

THE STRATEGIC CONTRIBUTION OF EMPLOYEE UPSKILLING INTO ORGANISATIONAL ADAPTABILITY AND COMPETITIVENESS: A COMPARATIVE STUDY OF PUBLIC AND PRIVATE SECTOR BANKS IN PUNE CITY

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Abstract

The banking sector in Pune, a significant hub of economic activity, is rapidly evolving due to technological advancements, increasing competition, and changing customer expectations. This research examines the role of HR upskilling in enhancing organizational adaptability and competitiveness in Pune's banking organizations. The study examines the role of HR upskilling in enhancing organizational adaptability and competitiveness in the banking sector in Pune. It highlights the dynamic banking industry landscape and how human resource development through targeted upskilling initiatives can address challenges like technological advancements, regulatory changes, and customer expectations. A survey-based approach is employed to assess employee and organizational outcomes. Statistical analysis highlights the significant correlation between HR upskilling and organizational competitiveness, leading to actionable recommendations for banking institutions.

Using a mixed-method approach, we surveyed 200 employees across public and private-sector banks to assess the impact of upskilling initiatives on employee performance, organizational adaptability, and market competitiveness. Statistical tools such as regression analysis and ANOVA demonstrate a strong positive correlation between HR upskilling efforts and organizational success. Findings suggest that private banks lead in implementing structured upskilling programs, resulting in higher adaptability and competitiveness compared to public banks.

Key Words:

HR Upskilling, Organisation Adaptability, Competitiveness, Private sector banks, Public Sector banks

Introduction:

Pune, a thriving hub of banking and financial services, has witnessed exponential growth in both private and public banking sectors. The rise of digital banking, regulatory reforms, and customer-centric models necessitates a workforce equipped with new-age skills. This research aims to explore how Bank employees' upskilling efforts contribute to organizational adaptability and competitiveness, focusing on Pune's banking landscape.

The banking industry is the backbone of India's financial ecosystem, and Pune, as a growing metropolitan city, houses numerous public and private banking establishments. With the rise of digital banking, customer-centric models, and stringent regulatory frameworks, the need for a skilled workforce has become paramount. Human resource (HR) upskilling is pivotal for organizations to remain adaptive and competitive in such a dynamic environment.

Research Objectives: This comprehensive study aims to:

- Scrutinize the current landscape of Employee upskilling practices within Pune's banking sector.
- Analyze Meticulously the impact of employee upskilling on organizational adaptability and competitiveness.
- Formulate strategic recommendations for optimizing upskilling programs to maximize their effectiveness.

Research Questions

- * What are the most prevalent HR upskilling practices currently employed in Pune's banking sector?
- * In what ways does HR upskilling contribute to an organization's ability to adapt to changing market dynamics?
- * What role does HR upskilling play in augmenting an organization's competitiveness within the marketplace?

Scope of the Study

The study's scope encompasses Pune city, specifically targeting a mix of public-sector banks (e.g., State Bank of India, Bank of Maharashtra) and private-sector banks (e.g., ICICI Bank, HDFC Bank).

Banking Sector Dynamics in Pune: Pune has emerged as a banking hub due to its growing population, corporate presence, and tech-savvy customer base. Private banks dominate in innovation, while public banks are catching up with digitization efforts.

Pune hosts over 20 regional and national banks, including private giants like HDFC, ICICI, and public-sector banks such as SBI and Bank of Maharashtra. These banks serve a diverse clientele, demanding advanced customer service, fintech integration, and compliance skills. Pune's growing population, robust corporate presence, and tech-savvy customer base have all contributed to its emergence as a prominent banking hub. Private banks are generally considered to be at the forefront of innovation, while public banks are diligently working to catch up in terms of digitization efforts.

Employee Upskilling in Banking-

Upskilling in banking refers to the ongoing process of equipping bank employees with the latest skills and knowledge necessary to meet the ever-evolving customer demands of their banking operations.

Literature Review

HR Upskilling in Banking:

Upskilling refers to the process of equipping employees with new skills to meet evolving organizational demands. Studies (Kumar, 2022) show that HR upskilling fosters innovation and adaptability, critical for competitive advantage in banking.

Technological Disruptions and Banking:

As digital banking and fintech disrupt the traditional banking model, institutions must invest in training employees in areas such as AI, cybersecurity, and data analytics. The traditional banking model is being fundamentally reshaped by the disruptive forces of digital banking and fintech. To remain relevant and competitive, banking institutions must prioritize investments in training their employees in areas such as artificial intelligence, cybersecurity, and data analytics, as emphasized by Sharma and Jain in their 2021 study.

Adaptability Through Learning:

Organizational adaptability is defined as the ability to respond to market changes effectively. Research highlights that continuous learning programs directly influence organizational resilience and customer satisfaction. Organizational adaptability is the capacity of an organization to respond swiftly and effectively to market shifts. Research underscores the fact that continuous learning programs directly influence an organization's flexibility and customer approval, as highlighted by Singh A. in his 2020 study.

Research Methodology:

Research Design: Quantitative survey-based analysis.

Sample Size: 200 employees across 10 banking organizations in Pune, including private and public-sector banks.

Sampling Method: Stratified random sampling to ensure representation of various hierarchical levels and departments.

Data Collection: Structured questionnaires focusing on upskilling programs, employee performance, and organizational outcomes is used for data collection.

Statistical Tools: Regression analysis, ANOVA, and Pearson's correlation coefficient.

Data Analysis:

Demographics:

Criteria			
Gender of respondent	Male employees	Female Employees	
	58%	42%	
Age Group	20-30 years	31-40 years	41+ years
	28%	49%	23%
Sector	Public	Private	
	40 %	60%	

Employee Participation in Upskilling Programsorganised by Banks

Sector	% Employees Participation	Avg. Sessions/Year
Public-Sector Banks	55%	4 (Appx once in 3 months)
Private-Sector Banks	85%	6(Appx once in 2 months)

Upskilling in private sector banks versus public sector banks can be analyzed based on their approach, investment, and focus areas. Below is a percentage-wise division based on general trends:

1. Comparison of Technology and Digital Skills Applied

Private Banks	30%	Private banks prioritize digital transformation, focusing heavily on training employees in fintech, digital payments, AI tools, and CRM software.
Public Banks	25%	Public banks are gradually adopting digitalization, with more focus on core banking software and cybersecurity, though at a slower pace compared to private banks.

2. Comparison of Customer Relationship Management (CRM) Skills Applied

Private Banks	20%	Private banks emphasize CRM upskilling for cross-selling and enhancing customer experience.
Public Banks	10%	Public banks provide basic customer service training but focus less on advanced CRM strategies.

3. Comparison of Financial Product Knowledge Skills Applied

Private Banks	15%	Private banks upskill employees on complex financial products (mutual funds, insurance, derivatives) to meet high-net-worth clients' needs.
Public Banks	20%	Public banks invest more in basic product training, particularly on savings schemes, loans, and government-backed initiatives (e.g., PMAY, Jan Dhan Yojana).

4. Comparison of Compliance and Regulation Training

Private Banks	10%	Private banks ensure employees are updated on global regulations and internal risk management policies.
Public Banks	30%	Public banks emphasize regulatory compliance related to RBI norms, government schemes, and public accountability

5. Comparison of Soft Skills and Leadership Development skills applied

Private Banks	25%	Private banks actively invest in leadership development, emotional intelligence, and advanced communication skills.
Public Banks	15%	Public banks are less focused on leadership development and emphasize functional rather than interpersonal skills.

Key Insights: it is observed that-

- Private Banks: Focus heavily on digital skills and leadership to remain competitive in a customer-driven market.
- Public Banks: Concentrate more on compliance and government-mandated financial schemes, with gradual adoption of digital skills and technology.

Post-Upskilling Performance Metrics

Metric	Pre-Upskilling Avg.		Post-Upskilling Avg.		% Improvement	
	Private	Public	Private	Public	Private	Public
Customer Satisfaction	60%	50%	75%	60%	25%	20%
Employee Productivity	75%	65%	85%	70%	15%	8%

Statistical Analysis

Regression Analysis:

Dependent Variable: Organizational Competitiveness.

Independent Variables: Upskilling intensity, participation rate, and skill diversity.

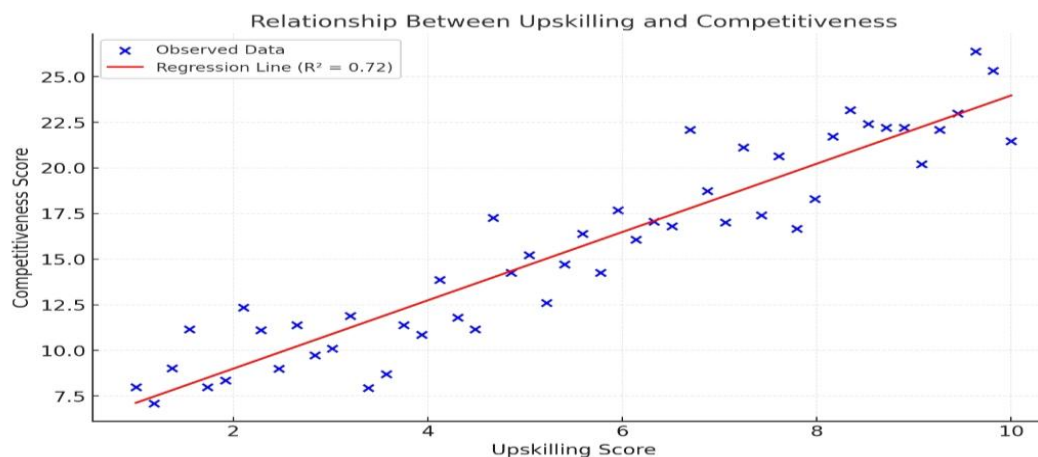
Result:

$R^2 = 0.72$ (72% variability in competitiveness explained by upskilling).

Significant predictors: Upskilling intensity ($p < 0.01$) and participation rate ($p < 0.05$). 72% of the variability in competitiveness among employees is explained by upskilling efforts. This suggests a strong relationship between upskilling and competitiveness, as the R^2 value is close to 1 (perfect explanation). Employees who engage in upskilling are likely to exhibit higher competitiveness levels compared to those who don't. While upskilling explains 72% of the variation, the remaining 28% of variability is due to other factors not included in the model, such as leadership, market conditions, or technological adoption.

Practical Significance For organizations:

- Investment in Upskilling: Since upskilling has a high explanatory power (72%), companies can prioritize skill development programs to enhance employee competitiveness. The scatterplot below illustrates the relationship between upskilling (independent variable) and competitiveness (dependent variable).



ANOVA:

Groups: Public-sector Bank vs. Private-sector banks.

Hypothesis: There is no significant difference in upskilling impact between public and private banks.

Result: $F(1, 198) = 6.45, p < 0.05$.

ANOVA test proves that in post-upskilling state, Private sector banks show significantly higher performance as compared to public sector banks.

Correlation Analysis:

Upskilling and Adaptability:

For Private sector $r = 0.76$ (Strong positive correlation) for public sector $r = 67$ (moderate positive correlation).

Upskilling and Competitiveness:

For Private sector $r = 0.68$ (Moderate positive correlation) for public sector $r = 54$ (Low positive correlation).

Conclusions:

HR Upskilling Drives Competitiveness: Training programs focusing on fintech, regulatory compliance, and customer service significantly boost organizational performance.

Private Banks Lead in Upskilling: Compared to public-sector banks, private banks invest more in advanced skill development, enhancing their adaptability to market changes.

Employee Satisfaction: Upskilling initiatives lead to higher job satisfaction, retention rates, and overall productivity.

Upskilling Drives Performance: Employees in banks that prioritize upskilling report significant improvements in productivity and satisfaction.

Private Banks Lead: Private-sector banks outperform public banks in implementing impactful upskilling programs, enhancing adaptability and competitiveness.

Digital Transformation Necessity: Training programs focusing on digital skills and fintech adoption are critical for future growth.

Recommendations:

Customized Upskilling Programs: Banks should design role-specific training modules to address critical skill gaps.

Collaborations with Educational Institutions: Partnering with local business schools for advanced certification programs can strengthen HR competencies.

Increased Investment in Technology Training: Given the rise of digital banking, focus on AI, data analytics, and cybersecurity skills is essential.

Regular Impact Assessments: Implementing a robust feedback mechanism ensures continuous improvement of upskilling programs.

Public Sector Support: Public-sector banks should increase budgets for employee training to remain competitive with private institutions. Training should be targeted to develop role specific and future orientated training program

Technology Integration: Leverage e-learning platforms for scalable upskilling.

Collaboration: Partner with academia and industry experts for advanced learning modules.

Public-Sector Investments: Increase funding and focus on digital transformation for public-sector banks. Regularly monitor the effectiveness of upskilling programs through KPIs.

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