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**RECRUITMENT SOURCES AND THEIR IMPACT ON EMPLOYEE  
PERFORMANCE: A STUDY AT TVS SUNDARAM FASTENERS  
LIMITED, HOSUR**

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**ABSTRACT**

Recruitment is a vital function of Human Resource Management that significantly influences employee performance and organizational success. This study examines the impact of various recruitment sources on employee performance at Sundaram Fasteners Limited, Hosur. The study adopted a descriptive research design, and primary data were collected from 100 employees using a structured questionnaire. Secondary data were gathered from journals, books, and company reports.

Statistical tools such as percentage analysis and the Chi-square test were used to analyze the data. The findings reveal that employee referrals and job portals are the most effective recruitment sources, contributing to improved employee performance. The Chi-square test confirms a significant relationship between recruitment sources and employee performance.

The study recommends enhancing recruitment strategies by improving transparency, adopting modern technologies, and reducing hiring time to achieve better organizational outcomes.

**KEYWORDS:** Recruitment Sources, Employee Performance, Human Resource Management, Manufacturing Industry.

**1. INTRODUCTION**

Recruitment is one of the most essential functions of Human Resource Management, as it

involves identifying, attracting, and selecting suitable candidates for various job roles within an organization.

The effectiveness of recruitment plays a crucial role in determining the quality of employees and their ability to contribute to organizational performance and productivity.

In today's competitive business environment, organizations must adopt efficient recruitment strategies to attract skilled and competent employees. Various recruitment sources such as internal recruitment, employee referrals, job portals, campus recruitment, and recruitment agencies are used to identify potential candidates. The choice of recruitment source significantly influences the quality of hiring and overall employee performance.

Employee performance is a key factor that determines organizational success. Effective recruitment ensures that the right candidates with appropriate skills, knowledge, and attitudes are selected, leading to improved efficiency, reduced employee turnover, and enhanced job satisfaction. On the other hand, poor recruitment practices may result in low productivity and increased operational costs.

In the manufacturing industry, particularly in the automotive components sector, the need for skilled manpower is critical to maintain product quality, operational efficiency, and competitiveness. Sundaram Fasteners Limited, a leading automotive component manufacturing company, relies significantly on effective recruitment practices to ensure a continuous supply of qualified employees.

Despite the availability of multiple recruitment sources, organizations often face challenges in selecting the most effective methods that contribute to employee performance. Therefore, this study aims to analyze the impact of recruitment sources on employee performance at Sundaram Fasteners Limited, Hosur. The study helps in identifying the most effective recruitment methods and provides suggestions to improve recruitment strategies for better organizational outcomes.

## 2. LITERATURE REVIEW

- Ifeoma, I. O. M., Uchenna, O. N., and Obiora, O. A. (2026) examined recruitment and selection practices and found that effective recruitment significantly improves employee performance and organizational efficiency.
- Mayora, M. A. and Makhamara, H. F. (2025) analyzed e-recruitment and concluded that job portals enhance hiring quality by providing access to a wider talent pool.
- Anditi, P. D., Ngari, C., and Bartocho, E. (2024) found that transparent recruitment

practices improve employee trust, satisfaction, and performance.

- AlMessabi, A. S. H. and Hazmilah, H. (2024) reported that structured recruitment strategies enhance organizational performance through increased employee commitment.
- Desri, S., Sirait, E., Wibowo, T. S., Kusuma, M. E. A., and Ahmadun, A. (2024) highlighted that recruitment effectiveness, supported by proper selection, significantly improves employee performance.
- Firman, A. and Inrawati, N. (2023) concluded that an efficient recruitment process directly enhances employee performance.
- Khan, M. H. (2023) found that recruitment and selection practices have a strong positive impact on organizational performance.
- Perkasa, D. H., Harbiato, F., Al Faruq, M., Wuryandari, N. E. R., and Rostini, C. N. (2023) revealed that recruitment, along with training and motivation, significantly contributes to improved employee productivity.
- Aldhuhoori, R., Almazrouei, K., Sakhrieh, A., Al Hazza, M., and Alnahhal, M. (2022) reported that recruitment, selection, and training practices positively influence employee performance in industrial sectors.
- Munaty, S., Dandono, Y. R., and Setiasih, S. (2022) found that effective recruitment and selection processes improve employee performance and organizational efficiency.

### **Research Gap**

Most existing studies focus on service and public sectors, with limited attention to manufacturing industries. Furthermore, there is a lack of research on the impact of recruitment sources on employee performance in automotive component companies in India. This study attempts to fill this gap.

### **3. OBJECTIVES OF THE STUDY**

- To identify the various recruitment sources used in Sundaram Fasteners Limited.
- To analyze the effectiveness of recruitment sources.
- To examine the relationship between recruitment sources and employee performance.
- To provide suggestions for improving recruitment practices.

#### 4. RESEARCH METHODOLOGY

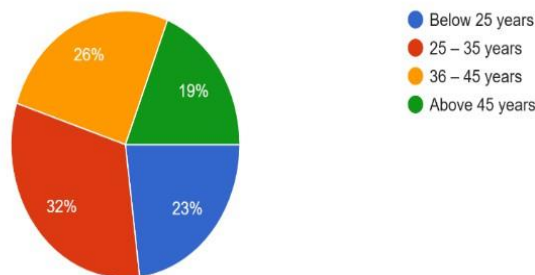
The study adopts a descriptive research design.

- Sample Size: 100 employees
- Sampling Method: Simple random sampling
- Data Collection: Structured questionnaire (Primary data)
- Secondary Data: Journals, books, reports
- Statistical Tools used:
- Percentage Analysis
- Chi-Square Test

#### 5. DATA ANALYSIS AND RESULTS

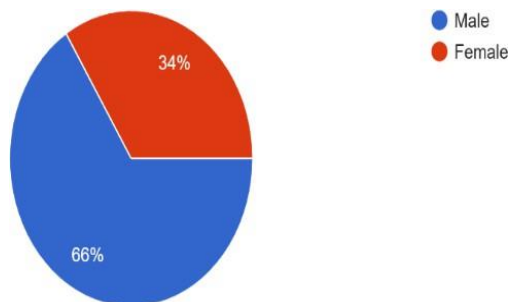
##### 5.1 Demographic Analysis

- Majority (32%) belong to the 25–35 age group
- 66% respondents are male
- 31% are postgraduates
- Most employees have less than 5 years of experience



**Figure 1: Age Group of respondents.**

**Figure 1** indicates that most respondents (32%) are aged 25–35, followed by 36–45 (26%), below 25 (23%), and above 45 (19%), reflecting a balanced workforce.



**Figure 2: Gender of respondents.**

Figure 2 shows that the majority of respondents are male (66%) and 34% are female, indicating a predominantly male workforce with some gender diversity.

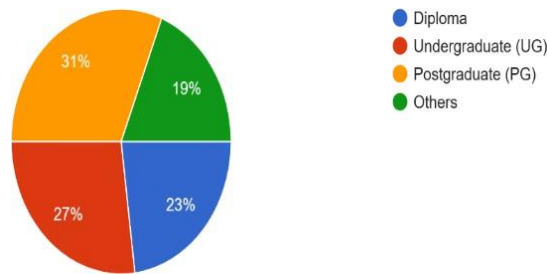


Figure 3: Educational qualification.

Figure 3 shows that most respondents (31%) are postgraduates, followed by undergraduates (27%), diploma holders (23%), and others (19%), indicating a diverse and well-qualified workforce.

Figure 4: Work experience

Figure 4 shows that 32% of respondents have below two years and 32% have “two– five years” of experience, followed by “five–ten years” (27%) and above ten years (9%), indicating a predominantly early to mid-level workforce.

5.2 Recruitment Sources

- Employee Referral (29%) is the most used source
- Job Portals (27%) are the second most used source
- Employee Referral (37%) is also considered the most effective recruitment source
- Job Portals (24%) are the second most effective recruitment source

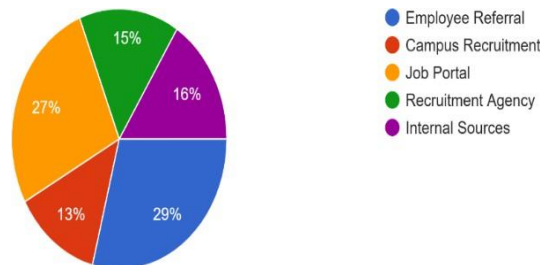
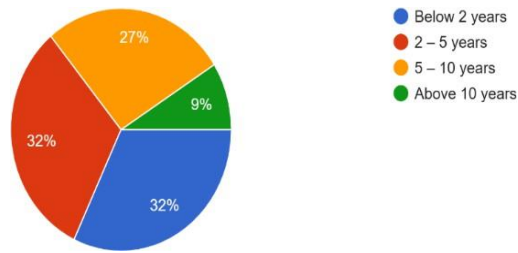
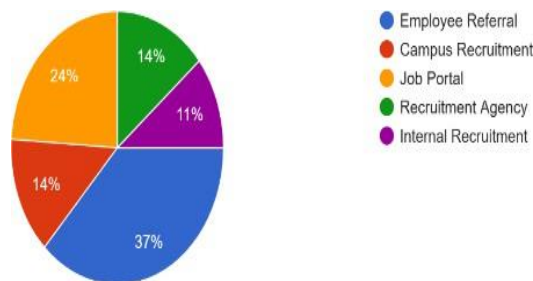


Figure 5: Recruitment Sources



**Figure 5** shows that Employee Referral (29%) is the most common recruitment source, followed by Job Portals (27%), while Internal Sources (16%), Recruitment Agencies (15%), and Campus Recruitment (13%) play lesser roles, indicating referrals and job portals as the key sources.

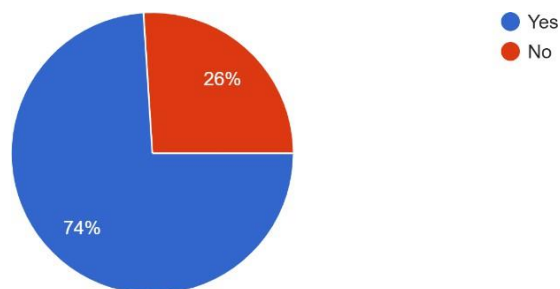


**Figure 6: Most Effective Recruitment Sources.**

**Figure 6** shows that Employee Referral (37%) is the most effective recruitment source, followed by Job Portals (24%), while Recruitment Agencies (14%), Campus Recruitment (14%), and Internal Sources (11%) are less preferred, indicating that referrals are the most reliable method.

### 5.3 Employee Perception

- 74% are aware of recruitment process
- 77% believe recruitment is transparent
- 71% feel recruitment strategies need improvement



**Figure 7: Awareness of recruitment process**

Figure 7 shows that 74% of respondents are aware of the recruitment process while 26% are not, indicating good awareness with some scope for improved communication.

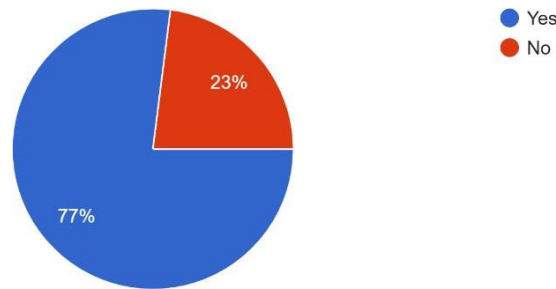


Figure 8: Recruitment process transparency.

Figure 8 shows that 77% of respondents view the recruitment process as fair and transparent, while 23% do not, indicating a positive perception with some scope for improvement.

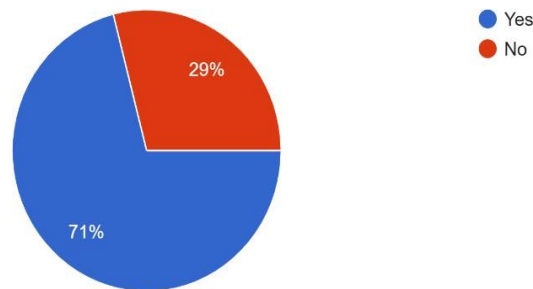


Figure 9: Need for Improvement in Recruitment Strategies

Figure 9 shows that 71% of respondents feel recruitment strategies need improvement while 29% do not, indicating a need to enhance current practices.

#### 5.4 Chi-Square Test Result

- $\chi^2$  value = 18.500
- p-value = 0.017 (< 0.05)

Result: Since the p-value (0.017) is less than 0.05, there is a statistically significant relationship between recruitment sources and employee performance.

### 6. DISCUSSION

- The findings indicate that recruitment sources have a significant impact on employee performance, as confirmed by the Chi-square test result ( $p < 0.05$ ). This indicates that the choice of recruitment method plays a crucial role in determining employee effectiveness and productivity.
- Employee referrals emerged as the most effective recruitment source. This may be

due to the fact that referred candidates are more reliable, better aligned with organizational culture, and require less adjustment time, leading to improved performance.

- Job portals are identified as the second most effective recruitment source, as they provide access to a wider pool of candidates and enhance the chances of selecting qualified individuals.
- The findings also show that a majority of employees are aware of the recruitment process and perceive it as transparent, which reflects positively on the organization's HR practices. Transparency in recruitment contributes to employee trust and satisfaction.
- However, a significant percentage of respondents feel that recruitment strategies need improvement, indicating gaps in areas such as hiring speed, communication, and use of modern technologies.
- The results are consistent with previous studies, which highlight that effective recruitment practices improve employee performance, job satisfaction, and organizational outcomes.
- Overall, the study emphasizes that adopting the right recruitment sources and improving recruitment strategies can enhance employee performance and contribute to organizational growth

## 7. FINDINGS

- The majority of respondents belong to the 25–35 years age group, indicating a young workforce.
- A significant proportion of respondents are male (66%), showing gender imbalance in the workforce.
- Most employees have less than 5 years of experience, indicating a relatively less experienced workforce.
- Employee referrals are identified as the most commonly used and most effective recruitment source.
- Job portals are the second most preferred recruitment source due to their wider reach and accessibility.
- A majority of employees (74%) are aware of the recruitment process followed by the organization.
- Most respondents (77%) believe that the recruitment process is transparent.
- A significant percentage of employees (71%) feel that

- recruitment strategies need improvement.
- The study confirms that recruitment practices have a direct impact on employee performance.
- The Chi-square test result indicates a statistically significant relationship between recruitment sources and employee performance.

## 8. SUGGESTIONS

- The organization should strengthen employee referral programs, as they are the most effective source of recruitment.
- Greater emphasis should also be placed on job portals to attract a wider and more diverse pool of candidates.
- The company should improve campus recruitment strategies to hire fresh talent with updated skills and knowledge.
- Efforts should be made to enhance transparency in the recruitment process, including clear communication of selection criteria and feedback to candidates.
- The organization should focus on reducing recruitment cycle time to quickly fill vacancies and improve efficiency.
- Adoption of modern technologies such as AI-based recruitment tools and digital platforms can improve the effectiveness and speed of hiring.
- Regular training and development programs should be provided to employees to enhance their performance after recruitment.
- The company should continuously review and update recruitment strategies based on employee feedback and industry trends.
- Proper job analysis and workforce planning should be conducted to ensure the right candidate is selected for the right job.

## 9. CONCLUSION

The study concludes that recruitment sources play a vital role in influencing employee performance and overall organizational effectiveness. The findings clearly indicate that employee referrals and job portals are the most effective recruitment sources, contributing to better employee productivity and performance.

The statistical analysis, particularly the Chi-square test, confirms a significant relationship between recruitment sources and employee performance, highlighting the importance of selecting appropriate recruitment methods.

Although the organization follows systematic recruitment practices, there is scope for improvement in areas such as recruitment speed, transparency, and the adoption of modern technologies. Enhancing these aspects can further strengthen the effectiveness of the recruitment process.

Overall, effective recruitment strategies not only improve employee performance but also contribute to increased job satisfaction, reduced turnover, and long-term organizational growth. The study emphasizes the need for continuous improvement in recruitment practices to achieve sustained success.

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