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Analysis of Factors Affecting Operational Performance of Logistics Companies in Indonesia

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ABSTRACT

Companies are always required to have good performance. Performance in English is also called job performance or actual performance, which is the level of success of the company in achieving its goals. The study focused on shipping, receiving, storing, and transportation activities in logistics activities. The instrument used in this study was a questionnaire. This questionnaire was distributed to 37 logistics service companies as a unit of analysis. Data processing consisted of reliability testing using the Cronbach's alpha method, and validity testing using the analysis corrected item total correlations method. Furthermore, factor analysis was carried out using exploratory factor analysis (EFA). The results of the study showed that there were 4 groups of business process factors and 5 groups of SCM factors. The groups that emerged were the result of factor reduction carried out.

Keywords: Factors, Performance, Company, Logistics.

A. Introduction

The existence of a logistics system is an inseparable part of organizational activities, so it requires handling that can produce effectiveness and efficiency in accordance with its objectives. If we look at the logistics order in the scope of the company, we can only see that the logistics system is related to efforts to achieve a balance between the supply of goods and consumer demand for product users. On the other hand, in a larger framework, such as at the national level, the logistics system naturally has a higher level of complexity, with different causes and consequences. This is the effect of a poor national logistics system. The national logistics system has a vital role in ensuring the smooth flow of national goods. We cannot only see that the logistics system only plays a role in regulating how certain goods and materials can be delivered in the required quantities and at minimum cost.

However, the national logistics system plays an important role in how regional and national economies and logistics are used to become the backbone of trade and other industries. The imbalance in the number and distance of logistics between production and consumption areas is currently one of the problems in organizing domestic logistics. Various strategic solutions offered do not work well because some ignore other influential factors such as social, environmental, and cultural factors. So a different strategy is needed, focusing on how to manage the national logistics system to manage a well-performing logistics system.

Companies are always required to have good performance. Performance in English is also called job performance or actual performance, which is the level of success of the company in achieving its goals.[1] Performance is not an individual characteristic owned by the company's resources, such as talent, or ability, but is a manifestation of the talent or ability itself. Performance is the result of work and work behavior that has been achieved in completing tasks and responsibilities given in a certain period.[2]

Performance is a function of motivation and ability. A company that is considered healthy and has good performance will be seen from the side of efficiency, effectiveness, and economy. Efficiency will be assessed from the level of ratio between output and input. Effectiveness is assessed from the amount of output contributed to the company's goals. Economy will be assessed from how much profit is obtained. With these three dimensions, the company's performance will look healthy or unhealthy because in these three dimensions the level of liquidity, solvency, profitability, and business stability can be known.

B. Research Methods

[1] Setiawan, P. E., & Putra, I. M. P. D. (2019). Keputusan Pemilihan Strategi Manajemen Laba Pada Perusahaan Yang Mengalami Financial Distress di Indonesia. Jurnal Ilmiah Akuntansi Dan Bisnis, 14(2), 196–207

[2] Ramadhan, P. R., & Nasution, D. A. D. (2020). Analisis Determinan Harga Saham Perusahaan Sektor Agriculture Yang Terdaftar Di Bursa Efek Indonesia. Jurnal Riset Akuntansi dan Bisnis, 20(2), 162-171

A research cannot be said to be research if it does not have a research method.[3] Research methods are one of the factors of a problem that will be discussed.[4] The study was carried out using secondary data which was analyzed qualitatively using the Desk Research Method. The literature materials used in writing this research are several references originating from the results of research, studies and reviews of several papers which are then summarized into a work of scientific.

C. Analysis And Discussion

The national logistics system is a government concern in development planning. For this reason, the government tries to identify the need to strengthen the national logistics system by involving various stakeholders through national policies at the presidential regulation level. In 2012, the government issued a presidential regulation on the national logistics system. Furthermore, currently there is a new policy related to the domestic logistics system, namely the sea toll policy. This program is always considered very important because it was initiated directly by President Joko Widodo. The existence of the sea toll is expected to support an increasingly integrated logistics service system. So that the existence of the sea toll is expected to strengthen the national logistics level, create effective and efficient national logistics system performance, and influence the growth of national competitiveness. Global competition requires a competitive national logistics order.

That competition does not only occur between products and companies, but also up to the supply chain and even between countries. As an archipelagic country, Indonesia needs strategic innovation to realize a national logistics system that is globally competitive. Therefore, it must be recognized that efforts, including evaluating the performance of the current domestic logistics system and identifying

[3] Ismail Koto, "Perlindungan Hukum Terhadap Korban Tindak Pidana Terorisme", *Proceding Seminar Nasional Kewirausahaan*, 2.1, (2021): 1052-1059.

[4] Ida Hanifah, Ismail Koto, "Problema Hukum Seputar Tunjangan Hari Raya Di Masa Pandemi COVID-19", *Jurnal Yuridis* 8.1, (2021): 23-42.

factors that influence logistics performance, can improve logistics services to a better level.

These logistics service performance indicators have been widely used as variables in research and can be considered as criteria for effective and efficient logistics service performance. Each of these criteria has several conditions as a representation of its performance which are hereinafter referred to as indicators or sub-criteria.

The results of the validity analysis show that there are 15 valid variables in the business process and 23 valid variables in the SCM Factors classified into Category I, which is the category for logistics delivery service companies in improving their company's performance. Valid variables in Category I are useful for formulating business plans and improving performance. The results of the factor analysis using the exploratory factor analysis (EFA) method group the business process variables into four groups. This grouping is based on the loading value of each variable.

The loading value is a value that shows the magnitude of the correlation between the variable and the group formed. The transportation used greatly affects the distribution of goods to be sent to consumers. The type of goods is a variable that plays a role in determining the price set by the company. Handling of goods is the treatment given to goods when they are processed until they reach their destination. The quality of human resources supports the operational activities carried out by the company. These four variables have loading values of 0.609, 0.693, 0.612 and 0.868. Loading values approaching +1 indicate that these variables have a strong positive correlation with the formed group. The variable in group 2 of the business process factor is goods insurance, the loading value of this variable is 0.556. The availability of a storage warehouse in the operational area which aims to guarantee the existence of goods when the goods must be stored overnight or cannot be processed directly for distribution, the loading value of this variable is 0.631. Next is the security of the storage warehouse, which is very important for the company, especially when there are goods to be

distributed in the warehouse, the loading value of this variable is 0.760, and the time variable needed to deliver the goods with a loading value of 0.835. The loading values of these variables indicate that these variables have a strong positive correlation with the formed group.

The four variables in the 3-factor business process group are the guarantee of the condition of the goods, the type of vehicle for delivering the goods, the vehicle's carrying capacity, and the availability of the vehicle. The loading values of these variables indicate that these variables have a strong positive correlation with the group formed. This can be seen in the variable of the guarantee of the condition of the goods which aims to keep the goods in the same condition as before they were sent until they arrive at their destination with a loading value of 0.651. The variable of the type of vehicle for delivering the goods with a loading value of 0.754. Furthermore, the variable of the vehicle's carrying capacity which explains the good carrying capacity for the company with a loading value of 0.893 and the variable of the availability of the vehicle with a loading value of 0.873. The group of 4 business process factors consists of 3 variables. The first variable is the number of warehouse employees, with a loading value of 0.579. Next is the security variable in the delivery process with a loading value of 0.704 and the variable of the suitability of the vehicle used with a loading value of 0.871. The loading values of each variable indicate that these variables have a strong positive correlation with the group formed. Furthermore, twenty-three valid variables in SCM Factors category I are grouped into 5 groups. Group 1 SCM Factors consists of 9 variables, namely the delivery capacity that can be carried out affects company performance, well-trained employees affect company performance, evaluations carried out related to operational activities affect company performance, company performance is influenced by the company's ability to respond quickly to competition with competitor companies, investments made related to the technology used by the company affect performance, company performance is influenced by the company's ability to monitor the existence of goods during the shipping process, the

ability to compete in the domestic segment affects company performance, punctuality in shipping goods affects company performance, and the company has many partners that affect company performance. These variables have loading values of 0.826, 0.674, 0.559, 0.748, 0.672, 0.837, 0.829, 0.776 and 0.631. Loading values that are close to +1 indicate that these variables have a strong positive correlation with the groups formed.

Group 2 SCM Factors consists of 8 variables, namely business plans and developments that are implemented affect company performance with a loading value of 0.843, cooperation with transportation rental service companies affects company performance with a loading value of 0.806, extensive and complete storage facilities affect company performance with a loading value of 0.861, the company has a special strategy that affects company performance to remain competitive with a loading value of 0.683, service user assessment of the service received affects company performance with a loading value of 0.580, ease of service in the delivery process affects company performance with a loading value of 0.714, work partners owned in operational activities support company performance with a loading value of 0.634, and evaluations carried out by the company on the cooperation carried out affect company performance with a loading value of 0.686. The loading value of each variable indicates that these variables have a strong positive correlation with the formed group. Next is group 3 SCM Factors consisting of 4 variables. The first variable is that experts have an important role that affects company performance with a loading value of 0.546. The second variable is the company's website plays an important role in improving performance with a loading value of 0.885. Furthermore, the IT department in the company has a significant role that affects performance with a loading value of 0.675, and the variable of cooperation with foreign companies can improve company performance with a loading value of 0.424. The loading value of each variable indicates that these variables have a strong positive correlation with the group formed. Group 4 SCM Factors consists of company performance variables influenced by fixed service users owned. The company performance variable is influenced by fixed service users

owned with a loading value of 0.618, the loading value approaching +1 indicates that this variable has a strong positive correlation with the group formed. Group 5 SCM Factors consists of company variables getting information from the government regarding business aspects that can support company performance. The loading value of this variable is 0.843. The loading value indicates that this variable has a strong positive correlation with the group formed.

D. Conclussion

The study focused on shipping, receiving, storing, and transportation activities in logistics activities. The instrument used in this study was a questionnaire. This questionnaire was distributed to 37 logistics service companies as a unit of analysis. Data processing consisted of reliability testing using the Cronbach's alpha method, and validity testing using the analysis corrected item total correlations method. Furthermore, factor analysis was carried out using exploratory factor analysis (EFA). The results of the study showed that there were 4 groups of business process factors and 5 groups of SCM factors. The groups that emerged were the result of factor reduction carried out.

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