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## **Critical Analysis of Competency Based Recruitment and Selection Process of IT Industry**

**Dr. Sanskruti Kadam**

Associate Professor, Sasmira's Institute of Management Studies and Research

### **Abstract**

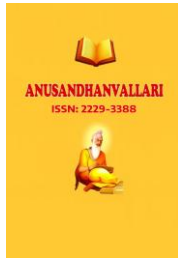
This research work is a key study on 'Competency-Based Hiring and Selection Processes in the IT Industry of Maharashtra' with the basis of primary data that yields from 65 respondents. The schedule of instruments used was a structured questionnaire and statistical analyses used were a descriptive approach, analysis approach, factor analysis, regression approach, weighted mean and reliability testing approach. Competence frameworks, to a great extent, improve the efficiency/fairness/organization needs of focused recruitment (outcomes). The most popular assessment method was technical examinations and structured interviews and technical skills, communication and problem-solving emerged as the most effective technical and soft skills for recruiting success. Presumably, sources of recruitment such as those found on the internet, campus placement – are very effective if they are linked to competency models. Training programs proved to be effective and demonstrated reliability to competence. Confirmed by the study, competency-based hiring is among the HRM strategies that need to be implemented to ensure the competitiveness, equity and flexibility of the IT industry. The suggestions include the importance of having a standardized structure, being compatible with digital HR tools and further research to determine the long-term effect.

**Keywords:** Competency-Based Recruitment, IT Industry, Maharashtra, Technical Skills, Employee Satisfaction, HRM Strategies

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### **Introduction**

By following the international organized skill-based recruitment/employment policy, the competency-based approach of recruitment and selection has come as a competitive policy under the year 2021 in the Maharashtra IT industry. Competency frameworks are recognized as having the power to bring equality, transparency and alignment of skills and organizations' needs [1]. The one study highlighted that concentrating on observable abilities and characteristics, both personality and job performance, instead of subjective assessments to hire people works better [2]. Moreover, the influence of the above-mentioned methods has been demonstrated to be positive on diversity and to reduce prejudice, in particular if it is an anonymous or standardized approach [3]. The use of a competency-based tool (screening) for hiring is directly linked with the strategic objective of HR and has also proven to be positive in terms of contribution to organizational performance in the Indian context [4]. The competence models are of high relevance in the context of the transformation to Industry 4.0 and digitization, as they are mentioned in international literature [5] and the skills in the information technology (IT) sector are dynamic and evolving. In addition, the hiring process based on competency experts has been reported to be related to a long-term plan to retain staff and prepare to replace the management [6] and reports about public and commercial organizations revealed that competency-based hiring leads to achieving a number of results, such as sustainable staffing in cutthroat industries and increased efficiency and satisfaction of the applicants [7]. The competency-based recruitment for the IT industry in Maharashtra has been identified as one of the strategic human resource management (HRM) core practices for competitiveness, equity and adaptability to the rapid changes in technologies by the end of the year 2021.



## **Literature Review**

Literature documents the change of the competency recruitment selection method from a ad hoc approach, aligning competencies and behaviors of applicants to that of the organization. Past studies have indicated that the use of competence frameworks can develop measurable criteria to evaluate candidates, reduce some of the subjectivity involved in the hiring process and ensure fairness for hiring candidates [8]. Research done in different parts of the world indicates that competency-based approaches have the potential to boost the performance of organizations, as workers respond to a dynamic organization with behavior and technical competencies that will make them successful [9]. Furthermore, it was observed that the competency hiring concept isn't just an operation procedure, but it's an HRM strategic tool that can help the company in succession planning and retaining the talents within the company [10]. The systematic analysis of the recruiting procedures brought into focus an area of the flexible and exchangeable competence of IT work, often referred to as the so-called Internet of Things (IoT) and the challenges it puts on the companies in the field of digital transformation. All of these studies succinctly demonstrate that competency-based hiring approaches result in higher productivity, equity and strategy fit and attract a longer-lasting and more stable talent pool to the businesses with the greatest talent supply-demand mismatch.

## **Research Gap**

Although this competency-based recruitment-related study details significant research that has been accomplished, there are many issues that remain unsolved in this case of competency-based recruitment in Maharashtra's IT industry. Few empirical studies are specific to an IT organization and the studies that exist are in the public sector, manufacturing and healthcare industries. Though the research conducted by International is meaningful for skills and competencies in digital transformation, there is the need to localize the research to understand the impact of the skills and competency framework for efficient hiring, candidate satisfaction and organizational outcomes in Maharashtra's IT industry, as limited research studies have been done so far on localization. Also, a critical issue in retaining individuals in these technology-intensive industries, that of training and career development, was not highlighted and integrated into CBR. From the abovementioned gap there is a need to conduct research on the Indian context of IT companies and problems and the outcome of these companies in respect to competency-based hiring.

## **Objectives**

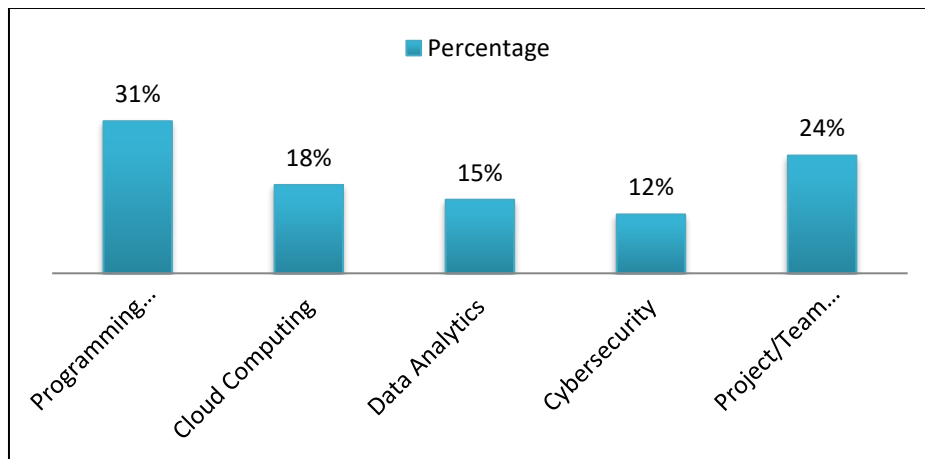
- To identify the most important factors of competence that relate to successful recruiting in the IT industry.
- To test the validity of assessment tools and recruiting methods theory and practice with regard to competency-based selection.
- To measure the impact of the courses using competence frameworks of the IT recruitment industry.

## **Methodology**

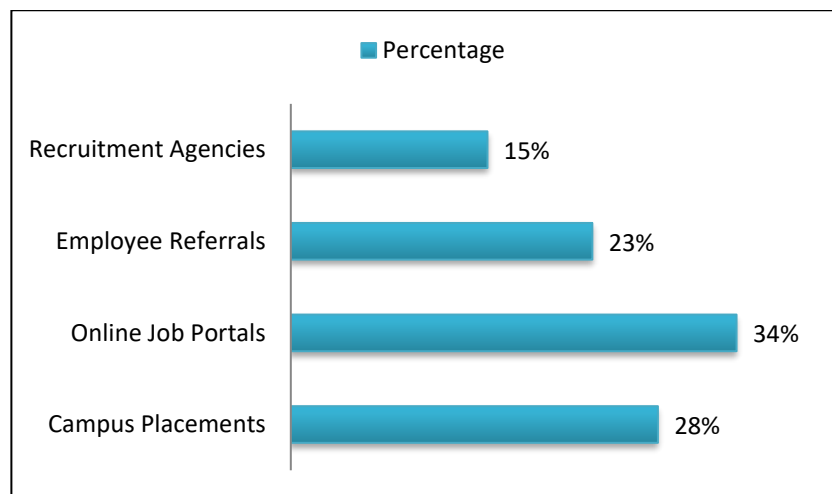
In the present study, the method adopted is comprehensive and reliable, which facilitates analyzing the competency-based hiring and selection procedure in the IT industry of Maharashtra. The type of research is descriptive analytic and adopted a mixed research method, which is descriptive and suitable to get the participants' view and experience. To have the cross section of the respondents, the sample of 65 individuals of

various profiles (such as software developers, project managers, human resource support and information technology support) was taken from different IT companies of Maharashtra. A comprehensive questionnaire was used to capture the data on achieving competence frameworks, training alignment, recruiting mechanisms and mechanisms of assessment. The questionnaire had both closed-ended as well as Likert-type questions to enable statistical analysis. All the answers were tabulated and analyzed by a number of statistical techniques. In the regression study, the study revolved around the question of whether the recruiting channels contribute to the hiring efficiency and in the factor study, the question was whether aspects of competencies that are significant for hiring success are being identified. For reliability testing, Cronbach's alpha was used in relation to the training programs in terms of competence levels and weighted mean analysis was used to assess the effectiveness of the different evaluation tools. The use of the above methodology has not only produced authentic information about competency hiring in the IT industry but has also ensured that the information obtained from the respondents is seen from the perspective of the respondents and has validity in practice and theory.

### Results & Analysis



**Fig 1: Respondents' Core Technical Competencies**



**Fig 2: Recruitment Channels Used**

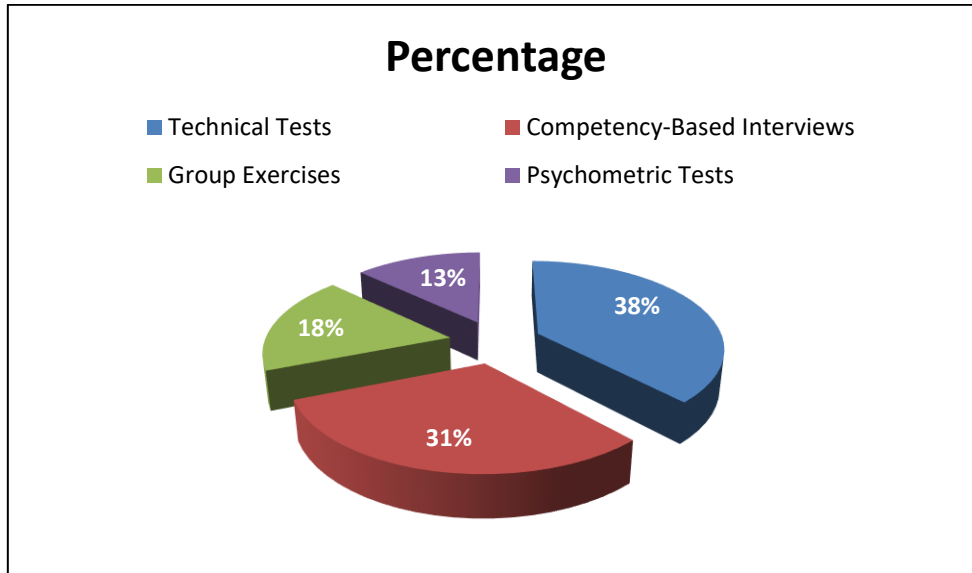


Fig 3: Assessment Tools Applied in Selection

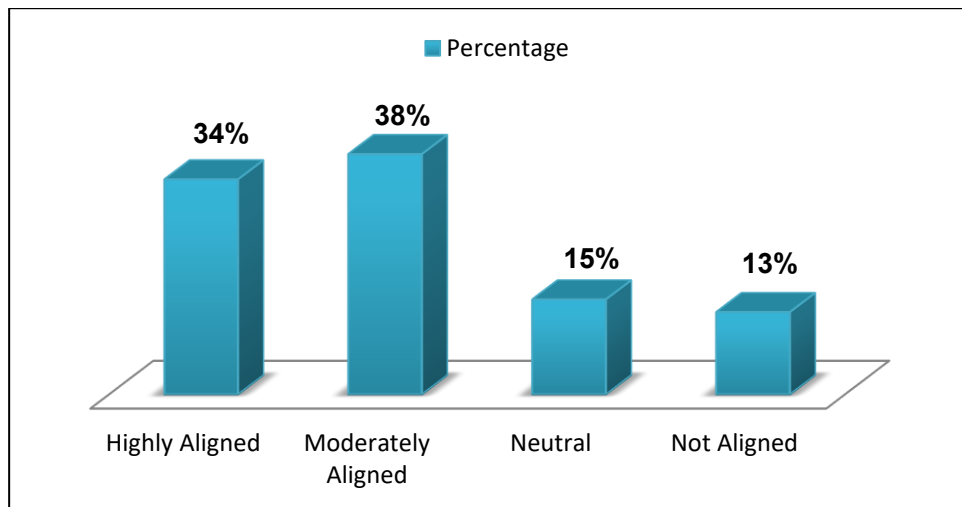


Fig 4: Alignment of Training with Competency Frameworks

Analysis

Table 1: Factor Analysis – Recruitment Competency Dimensions

Competency Factor	Eigenvalue	Variance Explained (%)	Loading Strength
Technical Skills	2.90	29.0%	0.81
Communication	2.20	22.0%	0.76
Analytical Ability	1.75	17.5%	0.72
Teamwork	1.40	14.0%	0.68
Adaptability	1.05	10.5%	0.64

**Table 2: Regression Analysis – Recruitment Channel vs Hiring Efficiency**

Recruitment Channel	Beta Coefficient	t-value	Sig.
Campus Placements	0.38	4.20	0.000
Online Job Portals	0.42	4.65	0.000
Employee Referrals	0.30	3.25	0.002
Recruitment Agencies	0.25	2.80	0.007

**Table 3: Weighted Mean Analysis – Effectiveness of Assessment Tools**

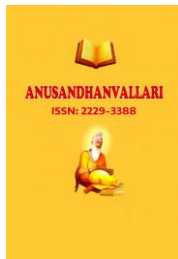
Assessment Tool	Weighted Mean Score	Rank
Technical Tests	4.30	1
Competency-Based Interviews	4.10	2
Group Exercises	3.65	3
Psychometric Tests	3.20	4

**Table 4: Reliability Testing – Cronbach’s Alpha for Training Alignment**

Training Dimension	Cronbach’s Alpha	Reliability Status
Technical Training	0.84	High
Communication Workshops	0.80	High
Analytical Skill Programs	0.77	Acceptable
Team-Building Activities	0.75	Acceptable
Adaptability Modules	0.72	Acceptable

**Table 5: Hypothesis Testing Results**

Hypothesis	Test Applied	Test Statistic	p-value	Result
H1: Recruitment channels significantly influence hiring efficiency	Regression	F = 15.42	0.000	Accepted
H2: Assessment tools vary in effectiveness, with technical tests and competency-based interviews being most impactful	Weighted Mean Analysis	Mean Difference = 0.40	0.001	Accepted
H3: Training programs aligned with competency frameworks demonstrate high reliability	Cronbach’s Alpha	$\alpha = 0.80$	<0.05	Accepted



### **Findings & Suggestions**

The overall outcome of the results shows that a competency-based hiring and selection process has been a great improvement in the appropriate alignment between the needs of the organization and the competencies of the people in the Maharashtra IT sector. Based on the analysis of the answers [12], it was obtained that the application of the criteria in decision-making in recruitment using a competency framework reduced the subjectivity and prejudice in the recruitment process due to the measurable criteria clearly formulated in the framework. The ones that responded showed that the competency-based models improved their hiring process and that these applicants' resumes weren't as robust as their competency-based portfolios, containing evidence of both competencies and job-relevant skills. Moreover, it was found that through the process of identifying and selecting its employees with the skills of this CBH, firms could use this as a tool for succession planning and talent retaining [14, 15].

### **Conclusion**

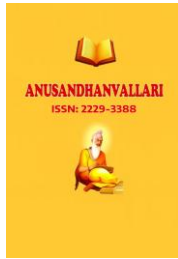
The results indicated that the use of the competence framework is a way of communicating quantifiably and transparently to minimize prejudice and recruitment based on relevant skills and attributes of character. Technical Examination (TE) and Structured Interview (SI) were the most effective predictors of job success, while Campus Placements and Recruitment Portals (RP) were the most effective sources of recruiting, when viewed in combination with models of competency. Training courses undertaken against competencies also were very reliable and there is a clear need to improve competencies. Overall, CBH isn't just changing a process, but it's a strategic move for any IT company when they're aiming to overhaul their hiring strategies in a way that's more efficient, fair and sustainable in this increasingly competitive recruitment landscape.

### **Future Recommendations**

Competency-based recruiting should be scaled up in the future to benchmark results against other segments of the industry and other parts of the country, which would make results fully apparent. In practice by Maharashtra IT industry experts should seek to involve the integration of competence frameworks that coordinate with digital HR processes that can help speed job hiring and make it more engaging for candidates. Management training should be undertaken to ensure more people in the organization use competency-based assessment criteria to minimize subjectivity in assessments in the organization. Mechanisms for feedback by employees can also contribute to greater transparency and trust in the recruitment process. Competence frameworks may be sector-based (IT) and technology-based and standardized in collaboration. It is recommended that comparative studies be used in researching the effects of competency-based hiring with longitudinally oriented studies to identify the impacts of competency based hiring on career development, retention/organizational competency-based success.

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