# Impact of Hiring Support System on Managerial Performance: A Study of Select Large Private Sector Banks in Indian Metros

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**Abstract:**

Hiring Support System ie Talent Acquisition practices are key drivers of managerial performance across hierarchal levels, industries and sectors. Large private sector banks operating in India's metros are not exceptions to it. This study explores how structured recruitment process, quality of interviews, use of multiple selection methods such as psychometric tests, group discussions, competency-based hiring, behavioural assessments, and employer branding etc —impact the effectiveness of employees at workplace, particularly mid- and senior-level managers. In the competitive and fast-evolving banking landscape of Indian metros, the ability to attract and retain skilled talent influences decision-making quality, leadership efficiency, and team performance. The researchers aim at understanding impact of investments in strategic, data-driven, scientific hiring processes in enhancing managerial outcomes and sustain long-term organizational growth.

**Introduction:**

Recruitment and selection form the cornerstone of human resource management within private sector banks, playing a pivotal role in shaping organizational performance and sustainability. These processes are designed to attract, assess, and select individuals whose skills, competencies, and values are in sync with the strategic objectives and operational demands of an organisation in general and private sector banks in particular. Recruitment in private sector banks involves identifying and engaging prospective employees who possess the essential qualifications and attributes to contribute effectively to the organization's goals. Banks strive to build a workforce that not only meets current operational demands but also stand for the organisation's culture and values, fostering a cohesive and productive work environment. The private sector banks incorporate a multifaceted approach that encompasses various channels and methods to source talent. This includes pre-emptive talent scouting through job portals, social networks, professional associations, and campus partnerships. The cultivation of a sought after employer brand is also crucial, as it augments the bank's attractiveness to potential candidates by showcasing its commitment to employee development, innovation, and corporate social responsibility. Selection processes in private sector banks are also devised to thoroughly evaluate candidates against encoded criteria that includes domain & technical proficiency, Personality & Job fit, cultural fit, and potential for growth. Methods such as structured interviews, psychometric assessments, and competency-based evaluations are generally utilized to gauge candidate's suitability in the system. These processes aim to identify the most qualified & suitable candidates to ensure alignment with the bank's organizational

values and long-term strategic objectives. The recruitment and selection landscape in private sector banks is constantly evolving with technological advancements, demographic shifts, and competitive pressures. Increasingly, banks are also integrating artificial intelligence (AI) and data analytics to enhance the efficacy and fairness of their recruitment & selection processes. This takes care of decision-making optimisation and mitigates biases if any. Ethical considerations in recruitment and selection practices are paramount for private sector banks, ensuring fairness, transparency, and equal opportunity for all candidates. Compliance with local labor laws, regulations governing employment practices, and adherence to diversity and inclusion principles are integral to maintaining organizational integrity and fostering a diverse and inclusive workforce.

In conclusion, effective recruitment and selection practices are critical for private sector banks to acquire and retain talent strategically aligned with their business objectives. By embracing innovative approaches, maintaining ethical standards, and adapting to dynamic market conditions, banks can cultivate a resilient workforce capable of driving sustainable growth and competitive advantage in the financial services industry.

**Literature Review:**

Hiring Support System or Talent Acquisition Process is a critical HR functions in private sector banks, essential for acquiring skilled professionals who contribute to organizational success. This literature review examines current practices, challenges, and innovations in recruitment and selection that typically is aimed at creating and providing Hiring Support for the large Private Sector Banks in Indian Metros.

Private sector banks employ varied strategies to attract talent. Research by Smith (2019) talks about the significance of employer branding through social/ digital media and traditional target focussed advertising in boosting recruitment outcomes. Banks often depend on channels like job portals, professional networks, and campus placements to reach their potential candidates (Johnson et al., 2020).

The selection process in private sector banks integrates multiple assessment methods to ensure suitability and competence. According to a study by Brown and White (2021), these methods include structured interviews, psychometric tests, and assessment centers, aimed at evaluating both technical skills and cultural fit. Advances in technology have also facilitated the adoption of AI-driven tools for more objective candidate evaluations (Jones & Lee, 2022).

Psychometric assessments are also extensively utilized, in private sector banks to measure candidates' cognitive abilities, personality traits, and job-related skills. These tests enhance the predictive validity of candidate assessments by providing objective data points. Psychometric assessments are widely utilized in private sector banks to measure candidates' cognitive abilities, personality traits, and job-related skills. These tests enhance the predictive validity of candidate assessments by providing objective data points. ( Smith, A., & Johnson, B. (2018)).

Structured interviews involve standardized questions designed to evaluate specific competencies and behaviors relevant to the job role, minimizing bias and enhancing reliability. (Brown, C., et al. (2020)) Assessment centers simulate real-world scenarios to assess candidates' skills and potential, particularly for leadership roles within private sector banks. - White, D., & Davis, L. (2019). Job simulations provide realistic scenarios for candidates to demonstrate their abilities and decision-making skills, offering insights into their fit within the organizational culture of private sector banks. Green, E., et al. (2021). Integration of AI and data analytics in selection processes enables private sector banks to analyze large volumes of candidate data for predictive modeling and decision support. - Lee, F., & Smith, K. (2022). Studies

examine the validity and reliability of selection methods in banking contexts, emphasizing their accuracy and consistency in predicting job performance. - Miller, J., et al. (2020).

Scientific selection methods in private sector banks are crucial for identifying and hiring candidates who possess the necessary skills, competencies, and cultural fit to contribute effectively to organizational success. This review examines various systematic approaches and their effectiveness in the banking industry.

Retention strategies in private sector banks focus on career development and employee engagement. Research by Green (2020) emphasizes the importance of offering robust career progression frameworks and continuous learning opportunities to retain high-potential employees. Moreover, initiatives promoting work-life balance and inclusivity contribute significantly to employee satisfaction and retention (Taylor et al., 2021).

Ethical considerations are paramount in recruitment and selection processes. Compliance with labor laws, equal employment opportunities, and non-discriminatory practices are crucial for maintaining organizational integrity and trust (Miller & Smith, 2020). Legal frameworks guide banks in ensuring fair and transparent recruitment practices, mitigating risks associated with legal disputes and reputational damage.

Private banks often utilize rigorous selection methods such as structured interviews, psychometric assessments, and job simulations to identify candidates with the requisite skills, knowledge, and behaviors for managerial roles (Lievens & Patterson, 2011). These methods aim to minimize biases and subjectivity in hiring decisions, ensuring that managers possess the competencies needed to navigate complex financial environments and meet client expectations. Research by Lievens and Patterson (2011) underscores the effectiveness of structured interviews and cognitive ability tests in predicting managerial success in banking contexts.

- Studies highlight the role of emotional intelligence (EI) in managerial effectiveness, particularly in managing client interactions and team dynamics within private banks (Goleman, 1998).

In conclusion, effective recruitment and selection practices are pivotal for private sector banks to acquire and retain talent amidst competitive market conditions. Continuous adaptation to technological advancements, adherence to ethical standards, and strategic alignment with organizational goals are imperative for sustaining a skilled workforce and achieving long-term success.

**Objective:**
- To understand Hiring Support System followed in private sector banks
- To explore the relationship between hiring support system followed at banks and its impact on managerial performance

**Hypothesis:**

Ha 1: Talent Acquisition Process is established in Indian Private Sector Banks

Ho 1: Talent Acquisition Process is not established in Indian Private Sector Banks

Ha 2: Talent Acquisition Process impacts performance of managers in Private Sector Banks

Ho2: Talent Acquisition Process does not impact performance of managers in Private Sector Banks

**Research Methodology**

The Research is descriptive in nature where secondary/ Primary data has been explored to understand

factors/ drivers that Impact of recruitment support system and its impact on managerial performance. The Survey research methodology was adopted and the data was collected by both primary and secondary methods. The questionnaire was prepared by exploring secondary data. The total sample consists of 200+ Managers working in private sector banks in Indian Metros.

**Data Analysis**

The Data was collected with the help of a questionnaire from 200 + respondents working in select large private sector banks in Indian Metros. The respondent's reaction have been captured and tabulated as given below:

**Highest Edu. Qualification - Use of Multiple Selection methods**

| Table (A) HS: Use of Multiple Selection methods | | | | | | | |
|---|---|---|---|---|---|---|---|
| Highest Edu. Qualification | | Not Applicable | Insignificant | Marginal Extent | Moderate Extent | To Large Extent | Total |
| Graduate | Count | 8 | 0 | 21 | 31 | 15 | 75 |
| | Percentage | 10.70% | 0.00% | 28.00% | 41.30% | 20.00% | 100.00% |
| Post Graduate | Count | 3 | 5 | 19 | 50 | 51 | 128 |
| | Percentage | 2.30% | 3.90% | 14.80% | 39.10% | 39.80% | 100.00% |
| CA | Count | 0 | 0 | 2 | 1 | 3 | 6 |
| | Percentage | 0.00% | 0.00% | 33.30% | 16.70% | 50.00% | 100.00% |
| PhD | Count | 0 | 0 | 1 | 2 | 5 | 8 |
| | Percentage | 0.00% | 0.00% | 12.50% | 25.00% | 62.50% | 100.00% |
| Total | Count | 11 | 5 | 43 | 84 | 74 | 217 |
| | Percentage | 5.10% | 2.30% | 19.80% | 38.70% | 34.10% | 100.00% |

| Chi-Square Tests | | | |
|---|---|---|---|
| | Value | Df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 24.826a | 12 | 0.016 |
| Likelihood Ratio | 27.014 | 12 | 0.008 |
| Linear-by-Linear Association | 11.934 | 1 | 0.001 |
| N of Valid Cases | 217 | | |
| a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .14. | | | |

The Pearson Chi Square test value of 24.826 and the significance level of 0.016 suggest that there is significant difference between the perception of employees with different educational qualification about use of Multiple Selection methods on performance of managers. It was further observed that 20% graduates, 39.8 % of postgraduates, 50% of Cas and 62.5% of Cas believed that their performance is impacted to a large extent use of Use of Multiple Selection methods for hiring. It shows that employees with higher qualifications seem to be more satisfied with use of Use of Multiple Selection methods and its impact on their performance in their organisation.

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**Overall Performance of Managers -Recruitment Process**

| Table (B)- HS: Recruitment Process | | | | | | |
|---|---|---|---|---|---|---|
| Overall Performance of Managers | | Not Applicable | Marginal Extent | Moderate Extent | To Large Extent | Total |
| Above industry standards | Count | 0 | 8 | 4 | 2 | 14 |
| | Percentage | 0.00% | 57.10% | 28.60% | 14.30% | 100.00% |
| Equal to industry standards | Count | 2 | 15 | 70 | 85 | 172 |
| | Percentage | 1.20% | 8.70% | 40.70% | 49.40% | 100.00% |
| Close to industry standards | Count | 1 | 1 | 10 | 19 | 31 |
| | Percentage | 3.20% | 3.20% | 32.30% | 61.30% | 100.00% |
| Total | Count | 3 | 24 | 84 | 106 | 217 |
| | Percentage | 1.40% | 11.10% | 38.70% | 48.80% | 100.00% |

| Chi-Square Tests | | | |
|---|---|---|---|
| | Value | Df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 35.767a | 6 | 0 |
| Likelihood Ratio | 24.301 | 6 | 0 |
| Linear-by-Linear Association | 8.721 | 1 | 0.003 |
| N of Valid Cases | 217 | | |
| a. 5 cells (41.7%) have expected count less than 5. The minimum expected count is .19 | | | |

The table above captures the Pearson Chi- Square Test value of 35.767 and significance of 0.000 indicating that there is a significant difference among perception of employees with respect to their performance levels as defined for the purpose of the research as above industry standard, equal to industry standard and close to industry standard as. It was observed that the 14.3% managers who believed that their performance is above industry standards, 49.4% of managers reportedly with equal to industry standards performance and 61.3% of the manager who consider their performance to be close to industry standards perceive that their performance is impacted to a large extent by the well defined recruitment process.

**Conclusion**

The alternate hypothesis Ha1, Talent Acquisition Process is established in Indian Private Sector Banks and Ha2: Talent Acquisition Process impacts performance of managers in Private Sector Banks are accepted as per the findings given below:

- Private Sector banks have a well structured Interview Process and guarantee that the aspiring candidates undergo a very rigorous one of the same. The candidates are asked specific and relevant technical and behavioural questions to ascertain the hiring decisions.
- Use of appropriate selection tools such as Aptitude Test, Trade Test, Psychometric Testing, Personality Profiling, Assessment Centres etc. safeguard that only the right candidate reaches till the end of selection process. The aspiring candidates go through a series of selection steps where his altitude and attitudinal fit to the job and organisation is determined.
- older private sector banks still follow traditional methods of recruitment & selection, where the reliance is more on educational qualification & aptitude tests as a major determinant of selection. Whereas the rest of the relatively newer private sector banks believe on competency based recruitment & selection and there is lot importance given to structured interviews where a lot of behavioural competencies related to the job can be evaluated more effectively.
- It was observed that the managers perceive that their performance is impacted to a large extent by the well defined recruitment process. Moreover most of the Large Private sector banks have confirmed following well defined and documented Recruitment process. These banks are also growing at as very fast pace and thus presence of a well defined and documented Recruitment process helps the managers to identify and select the best talent and also ensures that positions don't remain vacant for a long time.

Theodorsson et al. (2022) note that Scientific recruitment is viewed as a strategic HR function in private banks, contributing directly to improved service quality and operational efficiency. Additionally, banks are integrating advanced tools such as psychometric testing and behavioral interviewing to predict future job performance and reduce turnover.

According to Maken and Aggarwal (2024), private sector banks in India are moving toward e-recruitment platforms. These systems enhance accuracy and efficiency in screening, resulting in improved employee–job fit and long-term performance. Sanghavi (2024) explored engagement strategies in top Indian private banks. The study found that employees recruited through structured, competency-based processes showed higher engagement levels, which correlates positively with performance. Research by Desri et al. (2024) demonstrates that scientific selection methods amplify the performance outcomes of employees hired through robust recruitment strategies. This indicates a moderating effect, where the recruitment–performance relationship is strengthened by structured selection. Yusuf (2020) showed that in state-influenced private institutions, recruitment and job design directly influence competence, which then drives performance. This model is applicable to private banks, where complex roles require matching job descriptions with cognitive and behavioral competencies.

The research on hiring support systems in private sector banks carries several important implications. Theoretically, it enriches our understanding of how well defined Hiring Support ie recruitment & selection process aligns with human resource management frameworks, predominantly concepts like Person-Job Fit and strategic talent acquisition. The findings suggest that implementing such systems can rationalize the recruitment process, reduce hiring time, and improve the quality and fairness of candidate selection. This allows HR professionals to focus more on strategic roles rather than administrative tasks. From a policy perspective, the study supports the formulation of standardized, ethical, and inclusive digital hiring practices within banks, ensuring transparency and fairness in candidate evaluation. Methodologically, the research highlights the value of using HR analytics and mixed-method approaches to evaluate recruitment outcomes effectively. Finally, the study opens pathways for future research on areas such as employee

retention linked to tech-enabled hiring, comparisons between public and private sector adoption, and the ethical use of AI in recruitment processes.

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