5.1 Conclusion and Findings

In this research, an attempt has been made to study training and development challenges, and the relationship between performance, job satisfaction and attrition with training and development in State Bank of India, India and Bank Melli Iran, Iran. Changes are currently overawing the Indian and Iranian banks and the urgency for training and development to enhance the employees’ competencies are getting intensified in the banking sector.

The study found out that training and development has been widely accepted as a crucial input for improving managerial competence which ultimately increases organizational efficiency and effectiveness. Increasing emphasis on training and development by the Government, business organizations, academicians and practitioners over the years have provided enough impetus to the growth of organizations. As a result, there is a mushroom growth of management education, training and development institutions in private, public and cooperative sectors of the India and Iran. Despite hectic developmental efforts in the field of management training in India; it has not been able to establish its own status, reputation and professionalism.

Training and development in the Indian Banking Sector provides the professional training through various avenues such as in-house training establishments of respective banks, training colleges of Reserve Bank of India and collaborative training institutes such as National Institute of Bank Management, Pune, Southern India Banks Staff Training College, Bangalore, North-East Institute of Bank Management, Pune, Reserve Bank of India Training College, Mumbai.
Management, Guwahati etc. But the weakness of these establishments is that they essentially cater to the training needs of staff up to promotion scale level only.

State Bank of India training and development efforts span more than four decades and is based on an in-depth understanding of the business and banking environment, domestic as well as international. Training philosophy in State Bank of India is a proactive, planned and continuous process as an integral part of organization development. It seeks to impart knowledge, improve skills and reorient attitudes for individual growth and organizational effectiveness. State Bank Staff College, Hyderabad, State Bank Academy, Gurgaon, and State Bank Institute of Rural Development provide training and development facilities to the bank staff.

In Iran, training and development has a large network of private, public, and state affiliated universities and institutes offering degrees in higher education. Iranian banking industry have their own training centers along with the Universities, Institutes, and colleges which offer wide range of banking specializations, and training courses, and carry on staff training and development courses. Iran Banking Institute (IBI) is one of the main centers for training of bank staff. The Iranian Banking Institute (IBI) was founded in 1963 as a non-profit institute established by the Central Bank of Islamic Republic of Iran as an autonomous apex institute with the mandate of playing a proactive role of training of the banking system. IBI is the only national institution devoted exclusively to provide top quality banking and finance training courses in Iran. The Institute’s mission is to develop an Islamic, responsive and forward looking banking system armed with the modern knowledge of banking practices at the highest international standards.

The present study concentrates itself on training and development challenges of banks in India and Iran with special reference to State Bank of India and Bank Melli Iran.
Objectives of the Study determined as follows:

1. To study the training and development practices of banks in India and Iran.

2. To find out the impact of training and development on job satisfaction of employees in State Bank of India and Bank Melli Iran.

3. To find out the relationship (if any) between training and development of the employees and the attrition in the two selected banks.

4. To find out the relationship between external and internal environment with training and development program of two banks under study.

5. To examine the training & development challenges in the two selected banks.

6. To suggest ways and means of improving the training and development climate in the two selected banks which would in turn give rise to the effectiveness of the organizations' performance.

The scope of this study includes the following two public sector banks:

1. State Bank of India, India.

2. Bank Melli Iran, Iran.

The study concentrates on the managerial and clerical staff in both the banks. These banks have been selected for the present study due to the reason that these are considered to be the largest, older and dominant banks in the public sector in the two countries. This study was carried out during the period stating from 2006 up to February 2010.
The sample in this study consisted of managerial and clerical staff of the two banks. A sample of six hundred (600) managerial and non-managerial staff was selected from both of the countries. The sample comprised three hundred (300) managerial and non-managerial staff of State Bank of India, covering branches and Local Head office in Chandigarh, Mohali and Punchkula. Three hundred (300) managerial and non-managerial staffs of Bank Melli Iran were also included, covering employees of branches in Ardebil and Gilan provinces. In the process of data collection, out of six hundred (600) distributed questionnaires in total, four hundred seventy six (476) were collected, 206 from Indian subject and 267 from Iranian subject.

The questionnaire was designed in a way to obtain the view of respondents regarding the above-mentioned problem. Construction of questionnaire has been finalized after pre-testing of questionnaire.

The data collection process was conducted in the following phases:

**Phase 1**- India: The investigator distributed questionnaire and collected data from the branches of State Bank of India in Chandigarh, Mohali and Punchkula.

**Phase 2**- Iran: 43 Branches of Bank Melli Iran from Rasht, Hashtpar, Anzali, Astara, the cities in the province of Gilan and Ardebil, Nir, Meshkin Share, the branches in the province of Ardebil were selected randomly by the investigator for data collection.

**Phase 3**- Presentation and analysis of the collected data: the procedure for scoring the responses on each item was based on the directions and criteria laid down in the manual of the tools used. The next step was to tabulate the observations of the respondents pertaining to each variable. The version 11.5 of Statistical Package for the Social Science (SPSS) computer software package was used for analyzing the data.
The study’s sources of data include primary and secondary data sources. Primary data were collected through structured questionnaires and the interviews. The secondary data were collected from the available and relevant documents such as RBI Bulletins, Report on Trends and Progress of Banking in India, periodical reports, books, dissertations, notebooks, official documents, manuscripts, article of association, prospectus, journals, and official web-site of the selected banks and other sources from the internet.

Based on the literature review, needs of study and above written objectives, the following hypotheses were formulated:

H01: There is no impact of internal and external environment on training and development in State Bank of India and Bank Melli Iran.

H02: There is no impact of training and development in the overall performance of employees in the banks selected under study.

H03: There is no relationship between training and development of the employees of banks under study and the job satisfaction.

H04: There is no relationship between training and development of the employees of banks under study and the attrition.

H05: Training and development methods are not vital in the process of employees’ training and development.

H06: Training and development challenges do not have impact on training and development programs.

The researcher evaluated theoretical basis of subject from the available research articles, thesis, books, internet networks, and other relevant sources. The theoretical part revealed that the effectiveness of training is to improve the working condition in the banks that depends upon many factors such as: trainees and trainers, the subject
taught and training measurement tools etc. Training should begin with a thorough understanding of trainees’ abilities, needs and the settings in which they work. Based on the hypotheses, the study revolved around training and development challenges, training and development methods, the factors affecting training and development, training and development impact on employees’ performance, Job satisfaction, and attrition.

Regarding the training and development challenges the study reveals that there is increasing pressure on the staff of the banks, so the banks are to perform quickly and adapt to changes soon.

Training can be influenced by two categories of factors as follows:

1. Personal factors including desire for personal growth and development, incentives or benefits of learning, consistency between personal learning objectives and program objectives, self-image and level of self-esteem, situation in the organization, reason and manner of sponsorship, previous training experiences of the participants, participants' learning style and skills, and family situation and personal problems.

2. Environmental factors including: program contents or the topics, training strategies, methods and techniques, trainer/training team, general learning environment in the program, relationship with other members of the group and the trainers, and composition of the training group.

The improved quality of employees through their training and development are major factors in determining long-term profitability of any organization. Applying proper training and development methods increase productivity and quality of workers, and they do the right task in the right way, waste less time and fewer materials. Choice of training methods depends, in part, on time and resources available, but most of all, it depends on the training objectives, the type of skills or knowledge to be developed.
Regardless of task or skill complexity, the use of multiple methods for training is a good strategy when trying to help many employees learn the same thing. While some people can pick up knowledge through explanation and discussion while seated in a quiet room, others may need to observe a demonstration or to personally perform the operation themselves.

There are two broad types of training and development methods available to organizations: On-the-job and Off-the-job techniques. On-the-job training methods such as orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching are useful for new employees. By using these methods employees are getting a good feeling on the job and improving their performance. Off-the-job training and development methods in both cognitive and behavioral categories provide new knowledge, improve required skills to the employees and finally enhance overall performance, job satisfaction and reduce attrition. Cognitive methods are more of giving theoretical training to the trainees and emphasize on involvement, require a great deal of trainer preparation and planning. Behavioral methods are more of giving practical training to the trainees, and training becomes more reality-based, as trainees are actively involved in the training process.

Theoretical part of study concluded that training may influence workplace performance directly by raising output per worker, or be measured indirectly through its impact on the wage on the assumption that this is equal to the marginal productivity of labor. Organizations are interested in and, consequently, invest in training and development in order to develop highly involved employees.

While there is clear evidence that training is positively associated with job satisfaction, the relationship between skill acquisition and job satisfaction is not straightforward. First, there is the distinction between general and specific skills. The portability of general skills may raise job satisfaction as it is easier to move to other jobs where satisfaction is higher. In contrast, specific skills bind the worker to be firm and may reduce satisfaction by creating a barrier to exit as workers will lose a portion of the return on such skills if they move. This leads on to the question of the matching of individual skills and levels of education with job requirements. If
workers are mismatched in terms of skill and education requirements, this may lower job satisfaction, as evidenced in the literature reviewed.

Present study concluded that attrition is a universal phenomenon and no industry including State Bank of India and Bank Melli Iran is devoid of it. Training and development is not the only factor affecting attrition. Attrition is also affected by many factors other than training and development.

Data Analysis and Hypotheses Testing

Data analysis was processed through the general part of questionnaire including name, gender, age, qualifications, designation and work experience or job history. The gender analysis in the present study shows that in Indian banks the male employees are more than the Iranian banks but in other demographic profiles the distributions are similar especially age wise as most of the employees in both banks are at the age 20-30.

The researcher infers the following results in relation to the various hypotheses formulated for the study:

**H0₁**: It was expected that internal and external environment do not have impact on training and development in State Bank of India and Bank Melli Iran. To explore the relationships between training and development with external and internal environment, T-Test and U Mann Whitney test were applied. Results of applied statistical tools supported the hypotheses H₀₁. But in comparative testing of first hypotheses the results show that all internal and external environment statements don’t have significant effect at 0.05 levels of significance except the statement regarding training and development policy that presents significant effect at 0.05 levels. Out of seven statements only one statement is p < 0.05 level and other six statements are p > 0.05. (Chapter four table 4.12).

Hence null hypothesis has been accepted i.e. there is no meaningful difference between employees’ perception regarding impact of internal and external environment on training and development in the state bank of India and Bank Melli Iran.
**H02**: It was expected that training and development don’t have impact on overall performance of the employees of State Bank of India and Bank Melli Iran. For testing this hypothesis the data analysis revealed that there is a positive impact of training and development in overall performance of employees in the both banks under study. (Chapter four table 4.13 T-Test and 4.14 Mann Whitney Test).

**H03**: It was expected that there is no relationship between training and development of the employees of both banks under study and the job satisfaction. In testing this hypothesis the results confirmed that training and development has relationship with job satisfaction in State Bank of India and Bank Melli Iran. (Chapter four table No. 4.15 T-Test).

**H04**: It was expected that there is no relationship between training and development of the employees of banks under study and the attrition. The data analysis dealing with hypothesis concluded that all the statements of Attrition are non significant at 0.05 level. (Chapter four, table 4.16 T-Test and 4.17 Mann Whitney Test).

Hence, it has been concluded that training and development do not prevent the attrition rate of bank employees in State Bank of India and Bank Melli Iran. As in theoretical part of the study of Hay Group’s and other researcher on the attrition is shown, that out of seven elements of attrition only two were related to training and development.

The present study revealed that less wages and salaries were the main reason for employees leaving the banks under study. Second factor was Lack of positive direction, third was discrimination in promotion, fourth was limited career opportunities, fifth was improper working condition and last but not the least is overwork and burnout.

**H05**: It was expected that training and development methods are not vital in the process of employees’ training and development. After testing this hypothesis the data analysis result show that all the methods are appreciated by the employees of both banks under study. The employees preferred discussion method, most followed by lecture, demonstration, computer-based, equipment, and case study training methods. It is evident that the study results revealed that discussion method is rated at the first rank, followed by lecture at second rank, demonstration at third rank and...
computer based training at fourth rank. The first three statements of training and development methods are significant at 0.05 levels and rests of all eight statements are non-significant. Eight statements have p > 0.05 and for three statements p < 0.05, (Chapter four Table 4.18 and Table 4.19).

This reflects the training and development methods in both banks under study. Overall it showed that there is non-significant effect, so we accept the null hypothesis i.e. training and development methods are not vital in the process of employees’ training in State Bank of India and Bank Melli Iran.

H0s: It was expected that training and development challenges do not have impact on training and development programs. In testing hypothesis for training and development challenges the overall results for the State Bank of India and Bank Melli Iran show that the high employee turnover was at the first rank, complex work environment the second rank, fast changing technology the third rank and decreasing training and development budget at the fourth rank, low job satisfaction at the fifth rank. (Chapter four table 4.20).

In comparison of State Bank of India and Bank Melli employees perception, T-Test result in chapter four (table 4.21) shows that all training and development challenges are non-significant at 0.05 level of significance, and also show that mean score of challenges for Indian profiles vary between 2 and 3.76, whereas for Iranian, mean score of challenges vary between 2 and 3.78, as p > 0.05 for all statements. So, it is concluded that there is no significant differences between employees perception about training and development challenges in both banks under study. (Chapter four table 4.21). Therefore, null hypothesis was accepted i.e. training and development challenges do not have impact on training and development programs according to employees’ perception of both banks under study. The research results have shown that low job satisfaction has been ranked as number one training and development challenge followed by low unemployment, decreasing training and development budget, short attention span, high employee turnover, fast changing technology, complex work environment and Limited classroom time.

5.2 Suggestions
On the basis of results and findings of present study, the following suggestions are made:

- Internal and external environmental factors have a major bearing on training and development. Hence, while formulating training and development policies and methods, the environmental factors affecting training and development i.e. desire of personnel for growth and development, previous training experiences of the organizations’ employees, learning style, skills and general learning environment in the organization must be studied in detail.

- The study reveals that there is positive impact of training and development in overall performance of employees in both the selected banks. Hence, regular training and development should become integral part of working lives of employees in State Bank of India and Bank Melli Iran, so as to improve their performance.

- The study reveals that attrition is not directly related to training and development. Hence, the factors other than training and development like better wages and salaries, positive direction, effective promotion policy, better career opportunities, proper working conditions and optimum workload should be given a lot of emphasis to prevent attrition.

- Most widely preferred methods for training and development in the banks under study are Discussion, lecture, demonstration, computer-based, equipment, and case study. Hence, a combination of these methods should be used for effective training in banks under study.

- Training and development methods and programs in both the banks under study should be designed to meet the challenge of job satisfaction and low employment. The factors affecting job satisfaction and employment must be taken care of while designing training and development methods.

- State Bank of India and Bank Melli Iran should increase their training and development budget to support increasing need of training for employees.
• The duration of training sessions and the period for training and development should be increased to fulfill the need of more training for employees of both banks under study.

• To gather proper attention of participants, the training sessions should be more informative and interesting.

• Fast changing technology should be an important ingredient of all training and development programs so that employees remain technology friendly.

5.3 Limitations of the Study

Some of the limitations of the current research are stated below which affected the present study.

1. The study of State Bank of India restricts to three cities of Chandigarh, Mohali and Panchkula in India and for Bank Melli Iran only two Ardebil and Gilan provinces of Iran have been taken. Thus, the findings may not be of the general nature in both the countries as a whole.

2. Since the study was conducted in banking sector, it cannot be generalized for other organizational settings.

5.4 Directions for Further Research

On the basis of results and findings of present study, the following suggestions and recommendations are made for further research in this area:

1. The study may be planned on very large sample.

2. The present study examines training and development practices, in the State Bank of India and Bank Melli Iran. A comparative study including more banks may be undertaken.

3. More research needs to be conducted in order to better understand how to use new technologies to maximize training and development outcomes.