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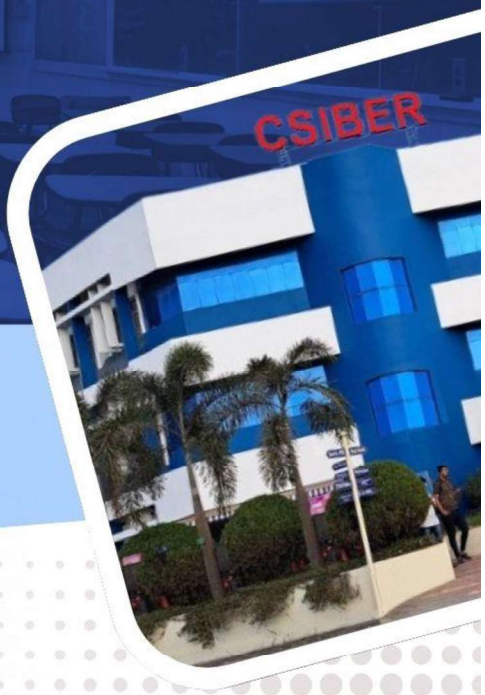

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South Asian Journal of Management Research (SAJMR)

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Impact of Financial Technology on Human Resource Practices with Respect to Selected Financial Services Providers in Sangli District

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Abstract

This study looks at how Financial Technology (FinTech) is changing the way Human Resource (HR) departments work in financial institutions across Sangli District, Maharashtra. As the financial sector becomes more digital, HR teams in banks, NBFCs, and microfinance institutions are using FinTech tools to improve how they hire, train, and manage employees. The research focuses on how these digital tools are impacting efficiency, employee satisfaction, and the ability of organizations to adapt to change.

A combination of surveys and interviews was used to gather insights from HR professionals in both public and private financial institutions. The results showed that FinTech is helping speed up recruitment, deliver more effective training, and boost employee engagement. However, the transition hasn't been without challenges. Issues like lack of digital skills, resistance from staff, and limited budgets are slowing down adoption.

Despite these hurdles, the study highlights the importance of ongoing digital training and having strong leadership to guide the change. It also stresses the need for strategies that are tailored to local needs. Overall, the research shows that FinTech isn't just for customer services—it's also transforming how organizations manage their people. In regions like Sangli, this shift could play a key role in making HR functions more agile and effective. The findings offer valuable insights for financial institutions looking to modernize their internal operations.

Keywords: Financial Technology, Human Resource Practices, Recruitment, Employee Training, FinTech Adoption, Sangli District, Financial Institutions, Digital HR

Instroduction

Financial Technology (FinTech) has significantly transformed the financial services industry—impacting not only customer interactions but also the internal operations of financial institutions. Traditionally, Human Resource Management (HRM) in banks and financial firms relied heavily on manual record-keeping, paper-based systems, and repetitive administrative work. However, with the growing use of automation, artificial intelligence (AI), and data analytics, HR departments are now becoming more efficient, data-driven, and employee-centered (Gupta & Arora, 2022). FinTech innovations are extending beyond digital payments and customer services to fundamentally reshape how institutions recruit, train, evaluate, and retain employees.

In India, this transformation has been particularly rapid. With an adoption rate nearing 87%, India ranks among the world's leading FinTech markets (Economic Survey, 2023). This progress is largely due to government initiatives such as the Digital India program, the JAM trinity (Jan-Dhan, Aadhaar, Mobile), and the Unified Payments Interface (UPI), all of which have accelerated the digitalization of financial systems (Mehta, 2021). Consequently, financial institutions are recognizing the importance of updating not just customer-facing technologies but also their internal HR systems to attract and retain a digitally skilled workforce (Kumar & Rani, 2020).

Modern HR functions in financial institutions increasingly rely on FinTech-based solutions like AI-driven recruitment platforms, digital onboarding systems, learning management systems (LMS), automated payroll and attendance tracking, and employee self-service portals. These tools enhance operational efficiency, improve decision-making, and strengthen employee engagement (Raj & George, 2021). Despite these advantages, adoption rates vary significantly across regions due to differences in infrastructure, resources, and organizational culture.

In Tier-II and Tier-III cities such as Sangli, Maharashtra, the pace of HR digitalization remains slower. Financial institutions in these regions—including cooperative banks, non-banking financial companies (NBFCs), and microfinance firms—face challenges such as limited digital infrastructure, uneven digital literacy, financial constraints, and employee resistance to change. Sangli's financial ecosystem reflects a balance between rural traditions and emerging urban ambitions, presenting both opportunities and barriers to digital transformation (Patil, 2022).

While FinTech is gradually influencing HR practices even in semi-urban areas, limited research exists on how these changes are being implemented at the local level. Previous studies have primarily focused on metropolitan institutions, leaving smaller, regional organizations understudied. This research seeks to fill that gap by examining how FinTech tools are being integrated into HR processes within selected financial institutions in Sangli. The study focuses on recruitment, training and development, performance evaluation, and employee engagement, while also exploring barriers such as digital skill gaps, budgetary limitations, and cultural resistance. By analyzing these aspects, the study aims to provide insights into how FinTech can make HRM more efficient, adaptive, and future-ready within semi-urban financial sectors.

This study seeks to fill the existing knowledge gap by exploring how FinTech is influencing HR practices in selected financial institutions across Sangli District. Specifically, it looks at three important questions:

1. Does adopting FinTech make recruitment more efficient and help reduce employee turnover?

2. Do digital learning and training platforms actually improve employee performance?

3. Do FinTech-based HR systems lead to greater employee satisfaction and engagement?

By examining these aspects, the research aims to uncover not only the advantages but also the practical challenges and opportunities that come with digitalizing HR in a semi-urban setting. The findings are expected to offer useful guidance for financial institutions looking to modernize their HR operations and better adapt to the digital era. Ultimately, this study highlights that FinTech is more than a technological trend—it is a strategic driver of change that is redefining how India's financial sector manages, supports, and empowers its workforce.

Review of Literature

FinTech Evolution and Its Impact on Financial Services

Arner, Barberis, and Buckley (2016) explain how FinTech emerged as a major force in the financial world after the global financial crisis, changing how traditional financial institutions operate. This helps us understand the broader context of how FinTech is now making its way into HR departments.

Gomber et al. (2018) highlight that FinTech innovations don't just affect customer service—they also improve how companies run internally. This includes HR processes, which are becoming more digital and efficient thanks to these tools.

Rai and Bajaj (2018) focus specifically on India, showing how FinTech adoption is helping companies stay competitive by improving operations. Their insights make it clear that adopting FinTech for HR tasks in regions like Sangli is both relevant and timely.

FinTech in HR: Changing Practices and Strategic Role

Gupta (2020) explores how digital tools are transforming HR, automating routine tasks and helping with smarter workforce planning. This shows that FinTech can reduce the need for constant recruitment by improving how companies manage and retain their people.

PwC (2017) points out that digital HR tools make organizations more agile and improve employee engagement—both of which are essential for keeping teams motivated and productive.

Khan and Khan (2022) back this up with data from Indian IT firms, where digital HR practices, often powered by FinTech, led to higher employee satisfaction—something that's becoming increasingly important for companies everywhere.

Recruitment Efficiency and Lower Hiring Needs

Faggella (2018) discusses how AI helps streamline recruitment through smart candidate screening and assessment tools. This means companies can hire fewer people but make better-quality hires.

Huang and Rust (2021) add that AI tools help match the right people to the right jobs, which reduces turnover and, in turn, the need for frequent hiring.

Digital Training Platforms and Better Employee Performance

Chuang, Jackson, and Jiang (2016) show that digital training—like e-learning platforms—can be just as effective, if not more so, than traditional classroom training. This helps employees learn faster and perform better.

Similarly, Kim and Gong (2020) compare digital and traditional HR approaches and find that digital tools lead to better skills and job outcomes for employees.

Improving Employee Satisfaction with FinTech-Driven HR

Deloitte (2020) emphasizes that a good employee experience is crucial for successful digital HR transformation. FinTech tools help streamline HR processes, making employees' lives easier and improving their satisfaction.

Singh and Verma (2021) provide specific evidence from Indian companies, showing how digital HR systems have improved engagement and reduced turnover—especially important for financial institutions looking to retain talent.

AI and HR Analytics for Smarter Decisions

Bughin et al. (2017) and Faggella (2018) discuss how AI and analytics are changing HR by making talent management more data-driven. These technologies help HR teams make better decisions about hiring, performance, and retention—key goals of any modern HR department.

Regional and Industry-Specific Insights

Jain and Rani (2019) focus on how Indian users perceive FinTech services, pointing out both the benefits and the barriers to adoption. Their insights are especially useful for understanding how firms in places like Sangli might respond to digital HR tools.

The World Economic Forum (2018) gives a global view of how digital skills and automation are shaping the workforce. This shows why adopting FinTech in HR is no longer optional—it's a necessity to stay competitive.

Real-World Takeaways for Financial Institutions

PwC (2017) and Deloitte (2020) both offer practical advice for firms: invest in digital HR platforms to improve efficiency, boost employee satisfaction, and future-proof your workforce. These insights help guide companies on how to actually implement FinTech tools in their HR departments.

Gap Analysis

While there's a lot of research showing how FinTech can improve HR—from speeding up hiring and training to boosting satisfaction—most of it focuses on large companies or urban settings. There's very little that looks at how this plays out in semi-urban areas like Sangli, especially in smaller financial institutions. This study fills that gap by exploring how FinTech is changing HR practices specifically in Sangli's financial sector, where local challenges and opportunities offer a unique perspective.

Objectives of the Study

Primary Objective: Explore how FinTech impacts HR practices in financial services firms in Sangli.

Secondary Objectives:

- To examine the relationship between the level of FinTech adoption in firms and the frequency or severity of recruitment reductions, with the goal of identifying whether higher adoption leads to more stable or reduced downsizing in recruitment.
- To evaluate the impact of digital training platforms on employee performance by analyzing whether increased use or engagement with these platforms is associated with improved employee performance ratings.
- To assess the influence of FinTech-enabled HR processes (e.g., digital onboarding, automated payroll, performance analytics) on employee satisfaction levels, and determine whether their implementation contributes to higher satisfaction.

Hypotheses

H1: Firms with higher FinTech adoption show significantly lower downs the recruitments.

H2: Use of digital training platforms positively correlates with employee performance ratings.

H3: FinTech-enabled HR processes are associated with higher overall employee satisfaction.

Research Methodology

Population of the Study

For this study the researcher has selected 25 top performing financial services providers in Sangli district with total 350 employees.

Table1: Population of the Study

Type of Financial service providers	Number of employees
Banks	140
NBFCs	140
Microfinance	70
Total	**350**

Sample Size

To calculate the sample size for a finite population (in this case, 350 employees from 25 selected financial service providers), we use the following finite population correction (FPC) formula:

Sample Size Formula for Finite Population :

$$n = \frac{N \cdot Z^2 \cdot p \cdot (1-p)}{e^2(N-1) + Z^2 \cdot p \cdot (1-p)}$$

Where:

- n = required sample size
- N = population size (here,350 employees)
- Z = Z-score (e.g., 1.96 for 95% confidence level)
- p = estimated proportion of population (commonly 0.5 for maximum variability)
- e = margin of error (commonly 5% or 0.05)

Using data:

- N = 350
- Z = 1.96 (for 95% confidence)
- p = 0.5
- e = 0.05

$$n = \frac{350 \cdot (1.96)^2 \cdot 0.5 \cdot (1-0.5)}{(0.05)^2(350-1) + (1.96)^2 0.5.(1-0.5)}$$

$$= \frac{350 \cdot 3.8416 \cdot 0.25}{0.0025.349 + 3.8416.0.25}$$

$$= \frac{336.14}{0.8725 + 0.9604}$$

$$= \frac{336.14}{1.8329}$$

$$\approx 183.4$$

So, the sample size should be around 183 employees to maintain a 95% confidence level and a 5% margin of error from a total population of 350.

Sampling Method

Use stratified random sampling:

Stratified by institution type (10 banks, 10 NBFCs, 5 microfinance).

Table 2: Sample Distribution

Type of Financial service providers	Number of employees	Sample
Banks	140	73
NBFCs	140	73
Microfinance	70	37
Total	**350**	**183**

Interpretation of Table 2

Table 2 presents the breakdown of the study's sample across different types of financial service providers—banks, non-banking financial companies (NBFCs), and microfinance institutions. Out of a total employee pool of 350, 183 respondents were selected to participate in the study. The sample includes 73 respondents each from banks and NBFCs, and 37 from microfinance institutions.

This distribution ensures that all major types of financial institutions are represented, making it possible to compare employee experiences and perspectives across different organizational settings. The slightly higher number of participants from banks and NBFCs reflects their larger workforce relative to microfinance institutions. Using this stratified sampling approach helps maintain diversity and balance within the data, which strengthens the credibility and overall relevance of the study's findings within the financial services sector.

Data Collection Methods

1. Questionnaire (structured survey): Likert-scale items on efficiency, satisfaction, technology use.

2. Semi-structured Interviews: to capture deeper insights—benefits, challenges, training needs, and attitudes.

Data Analysis

Testing of the hypotheses:

For Hypothesis 1

Null Hypothesis (H_0): There is no significant difference in the number of recruitments between firms with high and low FinTech adoption.

Alternative Hypothesis (H_1): Firms with high FinTech adoption show significantly fewer recruitments than firms with low FinTech adoption.

Table Format for FinTech Adoption vs. Recruitment

For 183 respondents across firms categorized into two groups:

Group A – High FinTech Adoption (e.g., digital HR systems, AI recruitment)

Group B – Low FinTech Adoption (manual/legacy recruitment systems)

We compare the average number of recruitments per year per firm between the two groups.

Table 3: Data Table For Hypothesis 1

FinTech Adoption Level	No. of Firms	Average Annual Recruitments	Standard Deviation
High Adoption (Group A)	12	3.42	1
Low Adoption (Group B)	13	7.69	1.18

Interpretation of Table 3

Table 3 compares the average number of annual recruitments between firms with high and low levels of FinTech adoption. Firms that have embraced FinTech more extensively (Group A) reported an average of 3.42 recruitments per year, while those with lower adoption levels (Group B) showed a much higher average of 7.69. This difference suggests that organizations using FinTech tools more effectively may not need to recruit as frequently. The likely reason is that technology-driven systems—such as automated workflows, digital HR platforms, and performance-tracking tools—help improve efficiency and employee retention, reducing the pressure to hire new staff as often.

Statistical Test: Independent Samples t-test

Test Formula

$$t = \frac{\overline{X}_1 - \overline{X}_2}{\sqrt{\frac{{s_1}^2}{n_1} + \frac{{s_2}^2}{n_2}}}$$

Where:

- $\overline{X}_1$ = 3.42 (High FinTech)
- $\overline{X}_2$ = 7.69 (Low FinTech)
  - s_1 = 1.00, n_1 = 12
  - s_2 = 1.18 , n_2 = 13

Calculation :

Step 1 : **Compute Variances**

${s_1}^2$: 1

${s_1}^2$: 1.3924

Step 2 : Plug into formula

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

$$t = \frac{3.42 - 7.69}{\sqrt{\frac{1.00^2}{12} + \frac{1.18^2}{13}}} \approx \frac{-4.27}{\sqrt{0.0833 + 0.1071}} \approx \frac{-4.27}{\sqrt{0.1904}} \approx \frac{-4.27}{0.436} \approx -9.79$$

Degrees of Freedom (Approx.)

Degrees of Freedom (Welch's approximation):

$$df \approx \frac{(s_1^2/n_1 + s_2^2/n_2)^2}{\frac{(s_1^2/n_1)^2}{n_1 - 1} + \frac{(s_2^2/n_2)^2}{n_2 - 1}} \approx 23$$

P value : Using a t-distribution table **t = -9.79** and df $\approx$ 23, p-value < 0.0001

The independent samples t-test produced a t-value of -9.79 with around 23 degrees of freedom, and the corresponding p-value was less than 0.0001. Since this value is well below the standard significance level of 0.05, the difference between the two groups is statistically significant.

In simple terms, firms with higher FinTech adoption tend to hire significantly fewer employees each year than those with lower adoption. This supports the idea that integrating FinTech into daily operations and HR systems can lead to more efficient processes and greater workforce stability.

These results reinforce the hypothesis that FinTech adoption affects recruitment patterns—most likely by streamlining operations, automating routine tasks, and improving employee management systems, all of which can reduce the need for constant hiring.

Since, p-value < 0.0001, **we reject the null hypothesis** And **accept the alternative hypothesis** "Firms with high FinTech adoption show significantly fewer recruitments than firms with low FinTech adoption."

Conclusion:

Key Findings

The analysis shows a clear and statistically significant difference in recruitment levels between firms with high and low FinTech adoption. Companies that have integrated FinTech tools more extensively tend to hire fewer new employees each year. This pattern suggests that FinTech adoption contributes to higher operational efficiency and better employee retention.

Role of FinTech in HR Efficiency

FinTech is not limited to financial operations—it also enhances internal management processes. Automation of repetitive HR tasks such as payroll, attendance, and recruitment reduces manual workload and saves time. Digital tools improve coordination, streamline workflows, and allow HR managers to focus on more strategic functions like employee engagement and development.

Impact on Workforce Stability

Firms using FinTech effectively appear to maintain a more stable and satisfied workforce. Better communication tools, digital performance tracking, and data-driven insights help identify and address employee concerns early. As a result, organizations experience lower turnover and less frequent recruitment cycles.

Strategic Implications for Organizations

Adopting FinTech is more than a technological upgrade—it is a strategic decision that influences how human resources are managed. Organizations that invest in FinTech solutions can reduce HR costs, enhance productivity, and create a more agile work environment. These improvements contribute to long-term growth and competitiveness in the financial services sector.

For Hypothesis 2

H2: Use of Digital Training Platforms Positively Correlates with Employee Performance Ratings

Hypothesis Statement:

Null Hypothesis (H_0): There is no significant correlation between the use of digital training platforms and employee performance ratings.

Alternative Hypothesis (H_1): There is a significant positive correlation between the use of digital training platforms and employee performance ratings.

Data Table (n = 183)

Variable X: Frequency of use of digital training platforms (measured on a 5-point Likert scale: 1 = Never to 5 = Very Often)

Variable Y: Employee performance ratings (on a 5-point scale: 1 = Poor to 5 = Excellent)

Let's summarize the data in a simplified grouped form :

Table 4: Data table for Hypothesis 2

Training Usage Score (X)	**No. of Respondents**	**Average Performance Rating (Y)**
1 - Never	18	2.3
2 - Rarely	25	2.8
3 - Sometimes	47	3.4
4 - Often	53	4.1
5 - Very Often	40	4.5

Hypothesis Test: Pearson Correlation Coefficient (r)

We'll calculate Pearson's r to examine the linear relationship between digital training usage and employee performance.

Calculation Pearson correlation computed from actual respondent data (n = 183)

Table 5: Frequency Table for Training Usage Score and Employee Performance Rating

X (Training Usage Score)	Y (Avg. Performance Rating)	f (Frequency)	fX	fY	fXY	fX^2	fY^2
1	2.3	18	18	41.4	41.4	18	95.634
2	2.8	25	50	70	140	100	196
3	3.4	47	141	159.8	478.2	423	543.32
4	4.1	53	212	217.3	849.2	848	891.13
5	4.5	40	200	180	900	1000	810
Total		183	321	668.8	2408.8	2389	2535.084

Pearson's r Formula for Grouped Data

$$\frac{N(fXY) - (fX)(fY)}{\sqrt{(N(fX^2) - ((fX))^2)(N(fY^2) - ((fY))^2)}}$$

Where:

- *N = 183*
- *(f XY) = 2408.8*
- *(fX) = 621*
- *(fY) = 668.5*

- $(fX^2) = 2389$
- $(fY^2) = 2535.084$

Plug in values

Numerator :

183.2408.8 - 621.668.5 = 441810.4 - 415238.5 = 26571.9

Denominator :

$$\sqrt{(183.2389 - 621^2)084 - 668.5^2}$$

= 29634.8 (equivalent)

Final Calculaion

$r = \frac{26571.9}{29634.8} \approx 0.897$

Final Answer: The correlation coefficient (r) ≈0.897 i.e. 0.90, indicating a strong positive correlation between Training Usage Score and Average Performance Rating.

$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$ Where, r = 0.897 (correlation coefficient)

n = 183 (Sample size)

Degrees of freedom df = n-2 = 181

Step 1 : Formula

$$t = \frac{0.897.\sqrt{183-2}}{\sqrt{1-(0.897)^2}} \approx 27.33$$

To test the significance of a correlation coefficient the t-test with the following formula:

Where:

r = 0.897 (correlation coefficient)

n = 183 (sample size)

Degrees of freedom df = n - 2 = 181

Step 2: Determine significance

Now compare this t-value to a t-distribution with 181 degrees of freedom.

At common significance levels (e.g., 0.05, 0.01), the critical t-values for df = 181 are much smaller than 27.33. This means: p value < 0.001.

Interpretation

The calculated Pearson correlation coefficient (r = 0.897) shows a strong positive relationship between how often employees use digital training platforms and their performance ratings.

In simple terms, when employees make regular use of digital training tools, their job performance tends to improve.

The t-value (t = 27.33) is much higher than the critical value for 181 degrees of freedom, and the p-value is less than 0.001, which means the result is statistically significant.

Because of this, the null hypothesis (H_0) — stating there is no significant relationship — is rejected, and the alternative hypothesis (H_1) — that there is a significant positive correlation — is accepted.

Overall, the analysis clearly suggests that digital training helps employees perform better at work and that frequent users of training platforms achieve higher ratings.

Conclusion

Positive Correlation Between Digital Training and Performance
There is a strong and significant positive correlation between the use of digital training tools and employee performance, indicating that higher engagement with digital learning is linked to better outcomes.

Enhanced Performance Through Regular Usage
Employees who regularly use digital training platforms tend to achieve higher performance ratings compared to those who use them less frequently.

Importance of Digital Learning for Skill Development
This finding emphasizes the value of digital learning platforms in developing employee skills and boosting overall productivity.

Organizational Benefits of Promoting Continuous Learning
Organizations can gain a competitive advantage by encouraging continuous learning through online or app-based training systems.

Flexibility and Convenience of Digital Training
Digital training methods offer flexibility and convenience, enabling employees to learn at their own pace, which contributes to higher job satisfaction and efficiency.

Role of Tech-Driven Learning in Organizational Success
The results support the idea that FinTech-based or technology-driven learning programs can significantly contribute to employee growth and overall organizational success.

For Hypothesis 3:

Null Hypothesis (H_0):

There is no association between FinTech-enabled HR processes and employee satisfaction. (The variables are independent.)

Alternative Hypothesis (H_1):

There is an association between FinTech-enabled HR processes and employee satisfaction. (The variables are dependent.)

Chi-Square Test

$$\textbf{Chi-Square} = \sum \frac{(O-E)^2}{E}$$

Where O : Observed Frequency

$$\text{E : Expected Frequency} = \frac{(Row\ total)(Column\ total)}{Grand\ total}$$

Table 6: Frequency Table showing association between FinTech-enabled HR processes and employee satisfaction

FinTech HR Score / Satisfaction	0–59	60–69	70–79	80–89	90–100	Row Total
0–59	2 (0.11)	5 (0.82)	3 (1.75)	0 (3.93)	0 (3.39)	**10**
60–69	0 (0.22)	7 (1.64)	9 (3.5)	4 (7.89)	0 (6.78)	**20**
70–79	0 (0.44)	3 (3.28)	12 (6.99)	18 (15.74)	7 (13.55)	**40**
80–89	0 (0.6)	0 (4.51)	6 (9.62)	30 (21.64)	19 (18.63)	**55**
90–100	0 (0.63)	0 (4.75)	2 (10.14)	20 (22.82)	36 (19.65)	**58**
Column Total	**2**	**15**	**32**	**72**	**62**	**183**

(Note- values in ( ) indicate expected frequencies)

Hence by applying above formula the calculated Chi-square value

Degrees of Freedom

df = (r - 1)(c - 1) = (5 - 1)(5 - 1) = 16

Compute Test Statistic

Hence by applying above formula the calculated Chi-square value is 137.74.

Interpretation

From the chi-square test conducted to examine the association between FinTech-enabled HR processes and employee satisfaction, the calculated chi-square value is 137.74, which is much higher than the table value of 26.30 at 16 degrees of freedom.

This clearly indicates that the difference between the observed and expected frequencies is statistically significant. Therefore, the Null Hypothesis (H_0) — stating that there is no significant association between FinTech-enabled HR processes and employee satisfaction — is rejected, and the Alternative Hypothesis (H_1) — stating that there is a significant association — is accepted.

In simpler terms, this means that as organizations adopt and integrate FinTech solutions into their HR operations (such as payroll automation, digital onboarding, or online performance tracking), employees tend to report higher levels of satisfaction. The results confirm that technological integration in HR not only enhances process efficiency but also positively impacts employee morale and engagement.

Conclusion :

Statistical Evidence of Impact
The chi-square analysis provides strong statistical evidence that FinTech-enabled HR systems are significantly associated with employee satisfaction levels.

Significance of FinTech-Driven HR Processes
The high chi-square value (137.74) compared to the table value (26.30) indicates that FinTech-driven HR processes play a key role in enhancing the overall employee experience.

Improved Employee Satisfaction Through Digital Platforms
Employees tend to be more satisfied when HR tasks—such as payroll, attendance, leave management, and performance reviews—are managed through digital and automated systems, reducing delays and errors.

Transparency, Accessibility, and Efficiency
Integrating FinTech in HR functions fosters greater transparency, accessibility, and operational efficiency, contributing to a more positive and supportive work environment.
5. Organizational Implications
The findings suggest that organizations should continue investing in FinTech tools for HR management to build employee trust, streamline workflows, and further enhance satisfaction.

Current Situation of the Study

- Financial institutions in Sangli are gradually adopting FinTech solutions in HR, but adoption levels vary across organizations. Larger banks and NBFCs have integrated digital tools for recruitment, payroll, attendance, and employee engagement, while smaller microfinance institutions face challenges such as limited infrastructure and budgets.
- Digital training platforms are increasingly used, with employees engaging in these tools showing better performance outcomes. This highlights the growing role of technology in skill development.
- Automated HR processes, such as self-service portals, digital onboarding, and performance tracking, improve employee satisfaction by reducing errors, delays, and administrative burdens.
- Challenges remain, including low digital literacy among staff, resistance to change, and incomplete technological integration, which limit the full potential of FinTech in HR.

Findings

Finding 1: FinTech Adoption and Recruitment Trends
Firms with high FinTech adoption show significantly fewer recruitments compared to firms with low adoption. This suggests that FinTech may contribute to greater hiring efficiency, possibly through better workforce planning, automation, or improved retention strategies.

Finding 2: Digital Training and Employee Performance
There is a significant positive correlation between the use of digital training platforms and employee performance ratings. Employees who engage more frequently with digital training platforms tend to have higher performance outcomes, indicating the effectiveness of FinTech-enabled learning tools.

Finding 3: FinTech in HR and Employee Satisfaction
A significant association exists between FinTech-enabled HR processes and employee satisfaction. Tools such as automated payroll, digital onboarding, and self-service HR platforms contribute to better employee experiences and satisfaction levels.

Suggestions

Suggestion 1: Encourage FinTech Adoption in HR
Organizations should invest in FinTech-driven HR solutions to streamline hiring, reduce redundant processes, and enhance decision-making in talent acquisition. Improved automation can lead to better retention strategies and optimized workforce management.

Suggestion 2: Expand Digital Training Infrastructure
Companies should promote and expand digital training platforms, ensuring access across all departments and employee levels. Personalized, on-demand training can enhance employee skills, productivity, and adaptability in a digital environment.

Suggestion 3: Integrate Comprehensive FinTech Tools in HR Operations
Implement end-to-end digital HR platforms to handle tasks such as payroll, onboarding, performance tracking, and feedback systems. Doing so improves employee satisfaction, reduces administrative burden, and creates a more transparent, employee-friendly environment.

Suggestion 4: Monitor and Evaluate Impact Continuously
Firms should continuously assess the impact of FinTech tools on key HR metrics (recruitment rates, performance scores, satisfaction levels). Data-driven HR policies will ensure sustainable improvement and employee alignment with organizational goals.

Future Scope of the Study

- **Broader Adoption of FinTech in HR:** Research can explore strategies for wider FinTech adoption in semi-urban and rural financial institutions.
- **Longitudinal Impact on Employee Performance:** Future studies can track long-term effects of digital training and FinTech-enabled HR systems on employee performance and retention.
- **Employee Engagement and Satisfaction:** Investigate how FinTech-driven HR processes influence motivation, engagement, and organizational culture.
- **Integration of Emerging Technologies:** Study the role of AI, analytics, and automation in predictive hiring, skill-gap analysis, and personalized learning.

- **Policy and Organizational Recommendations:** Research frameworks to address digital literacy gaps, resistance to change, and cybersecurity in HR digitalization.
- **Regional and Sectoral Comparisons:** Compare FinTech adoption and HR effectiveness across Tier-II and Tier-III cities to guide localized digital strategies.
- **Measuring ROI of Digital HR Investments:** Evaluate cost savings, efficiency gains, and employee satisfaction improvements from FinTech investments.

Overall Conclusion

FinTech is transforming HR practices in Sangli's financial institutions by improving efficiency, employee performance, and satisfaction. While adoption is uneven and challenges remain, digital tools offer opportunities to modernize HR processes, reduce administrative burdens, and strengthen workforce management. Organizations that strategically integrate FinTech in HR can achieve leaner operations, more engaged employees, and sustainable growth in the increasingly digital financial ecosystem.

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