

## A STUDY ON EFFECTIVENESS OF RECRUITMENT PROCESS IN PT. BANK PERKREDITAN RAKYAT (BPR) PRISMA DANA MANADO

by:

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### ABSTRACT

Recruitment is the first stage in the process which continues with selection and at the end is the placement of the candidate. Employing the right person for the company might be the most important part of the venture. An effective recruitment process reduces turnover. Interviews and background checks ensure that the company will employ a candidate who is reliable and carries out the objectives that company planned for providing quality services and goods to the customers. There are several factors that affecting the effectiveness of recruitment process in PT. BPR Prisma Dana Manado, which are cost per hire, applicant volume, time to fill, quality of hire, tenure, and employee attitudes. This research using qualitative method that will describe the topic and explain the result of the interview. The purpose of this research is to know how effective the recruitment process in PT. BPR Prisma Dana Manado. The result of the research is that the recruitment process in PT. BPR Prisma Dana Manado is effective, but it is important to maintain the recruitment process in the company, because recruitment process is the first stage to decide the company had the good employee or not.

**Keywords:** *recruitment, time to fill, quality of hire*

### INTRODUCTION

#### Research Background

Nowadays, it is important for organizations to be able to gain a sustainable competitive advantage through people and also to address an important employee concerns. Through Human Resources Management (HRM) the things can be achieved. The organization must have good employees to run their company and achieve massive success.

Competitive advantage belongs to companies that know how to attract, select, as well as develop the talents they have. Recruiting employee, training and developing their skills, and designing job are some important things that companies must do to improve their performance.

Recruitment forms the first stage in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruitment makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organization.

PT. Bank Perkreditan Rakyat (BPR) Prisma Dana Manado that had mission being a professional bank able to prove itself through operational activities to penetrate and develop rural economies as well as cities and regencies in North Sulawesi. With mission like that Prisma Dana must have good employees to run their mission. It is hard to find the right man for the companies. However, companies try to recruit potential employees.

Many companies need higher skill levels. It becomes the challenge for managers to recruiting the good talent for their company. They need to put the right person in the right place at the right time. It means that the quality of employees that they need to hire it depends on how effective the recruitment process that run at the company?

## **Research Objectives**

To identify the effectiveness of recruitment process at PT. BPR Prisma Dana Manado and to identify the factors that makes recruitment process at PT. BPR Prisma Dana Manado effective.

## **THEORITICAL REVIEW**

### **Human Resources Management**

Human Resources Management or HRM is a part of management focused in learning the relationship and the role of people in company. It involves all management decisions and practices that directly affect or influence the people, or human resources who work for the organizations. Human resources can also define as the strategic and operational management of activities to enhance the performance of the human resources in organization (Dimitriades, 2001).

### **Recruitment**

Khan (2008:124) stated that recruitment means informing the market that new people are going to be appointed, which can be done through publicity and advertisement. The primary purpose of recruiting is identifying and attracting potential employees (Noe et. al, 2006:242).

### **Recruitment Process**

Dessler (2005:152) explains that there are several steps of recruiting employees:

1. Decide what positions you will have to fill through personnel planning and forecasting.
2. Build a pool of candidates for these jobs by recruiting internal or external candidate.
3. Have candidates complete application forms and perhaps undergo an initial screening interview.
4. Use selection techniques like tests, background investigations, and physical exams to identify variable candidates.
5. Decides who to make an offer to, by having the supervisor and perhaps others on the team interview.

### **Internal and External Recruitment**

Internal recruitment is cost efficient, support employee satisfaction and moral. Spend some time recruiting or promoting the current employs before looking outside of the company for talent. Nothing is more disappointing for the employee, who has been working hard to get promoted, to see someone new size the position he deserved or desired. Promoting inside the organization involve less training and transition. (McIntyre, 2010). Another method of bringing employees is through external recruitment. To bring new skills and outlooks into the work group is an advantage here. It is also easy to target specific groups. (McIntyre, 2010)

### **Previous Research**

A detailed analysis about the recruitment procedure followed at HCL and its effectiveness has been made. The survey includes various staff in different departments at HCL. The staff has a positive attitude towards the recruitment practices followed its medias and contacting sources. All the important aspects observed from the study and the valuable suggestions given by the staff regarding the recruitment procedure are being highly considered. Counting the survey made and the analysis of the study, it will be helpful for the management in understanding the awareness and satisfaction among the staff regarding the recruitment procedure followed at HCL. (Aiswarya, 2013)

## RESEARCH METHOD

### Type of Research

The researcher used qualitative method to explore the nature of Effectiveness of Recruitment Process in PT. Bank Perkreditan Rakyat (BPR) Prisma Dana Manado. As quoted from Sugiyono (2007:488) in general, the reasons in using qualitative data are because of the problems that are not clear, need to identified holistically, the subjects are complex, dynamic, full of meaning so that it is quite hard to use quantitative research method. Besides, the researcher intends to understand the social situation in depth to find pattern. Type of this research is exploratory, which is according to Sekaran and Bougie (2010:103-104) is a study that undertaken in a situation that there is no information available from similar problems or previous researches that have been solved in the past. Exploratory studies are used in this research to understand and explore what extent how effectiveness the recruitment process at PT. BPR Prisma Dana that never been revealed before, to explore and identify the factors that make recruitment process effective at PT. BPR Prisma Dana, to identify challenges and problems that PT. BPR Prisma Dana must faced. Further, the researcher used Descriptive-Study case to present the result and discussion in this research.

### Place and Time of Research

The present research will be conducted in PT. BPR Prisma Dana Manado. This research was conducted from August to October 2014.

### Social Situation and Participant

Social situation in this research were those who worked in PT. BPR Prisma Dana Manado. Informant or participant of this research consist of five peoples, they are chief of Human Resource Department, IT staff, marketing division, and 2 staff from accounting division.

### Data Collection Method

This research will use in-Depth Interview as the data collection method to get the data from the participants. In-depth interviews are interviews in which participants are encouraged and prompted to talk in-depth about the topic under investigation without there searcher's use of predetermined, focused, short-answerquestions (Given, 2008:422).

### Data Analysis Method

This research uses a description analysis tool to analyze the Effectiveness of Recruitment Process in PT. BPR Prisma Dana Manado. To conduct this research, research will ask the basic question based on the indicators and then the interview or conversation will go as far as it can go. More of the information is better. Through the conversation, there must be something to be considered as holes that affect the company's well-being. Validity and reliability in qualitative research is important to prove that all the result that explain and discuss in this research is true. Whenever an interview conducted as part of data collection process, the validity and reliability test is important. Sekaran (2009:491) stated that the reliability of a qualitative research includes category and inter judge reliability:

1. Category Reliability. The extent to which judges are able to use category definitions to classify the qualitative data. Well-defined categories will lead to higher category reliability.
2. Inter-judge Reliability. Degree of consistency between coders processing the same data.

Joniak (2005), the validity of a qualitative research depend on trust will:

1. Credibility. The credibility criteria involves establishing that the results of qualitative research are credible or believable from the perspective of the participant in the research. Since from this perspective, the purpose of qualitative research is to describe or understand the phenomena of interest from the participant's eyes, the participants are the only ones who can legitimately judge the credibility of the results.



2. **Transferability.** Transferability refers to the degree to which the results of qualitative research can be generalized or transferred to other contexts or settings. From a qualitative perspective transferability is primarily the responsibility of the one doing the generalizing. The qualitative researcher can enhance transferability by doing a thorough job of describing the research context and the assumptions that were central to the research.
3. **Dependability.** The traditional quantitative view of reliability is based on the assumption of replicability or repeatability. Essentially it is concerned with whether we would obtain the same results if we could observe the same thing twice. But we can't actually measure the same thing twice – by definition if we are measuring twice, we are measuring two different things. The idea of dependability, on the other hand, emphasizes the need for the researcher to account for the ever-changing context within which research occurs. The research is responsible for describing the changes that occur in the setting and how these changes affected the way the research approached the study.
4. **Confirmability.** Qualitative research tends to assume that each researcher brings a unique perspective to the study. Confirmability refers to the degree to which the results could be confirmed or corroborated by others. There are a number of strategies for enhancing confirmability. The researcher can document the procedures for checking and rechecking the data throughout the study.

## RESULT AND DISCUSSION

### Result

The interview conducted using semi-structured interview with the help of five employees in PT. BPR Prisma Dana Manado. Based on the interview with all the five participants there are six main attributes of recruitment process which affecting the effectiveness of recruitment process in PT. BPR Prisma Dana Manado, those are cost per hire, applicant volume, time to fill, quality of hire, tenure, hiring manager and employee attitudes.

1. **Cost per Hire** - Cost per hire measures how much a company is spending on hiring individuals. It helps organizations to understand how much they are currently spending and if they are using enough resources. It measures the effectiveness of recruitment efforts and helps organizations to understand how much they are spending per hire and which recruiting sources are working the best. Once the total cost per hire is known organisation can then plan and set a budget for the future. From the informant 1, cost per hire influenced the effectiveness of recruiting process. It is never over budget because every recruitment process has been planning from previous year .So they always do that in order to avoid the over budget.
2. **Applicant Volume** - From the informant, applicant volume influenced the effectiveness of recruiting process in PT. BPR Prisma Dana. The quote from the applicants has been recruited based on the needed from PT. BPR Prisma Dana itself. For the example if they need the employee that has a skill in accounting, they will recruit the applicant who had education background in accounting.
3. **Time to Fill** - Time to fill influenced the effectiveness of recruiting process. Based on the informants, usually the job vacancy has published on the news paper for 1 week. After that the documents that have been submitted will be selection, and they will contact for those who accepted the documents. Usually for 1 week, they have been received lots of the applicant documents, it shows that the time to fill influenced recruitment process.
4. **Quality of Hire** - Tracking performance of new hires against other employees in similar positions, quality of hire helps to set performance benchmarks and measures the return on investment. Reviewing performance also identifies training needs and development pathways for employees. Quality of hire influenced the effectiveness of recruiting process. According to the informant, every employee that have been recruited its appropriate with the sector that need an employee, and usually PT. BPR Prisma Dana give target to be achieved to become the new employees.
5. **Tenure** - Tenure influenced the effectiveness of recruitment process. Based on the informant, the work period decided by the contract period. As all the informants told above that they had 3 months trial in a year of their contract. The results of the 3 months trial will determine their tenure in PT. BPR Prisma Dana Manado.
6. **Employee Attitudes** - The attitudes of the employee will determine the recruitment process of the company itself will be effective or not. Based on the informants, for the employee attitude the company measures it

by the psycho-test that they faced in step of the recruitment process and during their interview. PT. BPR Prisma Dana of course will not let the bad person to join their company. It will destroy the company itself. As mention above the new employees will have 3 months trial in a year of their contract.

### Discussion

The interview had been conducted with five employees in PT. BPR Prisma Dana Manado as participants. Recruitment process in PT. BPR Prisma Dana Manado was affected the employees in PT. BPR Prisma Dana Manado. There are several steps of recruitment process in PT. BPR Prisma Dana Manado, which are: advertising, submit application form, documents selection, test: individual & psycho-test, applicant's interview. The recruitment process in PT. BPR Prisma Dana Manado support the theory of Dessler (2005:152-236) that stated that there are several steps of recruiting employees: Planning, forecasting, application form, test, and interview.

A study by Aiswarya (2013) which is about the recruitment procedure followed at HCL and its effectiveness has been made. The survey includes various staff in different department s at HCL. The staff has a positive attitude towards the recruitment practices followed its medias and contacting sources. The study using quantitative research which is the way to get the result is different with this research but had same purpose to prove the effectiveness of recruitment process. Same with this result that the recruitment process also effective, because there are several factors that proved affecting the recruitment process in PT. BPR Prisma Dana Manado, which are those are cost per hire, applicant volume, time to fill, quality of hire, tenure, hiring manager and employee attitudes.

## CONCLUSION AND RECOMMENDATION

### Conclusion

There are several factors that have significant influence to effectiveness of recruitment process in PT. BPR Prisma Dana Manado, which are cost per hire, applicant volume, time to fill, quality of hire, employee attitudes, and tenure. From all the factors, the most influenced factors is time to fill, because to run the company well it must be there is no blank position in the company.

### Recommendation

Management of PT. BPR Prisma Dana Manado should be more attention on the recruitment process in the company. It is very important to maintain the recruitment process that they did, to keep up the quality of recruitment process or even better. Because in a company recruitment is the first stage in a process to decide the company will have a good employee or not.

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