A STUDY ON COMPETENCY MAPPING TO IDENTIFY THE SKILL GAP AMONG EMPLOYEES IN BANKING SECTOR

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ABSTRACT

This study investigates the competency mapping to identify skill gap among employees in Banking sector, focusing on identifying skill gaps among employees. The research aims to assess the prevalence of key technical skills, determine if a significant association exists between job roles and the level of understanding of digital banking platforms, and analyse the correlation between communication skills and conflict management. Employing surveys, the study gathers data on existing employee skills.

The findings will provide a comprehensive understanding of the current skill distribution among employees. Based on the analysis all the employees have well equipped with skills.Based on the analysis, the study proposes a comprehensive strategy for sustaining and enhancing employee competencies. This strategy encompasses the establishment of ongoing learning initiatives, including workshops and online certifications focused on emerging technologies and regulations; the initiation of cross-departmental training to enhance expertise and adaptability; and the leveraging of consistent performance and feedback systems. Ultimately, this research seeks to provide with actionable insights to implement targeted interventions for continuous learning, skill upgradation, thereby ensuring a future ready workforce capable of delivering long-term effectiveness and superior service in the dynamic banking sector.

Keywords: Skills, Banking Sector, Competency Mapping, Skill Gap.

I.   INTRODUCTION

The banking sector is at the forefront of the global economic landscape, playing a critical role in financial intermediation, economic development, and customer service delivery. Over the past decade, technological advancements, regulatory reforms, and the rise of digital banking have transformed the traditional functioning of banks. As the industry evolves, employees are expected to possess a diverse skill set that blends technical expertise with customer-centric approaches.

With the environmental changes and competition, customers are preferring a digital platform for their services and therein employees with inadequate competencies will not be able to deliver reliable and satisfactory services. This creates operational inefficiencies, leading to loss of productivity which impacts customer satisfaction and overall organizational performance, Digital Banking platforms, Cyber Security protocols, customer relationship management, and regulatory compliance, including KYC and AML procedures.

Competency mapping has emerged as a strategic HR tool to address these concerns. It involves identifying the specific competencies—knowledge, skills, abilities, and behaviours that are required for success in particular job roles. Through a structured process, competency mapping aligns employee capabilities with business goals, identifies gaps, and helps in designing targeted interventions such as skill development programs, performance appraisals, and career planning. Competency mapping serves as a crucial mechanism to ensure that employees across all levels are equipped with the necessary competencies, to perform their roles effectively like Proficiency in handling. Core Banking System operations, Loan processing and credit appraisal, Risk assessment and fraud detection, Financial statement analysis and reporting, Digital banking, UPI, and mobile banking technologies, Data analytics and MIS reporting, Foreign exchange, trade finance, and treasury operations, Regulatory compliance, KYC, and AML procedures, Customer relationship management software, Cybersecurity protocols and IT security systems.

II. OBJECTIVES OF THE STUDY

➢ To assess the prevalence of key technical skills.

➢ To examine whether there is a significant association between employees' job roles and their level of understanding of digital banking Platforms.

➢ To analyse the correlation between communication skills and conflict management.

➢ To suggest a comprehensive strategy for sustaining and enhancing employee competencies through ongoing learning initiatives, cross-departmental training, and consistent performance feedback systems

III. REVIEW OF LITERATURE

Dr. Rashmi , Nelson Dheeraj, and Dr. Linus (2023) conducted a study on competency mapping to identify skill gaps among CSSD technicians in a tertiary care hospital. Using a two-phase approach and the DMAIC framework, the study assessed technical, managerial, and interpersonal competencies. Statistical analysis revealed core strengths but highlighted the need for targeted training. The authors recommended extending competency mapping to other departments to enhance workforce efficiency and service quality.

Ashokkumar and Vanitha (2023) studied competency mapping at Atlas Export Enterprises, Karur, highlighting its role in identifying technical and behavioral gaps across departments. The study revealed moderate to high gaps, especially in multi-skill areas, emphasizing the need for targeted training. It stressed that competency mapping should be seen as a developmental tool, not just for performance evaluation. Integrating competency models into HR practices enhances employee engagement, supports career growth, and fosters long-term organizational development.

Ajai and Pougajendy (2023) conducted a study on competency mapping at Supreme Industries Limited to address skill gaps affecting workforce performance. The research identified discrepancies between employee capabilities and performance standards through data analysis and stakeholder input. It proposed an improved competency framework aligned with organizational goals and industry best practices. The study emphasized competency mapping as a strategic HR tool for enhancing workforce development, promoting continuous improvement, and driving long-term business growth.

Faieza Chowdhury (2020) studied the skills gap between business graduates and employers' expectations in Bangladesh's banking sector. Despite economic growth, the research found critical deficiencies in problem-solving, workplace literacy, and professional etiquette among graduates. The study calls for a realignment of business education to better meet industry needs, highlighting the importance of bridging these gaps for economic progress. While limited by a small sample size, the research provides valuable insights for policymakers and recommends further studies on the skill mismatch.

IV. RESEARCH METHODOLOGY

RESEARCH METHODOLOGY:

The Sample size is 116.

DATA ANALYSIS AND INTERPRETATION

Category(Questions)	Options	Percentage
Age	Below 25	9.50%
	26-30	33.60%
	31-35	24.10%
	36-40	18.10%
	41 Above	14.70%
Gender	Male	50.86%
	Female	49.14%
Experience	Less than 5 years	21.60%
	5–10 years	36.20%

	10–20 years	27.60%
	More than 20 years	14.70%
Educational Qualification	Bachelor's Degree	69.80%
	Master's Degree	30.20%
Job role	Clerical	52.59%
	Officer	43.97%
	Manager	3.45%
Training attended	Yes	51.72%
	No	48.28%
Role alignment	Strongly Agree	64.70%
	Agree	31.90%
	Neutral	2.60%
	Disagree	0.90%
	Strongly Disagree	0%
Digital proficiency	Basic	31.9%
	Intermediate	33.6%
	Advanced	34.5%
Customer Queries	Very Confident	86.20%
	Neutral	13.80%
	Not Confident	0%
Regulatory challenges	Yes	39.60%
	No	60.40%
Banking Technologies Updates	Always	50.80%
	Frequently	34.50%
	Occasionally	13.80%
	Never	0.90%
Technical Skill alignment	Yes	98.30%
	No	1.70%
Communication comfort	Very Comfortable	87.10%
	Neutral	12.90%
	Not Comfortable	0%
Conflict Management	Strongly Agree	73.30%
	Agree	24.10%
	Neutral	1.70%
	Disagree	0.90%
	Strongly Disagree	0%
Performance feedback	Frequently	51.70%

	Occasionally	45.70%
	Rarely	0.90%
	Never	1.70%
Employees can effectively manage Work Pressure	Yes	98.30%
	No	1.72%
Team collaboration	Frequently	52.60%
	Occasionally	40.50%
	Rarely	3.45%
	Never	3.45%
Training Relevance	Very Relevant	62.90%
	Relevant	34.50%
	Neutral	2.60%
	Not Relevant	0%
Training programs helped the Employees address any skill gaps	Yes	97.40%
	No	2.60%
Training Preference	Technical	40.50%
	Behavioral	11.20%
	Leadership	25.90%
	Digital Tools	22.40%
Employee's confidence level in applying the skills learned during training	Very Confident	87.10%
	Neutral	12.90%
	Not Confident	0%
Additional Training concern	Yes	98.30%
	No	1.70%
Technical skills	Core Banking System operations	94.80%
	Loan processing and credit appraisal	94.80%
	Risk assessment and fraud detection	94.80%
	Financial statement analysis and reporting	93.90%
	Digital banking, UPI, and mobile banking technologies	93.90%
	Data analytics and MIS reporting	93.90%
	Foreign exchange, trade finance,	93.90%

	and treasury operations	
	Regulatory compliance, KYC, and AML procedures	93.90%
	Customer relationship management software	93.90%
	Cybersecurity protocols and IT security systems	92.24%
Primary reason for skill gap	Lack of training	21.50%
	Rapid Technological Changes	46.50%
	Insufficient Staff	31.90%
Do skill gaps impact your ability to perform tasks effectively	Yes	34.50%
	No	65.50%
Addressing skill gaps can improve customer satisfaction	Yes	99.10%
	No	0.90%
Skill gaps can be effectively addressed through competency mapping	Very Confident	87.10%
	Neutral	12.90%
	Not Confident	0%
Awareness of Competency Mapping	Yes	100%
	No	0%
Competency Mapping conducted in your department	Frequently	44.80%
	Occasionally	50.90%
	Rarely	0.90%
	Never	3.45%
Competency mapping effectively identifies skill gaps	Yes	100%
	No	0%
Competency Mapping supported Career Growth	Yes	100%
	No	0%
Competency Mapping Process	Through structured assessments and skill gap analysis	93.10%
	By evaluating employees based on	74.10%

	manager feedback and performance reviews	
	Using a combination of self-assessment, peer reviews, and training programs	74.10%
	By linking competency mapping with promotions and career advancement	93.96%

CHI-SQUARE TEST:

Null Hypothesis (H_0): There is no significant association between job role and digital banking understanding.

Alternative Hypothesis (H_1): There is a significant association between job role and digital banking understanding.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Job role * digital banking understanding	116	100.0%	0	0.0%	116	100.0%

Job role * digital banking understanding
Crosstabulation

			Digital banking understanding			Total
			Advanced	Basic	Intermediate	
Job role	Clerical	Count	20	20	21	61
		Expected Count	21.0	19.5	20.5	61.0
	Manager	Count	3	0	1	4
		Expected Count	1.4	1.3	1.3	4.0
	Officer	Count	17	17	17	51
		Expected Count	17.6	16.3	17.1	51.0
Total		Count	40	37	39	116
		Expected Count	40.0	37.0	39.0	116.0

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.400[a]	4	.493
Likelihood Ratio	4.202	4	.379
N of Valid Cases	116		

INTERPRETATION:

p value is 0.493, which is greater than 0.05 so H0 is accepted and H1 is rejected. so there is no significant association between job role and digital banking understanding.

CORRELATION ANALYSIS

Null Hypothesis(H_0)**:** There is no significant correlation between communication Skills and conflict management.

Alternative Hypothesis(H_1)**:** There is a significant correlation between communication Skills and conflict management.

Correlations

		Communication Skills	Conflict management
Communication Skills	Pearson Correlation	1	.373**
	Sig. (2-tailed)		.000
	N	116	116
Conflict Management	Pearson Correlation	.373**	1
	Sig. (2-tailed)	.000	
	N	116	116

INTERPRETATION:

r = 0.373,p value is .000 which is less than 0.05,so Accept H1 and Reject H0,so there is a significant correlation between communication skills and conflict management.

V. SUGGESTION

➤ Establish Ongoing Learning Initiatives

• Organize frequent workshops, seminars, and webinars focused on new banking technologies, cybersecurity developments, and changes in regulations.

• Motivate employees to engage in online training and obtain certifications aligned with their job functions.

➤ Initiate Cross-Departmental Training

• Allow employees to experience various roles to enhance their expertise and increase adaptability. Create a Comprehensive Skills Mapping System

• Regularly evaluate employee skills using updated competency frameworks

• Recognize emerging skill requirements stemming from evolving customer behaviors and digital advancements.

➤ Consistent Performance and Feedback Systems

• Continue collecting employee insights and conducting evaluations to refine training priorities and areas for competency enhancement.

VI. CONCLUSION

The study revealed that most employees possess the necessary technical and digital banking skills, and individuals with stronger communication skills are more likely to demonstrate better conflict management skills within the workplace.The data analysis,including chi-square test and correlation studies, confirmed that employees are well-equipped with skills, indicating a highly trained and competent workforce. This outcome reflects positively on the organization's existing training and development practices. However, to maintain this competitive advantage and ensure sustained excellence in service delivery, it is crucial for banks to consistently invest in ongoing learning initiatives, cross-departmental training programs, and consistent performance feedback mechanisms.

Such sustained investment in these multifaceted initiatives will empower employees to seamlessly adapt to emerging industry trends and the inevitable evolution of their job roles, thereby safeguarding and enhancing organizational effectiveness within the increasingly dynamic and competitive banking environment.

VII.   REFERENCES

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