

## **Developing Warehouse Employee Performance by Applying the Principles of 7R in Logistics**

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**Abstract:** This study aims to apply the 7R principles in logistics to develop desirable warehouse employee competencies and to be a guideline for conducting research and development, determining desirable warehouse employee competencies by self-development that means learning the fundamentals of various content with various methods of acquiring knowledge from various sources by themselves or other methods in order to have a better life, better knowledge, work ability and quality of work affected the work results are more efficiency which can classified into 3 areas, namely, self-learning development and further education that mean getting to study in relevant educational institutions and training areas to indicate developing or training for a suitable person or work when considering the relevant facts to mention the important competencies of warehouse employee competencies, namely knowledge, skills, opinions of oneself, personal identity, motivation and attitude.

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**Key word:** Qualifications, performance, warehouse staff, core competencies.

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### **Introduction**

The main aim of the ASEAN Economic Community is to lead ASEAN into a single market and production base (Single Market and Production Base), which means enabling free movement in five sectors: goods, services, investments, labor. Skill and capital such liberalization can be beneficiary and the disadvantage depending on the difference of the entrepreneurial potentiality in each country which can be analyzed by each sector of the impacts, trade liberalization, service liberalization, investment liberalization, liberalization of capital and liberalization of skill movement. Consequently, the organization has to develop and improve work with a clear and continuous goal as well as developing knowledge, abilities and work skills of personnel to increase their potential to change with the times.

Strategic plan for warehouse system development in Thailand (between 2007-2011), performance in the past 5 years that budget has been allocated for the development and personnel training continuously but there was a lack of efficient production planning of personnel involved in the warehouse over the long term (Office of the National Economic and Social Development Board 2012) for the development of professional standards that match the Thai line of work is still in its early stages that there is no serious cooperation in setting standards. There are several departments begin to develop occupational standards including the Civil Service Commission which is in the process of considering and preparation of the labor skill standard as well as training course standards. The Office of the Higher Education Commission develops curriculum standards (Engineering and

Management) by implementing the National Qualifications Framework (NQF) to ensure quality (Office of the National Economic and Social Development Board) and to consider whether a person has quality or performance potential. The modern management standard is focused on competency. The term of competency was first introduced in 1973 by David McClelland, a psychologist at Harvard University, U.S.A. The relationship between the good characteristics of the personnel in the organization and skill level, knowledge and competence in order to acquire good character which later led the idea to apply to various people by determining the fundamentals of each position, there must be a basis for knowledge skills and what level of competence is. Therefore, the person has the qualifications that are relevant to the performance of work effectively and directly to the objectives of the organization (Chorathip Wannamat, 2008).

Logistics must develop capacity or competency for personnel in the warehouse.

Self-improvement refers to learning the fundamentals, subject matter by acquiring various forms of knowledge from different sources by oneself or another. To give oneself a better living condition, having increased knowledge, work abilities and work quality. The results of work are more efficient that can be divided into 3 areas: self-learning development, continuing education means admission to the relevant educational institution and training means development or learning of person to suit or fit the job.

### **Competency can be increased.**

Competency is a person's personality that reflects knowledge. Competence can be defined as the skills, attitudes, beliefs, character or group of knowledge, skills, and attributes of a person. This is reflected from the observed working behaviour of the individual (Narongwit Saenthong, 2004), where the person's performance is essential to the quality and overall efficiency of the organization. This can be seen from the strategic plan for the development of the Thai civil service system with a clear policy to increase the manpower capabilities. By means of requiring government officials to be developed capacity (Competencies) to be at least 80 percent within the year 2007 (Office of the Civil Service and Civil Service Development Commission 2005) for the benefit of the people and the achievement of the government mission. In addition, the concept of competency has been applied to Human Resource Management in the areas of selection, development, and performance management to be more effective that the Civil Service Development Committee has created a competency model for the Thai civil servants which consists of two competencies: Achievement Motivation, Service Mind, Expertise, Integrity and Teamwork (Office of the Commission Develop civil servants and civilians. 2005)

Core competency refers to the core competence that reflects the behaviour of people that will help to support the organization to achieve its goals and mission, according to the vision set or the people characteristics that reflect the knowledge, skills and characteristics of people at all levels and in all workgroups that the organization wants to. However, the competency determination process must first determine the core competencies due to it is considered essential that every position in the organization must have (Phenjun Saen, Coordinate 2004) with the following criteria for determining the core competencies: It must be the most important (the most impact) and have the significantly impact on the organization (the organization impact). In addition, the determination of core competencies must be consistent with the organization's core competencies. (Organization Competence) (Krirkkiat Sri Sermchok. 2003) The determination of core competencies will provide managers with knowledge

and essential basic competencies of personnel. Currently, the concept of competence, especially core competencies are used as a management tool and Human Resource work, for example, hiring employee, training development, promoting the level, position adjustment and transfer job position including to evaluate performance. However, the explicit determination of competencies is the pathway to the creation of fully operational activities on a realistic basis (Hall and Jones.1978 cited in gul). Tantipolchewa Drug. 1989)

There are many academic sectors from both within and outside the country that has given many meanings of competency which can be summarized as follows.

Thamrongsak Gongsawat (2009) Competencies are attributes such as knowledge, competence, expertise, skills, attitudes, beliefs, as well as the behaviour of a person who will be able to perform a job successfully.

Pennchan Saengsuan et al. (2005) cited competence as a competence that is a key factor that drives a person to perform various activities to achieve success with 4 elements to drive:

1. Knowledge is a specialized component of a person in that area.
2. Skills: Ability that a person does well.
3. Attitude, self-confidence, and opinions about one's image.
4. Motives are the motives that lead a person towards what is their goal.

The Office of the Civil Service Commission (2005) has stated that competence refers to the behavioural traits that allow personnel in an organization to perform better than others. They indicate more of these behavioural traits than their peers in a wide variety of situations. The Thai civil service system's competencies consist of 2 parts: Core Competence for all civil servants (Core Competence), consisting of 5 competencies: Achievement Motivation, Good Service (Service Mind), Accumulation of Professional Expertise (Expertise, Integrity, Teamwork), and Functional **Competence for each work group.**

Danai Thienput (2003) summarized the definition of competencies or ability with the highest level of effect 2 are defined as

1. Comprehensive definition of competence in knowledge/experience, skills and drive/attitude/style, or as a combination of individual attributes (Bundles of Attributes) in the form of KSA, ie knowledge, skills and attitudes by the yield level of competence definition. They range as low, medium, and high levels.
2. Definition of competency as the superior performance or the result of work effort that shows the level of results as low, medium, high, highest level. Therefore, competency is the knowledge, skills and habits which necessitated the performance to be successful above the general standard which consists of 3 main components as follows.

1. Knowledge is what the organization wants to "know" such as knowledge and understanding of administrative law.
2. Skill is what the organization wants to "do" such as ICT skills, modern management technology skills. It is something that must be learned through and practice regularly until becoming proficient in use.
3. Behaviour desirable habits (Attributes) is what the organization.

From the article, it can be concluded that the linkage development of warehouse personnel with the principle of 7R in logistics are related according to the table.

Principle 7R	Management
The right product	Bring the knowledge and skills to the correct product storage. Keeping good quality or correct products according to the agreed qualifications or setout according to customer requirements.
The right quantity	Develop skills to check products in correct quantities and accurate storage quantity where the quantity matches the inventory amount. There should be continuous coordination with customers.
The right time	Develop skills for delivering products to customers at the right time. It is an important factor in product storage. To cut the collection with the exact storage time (Lead Time) not too slow or too fast due to the long storage may affect the product.
The right quality	Develop the skills and knowledge in the delivery of the products in the correct condition according to the customer's orders, the stored products must be complete and unbreakable.
The right place	Improve storage and delivery skills in the correct area. Storing products to match the specified area to find products quickly and able to locate the products in the warehouse. The storage area must be clearly specified, and the product code is stored.
The right costs	Develop knowledge of good cost management in warehouse and storage operating costs as the main cost which must impact on the organization.
The right costumer	Improve storage and delivery skills to meet customer requirements and needs. Providing services that can meet or surpass expectations and create satisfaction.

Refer: Salalaimuthu & Anthony Raj, 2009, p. 11; Gleissner & Femerling, 2013

### **Conclusions**

Competencies are useful in creating a conceptual framework for definition of qualification to develop the desired warehouse employee performance. This can determine the behavior, beliefs, attitudes of the manager's characteristics in line with the vision. Organizational mission and strategy help the selection of people to work more accurately including the use of qualifications to develop into a manual to be used in the formation of a progress path in the development and personnel training, considering suitability for holding higher positions, helping in the transfer of duties performance appraisal and the appropriate level of compensation which will be result in different processes. Human Resource Management is consistent with and supports corporate strategy.

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