



Future of Work in NBFCs: How Emerging Technologies will Reshape Employee Engagement and Job Satisfaction

POOJA SINGH

Research Scholar

Department of Commerce

Shyama Prasad Mukherjee Government Degree College,

University of Allahabad, Prayagraj

Dr. ALOK SINGH

Assistant Professor

Department of Commerce

Shyama Prasad Mukherjee Government Degree College,

University of Allahabad, Prayagraj

Abstract

The NBFC sector is about to undergo a dramatic transformation propelled by cutting-edge technology like automation and artificial intelligence (AI). A more complex picture is emerging, notwithstanding the concerns of some that these developments could result in job losses. Automating routine processes like as data processing and loan eligibility checks is a possibility. But this allows NBFC staff members to concentrate on higher-value tasks. Imagine loan officers with enhanced client service and the ability to customize loan products thanks to AI-powered creditworthiness analysis tools. In a similar vein, personnel can concentrate on strategic goals and cultivating deeper customer relationships by freeing up time with automated back-office operations that streamline processes. A workforce that is more tech-savvy will be required for this tech-driven transition. NBFCs will be better equipped to navigate the future if they place a high priority on staff training and upskilling. NBFCs can guarantee that their staff members have the abilities to prosper alongside intelligent technology by promoting a culture of continuous learning, which will increase employee engagement and satisfaction.

Key Terms: NBFC, Employee Engagement, Job Satisfaction, Emerging Technologies

Introduction

During the last few decades, the term technology has become synonymous with dynamism. From computers to mobile phones and from telecommunications to artificial intelligence there has been rapid and constant growth and innovation. Technology change has influenced almost all the sectors of economy and society. It has also reshaped the working pattern and employee-related variables in most of the industries including NBFCs. Technology is used to solicit customers, provide services, record transactions, exercise controls, preparation of financial statements etc. Any company registered under the Companies Act that engages in the lending, advances, stock, bond, hire-purchase, insurance, or chit-fund business is considered a non-banking financial company (NBFC). However, this definition excludes any institution whose primary business is agriculture, industrial activity, the purchase or sale of any goods (other than securities), the provision of any services, or the sale, purchase, or construction of real estate.

Some of the popular NBFCs of India are Bajaj Finance, Mahindra Finance, Muthoot Finance, L&T Finance, Cholamandalam Investment & Finance etc. These days, technology-enabled operational and business models are being implemented by NBFCs to facilitate the creation, introduction, use, and completion of customized goods and services.

A popular term for employee communication is employee engagement. It is an optimistic outlook that the staff members have for the company and its principles. It has a wide range of effects on businesses and is quickly growing in acceptance, utility, and significance in the workplace. It is the extent to which workers in an entity are committed to and enthusiastic about their work. Workers' perceptions about their roles and responsibilities have an impact on the overall effectiveness of the organization. In human resources (HR), the term "employee engagement" describes how passionate and dedicated a worker is to their job. Engaged workers care about their jobs as well as the success of the firm and believe that their efforts matter.

Among the topics covered by the most research in organizational behaviour and human resource management is job satisfaction. The standard definition is given by Schneider and Snyder (1975) and Locke (1976) as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences."

One of the main components of work motivation, which is a primary factor in determining an individual's behaviour inside an organization, is job satisfaction. The term "job satisfaction" describes how workers feel about their occupations generally. It is the contentment and well-being of an individual with regard to their performance in the work environment.

Aim of the Study

Employee engagement and job satisfaction, both are affected by the change in technology. The aim of present research paper is to study the change in employee engagement and job satisfaction in NBFCs due to emerging technologies.

Research Methodology

The present research is mainly descriptive in nature. The data collected for study is mostly Secondary data. Data have been collected from various sources such as research paper, thesis, websites, magazines, newspaper etc. The data collected from above sources has been used for conducting a comprehensive literature review.

Emerging Technologies

1. Artificial Intelligence: Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. A few particular applications of AI are in machine learning, speech recognition, natural language processing, expert systems, and vision. Artificial Intelligence (AI) is the application of many technologies to confer human-like intelligence (human-like perception, cognition, planning, action, and learning) on computers. At its core, artificial intelligence (AI) systems sense their surroundings, identify items, assist in making decisions, resolve complicated issues, learn from the past, and mimic patterns.

2. Blockchain: Blockchain is a shared, unchangeable record that enables numerous parties to concurrently initiate and finish transactions with instantaneous, transparent, and shareable encrypted data exchange. The decentralized and distributed ledger technology that allows information to be recorded, preserved, and shared by a community is the most basic definition of the blockchain. This is a novel kind of database that contains digital transaction records. It is beyond the authority of any one person or organization, and none of them can go back and alter or remove a transaction history. Due to the distributed nature of blockchain technology, it is almost impossible to hack or attack the entire system.

3. Big Data: The phrase "big data" refers to incredibly large and diverse collections of organized, semi-structured, and unstructured data that are constantly expanding over time. These datasets are too big and too complex in terms of volume, velocity, and variety for traditional data management systems to store, process, and analyze. In addition to being produced by conventional software and information sharing, big data is also produced by a wide range of sensors embedded in a variety of locations, including markets, hospitals, metro stations, and almost any electrical device that generates data.

4. The Internet of Things: The Internet of Things, or IoT, is a network of physical items. These gadgets are capable of exchanging data without the need for human involvement. Machines and computers are not the only types of IoT devices. Everything with a sensor assigned a unique identification (UID) can be a part of the Internet of Things. Real-time communication between self-reporting devices and people is the main objective of the Internet of Things. IoT adoption is rising swiftly in India as 5G network deployment spreads throughout the nation.

5. Cloud Computing: The on-demand provision of computing resources (including storage and infrastructure) as internet-based services is known as cloud computing. It gets rid of the necessity for people and companies to pay for only the physical resources they use and manage those resources themselves. With cloud computing, data and applications are remotely stored and accessed via the internet rather than being kept on a computer's hard drive. To put it briefly, connecting and sharing on-premises and cloud data is the ultimate purpose of cloud computing, which is intended to simplify procedures for both developers and non-developers.

6. Machine Learning: The field of machine learning, or ML for short, is centered on creating computer algorithms that learn automatically from data and experience. Put more simply, machine learning allows computers to learn from information or data and develop predictions or judgments without the need for programming. Developing and putting into use algorithms that help with these choices and forecasts is the core of machine learning. As they handle more data, these algorithms are built to perform better over time, becoming more precise and efficient.

7. Robotic Process Automation: Robotic process automation (RPA) is a software technology that simplifies the development, deployment, and management of software robots that emulate human behavior in software and digital systems. Robotic process automation (RPA) is an optimization technique that uses artificial intelligence (AI), machine learning, or virtual bots to perform routine operations that would often be performed by humans. By enabling people to delegate mundane or repetitive tasks to software, RPA helps businesses and organizations optimize their operations and free up employees' time for higher-value work.

Review of Literature

According to Brynjolfsson and McAfee (2014), technology plays a critical role in improving job satisfaction by considerably increasing efficiency and productivity in the workplace. Employees may automate tedious operations, optimize workflows, and quickly access information with the use of digital tools and software apps, creating a far more productive work environment (Brynjolfsson & McAfee, 2014). Project management software, for example, efficiently enables teams to collaborate with one other, which lowers stress levels and raises job satisfaction (Brynjolfsson & McAfee, 2014). For committed workers, the smooth integration of state-of-the-art technology unquestionably provides far better work-life balance and far more flexibility (Golden & Veiga, 2005).

Advanced digital communication tools and cloud-based systems facilitate remote work options that enable employees to work from nearly anywhere at any convenient moment. This reduces stress and greatly improves job satisfaction (Golden & Veiga, 2005). Additionally, technology makes it possible for progressive companies to easily provide telecommuting and flexible work schedules, which further boosts employee happiness (Golden & Veiga, 2005).

Innovative webinars, state-of-the-art e-learning modules, and cutting-edge online learning platforms all help staff members learn new skills quickly, thoroughly, and affordably, which boosts engagement and job satisfaction (Deloitte, 2019).

The ability to work remotely, made possible by sophisticated digital communication tools and cloud-based systems, permits workers to work from almost anywhere at any convenient time, greatly lowering stress levels and raising job satisfaction (Golden & Veiga, 2005). According to Golden and Veiga (2005), technology also makes it possible for progressive companies to easily provide telecommuting and flexible work schedules, which greatly increases employee happiness. According to Deloitte (2019), employees can greatly increase job satisfaction and overall engagement by conveniently acquiring new skills comprehensively and affordably through the use of state-of-the-art e-learning modules, creative webinars, and cutting-edge online learning platforms.

Unquestionably, cutting-edge technology enables businesses to carefully put into place incredibly effective feedback and recognition systems, greatly raising worker engagement and job happiness (Bersin & Associates, 2012). Innovative digital platforms like feedback apps and employee recognition software effectively enable managers to recognize and reward employees for their significant contributions in real time. This fosters a culture of proactive recognition and deep gratitude within the company (Bersin & Associates, 2012). Modern technology offers sophisticated tools and extensive resources to effectively streamline duties and maintain a synchronized work-life balance, which helps with workload management and significant stress reduction (Trougakos et al., 2015).

Employees can more effectively arrange their duties with the help of powerful task management apps and innovative project management software, which significantly lowers the risk of burnout and overwhelm (Trougakos et al., 2015). Additionally, technology-driven wellness initiatives and cutting-edge stress-reduction techniques give workers the skills and comprehensive support they need to handle stress, which greatly improves workplace satisfaction and productivity (Trougakos et al., 2015). Using digital communication tools has been linked to higher levels of engagement among staff members. According to research by Grant et al. (2013), regular digital platform contact helps employees feel connected and like they belong, which raises engagement levels.

Furthermore, Shuck and Wollard's (2010) study emphasized the need of efficient communication in raising employee engagement, with digital channels being crucial in fostering communication inside businesses. Technology-enabled remote work arrangements have been demonstrated to improve work-life balance and job satisfaction. Employees who have the option to work remotely report better levels of engagement and job satisfaction, according to research by Golden and Veiga (2005). Higher levels of engagement and job satisfaction are correlated with the usage of technology in learning and development initiatives.

The Global Human Capital Trends study (2019) by Deloitte highlighted the significance of technology-enabled learning in giving staff members access to opportunities for ongoing skill development. In a similar vein, Bersin and Associates (2012) emphasized how digital platforms provide tailored learning experiences and boost worker engagement. The increasing use of artificial intelligence (AI) and machine learning (ML) in financial systems is upending and changing entire industries and societies (Li and Tang, 2020, Wall, 2018). By including a chatbot into their L&D initiatives, NBFCs can employ machine learning (ML) to enhance learning outcomes. By utilizing cutting-edge AI technologies, urgent and high-level questions can be resolved more swiftly and efficiently (Smith, 2018).

Discussion and Results: Application of Emerging Technologies

Artificial Intelligence

Offering chances for professional growth and career advancement, learning & development plays a critical role in luring and keeping top talent globally. Businesses may be able to develop specialized training programs that are suited to the individual needs and learning preferences of their workers with the aid of AI-driven data analytics. This will strengthen the connection between employee engagement and training. AI may be able to design flexible training programs in real time to help employees interact more effectively at work. Furthermore, some companies are using AI as a service to act as a computer-based training course instructor (Kumar and Garg, 2018).

An important factor in employee engagement is how well workers can communicate with one another. Chatbots employ a more conversational and informal approach by holding conversations with humans in order to capitalize on this change in communication. Chatbots have the power to completely change how coworkers connect with one another. Chatbots included into the business's communication platforms will also aid in better managing worker output and outcomes. Instead of going through the drawn-out and resource-intensive process of asking employees for feedback, NBFCs may use AI-powered response platforms to get real-time feedback from their staff and solve any issues or complaints as soon as they come up (Mahipalan, 2015). Through the use of cutting-edge artificial intelligence technologies, sentiment analysis is able to detect even the smallest issues that workers have, allowing for prompt resolution and improved understanding of workers' attitudes toward their jobs and coworkers.

Blockchain

By enabling NBFCs to conduct transactions more quickly and doing away with the need for middlemen who charge for their services, blockchain technology lowers expenses. By offering real-time records of every transaction that takes place within an organization, blockchain enhances transparency. A distributed ledger with permissioned access is one whose contents are only seen by those who are permitted. The ledger administrator has allowed the user access to do certain duties, and in order to confirm modifications, the user must authenticate themselves. Cryptography is used by the distributed ledger to guarantee the integrity and

validity of the data. Once the ledger is recorded on the network, it cannot be removed or changed because it is transparent and unchangeable. This stops records from being changed or falsified by a single point of failure. Employees can have greater insight into their career advancement, performance indicators, and compensation with blockchain-enabled transparency. Employee engagement and satisfaction may grow as a result of this more transparency, creating a more effective workforce.

Big Data

Organizations can better understand the requirements, concerns, and preferences of their employees by utilizing data analytics. This gives them the ability to carry out focused interventions and continuously enhance the working environment for employees, which raises engagement and satisfaction levels. Key points that highlight how data and technology have evolved into indispensable allies and revolutionized our approach to employee reskilling and upskilling are mentioned below:

- Increased adaptability and accessibility- Employees may learn anywhere, at any time, with the help of mobile-friendly material and online learning systems. This removes geographical constraints and meets the needs of workers who are dispersed over different areas.
- Affordable training options- Solutions driven by technology, including e-learning systems, drastically save expenses.
- Customized learning pathways: Data analytics offer insightful information about the learning habits, preferences, and advancement of staff members.
- Continuous learning and development: Microlearning modules, webinars, and self-paced courses are some of the ways that technology enables continuous learning.
- Predictive analytics: This method uses feedback patterns from chatbots and virtual assistants to identify staff engagement needs.

Internet of Things

The potential for improving operational efficiency in Non-Banking Financial Companies (NBFCs) through the integration of the Internet of Things (IoT) is enormous. With the help of IoT, NBFCs can build an automated and more connected operational ecosystem, bringing in a new era of resource management and optimized operations that will increase work satisfaction and staff engagement. NBFCs can track and gather data on a range of operational variables continually by deploying IoT-enabled sensors and devices. Routine and time-consuming processes can be automated by connected devices, lowering the need for manual intervention and lowering the possibility of human error.

Data entry, reconciliation procedures, and compliance checks are all automated, freeing up human resources for more intricate and valuable tasks. IoT devices can be used, for example, to collect and verify financial data during loan processing. This guarantees a more precise risk assessment while also speeding up the decision-making process.

IoT integration in financial services gives NBFCs the ability to completely transform the client experience. Financial organizations can learn a great deal about the tastes, behavior, and financial habits of their customers by gathering and analyzing data from Internet of Things devices. Afterwards, by using this data to customize financial services and products to each customer's needs, a more individualized and customer-focused experience may be created, improving customer happiness and engagement.

Cloud Computing

The most important requirement for job happiness and employee engagement is tireless work. The only way to make that possible for multinational teams or even small businesses whose teams must collaborate with outside freelancers is through cloud computing. The way NBFCs function has radically transformed as a result of cloud computing, which provides scalable, on-demand access to computing resources—such as storage, software, and processing power—over the internet.

Employees can use cloud computing to work from any location with an internet connection and access NBFC resources. Due to this, remote work is now commonplace, giving NBFCs access to a wider talent pool and giving employees greater freedom over where they work.

Team members may collaborate in real time, no matter where they are in the world, thanks to the cloud. Teams now find it simpler to collaborate on projects, exchange papers, and have productive conversations as a result. Employee productivity has increased because to cloud computing, which has removed the requirement for hardware and software installs. Because staff members are no longer distracted by technical problems and can concentrate on their primary responsibilities, NBFC productivity has grown as a result.

NBFCs may adjust their resource levels as needed without having to buy more gear thanks to cloud computing. This gives them the adaptability to react fast to shifts in demand. By just paying for the resources they use, firms can further down their operating expenses. Because cloud computing makes remote work, collaboration, better productivity, scalability, and cost savings possible, it has completely changed the way NBFCs operate, resulting in greater levels of job satisfaction and employee engagement.

Machine Learning

Performance data can be analyzed by machine learning algorithms to find trends, patterns, and areas that need improvement. This strategy develops a culture of continuous improvement, promotes open communication, and eventually raises employee engagement.

A fully omnichannel NBFC, which seamlessly spans the physical and virtual worlds across multiple devices and delivers a consistent experience, will offer propositions and experiences that are intelligent, i.e., suggesting actions and anticipating and automating important decisions or tasks, personalized meaning, timely and relevant, and based on a thorough understanding of customers' past behavior and context. Additionally, it

will combine relevant products and services to meet customers' rising expectations and defeat competitive threats.

Extreme automation of manual operations and the replacement or improvement of human decision-making with sophisticated diagnostic engines in numerous NBFC operational domains would optimize operational and working efficacy within the ML-supported NBFC. These increases in operational performance will come from the broad application of both traditional and cutting-edge technologies to evaluate large and complex repositories of consumer data in (near) real-time. The ML-enabled NBFC of the future will also be the ones to propel the speed and agility that characterize today's digitally native companies. Instead of taking months to provide new features, it will develop swiftly and release them in a matter of days or weeks. It will collaborate closely with partners to offer new value propositions that are fully integrated across technological platforms, data sets, and journeys. All these factors will lead to improved engagement and job satisfaction for the employees of the NBFC.

Robotic Process Automation

One advantage of RPA is increased employee engagement. Improved client service, greater customer insights, and increased efficiency are further advantages. NBFCs are discovering that their employees' worth is far higher than they initially believed when they used RPA. Compared to traditional lending models of NBFCs, the technology-driven business model of these companies leads to greater inclusiveness, cost-effectiveness, superior credit quality, and faster response times. It also strives to lessen reliance on manual processes by leveraging the capabilities of RPA. With the use of technology like RPA, essential resources may concentrate on core business needs instead of reading through reams of documentation to evaluate a borrower's creditworthiness and associated risks.

Additionally, RPA can help NBFCs make decisions instantly. Modern NBFCs with cutting-edge technology can replace the laborious, manual process that relies on human judgment with instantaneous, real-time approvals. It helps accounting departments and NBFCs automate laborious and repetitive operations. This gives the employees more time to work on more crucial tasks that call for a higher degree of skill. RPA plays a pivotal role in facilitating comprehensive digital transformation by lowering expenses, stimulating revenue expansion, and augmenting corporate agility. Robots are far faster than humans in doing routine jobs, so agents can concentrate on tasks that call for human resources' knowledge and experience. When procedures are automated, errors like inattention and memory loss don't happen. RPA enables NBFCs to take the place of manual involvement in tasks like data extraction, standardizing the data gathering process, and creating templates for reporting and reconciliation. By using RPA, the potential of error in a procedure this time-consuming can be eliminated.

Conclusion

We can conclude from the study that in future emerging technologies are going to reshape employee engagement and job satisfaction in NBFCs in a lot of ways. Due to their diligence, speed, versatility, accuracy, analytics, intelligence, ability to learn from mistakes and various smart features, these technologies will make the working environment easier, effortless, user-friendly, secure and speedy leading to better employee engagement and higher job satisfaction in NBFCs. The work shall be completed with smaller efforts, enhanced accuracy, increased security, higher speed resulting in better employee engagement. This will also lead to reduction of load on employees and ultimately increasing the job satisfaction. The use of these technologies is the need of hour in NBFCs and to an extent is inevitable. With their usage over a period of time there will be an increase in efficiency, efficacy and credibility of NBFCs.

References

- Brynjolfsson, E., & McAfee, A. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies*. WW Norton & Company.
- Golden, T. D., & Veiga, J. F. (2005). The impact of superior-subordinate relationships on the commitment, job satisfaction, and performance of virtual workers. *The Leadership Quarterly*, 16(5), 817-833.
- Grant, A. M., Campbell, E. M., Chen, G., Cottone, K., Lapedis, D., & Lee, K. (2013). Impact and the art of motivation maintenance: The effects of contact with beneficiaries on persistence behavior. *Organizational Behavior and Human Decision Processes*, 121(2), 252-261
- Kumar, V., & Garg, M.L. (2018). Predictive analytics: a review of trends and techniques. *International Journal of Computer Applications*, 182(1), 31-37
- Li X, Tang P. Stock index prediction based on wavelet transform and FCD-MLGRU. *J. Forecast.* 2020;39(8):1229–1237. doi: 10.1002/for.2682
- Locke E. A. (1976). The nature and causes of job satisfaction. *Handb. Indust. Organiz. Psychol.* 2, 360–580.
- Mahipalan, M. (2015). Emerging trends in employee engagement: a review of literature, *Opus:HR Journal*, 6(1),1
- Schneider, B & Snyder, R.A. (1975). Some relationship between job satisfaction and organizational climate. *Journal of Applied Psychology*, 60(3), 318-328.
- Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human Resource Development Review*, 9(1), 89-110.

Smith, C. (2018). An employee's best friend? How AI can boost employee engagement and performance. Strategic HR Review.

Trougakos, J. P., Beal, D. J., Green, S. G., & Weiss, H. M. (2008). Making the break count: An episodic examination of recovery activities, emotional experiences, and positive affective displays. Academy of Management Journal, 51(1), 131-146.

Wall, Larry. (2018). Some Financial Regulatory Implications of Artificial Intelligence. Journal of Economics and Business. 100. 10.1016/j.jeconbus.2018.05.003.

<https://www.analyticsinsight.net/artificial-intelligence/the-future-of-work-how-ai-transforms-employee-engagement-and-job-satisfaction>

<https://www2.deloitte.com/cn/en/pages/about-deloitte/articles/pr-global-human-capital-trends-2019.html>

<https://elearningindustry.com/how-to-use-technology-to-enhance-employee-engagement>

<https://www.financialexpress.com/business/blockchain-what-role-does-emerging-technologies-like-ai-play-in-streamlining-people-processes-3066393/>

<https://www.financialexpress.com/business/digital-transformation-the-future-of-employee-engagement-ai-powered-solutions-3434195/>

https://joshbersin.com/wp-content/uploads/2012/06/042712_ES_RecognitionFramework_SSG_Final.pdf

<https://www.livemint.com/Industry/FCjf5FhdeE4aem0KWsby0H/The-best-workplaces-to-work-bank-upon-the-best-talent.html>

<https://www.pwc.in/industries/financial-services/fintech/fintech-insights/breaking-new-ground.html>

[https://s3-ap-southeast-1.amazonaws.com/gtusitecirculars/uploads/Final%20Thesis%20\(21\)_695017.pdf](https://s3-ap-southeast-1.amazonaws.com/gtusitecirculars/uploads/Final%20Thesis%20(21)_695017.pdf)