

Training and Development Practices in Public and Private sector banks: A Comparative Study

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Abstract

This article analyzes the training and development practices in public banking sector and private banking sector. Training and Development is a key factor in human resource management practices. It enables an employee to develop their skills to get the better results in their performance. Training and development also improves the organizational performance of an employee and at each level training and development helps to enhance the job skills and knowledge in employees in an organization. Some changes have also been considered with the change of economic scenario in training and development. It is concluded that as compared to the public banking sector private banking sector are more conscious to provide training to their employees.

Keywords

Training and development, types of training, public and private banks.

Introduction

Training and Development is a key factor in human resource management practices. To improve an employee's performance in an organization training and development is an attempt; which also enhance the knowledge and skills in his/her through learning or by changing the attitudes in employees. Among organizations training programs have become widespread after the second world war. Nowadays in India, to perform well, public banking sector and private banking sector are competing with each other. In banks, nowadays traditional HR practices are being modified into innovative HR practices.

In a human resource development process, one of the most important segment is training and to develop a human resource are also important in this fast changing environment. In a planned

way, human resource development is a continuous process; which ensure the competencies, effectiveness and motivation for the employee's development. To work efficiently in an organization training motivates employees. Sometimes training also proved as a problem solving tool in an organization.

In today's competitive world, to fight out the challenges from other banks, a HRD department has to play a more important role in shaping the employees. For any organization both training and development are important.

In the opinion of Michel Armstrong, "to perform adequately in a job or task, training is a systematic development of the skills and knowledge which are required by an individual".

(Source: A Handbook of Human Resource Management Practice, Kogan Page, 8th Ed.,2001)

In the opinion of Edwin B Flippo, "For doing a particular job, training is an act of enhancing the skills and knowledge of an employee".

(Source: Personnel Management, McGraw Hill; 6th Edition, 1984)

Nowadays, banks are using the various channels of banking are as under given:-

- Nowadays all banks are providing ATM machines for the quick withdrawl of money.
- For the customer's help mostly banks are also being proving call centers.
- Banks are also proving their customers online banking facility for the transactions of money from one place to another over the internet.
- Mobile banking is also providing by the banks for banking transactions.
- Many banks have opened the branches of their bank in rural areas also.

(Source: Bimal singh and Dr.Vismita Paliwal)

For these types of facilities, more skilled employees are required and for this banks need to monitor their employee at regular interval.

In India, all banks are work under Reserve Bank of India and have been isolated in different areas. The following are as under given:

Private sector banks:-

A private sector bank is that which is run or controlled by a group of people or by an individual to gain profit.

- (non scheduled banks)
- (foreign banks)
- (scheduled banks)
- (new generation banks)
- (old generation banks)

- **Non Scheduled Banks:-** The banks which comes under the banking regulation act 1965 are known as non scheduled banks.

Non scheduled banks are those, which ought to have paid a reserve capital of five lakh rupees to the Reserve Bank of India and this capital must be kept up all through their operational period (as per the second scheduled of banking regulation act of 1965).

In India there are only four non scheduled banks are as under given:-

- (Akhand Anand Co-operative Bank Limited)
 - (Alavi Co-operative Bank Limited)
 - (Amarnath Co-operative Bank Limited)
 - (Amod Nagrik Sahakari Bank limited)
- **Foreign Banks :-** A foreign bank is that which follows the rules and regulations of the host countries and home countries also and the head office of a foreign bank are located in outside the country.
- **Scheduled Banks:-** The banks which comes under the second scheduled of Reserve Bank of India regulation act 1934 are known as scheduled banks.

A Scheduled banks may be a:-

- (Private Sector Bank);
- (Public Sector Bank);
- (Scheduled Co-operative Bank);
- (Regional Rural Banks);
- (Foreign Banks)

- **New Generation Banks :-** Under Narsimhan committee, a new policy were made as given under:
 - (Liberalization);
 - (Privatization);
 - (Globalization);

Indian government permitted new generation banks in the country and the list of such banks are as under given;

- (HDFC Bank);
- (ICICI Bank);
- (YES BANK);
- (KOTAK MAHINDRA BANK);
- (AXIS BANK);
- (BANDHAN BANK);
- (INDUSIND BANK);
- (DCB BANK)

- **Old Generation Bank :-** In 1969, before the nationalization the old generation bank were existed and kept their independence since they were either to small or specialist to be incorporated into nationalization.

Public sector banks:-

A public sector bank is that, which is run or controlled by the government and all the decisions are taken by the government.

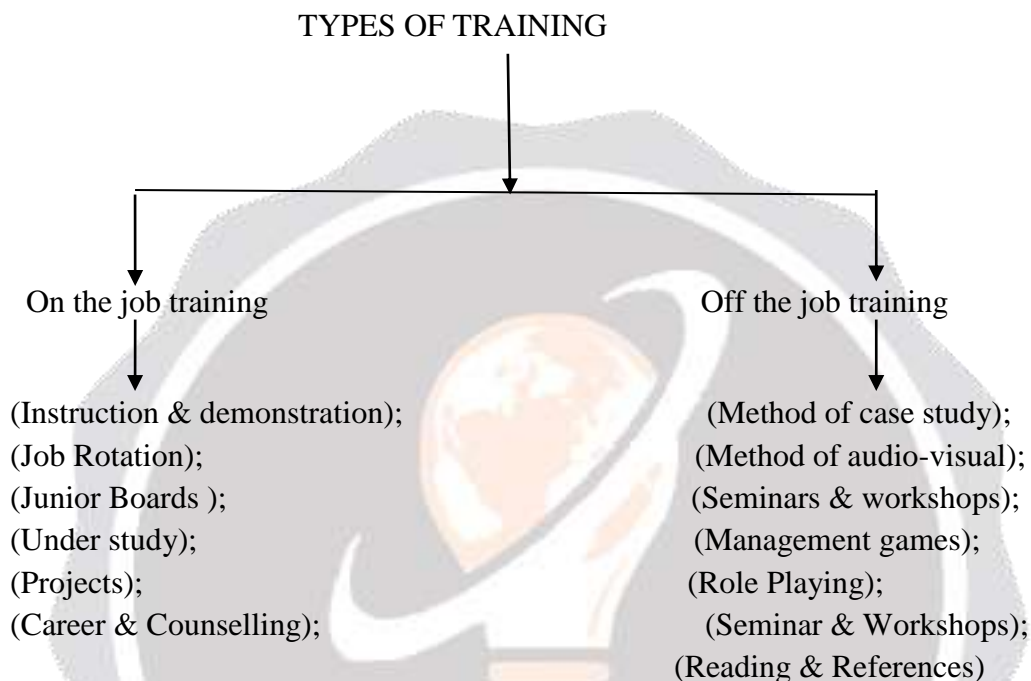
- (State bank of India)
- (Regional rural banks)
- (20 nationalized banks)

Co-operative sector:-

- (State co-operative banks)
- (Central co-operative banks)

Types of training and development programs

The types of training and development programs are as follows:-



AUTHORS	DISCUSSION
Oatey (1970)	Studied that in any organization training helps in the development of an employee and also improves an employee's skills and knowledge at a task.
Hesseling (1971)	Explored that in order to attain a objective, it is a sequence of opportunities and experiences which was designed to modified an employee's attitude.
Sharma (1974)	Studied that the banks were only concentrated their operations only in developing cities and town and to attract the attention of banks with reasonable potentialities of growth has also been failed in rural and semi urban centres.
Sampat, Vaghul and Varde (1977)	Examined that in an industry, the aim of a training system will have to be providing banking education to the employees.

Kane (1986)	Examined the methodologies that the organization can take to training and development and proposes that the decision of approach ought to be founded on an organization's needs and staff.
Chris (1996)	Studied that for the organizational growth the aim of the training and development to developing competencies like; technical and conceptual.
Tan, Hall and Boyce (2003)	Studied that for future needs organizations making huge investment on the programmes related to training and development.
Chih ,Li and Lee (2008)	Studied the following parameters on which a training programme is dependent; learning programme perceived value and learning conditions response.

Conclusion

In spite of the fact that challenges and difficulties occur also in the training and development department of both public sector banks and private sector banks yet from the above examination it might be inferred that training of private banks is superior than public sector banks.

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