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Factors Influencing Employee Attrition Among The Sales Force In Non-Banking Financial Companies: A Study In Chennai City

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Abstract

This study examines the factors contributing to employee attrition among the sales force working in non-banking financial companies (NBFCs) in Chennai City. The research utilized both primary and secondary data, with primary data collected through structured questionnaires administered to sales force employees and secondary data obtained from research articles, journals, magazines, newspapers, and published dissertations. A purposive sampling technique was adopted, and 400 questionnaires were distributed, of which 382 were returned. After excluding 11 incomplete responses, 371 valid questionnaires were used for analysis. The findings reveal that six key factors—nature of work, stringent HR policies, rude behaviour, economic factors, influence of colleagues, and availability of better employment opportunities—significantly contribute to employee attrition among the sales force in NBFCs. The study further indicates that both male and female employees share similar perceptions regarding the factors influencing employee attrition in the study area.

Keywords: Attrition, Non-Banking Financial Companies, HR policy, and Salesforce

I.INTRODUCTION

The NBFCs play a significant part in promoting the substantial increase in our nation by providing varied financial necessitates to customers. The NBFCs frequently take a guide position in providing ground-breaking financial aspect services at Micro level, Small level, and Medium level enterprises most appropriate to their business obligations. NBFCs perform severe task in participating in the enlarge of an wealth by providing a increase to transport, job creations, and increase of wealth, credit thorgh banks in rural sections and to sustain economically weaker parts of the people. An urgent situation service like financial help and direction is also providing to customers in the substances about insurance. Since the excellent market potential, the number of players started their non-banking financial business. It creates a massive number of employment opportunities; customers can easily avail the services of non-banking operators. The backbone of the non-banking financial companies is the sales force; they have the responsibility to promote financial products to customers. The companies focusing on retaining their market share and enhancing the market share, they put enormous pressure on salesforce. Due to these circumstances, the sales forces are stressed and thinking over even to quit the job. Besides, salesforce always working for their target because of lucrative incentives. The cost control of the organization are not capable to give attractive incentives to the sales employees. It will also instigate the employees to switch over to some other companies. Sometimes the organization implementing the stringent rules and regulations; HR policies de-motivate the employees. In these circumstances, the attrition has arisen in the organization. The impact of attrition on the organization will downfall. They are not able to develop the business and lose the market share also.

The instability in business situations has an essential effect on the method of conducting trade in our nation. The fluctuations not only affect the business, it affect the health level of employees. The innovative world of work places the significance of human capital and, certainly, development at the center of managerial success or failure. The workforce is the most critical driver of efficiency and sustainable financial enlargement.

Attrition in human resource management means regular wearing down of the employees from the companies by the proprietor will consist of the employees in an organization is known as attrition. Attrition represents that employees in the current organization are not satisfied. Employee turnover and attrition both happen when an employee goes away from society. Turnover, nevertheless, may result from several employment actions, such as elimination, termination, resignation, or work desertion. The noteworthy difference linking the two is that when turnover occurs, the company seeks someone to replace the employee. The organization also features problems in maintaining the outstanding employees and intrinsic employees. The huge attrition charges also direct to a steady or universal sequence. it has an essential effect on the force of a company in overseeing its business in a aggressive surroundings. Consequently, the present study is focusing on identifying the causes of attrition among the sales force in non-banking financing companies in Chennai city.

Review Of Literature

Nowadays, the vital obstacle in most organizations is hiring talented employees. It is majorly occurring in the BPO sector due to various ideas from the employees and the organization side. The paper outcomes reveal that the factors that are leading the employees for attrition in the BPO industry concerning India and measures to diminish the attrition velocity (NageswaraRao, K. S., & Swapna, M. M., 2019). The important organizational problem being challenged nowadays in organizations is attrition. The most significant proportion of attrition is voice-based process of BPO operators. The Career growth, pay, and management is the most significant grounds which give to attrition. Owing to the repetitive character of the job, employees like to modify their position regularly, and the regular phase is in couple of years. Circumstances of attrition differ from high to low level of organizatons. They are the primary clients, and their demands should be recognized and fulfilled. The CRM, managing relationship among the employees, is the mantra an organization should go after to maintain its employees. (Ramadevi, D., & Sangeetha, D, 2019). The research found that the number of males that quit to be higher than females. it means that females are more stable at the profession and career track than males /who would want to move on in search of greener pasture for the family (Okyere-Kwakye, E. et al., 2018). Employee turnover is significant problem for organized sellers. Especially for HR managers in the Indian organized retail division, employee turnover is a major confront as most of the researchers and HR administrators mention that employee turnover is high level organized retail division. Paying more generous incentives or motivating employees are conventional and old practices of Human Resource Management. The primary survey administered amongst 156 employees from viewed with the questionnaire. The outcomes indicate that the employees are left the organization for the reason of carrier development (Pillai, R. et al., 2016). Employee attrition leads to a lack of employees through various factors, such as withdrawal and isolation. Each business has its standards for enough attrition rates, and these charges can also differ between skilled and unskilled positions. Due to the costs associated with training current employees, any employee attrition is characteristically implicit in having a commercial value. It is as well probable for employ employee attrition to its advantage in some conditions, relying on it to organize labor costs devoid of issuing throng layoffs. There are numerous different ways for a business to drop employees, most of typically taken into account to make sure that the organization can operate efficiently. Retirement is one major problem of employee attrition, and because people be liable to retire approximately a precise age, this is a factor that can be accounted for and planned for development. erstwhile causes of employee attrition, such as employees who relinquish due to prolonged sickness, dissatisfaction with the business, or previous reasons, can be more challenging to estimate. (Maroor, P & Vamana, B., 2016). Employee retention is a method in which the employees are encouraged to carry on with the organization. The rationale article is to recognize the major factors instigate employee retention in the Pharmaceutical division. It also throws light on what organizations require to do to maintain their employees. It is necessary to understand the significant causes of attrition and then to know how talent can be retained. Employee engagement plays an essential role in employee retention. (Suresh, L., & Krishnaraj, R., 2015). The insurers considers the significant measures to conquer the growing velocity of attrition. The author also compare to the reason for the lofty attrition rate among the sales potency of insurance companies and how to manage a high level attrition rate. (Shah, M., & Bharti, P., 2014). The sudy also originate the turnover reason price increases attrition conditions such as QWL, career expansion, Timings, individual and family unit reasons, and relative with an interior co-employee, wellbeing, operational condition, and salary (Jeen, S. B. D., & Batty, S., 2014).

Problem Of The Study

In modern economic policy, NBFC is performing a significant performance in giving convenient and affordable financial services. The NBFCs are growing an essential player in financial insertions, discursively boosting the economy. The NBFCs majorly concentrate on the loans for business, purchase of securities, different bonds, debentures, and securities granted by the government, local government, or by other market protection. The demand for a effective HRM, as well as individual development, is being experience strongly at each level. Human resource practices are developing along with business expansion, with more leading NBFCs having better practices as the others are trying to catch up. Most of the NBFCs are facing higher attrition rates at field-level, while the larger NBFCs are also facing attrition rates even at supervisory and senior officials' levels. Some of the significant reasons are transfer and posting policy, lack of career progression. Finally, the absence of the best human resource practices and job protection are the most significant human resources challenges of the NBFCs in the modern era. Non-banking financial companies create a huge volume of job opportunities in India. This industry creates to gain employment opportunity. The comparatively superior stage of salary being implemented draws thousands of young and fresh graduates to enter this sector, which is also the cause for the higher level of attrition. Nevertheless, this higher stage of attrition straight affects the NBFCs. Therefore the present study is converged on finding out the causes for attrition.

Need For The Study

The study is focused on identifying the causes of attrition among the sales force in Non-Banking financial companies in Chennai city. The NBFCs are spending a massive volume of funds towards recruiting the employees and also contributing to the training for them. The companies also concentrate on paying towards enhancing the morality, motivation of employees. Also, the management of NBFCs is spending towards implementing new technologies and methods and innovation strategies and products. The study throws light through valuable suggestions to decrease the attrition level in the NBFCs.

Hypotheses of the Study

1. There are no causes of attrition among the sales force working in NBFCs in Chennai city.
2. The male and female employees are having a similar view on the causes of attrition in NBFCs
3. There is no significant difference among the age group of salesforce concerning the causes of attrition in NBFCs

Methodology Of The Study

Nature of the study: The study is undertaken to measure the causes of attrition among the sales force in NBFCs in Chennai city.

Data Collection: Primary Data: Data related to the causes of attrition and its remedies was collected openly by interacting with the employees of the NBFCs by a structured questionnaire.

Secondary Data: The secondary data was collected from the existing data, company records, and the Internet.

Instrumentation: Causes of attrition**:** The scale for causes of attrition was developed by(Joy, J. P., & Radhakrishnan, R., 2012)**.**

Sampling Size: The primary data are collected through the survey method. A survey is conducted using a self-administered Questionnaire. 400 Questionnaires were distributed to the employees of the sales force working in Non-Banking financial companies in Chennai city. Out of 400 questionnaires, 382 filled responses are collected from the employees. Eleven filled responses are rejected due to inadequate information provided by the employees. Finally, 371samples are finalized and used for the final study.

Sampling Method: Purposive sampling practice exercised for this research. The questionnaire was distributed to the workplace of the employees of NBFCs in Chennai city.

Tools of analysis: The collected data have been examined with the help of statistical tools like descriptive statistics, t-test, and Analysis variance test.

Results and Discussion

Table :1
Employees Personal Characteristics

	Frequency	Percent
Gender		
Male	213	57.4
Female	158	42.6
Total	**371**	**100.0**
Age (in years)		
Up to 30	72	19.4
31 - 40	125	33.7
41 - 50	97	26.1
Above 50	77	20.8
Total	**371**	**100.0**
Marital Status		
Single	118	31.8
Married	253	68.2
Total	**371**	**100.0**
Educational Qualification		
UG	134	36.1
PG	135	36.4
Professional	102	27.5
Total	**371**	**100.0**
Income (Monthly)		
Below Rs.25,000	137	36.9
Rs.25,001 - 50,000	114	30.7
Rs.50,001 - 75,000	93	25.1
Above Rs.75,000	27	7.3
Total	**371**	**100.0**
Experience of the current organization		
Up to 2 Years	71	19.1
3 - 5 Years	148	39.9
6 - 8 Years	99	26.7

Above 8 Years	53	14.3
Total	**371**	**100.0**

Table 1 reveals the results of the personal characteristics of employees working in NBFCs in Chennai city. Gender wise, 57.4% of the employees are male, and 42.6% of the employees are female. In connection with the age classification of employees, majority 33.7% of the employees are in the age group between 31 - 40 Years, followed by 26.1% of the employees are in age group between 41 - 50 Years, 20.8% employees are above 50 years, and 19.4% of the employees are up to 30 years. Marital status of employees, 68.2% of the employees are married, and 31.8% of the employees are single category. Regarding the educational qualification of employees of NBFCs, 36.4% of the employees are post-graduates, 36.1% of the employees are under-graduates, and 27.5% of the employees are professionals. As for as monthly income concern, majority 36.9% of the employee's monthly income is below Rs.25,000, followed by 30.7% of the employee's monthly income between Rs.25,001 - 50,000, 25.1% of the employees monthly income is between Rs.50,001- 75,000, and 7.3% of the employees monthly income is above Rs.75,000. The experience of the employee's concern, majority 39.9% of the employees are having 3-5 years of experience, followed by 26.7% of the employees are having between 6-8 years and 19.1% of the respondents are having up to 2 years, and 14.3% of the employees are having above eight years of experience.

Null Hypothesis 1

There are no causes of attrition among the sales force working in NBFCs in Chennai city.

Table :2

One-sample t-test for causes of attrition

n=371

Factors	**Mean**	**SD**	**t**	**p**
Specific Work	3.55	.938	72.930	<0.001**
HR policy	3.25	1.226	51.091	<0.001**
Superiors Rude Behavior	3.73	1.225	58.599	<0.001**
Economic forces	3.76	.736	98.397	<0.001**
Influence of colleague	3.94	1.019	74.362	<0.001**
Wide opportunities	3.70	1.241	57.442	<0.001**

Table 2 exhibits the results of a One-sample t-test for causes of attrition among the sales force working in NBFCs in the study region. Since the p-value of entire factors is <0.01, therefore the framed null hypothesis rejected and confirmed that there are some causes of attrition among the sales force working in NBFCs. Among the six factors, the influence of colleagues (3.94) is a significant factor for attrition among the sales force in NBFCs in the study region. In NBFCs, any person elevated and joined any other company, and he is focusing on recruiting in his colleague in previous employment. In this technique, successful in the marketing of financial products, they can develop team building in a news organization. The second important factor for causes of attrition is 'Economic forces' (3.76); it leads to a vital role for attrition among the sales force in NBFCs. Owing to the increasing cost of living, the employed person forces them to earn more to bear the operating cost of his family. Due to these circumstances, the employees can easily switchover one place to another place only. The third important factor for causes of attrition among the sale force in NBFCs is 'Superiors Rude Behavior' (3.73). The rude behavior of superiors is significantly de-motivated the employees and switch over to other organizations. The extensive employment opportunities are available in NBFCs, 'ample opportunities' plays a significant role for causes of attrition among the employees of non-banking financial companies. The HR policy and specific work also essential causes of attrition for the employees. The attrition increases due to when the organizations are offering a low level of monetary benefits, hectic workload, surfeit working time, lack scope for welfare activities, and unethical procedures. Overall, attrition is arisen due to specific work, HR policy, superiors rude behavior, economic forces, the influence of colleagues, and extensive opportunities.

Null Hypothesis-2

The male and female employees are having a similar view of the causes of attrition in NBFCs in the study region.

Table :3

Independent t-test for causes of attrition among the male and female employees

n= (Male=213 & Female=158)

Causes of attrition	**Gender**	**Mean**	**SD**	**t**	**p**
Specific Work	Male	3.58	.941	.705	.481
	Female	3.51	.936		

HR policy	Male	3.32	1.226	1.339	.182
	Female	3.15	1.222		
Superiors rude Behavior	Male	3.65	1.222	-1.460	.145
	Female	3.84	1.225		
Economic forces	Male	3.76	.750	-.047	.963
	Female	3.76	.718		
Influence of colleague	Male	3.95	.987	.286	.775
	Female	3.92	1.065		
Wide opportunities	Male	3.69	1.212	-.192	.848
	Female	3.72	1.282		

Table-3 reveals the results of independent t-test for causes of attrition among the male and female employees. The entire p-value factor of causes of attrition is>0.05; therefore, the null hypothesis accepted at a 5% level. Therefore the study confirms that male and female employees are having a similar view on the causes of attrition in non-banking financial companies in the study region.

Null Hypothesis-3

There is no significant difference among the age group of salesforce concerning the causes of attrition in NBFCs

Table:4

ANOVA test for Causes of Attrition among the Age Group of the Employees

		Sum of Squares	df	Mean Square	F	Sig.
Specific Work	Between Groups	3.769	3	1.256	1.432	.233
	Within Groups	321.956	367	.877		
	Total	325.725	370			
HR policy	Between Groups	11.243	3	3.748	2.526	.057
	Within Groups	544.444	367	1.483		
	Total	555.687	370			
Superiors Behavior	Between Groups	2.426	3	.809	.537	.657

	Within Groups	553.078	367	1.507		
	Total	555.504	370			
Economic forces	Between Groups	.368	3	.123	.225	.879
	Within Groups	199.799	367	.544		
	Total	200.167	370			
Influence of colleague	Between Groups	6.958	3	2.319	2.255	.082
	Within Groups	377.489	367	1.029		
	Total	384.447	370			
Wide opportunities	Between Groups	2.019	3	.673	.435	.728
	Within Groups	567.771	367	1.547		
	Total	569.790	370			

Table-4 exhibits the results of the ANOVA test for Causes of Attrition among the Age Group of the Employees in the study area. The causes of attrition among the sales force of non-banking financial companies, namely specific work, HR policy, Superiors Rude behavior, Economic forces, Influence of Colleague, and ample opportunities p-values are >0.05. The framed null hypothesis accepted as it is and confirms that the different age groups of sales forces having the same view on causes of attrition in the NBFCs in the study region.

Managerial Implications

The study is focused on to measure the causes of attrition among the sales force in Non-banking companies in the study region. The study results reveal that there are some reasons behind for attrition of employees working in a non-banking financial organization. In non-banking financial companies, attrition arises due to hectic work pressure, stringent HR policies, rude behavior of superiors, individual commitments, i.e., economic forces, the influence of colleagues, and work opportunities. Prospect acts momentous position in the achievement of any company; the companies have to make happy the expectations of the sales force to bring maximum possible results. In the promotion of financial products, the sales force is promoting the concepts rather than the merchandise; their job is a representation of extra stress. The management of NBFCs has concentrated on providing a tranquil atmosphere to employees and try to fulfill the employee's need. Besides, the management of non-banking financial companies should build trust among the employees. It leads to enhance the efficiency level among the employees. The management should recognize the performed employees and reward them appropriately. It motivates the existing employees of the organization. The management should focus on courteously treating the employees, avoid gender discrimination, and creates carrier opportunities for employees. It may reduce the attrition level in the non-banking financial companies in the study region.

II.CONCLUSION

It is observed from the study; the study results indicate there are some reasons for attrition among the sales force in Non-banking financial companies in the study region. The study reveals that six predominant factors for the causes of attrition among the sales force of non-banking financial companies, i.e., specific work, stringent HR policy, Rude behavior, economic forces, the influence of colleagues, and extensive opportunities. Among the six factors, the influence of colleagues is a vital aspect of a reason for attrition. The identified factors are significantly affecting the sales force for attrition in Non-banking financial companies. The study also identified that male and female employees are having a similar view on causes of attrition, and the study also inferred that the different age groups of salesforce having similar perceptions about the causes of attrition in Non-banking financial companies in the study region.

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