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COMPARATIVE EVALUATION OF TRAINING AND DEVELOPMENT OF THE PERSONNEL IN TEJARAT BANK AND HEKMAT IRANIAN BANK

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ABSTRACT

Like other institutions and organizations, banks have human force assets. Taking this property, in addition to the financial assets, distinguishes banks from one another. One of the factors that exceed human resources in importance in organizations is training and development. Therefore, the aim of the study is to compare the status of training and development of the personnels of Tejarat Bank and Hekmat Iranian Bank in terms of the type and extent. This research is a descriptive survey which examines and compares the status of training and development of the personnels of Tejarat Bank and Hekmat Iranian Bank via distributing questionnaire. Results show that in comparison, Hekmat Iranian Bank outperforms Tejarat Bank in training and development of the personnels. Moreover, the type and extent of training in Hekmat Iranian Bank enjoys a huge variety compared to Tejarat Bank. In addition, to design the curriculum, Hekmat Iranian Bank has considered the practical needs of the personnels and continuity of the courses.

Keywords: *Training and Development, Human Resources, Personnel, Tejarat Bank, Hekmat Iranian Bank*

INTRODUCTION

It is obvious that banks are different in some of their strategies. Nevertheless, the concept of training in banks to improve the practicing personnel's performance is well-defined. Banks, like other organizations in the international business market, regularly improve their human resource systems. One of the subsystems of this overriding concern is training and development of the personnel. In addition to library research, banks can improve their training status though examining the successful training systems in other banks and organizations.

However, we still notice the deficiency in effective training in some organizations, specifically banks. Although bank staffs undergo regular on-the-job training from the time of their employment until their retirement, the training is mainly more theory-based than practical which in some cases brings about the personnel's dissatisfaction. Even in cases, the training fails to achieve its main objective that is to enhance the performance standard of the staffs. In this respect, timely training with realistic need analysis can play a significant role in improving the training process. It is also possible to discern and eliminate the shortcomings of the training system by comparing it with the training status in other organizations. This study aims to compare the training and development of the personnel of Tejarat Bank and Hekmat Iranian Bank and analyze the results.

Training and Development

As we know, the training of personnel is an absolutely crucial need in organization. The training helps the personnel to be more active and effective in their roles. In the process of training, the staffs learn materials through a structured and coherent experience that will help him improve their performance on the job (Irwin *et al.*, 2001; Raymond, 2004). Also, a big chunk of the development of human resources will be steered toward providing an environment where the personnel are encouraged to expand and develop their knowledge and skills (Armstrong, 1381). Undeniably, training plans augment the effectiveness of an organization in three ways: Training will increase the personnel's commitment and motivation.

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- Training affects other activities of human resources as well and leads to increase in productivity of the organization.
- Training helps the personnel to realize their strategic objectives. (Stewart and Brown 1389 393-394). Apparently, training and development of the personnel is among the institutional assignments of an organization, however, it has a profound impact on the performance of the organization. This concept is so crucial that is named the training process. Training process is consisted of below phases:
 1. Identification of training needs
 2. Specification of the training objectives
 3. Adopting a training method
 4. Evaluation of the training courses

This process has some goals. Abtahi (1368) has referred to some of the most fundamental issues:

- Create knowledge or raise the awareness of the individuals or staffs
- Develop or improve job skills, social skills and their perception
- Form or develop the attitudes of the staffs
- Promote behaviors that are appropriate and well- adjusted to the values of the society in which people are employed.

Also, Newaz (2014) states the aims of training and development as follows:

- A better understanding of the functions and roles of staff in the organization
- Development of the skills of personnel in order to achieve organizational objectives
- Preparing of the personnel and equipping them with the organizational changes such as the mission, technological or hardware changes. The training objectives mentioned by two scholars are almost identical and compatible. In any case, training and development are indispensable to organizations. It can initially have substantial effects on the staffs; improve organizations as a result and ultimately bring about accomplishments in the community.

Background and the Main Strategies in Tejarat Bank and Hekmat Iranian Bank

Background and the Main Strategies in Tejarat Bank

Tejarat Bank is one of the oldest banks in Iran established over a hundred years ago, in 1266 as a state bank. Tejarat Bank is a pioneer in technology in Iran. This bank was the first user of Swift in Iran. On 28th of Ordibehesht, 1388, the CEO of Tejarat Bank declared the privatization of the bank with an emphasis on the Article 44, that indicates the assignment of 5% of the shares of the bank to the employees and assignment of 40% of the block to Saham Edalat. For the purpose of clarification in terms of privatization, Tejarat Bank has proposed its strategies as follow:

- A) Customer orientation
- F) Preserving the interests of shareholders
- C) Extensive promotion and development of overseas subsidiaries
- D) Development of modern information technology
- E) To promote the knowledge and expertise of human resources

Background and Strategies of Hekmat Iranian Bank

In 1388, in fulfillment of the guidelines of the Supreme Leader on the promotion of human dignity, improve the welfare of the staffs of the armed forces and to enhance the living standards and the bank and monetary services, the cooperative fund of the investors of BETAJA has been expanded to Hekmat Iranian Bank. This bank started its activities supported by I.R Army. This bank has proposed the following guidelines at the time of establishment.

- A) Development of Information and Communication Technology
- B) Customer relationship management
- C) Improving the quality of services
- D) Development of human resources
- E) Improving the performance indexes

As mentioned before, human resources development is a basic strategy in Tejarat and Hekmat Iranian banks. These two organizations give as much importance to human resources as financial assets.

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Former Research and Studies

Many studies have been done in the field of human resource development strategies so far. The issue of human resource development, particularly training and development were extensively discussed in the body of the studies. In 1389, Khosbakht conducted a research titled “*identifying and prioritizing the effective human resource on the promotion of the personnel*” which showed that there is no effective briefing system in traffic police force and it received the second priority after the employees` participation. Ghobakhloo (1390) carried out a study called “*Examining and planning human resources in Tejarat Bank*” in which he studied human resources provision, training and development of human resources, human resources maintenance and individual performance evaluation. In addition, this study proposed strategies for Tejarat Bank. Nowruzi (1390) conducted a study titled “*Developing Human Resource Strategy for Buali Sina Petrochemical Company*”. Using SWOT model he has discovered that the personnel`s training status is a shortcoming in internal analysis. The employees in Buali Sina Petrochemical Company had complained about the training. Another study by Newaz (2014) titled “*Examining the Training and Development in BRAC Bank, India*” analyzes the bank and makes some suggestions concerning the training status. Regarding the presence of research and development centers in Tejarat and Hekmat Iranian banks, a great deal of research has been done in various fields. These organizations are being constantly monitored. However, no comparison has been made in the field of training and development of employees of these two private banks.

MATERIALS AND METHODS

Research Methodology

The studies on both banks were descriptive surveys. The study was conducted using a questionnaires distributed among the employees of Tejarat and Hekmat Iranian Banks. Given the fact that, Tejarat Bank is older and more extensive, the random sampling was done. 178 questionnaires have been returned. As for Hekmat Iranian Bank, the sampling was done in the whole population due to its smaller size compared to Tejarat Bank. 218 questionnaires have been returned.

To assess the training and development of the employees at both banks of the following criteria were used:

The effectiveness of training programs

1. Knowledge and skills offered to the personnel in training courses should be tailored to the needs of employees
2. Training courses offered should facilitate many problems encountered in the field of business
3. training programs should be completely comprehensible for staffs
4. Comparison of the training and development status of the employees (respondents) in Tejarat Bank and Hekmat Iranian Bank

Comparison of the respondents in Tejarat Bank and Hekmat Iranian Bank

Comparison of the demographics of the respondents in Tejarat Bank and Hekmat Iranian Bank

Table 1: Gender frequency distribution in Hekmat Iranian and Tejarat Banks

Hekmat Iranian Bank	Tejarat Bank	Gender
34.9%	77%	male
65.1%	23%	female
100%	100%	total

As you can see, the demographic proportion of men to women in Tejarat Banks is more than double (2.3), in Hekmat Iranian Bank; however, it is less than double (1.8). The relatively equal distribution of men and women in Hekmat Iranian Bank is has been considered.

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Table 2: Education frequency distribution of the respondents in Hekmat Iranian and Tejarat Banks

Hekmat Iranian Bank	Tejarat Bank	Education
9.2%	0.56%	Diploma
20.2%	3.37%	college diploma
63.3%	71.35%	Bachelor
7.3%	24.72%	Master and higher
100%	100%	total

The results show that the majority of the personnel in the two banks hold bachelor degrees. The values obtained from the two banks are relatively close.

6.2 Comparison of the measures of training and development of the employees (respondents) in Tejarat Bank and Hekmat Iranian Bank.

Table 2: Frequency distribution of the measures factors from the perspective of the respondents in Tejarat and Hekmat Iranian Banks

Total	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Question
100	0	28.09	28.65	43.26	0	% Tejarat Banks training
100	11	22	23.9	33.9	9.2	% Hekamt effectiveness
100	0	28.65	56.47	14.61	0	% Tejarat Knowledge and
100	3.7	14.7	30.3	28.5	12.8	% Hekamt skills offered were geared to staffs` needs
100	1.69	29.78	39.33	29.21	0	% Tejarat Training provided
100	1.8	11	25.8	46.8	14.7	% Hekamt facilitated handling problems
100	0	0	56.74	43.26	0	% Tejarat Training programs
100	0.9	4.6	21.1	58.7	14.7	% Hekamt that are completely understandable by the employees

As it can be seen in the table, in comparison, Tejarat Bank received more positive points (43.26 %) and Hekmat Iranian Bank received (33.9%) points in terms of the effectiveness of training programs for employees. Therefore, there appropriate and effective programs in the two banks. Regarding the knowledge and skills provided in training that are gear to the needs of employees, Tejarat Bank and Hekmat Iranian Bank received respectively 56.4% and 30.3% neutral points (neither agree nor disagree). However, compared to Tejarat Bank, the employees of Hekmat Iranian Bank have given more positive points to this question (while there have been 28.5% agree choice and 12.8% completely agree choice). It can be concluded that the employees of Hekmat Iranian Bank and Tejarat Bank have no particular opinion about knowledge and skills appropriate to their needs. However, the related measure in Hekmat Iranian Bank received more affirmative answers. Concerning the measure training courses provided, it facilitated handling many issues for the staffs in the field of business. Hekmat Iranian Bank and Tejarat Bank with respectively 46.8% and 39.33% of the respondents, received agree and neutral choices. Moreover, the most number of *totally agree* (and *agree* choices belongs to the staffs in Tejarat Bank(respectively 14.7% and 46.8%).). As a result, the staffs of Hekmat Iranian Bank believe that the training offered by the bank empowered them in facing different problem, while the staffs in Tejarat Bank had no particular opinion about this measure. As for the measure completely understandable training programs,

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Hekmat Iranian Bank and Tejarat Bank have received respectively 58.7% and 56.74% agree choice and neutral (neither agree nor disagree) choice. This measure has received more positive points in Hekmat Iranian Bank. Thus, the training programs in Hekmat Iranian Bank are more comprehensible to the employees.

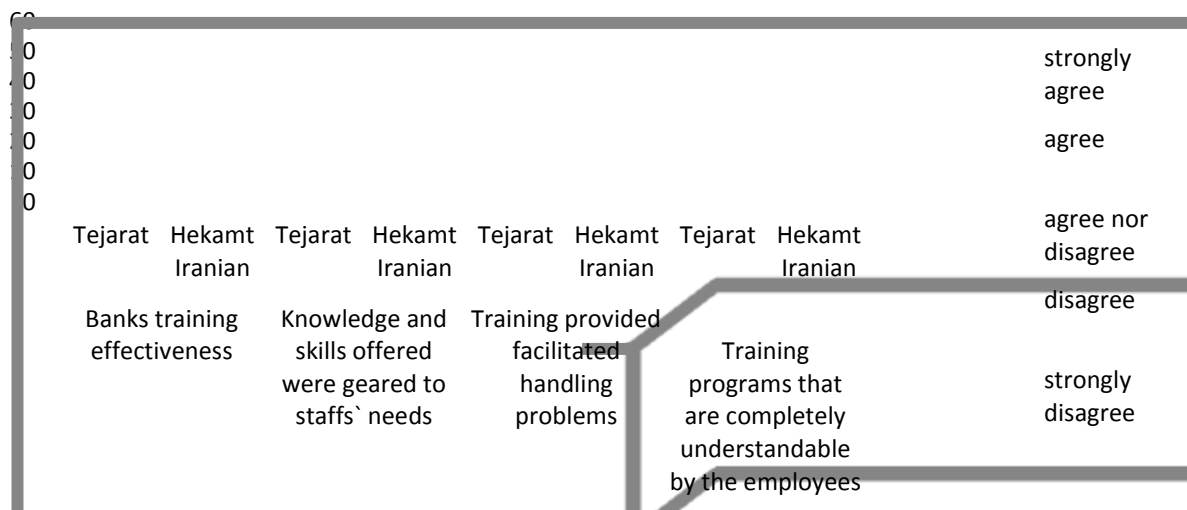


Figure 1: Comparison of training and development status in Tejarat and Hekmat Iranian Banks

Inferential test of the measures training and development of employees (respondents) Tejarat Bank and Hekmat Iranian Bank

✓ The hypothesis "the performance of training and human resource development in Tejarat Bank and Hekmat Iranian Bank is high and considerable".

The results of testing the hypothesis about Tejarat Bank according to K Square and Chi-square tests (108.292) show a significant statistical difference in the observed and expected frequencies with the error of 0.05. In addition, regarding the fact that the average percentage of the respondents lies between 3 to 3.5, it can be concluded that the training and development of employees in Tejarat Bank is in intermediate level. The results of testing the hypothesis about Tejarat Bank about Hekmat Iranian Bank according to single-sample t- parameter test and 0.01 significance level, show that there is a significant difference between actual and expected means. Furthermore, by comparing the actual mean (15.43) with the expected mean (12) we can suggest that the training and development of employees in Hekmat Iranian Bank is higher than expected .

Conclusions and Recommendations

As mentioned earlier, Tejarat Bank is a long-established organization with a background of over one hundred years, while Hekmat Iranian Bank was established in 1388. Hekmat Iranian Bank is a fledgling institute affiliated with the Army of Islamic Republic of Iran. These two banks have been private since 1388. Respondents have considered the training programs provided in Tejarat Bank and Hekmat Iranian Bank to be effective. In terms of the type and suitability of the training, the respondents in two banks do not have similar opinions. Respondents in Hekmat Iranian Bank consider the training more appropriate while the employees had no specific opinion. This indicates that training need analysis in Hekmat Iranian bank has been performed efficiently. As a result, the staffs are more satisfied with the type and variety of training. As for the third measure, the similar situation is observed. The respondents in Hekmat Iranian Bank have confirmed the effectiveness of the training and facilitation of problem handling and their performance. In contract, the staffs of Tejarat Bank had no particular opinion on this issue. Concerning the last measure, the employees in Hekmat Iranian Bank have found their training completely understandable. in Tejarat Bank it was proved to the opposite. This type of treatment with one measure in

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two different banks may be attributed to many factors: for example, the type of job training, training level, the use of IT equipment during training, desirability of teaching methods and topics and other cases.

Although human resource is considered as assets in both banks and both of them take human resource development into their consideration, Hekmat Iranian Bank has surpassed Tejarat Bank. This can be concluded that Hekmat Iranian Bank has more accuracy in training the staffs though it has been recently founded. On the other hand, Tejarat Bank has not been performing appropriately in this regard despite its background and capital.

Also, some suggestions can be made to improve the training and development status of the two banks, especially to Tejarat Bank:

- Precise specification of the training needs of staffs using human resources monitoring centers in the banks
- Holding training need analysis sessions for the managers in order to identify the bank's contingent training needs
- Classification of the courses in terms of the attendants and the cost
- Creating an innovative environment during the courses of the bank
- Increasing the resources for training of the employees and managers in banks
- Empowering and equipping the classes in the bank
- To upgrade the skills and knowledge of the employees with respect to technology and cultural needs of bank
- To enrich the formal and informal training provided to enhance the effectiveness of the bank
- To provide training by employing highly qualified consultants and trainers
- To examine and evaluate the training systems in public and private banks and apply their training procedures
- To involve the employees and supervisors in process of training needs assessment
- To direct procedures, contents and training programs toward training creative staffs in the bank
- To foster human resources with multiple negotiation skills, communication skills in addition to technical skills in bank
- To collect feedbacks from the staffs about the quality and quantity of training a courses held in the Bank
- To assess the held training course and its expected and actual outcomes in the bank managers to periodically bank
- To use survey registration systems and knowledge management in bank training
- To create training IDs for bank staffs
- To classify the staffs after training and re-training
- To hand down work experience to new bank employees
- To prioritize the staffs to introduce to the training courses
- To re-engineer bank training curriculum periodically

According to the study by Brinkerhoff and Hill (1994), a model of effective training should enjoy the following features; a) it clearly relate the events and training outcomes to the commercial and organization needs as well strategic objectives, b) it needs to focus on the customer at the time of design, c) it should develop and implement all necessary training activities, training management with a systemic attitude towards the organization, d) it should examine and evaluate the training process in order to improve the measurement constantly. Finally, as we know, improvement of productivity and employee awareness will lead to productivity of organization and ultimately, the awareness and productivity of the community.

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