A Study on: Recruitment process in Banking Sector

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Abstract

Recruitment is a critical process that ensures the selection of appropriate and qualified candidates for specific job roles. In India, the financial sector plays a vital role in driving the nation's rapid economic development, with the banking industry serving as one of its strongest pillars. Over the years, the Indian banking sector has witnessed steady growth while also adapting to international financial market standards. Broadly, banks in India are divided into two categories: public sector and private sector. While private sector banks design and manage their own recruitment procedures, public sector banks largely rely on the "Institute of Banking Personnel Selection" (IBPS) for their hiring needs. An exception to this is the "State Bank of India" (SBI), which, although a public sector bank, conducts its recruitment independently.

This study focuses exclusively on the recruitment practices of SBI employees across different designations. The key objective is to examine the processes involved in hiring individuals.

KEYWORDS: Recruitment, Banking Sector, Employees.

1. INTRODUCTION

Recruitment is the process of finding and hiring the right people for the right jobs. It begins with identifying vacancies, attracting potential candidates, and ends with selecting and appointing the most suitable person. A good recruitment process helps an organization get skilled employees who can contribute to its success. *Edwin B. Flippo* in his book "Principles of Personnel Management(McGraw-Hill Series in Management) 1 November 1983", defines recruitment as, "It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization."

The banking sector is one of the most important parts of the economy. Banks provide services like accepting deposits, giving loans, managing payments, and offering financial products to individuals and businesses. Since banks handle money, sensitive information, and customer relationships, so they require employees who are knowledgeable, responsible, and trustworthy.

The importance of recruitment in the banking sector is highly essential. Banks need qualified and appropriate staffs to handle financial transactions, use new technologies like online banking, and follow strict rules and regulations.

2. REVIEW OF LITERATURE

2.1 E-Recruitment in the Banking Sector (Verma , 2023)

Verma . (2023) conducted a study on e-recruitment practices in banks, examining how digital tools and online platforms have transformed the hiring process. The study focused on the adoption of online application systems, automated shortlisting, and virtual assessments to enhance efficiency. "Key findings revealed that e-recruitment reduces recruitment time, improves accuracy in candidate evaluation, and broadens the talent pool by enabling banks to reach candidates beyond local boundaries." The research also highlighted the benefits of tracking applications digitally, which helps HR departments maintain organized candidate records and make data-driven decisions. Overall, this study emphasizes that e-recruitment is not just a cost-saving tool but also a strategic approach to attracting competent and tech-savvy candidates.

2.2 Online Recruitment and Selection Process (Kumar & Pandey, 2023)

Kumar and Pandey (2023) examined the online recruitment and selection processes in the banking sector with a focus on how digitalization is changing traditional HR practices. Their study highlighted the use of online job portals, digital aptitude tests, video interviews, and psychometric assessments as part of the recruitment workflow. Findings suggested that online methods significantly accelerate recruitment timelines, increase transparency, and provide better access to qualified candidates. Moreover, online platforms allow banks to assess candidates' skills more comprehensively through pre-defined tests and structured evaluation tools. The study concluded that banks adopting online recruitment gain a competitive advantage by reducing human bias, enhancing efficiency, and improving candidate experience.

2.3 Recruit Hiring Strategies in the Financial Sector (Boutique Recruiting, 2025)

Boutique Recruiting (2025) emphasized practical strategies for attracting top talent in banks and financial institutions. The article highlighted three key areas: employer branding, technological integration, and compliance with labor laws. It noted that banks with strong employer brands are more likely to attract high-quality candidates, especially millennials and Gen Z professionals who value organizational culture and career development opportunities. The study also stressed the importance of building personal connections with potential candidates, even in a digital recruitment environment, to enhance engagement and retention. Overall, the research suggested that strategic recruitment planning combined with technology and branding, is essential for maintaining a strong talent pipeline in a competitive banking sector.

2.4 Talent Management in Banking: A Systematic Literature Review (Theodorsson, Gudlaugsson & Gudmundsdottir, 2022)

Theodorsson, Gudlaugsson, and Gudmundsdottir (2022) conducted a systematic review of talent management and recruitment strategies in the banking sector. Their study identified significant challenges, including skill shortages, high turnover, and the need for specialized technical and soft skills. The review highlighted best practices such as competency-based selection, strategic workforce planning, succession planning, and integration of digital recruitment tools. It also pointed out that banks adopting structured talent management and strategic recruitment frameworks are better equipped to attract, retain, and develop skilled professionals. The study concluded that recruitment and talent management should be closely aligned with organizational goals to ensure sustainable growth and operational efficiency.

2.5 Recruitment and Selection Processes in Banking Industry (Yamini, 2022)

Yamini (2022) focused on traditional recruitment and selection methods in banks, including CV screening, interviews, written tests, and background verification. The study emphasized the importance of evaluating candidates not only on technical expertise but also on ethical standards and behavioral competencies, which are critical in banking. Findings suggested that while traditional methods remain effective, regular updates to recruitment policies and incorporation of technology can enhance efficiency and reduce errors. The research also highlighted the role of structured recruitment policies in minimizing turnover, improving employee performance, and ensuring alignment with organizational values.

3. RESEARCH METHOD

3.1 Population and Sample

Population: The population of this study includes currently working as well as retired employees of SBI.

Sample: From the population of SBI employees, a sample of 28 respondents were selected using a convenience sampling method.

3.2 Data Collection Methods

A structured questionnaire was prepared and was sent to 28 SBI employees. This study adopted a mixed research approach because it consists of both option based and open-ended questions. Data's were collected from 8/24/2025 15:54:48 to 9/3/2025 12:31:11.

3.3 Research Instruments

The main tool used in this study was a questionnaire to collect information from candidates about their recruitment process in SBI. The questionnaire was made and shared using Google Forms (Responder link: https://docs.google.com/forms/d/e/1FAIpQLSfcf1CM5iOqZhO9jj6FR6F9F_t1L7_aiL3NnXKb6G3fHnq5dw/viewform?usp=header), which made it easy for respondents (SBI employees) to answer online.

3.4 Data Analysis Technique

Data Analysis Techniques The data collected from the questionnaire was analyzed using the Mean Method. The mean was calculated for respondent's answers on different aspects of the recruitment process.

3.5 Research Questions

1. Gender*

Male
Female
Others

2. Age*

18 - 29
30 - 39
40 - 49
Above 50

3. Present status of work*

Working
Retired
Other:

4. Family dependence

No one
1 - 3
4 or more

5. Your highest qualification*

6. Minimum qualification for the post you applied*

7. The post you applied*

8. Nature of employment*

Permanent
Temporary
Contractual
Other:

9. Years of work experience *

0 - 2
3 - 9
10 - 15
More than 15

10. Your job timing (ex : 9 am to 5 pm)*

11. How did you first come to know about the job vacancy ?*

Newspaper Advertisement
Official bank website
Job Portal
Social Media
Employee Referral
Other:

12. Did you get the job description?*

Yes
No

13. Was the job description clear and detailed ?*

Yes
No
Partially
No job description was given

14. Which stages were part of your recruitment process? (Select all that apply in your recruitment process)*

Online Application
Written /Online test
Group Discussion
Personal Interview
Medical test
Background verification
Other:

15. Rate the experience of your application process *

1
2
3
4
5

16. How would you rate the timeline of the recruitment process ? (1 - very slow, 2 - slow, 3 - moderate, 4 - fast, 5 - very fast)*

1
2
3
4
5

17. Do you believe the recruitment process was fair and unbiased?*

Yes
No
Not sure

18. Did you receive timely update about your application status?*

Yes
No
Somewhat

19. Whether the selection criteria was clearly communicated ?*

Yes
No
Partially

20. Which stage/stages of the process needs the most improvement ? (more than one option can be opted)*

Application submission
Examination process
Interview process
Communication / Update
Joining formalities

No such thing
Other:

21. Rate your job satisfaction .*
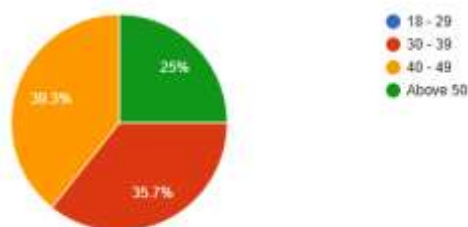
1
2
3
4
5

4. FINDINGS

   i.   Gender
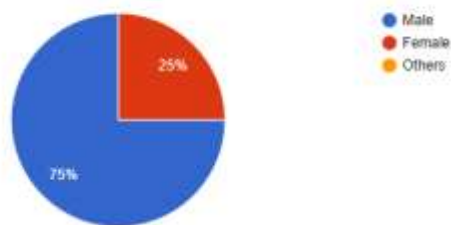
Among the selected population of 28 respondents there are 21 males and 7 females which results into 75% of them to be male and 25% of them to female.
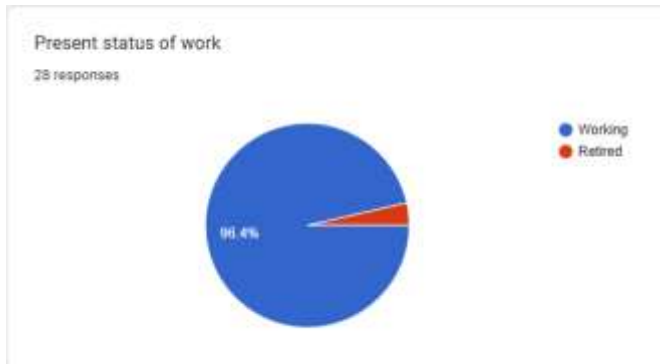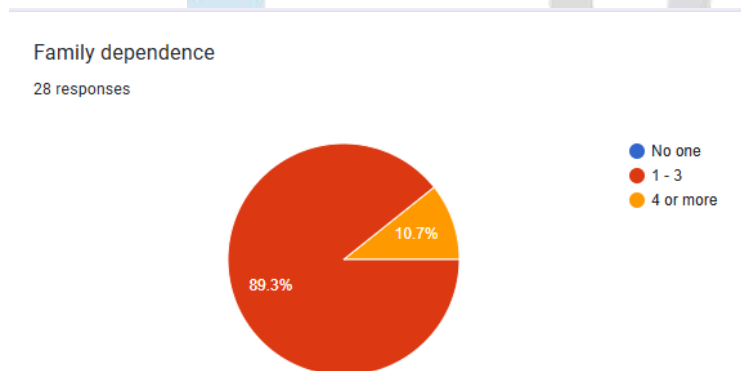
   ii.   Age

Among the selected population of respondents, 11 (39.3%) are in the age category of 40-49, 10 (35.7%) are in the age category of 30-39 and 7 (25%) are above 50.
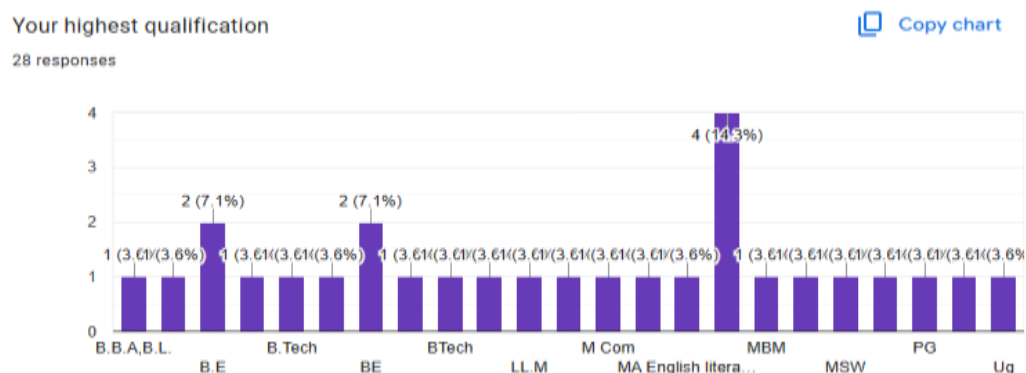
iii.   Present status of work

Present status of work
28 responses

Among the respondents 27 (96.4%) are currently working and 1 (3.6%) is retired.

iv.   Family dependence

Family dependence
28 responses

Among the respondents 25 (89.3%) have 1-3 family dependents and 3 (10.7%) have 4 or more family dependents.

v.   Your highest qualification


Your highest qualification
28 responses

Among the respondents, the highest qualification recorded was MBA (5 employees, 17.9%), followed by B.E.(4 employees, 14.3%), M.Com.(3 employees, 10.7%), and B.Tech(2 employees, 7.1 %). In addition, there was 1 employee each (3.6% each) with qualifications such as BPT, MBM, BBA LL.B, MBS, B.Com. (CA Intern), B.Com, UG, MSW, LL.M., Graduate, PGDBM, M.A. English Literature, and PG.

vi.   Minimum qualification for the post you applied
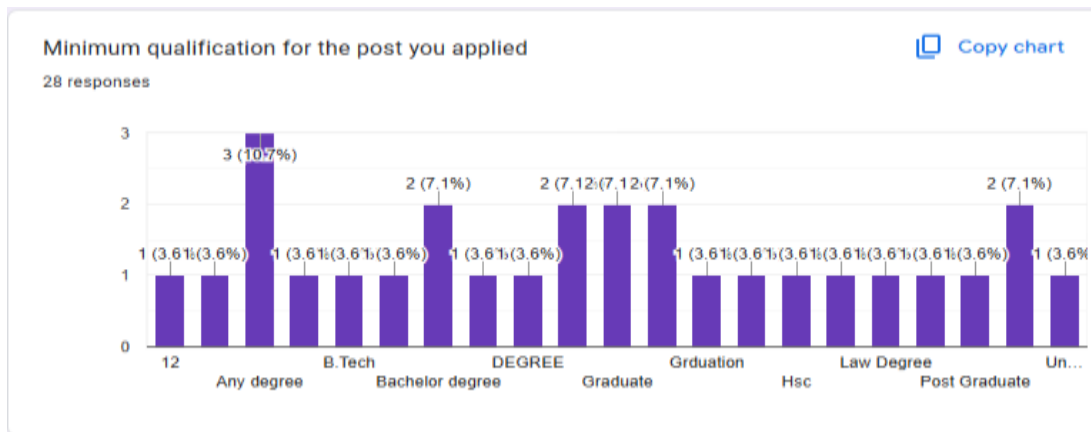
Among the respondents, the minimum qualification required for the post varied. The highest group reported was "Any Degree" (6 employees, 21.4%), followed by Graduate (5 employees, 17.9%), UG (3 employees, 10.7%), and 12th Standard (3 employees, 10.7%). In addition, smaller groups mentioned Bachelor's Degree (2 employees, 7.1%), B.Com. (2 employees, 7.1%), HSC (2 employees, 7.1%), and Law Degree (2 employees, 7.1%). A few respondents also listed B.Sc. (1 employee, 3.6%), B.Tech (1 employee, 3.6%), and PG (1 employee, 3.6%) as the minimum qualification.

vii.   The post you applied
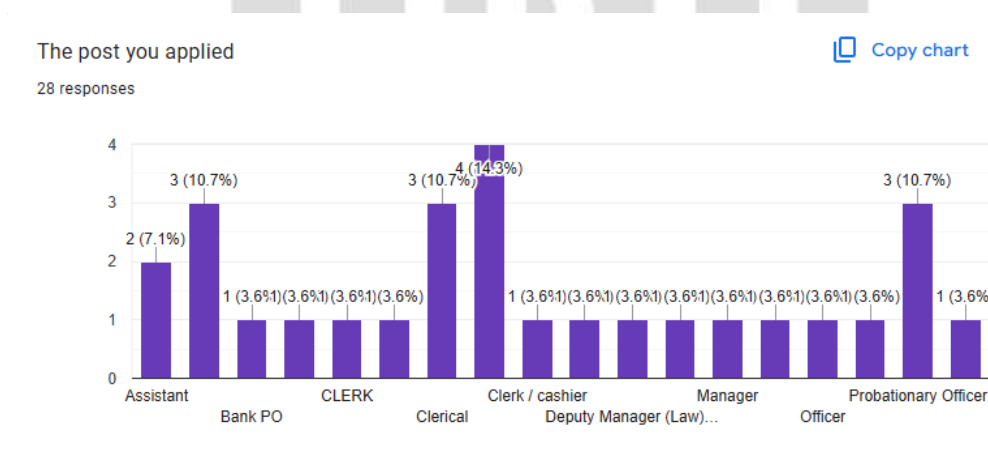
Among the respondents, the majority applied for the Clerical post (10 respondents, 35.7%), followed by Probationary Officer (5 respondents, 17.9%), Associate (3 respondents, 10.7%), Assistant (2 respondents, 7.1%), and Officer (2 respondents, 7.1%). In addition, a few respondents applied for specialized roles such as Clerk/Cashier (1 respondent, 3.6%), SME (1 respondent, 3.6%), Deputy Manager – Law in MMGS-II Scale (1 respondent, 3.6%), Computer Officer (1 respondent, 3.6%), Manager (1 respondent, 3.6%), and Law Officer (1 respondent, 3.6%).

It is important to note that while these were the posts applied for, the respondents' current positions may vary.

viii.   Nature of employment
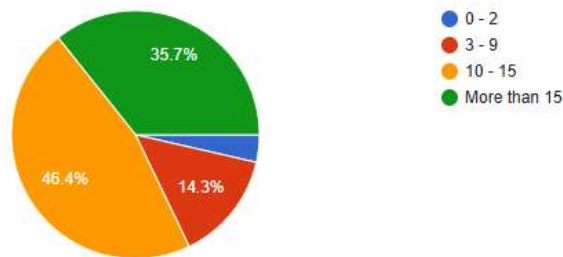
Nature of employment

28 responses
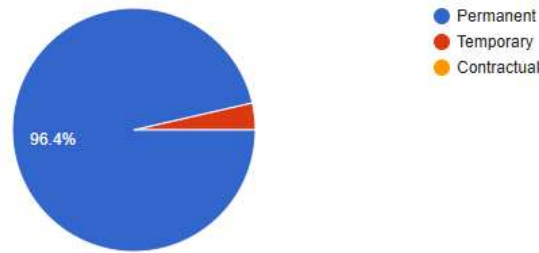
Among the 28 respondents, the vast majority (27 respondents, 96.4%) were permanent employees, while only 1 respondent (3.6%) reported being a temporary employee.

ix.   Years of work experience

Years of work experience

28 responses

Among the respondents, the largest group (13 respondents, 46.4%) had 10–15 years of work experience, followed by 10 respondents (35.7%) with more than 15 years of experience. In addition, 4 respondents (14.3%) reported having 3–9 years of experience, while only 1 respondent (3.6%) had 0–2 years of experience.

x.   Your job timing (ex : 9 am to 5 pm)
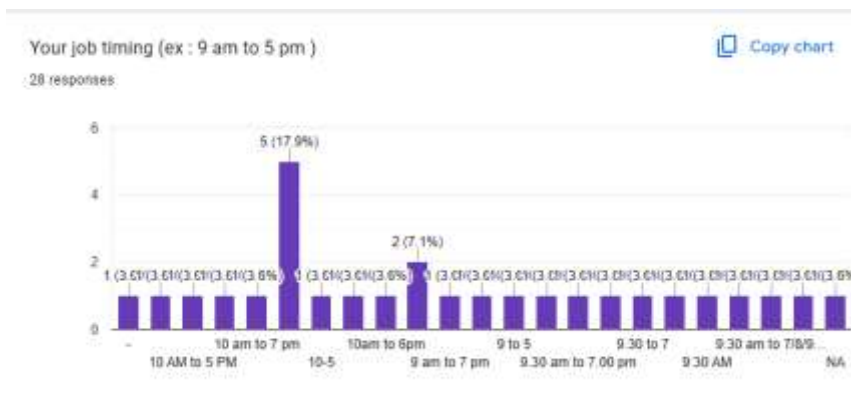
Among the respondents, the majority (9 employees, 32.1**%**) reported fixed working hours of 10:00 AM to 5:00 PM. A smaller number indicated other working schedules, including: 24×7 shifts – 2 employees (7.1%), 10:00 AM to 7:00 PM – 2 employees (7.1%), 9:30 AM to 6:30 PM – 2 employees (7.1%), 9:30 AM to 7:00 PM – 2 employees (7.1%), 9:00 AM to 8:00 PM – 2 employees (7.1%), Not applicable (working time not fixed or not reported) – 2 employees (7.1%), Work starts at 9:30 AM but with no fixed closing time – 2 employees (7.1%), 9:00 AM to 7:00 PM – 1 employee (3.6%), 9:00 AM to 5:00 PM – 1 employee (3.6%), 9:30 AM to 7:45 PM – 1 employee (3.6%), 9:30 AM to 6:00 PM – 1 employee (3.6%), 10:00 AM to 6:00 PM – 1 employee (3.6%).

This shows that while most employees follow a standard 10-to-5 schedule, a significant number work extended or irregular hours depending on their role.

xi.   How did you first come to know about the job vacancy ?

Among the respondents, the majority (19 employees, 67.9%) reported that they came to know about the job vacancy through newspaper advertisements. In addition, 6 employees (21.4%) learned about the vacancy via job portals, while 3 employees (10.7%) came to know through the official bank website.

xii.   Did you get the job description?

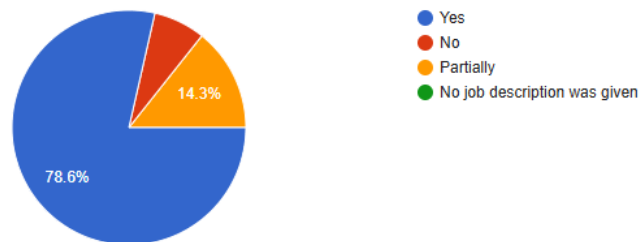Did you get the job description?

28 responses
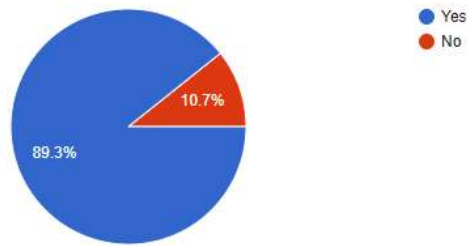
Among the respondents, the majority (25 employees, 89.3%) reported that they received their job description at the time of recruitment, while 3 employees (10.7%) stated that they did not receive a job description.

xiii.   Was the job description clear and detailed ?

Was the job description clear and detailed ?

28 responses

Among the respondents, the majority (22 employees, 78.6%) believed that the job description was clear and detailed, 4 employees (14.3%) partially agreed, while 2 employees (7.1%) disagreed, indicating that a small number of respondents did not find the job description clear.

xiv.   Which stages were part of your recruitment process? (Select all that apply in your recruitment process)
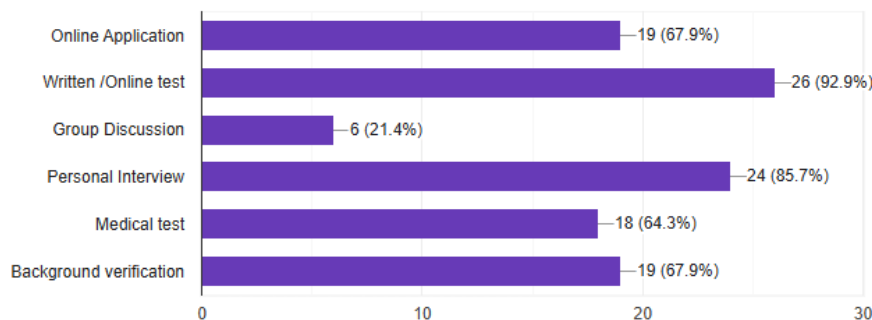
Among the respondents, the recruitment stages they underwent were as follows:

9 employees (32.1%) reported Online Application, Written/Online Test, Personal Interview, Medical Test, and Background Verification, 5 employees (17.9%) reported Online Application, Written/Online Test, Group Discussion, Personal Interview, Medical Test, and Background Verification, 3 employees (10.7%) reported Written/Online Test, Personal Interview, Medical Test, and Background Verification, 3 employees (10.7%) reported Written/Online Test and Personal Interview only, 2 employees (7.1%) reported Online Application, Written/Online Test, and Personal Interview, 1 employee (3.6%) reported Online Application, Written/Online Test, Medical Test, and Background Verification, 1 employee (3.6%) reported Online Application, Written/Online Test, and Group Discussion, 1 employee (3.6%) reported Written/Online Test, Personal Interview, and Background Verification, 1 employee (3.6%) reported only Online Application, 1 employee (3.6%) reported only Written/Online Test, 1 employee (3.6%) reported only Personal Interview.

This distribution shows that while most respondents underwent a comprehensive recruitment process, some experienced only select stages, depending on the post applied for.

xv.   Rate the experience of your application process

Among the respondents, most employees were highly satisfied with the application process, 23 employees (82.1%) rated their experience as 5 out of 5, 4 employees (14.3%) rated their experience as 4 out of 5, 1 employee (3.6%) rated their experience as 3 out of 5.

This indicates that the majority of respondents had a very positive experience with the application process.

xvi.   How would you rate the timeline of the recruitment process ? (1 - very slow, 2 - slow, 3 - moderate, 4 - fast, 5 - very fast)

Among the respondents, opinions on the recruitment timeline were as follows:

10 employees (35.7%) rated it as 5 – very fast, 10 employees (35.7%) rated it as 3 – moderate, 7 employees (25.0%) rated it as 4 – fast, 1 employee (3.6%) rated it as 1 – very slow.

This shows that while a significant number of respondents considered the recruitment process fast or very fast, an equal number found it to be moderate, and a very small proportion considered it very slow.

xvii.   Do you believe the recruitment process was fair and unbiased?

Among the respondents, 25 employees (89.3%) stated yes, the process was fair and unbiased, 2 employees (7.1%) stated not sure and 1 employee (3.6%) stated no.

This indicates that most respondents had a positive perception of fairness in the recruitment process.

xviii.   Did you receive timely update about your application status?

Did you receive timely update about your application status?
28 responses
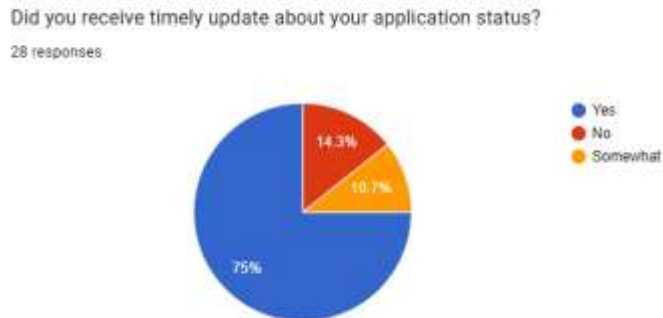
Among the respondents, 21 employees (75.0%) reported that they received timely updates about their application status, 4 employees (14.3%) reported that they did not receive timely updates, 3 employees (10.7%) reported that they somewhat received updates.

This indicates that the majority of respondents were kept well-informed about their application status, though a small portion experienced delays or partial updates.

xix.   Whether the selection criteria was clearly communicated ?

Whether the selection criteria was clearly communicated ?
28 responses
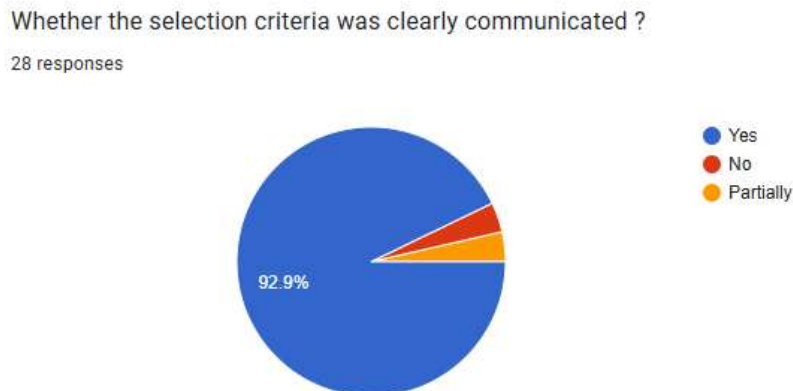
Among the respondents, 26 employees (92.9%) stated that the selection criteria was clearly communicated, 1 employee (3.6%) stated no, 1 employee (3.6%) stated partially.

This indicates that the vast majority of respondents understood the selection criteria clearly.

xx.   Which stage/stages of the process needs the most improvement ? (more than one option can be opted)
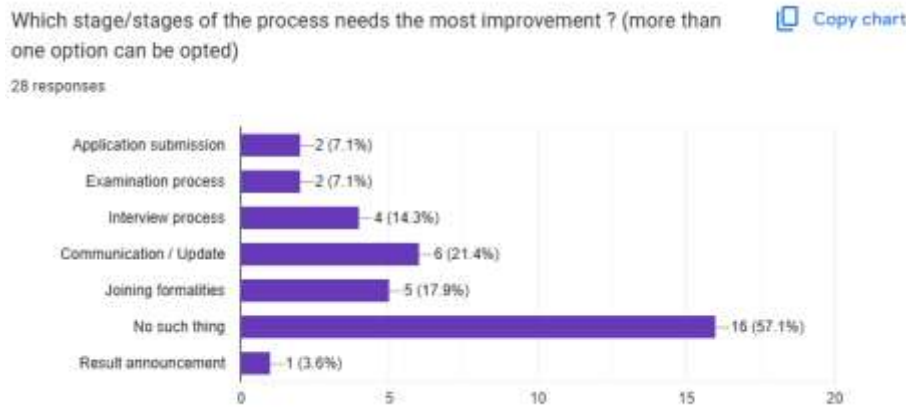
Among the respondents, 16 employees (57.1%) stated that no stage needs improvement, 4 employees (14.3%) stated communication and updates need improvement, 3 employees (10.7%) stated joining formalities need improvement, 1 employee (3.6%) stated that all stages – application submission, examination process, interview process, communication/updates, and joining formalities – need improvement, 1 employee (3.6%) stated that application submission, examination process, interview process, and joining formalities need improvement, 1 employee (3.6%) stated that interview process and communication/updates need improvement, 1 employee (3.6%) stated that the interview process needs improvement, 1 employee (3.6%) stated that result announcement needs improvement.

This shows that while most respondents are satisfied with the recruitment process, some suggested improvements in communication, joining formalities, and specific stages of the process.

xxi.   Rate your job satisfaction .
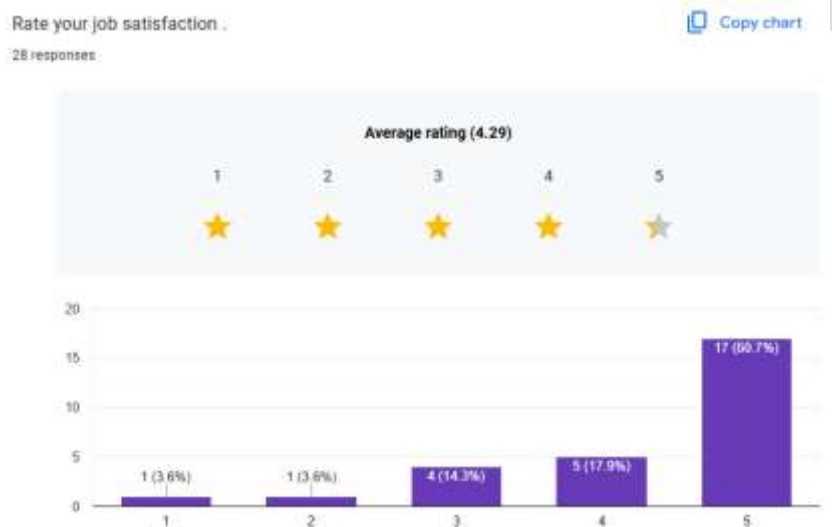
Among the respondents, 17 employees (60.7%) rated their job satisfaction as 5 out of 5, 5 employees (17.9%) rated their job satisfaction as 4 out of 5, 3 employees (10.7%) rated their job satisfaction as 3 out of 5, 1 employee (3.6%) rated their job satisfaction as 2 out of 5, 1 employee (3.6%) rated their job satisfaction as 1 out of 5.

This indicates that the majority of respondents are highly satisfied with their job, while a small number reported lower satisfaction levels.

5. ANALYSIS

The mean age of the respondents is approximately 43.55 years. The mean work experience of the respondents is approximately 12.95 years. The mean rating of the application process is approximately 4.79 out of 5. The mean rating of the recruitment process is approximately 3.89. The mean job satisfaction rating is approximately 4.29.

6. CONCLUSION

Most SBI employees in the study are experienced and hold permanent positions. They found the recruitment process clear, fair, and well-structured. Most respondents were satisfied with the process and their jobs. Some suggested minor improvements. Overall, SBI's recruitment system is effective in selecting qualified candidates and maintaining employee satisfaction.

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