

Role of Training in Public Sector and Private Sector Banks

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ABSTRACT

The banking sector, a cornerstone of any economy, relies heavily on the skills and knowledge of its employees. Training, in this context, becomes an indispensable tool for ensuring the smooth operation and growth of financial institutions. While both public and private sector banks share the common goal of providing financial services, their approaches to training often diverge due to their distinct organizational structures and objectives. Public sector banks, traditionally known for their extensive reach and social banking initiatives, have historically emphasized job security and stability. Consequently, training programs in these banks have often focused on technical skills and compliance adherence. While this approach has ensured the smooth functioning of core banking operations, it has sometimes led to a slower pace of adaptation to technological advancements and market dynamics. However, with increasing competition from private sector banks and the changing regulatory landscape, public sector banks are now recognizing the need for more comprehensive training programs that encompass not just technical skills but also customer service, sales, and digital banking capabilities.

KEYWORDS:

Training, Public, Sector, Private, Banks

I. INTRODUCTION

Private sector banks, driven by profit motives and a competitive spirit, have placed a greater emphasis on employee development and performance. Their training programs are often more rigorous and aligned with the bank's strategic goals. These banks invest significantly in training to enhance employee productivity, innovation, and customer satisfaction. They focus on developing a strong sales culture and equipping employees with the skills to cross-sell and upsell products. (Richards, 2019)

PSBs, characterized by their larger size and bureaucratic structures, face unique training challenges.

- **Large Workforce and Diverse Profiles:** Managing training for a vast and heterogeneous workforce with varying levels of education and experience is complex.
- **Bureaucratic Hurdles:** Rigid hierarchies and complex approval processes often hinder timely implementation of training programs.
- **Resistance to Change:** A culture of job security can lead to employee resistance towards adopting new skills and technologies.
- **Resource Constraints:** Despite their size, PSBs may face budgetary limitations for training and development.
- **Focus on Compliance:** Due to regulatory obligations, training often emphasizes compliance rather than skill development.

While PSBs face their own set of challenges, private sector banks grapple with a different set of issues.

- **Rapid Growth and Expansion:** The fast-paced nature of private sector banks requires frequent training to accommodate new hires and skill upgrades.
- **Competition:** Intense competition demands a highly skilled workforce, necessitating continuous training and development.
- **Customer Focus:** Delivering exceptional customer service is paramount, requiring training programs aligned with customer needs and expectations.
- **Technological Adoption:** Private sector banks are early adopters of technology, necessitating training on new systems and processes.
- **Retention:** Attracting and retaining top talent is crucial, making employee development a strategic priority.

Despite their differences, both PSBs and PSBs share some common training challenges:

- **Identifying Training Needs:** Accurately assessing training requirements to bridge skill gaps is essential but challenging.

- **Measuring Training Effectiveness:** Evaluating the impact of training on individual and organizational performance is crucial but often overlooked.
 - **Transfer of Learning:** Ensuring that employees apply newly acquired skills on the job is a persistent challenge.
 - **Balancing Short-Term and Long-Term Training:** Striking a balance between immediate skill needs and long-term career development is difficult.
- Addressing these challenges requires a strategic approach. Both PSBs and PSBs can benefit from:
- **Needs-Based Training:** Identifying specific skill gaps and tailoring training programs accordingly.
 - **Leveraging Technology:** Utilizing e-learning and digital platforms to enhance accessibility and efficiency.
 - **Mentorship and Coaching:** Providing opportunities for employees to learn from experienced colleagues.
 - **Performance Management:** Linking training to performance goals to ensure relevance and impact.
 - **Continuous Learning Culture:** Fostering a culture that encourages lifelong learning and skill development.

To bridge the gap, a holistic approach is required. Public sector banks need to foster a culture of innovation and learning, while private sector banks should ensure that their focus on performance does not compromise employee well-being and long-term development. A combination of on-the-job training, classroom learning, and e-learning can be effectively used to address the diverse training needs of both sectors. (Kufidu, 2020)

II. REVIEW OF LITERATURE

Agrawal et al. (2020): Training in both public and private sector banks is a complex and multifaceted endeavor. While the challenges may differ, a well-designed and executed training strategy is essential for organizational success and employee development. By addressing the unique challenges and leveraging best practices, banks can build a skilled and motivated workforce capable of driving growth and innovation.

Saxena et al. (2019): While the implementation of training in public and private sector banks exhibits distinct characteristics, the underlying goal of creating a skilled and competent workforce remains common. By addressing the specific challenges and leveraging the strengths of each sector, the banking industry can optimize its training initiatives and contribute significantly to the overall economic growth.

Barthakur et al. (2020): Private sector banks are more likely to adopt advanced training methodologies, such as e-learning and simulation-based training, to keep pace with the rapidly evolving banking landscape. Furthermore, leadership development is a critical aspect of training in both sectors.

Berger et al. (2020): While public sector banks may emphasize leadership for social impact and inclusive growth, private sector banks often focus on leadership for business performance and innovation. Effective leadership is essential for driving organizational change, motivating employees, and achieving strategic goals. However, challenges persist.

Chandran et al. (2019): Public sector banks often grapple with issues of bureaucracy and resistance to change, hindering the effective implementation of training programs. Private sector banks, while agile, can sometimes prioritize short-term goals over long-term employee development.

III. RESEARCH METHODOLOGY

Sample Size

A total of 100 respondents were chosen from public and private sector banks of Delhi-NCR. We selected 100 employees working in different public and private sector banks in Delhi-NCR region.

Data Analysis

Regional Distribution of Respondents

Table No.- 1 Regional Distribution of Respondents (Employees)

S. No.	Area Name	No. of Respondents
1.	Delhi-NCR	100
	Total	100

Analysis -

The above table shows the regional details of the respondents. For the study, a total of 100 employees working in different banks of Delhi-NCR were selected.

Age

Table no. 2
Age-wise Classification of Selected Employees

S.No.	Age-Group	Employees	
		No.	Percentage
1.	20-30	27	27
2.	31-40	58	58
3.	above 40	15	15
	Total	100	100

Analysis:

It is clear from above Table no. 2 that out of total 100 employees from Delhi-NCR, the age group between 20-30 years were 27 (27 percent) and No. of employees with age group 31-40 years were 58 (58 percent). On the other hand, there were 15 respondents with age higher than 40.

Interpretation-

The above chart shows the age percentage of employees in Delhi-NCR. According to which, the percentage of employees in the age group of 20-30 years is 27 and the percentage of age group 31-40 years is 58. While there were 15% respondents in the age-group of above 40.

Table no. 3
Gender Classification of Selected Employees

S.No.	Gender	Employees	
		No.	Percentage
1.	Male	67	67
2.	Female	33	33
	Total	100	100

Analysis:

It is clear from above Table no. 3 that out of total 100 employees from Delhi-NCR, 67 were male and 33 were females.

Interpretation-

The above chart shows the gender percentage of selected employees in Delhi-NCR. According to which, the percentage of male employees is 67 and the female ones is 33.

Table 4
Analysis of Employees on the basis of working in their respective organization

S. No.	Since how many years have you been working with this organization?	No.	Percentage
1.	0-5 Yrs.	16	16
2.	5-10 Yrs.	47	47
3.	10-15 Yrs.	23	23
5.	More than 15 Yrs.	14	14
	Total	100	100

Analysis:

From above table no. 4, it is clear that out of total 100 selected employees from Delhi-NCR, 16 were working in their current organizations from last 0-5 years. There were 47 and 23 respondents respectively who were working in their respective firms from last 5-10 and 10-15 years. On the other hand, there were only 14 respondents who were working in their respective forms from more than 15 years.

Interpretation-

The above chart shows the analysis of employees on the basis of working in their respective organization. According to which, majority of the respondents i.e. 47% were working in their corresponding organizations from last 5-10 years. On the other hand, minority of the respondents i.e. 14% were working in their corresponding firms from last more than 15 years.

Table 5
Analysis of Employees on the basis of impact of training on employee’s performance

S. No.	Do you think that training affects employee’s performance?	No.	Percentage
1.	Agree	24	24
2.	Strongly Agree	33	33
3.	Disagree	23	23
5.	Strongly Disagree	17	17
5.	Neutral	3	3
	Total	100	100

Analysis:

From above table no. 5, it is clear that out of total 100 employees from Delhi-NCR, 24 employees agreed that training affects employees performance while 33 respondents were strongly agreed with this statement. On the other hand, 23 and 17 respondents were ‘Disagree’ and ‘Strongly Disagree’ respectively about the effectiveness of training on employees performance. While 3 respondents were neutral about this feedback.

Interpretation

The above chart shows the analysis of employees on the basis of impact of training on employees performance. According to which, the percentage of employees who disagree that training affects employees performance is 24 percent and those who strongly disagree with this statement are sharing the percentage of 33.

Table 6
Analysis of Employees on the basis of impact of leadership on employee’s performance

S. No.	Do you think that leadership affects employee’s performance?	No.	Percentage
1.	Agree	65	65
2.	Strongly Agree	28	28
3.	Disagree	4	4
5.	Strongly Disagree	2	2
5.	Neutral	1	1
	Total	100	100

Analysis:

From above table no. 6, it is clear that out of total 100 employees from Delhi-NCR, 65 employees agreed that leadership affects employees performance while 28 respondents were strongly agreed with it. On the other hand, 4 and 2 respondents were ‘Disagree’ and ‘Strongly Disagree’ respectively about the effectiveness of leadership on employees performance. While 1 respondent was neutral about this feedback.

Interpretation-

The above chart shows the analysis of employees on the basis of impact of leadership on employees performance. According to which, the percentage of employees who agree that leadership affects employees performance is 65 percent and those who strongly agree with this statement are sharing the percentage of 28.

IV. CONCLUSION

While the training approaches in public and private sector banks exhibit certain variations, the overarching goal remains the same: to develop a skilled and motivated workforce. As the banking industry continues to evolve, the role of training will only become more critical. Banks that invest wisely in training and development will be better positioned to achieve their objectives and thrive in a competitive market. Both public and private sector banks recognize the importance of training in building a competent workforce. Effective training not only improves employee performance but also fosters a positive work environment, reduces errors, and enhances customer satisfaction. Moreover, it helps organizations adapt to changing market conditions and technological advancements.

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