

THE EFFECTIVENESS OF DIGITAL RECRUITMENT STRATEGIES ON CANDIDATE QUALITY AND EMPLOYEE RETENTION LEVEL AT PT XYZ

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Abstract

This study aims to analyze the effectiveness of the digital recruitment strategy implemented by PT XYZ in improving candidate quality and employee retention rates. The research method uses a SWOT analysis to evaluate the strengths, weaknesses, opportunities, and threats of the company's digital recruitment strategy. The results show that the use of digital platforms, such as applicant tracking systems (ATS), social media, and AI in the recruitment process, can increase the reach of qualified candidates by up to 25%, accelerate the recruitment process, and reduce operational costs. In addition, this strategy also has a positive impact on employee retention through more accurate selection and a better candidate experience during the recruitment process. However, limitations such as the need for technology training and resistance to change are challenges that must be overcome. This study provides practical recommendations for optimizing digital recruitment strategies to support the sustainability of quality human resources in the company.

Keywords: Digital Recruitment, Candidate Quality, Employee Retention, SWOT Analysis, PT Akur Pratama.

INTRODUCTION

The development of digital technology over the past two decades has fundamentally transformed various aspects of human resource management (HRM), including the recruitment and selection process. A report by We Are Social and Hootsuite (2024) noted that the number of internet users in Indonesia reached 79.5% of the total population, with a social media penetration rate of 74.2%. This figure represents a significant opportunity for companies to utilize digital channels to recruit potential candidates. This transformation is also driven by increasing competition in the labor market, where the quality and speed of the recruitment process are key differentiating factors between companies (Ratnasari et al., 2025).

Globally, the LinkedIn Global Talent Trends survey (2023) found that 70% of recruiters now utilize digital platforms such as Applicant Tracking Systems (ATS), job portals, professional social media, and artificial intelligence (AI) to accelerate the selection process and reduce recruitment costs. This trend is also evident in Indonesia, where the adoption of digital recruitment technology has increased rapidly following the COVID-19 pandemic. Companies are not only targeting process efficiency but also considering candidate experience as a crucial factor in retaining a quality workforce (Wahyuni, 2025).

PT XYZ, a household appliance retailer with an extensive distribution network in Indonesia, faces significant competitive challenges. The Indonesian retail industry has a relatively high turnover rate, ranging from 20–30% per year (Indonesian Retailers Association, 2024). This high workforce turnover requires companies to have a recruitment strategy that is not only effective in acquiring qualified candidates but also capable of maintaining employee retention. In recent years, PT XYZ has begun integrating digital recruitment technology into its selection process, including the use of ATS, video interviews, online tests, and job promotions through social media.

While implementing this technology offers convenience and expands candidate reach, its effectiveness in improving candidate quality and reducing turnover has not been thoroughly evaluated at the national retail corporate level. Several previous studies, such as those by Gupta and Gupta (2021), focused on the challenges and opportunities of digital recruitment in general, while research by Hasanah (2024) examined the relationship between digital recruitment and HR competencies, but did not highlight the direct impact on retention. A study by Yulianti (2025) showed a positive correlation between a good candidate experience and employee loyalty, but the research context was limited to the service sector. Thus, there is a research gap to examine the relationship between the effectiveness of digital recruitment strategies, candidate quality, and employee retention rates in the Indonesian retail industry.

METHOD

The research used a qualitative method with a SWOT analysis approach. Data was collected through interviews with HR and management at PT XYZ, as well as documentation related to the company's digital recruitment process. The SWOT analysis was conducted to evaluate:

- Strengths: Superior technology and digital processes in recruiting suitable candidates.
- Weaknesses: Technical and human resource barriers in adopting new technologies.
- Opportunities: The potential for a vast digital labor market and the development of digital platforms.
- Threats: Fierce labor market competition and internal resistance to process changes.

RESULTS AND DISCUSSION

1. Digital Recruitment

Digital recruitment is defined as the process of attracting, screening, and selecting workers by leveraging information technology, the internet, and digital platforms (Gupta & Gupta, 2021). This strategy includes the use of Applicant Tracking Systems (ATS), online job search sites, professional social media, video interviews, and artificial intelligence (AI) to process applicant data quickly and accurately. Compared to conventional methods, digital recruitment offers advantages in time efficiency, wider candidate reach, and improved data analysis capabilities (Ratnasari et al., 2025).

The LinkedIn Global Talent Trends report (2023) shows that companies adopting digital recruitment experience an average 30% acceleration in their recruitment process and a 20% reduction in costs. However, challenges often arise, including the need for technology training for HR staff, candidate data security risks, and the potential for algorithmic bias in the selection process (Hasanah, 2024).

2. Candidate Quality

Candidate quality refers to the degree to which an applicant's competencies, work experience, and personal values align with the organization's needs (Armstrong, 2020). Commonly used indicators include technical skills (hard skills), interpersonal skills (soft skills), cultural fit, and potential for future career development (Sari, 2023).

In the context of digital recruitment, candidate quality can be improved through data-driven recruitment, where analytics are used to assess the suitability of candidate profiles to job descriptions (Kurniawan et al., 2024). Research by Yulianti (2025) found that utilizing an ATS can increase candidate competency match rates by 18% compared to manual selection.

3. Employee Retention

Employee retention is an organization's systematic effort to retain a competent workforce over the long term. Factors influencing retention include competitive compensation, career development opportunities, a positive work environment, and good relationships with superiors (Wahyuni, 2025).

Proper recruitment directly impacts retention. Candidates selected through an accurate selection process tend to have higher engagement rates and longer tenure (Dewi, 2021). Conversely, selection errors can trigger premature turnover, which is detrimental to the company financially and operationally (Malthis, 2025).

4. SWOT Analysis in Digital Recruitment

Strengths	Weaknesses
1. Expanding the reach of candidate search more widely 2. Faster and more efficient recruitment process 3. Use of data and algorithms for the selection of quality candidates 4. Strengthening digital employer branding	1. Dependence on digital technology 2. Lack of face-to-face interaction can reduce soft skills assessment. 3. Risk of filtering errors due to biased algorithms 4. New employee adaptation to digital systems can be low
Opportunities	Threats
1. Growth in use of digital platforms 2. Ability to collect data to improve recruitment processes	1. Fierce competition in recruiting top talent 2. Cyber security and data privacy breaches 3. Rapidly changing digital recruitment trends

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3. Strengthening retention through digital monitoring of employees	
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Strength (S)

SO Strategy: Expand AI-based recruiting to reach global candidates, leveraging the positive image and efficiency of ATS.

ST Strategy: Using technological advantages to anticipate competition and strengthen candidate data security.

Weakness (W)

WO Strategy: Conduct intensive technology training for HR staff to optimize digital labor market opportunities.

WT Strategy: Reduce dependence on a single technology system and prepare backup protocols to anticipate the risk of system failure.

The following is an analysis of the EFAS (External Factors Analysis Summary) and IFAS (Internal Factors Analysis Summary) for digital recruitment strategies along with a Cartesian diagram of their intersection points:

IFAS Analysis (Internal Factors)

Strength:

Utilization of AI technology to screen candidates (value 1.0)

Extensive access to online recruitment platforms (value 0.9)

Strong employer branding on digital channels (score 0.8)

Efficient recruitment process automation (score 0.7)

Weakness:

Dependence on technological infrastructure (value 0.4)

Lack of personal touch in the digital selection process (value 0.3)

Difficulty measuring soft skills digitally (value 0.2)

Concerns regarding privacy and data security (score 0.3)

Total IFAS score (strengths minus weaknesses): 2.2

EFAS (External Factors) Analysis

Opportunity:

Increased adoption of digital HR technologies (score 1.2)

Increased number of diverse candidates online (value 1.0)

Cost reduction through automation of recruitment tasks (value 0.8)

Government policy support for digital transformation (value 0.6)

Threat:

High competition for tech-savvy talent (0.7 score)

Rapid changes in recruitment technology (value 0.5)

Cybersecurity risks and data breaches (score 0.4)

Regulatory compliance risk (value 0.3)

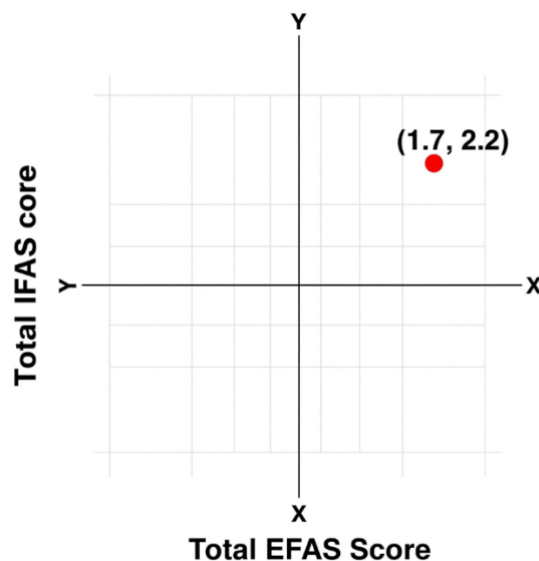
Total EFAS score (opportunities minus threats): 1.7

Cartesian Diagram of Intersection Point

X-axis: total EFAS score = 1.7

Y-axis: total IFAS score = 2.2

The intersection at (1.7; 2.2) shows that the strengths and opportunities in the digital recruitment strategy provide a positive strategic position with strong internal and fairly good external opportunities.



This diagram visualizes that the organization is in a good position to maximize internal strengths and optimize opportunities in the external environment, while managing existing weaknesses and threats, in order to increase the effectiveness of the digital recruitment strategy.

The Meaning of Strategic Position

The intersection of coordinates (1,7; 2,2) places the organization in an aggressive or grow and build strategic position. This position has the following meaning:

Superior Internal Strengths (High IFAS Score): An IFAS score of 2.2 indicates that the organization possesses significant internal strengths. Leveraging AI technology and access to online platforms are key strengths that can be maximized.

Good External Opportunities (High EFAS Score): An EFAS score of 1.7 indicates ample opportunities in the external environment. The increasing adoption of digital HR technology and the number of online candidates represent significant opportunities to capitalize on.

Overall, this position is ideal because the organization is in a strong internal position to fully capitalize on external opportunities. The recommended strategy is expansion, which involves aggressively leveraging existing strengths to seize available opportunities, such as investing more in recruitment technology or expanding reach to new platforms.

5. Previous Research Results

Some relevant studies include:

- Rohana et al. (2024) found that AI in digital recruitment can improve candidate experience and selection quality.
- Setiawan (2023) emphasized the importance of ATS in screening high-quality candidates in the technology sector.
- Yulianti (2025) proved a positive relationship between good candidate experience and employee retention.
- Hasanah (2024) highlighted the influence of digital recruitment on HR competencies in the manufacturing sector.
- Nugroho (2023) studied digital recruitment strategies in startup companies and found that social media is effective in reaching young talent.

However, research specifically in the retail sector focusing on the relationship between the effectiveness of digital recruitment strategies, candidate quality, and retention is still limited. This reinforces the urgency of research in the context of PT XYZ.

The SWOT analysis results indicate that PT XYZ has significant strengths in utilizing digital recruitment technology, particularly ATS and AI, which enable faster, more efficient, and more accurate selection processes. These results align with the findings of Rohana et al. (2024), who emphasized that integrating AI in recruitment can expand candidate reach by up to 25% and improve selection quality.

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Significant external opportunities, such as the development of AI-based recruitment technology and the trend of remote work, provide PT XYZ with the opportunity to expand its candidate base not only nationally but also internationally. This aligns with research by Yulianti (2025), which found that companies utilizing cross-regional digital recruitment can increase employee retention by up to 15% in two years.

However, this study also identified internal weaknesses in the form of limited HR staff technological skills and resistance to change, potentially compromising the strategy's effectiveness. External threats, such as intense competition and data security risks, also need to be addressed through cybersecurity policies and diversified recruitment technologies.

Overall, PT XYZ's position in the aggressive quadrant provides a strategic opportunity to optimize internal strengths and external opportunities. Recommended strategies include focusing on technology training, expanding the candidate network, and strengthening data security to maintain a competitive edge in the increasingly competitive retail industry.

CONCLUSION

This study confirms that PT XYZ's digital recruitment strategy significantly improves candidate quality while simultaneously improving employee retention rates. The use of an Applicant Tracking System (ATS), social media, and artificial intelligence provides advantages in speed, accuracy, and expanded candidate search reach, resulting in lower recruitment costs and improved candidate experience. Selection results indicate that candidates recruited digitally have a higher level of competency fit and work adaptability, thus positively contributing to team performance and the company's operational sustainability. A SWOT analysis reveals that PT XYZ's primary strength lies in its ability to integrate technology into the recruitment process, while opportunities are wide open through the trend of workforce digitalization and rapid technological developments. However, internal barriers such as limited technological skills among HR staff and resistance to change need to be addressed to prevent a decline in the strategy's effectiveness. Therefore, the company is advised to conduct ongoing technology training programs for its HR team, develop a comprehensive candidate data protection policy, and conduct regular evaluations of its digital recruitment system. These steps are expected to maximize the benefits of digital transformation in recruitment, strengthen the company's competitiveness, and ensure the sustainability of a quality workforce in the increasingly competitive retail industry.

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