

A Study on the Impact of Competency-Based Training on Employee Performance at Motherson Automotive Technologies & Engineering

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ABSTRACT

In the modern and highly competitive corporate sector, companies nowadays tend to be placing emphasis on enhancing employee performance in order to ensure sustained success in the future. Competency-based training has emerged as one of the effective means that can be employed in this context. This research paper presents a study that seeks to find out the influence of competency-based training regarding employee work efficiency in the company. It aims to study the impact of training on employee performance with reference to skill improvement, productivity, work behaviour, and job effectiveness in particular. In order to carry out this study, a descriptive methodology has been adopted and primary data has been collected through questionnaires from 120 employees working in the company. The responses obtained have been analysed with the help of statistical methods such as Reliability, Regression, Correlations and ANOVA. The results indicate that employees skill based training has positive impacts on the performance of employees in the sense that it enhances their technical skills and confidence levels, improves job satisfaction, and promotes productivity.

Keywords: *Competency-based training, employee performance, skill development, productivity, training effectiveness, human resource development, organizational performance, job satisfaction, workforce development, manufacturing industry*

The business environment that exists at present consists of different changes brought about by globalization, technology, and tough competition. This is why there is need for a performance level of high standard among the staff members because it has become very important in determining organizational success. This is because of the fact that staff members have changed from just being ordinary employees to contributors whose efforts contribute greatly towards efficiency and high quality.

Training is increasingly becoming a necessary aspect of human resource management, particularly in organizations where work procedures are complicated and frequently change.

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“In the wide array of training methods available, competency-based training stands out because it emphasizes the development of competencies in terms of skills, knowledge, Attitude needed to carry out assigned duties successfully. Unlike other training approaches that offer general information to workers, this method guarantees the acquisition of relevant skills and knowledge by workers. The approach enhances self-confidence in workers while improving task efficiency through technical and behavioural competencies.

In production companies such as Motherson, where accuracy, quality, and efficiency are paramount considerations, the competency level of employees is instrumental in helping an organization achieve its objectives. In such organizations, employees are required to adopt technological changes, adhere to stringent quality considerations, and collaborate in teams. In such circumstances, competency-based training emerges as an effective approach to enhance the performance of workers. Therefore, this study aims to examine how competency based training improves employee work performance.

Statement of the Problem

Training programs are introduced in many organizations on the grounds that they will enhance the performance of employees. The problem with this statement is the fact that the impact of such programs is not always certain. Competency-based training has been noted for being aimed at fostering skills and abilities relevant to particular jobs but despite this, employees fail to use these competencies, thereby generating a gap between the expected performance impact and the actual performance effect. Moreover, it is difficult for organizations to ascertain whether there is any influence of training on productivity, efficiency, and performance. There are still many areas within the realm of training whose impacts on employee performance are yet to be determined. There are cases when training programs and jobs are not matched.

Need of the Study

At Motherson, there is a very high degree of structure and a high level of technicality in work processes that make performance of employees quite critical in sustaining productivity and quality. Competency-based training sessions are routinely organized in this organization to enable employees to acquire necessary knowledge and skill set for their respective tasks. However, it is important to know if this type of training proves to be effective in enhancing employee performance in practical work environment. What needs to be known is whether it is possible for employees to use acquired skills in practice and whether this will result in more efficient and productive work behaviour. In this regard, this study aims to assess the efficacy of competency based training in terms of its potential contribution towards improved employee performance.

Objectives of the Study

- To examine the usefulness of competency based training programs conducted in the company.
- To analyse how training influences employee knowledge, skills, and work behavior.
- To examine whether training leads to improvement in productivity, quality, and efficiency.

LITERATURE REVIEW

The study by Arslan and Uzaslan (2017) revealed that competency-based training program in manufacturing industry has a significant effect on the technical knowledge of employees and

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performance of the tasks of employees who didn't receive training. A particular emphasis was placed on the need for training in the target job skills.

Khanna and Gupta (2014) studied the impact of CBT on promoting quality improvement initiatives like, 5S and TQM in production environment. Their results indicated that those who had taken competency- based programs were more effective in the application of quality concepts which resulted in an improvement in defect rates and waste.

Panda and Mishra (2018) said there is a need to identify competency gaps which are to be filled through training. They found that the organisations that systematically identify skill gaps before training interventions saw a much higher level of performance as a result of the training compared to those that did not systematically identify skill gaps before training.

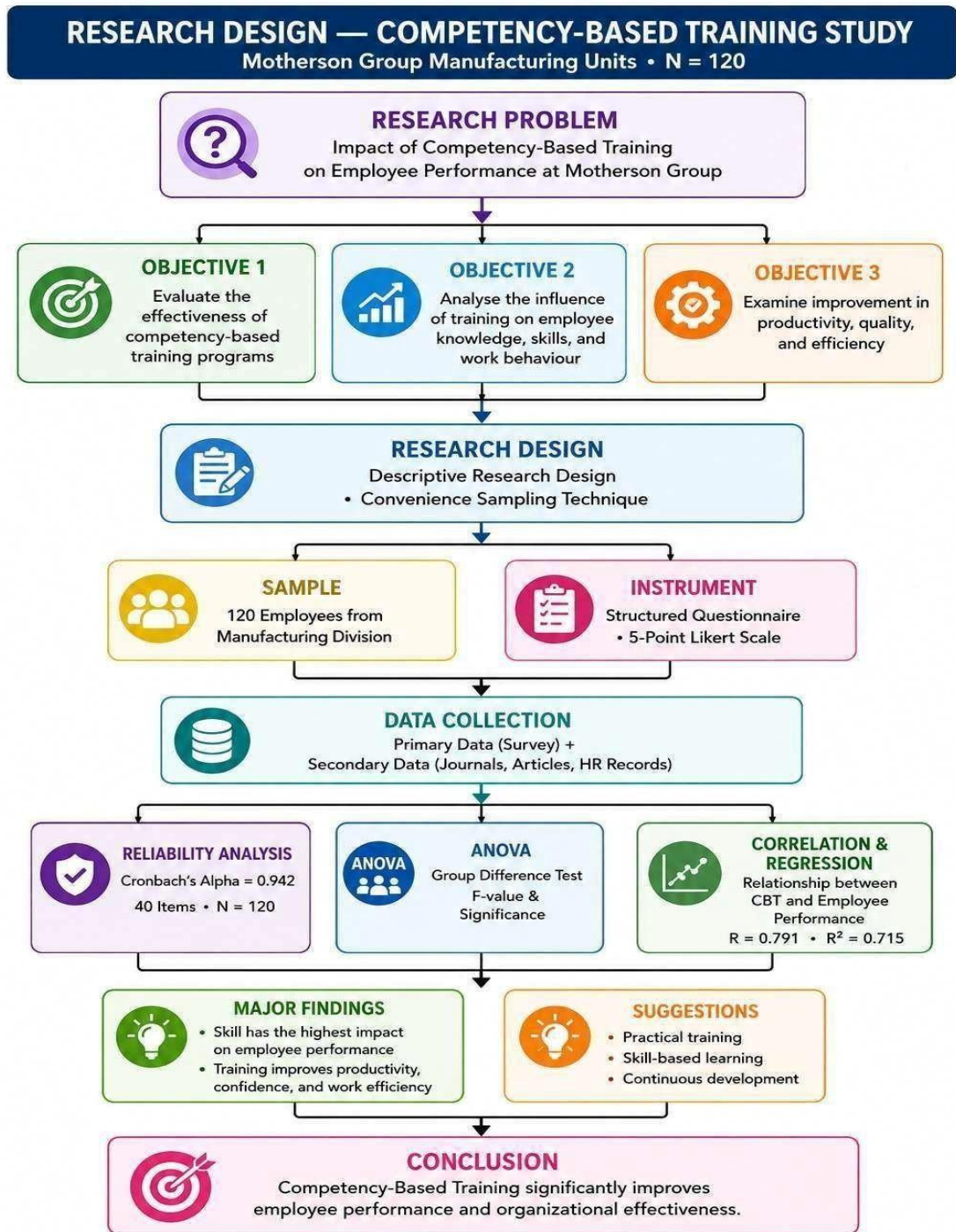
Shet, Patil and Chandawarkar (2019) has done a study on Association between Performance Based on Competency and Organizational effectiveness. Through structural equation modelling, they discovered that the results indicate a strong positive link between clearly defined skill framework and increased employee efficiency, operational flexibility and organizational performance.

Priyadarshini and Dave (2012) developed a competency-based training needs assessment model showing that organisations that link training design to a formal competency mapping exercise achieve higher levels of employee readiness and post-training performance improvement. Their model has been widely cited in HR development literature.

Boahin and Hofman (2014) examined the perceived effects of CBT on professional skill acquisition in technical education settings and found that CBT significantly improves graduates' readiness for employment and their ability to apply skills in real-world job environments, with particularly strong effects in technical and vocational training contexts.

Bahiroh and Arthawati (2025) reviewed recent developments in CBT implementation across manufacturing organisations undergoing industrial transformation and concluded that well-implemented CBT reduces operational errors, accelerates skill acquisition, and improves work readiness more effectively than traditional training methods. Their findings are particularly relevant to high-precision manufacturing environments such as Motherson.

RESEARCH METHODOLOGY



ANALYSIS AND INTERPRETATION

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	Number of Items
0.942	0.942	40

Interpretation

Reliability analysis was conducted to verify the consistency of the data. The obtained Cronbach's Alpha value of 0.942 showing good reliability. Since the value is greater than 0.7, the data is highly consistent and suitable for further analysis

Table 2: Anova – Impact of CBT on Employee Performance Indicators

Description	Group	Sum of Squares	df	Mean Square	F	Sig.
Assembly error rate reduced	Between Groups	0.760	4	0.190	0.387	0.818
	Within Groups	56.540	115	0.492		
	Total	57.300	119			
Issue resolution time reduced	Between Groups	3.687	4	0.922	1.778	0.138
	Within Groups	59.613	115	0.518		
	Total	63.300	119			
Productivity improved	Between Groups	2.152	4	0.538	1.275	0.284
	Within Groups	48.515	115	0.422		
	Total	50.667	119			
Adapts faster to changes	Between Groups	3.856	4	0.964	2.275	0.065
	Within Groups	48.735	115	0.424		
	Total	52.592	119			
Defects reduced	Between Groups	1.147	4	0.287	0.502	0.734
	Within Groups	65.653	115	0.571		
	Total	66.800	119			
Supervisor noted improvement	Between Groups	2.465	4	0.616	1.292	0.277
	Within Groups	54.835	115	0.477		
	Total	57.300	119			
Employee suggests improvements	Between Groups	1.628	4	0.407	0.942	0.442
	Within Groups	49.697	115	0.432		
	Total	51.325	119			

Interpretation

ANOVA analysis was performed to compare employee performance among different groups. The obtained p- values were above 0.05, Since the significance values Exceeded 0.05, no major difference was identified among the respondents.

Since $p > 0.05$, **H₀ is accepted and H₁ rejected.**

Table 3: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.846	0.715	0.705	1.556

Interpretation

The analysis reveals a strong connection between training experience, employee, skills, knowledge, and work performance. The R Square result explains that 71.5% of the changes in employee performance are related to these variables, indicating a good model it.

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Table 4: Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	3.588	1.600	—	2.242	0.027	—	—
Training Experience	0.376	0.085	0.391	4.425	0.000	0.317	3.155
Skill	0.252	0.088	0.261	2.877	0.005	0.302	3.314
Attitude	0.092	0.107	0.086	0.861	0.391	0.251	3.989
Knowledge	0.204	0.082	0.197	2.493	0.014	0.396	2.528

Interpretation

The results show that training experience, skill, and knowledge have a positive and meaningful impact on employee performance, as their significance values are below 0.05. Among these, training experience has the highest influence. On the other hand, attitude does not show a significant effect, as its value is higher than 0.05. This means that attitude does not contribute much to performance in this case.

Table 5: Collinearity Diagnostics

Dim.	Eigenvalue	Condition Index	Constant	Training Exp.	Skill	Attitude	Knowledge
1	4.986	1.000	0.00	0.00	0.00	0.00	0.00
2	0.006	27.828	0.97	0.01	0.01	0.03	0.05
3	0.003	38.844	0.01	0.10	0.03	0.11	0.92
4	0.002	45.174	0.00	0.60	0.56	0.01	0.01
5	0.002	54.231	0.02	0.28	0.40	0.86	0.01

Interpretation

The collinearity values are within the acceptable range, which means there is no problem of overlap between the variables. So, the results of the regression analysis can be considered reliable.

Correlations

Table 6: Descriptive Statistics

Variable	Mean	Std. Deviation	N
Training Experience	30.558	2.984	120
Employee Performance	30.600	2.865	120

Table 7: Correlation Analysis

	Training Experience	Employee Performance
Training Experience – Pearson Correlation	1	0.791
Sig	-	0.000
N	120	120
Performance – Pearson Correlation	0.791	1
Sig	0.000	—
N	120	120

Interpretation

The correlation coefficient of 0.791 indicates a strong association between training experience and employee performance. Since the p-value is below 0.01, the relationship is considered statically significant. Since $p < 0.05$, H_0 is rejected and H_1 is accepted.

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Findings

- The findings of this study demonstrate that employees possess a positive outlook towards competency-based training as majority of the answers lie in the upper end of the scale.
- It was concluded that competency-based training has a strong positive relationship with employee work performance.
- The analysis proves that knowledge, skill, and attitude are essential determinants that affect employee performance.
- It is evident that out of all the variables, skill is the dominant determinant that has the greatest impact on employee performance over knowledge and attitude.
- The findings prove that training helps employees enhance their technical skills and job proficiency.
- It is noted that the employees who attend the training sessions exhibit higher levels of productivity and efficacy while performing their tasks.
- The research further reveals that training assists in fostering positive behavior and attitude among the employees.
- The statistical analysis confirms the significance of competency-based training on employee performance.
- It is evident that employees become more self-assured and capable of handling difficult situations after attending training sessions.
- The study concludes that the training sessions were highly beneficial for employees as they met their organizational requirements.
- The research reveals that all employees irrespective of their department or experience level exhibit positive feedback towards the training session.

Suggestions

- The organization needs to focus more on the skill training because skill has maximum impact on performance.
- Training programs should have a close linkage with the jobs individuals are expected to perform so that the knowledge gained can be applied in the job.
- The organisation should review the effectiveness of training regularly to determine how much improvement in performance has been achieved by the employees.
- The organization might want to take more practical and participatory approach to the creation of training programme. Examples are case studies, simulations and real problem-solving tasks.
- The organization should provide opportunities for ongoing learning and skill development of workers by developing training programs to expose workers to changes in technology and process.
- Employee suggestions will be accepted and utilized by management in the training program, so that employees are more willing to participate in the program.
- Management should make sure that proper motivational arrangements are made to motivate workers to participate in training programmes.
- The training programmes should be designed to motivate learners to be active, using participative and interactive approaches.

CONCLUSION

In conclusion, it is clear from the findings that the effectiveness of competency-based training has had significant results in terms of improving the performance of employees in the organization. As indicated above, training ensures that employees acquire essential attributes

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such as knowledge, skills, and the right attitude to undertake their duties appropriately. Out of these three, skills have proved to be the most influential attribute that highlights the importance of job-oriented training.

From the findings, it is apparent that there is an evident link between training and employee performance. Those employees who undergo adequate training not only work more effectively but also exhibit high levels of confidence. In addition, one of the main observations from this research is that training should always be based on job specifications.

It can therefore be concluded that competency-based training plays an important role in building employees' capabilities and hence improving their performance.

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Conflict of Interest

The author(s) declared no conflict of interest.

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