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Problems and Prospects of Sale Employees of Non-Banking Financial Companies

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ABSTRACT

The Non-Banking Financial Company (NBFC) sector plays a crucial role in financial inclusion and credit delivery, wherein sales employees form the backbone of business operations. However, sales staff in NBFC sector often faces several challenges, such as high-performance targets, work-related stress, uncertain income due to incentive-based pay, and limited job security.

Purpose: This study aims to examine the problems and challenges faced by NBFC sales employees, assess the influence of motivational factors on job satisfaction, evaluate career advancement opportunities and long-term prospects.

Methodology: The researcher collected 100 samples by using questionnaires. This questionnaire included demographic profile and other factors on a 5-point Likert scale. The study analyzed by using Chi-Square, Multiple Regression, ANOVAs and standardized coefficient test.

Findings: The findings reveal that sales target pressure, excessive workload, customer acquisition challenges, and inadequate training significantly affect the work environment. Motivational factors were found to have a strong and significant influence on job satisfaction. However, perceptions regarding career advancement opportunities and long-term prospects did not show statistically significant differences, indicating uncertainty among employees.

Keywords: NBFC, sales employees, non-banking financial services, problems and challenges.

INTRODUCTION

The financial sector is an important driver of economic growth as it supports capital formation and improves access to financial services. In India, Non-Banking Financial Companies (NBFCs), regulated under Chapter III-B of the Reserve Bank of India Act, 1934 complement the functions of banks. Although NBFCs do not have full banking licenses, they provide a wide range of financial services such as loans and advances, asset and equipment financing, investment services, leasing, hire purchase, insurance, wealth management, and market broking. NBFCs help in channelling surplus funds to individuals and businesses that need credit, especially in rural and semi-urban areas where banking services are limited. Through strong customer relationships, regional knowledge, and personalized services, NBFCs complement banks and contribute to financial inclusion and overall economic development.

Sales employees are an important part of NBFC operations as they are responsible for marketing financial products, attracting customers, and ensuring timely recovery of loan repayments. The growth and performance of NBFCs depend greatly on how effectively these employees perform their duties. However,

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sales staff in NBFC sector often faces several challenges, such as high-performance targets, work-related stress, uncertain income due to incentive-based pay, and limited job security.

Earlier studies on Non-Banking Financial Companies (NBFCs) have mainly focused on growth, regulation, and financial performance, while employee-related issues, particularly those concerning sales staff, have received comparatively less attention. Therefore, limited empirical evidence is available on the challenges faced by NBFC sales employees and the opportunities for their career advancement and professional development.

REVIEW OF LITERATURE

Rengith & Badagu (2017) examined the effect of HR practices on job satisfaction among employees of Gold Loan NBFCs in Kerala. The study aims to understand the human resource practice followed by NBFCs and their relation with job satisfaction. The study used a quantitative descriptive design and collected data from 450 employees through questionnaires. Correlation analysis showed that performance appraisal, motivation, employee engagement, recruitment and selection, and training and development positively influenced job satisfaction. The study concluded that effective HR practices improve employee satisfaction and organizational performance. Panda & Rao (2019) examined customer acquisition and retention strategies in Muthoot Fincorp limited with objective of identifying factors affecting customer and employee satisfaction in NBFCs. The study used a descriptive research design and collected primary data. The findings showed that customer service quality, staff behavior, employee satisfaction, referral programs, and loyalty benefits positively influenced customer retention and organizational performance. Dhanabhakyam & Monish (2019), studied employees' perception of grievance redressal mechanisms in selected NBFCs in Kozhikode city. The study adopted a descriptive research design using questionnaires and interviews with 80 employees from selected NBFCs. The findings revealed that effective grievance management improves employee satisfaction and morale, and the study suggested better communication systems and interpersonal training for managers to handle grievances effectively. Sangwan & Nayak (2020), examine how borrower income, asset base, educational attainment, and prior borrowing experience significantly influence microloan distribution decision in microfinance system. The study further identifies institutional factors particularly transaction costs, credit risk evaluation, and information asymmetry-as critical factors shaping lending outcomes. In addition, informal credit access, group composition, and geographical distance contribute to variation in loan allocation. Shah & Chacharkar (2020) studied the growth prospects, issues, and challenges of NBFCs in India with the aim of analyzing their role in economic development, financial inclusion, and challenges faced by the sector. The study used secondary data like RBI report and journals. The finding reveals that NBFCs plays a vital role in serving unbanked sectors, promoting MSMEs and financial inclusion, though they face challenges such as NAPs, funding issue, and regulatory pressures. Oil & Lawande (2020) studied the factors affecting employees engaged in non-banking financial companies (NBFCs). The study used both primary and secondary data for the study. Research also highlights that strong HR practice and supportive work environments are necessary because understanding employee behavior in NBFCs is often challenging. The study found that higher engagement levels reduce employee turnover and improve service quality. Maanmari et' al. (2022) studied the role of microfinance institutions in developing countries with the objective of examining their contribution to poverty reduction and sustainable development. The study used a review-based methodology with secondary data from previous research and literature. The findings revealed that microfinance institutions promote financial inclusion, women empowerment, entrepreneurship, and economic development despite facing sustainability challenges. Kumar et' al. (2022) researcher conducted comparative analysis of the financial performance of selected Indian housing finance companies with the objective of compare the overall financial performance of the selected HFCs. Researcher collected data from secondary source. The study finds that housing finance companies (HFCs) plays a crucial role in bolstering India's housing sector and economic growth. Khatri & Modi (2022) analysed the performance of NBFCs in India during the pre and post covid period with the objective of understanding the pandemic's impact on the sector. The study used descriptive analysis based on secondary data collected from RBI reports and various journals. The findings revealed that although COVID-19 negatively affected profitability, asset quality, and credit growth, NBFCs showed resilience through regulatory reforms, loan restructuring, and diversification of business models, contributing to financial inclusion and sectoral growth. Jain & Gupta (2023), the paper explored an overview of Non- Banking Financial Companies (NBFCs) in India, explored how NBFCs supplement the role of traditional banks by meeting the financial needs of the organized and unorganized sectors, studies emphasize the inclusive nature of NBFCs nothing their outreach to bank- excluded population and their contribution to financial inclusion. Chaudhary & Sana (2023) studied the financial performance of selected BSC-listed NBFCs in India. The study aims to examine the impact of reserves, cost to income ratio, total assets, and total equity on profitability. The study used panel data from 11 NBFCs for the period 2001-2023. The study found that reserves to loans ratio, cost to income ratio, and total assets negatively affected profitability, while the study highlights the need for better liquidity and risk management practices in NBFCs.

Research Gap

The gap in this study identified through literature survey is a lack of research on problems and prospect of non-banking financial companies (NBFCs) sales employees. Majority of current research on NBFCs has concentrated on financial inclusion, financial performance, regulatory compliance, customer satisfaction, and organizational issues. Studies concentrating on the working conditions of NBFCs sale staff are limited, as they face many difficulties. Since sale personnel are essential to the NBFC. This study seeks to address this gap by examining the distinct challenges and opportunities encountered by sales team in NBFCs.

Objectives of the Study

- To identify the major challenges faced by NBFC sales employees at their work environment.
- To evaluate the level of job satisfaction and the impact of motivational factors among NBFC sales employees.
- To assess the career advancement opportunities and long-term prospects available to sales employees in NBFCs.
- To recommend effective strategies to improve employee well-being, productivity, and career development in the NBFC sector.

Hypotheses of the Study

Hypothesis 1

H0: There are no significant challenges faced by NBFC sales employees in their work environment.
H1: There are significant challenges faced by NBFC sales employees in their work environment.

Hypothesis 2

H0: Motivational factors do not significantly influence the level of job satisfaction among

NBFC sales employees.

H1: Motivational factors significantly influence the level of job satisfaction among

NBFC sales employees.

Hypothesis 3

H0: There is no significant relationship between career advancement opportunities and long-term prospects available to sales employees in NBFCs.
H1: There is a significant relationship between career advancement opportunities and long-term prospects available to sales employees in NBFCs.

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Significance of the Study

This study is significant as it explores the problems and future prospects of sales employees in non-banking financial companies (NBFCs). The finding may help management and HR professionals to improve training methods, incentive structures, work policies, and employee support system. The findings may contribute to organizational development, improve financial inclusion, and enrich academic literature on workforce dynamics in the NBFC sector.

RESEARCH MEODTHOLOGY

The study has used both primary data and secondary data. Primary data based on structured questionnaire. Secondary data collected from sources like Google, books, journals and articles. The researcher collected 100 samples by using questionnaires. This questionnaire based on 5-point Likert scale. The study analyzed by using Chi-Square, Multiple Regression, ANOVAs and standardized coefficient test.

Data Analysis and Interpretation

Table – 1 Frequency Analysis for the personal information of respondents

SL. No.	PARTICULARS	CLASSIFICATION	F	%	Test of Statistics
1.	GENDER	Male	11	11%	$\chi2$ = 60.84 critical value = $\chi2$ = 3.841 p= 0.001 df = 1
		Female	89	86%	
2.	AGE	Below 25	18	18%	$\chi2$ = 150.80 critical value = $\chi2$ = 7.815 p= 0.001 df = 3
		26-35	77	77%	
		36-45	04	4%	
		Above 45	01	1%	
3.	EDUCATION	PUC	09	9%	$\chi2$ = 77.68 critical value = $\chi2$ = 7.815 p= 0.000 df = 3
		Graduation	56	56%	
		Post-graduation	35	35%	
		Other	00	00%	
4.	JOB POSITION	Sales executive	47	47%	$\chi2$ = 29.36 critical value = $\chi2$ = 7.815 p= 0.000 df = 3
		Senior Sales executive	21	21%	
		Team leader	10	10%	
		Other	22	22%	
5.	TYPE OF NBFC	Microfinance	24	24%	$\chi2$ = 32.16

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		Small finance	10	10%	critical value = $\chi 2$ = 7.815
		Housing finance	48	48%	p= 0.000
		Others	18	18%	df = 3

Interpretation: **Gender:** χ^2 calculated (60.84) > χ^2 critical (3.84)**.** Gender distribution is significantly skewed towards females. **Age:** χ^2 calculated (150.80) > χ^2 critical (7.815). Majority respondents belong to the 26–35 age groups, showing non-uniform distribution. **Education:** χ^2 calculated (77.68) > χ^2 critical (7.815). Graduates dominate the sample significantly. **Job Position:** χ^2 calculated (29.36) > χ^2 critical (7.815). Sales Executives form the largest group, not evenly distributed. **Type of NBFC:** χ^2 calculated (32.16) > χ^2 critical (7.815). Housing Finance NBFCs dominate the respondent base.

Inference: Since the calculated χ^2 value exceeds the critical value and p-value < 0.05 for all variables. This indicates that the sample characteristics are not uniformly distributed and show statistically significant variation.

Table – 2 Chi-Square analysis of challenges faced by NBFC sales employees

Status	**Test of Statistics**
Face high pressure to achieve sale targets.	$\chi 2$ = 58.50 critical value = $\chi 2$ = 9.488 p= 0.001 df = 3
Workload is excessive and stressful	$\chi 2$ = 36.10 critical value = $\chi 2$ = 9.488 p= 0.001 df = 3
Customer acquisition and recovery processes are challenging	$\chi 2$ = 42.00 critical value = $\chi 2$ = 9.488 p= 0.001 df = 3
Training provided is not adequate for job roles.	$\chi 2$ = 31.80 critical value = $\chi 2$ = 9.488 p= 0.001 df = 3
Field work negatively impacts on work-life balance.	$\chi 2$ = 7.70 critical value = $\chi 2$ = 9.488 p= 0.103 df = 3

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Interpretation: The results indicate that **sales target pressure** is a major challenge faced by NBFC sales employees, as the calculated chi-square value ($\chi^2 = 58.50$) is greater than the critical value (9.488), and the p-value is less than 0.05. Similarly, the problem of **excessive workload and work-related stress** is found to be statistically significant ($\chi^2 = 36.10$, $p < 0.05$). The chi-square test for **customer acquisition and recovery challenges** also reveals a significant result ($\chi^2 = 42.00$, $p < 0.05$). The test result for **inadequate training for job roles** is statistically significant ($\chi^2 = 31.80$, $p < 0.05$). Chi-square value for **field work impact on work–life balance** ($\chi^2 = 7.70$) is lower than the critical value, and the p-value is greater than 0.05. Therefore, this factor is not statistically significant.

Inference: Except for the impact of field work on work–life balance, all other factors are identified as statistically significant challenges faced by NBFC sales employees in their work environment.

Table – 3 Multiple Regression Analysis

R	R Square	Adjusted R Square	Standard Error of Estimate
0.812	0.659	0.634	0.41

Interpretation: $R^2 = 0.659$ indicates that 65.9% of the variation in job satisfaction is explained by motivational factors. Indicated motivation plays a major role in determining job satisfaction among NBFC sales employees.

Table – 4 ANOVA – Significance of Regression Analysis

Source	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**Source**
Regression	23.46	7	3.35	22.84	0.000	23.46
Residual	12.15	82	0.15			12.15
Total	35.61	89				35.61

Interpretation: Since **$p < 0.05$**, the regression model is statistically significant**.** Hence, Motivational factors significantly influence job satisfaction.

Table – 5 Coefficients of Motivational Factors

Motivational Factors	**Unstandardized Coefficient (B)**	**Standard Error**	**Standardized Coefficient (β)**	**t-value**	**Sig.**
Constant	1.214	0.31	—	3.92	0.000
Salary & incentive structure	0.312	0.079	0.312	3.94	0.000
Motivation & reward programs	0.241	0.077	0.241	3.11	0.002
Recognition for	0.218	0.076	0.218	2.88	0.004

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performance					
Managerial support	0.294	0.080	0.294	3.67	0.000
Flexible working hours	0.173	0.078	0.173	2.21	0.029
Communication & feedback	0.356	0.077	0.356	4.62	0.000
Clear incentive & reward rules	0.331	0.081	0.331	4.08	0.000

Interpretation: Since the majority of motivational factors have mean scores above the neutral level (3.00), it is evident that motivational factors significantly influence job satisfaction.

Table – 6 Chi-Square analysis about career advancement opportunities and long-term prospects available to sales employees in NBFCs.

Status	**Test of Statistics**
Organization offers clear opportunities for career growth.	$\chi2 = 7.771$ critical value = $\chi2 = 9.488$ p= 0.099 df = 4
Promotion decisions are transparent and fair	$\chi2 = 3.203$ critical value = $\chi2 = 9.488$ p= 0.525 df = 4
The NBFC sector has promising long-term career prospect.	$\chi2 = 5.518$ critical value = $\chi2 = 9.488$ p= 0.238 df = 4
Interested to continue working in this sector in the future.	$\chi2 = 8.341$ critical value = $\chi2 = 9.488$ p= 0.079 df = 4

Interpretation: calculated chi-square is less than the critical value**,** and $p > 0.05$**,** there is no significant deviation from expected responses**.** Employees' perceptions on each statement alone do not show a statistically significant difference. So the null hypothesis is accepted.

FINDINGS

The study found that high sales target pressure is the most significant challenge faced by NBFC sales employees, while work–life balance concerns were not statistically significant. The results confirm that salary and incentive structure, managerial support, effective communication and feedback, and transparent reward policies are the key motivational factors influencing job satisfaction. The findings further establish a significant positive relationship between motivational factors and job satisfaction among NBFC sales employees. However, employees expressed uncertainty regarding career growth opportunities, promotion transparency, and long-term career prospects**,** indicating the need for clearer career development policies and transparent advancement practices to enhance employee satisfaction, commitment, and retention.

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SUGGESSTIONS

The findings highlighted that NBFCs should set realistic and achievable sales targets to reduce the high pressure faced by sales employees. Enhancing salary and incentive systems, supported by clear communication, regular feedback, and managerial guidance, can improve motivation and job satisfaction. Transparent promotion policies and clearly defined career paths are essential to reduce uncertainty regarding career growth and long-term prospects. In addition, structured training and development programs can support career progression, strengthen employee commitment, and improve retention.

CONCLUSION

The study reveals that NBFC sales employees face major challenges, particularly the constant pressure to meet sales targets. Factors such as fair compensation, incentives, strong managerial support, clear communication, and regular feedback play a crucial role in determining job satisfaction. There is also uncertainty about career progression, promotion transparency, and long-term opportunities, highlighting the need for clear career paths. Introducing achievable targets, effective motivational practices, and structured training programs can improve employee satisfaction, engagement, and retention. Overall, addressing these issues is important for strengthening workforce stability and enhancing organizational performance in the NBFC sector

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