

COMPETENCY GAP ANALYSIS: A CASE STUDY OF HERITAGE

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ABSTRACT

In today's highly competitive business environment, organizations must continuously enhance employee competencies to achieve sustainable growth and maintain operational excellence. Competency Gap Analysis serves as a strategic human resource management tool that helps organizations identify discrepancies between the competencies possessed by employees and those required to perform their roles effectively. This study examines the competency gaps among employees in Heritage, a leading organization operating in the retail and dairy sector. The research aims to assess existing employee competencies, identify skill deficiencies, and evaluate the impact of competency gaps on organizational performance and employee productivity.

The study adopts a descriptive research design and utilizes both primary and secondary data sources. Primary data were collected through structured questionnaires administered to employees across various departments, while secondary data were obtained from organizational reports, journals, books, and online resources. The collected data were analyzed using percentage analysis, mean scores, and graphical representations to identify critical competency deficiencies and training requirements.

The findings reveal that while employees demonstrate adequate technical knowledge and job-specific skills, notable gaps exist in communication skills, leadership abilities, digital competencies, problem-solving capabilities, and adaptability to changing organizational demands. These competency gaps influence employee

performance, operational efficiency, and career progression opportunities. The study further highlights the importance of targeted training and development initiatives, continuous performance evaluation, and competency-based workforce planning to bridge these gaps effectively.

The research concludes that a systematic competency gap analysis enables Heritage to enhance employee capabilities, improve productivity, strengthen organizational competitiveness, and align workforce competencies with strategic business objectives. The recommendations offered in this study can assist management in designing effective training programs and developing a competency-driven organizational culture.

Keywords: Competency Gap Analysis, Employee Competency, Skill Development, Human Resource Management, Training and Development, Performance Management, Workforce Planning, Organizational Effectiveness, Heritage, Employee Performance.

I. INTRODUCTION

Human resources are considered one of the most valuable assets of an organization. The success of any organization largely depends on the knowledge, skills, abilities, and competencies possessed by its employees. In the contemporary business environment, rapid technological advancements, changing customer expectations, globalization, and increased competition have compelled organizations to focus on developing workforce competencies to achieve organizational objectives effectively. Competency management has therefore become an essential component of strategic human resource management.

A competency refers to a combination of knowledge, skills, attitudes, behaviors, and personal attributes that enable an individual to perform a job successfully [1]. Organizations increasingly utilize competency frameworks to define performance expectations, evaluate employee capabilities, and identify developmental needs [2]. Competency-based approaches help organizations align employee performance with strategic goals while enhancing productivity and employee engagement [3].

Competency Gap Analysis is a systematic process used to identify the difference between the competencies required for effective job performance and the competencies currently possessed by employees [4]. The analysis assists organizations in recognizing skill shortages, determining training requirements, and designing development programs to improve workforce effectiveness [5]. By identifying competency gaps, organizations can formulate targeted interventions that support both individual and organizational growth [6].

The retail and dairy industries are experiencing significant transformations due to digitalization, automation, changing consumer preferences, and increased market competition. Employees are expected to possess not only technical expertise but also communication skills, problem-solving abilities, teamwork capabilities, leadership qualities, and adaptability to organizational changes [7]. Failure to address competency gaps may result in reduced productivity, lower employee satisfaction, increased operational inefficiencies, and diminished organizational competitiveness [8].

Heritage, one of the prominent organizations in the dairy and retail sector, relies heavily on a skilled and competent workforce to maintain product quality, customer satisfaction, and operational efficiency. As the organization continues to expand and adopt modern business practices, it becomes increasingly important to assess whether employees possess the

competencies necessary to meet evolving organizational demands. Conducting a competency gap analysis can provide valuable insights into existing skill deficiencies and support the development of effective training and development initiatives [9].

The present study focuses on analyzing competency gaps among employees of Heritage. It seeks to identify the competencies required for successful job performance, assess existing employee competencies, and evaluate areas where improvement is needed. The findings of the study are expected to help management formulate competency development strategies, improve employee performance, and strengthen organizational effectiveness [10].

1.1 Need for the Study

The need for competency gap analysis has increased significantly as organizations strive to maintain competitiveness in dynamic business environments. Employees must continuously upgrade their competencies to meet changing job requirements and technological advancements. Heritage requires a systematic evaluation of employee competencies to identify gaps and implement suitable development programs. The study helps management understand workforce strengths and weaknesses, thereby facilitating effective decision-making regarding training, career development, and succession planning.

1.2 Statement of the Problem

Despite the implementation of various employee development initiatives, organizations often face challenges related to skill deficiencies, performance inconsistencies, and competency mismatches. Heritage may encounter competency gaps that affect employee productivity, customer service quality, and overall organizational performance. Therefore, it is essential to identify and analyze these gaps to ensure that employees possess the competencies required to achieve organizational goals effectively.

1.3 Objectives of the Study

1. To identify the key competencies required for employees at Heritage.
2. To assess the existing competency levels of employees.
3. To analyze the gap between required and existing competencies.
4. To evaluate the impact of competency gaps on employee performance.
5. To suggest measures for bridging identified competency gaps through training and development initiatives.

1.4 Scope of the Study

The study is confined to employees working in Heritage. It focuses on evaluating competencies related to technical skills, communication abilities, leadership qualities, teamwork, problem-solving capabilities, and adaptability. The findings are intended to support competency development initiatives and improve organizational performance.

1.5 Significance of the Study

The study contributes to the understanding of competency management practices within Heritage. It provides valuable insights into employee development needs and helps management design competency-based training programs. The findings may also assist in improving employee performance, increasing organizational effectiveness, and supporting long-term business sustainability.

II. LITERATURE REVIEW

Competency Gap Analysis has emerged as a crucial tool in Human Resource Management for identifying discrepancies between the competencies required for effective job performance and those possessed by employees. Several researchers have examined competency frameworks, skill assessment methodologies, employee development strategies, and their impact on organizational performance.

Boyatzis (1982) [11] introduced the concept of competency-based performance management and emphasized that superior performers possess specific competencies that distinguish them from

average performers. The study highlighted the importance of identifying critical competencies for organizational success.

Spencer and Spencer (1993) [12] developed a comprehensive competency model that categorized competencies into knowledge, skills, self-concept, traits, and motives. Their research established the foundation for competency-based human resource practices in organizations.

McClelland (1998) [13] argued that traditional measures such as academic qualifications and intelligence tests are insufficient predictors of job performance. The study emphasized competency assessment as a more reliable method for evaluating employee effectiveness.

Lucia and Lepsinger (1999) [14] proposed competency models as strategic tools for employee development and organizational growth. The authors highlighted the significance of competency mapping in identifying training needs and performance gaps.

Dubois and Rothwell (2004) [15] examined competency-based human resource management systems and found that organizations implementing competency frameworks experienced improvements in employee performance, recruitment effectiveness, and workforce development.

Sanghi (2007) [16] explored competency mapping practices in Indian organizations and observed that competency assessment contributes significantly to employee development, succession planning, and performance management initiatives.

Armstrong (2009) [17] emphasized that competency frameworks facilitate better alignment between employee capabilities and organizational objectives. The study highlighted the role of competency analysis in improving workforce productivity and organizational effectiveness.

Campion et al. (2011) [18] investigated competency modeling practices across various industries and concluded that competency-based

approaches enhance organizational performance by identifying critical employee capabilities required for business success.

Shippmann et al. (2012) [19] analyzed competency assessment techniques and found that competency gap analysis helps organizations identify skill shortages and formulate effective training and development programs.

Rothwell (2015) [20] examined the relationship between competency management and talent development. The study revealed that organizations with structured competency assessment systems demonstrate higher employee engagement and better succession planning outcomes.

III. RESEARCH METHODOLOGY

3.1 Introduction

Research methodology refers to the systematic process adopted by a researcher to collect, analyze, and interpret data to achieve the objectives of a study. It provides a structured framework for conducting research and ensures the reliability and validity of the findings. The present study focuses on identifying competency gaps among employees of Heritage and evaluating their impact on employee performance and organizational effectiveness.

3.2 Research Design

The study adopts a **descriptive research design**. Descriptive research is used to describe the characteristics of a population or phenomenon and to examine relationships among variables. It enables the researcher to assess existing competency levels, identify competency gaps, and analyze employee perceptions regarding competency development initiatives within Heritage.

3.3 Sources of Data

The study is based on both primary and secondary sources of data.

Primary Data

Primary data were collected directly from employees of Heritage through a structured questionnaire. The questionnaire was designed to

gather information regarding employee competencies, skill requirements, training effectiveness, and competency development needs.

Secondary Data

Secondary data were collected from various sources, including:

- Books related to Human Resource Management and Competency Mapping.
- Research journals and published articles.
- Company reports and employee development documents.
- Websites, online databases, and industry publications.
- Previous studies related to competency gap analysis and workforce development.

3.4 Sampling Design

Population

The population of the study consists of employees working in different departments of Heritage.

Sample Size

A sample of **120 employees** was selected for the study to obtain representative information regarding competency levels and skill gaps.

Sampling Technique

The study employs **simple random sampling** to ensure that every employee has an equal opportunity to participate in the survey. This technique minimizes bias and enhances the reliability of the findings.

3.5 Data Collection Instrument

A structured questionnaire was used as the primary data collection instrument. The questionnaire consisted of two sections:

Section A: Demographic Profile

- Gender
- Age
- Educational Qualification
- Department
- Work Experience

Section B: Competency Assessment

- Technical Skills

- Communication Skills
- Leadership Skills
- Problem-Solving Ability
- Teamwork and Collaboration
- Digital Competencies
- Adaptability and Learning Ability
- Training and Development Requirements

The responses were measured using a five-point Likert scale ranging from:

Scale	Interpretation
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

IV. DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation constitute an important part of the research process. The data collected from 120 employees of Heritage were analyzed using percentage analysis and mean score analysis. The purpose of the analysis is to identify competency gaps and understand employee perceptions regarding various competency dimensions such as technical skills, communication skills, leadership abilities, problem-solving capabilities, teamwork, and digital competencies.

Table 4.1 Gender-wise Classification of Respondents

Gender	No. of Respondents	Percentage (%)
Male	72	60
Female	48	40
Total	120	100

Gender-wise Classification of Respondents

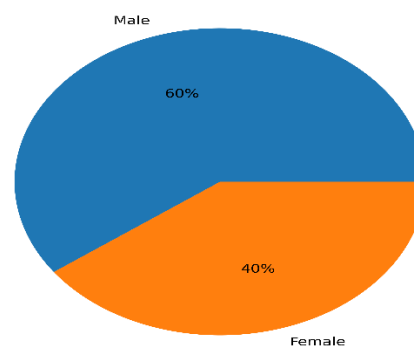


Figure 4.1: Gender-wise Classification of Respondents

Interpretation

The above table and pie chart indicate that out of 120 respondents, 72 respondents (60%) are male and 48 respondents (40%) are female. The results show that male employees constitute the majority of the workforce at Heritage. However, the participation of female employees is also considerable, indicating workforce diversity within the organization.

Table 4.2 Age-wise Classification of Respondents

Age Group (Years)	No. of Respondents	Percentage (%)
Below 25	22	18.33
25–35	48	40.00
36–45	30	25.00
Above 45	20	16.67
Total	120	100

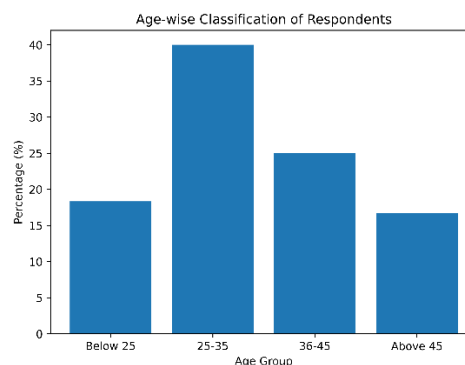


Figure 4.2: Age-wise Classification of Respondents

Interpretation

The table and bar chart reveal that the majority of respondents (40%) belong to the age group of 25–35 years. Employees in the age group of 36–45 years account for 25%, while respondents below 25 years and above 45 years constitute 18.33% and 16.67% respectively. This indicates that Heritage has a relatively young and energetic workforce capable of adapting to changing organizational requirements.

Table 4.3 Employee Perception on Technical Skills

Response	Frequency	Percentage (%)
Strongly Agree	28	23.33
Agree	50	41.67
Neutral	22	18.33
Disagree	14	11.67
Strongly Disagree	6	5.00
Total	120	100

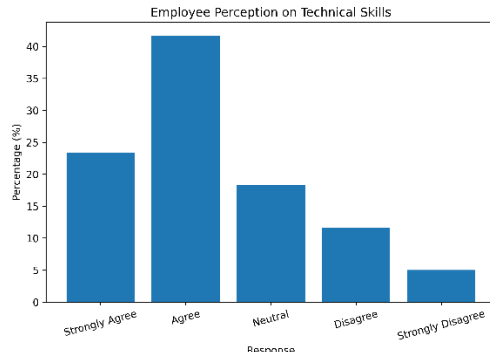


Figure 4.3: Employee Perception on Technical Skills

Interpretation

The table and bar chart indicate that a majority of employees possess confidence in their technical skills. About 65% of respondents either agreed or strongly agreed that they have adequate technical competencies. Only 16.67% of respondents expressed dissatisfaction with their technical capabilities. This suggests that technical competency is one of the strongest areas among

Heritage employees and contributes positively to employee performance.

V. FINDINGS, SUGGESTIONS & CONCLUSION

FINDINGS

1. Majority (60%) of the respondents are male employees.
2. Most employees belong to the age group of 25–35 years.
3. Employees possess satisfactory technical competencies.
4. Communication skills emerged as one of the major competency gaps.
5. Leadership competencies were found to be inadequate among many employees.
6. Digital competency levels require improvement to meet evolving business demands.
7. Teamwork and collaboration skills were generally satisfactory.
8. Employees expressed the need for additional training and development programs.
9. Competency gaps negatively affect employee performance and productivity.
10. Competency-based training can significantly enhance workforce effectiveness.

SUGGESTIONS

1. Conduct regular competency assessments to identify emerging skill gaps.
2. Implement communication skill development workshops.
3. Organize leadership development programs for employees with managerial potential.
4. Introduce digital skill enhancement training programs.
5. Encourage continuous learning through e-learning platforms and certifications.
6. Develop competency-based performance appraisal systems.

7. Establish mentoring and coaching programs.
8. Align employee development initiatives with organizational objectives.
9. Strengthen succession planning through competency mapping.
10. Promote a culture of continuous improvement and knowledge sharing.

CONCLUSION

Competency Gap Analysis plays a crucial role in identifying the difference between existing employee competencies and the competencies required for achieving organizational objectives. The present study conducted at Heritage revealed that employees possess adequate technical knowledge and teamwork capabilities; however, significant gaps exist in communication skills, leadership competencies, and digital capabilities. These competency deficiencies may hinder employee productivity and organizational performance if not addressed effectively.

The findings emphasize the importance of competency-based human resource management practices in enhancing workforce effectiveness and organizational competitiveness. Through systematic competency assessment, Heritage can identify developmental needs and design targeted training interventions that improve employee performance. By investing in competency development initiatives, the organization can build a highly skilled workforce capable of adapting to changing business environments and achieving long-term success.

Thus, the study concludes that competency gap analysis serves as a valuable strategic tool for workforce development and organizational growth. Continuous competency evaluation and development will enable Heritage to maintain a competitive advantage and achieve sustainable organizational excellence.

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