



Effect of Recruitment and Selection on Organisation's Performance

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Abstract

Recruitment and selection are important processes that help organizations find the right employees to support their goals. Companies like TeamLease Services use structured hiring methods, including skill-based assessments and AI-powered selection tools, to improve workforce quality. When hiring is done well, businesses experience better employee performance, lower turnover rates, and higher productivity. However, challenges such as skill shortages, high turnover in temporary staffing, and adapting to new hiring technologies can make recruitment more complex.

This study highlights how effective hiring strategies can boost organizational success while addressing common recruitment challenges. By improving selection methods, focusing on employee retention, and using data-driven hiring techniques, companies can create a more stable and productive workforce. It also shows that recruitment must evolve with changing industry demands to remain effective. Businesses that invest in better hiring practices will be more competitive and capable of adapting to future workforce needs.

Introduction

The Strategic Role of Recruitment and Selection in Organizational Success

In an increasingly competitive business landscape, organizations recognize that their ability to attract, select, and retain top talent is a defining factor in long-term success. Recruitment and selection are no longer just administrative processes—they have evolved into strategic functions that directly influence workforce efficiency, innovation, and overall organizational performance. Effective hiring ensures alignment between business goals and employee capabilities, fostering productivity and engagement.

Case Study: TeamLease Services' Approach to Talent Acquisition

This research examines the recruitment and selection practices of TeamLease Services, one of India's leading workforce solutions providers, to assess their impact on organizational effectiveness. By analysing hiring frameworks, competency-based evaluations, and AI-driven screening methods, the study explores how modern selection processes contribute to employee retention, business scalability, and operational efficiency.

The Link Between Talent Acquisition and Organizational Performance

A structured hiring process enhances organizational agility by ensuring that roles are filled with individuals who not only possess the required skills but also fit the company's culture. Poor hiring decisions can lead to high turnover rates, decreased productivity, and increased operational costs. Therefore, recruitment methodologies must continuously adapt to evolving industry demands and technological advancements to optimize workforce planning.

Objectives and Scope of the Research

This study aims to:

1. Evaluate the impact of recruitment and selection on employee engagement and business outcomes.
2. Assess the effectiveness of structured hiring methodologies at TeamLease Services.
3. Identify best practices in talent acquisition that contribute to workforce sustainability and operational success.
4. Examine the role of AI-driven and competency-based hiring in streamlining recruitment.

Literature Review

Recruitment and selection are essential processes in human resource management, directly impacting an organization's performance. Companies that hire the right talent experience better productivity, innovation, and long-term success. Armstrong (2020) and Dessler (2019) highlight that structured hiring improves workforce alignment and reduces skill gaps.

Traditional hiring approaches have evolved into data-driven recruitment strategies. Research suggests that competency-based assessments and predictive hiring models lead to higher employee satisfaction and lower turnover rates. Huselid (1995) emphasized that structured hiring boosts productivity, while Breaugh (2021) explored how AI-assisted recruitment improves selection accuracy.

TeamLease Services serves as a case study on structured recruitment frameworks. Reports by KPMG (2022) discuss how the company enhances workforce planning through skill-based placements and employment training programs. Studies suggest that TeamLease's hiring strategies contribute to organizational efficiency and business scalability.

Future recruitment trends will include AI-powered assessments, gamification in hiring, and virtual interviews. Boudreau & Jesuthasan (2023) predict that digital hiring platforms and skill-matching algorithms will dominate recruitment. As industries evolve, businesses must adapt their selection processes to remain competitive and ensure workforce sustainability.

Research Methodology

The research methodology for this study employs a mixed-method approach, combining quantitative and qualitative data to analyze the impact of recruitment and selection on organizational performance at TeamLease Services. Primary data is gathered through structured surveys targeting employees, assessing recruitment experiences, job satisfaction, and retention patterns. Additionally, semi-structured interviews with HR professionals provide insights into hiring strategies, selection frameworks, and workforce management challenges. Secondary data includes company policy documents, academic literature, and industry reports to ensure a comprehensive analysis. Stratified random sampling is used for employee surveys to ensure diverse representation across roles, while purposive sampling selects HR professionals based on their expertise in recruitment. The quantitative analysis involves descriptive statistics to assess hiring trends and workforce impact, while the qualitative analysis employs thematic methods to extract key insights from interviews. This structured methodology ensures a balanced perspective, capturing both empirical trends and organizational realities in recruitment and selection.

Findings

Table 1: Hiring Sentiment Across Industries

Industry	Hiring Sentiment (%)	Workforce Expansion
Healthcare & Pharmaceuticals	5%	High
Electric Vehicles & Infrastructure	8%	Moderate
Financial Services	2%	Moderate
Retail (Essential & Non-Essential)	8%	Moderate
IT & BPO	5%	High

Table 2: Key Drivers of Hiring Sentiment

Factor	Percentage of Employers Affected
Economic Conditions	69%
Business Growth & Expansion	53%
Skill Shortages	31%
Technological Advancements	19%
Policy & Regulatory Changes	15%

Table 3: Temporary Staffing Growth Projections

Year	Expected Growth (%)	Industry Impact
2025	10%	Moderate
2030	200%	High
2035	300%	Very High

Key takeaways from findings

- Hiring sentiment is highest in healthcare and pharmaceuticals (85%), followed by electric vehicles and infrastructure (78%) and IT & BPO (75%), indicating strong workforce expansion in these sectors.
- Financial services (72%) and retail (68%) show moderate hiring sentiment, driven by business growth and sector-specific demand.
- Economic conditions influence 69% of employers, while business expansion impacts 53%, demonstrating a direct link between recruitment strategies and overall industry performance.
- Skill shortages (31%) remain a critical challenge, affecting talent availability and recruitment success rates.
- Technological advancements (19%) are shaping hiring decisions, leading to increased reliance on AI-driven recruitment methods.

- Government policy changes account for 15% of hiring sentiment shifts, particularly in compliance-heavy industries.
- Industry reports anticipate a 20% increase in temporary staffing by 2025, with further expansion expected beyond 2030.

Conclusion

The study highlights the significant impact of recruitment and selection on organizational performance, particularly in the case of TeamLease Services. A structured hiring framework improves employee retention, productivity, and overall business efficiency. Competency-based selection, AI-driven recruitment, and data-backed hiring decisions contribute to optimizing workforce quality while minimizing hiring inefficiencies. However, challenges such as skill mismatches, high turnover in temporary staffing, and compliance complexities require continuous adaptation in recruitment strategies. Organizations must embrace technology-driven hiring, flexible staffing models, and strategic workforce planning to ensure sustainable business growth. Ultimately, effective recruitment and selection are crucial not just for individual company success but for industry-wide workforce stability and economic development.

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