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## Strategic Business Decision-Making on Talent Management Scenarios (Case Study of G Communications Agency)

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### *Abstract*

*This study aims to help the company determine the best hiring scheme from the three alternatives derived from cost and benefit analysis and later being calculated using SMART method. The study used qualitative data from the discussion with decision-makers using SMART method. Primary data was obtained through focused group discussion with the company's decision-makers after being presented with the employees' satisfaction and aspiration survey result, while the secondary data was obtained from the literature reviews of books, journals, and internal company data. The result shows that alternative 1 with highest cost and value, and alternative 3 with lowest cost and value were performing below the trend line. Meanwhile, alternative 2 as the intermediate choice was performing above the trend line. The sensitive analysis also shows that despite changes in the weight for each group, the ranking of each alternative remains unchanged. Therefore, can be concluded that the alternatives are not sensitive nor easily perturbed by the change of the aggregate of the weighted value.*

**Keywords:** *talent management, SMART method, hiring scheme, decision making*

### *Abstrak*

Studi ini bertujuan membantu perusahaan menentukan skema terbaik untuk karyawan dari tiga alternatif berdasarkan analisis biaya dan manfaat yang kemudian dihitung menggunakan metode SMART. Studi ini menggunakan data kualitatif dari diskusi dengan pembuat keputusan melalui metode SMART. Data primer diambil dari diskusi kelompok terpumpun dengan pengambil keputusan di perusahaan setelah sebelumnya diajukan hasil data survei dari responden karyawan terkait tingkat kepuasan dan aspirasi mereka terhadap perusahaan, sementara data sekunder diambil dari revid literatur seperti buku, jurnal, dan data internal perusahaan. Hasil studi menunjukkan bahwa alternatif 1 dengan biaya dan nilai tertinggi, serta alternatif 3 dengan biaya dan nilai terendah kinerjanya berada di bawah garis tren analisis. Sementara itu, alternatif 2 sebagai pilihan tengah kinerjanya berada di atas garis tren analisis. Analisis sensitivitas juga menunjukkan bahwa meskipun ada perubahan pada bobot masing-masing kelompok atribut, ranking dari setiap alternatif tidak berubah. Sehingga, dapat disimpulkan bahwa ketiga alternatif tidak sensitif atau tidak mudah dipengaruhi oleh perubahan nilai bobot agregatnya.

**Kata Kunci :** *manajemen talenta, metode SMART, skema rekrutmen, pembuatan keputusan*

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### Informasi Artikel

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## INTRODUCTION

Indonesia has the most significant number of public relations professionals worldwide, with 226,000 people recorded on the LinkedIn platform. According to a career coach Sarah Rycraft, 93% of company's human resources team use LinkedIn to further assess candidates and use it as a preferred platform for recruitment (Kompas, 2021). Meanwhile, according to Indonesian PR Practitioner Prita Kemal Gani in an article published by Warta Ekonomi (2021), Indonesia also has at least 210 higher education institutions with a public relations department, producing around 10,000 graduates per year.

Meanwhile, the presence of both multinational and local public relations agencies can indicate the significant demand from companies to outsource an external party to manage their communications strategy and implementation. According to Patel, D. (2017, July 17), outsourcing has several advantages, such as the company does not have to hire additional employees, and allows companies to pay contractors, avoid bringing employees into the company, and save money on everything from benefits to training. Many companies have found that outsourcing gives them access to talent in other parts of the world. Outsourcing often allows companies to get the best of both worlds in terms of reduced labor costs and quality.

According to Forbes Communications Council (2021), the midsize company could benefit from hiring a PR firm. The three essential benefits are clarity of messaging, crisis communications, and strategic partnerships. On the other hand, according to the Indonesia Gen Z Report 2022 by the IDN Research Institute of IDN Media (2022), Indonesia is currently enjoying a demographic bonus, not only contributed by the Millennials (born between 1981 and 1996) but by Gen Z (born between 1997 and 2012), which is currently the biggest generation group in Indonesia. Gen Z is now at 27.94% of the total population or 74.93 million people. Their significance might even be bigger than that of the Millennials, which make up the second largest generation in Indonesia with 25.87% of the total population or 69.38 million people according to the Indonesia Millennial Report 2022 by the IDN Research Institute of IDN Media (2022). The report also stated that since Indonesia has a large consumer base, consumer-oriented jobs like marketing, transport, media, and public relations have become top jobs that both Millennial and Gen Z are interested in.

The finding that marketing and public relations are part of the top preferred career for the young generation is relevant to The Youth Equation study from a multinational PR agency *Hill+Knowlton Strategies Indonesia*, which stated that they believe in authenticity and holding true to their values. They demand excellence and quality from brands and organizations that align with what sets them apart and can provide the right balance. Brands are inventing innovative ways to connect this generation socially through digital activities that can be enjoyed together (Hill+Knowlton Strategies, 2021). This is a tremendous opportunity for many public relations agencies to help their clients better connect with their upcoming most extensive consumer base, Gen Z.

Meanwhile, according to a 2020 report by Deloitte, millennials would rather stay with their employer for five years or more than leave within two. Those who will retire within two years have decreased from 49% to 31%, and those who wish to stay longer have increased from 28% to 35%. Gen Zers continues to show interest in relocating, but only half said they plan to change jobs within the next two years, up from 61% the year before.

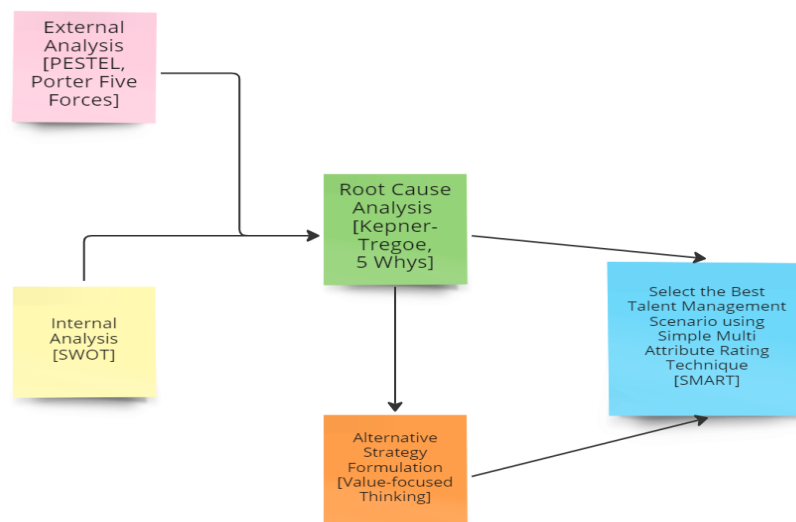
Despite the growing trend of freelancing work, only some choose freelancing for its merits. About 40% of freelancers say they want to do traditional work (Deloitte, 2020).

According to an article in HR Grapevine (2017), on the other hand, companies can derive several benefits from their decision to hire permanent employees, including longevity, especially for specific roles that typically require a high level of business knowledge, including insight into the company's history and plans. Culture and loyalty are the next benefits as they increase loyalty to the company and their colleagues to retain employees and help the company retain valued employees. Finally, continuous development and business growth with full-time employees make training and development investment options much more realistic.

According to Michael Porter (1996), strategic positioning attempts to achieve sustainable competitive advantage by preserving what is distinctive about a company. It means performing different activities from rivals or performing similar activities in different ways. A company can outperform rivals only if it can establish a difference that it can preserve. It must deliver greater value to customers or create comparable value at a lower cost or do both. The arithmetic of superior profitability then follows delivering greater value allows a company to charge higher average unit prices; greater efficiency results in lower average unit costs.

In a more specific context, the talent management topic will focus on how companies should prioritize the value-creating process, followed by how SMEs face different challenges compared to MNCs in attracting talent pools in the market. SMEs are less familiar to job seekers since they make lesser investment in making themselves visible in the labour market in comparison with large organizations (Rynes and Boudreau, 1986, Storey et al., 2010), are less likely to be part of potential employees' everyday experiences (Aldrich & Auster, 1986) and job seekers have difficulty locating reliable information sources on SMEs (Williamson et al., 2002). Another outcome of effective selection and recruitment processes has been found to be linked to organizations' financial performances (Schuster, 1986).

The author further used a conceptual framework below:



**Figure 1. The Conceptual Framework**

## RESEARCH METHOD

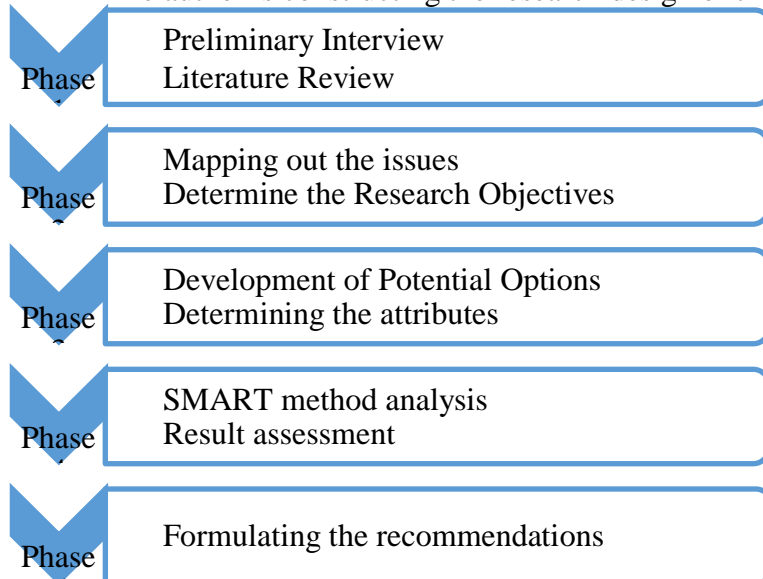
This study will mainly use qualitative methods for the decision-making, by outlining the Multi-Criteria Decision Making (MCDM) methods that commits to making judgments in the presence of various, usually conflicting, criteria.

The author used a qualitative research approach for program evaluation with in-depth, open-ended interviews with the company's decision makers. According to Patton (2001), qualitative methods are used in both research and evaluation, while program evaluation that the author focused on, is the systematic collection of information about the activities, characteristics, and outcomes of programs to make judgments about the program, improve program effectiveness, and/or inform decisions about future programming. Policies, organizations, and personnel can also be evaluated. Meanwhile, the data collection was done via interviews that yielded direct quotations from people about their experiences, opinions, feelings, and knowledge.

The outline of Multi-Criteria Decision Making (MCDM) methods commits to making judgments in the presence of various, conflicting criteria. According to Munier, Hontoria, and Jiménez-Sáez (2019), MCDM can be defined as the process of selecting one of the several courses of action, alternatives, or options, which must simultaneously satisfy many different conflicting and even contradictory criteria. One of the MCDM methods is the Simple Multi-Attribute Rating Technique (SMART), developed by Edwards in 1971, with its excellent advantage because of the simplicity of the questions and answers. Patel and colleagues (2017) suggested that simplicity influences directly on the understanding of the decision makers about the process used in the solution of the problem (Patel, 2017). In SMART, a process is done mathematically by the decision makers using a "Value Function" (Filho, 2005).

### Research Design

The author is constructing the research design of this study as follows:



**Figure 2. The Research Design**

Data Collection Method

Internal analysis done in this section is to focus on the company’s resources and capabilities.

**Table 1. Data Collection Method**

Method	Objectives	Participants
<b>Pre</b> Internal data assessment (financial and HR data)	To obtain parameters of potential business issues from the financial and talent metrics	Finance Supervisor Human Capital Officer
<b>Pre</b> Interview	To obtain validation on the potential business issue	Director Deputy Director
<b>Pre</b> Quantitative Survey	To obtain the aspiration level of contract-based employees for permanent employment to be used as consideration for the attribute’s discussion	All 77 contract-based employees via an online survey
<b>Primary</b> Focused Group Discussion	To determine the attributes of the decision alternatives to be processed using SMART method	Director Deputy Director Management Plan Head

*Source: the company internal data*

According to Sadler (2003), resources are the company’s most fundamental characteristics; they are its tools and its personality. By bringing its resources to bear, a company displays its capabilities and skills in performing productive activities.

The author outlined two survey questions to the contract-based employees, in which the result will be used as the baseline for the focused group decision with the decision makers. The theme of the survey was employee engagement, which is personified by the passion and energy employees must give their best to the company to serve the customers or clients. According to Cook (2008), employee engagement is more a psychological contract than a physical one. Engagement can be summed up by how positively the employee thinks and feels about the organization, and is proactive in achieving organizational goals for clients, colleagues, and other stakeholders.

The two set of questions were:

1. How satisfied or dissatisfied are you with your status as a contract-based employee?  
Scale: Very dissatisfied to Very satisfied
2. What is your preference if offered a permanent status in the company?  
Scale: Extremely don’t want it to Extremely want it

The Likert scale was used to categorize the sentiment of the respondent’s answer by using below distinction:

**Table 2. Likert Scale Categorization**

Scale	Sentiment
1-3	Unlikely
4-6	Neutral
7-10	Likely

For the qualitative method using focused group discussion, the author facilitated the discussion with the decision-makers by utilizing the value tree tool beginning with the cost and benefit analysis.



Figure3. Focused Group Discussion starting point on the attributes of the alternatives.

#### Data Analysis Method

According to Martin (2016), there are five-step model of the decision-making process to be considered sequentially:

1. Change-needing situational analysis
2. Challenge framing and causal analysis
3. Generating solution ideas
4. Choosing a solution set
5. Implementation and aftermath planning

Meanwhile in SMART according to Patel et al. (2017), ratings of alternatives are assigned directly. To keep the weighting of the criteria and the rating of the alternatives needs to be as separate as possible, the different scales of criteria need to be converted into a standard internal scale. The process in this technique is done mathematically by the decision-maker using a Value Function. The simplest and most widely used form of a value function method is the additive model, which in the easiest cases can be applied using a linear scale (e.g., going from 0 to 100).

## RESULTS AND DISCUSSION

In this chapter, the author will explain the sequence result of the study, from the quantitative survey to the focused group discussion as the foundation to further use the SMART method in achieving the research objectives.

### Analysis

#### Quantitative Survey Analysis

The survey was distributed to the 77 contract-based employees of G Communication with received response rate at 48 respondents or 62%. The proportion of the respondents based on the working tenure is:

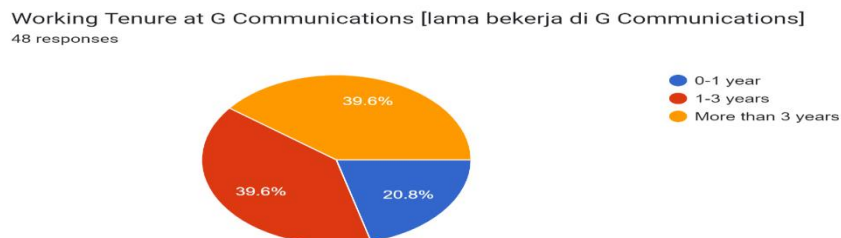
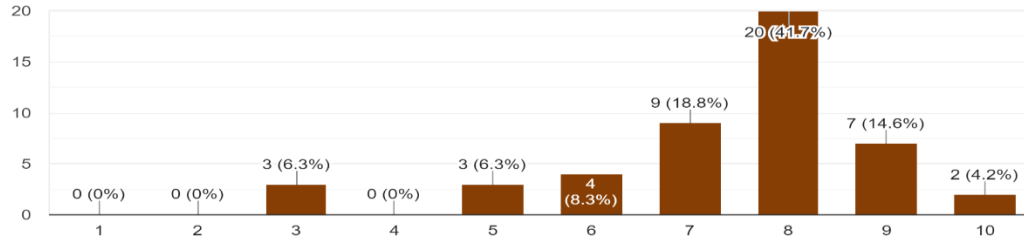


Figure 4. Quantitative Survey: working tenure profile of the respondents.

The first question of the survey measuring the satisfaction level of the contract-based employees with response distribution as follows:

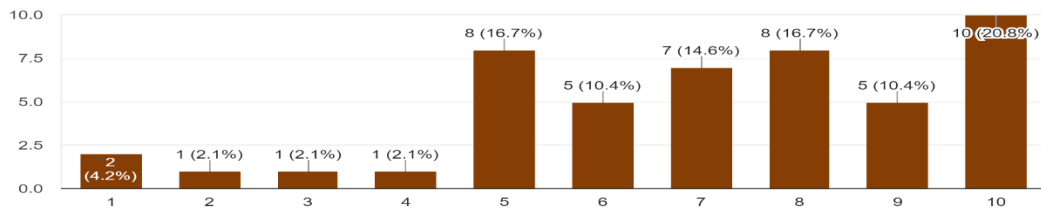
How satisfied or dissatisfied are you with your current status as a contract-based employee? [seberapa puas atau tidak puas Anda dengan status saat ini sebagai karyawan kontrak?]  
48 responses



**Figure 5. Satisfaction Level of G Communications' Contract-based Employees**

From the above figure, can be concluded that the majority (79.3%) of the contract-based employees of G Communications are likely satisfied with their current employment status. Meanwhile, the second question was measuring the aspiration level of the contract-based employees if offered permanent positions in the company. The result is as follows:

What is your preference if offered a permanent status in the company? [apa pilihan Anda jika ditawarkan kesempatan menjadi karyawan permanen di perusahaan?]  
48 responses



**Figure 6. Aspiration Level of G Communications' Contract-based Employees towards Permanent Status**

From the distribution of the responses, can be concluded that majority (62.5%) of the employees likely have high aspiration to get a permanent employment status in G Communications. The result of the two parameters then be factored in as starting point in the next phase of the analysis method via focused group discussion with the decision makers of the company, especially in formulating the alternative course of action in stage 2.

### Focused Group Discussion Analysis

In the previous chapters, from the 8 main stages in the SMART analysis, the author had identified the first two which were:

**Stage 1:** Identify the decision makers.

- Director
- Deputy Director, and
- Management Planning Head

**Stage 2:** Identify the alternative courses of action.

The result from the survey to the contract-based employee was used as discussion starting point in this stage. Despite 79.3% of employees being satisfied with their employment status, there were still more than half respondents (62.5%) who have high aspiration to get permanent status in the company. Therefore, the decision makers agreed to accommodate the aspiration by exercising three alternative decisions below:

- a. Alt. 1: majority permanent with immediate effect.  
This option has a consequence of employee cost IDR8.2 billion. If the revenue is the same as the current annual target, the company will bear a loss of IDR1.3 billion.
- b. Alt. 2: majority permanent gradually (50% in the first year).  
This option has a consequence of employee cost IDR7.3 billion. If the revenue is the same as the current annual target, the company will bear a reduction in profit margin to 11.43%
- c. Alt. 3: stay with the current scheme.  
This option has the same employee cost consequence of IDR6.9 billion.

**Stage 3:** Identify the attributes relevant to the decision problem.

The decision-makers agreed to use value-focused thinking to list down the following attributes which are relevant to the expectation of the company when hiring an employee:

- a. **Relevant skills:** the company can acquire the employees' skills that are relevant to optimizing the business operations.
- b. **Network outreach:** the more employees a company hires, the possibilities are higher for the company to expand its network in the market through the employees' connections and portfolios.
- c. **Service solutions:** hiring employees with relevant skills will better ensure that the company can fulfil its business promise of providing a level of services to multiple clients.
- d. **Loyalty/commitment:** the company will also expect a level of loyalty and commitment from the hired employees to do their work in supporting the company's business and operations.
- e. **Benchmark in learning:** with various employees being hired, not just fresh graduates but also talent with previous experiences in other companies, it is expected that the current company can also do some benchmarking based on the employees' experiences from their previous companies to learn and improve the company's policies and operations.
- f. **Flexibility to manage:** the company also expects that by having employees, there will be some flexibility in managing the resources (assignments, roles, and responsibilities) that will gain the best optimization strategy for the company's business.

**Stage 4:** For each attribute, assign values to measure the performance of the alternatives on that attribute.

The three decision-makers involved in the focused group discussion provided the value (range of 0-100) for each of the alternative's performance, where the author then calculated the average value of the three inputs as below:



**Table 3. Performance of the Alternatives on Attributes (averaged value of three decision-makers)**

Alternatives Attributes	Alt 1 All permanent [IDR8.2 billion of cost]	Alt 2 Gradual Permanent [IDR7.3 billion of cost]	Alt 3 Current Scheme [IDR6.9 billion of cost]
Relevant skills	77	83	82
Network outreach	62	85	78
Service solutions	90	77	70
Loyalty/ commitment	98	85	65
Benchmark in learning	90	75	67
Flexibility to manage	88	77	73

*Source: focused group discussion with three decision makers*

**Stage 5:** Determine the weight for each attribute.

Meanwhile, the director of the company who is the ultimate decision-maker in the company was asked to determine the weight (using 0-100 scale) of each of the agreed attributes which then ranked, and the total weight was summed as follows:

**Table 4. Weight on Each Attribute**

Rank	Attribute	Original Weight
1	Service solutions	90
2	Relevant skills	80
3	Flexibility to manage	70
4	Network outreach	60
5	Loyalty/commitment	50
6	Benchmark in learning	50
Total		<b>400</b>

*Source: focused group discussion with the director of the company*

### SMART Analysis

**Stage 6:** For each alternative, take a weighted average of the values assigned to that alternative.

After finalizing the attributes and their weight as well as the normalized weight, the author proceeded to further analyze in the SMART method. The stage 6 was designed to rate the dimensions in importance, preserving ratios. Each weight was then divided by the sum from stage 5 (the total of 400) to allow normalization of the relative attribute into weight summing to 1.0.

**Table 5. Normalized Weight on the Assigned Values**

Rank	Attribute	Original Weight	Normalized Weight
1	Service solutions	90	0.225

Rank	Attribute	Original Weight	Normalized Weight
2	Relevant skills	80	0.2
3	Flexibility to manage	70	0.175
4	Network outreach	60	0.15
5	Loyalty/commitment	50	0.125
6	Benchmark in learning	50	0.125
	Total	400	1

**Stage 7:** Make a provisional decision.

The attributes value and normalized weight from stage 5 and 6 for each alternative were then calculated to the aggregate of the weighted value.

**Table 6. The Performance of Alternative 1**

Attribute	Value	Normalized Weight	Aggregate of the Weighted Value
Service solutions	90	0.225	20.25
Relevant skills	77	0.2	15.4
Flexibility to manage	88	0.175	15.4
Network outreach	62	0.15	9.3
Loyalty/commitment	98	0.125	12.25
Benchmark in learning	90	0.125	11.25
Total	<b>505</b>	<b>1</b>	<b>83.85</b>

The performance of Alternative 1 on Table 6 showcased a value of 505 points with aggregate of the weighted value of 83.85 points. The author then compared alternative 1 with the result of alternative 2 showcased on Table 7 below.

**Table 7. The Performance of Alternative 2**

Attribute	Value	Normalized Weight	Aggregate of the Weighted Value
Service solutions	77	0.225	17.325
Relevant skills	83	0.2	16.6
Flexibility to manage	77	0.175	13.475
Network outreach	85	0.15	12.75
Loyalty/commitment	85	0.125	10.625
Benchmark in learning	75	0.125	9.375
Total	<b>482</b>	<b>1</b>	<b>80.15</b>

Alternative 2 showcased a value of 482 points with aggregate of the weighted value of 80.15 points which indicates that Alternative 1 was better than the Alternative 2. The author then compared it with the performance of Alternative 3 with 435 value points and aggregate of the weighted value 73.125 points as showcased on Table 8 below.

**Table 8. The Performance of Alternative 3**

Attribute	Value	Normalized Weight	Aggregate of the Weighted Value
Service solutions	70	0.225	15.75
Relevant skills	82	0.2	16.4
Flexibility to manage	73	0.175	12.775
Network outreach	78	0.15	11.7
Loyalty/commitment	65	0.125	8.125
Benchmark in learning	67	0.125	8.375
<b>Total</b>	<b>435</b>	<b>1</b>	<b>73.125</b>

From the above three tables it can be concluded that the performance of alternative 1 was on top of alternative 2, while alternative 2 was on top of alternative 3. Sequentially the ranking was the same as the number of alternatives. The next step, by solely focusing on the aggregate of weighted values of the three alternatives, Table 9 below showcased the summary of the three along with each Rupiah cost value.

**Table 9. The Summary of Alternatives' Performances**

Alternatives	Cost	Aggregate of Weighted Value
All permanent immediately (Alt.1)	IDR8,200,000,000	83.85
Permanent gradually – 50% first year (Alt.2)	IDR7,300,000,000	80.15
Stay in the current scheme (Alt.3)	IDR6,900,000,000	73.125

After calculating each of the alternative's performance towards the aggregate of the weighted value, the author then proceeded to compute the provisional decision as follows:

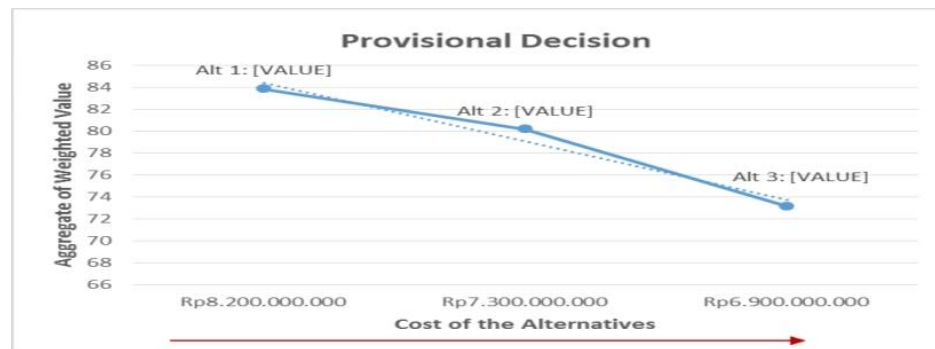


Figure 10. The Provisional Decision Chart

The chart in Figure 10 showed that both the Alt.1 and Alt.3 are performing below the trend line, while the Alt.2 performs above the trend line. If the decision-makers are much more concerned about the benefits, then Alt 1 will be the choice. Alternatively, if the concerns are to keep the costs low, then the Alt 3 should be chosen. The Alt. 2 would be an

intermediate choice, as it costs IDR400 million more per year than Alt 3 but offers higher benefits. The author also calculated the data variance between the three alternatives in Table 10 below:

**Table 10. Variance Analysis of the Alternatives**

Alternatives	Cost	Cost Variance	Aggregate of weighted Value	Variance
All permanent immediately (Alt.1)	IDR8.2 billion		83.85	
Permanent gradually – 50% first year (Alt.2)	IDR7.3 billion	IDR900 million	80.15	3.7 points
Stay in the current scheme (Alt.3)	IDR6.9 billion	IDR400 million	73.125	7.025 points

**Stage 8:** Perform sensitivity analysis to see how robust the decision is to changes in the figures supplied by the decision maker.

At this stage, the author will observe the stability of the solutions when the level of importance for attributes is changed. First, we divided the attributes into two categories:

**Table 11. Attributes Grouping**

Benefits	
Performance	Value Plus
- Service Solutions	- Flexibility to Manage
- Relevant Skills	- Network Outreach
- Loyalty/Commitment	- Benchmark in Learning

Next, from the attributes grouping in Table 11, the author performed simulation by changing the original weight for each group to '0'. The comparison result is showcased on table 12 below:

**Table 12. Sensitivity Checking**

Alternative	Aggregate of Weighted Value <b>Performance: 0</b>	Aggregate of Weighted Value <b>Original</b>	Aggregate of Weighted Value <b>Value Plus: 0</b>
Alt 1	79.89	83.85	87.9
Alt 2	79.11	80.15	81
Alt 3	73	73.125	73.23

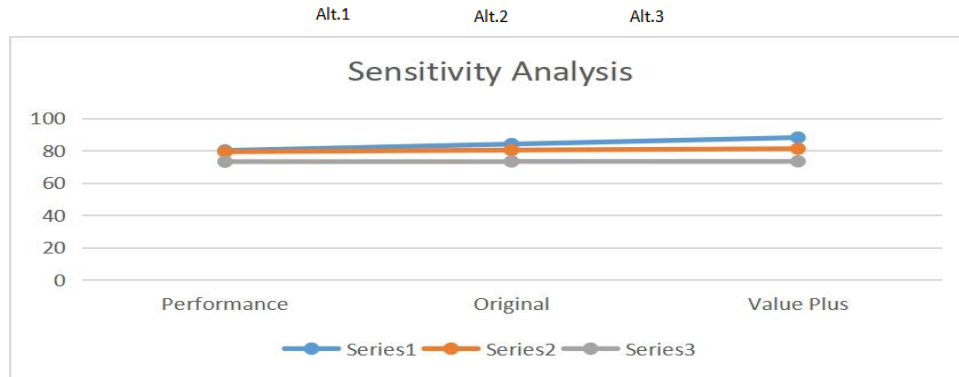


Figure 11. Sensitivity Analysis

From the sensitivity calculation in Table 12 and showcased in Figure 11, despite changes in the weight for each group, the ranking of each alternative remains unchanged. Therefore, can be concluded that the alternatives are not sensitive nor easily perturbed by the change of the aggregate of the weighted value.

### Business Solution

The author derived the business solution options for G Communications from the study result interpretation as below:

1. If the decision-makers are much more concerned about the benefits, then Alt. 1 should be the choice.

Based on the attributes that decision-makers had discussed with their respective weight rank, the company can expect the permanent employees to contribute their highest quality of work to serve clients and support the business. It also allows the company to filter the selection of top talents to be hired as permanent employees.

Another benefit to the company beyond the attributes, with a more fixed take-home pay remuneration given to permanent employees, better financial management can be applied to forecast the revenue and cost, to achieve the desired protect profit margin.

2. The Alt. 2 would be an intermediate choice, as it costs IDR400 million more per year than Alt. 3 but offers higher benefits.

In terms of cost, Alt. 2 is IDR700 million lower in cost than Alt. 1 however the aggregate of weighted value gap is only 3.7 points compared to the gap between Alt. 2 and 3, which is 7.025 points. The benefits of Alt.2 are that the company can still manage to acquire top skills from the combination of internal and external hires, as well as expect a better level of network outreach and loyalty/commitment from this route. The financial team can also still balance between managing the permanent employees' fixed costs and another portion of variable costs from the contract-based employees.

3. Alternatively, if the concerns are to keep the costs low, then Alt. 3 should be chosen.

The only benefit attribute with value higher than 80 points for this alternative was 'top skills' with '82' point. It means that. the company could expect some flexibility in acquiring various skills in the market. However, the company faces challenges in attracting top talents due to the discrepancy in expectation, in which many are expecting to be hired as permanent employees. This route also creates financial management uncertainty due to

the variable costs of the contract-based employees, therefore, despite lower costs, it does not automatically translate to a better profit margin for the company.

### **Implementation Plan and Justification**

According to the study results, the author proposed the implementation plan to further utilize the insights of the study to promote strategic decision making at G Communications, as showcased in Table 13 below.

**Table 13. Proposed Implementation Plan**

Activity	Time	Note
Validation	May 2023	Round of discussion between the three decision-makers, with the company's finance and HR supervisor to validate the numbers and calculation.
Planning	June - July 2023	Key decision-makers to develop strategic plan of the company's talent management change based on the study.
Approval	July 2023	Present and obtain approval from the company's commissioners and advisors
Socialization	August 2023	Rolling out the plan by socializing to the existing employees and gather the dynamic and feedbacks from them
Change implementation	September 2023	Change in talent management scheme is implemented in the company
Evaluation Improvement	and Oct – Dec 2023	Conduct monitoring and evaluation to improve the strategic plan for 2024

*Source: focused group discussion with the director of the company*

### **CONCLUSIONS AND SUGGESTIONS**

Based on the study done by the author, the findings can be referenced to answer the initial research questions as below:

Is there any impact on the consistency of the service quality between having permanent versus contract-based employees? Based on the financial performance analysis and the focused group discussion, in the first year of the pandemic (2020), the company bore a steep revenue decline, in which the company's decision to convert most of permanent employee into contract-base was considered strategic. In 2021, the company enjoyed a significant revenue increase, therefore, can be concluded that the service quality was not compromised despite the change in hiring scheme policy. However, in 2022, the revenue performance was considered plateau, and based on findings from the focused group discussion with the decision-makers, it was challenging to manage the hired talent beyond their agreed scope of work, which causing the company becoming less agile and flexible in adapting with clients' needs.

Are there any difficulties in attracting the best possible talents in the market with the contract-based offering scheme? Yes, the company faced difficulties in convincing top talents to join the firm mainly because their expectation is to be hired as permanent employees. This conclusion was derived from discussion with the decision-makers and the root-cause analysis done as the foundation of this research.

By having most employees contract-based, does that translate well into the company's cost-saving and profit margin? No. In 2021, despite the incremental increase in revenue, the company's profit margin was not that significantly better than 2019 when most of the employees were still permanent. Based on the discussion with the company's director, this was caused by the company's policy to still offer some perks and benefits to the contract-based employee that are relatively similar to permanent position. Another factor is that in terms of total remuneration, a contract-based employee can earn more if managing more projects, therefore it caused another challenge for the company to better protect its profit margin.

For the company, the author formulated recommendations with the focus on improving its talent management strategy such as: developing a more robust financial simulation to assess better alternatives, reassessing employees' performance prior to offering permanent status, and reorganization of company's talent need based on business and market forecast.

For future research, the author provided several recommendations such as conducting the quantitative study to external talents regarding their aspirations and preferences between permanent and contract-base, with age and experience grouping to better determine if there is any distinction and differences that a company should factor in its talent hiring strategy; exploration of additional alternatives especially the median options that can be further break down into two or three additional options related to the percentage of the gradual portion of conversion. It would also be beneficial to formulate different simulations of the company's revenue impact based on the agreed alternatives; and utilize a more robust value-focused thinking in the process to better determine the potential attributes and alternatives of the decisions.

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