

Implementation of Competence, Remuneration on Employee Performance in Warehousing Logistics: Literature Review

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ARTICLE INFO

Keywords: Competency, Remuneration, Employee Performance, Logistics, Literature Review

Received : 22, August

Revised : 19, September

Accepted: 26, October

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ABSTRACT

This paper aims to determine the implementation of variables in the logistics field by searching the literature in journals. Qualitative by searching the literature related to the variables related to this paper in the last ten years and the findings will be corroborated in this paper both quantitative and qualitative findings. The results of this paper are used as a reference for logistics warehousing companies in Jakarta. Logistics warehousing companies can use the findings in this paper with a qualitative description of the literature in accordance with the variables written and provide a treasure and contribution in the field of human resources. For other researchers, they can develop and use the variables in this paper with existing gaps in the literature to continue future research with the object of logistics companies.

INTRODUCTION

In today's highly competitive business landscape, competencies and remuneration play a critical role in driving employee performance and ensuring the success of an organization. Competencies, often defined as the knowledge, skills and abilities that individuals bring to their roles, form the basis on which employee performance is built (Juliana, 2015). Employers recognize the importance of recruiting and developing competent employees. A workforce equipped with the necessary competencies not only improves the overall quality of work, but also contributes to the organization's ability to adapt to changing market dynamics (Husin et al., 2022). Competent employees are better at overcoming challenges, solving complex problems, and making informed decisions, which are critical to an organization's growth and resilience in a dynamic business environment (Sykes et al., 2022).

Competence alone is not enough to maximize employee performance. Remuneration, which includes various forms of compensation such as salary, bonuses, allowances and incentives, acts as a powerful motivator (Han, 2018; Zhao, 2015). When employees are fairly rewarded for their competence and the value they bring to the organization, they are more likely to remain engaged, motivated and committed to their roles. A well-structured remuneration system recognizes and rewards employees for their individual and collective contributions (Suryanarayana & Nagavalli, 2018). This in turn creates a sense of reward, job satisfaction and loyalty. Employees who feel fairly rewarded are more likely to invest their time and effort in achieving company goals, as they see a direct link between their performance and their financial well-being (Abrori & Rizki, 2022).

In logistics, competencies and remuneration have a very significant impact on employee performance and the operational success of the company, logistics requires employees who have specific competencies in managing supply chains, shipping, storage, inventory management, and transportation coordination (Pradhan, 2022). Employees with strong knowledge and skills in these areas will be able to overcome complex logistics challenges and contribute to operational efficiency (Glińska-Noweś & Glinka, 2021). Successful logistics companies invest in employee training and development to strengthen their competencies. This includes ensuring that employees understand the latest technologies, efficient operational processes, and applicable logistics requirements and regulations.

Employee performance challenges in logistics often involve tight timelines, pressure to meet delivery deadlines, and complex goods handling. Competent employees can better cope with these challenges. In logistics, performance-based pay is a commonly used approach (Rahayuningsih et al., 2020). Employees who can meet or exceed delivery targets, reduce logistics costs, or improve warehousing efficiency, are often entitled to additional rewards (Ong et al., 2020). This creates an incentive for employees to perform highly. In logistics, there is great variation in employees' jobs and responsibilities. Therefore, the reward system should be flexible and take into account the employee's role, competency level, and work output (Zayed et al.,

2022). Competencies and remuneration are closely linked in the context of employee performance. Organizations that recognize and develop employee competencies and allocate their remuneration strategies to performance not only attract top talent, but also retain it. When these two factors work in harmony, it creates a virtuous cycle where employees continuously strive to improve their skills, deliver outstanding results, and are properly rewarded for their efforts. This synergy ultimately benefits the organization by increasing its competitive advantage, driving innovation, and ensuring sustainable success. This paper aims to find out the implementation of existing variables in the logistics field by searching the existing literature in journals.

THEORETICAL REVIEW

Competence

Employee performance can be defined as the level of productivity, efficiency, and effectiveness that an employee demonstrates in carrying out their job responsibilities. This is an important factor that affects the success of an organization (Mafrudoh, 2023). In a study from (Purwanto & Hartono, 2022) it was stated that competence has a positive and significant effect on employee performance, in agreement with the results of research from (Yudhistira et al., 2022) In a study on performance measurement using the Performance Prism method, competence was identified as one of the performance aspects that needed to be evaluated in a national logistics company in Indonesia.

Competency is an important factor that affects employee performance in warehouse logistics. To improve employee performance, organizations need to focus on developing their employees' competencies. This can be done through various approaches, such as career development, training, and gap analysis. In addition, organizations need to pay attention to other factors that affect employee performance, such as motivation, work discipline, and communication. By effectively managing these factors, organizations can achieve successful outcomes in conflict resolution and improve the overall performance of the company.

Remuneration

Remuneration can be defined as the compensation or payment received by an employee for the work or services they provide. It can include various forms of compensation, such as salaries, wages, bonuses, allowances and other incentives, Remuneration is an important factor that affects employee motivation and job satisfaction. It can influence the level of commitment and engagement an employee has towards work and the organization (Corsi et al., 2019). In the context of logistics, remuneration can be an important factor influencing employee performance finding that remuneration has a positive and significant influence on employee performance (ntónio Beardino & Rincon, 2018).

Remuneration can be regulated through various mechanisms, such as individual labor agreements, collective agreements, and legal regulations. In the context of logistics and demand response programs, remuneration can be an

important factor influencing employee performance and aggregator participation in negotiations.

Employee Performance

Employee performance in warehouse logistics can be defined as the level of productivity, efficiency, and effectiveness that an employee demonstrates in carrying out their job responsibilities in the context of Warehouse logistics (Chepleting et al., 2022), Employee performance in warehouse logistics can be defined as the level of productivity, efficiency, and effectiveness that an employee demonstrates in carrying out their job responsibilities in the context of warehouse logistics. This performance is influenced by various factors, such as organizational communication, work motivation, self-efficacy, employee competencies, and logistics management practices (Karasek et al., 2014) (Fattah & Mohamed, 2017).

METHODOLOGY

Qualitative by searching the literature related to the variables involved in this paper within the last ten years and the findings will be corroborated in this paper both quantitative and qualitative findings. The results of this paper are used as a reference for logistics warehousing companies in Jakarta.

RESULTS

The findings in this paper come from literature or papers from journals related to the variables in this paper, the findings are then described. The study of (Alwaki, 2018) stated that remuneration affects employee performance while employee attitudes are intermediate in the relationship between the two as the purpose of this paper, the findings of this paper are manufacturing organizations, remuneration significantly affects employee attitudes which ultimately affect their performance, remuneration has a significant effect on employee performance but by affecting their attitude towards their work.

The next study from (Rochaeni et al., 2019) with the purpose of the paper is to assess skills, provide alternative solutions and provide recommendations for improving employee skills, with the findings The largest negative competency gap in core competencies is in the ability of permanent employees to achieve goals and the ability of outsourced employees to work with high motivation. In terms of sub-skills, the largest negative skill gaps were in permanent employees' management of computer usage and understanding of the system for applying vehicle load seals according to subcontracted employees' work instructions. Reward and tax information system reform have a significant effect on employee performance, the purpose of the paper is to evaluate and investigate the effect of compensation and information system modernization on employee performance (Bunyamin et al., 2020), a further study from (Kohl et al., 2019) where the purpose of the paper presents a competency model for logisticians that combines future competencies with operations and planning, with the findings in the paper The competency model to be created consists of professional, methodological, social and personal competencies. Future implementation and adaptation processes are also

discussed. The model was applied and evaluated in selected logistics processes and identified process-specific capabilities and future changes. In addition, the competency model can drive strategic personnel planning.

The study of (Sabuhari et al., 2020) with the aim of the paper to determine and analyze the effect of human resource flexibility, employee competence, organizational culture adaptation and job satisfaction on employee performance, with the findings of the results of the paper employee performance has an influence on employee flexibility, employee competence and job satisfaction. Inbound logistics performance is influenced by two factors, namely inbound transportation and employee qualifications, in particular, inbound transportation factors greatly affect inbound logistics performance, where the research objective is to determine the factors that affect inbound logistics operations in mining companies (Hạnh, 2021).

The study of (Tian et al., 2021) with the aim of the paper to examine the effect of job stress, work environment, total compensation and salary, leadership and the moderating role of management on employee job satisfaction, with the results of research on the significant relationship between job stress, work environment, total compensation and salary, leadership and job satisfaction. Leadership significantly moderates the relationship between job stress, work environment, total compensation and salary, and job satisfaction. In particular, working with job satisfaction adversely affects job stress.

The study from (Lin, 2021) states to determine the relationship between project management skills, work motivation and performance of people engaged in electronic business (online business). Questionnaires were developed for e-commerce employees on various professional aspects, including business strategy planning, content management and planning, sales services, corporate marketing, hosting, analysis and management, with the paper finding online buyers' project management skills had a positive effect on their performance. Integration, scope and procurement management were identified as important factors in this study.

The study of (Lisa et al., 2023) with the research objective of knowing the effect, interpersonal skills on employee performance, expertise in employee performance, commitment to interpersonal skills in employee performance, and commitment to mediate expertise on employee performance and saturated samples used, with the findings in the paper interpersonal skills have a significant effect on employee performance, Qualifications have a significant effect on employee performance. No compulsion to transfer interpersonal skills has a significant effect on employee performance and commitment to mediate expertise has no significant effect on employee performance.

DISCUSSION

Of the dozens of existing literature described above, not all papers with objects regarding logistics, especially warehousing, but there are with the same object, the variables in the papers found above already exist according to what

the researcher hopes to find. The variables presented in the objectives of this paper are represented by the literature found and described above.

Researchers agree to strengthen and want the results of this paper to provide a benefit for logistics companies, especially warehousing in carrying out the fields of human resources as an applicative or decision-making material.

CONCLUSIONS AND RECOMMENDATIONS

Logistics warehousing companies can use the findings in this paper with a qualitative description of the literature in accordance with the variables written and provide a treasure and contribution in the field of human resources. For other researchers, they can develop and use the variables in this paper with existing gaps in the literature to continue future research with the object of logistics companies.

FURTHER STUDY

This paper provides a new repertoire from a qualitative perspective and can be utilized by other researchers in the future.

ACKNOWLEDGMENT

Contributions to the institution where researchers work can provide benefits internally or externally for the community, especially logistics warehousing in Jakarta.

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