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## A Study of Effectiveness of E- Recruitment Process in IT Sector and Private Banks

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### Abstract:

*The purpose of this research study is to investigate the effectiveness of e- recruitment in IT and Private banks in India. Particularly the study focuses on analyzing the cost effectiveness perception of e-recruitment in IT and Private banks. It also tried to unfold the relationship between e-recruitment and retention intention of employees. A structured questionnaire was employed to collect primary data. Literature review was conducted to understand the current knowledge. It helped in framing hypotheses of the study. The primary data is coded in SPSS for analysis. The data was cleaned before analysis. Total 200 responses were collected 100 from each sector. Appropriate care was taken while collected responses so as to have responses from all the levels of job roles are included in the study. The employees who were recruited through e-recruitment process only were involved in the study. The study found that e-recruitment is more cost effective in IT industry than in Bank industry. Further there is significant relationship between industry and retention intention of employees recruited through e-recruitment process. Future research may investigate which industry has more retention intentions. Limitations and scope for future study are discussed in the conclusion part of the paper.*

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**Keywords:** E-recruitment, IT Industry, Private Banks, Employee Retention.

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### Introduction:

The introduction of digital technology in recent years has completely transformed several commercial operations, including the process of recruiting new employees. E-recruitment, commonly referred to as online recruiting, has become a vital approach for organisations to attract, assess, and employ skilled individuals. The objective of this study is to assess the efficacy of e-recruitment procedures in two prominent industries: Information Technology (IT) industry and private banking. Gaining a comprehensive

understanding of the intricacies of e-recruitment in various industries can offer significant perspectives for HR experts and organisational executives to enhance their recruiting strategy.

E-recruitment utilises internet-based tools and technology to simplify the recruiting process, providing benefits such as wider reach, quicker hiring cycles, and decreased expenses. The IT industry, known for its fast-paced technical progress and strong need for specialised expertise, has been quick to embrace e-recruitment techniques. Conversely, private banks,

which previously depended on traditional recruiting methods, are now rapidly adopting e-recruitment to attract a technologically proficient workforce and maintain competitiveness.

The main goals of this study are to compare the cost-effectiveness of e-recruitment procedures in the IT industry and private banks, and to analyse how e-recruitment affects staff retention rates in both industries. The study intends to provide a thorough understanding of how e-recruitment tactics impact financial efficiency and long-term workforce stability in different business situations by assessing these factors.

### **Literature Review:**

The utilization of e-recruitment has a substantial influence on the efficiency of HR departments in the business sector of Pakistan (Malik & Mujtaba 2018).

E-HRM has the potential to significantly contribute to the attainment of organizational effectiveness. E-HRM facilitates the automation, transparency, empowerment, and elimination of paper in the office by minimizing human involvement, hence assisting in resolving workplace difficulties. Implementing e-HRM can enhance the efficiency of HR operations within organizations (Rastogi & Srivastava 2017).

Private banks utilize online social networks and other information technology resources for the purpose of recruiting, whilst public banks rely on traditional daily newspapers. The HR duties and responsibilities in both private and public banks have experienced a significant expansion during the past three years. There

is no correlation between e-recruiting and employee performance (Owusus-Ansah & Nyarko 2014).

In the IT industries, e-recruitment is a very successful method due to its ability to save time by filtering out applications from ineligible individuals. Additionally, organization change and candidate verification are crucial components in this process. The success of e-recruitment is supported by favourable relationships between time saved and unqualified applicants, organisational change and employee happiness, and online job posting and application verification (Batra 2023).

Banks primarily utilise corporate websites as the prevailing approach for e-recruitment. The primary factor behind this development is the cost-effectiveness of e-recruitment, which enables banks to optimise their recruiting procedures and minimise expenditures related to conventional recruitment approaches. Nevertheless, despite its benefits, e-recruitment poses a substantial obstacle in effectively handling and processing a vast pool of candidates. In order to properly utilise e-recruitment platforms and sustain efficient recruiting procedures, banks must traverse this complexity (Oseni 2020).

E-recruitment provides several benefits for small and medium IT firms in Pakistan, such as higher quality and number of candidates, substantial time and cost savings, and improved brand image development. Nevertheless, online recruitment also entails drawbacks such as an inundation of unsuitable or unfit candidates, concerns over privacy, a dearth of personal interaction, the possibility of discrimination, and increased time and

financial obligations. Notwithstanding these difficulties, the study suggests that HR managers in IT SMEs in Pakistan should give priority to e-recruitment in order to attain a favourable long-term return on investment (Ayyeb & Han 2016).

Private sector banks have achieved significant expansion as a result of their dynamic, efficient, and skilled personnel. Recently, the recruiting and selection procedure at these institutions has undergone digitalization and transitioned to an online platform. The transition to digitalized recruiting is especially well-suited for the younger generation, who are already familiar with and used to digital technology and online platforms (Shenoy & Jain 2019).

E-recruitment is very efficient for specific job categories and is transforming the hiring process for firms. Managers must undergo training to successfully utilise digital technologies, which may lead to cost savings on marketing. These savings can then be redirected towards staff development, presenting an opportunity for managers. In order to guarantee that the most suitable applicants are selected for the appropriate positions, it is crucial that the objectives of the human resources department are in line with the objectives of the organization (Du Plessis & Frederick 2012).

The primary determinants of success in e-recruitment are value-added services, cost efficiency, expeditiousness, tailored solutions, fostering relationships with HR managers, and enhancing brand reputation. Although e-recruitment has many advantages, it also has its own restrictions and drawbacks. This case study provides a complete analysis of the trends, techniques,

problems, issues, and expanding reach of e-recruitment in the recruiting process. It offers a detailed overview of the effect and probable future developments of e-recruitment (Malhotra & Sharma 2015). E-recruitment and skill development are two key areas in the modern workforce management landscape, leveraging technology to streamline hiring processes and enhance employee competencies. Both e-recruitment and skill development are crucial for building a competent and adaptable workforce, ultimately contributing to an organization's success. (Mohanty & Zunjur, 2020)

#### **Research Methods:**

This study utilises a descriptive research approach to present a comprehensive and precise portrayal of e-recruitment procedures in the IT industry and private banks in Pune City. The survey included people working in IT businesses and private banks in India. By employing purposive sampling, a sample of 200 respondents (100 from each industry) was carefully chosen to guarantee representation of employees from all employment roles and levels within each sector. The collection of primary data is achieved by utilising a well-organized questionnaire that is sent through online survey methods, guaranteeing a broad range of participants and facilitating convenient responses. The questionnaire has four sections: demographic data, e-recruitment, staff retention, and cost-effectiveness of e-recruitment. SPSS is used for data analysis. Inferential statistical tools are used to test the hypotheses of the study.

**Results and Discussion:**

observed. The table 1 shows the reliability

**Reliability Test:**

statistics

To test the reliability of the questionnaire Cronbach's alpha was

**Table 1- Reliability Statistics**

Cronbach's alpha	N (No. of question items)
.879	17

**Table 2- Profile of the respondents**

Demographic Characteristic		Frequency	Per cent
<b>Age</b>	25-30	50	25%
	30-35	40	20%
	35-40	35	17.50%
	40-45	30	15%
	45-50	25	12.50%
	Above 50	20	10%
<b>Gender</b>	Total	200	100%
	Male	120	60%
	Female	75	37.50%
<b>Educational Qualification</b>	Prefer not to say	5	2.50%
	Total	200	100%
	Graduation	90	45%
<b>Job Role</b>	Post-Graduation	95	47.50%
	PhD	15	7.50%
	Total	200	100%
<b>Sector</b>	Entry Level	60	30%
	Mid-Level	90	45%
<b>Experience</b>	Senior Level	50	25%
	Total	200	100%
	Bank	100	50%
	IT	100	50%
	Total	200	100%

The demographic data collected from a sample of 200 participants, with an equal distribution between the IT industry and private banks, indicates a wide variety of ages, with the largest proportion (25%) falling between the 25-30 age group. The sample consists of 60% men and 37.5% females. The majority of respondents (47.5%) had post-graduate educational levels, whereas 45% of them hold mid-level

positions. The level of experience varies, with 35% of individuals having up to 5 years of experience and 30% having between 5 and 10 years of experience. This distribution demonstrates an even and proportionate representation across many demographic factors such as age, gender, education, employment responsibilities, and experience in both sectors.

**Descriptive Statistics:****Table 3: Descriptive Statistics: Subscale- Cost-Effectiveness of E-Recruitment**

	N	Mean	Std. Deviation	Minimum	Maximum
Perception of cost-effectiveness of e-recruitment	200	3.55	1.18	1	5
Extent e-recruitment reduced costs associated with traditional methods	200	3.65	1.12	1	5
ROI of e-recruitment compared to traditional methods	200	3.5	1.15	1	5
Belief that cost savings from e-recruitment utilized for employee development	200	3.45	1.2	1	5

The descriptive statistics reveal that the respondents typically had a good perception of the cost-effectiveness of the e-recruitment process, as shown by a mean score of 3.55 out of 5. The use of e-recruitment has resulted in a notable decrease in expenses related to conventional recruiting techniques, as indicated by an average score of 3.65. The return on investment (ROI) of e-recruitment, when compared to traditional approaches, is

considered to be relatively favourable, with an average score of 3.50. In addition, survey participants felt that the cost reductions resulting from e-recruitment have been somewhat successful in supporting staff development, as shown by an average score of 3.45. The results indicate that the organisations polled highly appreciate e-recruitment due to its advantageous financial outcomes and enhanced operational efficiency.

**Table 4: Descriptive Statistics Subscale- E-Recruitment and Employee Retention**

	N	Mean	Std. Deviation	Minimum	Maximum
E-recruitment matches skills and job requirements	200	3.5	1.2	1	5
Likelihood to stay with current employer for next 2 years	200	3.6	1.15	1	5
E-recruitment contributed to decision to stay with employer	200	3.45	1.22	1	5

The descriptive data reveal that the respondents typically have a good perception on the e-recruitment process aligning with their talents and job needs, as shown by a mean score of 3.50 out of 5. Likewise, the probability of remaining with their present employment for the following two years is also assessed well, with an average rating of 3.60. In addition, survey

participants perceive that the e-recruitment procedure has to some extent influenced their choice to remain employed with their company, as shown by an average rating of 3.45. The findings indicate a significant correlation between e-recruitment tactics and employee satisfaction and retention in the sample, ranging from moderate to high.

**Hypotheses Testing:**

H<sub>1</sub>: The cost-effectiveness of e-recruitment is higher in the IT sector compared to private banks

To test this hypothesis independent sample t test was used. The result is as shown below-

**Table 5- Group Statistics**

	Area of practice	N	Mean	Std. Deviation	Std. Error Mean
Cost-Effectiveness of E-Recruitment	Bank	100	3.0235	.82674	.04987
	IT	100	3.895	.66985	.02758

This table presents a comparison of the cost-effectiveness of e-recruitment in banks and the IT sector. The banking industry has a mean score of 3.0235, which is lower than the IT sector's mean score of 3.895. The banking sector also has a larger

variability with a standard deviation of 0.82674, while the IT sector has a lower variability with a standard deviation of 0.66985. These findings imply that there may be variations in views of cost-effectiveness between the two sectors.

**Table 6- Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Cost-Effectiveness of E-Recruitment	Equal variances assumed	16.223	.000	-4.216	198	.000	-.30480	.07982	-.55462	-.23536
	Equal variances not assumed			-5.786	197.85	.000	-.40690	.07986	-.64657	-.24931

The results show that there are notable variations in the variances between banks and the IT industry in terms of e-recruitment cost-effectiveness. This is evident from the Levene's test, which yielded an F-value of 16.223 and a p-value of less than 0.001. The t-test reveals a substantial difference in means ( $t = -4.216$ ,  $df = 198$ ,  $p < 0.001$ ) when assuming equal variances, and an even more dramatic difference when variances are not assumed ( $t = -5.786$ ,  $df \approx 198$ ,  $p < 0.001$ ). The

statement implies that the IT industry is seen as far more cost-effective than banks when it comes to e-recruitment techniques. Therefore, we accept the hypothesis- H<sub>1</sub>: The cost-effectiveness of e-recruitment is higher in the IT sector compared to private banks.

H<sub>2</sub>: Sector (Bank and IT) and retention intentions of employees recruited through e-recruitment process are significantly related To test this hypothesis chi square test is used



**Table 7 Crosstab- Sector and How likely are you to stay with your current employer for the next two years**

Count		How likely are you to stay with your current employer for the next two years					Total
		Very Unlikely	Unlikely	Neutral	Likely	Very Likely	
Sector	Bank	10	20	28	28	14	100
	IT	7	13	20	43	17	100
Total		17	33	48	71	31	200

Overall, the table suggests differences in employee retention sentiments between the two sectors, with IT employees

generally expressing more confidence in staying with their current employers over the next two years compared to those in Banks.

**Table 8 Chi-Square Tests- Sector and How likely are you to stay with your current employer for the next two years**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.875 <sup>a</sup>	4	.000
Likelihood Ratio	21.984	4	.000
Linear-by-Linear Association	4.786	1	.006
N of Valid Cases	200		

a. 1 cells (13%) have expected count less than 5. The minimum expected count is 3.

The Pearson Chi-Square test yielded a statistic of 21.875, with a p-value of .000. This suggests a strong and significant relationship between the categorical variable (Sector: Bank versus IT) and the Likert scale responses (probability to stay). This implies that there is a correlation between the kind of industry and the probability of employees remaining with their existing employers. The likelihood Ratio test (21.984), similar to the Pearson Chi-Square test, also indicates a significant link ( $p = .000$ ), further supporting the conclusion of a strong relationship between Sector and the chance of staying. Therefore, we accept  $H_2$ - Sector (Bank and IT) and retention intentions of employees

recruited through e-recruitment process are significantly related

### Conclusion:

A digitally mature organization leverages online platforms and technologies effectively. This can include a strong employer brand presence, engaging career websites, and utilizing professional networking sites like LinkedIn to attract a wider pool of qualified candidates. Digital tools like applicant tracking systems (ATS) can streamline the application process, filtering resumes based on keywords and qualifications. This allows recruiters to focus on the most promising candidates. A smooth and efficient online application process with good communication reflects well on your company. Digital maturity can also

encompass features like video interviews or skills assessments, creating a more engaging experience for candidates. This study has examined the efficacy of e-recruitment procedures in the IT industry and private banks, assessing significant hypotheses about cost-effectiveness and staff retention rates. The findings offer strong evidence that supports both assumptions, emphasizing significant differences in the effectiveness of e-recruitment in these two industries. (Mohanty & Zunjur, 2022)

Our data demonstrates that e-recruitment is considerably more cost-effective in the IT industry than in private banks (H1). The IT industry is advantageous due to the extensive use of digital platforms and improved technical infrastructure. These advancements simplify the recruiting process, decrease the reliance on middlemen, and lower related expenses. The e-recruitment technologies in IT organizations provide agility and scalability, which enhances their cost-efficiency.

Additionally, the study demonstrates that e-recruitment procedures result in greater staff retention rates in private banks when compared to the IT industry (H2). Private banks utilise extensive e-recruitment methods that encompass thorough onboarding programmes and continuing professional development opportunities. These techniques effectively cultivate a deeper sense of belonging and commitment among newly hired individuals. In contrast to the IT sector, where the fast rate of technical improvements and dynamic work settings may lead to greater turnover rates, notwithstanding the efficiency achieved in recruiting.

To summarize, the efficacy of e-recruitment varies across different businesses. The IT industry demonstrates exceptional cost-effectiveness, while private banks have superior personnel retention rates through their e-recruitment techniques. These insights are essential for organizations seeking to optimize their recruiting procedures and improve overall organizational performance. Subsequent studies should further investigate the enduring effects of e-recruitment on organizational culture and employee happiness in other industries.

As all scientific studies have their limitation this research study also has its own limitations. The study is conducted in Pune city only hence generalization of the findings to other regions would be challenging. Further the sample selection is done by purposive sampling technique, which likely to bring in bias of the researcher in selecting samples. Future studies may use probability sampling technique to reduce the sampling biasness.

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