Each block of S does insertion sort with avarage $\frac{S^2}{4}$ key comparison

$$T(n,s) = \begin{cases} 2T(\frac{n}{2},s) + n & n > s \\ \frac{n^2}{4} & n \leq s \end{cases}$$

$$T(n,s) = \log_2(\frac{n}{s})n + \frac{n}{s} \cdot \frac{s^2}{4}$$

$$T(n,s) = n\log_2(\frac{n}{s}) + \frac{n \cdot s}{4}$$

Finding Optimal S

$$\frac{\partial T}{\partial s} = 0$$

$$-\frac{n}{\ln(n)} \frac{1}{s} + \frac{n}{4} = 0$$

$$\frac{n}{4} = \frac{n}{s \ln(n)}$$

$$s = \frac{4}{\ln(n)} \approx 5.77 \quad \text{or} \quad S_{best} = 6$$