

CHAPTER -1

A STUDY ON INFLUENCE OF COMPETENCY MANAGEMENT ON EMPLOYEE RETENTION AMONG NURSES IN COIMBATORE CITY

**Dr.C.Meera¹, Dr. Priya Kalyanasundaram², K.Kavitha³, Shivani R.⁴,
Dr. B. Bhuvaneswari⁵, Dr .S. Kavitha⁶**

¹Professor & HOD, School of Management Studies, Karpagam College of Engineering, Coimbatore, 9500919098.

²Associate Professor & Head , Sankara College of Science and Commerce, 9952898068

³Assistant Professor, , Karpagam College of Engineering, Coimbatore, 9940747705

⁴Assistant Professor, School of Management Studies, Karpagam College of Engineering. 6379724991.

⁵Assistant Professor, Sankara College of Science and Commerce, 9629202904

⁶Associate Professor & Head, Sankara College of Science and Commerce 9940981801

meera.phd@gmail.com¹

priyakalyan@gmail.com²

kavithadhananjayan12@gmail.com³

shivani18621@gmail.com⁴

buvana0921@gmail.com⁵

kavithaprabhuraj@gmail.com⁶

1.0 INTRODUCTION OF THE STUDY

In today's dynamic healthcare environment, hospitals are increasingly recognizing the critical role of human resources—especially nurses—in delivering quality patient care. Nurses form the backbone of the healthcare system, and their retention has become a strategic imperative for hospitals. However, many healthcare institutions are grappling with high turnover rates, leading to increased recruitment costs, staff shortages, and compromised service quality. One of the emerging approaches to address this issue is Competency Management is a structured process that ensures employees possess the required knowledge, skills, and attitudes to perform effectively. Competency management involves identifying, developing, and utilizing individual competencies aligned with organizational goals. For nurses, it not only helps in enhancing clinical and behavioural performance but also boosts job satisfaction, engagement, and career progression. When nurses feel that their capabilities are recognized, nurtured, and matched with appropriate roles, they are more likely to remain loyal to their organizations. Hence, effective competency management can serve as a strategic tool to improve employee retention, especially in the nursing profession where emotional, physical, and psychological demands are high. In the context of Coimbatore City, a major healthcare hub in South India, hospitals are witnessing both a rise in healthcare demand and challenges in retaining skilled nursing staff. This study seeks to explore how competency management practices influence the retention of nurses in this region. By analysing the dimensions of competency management—such as training and development, performance appraisal, skill mapping, and career planning—this research aims to identify key drivers that encourage nurses to stay with their current employers. The findings of this study are expected to provide valuable insights for hospital administrators, HR professionals, and policymakers to design better competency frameworks and retention strategies, thereby ensuring a sustainable and competent nursing workforce in Coimbatore's healthcare sector.

1.0.1 Competency Management

A **competency** is the combined knowledge, abilities, and expertise of an individual or an organization. So, **competency management** is the process of identifying, managing, and developing employee competencies. It aligns employees' skills and behaviors with the company's goals.

Competency Management is the practice of identifying the key skills necessary for an employee to reach target performance in their specific role, and then developing and optimizing those skills to best align with the business strategy of an organization.

1.0.2 Why Competency Management?

Competencies have been used as a framework to help focus employees' behavior on things that matter most to an organization and help drive success. They can provide a common way to harmonize, select and develop talent. The benefits are clear for employees and managers, and ultimately, the organization.

1.0.3 Definition of Employee Retention

According to **Raju & Jena (2012)**, retention starts at the top. Sourcing, hiring and retaining of the talents are the responsibilities of the company's governing board and leadership team.

1.0.4 Significance of Employee Retention

- Having a high retention rate means **keeping staff members long-term**, resulting in less time and resources required for training new staff and having the loyalty needed to run a business. Consider the amount of time, resources, and money that goes into training a new employee.
- **Employee turnover** is a common phenomenon, which many organizations are facing today. Organizations invest immensely in recruiting and developing their employees. Hence, employee turnover is a potential loss for any firm. HR managers try to prevent the employee turnover by implementing effective retention strategies.
- **Turnover** is the **exit of many employees** from the organization and is considered as a negative aspect. To prevent employee turnover, **employee retention strategies** are crucial.

1.0.4 Retention Strategies

A study postulated that the HR professional needs to point out the critical points why employees leave the organization so that proper prevention measure can be exercised. If an organization fails to cope up the retention issue on time it becomes a huge problem so some retention practice can be adopted.

1.0 5 STATEMENT OF THE PROBLEM

In an Organization Retaining Employees are considered to be a major role of HR. Knowing why employees are leaving the organization is more important, where effective measures can be taken to retain them. How satisfied are the employees pertaining to the retention strategies implemented in their organisation? What are their perceptions towards Organization strategies to retain them? are the common questions which sometimes embrace Employers and what most of the researchers search for. Researcher also intends to understand whether organisational commitment of the employees has influence on their intention to stay with the organisation. Understanding what kind of skills are required to enhance the Employees in their job and its necessary to train and develop them.

1.1 Objectives of the study

- To examine the level of competency management practices implemented in hospitals across Coimbatore City.
- To assess the current rate and key reasons for employee retention and turnover among nurses in the selected hospitals.
- To evaluate the relationship between competency management and employee retention among nurses.
- To identify the specific competencies (technical, behavioral, and managerial) that significantly influence nurses' decision to stay with their employer.

1.2 Scope of the study

This study focuses on understanding how competency management practices influence the retention of nursing professionals in hospitals located within Coimbatore City. The scope encompasses a detailed examination of various dimensions of competency management—such as identification of core competencies, competency mapping, training and development, performance assessment, and career progression—and their impact on the retention behavior of nurses.

The study is limited to the geographical boundary of Coimbatore City and focuses solely on nurses, excluding other healthcare professionals. The findings are expected to provide insights for hospital administrators and HR managers to develop targeted strategies to enhance nurse retention through effective competency development and management practices.

1.3 Limitations of the study

1. The study is confined within Hospital
2. Respondents refused to give complete information, thinking that it might affect their Job
3. Period of study was limited

1.4 Industry profile

The healthcare sector includes many industries, sub-industries, and a wide variety of companies. Any company involved in products and services related to health and medical care are represented in the healthcare sector and further categorized under six main industries. These industries include pharmaceuticals, biotechnology, equipment, distribution, facilities, and managed health care.

- **Pharmaceuticals**

The pharmaceutical sub-industry has been interesting to follow lately because of these affects that the Affordable Care Act have had on it. When the Affordable Care Act first was signed into law the sub-industry struggled at first because of the new costs that stemmed from the bill. Those costs did not end up holding these firms back because once 2014 started a lot of firms, including Regeneron Pharmaceuticals, reported high revenues in their earnings reports. This is most likely because of all the new patients that the Affordable Care Act has given coverage to and thus allowing them to enter the market.

Biotechnology

Robotics in the Healthcare Industry

Robotics and robotic process automation are another area of opportunity for the healthcare sector. For the most part, most people think of chatbots for managing customer queries and appointments when they think of robots today. However, in the future, we could be using much more significant robotic technology to care for patients. Collaborative robots, like the Da Vinci surgical robot, can assist healthcare professionals in the operating room, and reduce the risk of mistakes. Robots can see things and deliver accuracy that would otherwise be impossible to achieve for a human. Although right now, humans and robots still need to work together on providing the best health service, there's a lot of potential for the future. In the years to come, robotics in healthcare could mean that paramedics can take a surgical device with them to an emergency call and deliver life-saving procedures instantly.

One particular area of robotics that promises significant potential in the healthcare space is the use of robotics with machine and computer vision.

A New Era for Healthcare

The technology revolution is creating a unique environment for all industries to grow and evolve. In this new landscape, there's no limit to what we can accomplish with robotics, intelligent machines, and other unique tools. With Industry 4.0, the way that patients access healthcare, and doctors manage hospitals will transform. Soon, we'll have a world where anyone can access the healthcare support that they need in an instant. What's more, our doctors and

nurses will deliver better outcomes, with less stress on their shoulders. Although it's difficult to know for sure what the future might hold for any industry, including healthcare, we know that technology will have a significant impact. Industry 4.0 is the start of a new era for healthcare, and a better experience for both doctors and their patients in the years to come.

2.0 REVIEW OF LITERATURE

Lu et al. (2023) performed a meta-analysis on psychological contract and turnover among nurses, highlighting that unmet expectations significantly drive turnover intentions. Competency management refers to the strategic alignment of individual capabilities with organizational goals. According to Boyatzis (1982), competencies are the underlying characteristics that lead to superior job performance. In the healthcare context, Eraut (1994) emphasized that competency is a mix of knowledge, technical skills, communication abilities, and decision-making. Competency mapping and development help improve quality of care and staff satisfaction, which are essential in nursing environments. Research suggests a strong link between structured competency management and improved retention rates. **Dubois and Rothwell (2004)** proposed that when employees understand competency expectations and receive proper training, they are more committed to the organization. **Govaerts et al. (2011)** supported this by highlighting that competency-based HR practices increase employee engagement and decrease turnover intention. In the nursing sector, **Aiken et al. (2008)** demonstrated that investment in competency development reduces burnout and encourages long-term commitment.

CHAPTER 3

3.0 Research Methodology

Methodology is defined as “the analysis of the principles of methods, rules and postulates employed by a discipline or “the development of methods to be applied within a discipline. Research methodology is a way of systematically solving the research problem. Research methodology refers to the various sequential steps adopted by a researcher in studying the problem with certain objectives in mind. In this study the researcher has used various scientific methods, structure, strategy, plan, tools to conduct the study. This chapter deals with the methodology selected by the investigator in order to study the research problem.

Research Design: Descriptive Research method was used for the study

3.1 AREA OF STUDY

The area of study focuses on understanding the relationship between competency management practices and employee retention among nurses working in hospitals across **Coimbatore City**, Tamil Nadu, India. Coimbatore is a major healthcare hub in South India, hosting a range of hospitals.

3.2 POPULATION

The population of this study comprises of **nurses** working in **private hospitals** within **Coimbatore City**, Tamil Nadu.

Sample Size: The sample consists of 113 nurses

3.4 SAMPLING DESIGN

Stratified sampling was considered for the study.

SOURCES OF DATA

Sources of data can be classified broadly into primary and secondary.

PRIMARY DATA

The primary source of data for the study is the responses from the respondent's employee working in the company.

SECONDARY DATA

For the secondary sources of information, the researcher had access to various books, publications, magazines, articles, web sites, reports and newspapers.

3.6 DATA ANALYSIS:

The researcher has used a structured close ended questionnaire for the study. A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. The questionnaire is given to the respondents who are expected to read and understand the questions and write down the responses in the space meant for the purpose in the questionnaire itself. It was divided into three parts:

Part I deals with the socio- economic profile of the respondents.

Part II has items on competency management

Part III has items on employee retention

CHAPTER 4

4.0 DATA ANALYSIS & INTERPRETATION

S.NO	GENDER	FREQUENCY	PERCENTAGE
1.	MALE	32	28
	FEMALE	81	72
	TOTAL	113	100
	AGE		
2.	20 and below	3	13
	21-30	32	28
	31-40	40	35
	41 and above	38	34
	Total	113	100
3.	EXPERIENCE		
	FRESHER	44	39
	2-5 yrs	33	29
	6-10 yrs	18	16
	11-15 yrs	15	13
	16 and above	3	3
	Total	113	100
4.	Designation		
	Nurse	113	100
	Total	113	100

Interpretation:

The above table shows that the Gender of the respondents, 28.3% of the respondents are male and 71.7% of the respondents are female. age of the respondents. 0.9% of the respondents are in the age of 20 and below. 28.3% of the respondents are in the age of 21-30. 35.5% of the respondents are in the age of 31-40. 33.6% of the respondents are in the age of 41 and above. 100% of respondents are staff nurse .

Th 38.9% of the respondents are Freshers. 29.2% of the respondents are 2-5 years. 15.9% of the respondents are 6-10 years. 13.3% of the respondents are 11-15 years and 2.7% of the respondents are 16 and above years.

ANOVA TEST

Ho: There is a significant difference between age and competency

Ha: There is no significant difference between age and competency

		Sum of Squares	Df	Mean Square	F	Sig.
Incentives	Between Groups	19.087	4	4.772	2.786	.030
	Within Groups	184.949	108	1.712		
	Total	204.035	112			
Retention	Between Groups	26.870	4	6.718	8.162	.000
	Within Groups	88.882	108	.823		
	Total	115.752	112			
Critical Situation	Between Groups	26.205	4	6.551	4.716	.002
	Within Groups	150.042	108	1.389		
	Total	176.248	112			
Respectful	Between Groups	20.462	4	5.116	3.200	.016
	Within Groups	172.653	108	1.599		
	Total	193.115	112			
Suggestions	Between Groups	48.621	4	12.155	24.520	.000
	Within Groups	53.538	108	.496		
	Total	102.159	112			
Benefits	Between Groups	13.748	4	3.437	2.557	.043
	Within Groups	145.173	108	1.344		
	Total	158.920	112			

Interpretation:

- The above ANOVA table shows that the base for **incentives**, its years of practice and level of satisfaction sig. value is **lesser than p-value 0.05** so **Ho is accepted and Ha is rejected**. Hence there is significant difference between respondents for incentives and competencies.

Table No: 4.8

Ho: There is a significant difference between educational qualification and retention factor

Ha: There is no significant difference between educational qualification and retention factor

Interpretation:

Opportunities	Between Groups	8.022	4	2.006	2.884	.026
	Within Groups	75.111	108	.695		
	Total	83.133	112			
Leaving	Between Groups	57.332	4	14.333	68.879	.000
	Within Groups	22.474	108	.208		
	Total	79.805	112			
Remain	Between Groups	97.313	4	24.328	105.226	.000
	Within Groups	24.970	108	.231		
	Total	122.283	112			

- The base for **opportunities**, its years of practice and level of satisfaction sig. value is **lesser than p-value 0.05** so **Ho is accepted and Ha is rejected**. Hence there is significant difference between respondents for opportunities and competencies.

INTERPRETATION:

- The above T-TEST table shows that the base for **encouraged**, its years of practice and level of satisfaction sig. value in **male is lesser than female .000** so **Ho is accepted and Ha is rejected**. Hence there is a significant relationship between gender in encourage.

Correlations
Table No: 4.10

		Competency	Retention
Competency	Pearson Correlation	1	.480**
	Sig. (2-tailed)		.000
	N	113	113
Retention	Pearson Correlation	.480**	1
	Sig. (2-tailed)	.000	
	N	113	113

** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

- From the study, there is a correlation between Competency Management and Employee Retention ($r = 0.480$, $p = .001$) with 0.01 significance level.
- The relationship is positive, meaning that this variables tends to increase together (i.e. greater competency greater the retention)

SUGGESTIONS

- Offering more Training and Development as a Retention Tool for the existing Employees is more essential as it can cut cost, rather than recruiting new Employees.
- Involve all employees in the Training organized by the organization which can enhance the skills and knowledge of the Employees.

- Training programs should be more linked with the individuals career Development, rather being biased only in the growth of the organization.
- The salary should be paid according to the performance of the Employees, because that is the first priority.
- Employees should be involved in giving more ideas and suggestions, as even a small idea can bring a drastic change and even more suggestions can improvise the growth of the Organization.
- Incentives, Extra benefits, Awards, Rewards, Additional family benefits,etc.can be a best motivating factor to the Employees to retain in the organization.

CONCLUSION

INDEPENDENT T-TEST

Ho: There is a significant relationship between Gender and Retention

Ha: There is no significant relationship between Gender and Retention

	Gender	N	Mean	Std. Deviation	Sig.	Remarks
Encouraged	Male	32	2.50	1.760	.000	Rejected
	Female	81	1.68	.609	.014	Accepted
Career	Male	32	4.00	.984	.000	Rejected
	Female	81	3.10	.846	.000	Accepted
Training	Male	32	3.69	1.256	.002	Rejected
	Female	81	2.98	1.037	.006	Accepted
Skills	Male	32	2.72	1.836	.000	Rejected
	Female	81	1.68	.544	.003	Accepted
Superior	Male	32	4.28	.958	.000	Rejected
	Female	81	3.06	.827	.000	Accepted
Efforts	Male	32	4.25	1.136	.000	Accepted
	Female	81	2.98	1.037	.000	Rejected
Knowledge	Male	32	2.62	1.792	.000	Accepted
	Female	81	1.64	.482	.004	Rejected
Colleagues	Male	32	3.97	.999	.000	Accepted
	Female	81	3.09	.854	.000	Rejected
Barrier	Male	32	3.59	1.266	.009	Accepted
	Female	81	2.98	1.037	.018	Rejected
Growth	Male	32	3.69	1.256	.002	Accepted
	Female	81	2.98	1.037	.006	Rejected

The study sought to find out whether competency management influences employee retention. The study concluded that competency management had a significant influence on employee retention. Therefore A Menu of Retention Practices are Socialization, training and development, Compensation and Rewards, Leverages rewards,etc. Effectively managing retention in your organization isn't easy. It takes extensive analysis, a thorough understanding of the many strategies and practices available, and the ability to put retention plans into action and learn from their outcomes. But given the increasing difficulty of keeping valued employees on board in the face of major shifts in the talent landscape, it is well worth the effort. To get the most from your retention management plans, you'll need to analyze the nature of turnover in your organization and the extent to which it is a problem (or likely to become one). Understand research findings on the drivers of employee turnover and the ways in which workers make turnover decisions. Diagnose the most important and manageable drivers of turnover in your company and, design, implement, and evaluate strategies to improve retention in ways that meet your organization's unique needs. Employee turnover and retention rates provide strong indicators about how well the business is taking care of its people. High turnover and low retention rates signal problems with aspects of the organization's culture and employee experience. Turnover and retention are closely linked to employee engagement.

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