

A comparative study on innovative recruitment and selection practices adopted for officers in Public Sector Banks

■ C. MURALIDHARAN AND R. VENKATRAM

Received : 13.12.2012; Revised : 20.01.2013; Accepted : 24.02.2013

ABSTRACT

This paper attempts to analyse the recruitment and selection practices adopted for specialist officer and probationary offices of Public sector banks (PSB). The Common Written Examination (CWE) for specialist and probationary officer posts is conducted every year by Institute of Banking Personnel Selection (IBPS). Secondary data pertaining to recruitment of specialist and probationary officer in public sector banks were collected from different websites of Institute of Banking and Personnel Selection (IBPS), Banking Exams India and RBI. Common written examination (CWE) and personal interview method were conducted to recruit and select various officers' post in PSBs. In case of probationary officers' examination, majority of candidates scored Total Weighted Standard Score (TWSS) in the range of 126 to 155. Very less number of candidates scored TWSS above 180. A paradigm shift is taking place from traditional to online method of recruitment and selection process in PSBs. Almost all the process of recruitment and selection was done by online method except personal interview method. Identifying high performing and quality human resources are challenging task faced by HR executives, since volume of candidates appearing for the examinations are in higher side. When compared to the traditional method of recruitment conducted by IBPS, online process of recruitment method enhanced the speed and merit in selection process.

KEY WORDS : Public sector banks, Common Innovative recruitment, TWSS

How to cite this paper : Muralidharan, C. and Venkatram, R. (2013). A comparative study on innovative recruitment and selection practices adopted for officers in Public Sector Banks. *Internat. J. Com. & Bus. Manage.*, 6(1) : 28-34.

Banking sector in India is one of the major employment providers in the financial sector. Attrition rates in banking sector is becoming alarming (30%) among newly recruited staff because of sub optimal pay package, increased work load, deputing away from native state and poor working conditions. Opening up of new branches in rural and semi urban areas by PSBs had created huge demand for talents. Massive retirements, increased attrition rate, improper employee mix, talent acquisition in specialised areas

and opening up of new branches created huge talent gap. It further stressed the need for urgent recruitment in large number. In order to fill the vacant posts, there is a need for innovative recruitment process in PSBs.

Recruitment is one of the most important human resource management practices adopted by different banks. Recruitment process not only helps the bank to expand but also brings human resource knowledge and skills to improve the efficiency of the bank. Selecting right person for the right job will not only yield the business growth but also restricting the wrong person (negligent hiring) entry into banks. Banks are hiring large number of employees in the coming years.

Earlier, in the year 1978, Banking Services Recruitment Board (BSRB) was established to have a uniform standards and eligibility criteria for recruitment of personnel. There were 15 BSRBs covered one or more states and were assigned to recruit both officers and clerks in all over India. However,

MEMBERS OF THE RESEARCH FORUM

Correspondence to:

C. MURALIDHARAN, Department of Agricultural and Rural Management, Tamil Nadu Agricultural University, COMBATORE (T.N.) INDIA

Authors' affiliations:

R. VENKATRAM, Department of Agricultural and Rural Management, Tamil Nadu Agricultural University, COMBATORE (T.N.) INDIA

Central Recruitment Board of the State Bank of India conducted separate recruitment of officers and clerks on all India level. After dissolution of BSRB's in the early 2000, all public sector banks were recruited directly for their vacancies. Banks opted different methods of recruitment like campus recruitment (Specialist officer), written exams, group discussion and personal interview depending upon their requirement.

From the year, June 2011 onwards Institute of Banking Personnel Selection (IBPS), an independent organisation is conducting the written examination (objective and descriptive test) on behalf of PSBs. This Institute began in 1975, as Personnel Selection Services (PSS), a unit of National Institute of Bank Management (NIBM). The objective was to develop an unbiased and efficient system for recruitment, promotion and placement services. PSBs will recruit lakhs of candidates in the coming year, much care should be taken to recruit candidates. With this back ground, there is a need to analyse the innovative recruitment practices adopted by PSBs. In order to fulfil the above, the following specific objectives were framed to compare recruitment and selection practices adopted for specialist and probationary officers' in public sector banks

The process of recruitment may begin with advertising vacancies, this may be done internally or externally or both and can be achieved using a range of media, which may involve using the company web site. The use of the internet for recruitment purposes has become very popular (Chapman and Webster, 2003; Carless, 2007; Anderson, 2003; Bartram, 2002; Lievens and Harris, 2003; Heneman *et al.*, 2000). However, Bartram (2002) and Anderson (2003) have identified the different levels of technical sophistication found among organisations in relation to the use of new technology in selection. Organisations also make use of state run job centres, employment agencies, own database of speculative enquiries for recruiting candidates. Hayes (1999) reported that Firm FedEx –Kinko's conducted online computerised tests, phones, using touch tone key pad, online to quickly pre-screen applicants prior to more in-depth interviews and back ground checks. Moscoso (2000) concluded that the selection interview was the single most technique used in many countries throughout the twentieth century. Nair (2011) reported that the idea behind Common Written Examination conducted by IBPS is that from one examination, each bank can get the candidates they want, through an interview process they can hire candidates, the idea is to bring down the delay in recruitment process. Recruitment should be done at different levels, to ensure that proper grooming, proper skill set development, and proper leadership development is to be addressed, so that proper succession plan is adequately ensured. The above reviews discussed about the recruitment methods followed in different organization.

METHODOLOGY

For conducting this research study, recruitment and selection process of specialist officer and probationary officer conducted by IBPS on behalf of PSBs (Annexure 1) were taken for analysis. Secondary data pertaining to recruitment in 20 public sector banks excluding State Bank of India (SBI) and its associates were collected from different websites of IBPS, Banking Exams India and RBI. Recruitment and selection practices of SBI and its associates are conducted separately and not by IBPS was the main reason for not including in this study.

In order to analyse the performance of candidates in the recruitment process, exams results published by IBPS were taken for analysis. Exam results of Probationary officer conducted in the month of Sept.-Nov., 2011 and clerical exams conducted in the month of March, 2012 were taken for analysis. Simple percentage analysis techniques were employed to get better results for the research study.

Total Weighted standard score (TWSS) calculated for Probationary officers:

Total weighted score : Standard scores obtained in (Reasoning + Quantitative aptitude + General awareness + ½ English + ½ Description paper)

Total weighted standard score (TWSS) calculated for specialist officer posts:

Totwal weighted score = Standard scores obtained in {Reasoning + (½ English language) General $\frac{\text{awareness}}{\text{Quantitative}}$ Aptitude + (1½ Professional knowledge)}

Compound growth rate:

The annual compound growth rate was estimated by using the exponential growth function of the form.

$$Y_t = ab^t u_t$$

where,

Y_t = Dependent variable for which growth rate was estimated

a = Intercept

b = Regression coefficient

t = Years which takes values 1, 2, n

u_t = Disturbance term for the year t

Equation was transformed into log linear form as follows

$$\ln Y = \ln a + t \ln b + \ln u_t$$

Equation was estimated using Ordinary Least Square (OLS) technique. The compound growth rate (g) in percentage was then computed from the relationship,

$$\text{Compound growth rate (g)} = (\text{Antilog of (b)} - 1)^* + 100$$

ANALYSIS AND DISCUSSION

Job analysis was done by each bank independently and based on their requirement candidates were hired. Job description and job specification exercises were conducted at corporate head office level. Advertisement is given at career

pages of bank’s website, employment news, leading national and local dailies.

From Table 1 it could be inferred that the number of candidates registered and tested towards banking career are increasing over different years. There was an increase of 31.95 per cent compound growth rate of candidates registered for the banking career exams from the year 2001-02 to 2010-11 and an increase of 32.24 per cent compound growth rate of candidates attended the banking examination from the year 2001-02 to 2010-11. It showed that majority of the educated candidates were preferring the banking as their career. In the year 2001-02, the gap between candidates registered towards bank examination and candidates attended were minimum, but from 2008-09 onwards, the gap was widened and numbers of absentees were on higher side (Fig. 1).

Sr. No.	Year	Number of candidates registered	Number of candidates attended
1.	2001-02	8,00,000	6,00,000
2.	2002-03	17,00,000	11,00,000
3.	2003-04	22,00,000	14,00,000
4.	2004-05	20,00,000	12,00,000
5.	2005-06	14,00,000	9,00,000
6.	2006-07	18,00,000	12,00,000
7.	2007-08	30,00,000	20,00,000
8.	2008-09	71,00,000	50,00,000
9.	2009-10	1,04,00,000	74,00,000
10.	2010-11	1,32,00,000	85,00,000
11.	2011-12	1,41,00,000	97,00,000
	CGR	31.95 %	32.24 %

www.ibps.in

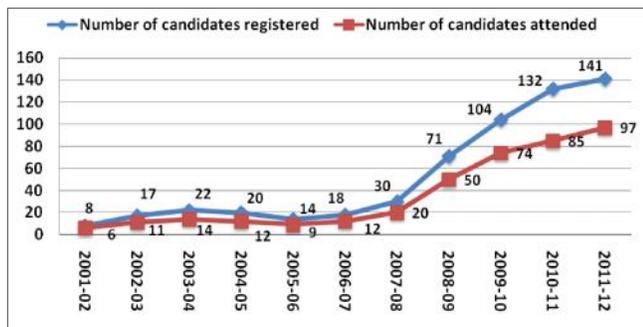


Fig. 1: Number of banking career aspirants registered and tested through IBPS from the year 2001-02 to 2011-12

PSBs will recruit 7 lakh candidates over next ten years of time due to retirements and expansion of branches. State bank of India and its associates is planning to recruit 20,000 employees in the year 2013. Around 43,200 candidates will be

recruited in nationalised banks before March, 2013 (Table 2). It shows that IBPS is going to recruit more number of candidates in the present financial coming. Thus, from the above three tables, it could be inferred that the supply of the candidates exceeds demand of employees by different PSBs. There is a huge response among graduates and majority of them are interested towards banking career.

Table 2 : Demand position of human resources required for Public sector banks

Sr. No.	Name of the bank	Demand position
Up to March 2013		
1.	State Bank of India and its associates	20,000
2.	Nationalised banks	43,200
	Total Public sector banks	63,200
Next 10 years period of time		
	Public sector banks	7,00,000

Source: www.bankingexamsindia.com

Table 3 explains about the comparison about earlier and recent recruitment practices adapted by PSBs. Due to the introduction of new recruitment process, the time taken to complete the recruitment process is about three to six months depend upon the bank.

Age eligibility for entering the officer category is 21 and maximum is 30. The minimum age limit for entering the specialist officer post is 20 years. Maximum age limit restricted for clerical post is 35 for scale I and 40 for scale II. Relaxations of age limit are followed as per Government of India rules and regulations and it varies from time to time and depends on the nature of post (Annexure 1).

Common written examination (CWE) and personal interview methods were adopted to recruit the candidates in PSBs. IBPS is conducting the common written examination on behalf of the different public sector banks (Annexure 2). Interview will be conducted by concerned banks based on their requirements. Candidates have to apply separate application for different banks. Now, as per the recent amendment by GOI, common interview method will be conducted in order to reduce the time taken for recruitment process.

Table 4 shows that the structure of written examination was different for specialist officer and probationary officer. Descriptive paper is present in the written examination pattern of probationary officer and not in specialist officer posts. Among the selection process of specialist officer posts, quantitative aptitude test is not included in the Law officer and Rajbhasha Adikari posts instead the General awareness (with special reference to Banking Industry) was included. Minimum qualified TWSS of probationary officers for reserved and general category candidates are 105 and 120, respectively.

Table 3 : Comparison of earlier and recent recruitment practices adopted by PSBs

Sr. No.	Recruitment and selection practices	Earlier practices	Recent practices
1.	Time taken to complete the recruitment process	One year (Approx.)	Three to six months (Approx.)
2.	Recruitment exercise done by	Banking Services and Recruitment Board(BSRB), Individual bank	Institute of Banking Personnel Selection (IBPS)
3.	Advertisement	National, local dailies and Employment news	Bank's website, National and local dailies and Employment news
4.	Application through	Postal method	Online method
5.	Mode of paying the exam fee	Offline through Demand draft/challan	Both online and challan amount to be paid to concerned bank account
6.	Method of written examination and interview	Off line hand writing method by using paper, written exam. and interview conducted by concerned bank	Online click method, Common Written Exam and Interview
7.	Exam results announced through	National and local dailies and Employment news	SMS, e-mail and banks website
Probationary officer			
1.	Educational qualification	Any graduate from a recognised university	Any graduate from a recognised university
2.	Age limit	Min.- 20, Max.- 30, Age relaxation as per GOI norms (Annexure 2)	Min- 20, Max- 30, Age relaxation as per GOI norms (Annexure 2)
Specialist officer			
1.	Educational qualification	Graduate from a recognised university in their field of specialisation Vacancies were filled for Scale I specialist officer cadre only	Degree/ PG qualification from the concerned specialisation in recognised university Preference will be given to experienced candidate At all levels posts are filled. Lateral hiring is done.
2.	Age limit	-	For Scale I Min.- 20, Max.- 35 years For Scale II Min.- 21, Max.- 40 years

Annexure 1 : Age eligibility criteria of applying jobs in PSB

Particulars	Officer	Specialist officer
General	Min- 20, Max- 31	For Scale I (Min- 20, Max- 35) For Scale II (Min- 21, Max- 40)
Persons who have completed 5 years of service in RRBs	5 years	-
Employees of any participating Bank		5 years
Scheduled Caste/Scheduled Tribe		5 years
Other Backward Classes		3 years
Persons with disability		10 years
Ex-servicemen / Disabled Ex-servicemen actual period of service rendered in the defence forces	+ 3 years (8 years for Disabled Ex-Servicemen belonging to SC/ST) subject to a maximum age limit of 50 years	
Widows Divorced women and women legally separated from their husbands who have not remarried		9 years
Persons ordinarily domiciled in the Kashmir Division of the State of Jammu & Kashmir during the period 1-1-80 to 31-12-89		5 years
Persons affected by 1984 riots		5 years
Regular employees of the Union Carbide Factory, Bhopal retrenched from service (Applicable to Madhya Pradesh state only)		5 years

www.ibps.in

Table 4 : Structure of written examination conducted by IBPS for officers in PSBs

Sr. No.	Name of the test	No. of questions	Max. marks	Time limit	Minimum qualifying standard score	
					SC/ST/OBC	Gen
Probationary officer						
1.	Reasoning	50	50	160 minutes	21	24
2.	English language	50	25		21	24
3.	Quantitative aptitude	50	50		21	24
4.	General awareness (with special reference to Banking Industry)	50	50		21	24
5.	Computer knowledge	50	50		21	24
	Descriptive paper on English composition (Essay, Précis, Letter Writing etc.)	25	25	60 minutes		
Specialist officer posts(Law officer- Scale I &II) and Rajbhasha Adikari Scale I)						
1.	Reasoning	50	50	120 minutes		Annexure4
2.	English language	50	25			
3.	General awareness (with special reference to Banking Industry)	50	50			
4.	Professional knowledge	50	75			
Specialist officer posts (All other posts)						
1.	Reasoning	50	50	120 minutes		Annexure 4
2.	English language	50	25			
3.	Quantitative aptitude	50	50			
4.	Professional knowledge	50	75			

* Penalty for wrong answers marked in the Objective Tests. One fourth or 0.25 of the marks will be deducted as penalty to arrive at corrected score
 The above tests except the Test of English Language will be printed bilingually, i.e. English and Hindi.
 Source: www.ibps.in

Annexure 2 : List of participating banks in the IBPS Examination

Allahabad Bank	Indian Bank
Andhra Bank	Indian Overseas Bank
Bank of Baroda	Oriental Bank of Commerce
Bank of India	Punjab National Bank
Bank of Maharashtra	Punjab and Sind Bank
Canara Bank	Syndicate Bank
Central Bank of India	UCO Bank
Corporation Bank	Union Bank of India
Dena Bank	United Bank of India
IDBI Bank	Vijaya Bank

From Table 5, it could be inferred that majority of the PO candidates scored in the range of 126 to 155. Very less number of candidates scored above 180 and below 120. Marks obtained by the PO qualified candidates are in normal distribution (Fig. 2).

Minimum qualifying criteria (TWSS) for Specialist officers and Probationary Officers were different and among specialist officers post, the criteria were different for Specialised posts. Among all the posts, the qualifying criteria for Rajbhasha Adikari and Agricultural field officers were minimum, whereas it was high for I.T. officers and HR officers (Annexure 3).

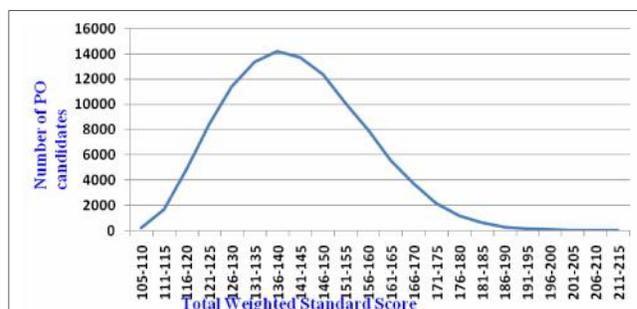


Fig. 2 : Total weighted standard score vs number of PO candidates scored in the concerned

Conclusion:

A paradigm shift is taking place from traditional to online method of recruitment and selection process in Public sector banks. Lot of changes and transformation is taking place in the recruitment process of PSBs. From second batch of qualified candidates in the PO examination, common interview method will be followed, so that multiple offers of appointment to same candidates can be prevented. Online process of application, hall ticket, written examination and publication of results ensured the transparency in the recruitment process of PSBs. Almost all the process of recruitment is done by online method except the personal interview method. The challenging aspect in front of the IBPS is that they have to

Table 5 : Category wise range of total weighted standard score (TWSS) of qualified candidates of Probationary officers exam- I conducted by IBPS

Sr. No.	TWSS	SC*	ST*	OBC*	General*	Total*
1.	105-110	71	14	108	3	196
2.	111-115	553	155	943	18	1669
3.	116-120	1634	474	2752	50	4910
4.	121-125	2725	694	4905	151	8475
5.	126-130	3233	861	6492	806	11392
6.	131-135	3301	833	6739	2481	13354
7.	136-140	2813	695	6335	4389	14232
8.	141-145	2134	451	5518	5636	13739
9.	146-150	1570	327	4317	6175	12389
10.	151-155	936	148	3342	5672	10098
11.	156-160	650	87	2448	4762	7947
12.	161-165	312	36	1539	3690	5577
13.	166-170	148	17	920	2632	3717
14.	171-175	57	8	496	1584	2145
15.	176-180	30	7	215	888	1140
16.	181-185	6	3	113	468	590
17.	186-190	7	2	43	212	264
18.	191-195	0	0	12	95	107
19.	196-200	0	1	8	28	37
20.	201-205	0	0	2	11	13
21.	206-210	0	0	0	1	1
22.	211-215	0	0	0	1	1
	Total	20180	4813	47247	39753	111993

*includes PWD candidates
www.ibps.in

Annexure 3 : Minimum qualified total weighted standard score (TWSS) for different specialist officers post

Post code	Post category	Cadre	TWSS	
			SC/ST/OBC/PWD	General
1	I.T. Officer	Scale-I	120	128
2	Agricultural Field Officer	Scale I	104	112
3	Rajbhasha Adhikari	Scale I	90	96
4	Law Officer	Scale I	113	121
5	Technical Officer	Scale I	113	120
6	HR/Personnel Officer	Scale I	114	124
7	Marketing Officer	Scale I	107	114
8	I.T. Officer	Scale-II	125	134
9	Law Officer	Scale II	113	121

select more number of candidates from the large numbers of applicants. Identifying high performing and quality human resources are challenging task faced by HR executives, since volume of candidates appearing for the examinations are in higher side. When compared to traditional method of recruitment conducted by IBPS, online process of recruitment method enhanced the speed and merit in selection process. It ultimately builds the confidence among educated and

unemployed youths to select the banking as their career.

REFERENCES

- Anderson, N. (2003), Applicant and recruiter reactions to new technology in selection: a critical review and agenda for future research, *Internat. J. Selection & Assessment*, **11** (2/3): 121-136.

- Bartram, D. (2002). Testing on the internet: issues, challenges and opportunities, Paper presented at the International Conference on Computer-based Testing and the Internet, Winchester.
- Carless, S.A. (2007). Graduate recruitment and selection in Australia, *Internat. J. Selection & Assessment*, **15** (2): 153-166.
- Chapman, D. and Webster, J. (2003). The use of technologies in the recruiting, screening, and selection processes for job candidates, *Internat. J. Selection & Assessment*, **11** : 113-20.
- Heneman, H.G., Judge, T.A. and Heneman, R.L. (2000). *Staffing organisations*, 3rd ed., McGraw-Hill Irwin, Middleton, WI.
- Lievens, F. and Harris, M.M. (2003), "Research on internet recruitment and testing: current status and future directions", in Cooper, C.L. and Robertson, I.T. (Eds), *Internat. Rev. Industrial & Organizational Psychol.*, **16** : 131-65
- Moscato, S. (2000). Selection interview: a review of validity evidence, adverse impact and applicant reactions, *Internat. J. Selection & Assessment*, **8** (4) : 237-247.
- Scott, Hayes (1999). Kinko's dials into automated applicants screening, *Workforce*, November, pp.71-73.

WEBLIOGRAPHY

- Nair, M.V. (2011). New recruitment process in PSU Banks-a report. http://www.moneycontrol.com/news/cnbc-tv18-comments/psu-banks-embark_hiring_spre-to-counter-attrition_553948.html

