



## Similarity Report

### Metadata

Name of the organization

**Universitas Muhammadiyah Sidoarjo**

Title

**005-Jurnal DIJEMSS\_Achmad Brian Fajar Prayogi**

Author(s)

Coordinator

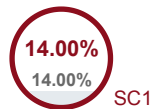
**perpustakaan umsidaarta**

Organizational unit

**Perpustakaan**

### Record of similarities

SCs indicate the percentage of the number of words found in other texts compared to the total number of words in the analysed document. Please note that high coefficient values do not automatically mean plagiarism. The report must be analyzed by an authorized person.








**25**  
The phrase length for the SC 2

**6457**  
Length in words

**45056**  
Length in characters

### Alerts

In this section, you can find information regarding text modifications that may aim at temper with the analysis results. Invisible to the person evaluating the content of the document on a printout or in a file, they influence the phrases compared during text analysis (by causing intended misspellings) to conceal borrowings as well as to falsify values in the Similarity Report. It should be assessed whether the modifications are intentional or not.

Characters from another alphabet		0
Spreads		0
Micro spaces		0
Hidden characters		0
Paraphrases (SmartMarks)		30

### Active lists of similarities

This list of sources below contains sources from various databases. The color of the text indicates in which source it was found. These sources and Similarity Coefficient values do not reflect direct plagiarism. It is necessary to open each source, analyze the content and correctness of the source crediting.

#### The 10 longest fragments

Color of the text

NO	TITLE OR SOURCE URL (DATABASE)	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
1	<a href="http://journalfeb.unla.ac.id/index.php/almana/article/view/2157">http://journalfeb.unla.ac.id/index.php/almana/article/view/2157</a>	88 1.36 %
2	<a href="http://journalfeb.unla.ac.id/index.php/almana/article/view/2157">http://journalfeb.unla.ac.id/index.php/almana/article/view/2157</a>	82 1.27 %
3	<a href="https://benjamins.com/catalog/rmal.7.10dri">https://benjamins.com/catalog/rmal.7.10dri</a>	40 0.62 %
4	<a href="http://journalfeb.unla.ac.id/index.php/almana/article/view/2157">http://journalfeb.unla.ac.id/index.php/almana/article/view/2157</a>	39 0.60 %

5	Gender bias in academic recruitment Francesco Rosati,Ciriaco Andrea D'Angelo,Giovanni Abramo;	35 0.54 %
6	<a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4416258/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4416258/</a>	34 0.53 %
7	<a href="https://pmc.ncbi.nlm.nih.gov/articles/PMC5800196/">https://pmc.ncbi.nlm.nih.gov/articles/PMC5800196/</a>	30 0.46 %
8	<a href="https://link.springer.com/article/10.1007/s10826-019-01666-4">https://link.springer.com/article/10.1007/s10826-019-01666-4</a>	30 0.46 %
9	Recruiter's Strategy for Identifying Hybrid Skills in Job Applicants Munthe Richa Afriana, Sopiah Sopiah;	29 0.45 %
10	<a href="http://journalfeb.unla.ac.id/index.php/almana/article/view/2157">http://journalfeb.unla.ac.id/index.php/almana/article/view/2157</a>	29 0.45 %

from RefBooks database (3.53 %)

NO	TITLE	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
<b>Source: RePEC</b>		
1	COST/BENEFIT ANALYSIS A TOOL TO IMPROVE RECRUITMENT, SELECTION AND EMPLOYMENT IN ORGANIZATIONS Nicoleta Valentina FLOREA;	47 (6) 0.73 %
<b>Source: Paperity</b>		
1	ANALYSIS OF IMPLEMENTATION OF LOCAL LABOR RECRUITMENT IN JOUMPA UNIT AS A FORM OF SOCIAL RESPONSIBILITY OF PT GAPURA ANGKASA BRANCH DENPASAR Renaldi I Putu Alit, Abiyasa Agus Putu;	41 (2) 0.63 %
2	Recruiter's Strategy for Identifying Hybrid Skills in Job Applicants Munthe Richa Afriana, Sopiah Sopiah;	29 (1) 0.45 %
3	REVIEW LITERATUR REKRUTMEN KARYAWAN SEBELUM DAN SELAMA PANDEMI Tiarapuspa,Purwanti;	20 (1) 0.31 %
4	SOSIALISASI STRATEGI DAN TRIK SUKSES SELEKSI CPNS SEBAGAI UPAYA PEMENUHAN INDIKATOR KINERJA UTAMA UNIVERSITAS TEUKU UMAR Al. Zuhri, Jalaluddin Jalaluddin, Desi Maulida, Putri Maulina, Ilka Sandela, Agus Pratama, Umuri Khairil;	17 (1) 0.26 %
5	Description of Leadership in the Service of Youth and Sport Tourism the City of Gorontalo Daud Rollyn Sofyan, Idji Rusly Abdurrahman, Akbar Muh. Firyal;	13 (1) 0.20 %
6	PENGARUH KOMPENSASI DAN DISIPLIN KERJA TERHADAP KINERJA PEGAWAI KANTOR SAMSAT KABUPATEN GOWA Bahri Syamsul;	11 (1) 0.17 %
7	Awareness and Knowledge of Libyan Women about Endometriosis Eljamay Salwa Muftah, Elhassadi Jannat Ebrayek, Hamed Asrafel;	10 (1) 0.15 %
8	PENGARUH CORPORATE IMAGE TERHADAP DAYA TARIK ORGANISASI Sjoraida Diah Fatma, Dida Susanne,Pane Muhammad Mulyadi;	5 (1) 0.08 %
<b>Source: <a href="https://arxiv.org/">https://arxiv.org/</a></b>		
1	Gender bias in academic recruitment Francesco Rosati,Ciriaco Andrea D'Angelo,Giovanni Abramo;	35 (1) 0.54 %

from the home database (0.00 %)

NO	TITLE	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
----	-------	---------------------------------------

from the Database Exchange Program (0.25 %)

NO	TITLE	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
1	RECRUITMENT AND SELECTION PRACTICES WITHING ORGANIZATIONS, a case study of an NGO: Business Organization for Students 6/24/2015 Academia de Studii Economice din București (Academia de Studii Economice din Bucuresti)	16 (1) 0.25 %

from the Internet (10.22 %)

NO	SOURCE URL	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
1	<a href="http://journalfeb.unla.ac.id/index.php/almana/article/view/2157">http://journalfeb.unla.ac.id/index.php/almana/article/view/2157</a>	396 (11) 6.13 %
2	<a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4416258/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4416258/</a>	46 (2) 0.71 %
3	<a href="https://benjamins.com/catalog/rmal.7.10dri">https://benjamins.com/catalog/rmal.7.10dri</a>	40 (1) 0.62 %
4	<a href="http://deso.com.ua/wp-content/uploads/2016/03/Proklima-ProkPAKT-V13-EN.pdf">http://deso.com.ua/wp-content/uploads/2016/03/Proklima-ProkPAKT-V13-EN.pdf</a>	37 (7) 0.57 %
5	<a href="https://pmc.ncbi.nlm.nih.gov/articles/PMC5800196/">https://pmc.ncbi.nlm.nih.gov/articles/PMC5800196/</a>	30 (1) 0.46 %
6	<a href="https://link.springer.com/article/10.1007/s10826-019-01666-4">https://link.springer.com/article/10.1007/s10826-019-01666-4</a>	30 (1) 0.46 %
7	<a href="http://www.aidea2013.it/docs/316_aidea2013_management-organization.doc">http://www.aidea2013.it/docs/316_aidea2013_management-organization.doc</a>	23 (1) 0.36 %
8	<a href="https://140.122.127.247/thesis/detail/563935eb7cfa94e2d7cff1b0bb85dada/">https://140.122.127.247/thesis/detail/563935eb7cfa94e2d7cff1b0bb85dada/</a>	22 (2) 0.34 %
9	<a href="http://www.conference.fit/images/2007arch/WED02.pdf">http://www.conference.fit/images/2007arch/WED02.pdf</a>	19 (2) 0.29 %
10	<a href="https://www.academia.edu/90046068/Analisis_Proses_Rekrutmen_Seleksi_dan_Penempatan_Kerja_Karyawan_Outourcing_PT_Nusa_Bunga">https://www.academia.edu/90046068/Analisis_Proses_Rekrutmen_Seleksi_dan_Penempatan_Kerja_Karyawan_Outourcing_PT_Nusa_Bunga</a>	17 (1) 0.26 %

## List of accepted fragments (no accepted fragments)

NO	CONTENTS	NUMBER OF IDENTICAL WORDS (FRAGMENTS)
----	----------	---------------------------------------

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

1 | Page

DOI: <https://doi.org/10.38035/dijemss>.

<https://creativecommons.org/licenses/by/4.0/>

Performance Analysis of Recruitment Selection Strategy Based on  
Financial Performance with Cost Per Hire (CPH) Formulation

Achmad Brian Fajar Prayogi<sup>1</sup>, Wisnu Panggah Setiyono<sup>2</sup>,  
<sup>1</sup>Universitas Muhammadiyah Sidoarjo, Sidoarjo, Indonesia, [abrian.fp@gmail.com](mailto:abrian.fp@gmail.com).  
<sup>2</sup>Universitas Muhammadiyah Sidoarjo, Sidoarjo, Indonesia, [wisnu.setiyono@umsida.ac.id](mailto:wisnu.setiyono@umsida.ac.id).

Corresponding Author: [abrian.fp@gmail.com](mailto:abrian.fp@gmail.com)<sup>1</sup>

**Abstract:** The challenge of today's business organizations is to get the best employees at a low-cost performance. Recruitment costs are considered important and become part of a business strategy so that business processes run effectively and efficiently. So that knowledge of simultaneous recruitment and selection costs is needed by business organizations to support the achievement of a business vision globally. This research is a qualitative descriptive research design using the cost per hire (CPH) formulation as a formulation to calculate recruitment costs and a comparison of the findings was carried out in 5 different company objects in different fields. Based on the results of the research, it was found that hoteliers and plantation companies relatively have high selection recruitment costs, this is due to the needs of candidates, the majority of whom are specialists, so they require comprehensive selection recruitment

procedures and involve external services in their implementation. In manufacturing companies, services and trade are relatively lower because the need for labor is generally relatively mass and non-skilled so the procedure is relatively simpler. In order for this study to produce broader findings data, it is hoped that future studies will use more company objects, more comprehensive calculation formulations, and by using broader cost indicators.

Keyword: cost per hire, financial performance, recruitment, selection.

## INTRODUCTION

Employees are part of the important assets needed by business organizations to thrive and be productive in terms of income (Rubens et al., 2018; Setiani, 2018). It is linear with the main focus on the concept of human resource management, which is to form human resources to be able to make important contributions to the succession of company goals (Fuad, 2021). The principle of the right man in the right place is still very factually used as a recruitment principle by most companies, so business operations also focus on recruiting employees with potential resources (Hamza et al., 2021). In line with this principle, a key step in the implementation of the HR management function is through the recruitment and selection process to recruit workers in accordance with competency standards and organizational needs (Florea, 2013). This recruitment and selection process is a step used to decide which candidates are placed in the right position (Halis, 2020).

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

## 2 | Page

Broadly speaking, in carrying out the recruitment process, companies must have used the best recruitment process design to attract potential talents (Samba'a Nikita A, 2018). However, there are actually some details of the recruitment process that can be improved so that the recruitment process carried out meets effective standards efficiently and makes it easier for companies to get the best talent, as well as considering that the process carried out meets the company's financial performance standards (Zhang et al., 2016). The Jobvite survey found 67% of HR practitioners feel the biggest challenge in the hiring process is finding skilled and high-quality talent (Itam & Swetha, 2022). This is supported by the assumption that the current volume of work talent is considered balanced with the available capacity of the company's needs. However, this volume of talent does not necessarily represent their quality in their work (Gusain, 2017).

The challenge of today's business organizations is to get the best employees with good recruitment fee performance. Recruitment costs are **an important factor in the recruitment process, especially for companies that** are oriented towards effectiveness in their business processes (Johnson et al., 2020). **Effective recruitment ensures that the organization will attract the most qualified** employee candidates (Saviour et al., 2019). By attracting talented employee candidates, the organization will be able to **create a sustainable competitive advantage. The cost of recruitment and selection** will essentially increase **with age and experience in** the specialties possessed by employee candidates (Ambrosini & Billsberry, 2007).

In addition, the most concerning issue in the philosophy of recruitment and selection is whether to promote part of the organization's internal sources or recruit from outside the company's organization to fill gaps at all levels (Huang & Li, 2022). In addition, it is about whether the emphasis is only on filling vacancies or promises for long-term goals (Aulia, 2019). Good and qualified employees will only be able to be obtained through effective recruitment efforts and with the consideration that the costs are proportional to the long-term quality obtained by the company (Aziz et al., 2017).

The recruitment and selection process carried out by an organization is considered very expensive (Gee et al., 2019). One of the important points of recruitment is a recruitment program that has a strategic contribution to avoid and minimize the creation of GAPS or conflicts. The main goal is to optimize quality areas of the recruitment process to reduce recruitment costs. If an organization has a long and multi-strategy procedure for obtaining candidates, the organization is actually considered to cause problems because it will cause a lot of effort and costs (Tzelepis et al., 2009). In fact, the orientation of the organization in obtaining (Patrick et al., 1998) employees is with the lowest possible cost orientation but getting the best candidates who can function in the long term (Keyzer et al., 2005).

In fact, the company has its own strategy and way of carrying out the employee recruitment process. So that the factors of efficiency and effectiveness are no longer determined by the size of the company but rather by how the system and the way the company does to get its prospective employees. Generally, externally there are those through advertisements on paid job portals, social media, career institutions, job fairs, seminars, or using other media. Meanwhile, internally, it is carried out by carrying out the procedure of rotation of positions. Of course, all the procedures carried out above contain performance costs in them, both costs arising from outside and even costs incurred as a result of development efforts carried

out by the selection recruitment team such as recruitment equipment costs, psychological test costs, medical tests or other completeness costs (Alashmawy & Rashad, 2019).

Previous research conducted by Florea (Florea, 2013) entitled "**Cost/Benefit Analysis – A Tool to Improve Recruitment, Selection and Employment in Organizations**" stated that in

a business environment oriented towards sustainable change, it is very necessary to know quality and cost-effectiveness as desired goals. So that companies must have their own categorization related to cost analysis and consideration of methods in employee selection recruitment so that the source of implementation of the strategy taken remains the value of

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

3 | Page

effectiveness and efficiency which has implications for cost savings. This research partially analyzes how to calculate and measure the achievement of recruitment costs and how to get more benefits in selection recruitment activities held in a company.

The next research related to the theme of this research was conducted by Salma (Nginang, 2019) entitled "Analysis of Management Decision Making Between Outsourcing and Recruitment at the Regional Office of PT BANK Mandiri", in her discussion tried to compare the level of efficiency and effectiveness between conducting internal recruitment and recruitment using Outsourcing. In the conclusion section, it is explained that in terms of the cost of implementing internal recruitment, it is considered more efficient than recruitment submitted to third parties or outsourcing, this is because if recruitment is carried out through recruitment there will be additional costs in the form of management fees that must be paid to third-party companies.

Unlike the previous research, this study will simultaneously analyze the performance of recruitment costs in a company and then compare it with several companies or business organizations that have different business processes and business fields followed by strategies in each of these companies. In addition, the diversity of companies that are the subject will provide a broader picture of the recruitment procedures carried out in several companies along with an analysis of their cost performance. So that the output of this research will be used as a reference for companies to accumulate strategies while minimizing resources that have wasteful value.

This study aims to analyze the performance of recruitment costs in several companies which are then compared with several companies with different business lines. So that it will bring up three main information, namely recruitment costs in each company, cost comparisons with other companies and at the same time a description of the recruitment strategies of each company whose implications can be combined into a strategy collection module that can be used as a reference for other companies.

## METHOD

**Recruitment is the process of finding, finding, and attracting suitable employee candidates to become employees in and by** a business organization. In a more strategic approach, recruitment is defined as a set of activities that seek to lure employee candidates by using considerations of motivation, abilities, expertise, and knowledge necessary to make up for the deficiencies identified in workforce planning (Samba', 2018). According to SP. Siagian (Kurnia & Santoso, 2018) held **recruitment is to get an inventory of as many potential applicants as possible so that the organization will have a greater opportunity to determine the choice for prospective employees who are considered** to meet the qualification standards of the organization. However, in business practice these conditions are carried out with consideration of efficiency oriented to the budget and allocated costs.

In the practice of human resource management in business organizations, the unit cost of recruitment is commonly referred to as the cost per hire. The cost per hire covers all costs associated with the open role filling process at the company from pre-selection to onboarding. Hiring employees internally by leveraging candidates from within the organization and searching from outside the company are both costly, although budget allocations are different. Cost per hire is the total cost of finding and bringing new employees into the company, ranging from planning, advertising costs, software costs, to administrative costs (Florea, 2013). Each company generally calculates the cost per hire to find out the costs incurred to carry out the recruitment and selection process. Thus, the company will be able to determine the most efficient and effective recruitment strategy for acquiring qualified candidates (Zhang et al., 2016).

The calculation of selection recruitment costs uses a cost-per-hire formulation according to the Society of Human Resource Management (SHRM) and the American National

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

4 | Page

Standards Institute (ANSI) with the formulation  $CPH = (\text{Internal Recruiting Cost} + \text{External$

Recruiting Cost) / Total Number of Employees, costs and number of employees referring to a certain period ( Gupta & Kumar Baksi, 2022) (Boudreau & Ramstad, n.d.) (Boudreau & Ramstad, n.d.) . The components of internal recruitment costs include the salary of the internal talent acquisition team, the cost of tools or software and hardware, the cost of learning and development (Hong, 2020). The external cost component includes third-party fees, promotion costs, test and assessment center fees, as well as travel costs for the selection recruitment team (Fatemi, 2016).

The stage parameters used to analyze recruitment selection strategies and costs are workforce planning, search, screening, testing, professional interviews, training, placement (Setiani, 2018) (Layec et al., 2009) (Layec et al., 2009) (Patrick et al., 1998) which are divided into 2 access strategies, namely internal and external recruitment. The cost of the stage process will be reviewed and adjusted in the financial realization of each company with a single calculation for each candidate and process. Specifically, financial data may be presented with slight differences due to differences in strategy and cost posting in each company, so that the data entered is in accordance with the existing ones with the consideration of finding gap process strategies in each company.

This study used a descriptive qualitative research design. According to Sugiyono (Milo, 2014) descriptive qualitative research is research based on the philosophy of postpositivism which is used to examine objects with natural conditions on the basis that the researcher is a key instrument. This research framework is directed to analyze and provide an overview of employee cost per hire with the formulation  $CPH = (\text{Internal Recruiting Cost} + \text{External Recruiting Cost}) / \text{Total Number of Hires}$ . It uses secondary data that the company has and is integrated into the available selection recruitment cost indicators.

Figure 1. The Available Selection Recruitment Cost Indicators

Pre-assessment is conducted to explore primary data before parameter creation and measurement. Conducted by observing documents and implementation of SOPs related to the recruitment and selection process. To obtain confirmation, interviews and data modulation are conducted with users and leaders who are stageholders of recruitment and selection. After the primary data is obtained, the process of determining the cost classification is carried out both in terms of aspects and cost indicators that will be used as the basis for cost formulation. Furthermore, to standardize indicators, interviews and data collection are conducted from the five company subjects. After the aspects, indicators and checklist procedures, measurements or calculations are carried out according to the formulation that has been prepared. Data collection is carried out in 5 (five) different business fields, namely companies in the fields of hotelier, trade, services, manufacturing, and plantations. The main data source that is the subject of analysis is the recruitment cost report of each company which is then triangulated through an open interview process with the PIC of recruitment selection in each company. Any available data is then analyzed and integrated in the CPH formulation. The processed data is then presented in one table to find out the cost comparison between the 5 objects of the company under study. Furthermore, to expand the discussion and findings,

1 2 3

1. Document Control Check Internal Sourcing Interview CPH Formulations
  2. Observasi Pelaksanaan SOP External Sourcing Data Collection Society of Human Resource Management (SHRM )
  3. Interview User RS A : Manufacture (Panjunjung Alam Lestari) American National Standards Institute (ANSI)
  4. Modulasi Data B : Hoteiler (SUN Hotel) A : UMR Range  
C : Trade (Fortuna Farmindo) B : Salary Scale Range  
Interview D : Services (Karya Manunggal Jati) C : Salary Scale Range  
Data Collection E : Plantation Fields (Borneo Lancar Abadi) D : UMR Range  
Study Pustaka E : Salary Scale Range
- Pre Assessment Analisis CPH Penentuan Klasifikasi Biaya  
Aspek Indikator Biaya  
Formulasi Biaya  
Checklist Prosedur

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

5 | Page

researchers also identified standard documents of recruitment and selection procedures in each company to find out the strategies used by each company to obtain employee candidates.

## RESULTS AND DISCUSSION

### Cost Classification

The determination of cost classification as the basis for cost analysis in each selection recruitment procedure uses a summary of several procedures in previous studies (Carroll et al., 1999; Polito et al., 2005; Prasetya et al., 2019; Prayudani & Hendraningsih, 2019; Van Den

Brink et al., 2006). In addition, it is also taken from the reference procedures owned by the research subject company. The cost indicators used are as follows;

1. Workforce Planning, is the initial part of the recruitment process by analyzing, planning and submitting workforce qualifications to be hired (Wright & Jackson, 2018), at this stage consists of 2 stages, namely the planning stage and the adjustment stage of the professional or company leader. When converted into costs, this indicator is the result of the summation of application fees and adjustment fees calculated from the amount of PIC salary one periodic divided by normal working days and the number of hours per unit of working day (WPC:  $Apc + Adc$ ).
2. Internal and External Searching, is the process of searching for labor from various sources both internal and external (Saviour et al., 2019). The classification of costs for internal process sources includes process administration costs, PIC fees and also software used as media. Then for the classification of external sources includes the use of third parties including head hunter costs, PIC accommodation and cooperation, as well as the use of job portals in the search for labor candidates. The cost conversion in this stage is the result of the summation of all existing indicator points. The cost of using personnel is calculated from the duration of salary divided by the number of working days and the number of hours worked a day ( $Isc\ n : Dc \cdot Sdc/r$ ), for media costs are calculated from the cost of the program divided by the cost per post (ATS : Cost/Cost per post), while other costs are calculated from the following formulation (headhunter of the cost of the fee per candidate, personnel accommodation ( $Rec : Sdc \cdot Dc/r$ ) and the conversion fee per post for each job vacancy).
3. The pre-hire screening and selection process is a selection stage both administratively, potentially, technically, and other aspects of conformity (Gajda et al., 2021). In the pre-hire screening stage, it only uses the formulation of the calculation of personnel costs in units of time, which is calculated from the amount of salary divided by the number of working days and the number of hours needed for the pre-hire screening process ( $n: duration \cdot salary$  in  $duration/r$ ). Then the instrument cost (expense / number of candidates), personnel cost (Pic:  $duration \cdot salary / r$ ), and Agencies fee which is calculated accumulated for each candidate if the company uses the services of an external assessment center.
4. Interview, This stage is a form of interview session conducted by candidates with company representatives (Yuliyati, 2020), in some companies this stage can reach 3-5 layers even for supporting staff positions. At this stage the costs are classified into 3 posts, namely the administrative costs of instruments, personnel, and professional interviewers. Instrument cost is calculated according to the cost of equipment required for the candidate unit ( $Expense / r$ ), Personnel cost is calculated from the duration of salary divided by the number of working days and the number of hours worked a day (Pic:  $duration \cdot salary / r$ ), and the cost of professional interviewers who usually use the services of third parties such as assessment centers is adjusted to the fee for each candidate interviewed ( $Pif: Pif \cdot n$ ).
5. Training Cost, Additional stage provided by the company as preparation and introduction to prospective workers who will occupy a position (Kriston et al., 2020). The duration of this stage varies predominantly according to the curriculum and the weight and type of work that will be the responsibility of the workforce. This introductory training activity is guided by the HR department and is also part of the responsibility of superior users who

6 | P a g e

will become employee leaders. The cost calculation for this post is to use the cost per personnel formulation by summing the instrument costs as well as the costs for each personnel for units of time based on the amount of salary ( $Expense / r + Pic : duration \cdot salary / r$ ). And the final stage of this process is the Placement stage, which is the stage of placing workers according to the intended position of the position. The calculation for this cost is based only on the personnel who accompany it during on the job training, this cost indicator regardless of the conditions that require accommodation, transportation and other costs if the placement of labor is outside the city. The entire set of cost classifications described above along with the formulation of cost indicators can be described in table.1 as follows;

Table 1. Cost Classification and Formulation

Checklist Procedure

Checklist procedures are carried out on all companies that are the object of research. Conducted by analyzing the selection recruitment procedures owned and trainulation by conducting interviews with the HR department in each company. So that a summary of the data is produced as follows;

Tabel 2. Checklist Prosedur



Workforce Planning Application Fee (Apc) Expense/r (PIC)  
 Adjustment Fee (Adc) Expense/r (PIC)  
 Internal Searching Isc n : duration\*salary in duration/r Isc n : Dc\*Sdc/r r : number of PIC  
 ATS Software ATS : Cost/Cost per post optional  
 Screening (pra-hire) Sph n : duration\*salary in duration/r Sph n : Dc\*Sdc/r r : number of PIC  
 Internal Testing Instrument Cost Expense/r r : number of PIC  
 PIC Cost Pic : duration\*salary/r r : number of PIC  
 Interview Instrument Cost Expense/r r : number of PIC  
 PIC Cost Pic : duration\*salary/r r : number of PIC  
 Training Instrument Cost Expense/r r : number of PIC  
 PIC Cost Pic : duration\*salary/r r : number of PIC  
 Placement PIC Cost Pic : duration\*salary/r r : number of PIC  
 Recruitment External Cost  
 External Searching Head hunter cost Cost per candidate position based  
 Recruiter Eksternal Cost Rec :Sdc\*Dc/r duration cost  
 Portal Job PJ : Cost/Cost per posting optional  
 External Testing Agencies Fee Agf : Agf\*n n : number of candidate  
 Professional Interview Professional Interviewer Fee Pif : Pif\*n Cost per candidate  
 source : PT Indracore Formulas, 2020  
 WPC : Apc + Adc  
 Recruitment Internal Cost  
 Internal Recruitment Cost A B C D E  
 Aspect Indicators  
 Workforce Planning Application Procedure V V V V V  
 Adjustment Procedure V V V V V  
 Internal Searching Conventional Screening V V V V V  
 ATS Software V  
 Screening (pra-hire) Document Screening V V V V V  
 Internal Testing Test Instrument V V V V  
 Interview 1 Layer V  
 2 Layer V V  
 3-5 Layer V V  
 Training Introduction V V V V V  
 OJT V V V V V  
 Placement Regular V V V V V  
 External Recruitment Cost  
 External Searching Head hunter cost V V  
 Recruiter Eksternal V V V V  
 Portal Job V  
 etc,.....  
 External Testing Assessment Agency V  
 Professional Interview External Interviewer V  
 Optional  
 A : Manufacture (Panjunjung Alam Lestari)  
 B : Hoteiler (SUN Hotel)  
 C : Trade (Fortuna Farmindo)  
 D : Services (Karya Manunggal Jati)  
 E : Plantation Fields (Borneo Lancar Abadi)  
 Sources : Authors Observation, 2022  
 \*Staff Levels

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

7 | Page

From the data shown in table 2 above, it shows that there are several stages of different recruitment procedures. At the workforce planning stage, both on the site application procedure and the adjustment procedure, all companies do it. It is different at the internal searching stage in manufacturing companies using software applicant tracking system (ATS) in one of the hiring processes. This is because these companies often recruit in large numbers, so one of the efforts for their productivity and effectiveness is using ATS software tools. At the external searching stage, hoteiler and plantation companies use the services of head hunters in the hiring process because some of the positions they are looking for tend to be specialists and are not easy to get. Even hoteiler companies also use the job portal application network for the manifestation of labor candidates. Furthermore, at the test and selection stage, practically 4 manufacturing, trading, plantation and services companies use internal test personnel while for hoteiler companies use external selection services in collaboration with assessment center institutions. After the



conference, it turns out that there are indeed many positions in the hospitality world that specialize, so the ability of the internal test equipment infrastructure is considered less comprehensive, so it tends to use the services of third parties, except for general positions such as gardeners or office boys. At the Interview stage, it seems quite varied, each company uses several layers in the process, some are enough to use 1 layer, which means it is enough to use the HR division or user only, but for hotelier and services companies they use up to 3 layers of the interview process, after confirmation it turns out that services companies such as PT. Manunggal Jati's work because it is a labor distribution company, they also involve company representatives from the user in this process, even according to information it can be more than 3 layers of the process, this of course will also affect the level of cost performance of the recruitment process itself.

### CPH Calculation

The calculation of selection recruitment costs uses a cost per hire formulation according to the Society of Human Resource Management (SHRM) and the American National Standards Institute (ANSI) with the formulation  $CPH = (Internal\ Recruiting\ Cost + External\ Recruiting\ Cost) / Total\ Number\ of\ Employees$ , costs and number of employees refers to the period certain. Assuming that the selection recruitment process is carried out normally as the procedure described in the previous explanation without taking into account the specific cases that occur in each company. Cost per hire is calculated for each company that is an object, then compared with the calculation module with other object companies. So that the difference in the accumulation of costs of each can be known. After a simple calculation using the CPH formulation with certain indicators, the following results were obtained;

Tabel 3. Analisis Cost Per Hire

Tabel 4. Cost Per Hire

Figure 2. Cost Per Hire

The results of the data analysis shown in table 3 above explain that the highest cost range for the implementation of recruitment and selection is in company B (hotelier) followed by company E (Plantation Fileds). Fundamentally, the recruitment and selection procedures carried out are not much different from other companies. However, the emergence of special HR needs makes companies B and E tend to add external cost allocations as support. This high cost is also realized by the implementers of the HR division of companies B and E whose organizations do not have employees who specialize in the field of assessment centers, so the allocation of selection financing is high due to involving third parties to support the accuracy of selection recruitment results. This is admittedly inevitable because the company is

Internal Recruitment Cost					
Aspek Indikator A B C D E					
Workforce Planning Application Fee (Apc)	45.000	37.000	28.000	45.000	32.000
Adjustment Fee (Adc)					
Internal Searching Isc n : duration*salary in duration/r	11.250	9.250	7.000	11.250	8.000
ATS Software	5.000				
Screening (pra-hire) Sph n : duration*salary in duration/r	11.250	9.250	7.000	11.250	8.000
Internal Testing Instrument Cost	25.000	17.500	10.000	3.500	5.000
PIC Cost	11.250	9.250	7.000	11.250	8.000
Interview Instrument Cost	1.000	3.500	-	2.000	1.000
PIC Cost	11.250	13.875	7.000	16.875	4.000
Training Instrument Cost	7.500				
PIC Cost	11.250	9.250	7.000	11.250	8.000
Placement PIC Cost -	-	-	-	optional	
Sum	132.250	108.875	73.000	112.375	81.500
External Recruitment Cost					
External Searching Head hunter cost -		333.000	-	-	240.000
Recruiter Eksternal Cost	11.250	7.000	16.875	2.000	
Portal Job	15.000				
External Testing Agencies Fee	225.000				
Professional Interview Professional Interviewer Fee	150.000				
Sum	11.250	573.000	7.000	16.875	392.000
Cost Per Hire	143.500	681.875	80.000	129.250	473.500
A : Manufacture (Panjunjung Alam Lestari) - UMR Range					
B : Hotelier (SUN Hotel) - Salary Scale Range					

C : Trade (Fortuna Farmino) - Salary Scale Range  
D : Services (Karya Manunggal Jati) - UMR Range  
E : Plantation Fields (Borneo Lancar Abadi) - Salary Scale Range

Sources : Authors Calculations, 2022

\*Main Staff Levels

Internal Exsternal CPH

Manufacture 132.250    11250 143.500

Hoteiler 108.875    573000 681.875

Trade 73.000    7000 80.000

Services 112.375    16875 129.250

Plantation 81.500    392000 473.500

Sources : Authors Calculations, 2022

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

9 | P a g e

increasingly required to get human resources that are more following the development of market competition, this demand is what urges HR players to continue to prioritize the quality of selection as an assertive value to get the best candidates to fill the positions needed by the company.

In contrast to companies A (manufacturing) and D (services) which have relatively lower selection recruitment costs. If you look back, the needs of companies A and D are actually the largest and more mass, but in terms of cost realization, they are relatively lower. This is because the company has more internal resources, especially in the HR division, which has been specially prepared by specialists to handle recruitment and selection matters. So that the assessment center process tends to be carried out independently, even in some companies have developed their own measuring instruments using psychometric analysis with the parameters of the company's internal groups. Practical use of the Applicant Tracking System even though it becomes a new cost post, but if converted globally, it will actually help the level of efficiency and effectiveness of the selection recruitment process (Gagua, 2015). ATS software will directly minimize the use of personnel costs that carry out the recruitment and selection process (Issn & Issn, 2014).

The highest difference is very noticeable in C (trade) companies. If calculated with the same formula, namely with cost per hire (CPH). The costs incurred for the hiring process are very low compared to other companies. The results of the traingulation conducted with interviews in the HR division of the object company explained that the majority of the average workforce needs are non-skilled in the sales department, so the expenditure on post-recruitment selection tends to be low. The administration and screening process is relatively simpler and shorter, the most important thing is that the candidate has experience in the field of sales and the interview model has also gone to the sales experience capability that the candidate has done before. This condition certainly has consequences, in company C it is said to have a high turn over level, this condition certainly confirms that the lack of measurement treatment during the selection recruitment process will increasingly cause bias in the hr competency picture (JOSE, 2019), so that when employees are already in the work process there is a tendency to imbalance between competence, character, and positioning on his job responsibilities. From this condition comes one preliminary conclusion that the quality of the recruitment and selection process will also determine the quality of employees when they have occupied their positions.

The reflection of the data discussed in the previous paragraph will illustrate in the perspective of selection recruitment costs based on the assumption of calculating the cost per hire formulation without taking into account the consequences and strategic objectives of other selection recruitment, so that aspects that may arise as a result of each strategy are not taken into account. So that the recommendations for the development of this research to be more comprehensive also include the implications and consequences of each selection recruitment strategy developed in each company.

## CONCLUSION

The results of the comparison of 5 different company areas show that there is a GAP that arises both in terms of cost allocation and strategies for obtaining candidates in the selection recruitment process. Companies with a major intention on the needs of specialist candidates will seek a more comprehensive and costly selection recruitment process but the value implications are more positive with the show that the turnover value is relatively lower. As for companies that run short-term contract systems such as manufacturing and trading companies tend to use different strategies, they maximize internal performance to carry out the selection recruitment process in the hope of minimizing the use of costs, but the implications are likely to increase turnover levels. This condition will be a preventive and strategic input for business implementers to be able to collaborate between the achievement of cost performance at the point of efficiency and effectiveness but with good quality of selection recruitment results as

10 | Page

well, of course with relatively lower benchmarks of productivity, development and turnover value. The formulation of recruitment calculations using cost per hire can be one of the proportional media for companies to control as well as reference to achieve quality selection recruitment implementation, both in terms of cost performance and impact. Recommendations for companies to be able to map and plan recruitment strategies on target by taking into account cost performance and desired results. So that the allocation issued is balanced with the results obtained. The results of this study can simply give an idea that the allocation of selection recruitment costs can also be strategic information for companies in calculating one of the elements of strategy effectiveness and efficiency. However, the results of this research are still very simple so that there is still a lot of need for development in terms of company quantity, cost indicators or classification, and more detailed calculations using more comprehensive formulations in order to provide a broader picture.

## REFERENCE

- Alashmawy, A., & Rashad, Y. (2019). A Review of the Role of Marketing in Recruitment and Talent Acquisition. International Journal of Management, Accounting and Economics, 6(7), 569–582.**
- Ambrosini, V., & Billsberry, J. (2007). **Person–Organisation Fit as an Amplifier of Tacit Knowledge Véronique Ambrosini.** 1st Global E-Conference on Fit, November, 1–8.
- Aulia, A. F. (2019). Analisis Pelaksanaan Rekrutmen Dan Seleksi Calon Karyawan Baru Di Rsia Kendangsari Merr Surabaya. Medical Technology and Public Health Journal, 3(2), 107–119.** <https://doi.org/10.33086/mtphj.v3i2.690>
- Aziz, T. A., Maarif, M. S., & Sukmawati, A. (2017). Pengaruh Rekrutmen dan Seleksi Terhadap Kinerja. Jurnal Aplikasi Bisnis Dan Manajemen, 3(2), 246–253.** <https://doi.org/10.17358/jabm.3.2.246>
- Carroll, M., Marchington, M., Earnshaw, J., & Taylor, S. (1999). Recruitment in small firms: Processes, methods and problems. Employee Relations, 21(3), 236–250.** <https://doi.org/10.1108/01425459910273080>
- Florea, N. V. (2013). Cost/Benefit Analysis – a Tool To Improve Recruitment, Selection and Employment in Organisations. Management & Marketing, XVIII(2), 274–290.**
- Fuad. (2021). Perencanaan Strategis Dan Pengelolaan Sumber Daya Manusia. Jurnal Manajemen Dan Bisnis, 2(02), 99–111.**
- Gagua, L. (2015). Levan Gagua. E-Recruitment and Applicant Tracking System, 44.
- Gajda, M., Kowalska, M., & Zejda, J. E. (2021). Impact of two different recruitment procedures (Random versus volunteer selection) on the results of seroepidemiological study (sars-cov-2). **International Journal of Environmental Research and Public Health, 18(18).** <https://doi.org/10.3390/ijerph18189928>
- Gee, J., Button, P. M., Wang, V., Blackburn, D., & Shepherd, D. (2019). The real cost of recruitment fraud. *Crowe, April.*
- Gusain, N. (2017). Talent acquisition vs development: With a focus on leadership development programs. *Cornell HR Review.*
- Halisa, N. N. (2020). Peran Manajemen Sumber Daya Manusia “Sistem Rekrutmen, Seleksi, Kompetensi dan Pelatihan” Terhadap Keunggulan Kompetitif: Literature Review. ADI Bisnis Digital Interdisiplin Jurnal, 1(2 Desember), 14–22.** <https://doi.org/10.34306/abdi.v1i2.168>
- Hamza, P. A., Othman, B. J., Gardi, B., Sorguli, S., Aziz, H. M., Ahmed, S. A., Sabir, B. Y., Ismael, N. B., Ali, B. J., & Anwar, G. (2021). Recruitment and Selection: The Relationship between Recruitment and Selection with Organizational Performance. International Journal of Engineering, Business and Management, 5(3), 1–13.** <https://doi.org/10.22161/ijebm.5.3.1>
- Huang, T. Y., & Li, C. (2022). Retaining part-time seasonal employees in the amusement park:**

https://dinastipub.org/DIJEMSS,

Vol. 6, No. 1, October 2024

11 | Page

- perspectives from external and internal recruiting. Tourism Recreation Research, 0(0), 1–15.** <https://doi.org/10.1080/02508281.2022.2082155>
- Issn, P., & Issn, O. (2014). Globsyn Business School, National Campus, Kolkata

---

\_\_\_\_\_. Role of Information Technology in Human Resource Management of SME: A Study on the Use of Applicant Tracking System, 3(1), 1–22.

- Itam, U. J., & Swetha, M. (2022). Examining the structural relationship between employee branding, TQHRM and sustainable employability outcome in Indian organized retail. TQM Journal, 34( October), 5–28.** <https://doi.org/10.1108/TQM-03-2021-0093>
- Johnson, R. D., Stone, D. L., & Lukaszewski, K. M. (2020). The benefits of eHRM and AI for talent acquisition. Journal of Tourism Futures, 7(1), 40–52.** <https://doi.org/10.1108/JTF-02-2020-0013>
- JOSE, S. (2019). Innovation in Recruitment and Talent Acquisition: a Study on Technologies and Strategies Adopted for Talent Management in It Sector. International Journal of Marketing & Human Resource Management, 10(3).** <https://doi.org/10.34218/ijmhrm.10.3.2019.001>
- Keyzer, J. F., Melnikow, J., Kuppermann, M., Birch, S., Kuenneth, C., Nuovo, J., Azari, R., Oto-Kent, D., & Rooney, M. (2005). Recruitment strategies for minority participation: Challenges and cost lessons from the POWER interview. Ethnicity and Disease, 15(3), 395–406.**

Kriston, L., Hahlweg, P., Härter, M., & Scholl, I. (2020). A skills network approach to physicians' competence in shared decision making. *Health Expectations*, 23(6), 1466–1476. <https://doi.org/10.1111/hex.13130>

Milo, A. (2014). Cost-effectiveness of health research study participant recruitment strategies : A systematic review Title Page Title : Cost-effectiveness of health research study participant recruitment strategies – a systematic review Word Count : 3 , 290 ( max word 50. 11, 576–583.

Nginang, Y. (2019). *Jurnal Economix Volume 7 Nomor 2 Desember 2019*. *Jurnal Economix*, 7, 17–24.

Patrick, J. H., Pruchno, R. A., & Rose, M. S. (1998). Recruiting research participants: A comparison of the costs and effectiveness of five recruitment strategies. *Gerontologist*, 38(3), 295–302. <https://doi.org/10.1093/geront/38.3.295>

Polito, A., Meunier, N., Andriollo-Sanchez, M., Catasta, G., Azzini, E., Simpson, E. E. A., O'Connor, J. M., Roussel, A. M., Ferry, M., Coudray, C., & Maiani, G. (2005). Screening and recruitment procedure of late-middle aged and older subjects: The ZENITH study. *European Journal of Clinical Nutrition*, 59(October 2014), S8–S12. <https://doi.org/10.1038/sj.ejcn.1602287>

Prasetya, A. I., Cahyo, A. D., & Maula, A. (2019). METODE DAN PROSEDUR PELAKSANAAN REKRUTMEN SELEKSI PT. BANK RAKYAT INDONESIA (PERSERO) Tbk. *Competence : Journal of Management Studies*, 12(2), 90–107. <https://doi.org/10.21107/kompetensi.v12i2.4952>

Prayudani, A., & Hendraningsih, R. (2019). Prosedur Rekrutmen Karyawan pada Toserba Selamat Kota Sukabumi. *SEMNASTERA (Seminar Nasional Teknologi Dan Riset Terapan)*, 1(September), 204–210.

Rubens, A., Schoenfeld, G. A., Schaffer, B. S., & Leah, J. S. (2018). Self-awareness and leadership: Developing an individual strategic professional development plan in an MBA leadership course. *International Journal of Management Education*, 16(1), 1–13. <https://doi.org/10.1016/j.ijme.2017.11.001>

Samba' a Nikita A. (2018). Efektivitas Prosedur Rekrutmen Pegawai Negeri Sipil Di Badan Kepegawaian Daerah Kabupaten Banggai. *In Administrasi Publik* (Vol. 4).

Saviour, A. W., Kofi, A., Yao, B. D., & Kafui, L. A. (2019). The Impact of Effective

<https://dinastipub.org/DIJEMSS>,

Vol. 6, No. 1, October 2024

12 | Page

Recruitment and Selection Practice on Organisational Performance (A Case Study at University of Ghana). *Global Journal of Management and Business Research: A Administration and Management*, 16(11), 25–34.

Tzelepis, F., Paul, C. L., Walsh, R. A., Wiggers, J., Knight, J., Lecathelinais, C., Daly, J., Neil, A., & Girgis, A. (2009). Telephone Recruitment into a Randomized Controlled Trial of Quitline Support. *American Journal of Preventive Medicine*, 37(4), 324–329. <https://doi.org/10.1016/j.amepre.2009.05.022>

Van Den Brink, M., Brouns, M., & Waslander, S. (2006). Does excellence have a gender?: A national research study on recruitment and selection procedures for professorial appointments in the Netherlands. *Employee Relations*, 28(6), 523–539. <https://doi.org/10.1108/01425450610704470>

Wright, G., & Jackson, W. (2018). Talent Rising; people analytics and technology driving talent acquisition strategy. *Strategic HR Review*, 17(5), 226–233. <https://doi.org/10.1108/shr-08-2018-0071>

Yuliyati, E. (2020). PENGEMBANGAN SUMBER DAYA MANUSIA BERBASIS TOTAL QUALITY MANAGEMENT DI SMK MUHAMMADIYAH PRAMBANAN. *AL-TANZIM: Jurnal Manajemen Pendidikan Islam*, 4(1), 24–35. <https://doi.org/10.33650/al-tanzim.v4i1.967>

Zhang, F., Jin, B., Liu, H., Leung, Y. W., & Chu, X. (2016). Minimum-cost recruitment of mobile crowdsensing in cellular networks. 2016 IEEE Global Communications Conference, GLOBECOM 2016 - Proceedings, December. <https://doi.org/10.1109/GLOCOM.2016.7841988>