THE KEY DRIVERS OF BANKS E-RECRUITMENT IN MANADO

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ABSTRACT

Internet has linked most of the countries in this whole world. It is now becoming a critical communications tools and services, with distinct characteristics and communication capabilities that allow an organization or company to use them to achieve multiple communication goals. The objective of this research is to analyze how the key drivers of e-recruitment affect recruitment methods of Banks in Manado. This research is limited to three of Development Banks that are Bank Sulut, Bank Negara Indonesia, and Bank Rakyat Indonesia as Limited Companies that using online system to recruit the right employee from random candidates. Method of Analysis used in this research is qualitative method that aimed at making valid inferences from the often overwhelming amount of collected data. The implementation of e-recruitment system for recruiting new employees in observed bank in this research has made the recruitment system become beneficial in each bank. To conclude, related with the performance of these banks, the human resources department must consider about the importance of the key drivers because of these factors roles in stimulating the management parties of these banks to execute e-recruitment system in more effective and efficient way.

Keywords: internet, e-recruitment, key drivers, bank recruitment.

INTRODUCTION

Research Background

Internet as people know is one of the well-known technology that this far has connected millions of computers in this world. World-wide users of the internet is poised to become a fully beneficial infrastructure providing connectivity in anywhere and anytime. As the internet extends its development and serves a growing population of users and intelligent devices, new innovative services are introduced, demanding an environment which supports innovation, creativity and economic growth. The internet itself is an incredible tool for connecting people together into a broad economic project. This is a huge approval and use by the organization or company to lower the operational cost, increase interactive communication, and enhance information. The internet is a collection of communication tools and services, with distinct characteristics and communication capabilities that allow an organization or company to use them to achieve multiple communication goals. For instance, the internet is helping the company performance throughout operation budget, sales, management and marketing activities, and corporate improvement.

People learn about business-to-business value networks being reconfigured or further products are becoming available via online. This technology has enabled corporate websites, suppliers, and job seekers to become more sophisticated, interactive and connect globally 24 hours a day and 7 days a week. In the internet Era, the traditional method of recruitment has also been revolutionized. Earlier, the newspaper advertisements were the only formal external way of posting a vacancy and attracting potential employees. The local and national newspapers were used for hiring the talent. Internet is one of the greatest recruitment resources available to recruiters today for locating qualified job candidates, making newspaper advertising an obsolete recruitment method, according to Tyagi (2012:8).
E-recruitment has proved to be a magnificent alternative for the job seekers for over the past ten years. The internet is a medium which connects the job seeker and the employer for the recruitment purpose virtually. E-recruitment takes care of the entire recruitment process, from placing the job advertisements to receiving the resumes and selecting the right candidate for the right job, online in a simplified and cost effective manner. E-Recruitment is also referred as Online Recruitment or Internet-based recruitment.

There are two ways of recruiting the candidates that are recruiting through conventional way and recruiting through online system media. In conventional recruiting, companies are using general newspapers, professional publications, and window advertisements to sound the recruitment of a certain job in a certain company. Differ from online recruiting, this way of method provides the information of job descriptions in the internet which all the people in anywhere could find the potential job they have desired. Both of these types of recruiting have the same standard formatting the recruitment process, but there is one significant difference that is the scope of job candidate; conventional recruitment has limited potential job seekers and online recruitment embrace broad potential job seekers. Candidates that are coming in shortlist is based on knowledge, skills, location preference, salary expectations and their availability.

Nowadays, many companies in Indonesia have adopted online recruitment system such as government sector, privat company, and banking company. On this research, banking company is the object of the research. Among all the banks in Indonesia this research will use three banks in Manado which are Bank Sulut, Bank Negara Indonesia, and Bank Rakyat Indonesia.

Online recruitment has transformed the recruitment process into one of the fastest growing recruitment techniques. This kind of technique is beneficial for both parties; the company and the applicant. This issue would give an interesting discussion using good analytical skills and this research will be examined to find the powerful key driver in recruiting process.

**Research Objectives**

Objective of this research is to analyze how the key drivers of e-recruitment affect recruitment methods in Bank Sulut, Bank Negara Indonesia, and Bank Rakyat Indonesia. As listed by Linda (2006), the trends and practice in e-recruitment produced four key drivers to improve corporate image and profile, reduce recruitment costs, reduce administrative burden, and employ better tools for the recruitment team.

**Literature Review**

Central premise of this research with its title: Effective talent acquisition through e-recruitment (Tyagi, 2012:10) described the benefits of using e-recruitment to select the best talent available in the market. E-recruitment method ensures efficient recruitment functions and helps busy line managers fill their vacancies effectively. E-recruitment has bought a radical cultural and behavioral change, both within functioning of the HR department and the potential candidates.

Study from previous research with the title: E-recruitment: The effectiveness of the Internet as a recruitment source (Marr, 2007:12) explained the success way of recruitment. The strategy should incorporate a diverse range of recruitment sources to reach the desired target market, and not restrict the search to just one source such as e-recruitment. The future of recruitment will continue to evolve and provide a challenge for researches and practitioners in determining recruitment theories and strategies that will help capture the best quality pool of applicants available. The research reviews relevant literature to identify elements of HR practices that influence the recruiting system in the company. Over the past decade, the way in which people are recruited and managed has come to be recognized as one of the primary factors in achieving improvement in organizational performance.

Review of the related literature on the title: The Effect of E-recruitment On the Recruitment Process (Holm, 2010:20) acknowledges that e-recruitment had a noticeable effect on the overall recruitment process in the studied organizations. The investigation revealed changes in the sequence, divisibility and repetitiveness of a number of tasks and subtasks. The new process design supported by information and communications technologies was identified. This research is determining whether the e-recruitment has an impact on the process and underlying tasks, subtasks and activities of recruitment.
THEORETICAL FRAMEWORK

Human Resource Management

Dessler & Huat (2009:37) stated that Human Resource Management (HRM) is the policy and practice on the “people” or HR of management that involves recruiting, selecting, training, compensating, appraising, and developing employees that carries out four main functions to (1) exert line authority in their department and staff authority in other departments in the company, (2) ensure that the company’s HR objectives and policies are coordinated and implemented, (3) provide various staff services to line management, (4) partner with the CEO in designing the company’s strategy. Furthermore, the HR managers must be able to respond to the major changes and trends which are globalization, technological advances, changes in the nature of work, and changes in workforce demographics.

People Resourcing

Armstrong (2006:358) stated that people resourcing is concerned with ensuring that the organization obtains and retains the human capital it needs and employs them productively. Implement the strategic plan of resourcing is a fundamental thing behind the HRM. Resourcing strategies exist to provide the people and skills required to support the business strategy, but they should also contribute to the formulation of that strategy.

Recruitment and Selection

Overall aim of the recruitment and selection process should be to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the company. Requirements for particular positions are set out in the form of role profiles and person specifications. These provide the basic information required to draft advertisements, brief agencies or recruitment consultants, and assess candidates. A person specification, also known as a recruitment, personnel or job specification, defines the education, training, qualifications and experience.

E-recruitment

E-recruitment or online recruitment uses web-based tools such as a firm’s public internet site or its own intranet to recruit staff. The processes of e-recruitment consist of attracting, screening and tracking applicants, selecting, and offering jobs or rejecting candidates according to Armstrong (2006:421). Employers are utilizing the internet and e-mail systems to communicate with candidates and support their existing hiring practices. Many organizations also use their corporate website. E-recruitment not only saves costs but also enables organizations to provide much more information to applicants, which can easily be updated.

Figure 1. Conceptual Framework
Source: Theoretical Review, 2013
RESEARCH METHODS

Types of Research
Type of this research is qualitative research. Qualitative study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation according to Sekaran & Bougie (2009:105). The purpose of qualitative research is to gain a deep understanding, knowing the comprehension of others, and can assess how people organize and give meaning to everyday life. Qualitative data is a narrative form through interviews and observations, such as interview notes, transcripts of focus group, answers to open-ended questions, transcriptions of video recordings, news articles, and so on.

Source of Data
There are two types of data that are used in this research:
1. Primary data is data originated by the researcher through open questionnaire.
2. Secondary data is data collected for some purpose other than the problem at hand. The secondary data is taken from books, journals, and relevant literature from library and internet. These secondary data were used in the background, literature review, research method, and discussions.

Instrument and Research Sample
Researcher is the main instrument on this research. Despite the researcher is the major instrument to centering the issue of this research, sampling is also needed in finding the answers through data collection from the correct target. To develop this research, the data must be collected from objects that can provide the correct answer to cure the issue.

Defining the target population and the sample that representing all the elements in the population are very important aspects on this research. The population for this research intend to Human Resource Department officer of Bank Sulut, Bank Negara Indonesia (BNI), and Bank Rakyat Indonesia (BRI) in Manado. Sample for this research is as many as 6 people as respondents. Each one of the bank has 2 respondents to represent Human Resource Department population.

There is no limitation for sample on qualitative research. Number is important but the more important thing is the information that this research gets from the interviewees through interview as the important data in conducting the qualitative research. As the result of determining the number of interviewee process, the chosen interviewees are as follows:

<table>
<thead>
<tr>
<th>Code</th>
<th>Sex</th>
<th>Age</th>
<th>Location</th>
<th>Occupation</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>F</td>
<td>55</td>
<td>Manado</td>
<td>Head of Human Resource Division</td>
<td>Bank Sulut Central Office</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>M</td>
<td>49</td>
<td>Manado</td>
<td>Head of Human Resource Section</td>
<td>BRI Region Manado</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>M</td>
<td>56</td>
<td>Manado</td>
<td>Head Manager of Human Resource</td>
<td>BNI Region Manado</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>F</td>
<td>26</td>
<td>Jakarta</td>
<td>Customer Service Officer</td>
<td>Bank Sulut Mangga Dua, Jakarta</td>
</tr>
<tr>
<td>Respondent 5</td>
<td>F</td>
<td>28</td>
<td>Manado</td>
<td>Human Resource Staff</td>
<td>BRI Region Manado</td>
</tr>
<tr>
<td>Respondent 6</td>
<td>F</td>
<td>25</td>
<td>Manado</td>
<td>Customer Service Officer</td>
<td>BNI Region Manado</td>
</tr>
</tbody>
</table>

Source: Data Processed (2014)

Method of Analysis
Method of Analysis used in this research is qualitative method. The analysis of qualitative data is aimed at making valid inferences from the often overwhelming amount of collected data. Qualitative data can come from a wide variety of primary sources and/or secondary sources such as individuals, focus group, company records, government publications. Researcher chooses qualitative method in order to get precise data for the purpose of this research, also it is interesting to analyze any issues which can raise the curiosity to understand and create researcher's own solution. Having the answer of the problem that stated earlier in this research is like giving the researcher the medicine of its curiosity. All in all, qualitative method pleases the researcher for analyzing the data from informants to reach the purpose of this research.
Location and Research Time
This research located in Manado City, North Sulawesi. The informants are worked in different areas in Manado which are; Bank Sulut, Bank Negara Indonesia and Bank Rakyat Indonesia. The interview taken on February 2014.

Data Collection Method
Data collected is very important for examination and consideration to help decision-making process, thus the researcher will only gather the data from the right correspondence. Collecting the data is one of the crucial things on this research. Qualitative data used on this research is collected from answers to open-ended question or open questionnaire. The process of gathering the data for this research will have gone through some steps. At first, researcher has prepared the questions builded from the research issue. To have the data from 3 Banks as the objects, researcher needs to follow the procedure in the company. Their standart operation requests to provide them letter of permission. When the letter of permission has been proceeding in each of the Banks, then the researcher is allowed to do the data collection.

Data Analysis Method
Qualitative data are the data formed of words. It is aimed to make valid concluding from the data collection in the form of words. Analyzing the data could be approached through selecting, categorizing, presenting, and developing in purpose of drawing the conclusions of the data set. The information given will be selected and categorized to help the researcher arranged the data easier and presented the data in a well-organized set. After the data have been proceeding and developing, researcher will use existing theory to draw meaningful result and integrated them for the conclusions.

RESULT AND DISCUSSION

Interview Result
This section provides six different points that describe the overall answers from observed respondents in this research. These points are related with the five factors of e-recruitment, which are corporate image and profile improvement, recruitment cost reducing, administrative burden reducing, recruitment team tool employment, and the concept of e-recruitment.

Six observed respondents in this research for corporate image and profile improvement explained that the ideal corporate image and profile is important for maintaining the operational activities from three observed object in this research, which are Bank Sulut, Bank BRI and Bank BNI, in which following the instruction from Indonesia Federal Bank; and the enhancement of this concept can be constantly implemented by improving the skill and knowledge from employees of each observed bank. Hence, the further development from these banks will give the more satisfactory financial service for clients in the Manado City.

Six observed respondents is giving answers of recruitment cost reducing. The usage of telecommunication network, which are telephone and internet, has given the easiness for spreading all important requirements about the job vacancy and followed due dates from observed bank in this research, which are Bank Sulut, Bank BRI and Bank BNI, which reducing the management costs and simplifying applicants to check all those notifications.

Administrative burden reducing is explained that using computer-based technology for recruiting employees, three observed banks in this research, which are Bank Sulut, Bank BRI and Bank BNI, the applicants’ data can be input effectively and efficiently by the management parties from each bank, as the basic for choosing the right employee that can be hired. Thus, this applied system can also reduce the administrative costs that must be spent by applicants.

Implementing the e-recruitment system for the job vacancy notification and the new employees’ registering, interview and entry test processes, the management parties from observed bank in this research, especially the human resources department, can become more effective and efficient when conducting the duties and responsibility, partially for selecting the employees that are fit to work in each bank for Recruitment Team Tool.
The application of e-recruitment system for recruiting new employees in observed bank in this research, which are Bank Sulut, Bank BRI and Bank BNI, has make the recruitment system in each bank become more effective and efficient, in term of time and costs. This is related with the performance of these banks, especially the human resources department.

Discussion

Employees are important assets for any company, either manufacturing or service company, because their existence can directly determine the successfulness of the firm in the future. With skillful employees in the company, capital, land, machineries and raw materials can be utilized in the optimum level. In order to maximally achieve company’s vision and mission, the presence of current employees in the office and operational field is not always enough for its management. Recruiting new employees is occasionally required for maximizing the core competence for the competed company.

Several years ago, the system in recruiting new employees in every company has relied on administrative-based paper and the existence of human Personnel. Due to development in the technology and information aspect, the system of recruiting new employees has been improved and it is named E-Recruitment. In the practice, the implementation of this system is influenced by four main factors, which are Corporate Image and Profile Improvement, Recruitment Cost Reducing, Administrative Burden Reducing and Recruitment Team Tool Employment.

In this research, the understanding about the application of E-Recruitment and the followed influencing factors (Corporate Image and Profile Improvement, Recruitment Cost Reducing, Administrative Burden Reducing and Recruitment Team Tool Employment) is analyzed for three respected bank in the Manado City, which are Bank Sulut, Bank BRI and Bank BNI.

1. Corporate Image and Profile Improvement

Previously, based on this interview’s answer, it is explained about good impact from the enhancement of corporate image and profile for the development of observed banks, which are Bank Sulut, Bank BRI and Bank BNI. It is related with the fact each bank has been known by the majority of people in Indonesia, partially in the Manado City. So, a better concept, idea and implementation of financial service from these bank will make many people in this city maintain their loyalty to each one of them and will attract many potential clients to use every financial service from Bank Sulut, Bank BRI and Bank BNI.

For each bank, the good acknowledgement for common people, especially people in this city, becomes guarantee that these financial banks can still operate for handling financial funds for society. To management parties of Bank BRI and Bank BNI, the people acceptance will ensure that both banks will continuously operate here. It is associated with the fact that Bank BRI and Bank BNI have been operated in Indonesia for more than 50 years. So, each bank management has been experienced many adjustments in managing the operational activities, chiefly for circulating the funds from people in Indonesia. But, it is also unquestionable that both banks have faced financial and non-financial problems until now. For Bank Sulut, which becomes the official regional development bank in North Sulawesi Province, the good recognition from people in the Manado City will strengthen the existence of this governmental bank, either in this bank clients’ point of view or in the understanding of its shareholders.

2. Recruitment Cost Reducing

This analyzed point, which its’ results are derived from respondents answers in previous section, it is clear that the enhancement in the operational system, particularly in the new employees’ recruitment, has made the management parties in these banks, which are Bank Sulut, Bank BRI and Bank BNI, become more professional in choosing the right applicants to work in office of each bank. So, this essential factor can make the performance of these financial companies become more effective and efficient, in which can impact the financial service to the clients and can diminish the time and cost for new employees admission processes. This condition can directly or indirectly give advantage to each respected bank in the future.
Bank Sulut, especially the human resources department, the effectiveness and efficiency in using the company’s capital is one main advantage that must be achieved. By applying the employees’ recruitment system in this research, which is the E-Recruitment System, this bank management can still get more prospective people in the Manado City and can continuously boost its development in the future. It is important, regarding with the fact that this bank collect and arrange people fund in North Sulawesi Province, exclusively in this capital city, and the presence of other financial institutions in the Manado City. For management parties in Bank BRI and Bank BNI, the utilization of online network in choosing new employees will ensure that each bank can use minimize the cost for selecting and testing new applicants that will be hired in both banks. By lessening the cost for choosing the appropriated employees, each bank can give the more effective and the more efficient financial service for clients in this city, without spend more time for selecting and testing potential applicants.

3. Administrative Burden Reducing

This research, it is found that there is a reducing in administrative liability in observed banks, which are Bank Sulut, Bank BRI and Bank BNI, when the E-Recruitment recruitment processes is applied, just like interview’s answers in the previous section. Because of the easiness to check and access the applicant data in the online network, the complexity in the initial process of recruiting until entry test for working in each bank can be avoided and will definitely give opportunity to applicants to fairly compete in getting the job vacancy and the management party from these banks can handle the overall important processes in the appropriated manner. But to consider, it is also important to define the target of desired job applicants and understand their motivation and job product knowledge characteristics Maurer & Liu (2007).

Three analyzed banks in this research, which are Bank Sulut, Bank BRI and Bank BNI, the management parties from each bank can at least reduce direct administrative obligations when implementing the E-Recruitment system. Such obligations that can be reduced when this recruitment system is applied are costs for checking and/or notifying information about the job vacancy, costs for checking and/or notifying information about applicants that are past for interview, costs for expending the independent companies (third party) in the interview process and cost for selecting and informing the right applicants that will be hired in these banks. For Bank Sulut, as a bank that are operated after Bank BRI and Bank BNI, the effectiveness and the efficiency from this recruiting system will become one important instrument for the continuity of the company in the future. On the other side, the usage of the E-Recruitment system in Bank BRI and Bank BNI can make the operational activities from both banks more successful in the future, because the chosen applicants are suitable for the available position and the time, cost and human power decreasing.

4. Recruitment Team Tool Employment

Based on results for this analyzed point, as stated in the earlier section, it is notified about the positive changing after the implementation of e-recruitment system in these analyzed banks, Bank Sulut, Bank BRI and Bank BNI. Technically, the upgraded system in recruiting new employees has change the performance of management from each observed bank, particularly for human resources department. So, as explained in the previous point, the easiness in applying this upgraded system can make applicants because easy to follow the job vacancy test and the management department can work effectively and efficiently, which is purposely made to choose the right people to the company.

Internet usage allows human resource departments to have an interactive communication with their applicant that results in recruitment strategies, and this was supported by the findings, as noted by Avlontis & Karayannis (2000:17). For the side of the management parties, which operate within these three observed banks, the utilization of the e-recruitment system makes the working productivity from the human resources department in each observed bank become better, which is related with the effectiveness and the efficiency in the selecting, interviewing and testing processes and the quality from the accepted applicants. Hence, this constructive accomplishment will give impact for the overall activities from three observed banks in this research, because the good performance that can be given by the new employees and the good cooperation among employees for achieving each company’s vision and missions. To be put in simple, it is explained the strong contribution from the implementation of E-Recruitment for the effectiveness and efficiency in observed banks in this research, which are Bank Sulut, Bank BRI and Bank BNI. With applying this sophisticated system,
the management department from each bank, especially the human resources division can work in more professional way, similar with the explanation in previous five points that are influencing factors of this aspect.

Thus, because this recruitment system is the latest system for selecting and choosing the right people to work in any company, which is applied in Bank Sulut, Bank BRI and Bank BNI, the management from these observed banks can still handling the current employees in offices of each bank in the Manado City, due to the operational activities of each bank. For management parties in Bank Sulut, this enhancement surely gives the strong contribution in developing the company scope; and for Bank BRI and Bank BNI, the improvement in both human resources system and resources will become one good thing for maintaining the current excellent service and for performing the better one in the future.

Usage of online recruitment remains more prevalent in larger organisations and in the services sector suggests that the perception that the Internet is more suitable for particular types of roles or organisations is commonplace and may be affecting the adoption of these methods. Similarly, larger and public sector organisations may be more likely to fill a large number of vacancies and this means that they can cope with a large candidate pool. However, based on the survey of Parry & Tyson (2007:27) result suggested that the successful use of commercial jobs boards was not related to industry, sector or organisation size and the perceived success of corporate websites was related only to organisation size. These findings strongly refute the suggestion that online recruitment can only be successful for some organisations and is therefore an important finding of this research. It may be that any organisation can find success with online methods if they adopt an appropriate strategy for their use and implementation.

CONCLUSION AND RECOMMENDATION

Conclusion

There is one important finding that can be concluded from the overall result in this research, which is stated: The similar perception of e-recruitment factors, which are corporate image and profile improvement, recruitment cost reducing, administrative burden reducing and recruitment team tool employment and its similarity from employees in there observed banks, which are Bank Sulut, Bank BRI and Bank BNI, make the implementation of e-recruitment at these bank in Manado can be executed effectively and efficiently.

Recommendations

There are two constructive recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. Management officers from Bank Sulut, Bank BRI and Bank BNI in Manado must consider about the importance of corporate image and profile improvement, recruitment cost reducing, administrative burden reducing and recruitment team tool employment, because of these factors roles in stimulating the management parties of these banks to execute e-recruitment system in more effective and efficient way.

2. Management parties for each bank must also aware about other factors that can influence the e-recruitment system in Bank Sulut, Bank BRI and Bank BNI in Manado, such as limited availability for certain area, poor internet connection, and the exertion of “paid-jockey” or fake applicant. Having said this, there is a possibility that each element can positively impact the execution of e-recruitment system in the future.
REFERENCES


