of these attributes in real-world contexts (Hogg, 1989). This distinction is crucial, as it highlights the importance of behavioral manifestation in achieving performance outcomes.

Spencer and Spencer (1993) conceptualized competencies as underlying characteristics that are causally related to superior performance. This framework integrates multiple dimensions, including motives, traits, self-concept, knowledge, and skills, thereby providing a holistic understanding of performance drivers.

From an organizational perspective, competency frameworks serve as integrative mechanisms that align HR practices with strategic objectives. The Universal Competency Framework (Kurz et al., 1999) emphasizes the interplay between competency potential, requirements, and outcomes, thereby linking individual capabilities with organizational performance.

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However, a critical gap emerges in the application of competency models. While organizations adopt competency frameworks, their implementation often remains fragmented, lacking integration across HR functions. This suggests the need for a more systemic approach that embeds competencies at the core of talent management.

3. RESEARCH GAP

While existing literature acknowledges the importance of competency-based approaches, a deeper examination reveals several limitations. First, much of the research remains descriptive, focusing on competency identification rather than its impact on organizational outcomes. This reflects a broader issue within academic research, where theoretical elaboration often outweighs empirical validation.

Second, the rapid digitization of work environments, accelerated by the COVID-19 pandemic, has introduced new competency requirements that are not adequately captured in traditional frameworks (Morozevich et al., 2022) . This indicates a misalignment between existing competency models and emerging workplace realities.

Third, there is limited empirical evidence linking competencies with specific talent management outcomes, particularly within the Indian manufacturing context. This gap is significant, as manufacturing industries face unique challenges related to workforce diversity, technological adaptation, and skill development.

This study addresses these gaps by empirically examining the relationship between competencies and talent management outcomes, thereby contributing to both theoretical and practical discourse.

4. RESEARCH OBJECTIVES

The study is guided by the following objectives:

- To assess employee awareness and application of competencies
- To identify key competency sets influencing talent management
- To examine the relationship between competencies and talent management outcomes

5. METHODOLOGY

The study adopts a quantitative research design using a structured questionnaire based on Likert-scale responses. Data were collected from 548 employees across four manufacturing sectors in



Gujarat, ensuring adequate statistical power (Erdfelder et al., 2009) .

Non-parametric techniques, including Kendall's Tau correlation, Chi-square test, and Kruskal-Wallis test, were employed due to the non-normal distribution of data.

5.1. RESEARCH INSTRUMENT USED IN THE RESEARCH STUDY

The structured nondisguisedquestionnaire was constructed considering the main objective and the various other research objectives with the help of identifying the gaps in the review of literature available in the chosen field of study. The structured nondisguisedquestionnaire consisted of neutrally worded questions, and the selected employee was asked to rate his/her perception of factors such as Competencies, Talent Acquisition, Talent Development, and Talent Retention using the Likert scale. The demographic background variables of the selected employees considered underthis research studywereincludedviz., Age, Gender, Marital Status, Educational Qualifications, and Department.

5.2. SAMPLE SIZE DETERMINATION

Percentage Distribution of operating factories by the size of employment for each State in absolute and percentage terms, respectively, for selected manufacturing sectors in Gujarat were drawn from summary result for factory sector- ASI-2019-2020(INDIA, 2019), and Estimate of Employees other than a worker(Supervisory & Managerial & Other Employee) in the factory sector by their type for each 3-Digit Industry Group(NIC-2008) for Gujarat State (GOVERNMENT OF INDIA et al., 2019) were considered for drawing representative sampling units that were hired as employees in the manufacturing industry of selected 04 Companies of the Gujarat State. Viz. Agro& Food Processing Industry, Oil & Gas, Pharmaceuticals & Biotechnology a, and Chemical & Petrochemical industry that had employed more than 100 employees at the time of collection of the primary data. The sample size was determined by applying the G*Power software 3.1.9.7 version to investigate the minimum required sample size(Erdfelder et al., 2009). The actual power of 0.95 andthe number of highest predictors is 7, were duly obtained by a minimum sample size of 262 respondents, whereas the study used a sample size of 548 which satisfies the appropriate sample size requirements. The minimum sample size estimations are reported above.. The total number of employees drawn from the Agro& Food Processing Industry were 161; 147 Employees were selected from Oil & Gaswhereas 145 Employees were drawn fromPharmaceuticals&Biotechnology,and95 Employees were drawn from the Chemical & Petrochemical Industry respectively.



5.3. HYPOTHESES OF THE RESEARCH STUDY

The implementation of the Greater competencies in the chosen Companies of Gujarat's Manufacturing Industries would not enhance the practices of Talent Acquisition, Talent Development, and Talent Retention & Talent Management.

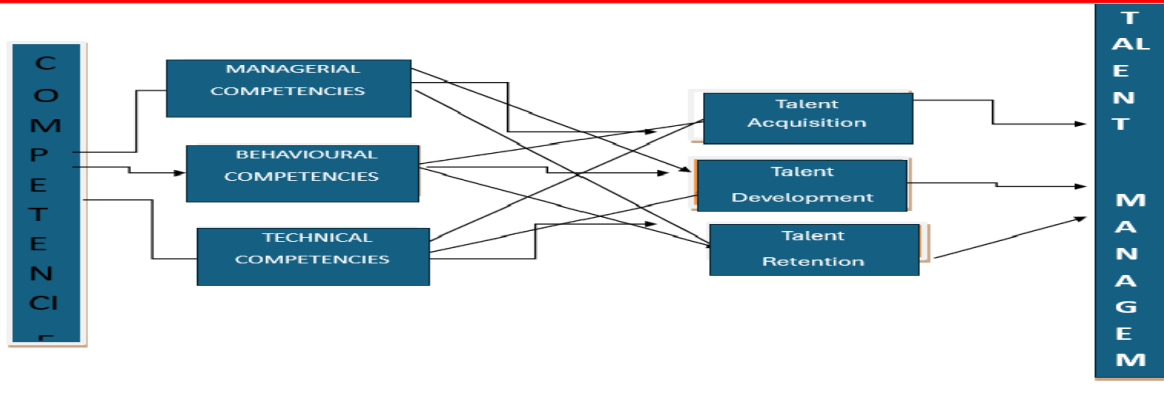
There exists a notable correlation between the demographic factors of the employees, including age group, gender, designation, gender, experience, and educational qualifications, in connection to their application of competency within the chosen companies operating in Gujarat's manufacturing industries.

5.4. CONCEPTUAL MODEL DEVELOPED AND USED IN THIS RESEARCH STUDY

In order to achieve the goals of this research study, the researcher conducted a comprehensive examination of the existing literature. Following this, a conceptual framework was established and shown in Figure 01. The model included principles derived from the topic area of Competencies, specifically focusing on Competency-Based HR Practices and Talent Management. The conceptual model of the research study aims to develop a relationship between competencies and competency-based HR services, leading to talent management within the organization. Individuals would learn technical, professional, managerial, and behavioral competences in order to enhance the likelihood of their talent being acquired and used in a manner that promotes talent development, retention, and sustained employability within the organization. (Srivastava & Bhatnagar, 2008).

FIGURE:01. THE CONCEPTUAL MODEL OF THE RESEARCH STUDY

[Proposed Model is adapted & modified from ANITHA KUMARI PINAPATI, „Competence Management as a Tool of Talent Management- A Study of Practices in Indian Organizations“, May, 2011 (Pinapati & Vanka Sita, 2011)]



6. FINDINGS AND DISCUSSION

6.1 Demographic Insights

The demographic analysis reveals a workforce dominated by mid-career employees, with limited representation of younger cohorts. This indicates a structural imbalance in leadership pipelines, where opportunities for younger employees remain constrained. From a strategic perspective, this suggests the need for organizations to invest in early-career development programs.

Gender distribution indicates moderate imbalance, highlighting the need for inclusive talent management policies. However, the limited impact of gender on competency application suggests a shift toward merit-based evaluation.

6.2 Awareness and Understanding of Competency

A critical insight emerges from the analysis of competency awareness. While a majority of employees demonstrate familiarity with competencies, a significant proportion lacks conceptual clarity. This indicates a disconnect between formal competency frameworks and employee understanding.

This suggests that organizations may be implementing competency systems without adequate communication or training, thereby limiting their effectiveness.

6.3 Competency Application Across Organizations

The analysis reveals variability in the application of competencies across sectors. Communication skills, while widely recognized, show inconsistent application, indicating a gap between perceived



and actual competency levels. Behavioral competencies, including interpersonal skills and empathy, emerge as critical drivers of organizational effectiveness. This reflects the increasing importance of emotional intelligence in modern workplaces. Technical competencies, particularly learning ability and adaptability, demonstrate strong relevance, highlighting the need for continuous skill development in dynamic environments.

6.4 Correlation Between Competencies and Talent Management

The correlation analysis provides nuanced insights into the relationship between competencies and talent management outcomes.

Table 1: Correlation Between Competency Sets and Talent Management Outcomes

Competency Set	Talent Acquisition	Talent Development	Talent Retention	Talent Management
Communication	Negative (Weak)	Negative	Negligible	Negative
Interpersonal Skills	Positive	Positive	Strong Positive	Positive
Empathy & Persuasion	Positive	Positive	Strong Positive	Positive
Flexibility	Positive	Positive	Strong Positive	Positive
Learning	Positive	Positive	Positive	Positive
Organizational Awareness	Positive	Positive	Positive	Positive
Quality Orientation	Positive	Positive	Positive	Positive
Initiative	Strong Positive	Strong Positive	Strong Positive	Strong Positive

A critical observation is the negative or weak association between communication competency and talent management outcomes. This challenges conventional assumptions and suggests that communication skills alone may not be sufficient for effective talent management.

In contrast, behavioral competencies exhibit strong positive relationships with talent acquisition, development, and retention. This indicates that relational and emotional capabilities play a central role in talent management effectiveness.

Technical competencies also demonstrate significant positive associations, reinforcing the



importance of adaptability and continuous learning in achieving organizational success.

This reflects a broader shift from static skill sets to dynamic competency frameworks that emphasize learning and adaptability.

6.5 Influence of Demographic Variables

The analysis indicates that age, qualification, and experience significantly influence competency awareness and application. This suggests that competency development is shaped by both individual and contextual factors.

Interestingly, designation level shows limited impact, indicating that competencies can be developed across organizational hierarchies. However, higher-level employees demonstrate stronger competency profiles, suggesting cumulative learning effects.

Table 2: Association Between Demographic Variables and Competencies

Variables	Association with Demographic Variables
Age	Significant
Qualification	Significant
Experience Duration	Significant
Gender	Not Significant
Designation	Not Significant

The findings indicate that age, qualification, and experience significantly influence competency awareness and application. Designation does not show a strong association.

6.6 Kruskal-Wallis and Post-Hoc Insights

The analysis reveals significant differences in competency perception across designation levels. Top-level employees exhibit higher competency levels compared to middle and lower-level employees.

This indicates a hierarchical concentration of competencies, which may limit organizational agility. From a strategic perspective, this necessitates the democratization of competency development across all levels.

Table 3: Differences in Competency Across Designation Levels

Comparison	Result
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Top Vs Lower	Significant Difference
Top Vs Middle	Significant Difference
Middle Vs Lower	Not significant

Higher-level employees demonstrate stronger competency levels compared to lower-level employees, indicating a need for development initiatives at lower levels.

7. DISCUSSION

The findings highlight a structural imbalance in competency distribution within organizations. Behavioral and technical competencies emerge as key drivers of talent management outcomes, while communication competencies play a limited role. This suggests that organizations must adopt context-specific competency frameworks rather than relying on generic models. Additionally, competency development should be integrated across all organizational levels.

8. IMPLICATIONS

The research has its following implications:

Theoretical Implications: The study extends competency-based human resource management by linking competencies with talent management outcomes and emphasizing the need for integrated frameworks.

Managerial Implications: Organizations should prioritize behavioral and technical competencies and design training programs that enhance adaptability, learning, and interpersonal effectiveness.

Policy Implications: The findings support the need for skill-based education systems and stronger industry-academia collaboration to bridge competency gaps.

9. CONCLUSION

The study underscores the critical role of competencies in shaping effective talent management practices. It highlights that not all competencies contribute equally, with behavioral and technical competencies emerging as more influential.

A key implication is the need for organizations to adopt integrated, competency-driven approaches that align employee capabilities with strategic objectives. This requires a shift from fragmented HR



practices to cohesive systems that support continuous learning and development.

Future research should explore causal relationships and adopt advanced analytical techniques to further understand the impact of competencies on organizational outcomes.

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