6. Conclusions and Suggestions
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The present study covers the significant areas of human resources practices, probably for the first time with a larger coverage of the financial services sector, with special focus on the Capital market segment. Hence it would be of considerable relevance to the national economy at the present stage of changing financial services industry environment with the global challenges posed to our indigenous companies. The Institutions which constituted the population for the study, ranged from the regulator for Capital markets to mutual funds and insurance companies. The common factor in all these being that they are all significant entities/players in the Capital markets segment of the Financial services sector. The Human Resources practices studied brought out the perception of the employees towards these practices. The study was fairly broad based and from the sixteen organisations covered, 554 employees responded to the questionnaires and interviews.

Review of the existing literature on the subject did not yield any earlier study pertaining to the Capital market segment of the Financial services sector. Hence the researcher ventures to suggest that this could be a pioneering and seminal work in its field. The Financial services sector, mainly the Capital markets segment has been significantly impacted by the liberalisation and globalization process. The effect is felt in terms of increased customer expectations, broadening of the market, and increase in competition from India and abroad. In these circumstances, employees have to ramp up their performance to meet the high standards demanded by the customer. At the same time managements have the challenge to retain and motivate capable and talented Human Resources from quitting and joining the competitor for better salary and position.

One of the proven methods of employee retention and motivation is having good Human Resources development practices in the organisation.

The study on “AN EVALUATION OF HRD PRACTICES IN THE FINANCIAL SERVICES SECTOR IN INDIA” took us to various capital market entities and managements. While most of the respondents were very cordial and forthcoming in their approach, we did
observe that Human Resources Development was not always a priority in the scheme of things even though the major factor in the output as far as Financial Services as in other services sector depends wholly on the human factor. In order to verify our doubts on this issue it was decided to study the problem and arrive at a conclusion based on sound scientific analysis. The journey was long and arduous but satisfying all the same. We have got a clearer insight into the issue which is being presented here with the hope and expectation that future researchers will build on and improve.

The study can be broadly divided into three Human Resources Development areas of Recruitment and Selection, Training and Development and Performance Management. The organizations studied were categorized into three groups based on:

A - period in which they were established and commenced operation,

B - nature of equity holding and ownership and

C - sector within the financial services field.

The conclusions based on the previous interpretation of data will be stated here under the broad headings of Recruitment and Selection, Training and Development and Performance Management.

6.1 RECRUITMENT AND SELECTION:

For companies set up, before globalization, during the transition period [around 1991] and after globalization: the results shows that but for a few exceptions the recruitment and selection practices have been continuing to be effective over the different periods as perceived by the employees of these institutions.

In the financial companies set up with public holding, private Indian holdings and private foreign holdings, that apart from a few exceptions the recruitment and selection practices have been continuing to be effective in the different types of institutions by ownership.

In financial companies such as Indian and foreign financial institutions, mutual funds, custodian, credit rating agencies, stock exchanges, insurance companies, regulator and
depository, shows that the recruitment and selection practices have been continuing to be effective.

Having said the above, a few exceptional aspects as revealed by the analysis are also stated here:

- The employees who felt the business requirement behind organizational development as important are also felt “the strategic target and plan set by the management” as well as “targets set by the supervisor” as equally important.

- *Ad hoc basis recruitment* does serve a useful purpose as perceived by the employees of the Financial Services Institution,

  but

- *Replacing employee turnover as a practice is not seen as effective and needs improvement.*

- *the overall business strategy and man power projection is not generally effective and needs improvement.* as perceived by the employees of the institutions studied.

### 6.2 TRAINING AND DEVELOPMENT:

For companies set up, before globalization, during the transition period [around 1991] and after globalization: shows that the training and development practices have been continuing to be effective over the different periods as perceived by the employees of these institutions.

In the financial companies set up with public holding, private Indian holdings and private foreign holdings, that apart from a few exceptions the training and development practices have been continuing to be effective in the different types of institutions by ownership.

In financial companies such as Indian and foreign financial institutions, mutual funds, custodian, credit rating agencies, stock exchanges, insurance companies, regulator and
depository, shows that the training and development practices have been continuing to be effective.

It is heartening to see that the training and development initiatives have been perceived by the employees as by and large effective.

Further important conclusions include:
- There appears to be a good deal of interest in Continuous learning opportunities.
- Business requirement behind organization development appears to be on sound basis.
- The aspect of Career growth and development appears to be favourable, as perceived by the employees, but,
- The aspect of Sparing employees from main line business for training does not appear to be effective.

6.3 PERFORMANCE MANAGEMENT:

For companies set up, before globalization, during the transition period [around 1991] and after globalization: shows that the performance management practices have been continuing to be effective with a few exceptions, over the different periods as perceived by the employees of these institutions.

In the financial companies set up with public holding, private Indian holdings and private foreign holdings, that apart from a few exceptions, performance management practices have been continuing to be effective in the different types of institutions by ownership.

In financial companies such as Indian and foreign financial institutions, mutual funds, custodian, credit rating agencies, stock exchanges, insurance companies, regulator and depository, shows that the performance management practices have been continuing to be effective.

Thus the overall perception of the employees is positive with regard to the above performance management practices.

However few other conclusions are also brought out as follows:
- The aspect of Strategic plan and target set by the management, appears to be congruent with the other performance management practices, but,

- The aspect of target setting by the supervisor is, not seen to be effective as a performance management practice.

To conclude, all the practices of Recruitment and Selection, Training and Development and Performance Management appear fairly effective as perceived by the employees of the different financial institutions studied, with a few exceptions as stated above.
6.4 SUGGESTIONS:

Recruitment and Selection:
Recruitment and Selection practices are broadly perceived as effective in the study. However it is suggested that:

a) Effort is required to align the business strategy and manpower planning/projections with the recruitment process in order to obtain better quality of manpower at the entry stage.

b) Even though recruitment on an ad hoc basis serves a useful purpose, this practice needs to be limited to meeting emergency manpower shortages and not used as a regular practice.

Training and Development:
While the Training and Development initiatives of the management are generally perceived as effective, it is suggested that:

a) The need for continuous learning and upgrading knowledge and skills of employees have to be met using innovative training methods including web based training for multi location companies.

b) Managements should ensure that training inputs are provided across the company to all levels rather than restricting it to certain “convenient” category of employees, who can be easily spared for training from the main line business activities.

c) Link with Business requirement and Organisation development to be strengthened.
Performance Management:

Performance Management is a highly sensitive and vital task which requires constant monitoring.

It is suggested that for Performance Management to remain acceptable and effective, it should be based on sound and measurable factors. Thus,

a) Clear business objectives should percolate from management down the level of supervisors who will then be setting targets for all their group members.

b) Education about target setting, performance view, coaching and counseling are also essential for effective implementation throughout the company.

It may be reiterated here that the employee perception is based only on what they see and experience. This limitation may mask some of the flaws in the existing HRD practices. The real test will be to benchmark against best in class companies globally and examine the gaps to be filled. Thus even though the study appears to have shown up fairly positive results with respect to the HRD practices studied there is no place for complacency and the better practices of companies in the various categories including public, private and foreign companies will need to be studied and adopted to suit the emerging business environment of the future.