

# EFFECT OF COMPETENCY-BASED RECRUITMENT AND TRAINING ON EMPLOYEE PERFORMANCE IN INDONESIAN MANUFACTURING COMPANIES

**Mochamad Gilang Ginandjar**

Universitas Widyatama

Corresponding E-mail: [ginandjargilang@gmail.com](mailto:ginandjargilang@gmail.com)

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## Abstract

This study explores the effect of competency-based recruitment and training on employee performance in Indonesian manufacturing companies, utilizing a qualitative approach through a comprehensive literature review. As the manufacturing sector continues to play a crucial role in Indonesia's economic growth, understanding the factors that enhance employee performance is essential. The research synthesizes various scholarly articles, reports, and case studies to identify key competencies that contribute to effective recruitment and training processes. Findings indicate that competency-based recruitment not only aligns employee skills with organizational needs but also fosters a culture of continuous improvement and adaptability. Additionally, targeted training programs that focus on the development of specific competencies significantly enhance employee performance, leading to increased productivity and job satisfaction. The study highlights the importance of integrating competency frameworks into recruitment strategies and training modules to create a skilled workforce capable of meeting the challenges of a competitive manufacturing landscape. Furthermore, it emphasizes the need for ongoing evaluation and adjustment of these processes to ensure their effectiveness in driving employee performance. The insights gained from this research provide valuable implications for human resource management practices in the manufacturing sector, suggesting that organizations that prioritize competency-based approaches are more likely to achieve sustainable performance outcomes.

**Keywords:** *Competency-based recruitment, training, employee performance, manufacturing companies, qualitative study.*

## INTRODUCTION

In the rapidly evolving landscape of the Indonesian manufacturing sector, the demand for skilled and competent employees has never been more critical. As industries face increasing competition and technological advancements, organizations are compelled to adopt innovative human resource practices that enhance employee performance (Imran et al., 2021). Competency-based recruitment and training have emerged as pivotal strategies that align employee capabilities with organizational goals, thereby fostering a more effective workforce. This research aims to investigate the effects of these practices on employee performance within Indonesian manufacturing companies (Rinawiyanti et al., 2023).

Despite the growing recognition of competency-based approaches, there exists a significant research gap regarding their specific impact on employee performance in the context of Indonesian manufacturing. While numerous studies have explored recruitment and training methodologies, few have addressed the unique challenges and dynamics present in Indonesia's manufacturing landscape. For instance, many existing studies focus on Western contexts or other sectors, leaving a void in understanding how these practices can be tailored to fit the cultural and operational nuances of Indonesian companies (Fransen et al., 2019). This gap underscores the need for focused research that examines how competency frameworks can be effectively integrated into recruitment and training processes to enhance employee outcomes.

The urgency of this study is further amplified by the critical role that manufacturing plays in Indonesia's economic development. The sector contributes significantly to the nation's GDP and job creation, making it essential for organizations to optimize their human resources to remain competitive. As the manufacturing sector seeks to improve productivity and competitiveness, understanding the relationship between competency-based practices and employee performance becomes essential. Previous research has established a link between effective

recruitment and training and enhanced performance; however, there is limited empirical evidence specific to the Indonesian context (Tarigan et al., 2021). This lack of localized research highlights the need for a thorough investigation into how competency-based practices can be implemented effectively within the unique framework of Indonesian manufacturing.

Additionally, the current global economic climate, characterized by rapid technological change and shifting consumer demands, necessitates a workforce that is not only skilled but also adaptable. Competency-based recruitment and training can play a crucial role in developing such a workforce by ensuring that employees possess the necessary skills and competencies to meet the evolving needs of the industry. Furthermore, organizations that prioritize these practices are likely to experience lower turnover rates, higher employee satisfaction, and improved overall performance, thus reinforcing the importance of this research (Quader, 2024).

This study contributes novelty by providing a comprehensive analysis of competency-based recruitment and training within Indonesian manufacturing companies, offering insights that are both practical and theoretical. By focusing on the specific competencies required in the manufacturing sector, the research will identify key factors that influence employee performance and organizational success. The primary objectives of this research are to evaluate the effectiveness of these practices on employee performance and to identify best practices that can be implemented across the industry.

The findings will not only advance academic discourse but also offer valuable recommendations for human resource practitioners aiming to optimize workforce performance in a competitive environment. By bridging the gap between theory and practice, this study aims to empower Indonesian manufacturing companies to adopt competency-based approaches that lead to sustainable performance improvements and contribute to the overall growth of the sector. In conclusion, the integration of competency-based recruitment and training is not just a strategic advantage but a necessity for organizations striving for excellence in the dynamic landscape of Indonesian manufacturing.

## **LITERATURE REVIEW**

### **Competency-Based Recruitment**

Competency-based recruitment is defined as a systematic approach that identifies the specific skills, knowledge, and behaviors required for a job role. According to (Kshatriya, 2016), this method enhances the alignment between employee capabilities and organizational needs, leading to improved job performance. In the context of manufacturing, where technical skills and operational efficiency are paramount, competency-based recruitment can ensure that organizations select candidates who not only possess the necessary qualifications but also fit the organizational culture and values (Karimi et al., 2019).

In Indonesia, the manufacturing sector faces unique challenges, including a diverse workforce and varying levels of educational attainment. Research by (Della Firnanda & Nafiah, 2025) indicates that implementing competency-based recruitment in Indonesian manufacturing firms can significantly reduce hiring mismatches and enhance overall productivity. However, much of the existing literature primarily focuses on general recruitment practices without delving into the specific competencies required in the Indonesian manufacturing context, indicating a gap that this research aims to address.

### **Competency-Based Training**

Training is a critical component of employee development, and competency-based training emphasizes the acquisition of specific skills and knowledge relevant to job performance. According to (Fejfarová & Fejfar, 2022), effective training programs that are aligned with competency frameworks can lead to enhanced employee performance, job satisfaction, and retention rates. In the manufacturing sector, where technological advancements are frequent, ongoing training is essential to keep employees updated on the latest practices and technologies.

A study by (Widayati & Pudjiarti, 2024) highlights the importance of competency-based training in Indonesian manufacturing companies, revealing that employees who undergo targeted training exhibit higher performance levels and adaptability to changes in production processes. The research emphasizes the need for training programs to be tailored to the specific competencies required within the industry, which can lead to better alignment between employee skills and organizational goals. However, there is a lack of comprehensive studies that evaluate the long-term impact of such training programs on employee performance in Indonesian manufacturing, suggesting a need for further investigation.

### **Employee Performance**

Employee performance is a multifaceted construct influenced by various factors, including motivation, job satisfaction, and the alignment of employee skills with organizational objectives. Research by (Chimakati & Kelemba, 2023) indicates that organizations that implement competency-based practices are more likely to achieve higher levels of employee performance, as these practices foster a culture of continuous improvement and accountability.

In the Indonesian manufacturing context, employee performance is particularly crucial due to the competitive nature of the industry. A study by (Maia et al., 2024) found that organizations that adopted competency-based recruitment and training reported significant improvements in productivity and employee engagement. However, there remains a need for more empirical studies that specifically explore the relationship between these practices and employee performance outcomes in various manufacturing settings across Indonesia.

## **METHOD**

This study employs a qualitative research approach, utilizing a literature review as the primary method for data collection and analysis. The objective is to explore and synthesize existing research on the effect of competency-based recruitment and training on employee performance within Indonesian manufacturing companies.

### **Type of Research**

The research is classified as qualitative in nature, focusing on understanding the underlying themes, patterns, and relationships within the existing body of literature. This approach allows for a comprehensive examination of the nuances and complexities associated with competency-based practices in the context of Indonesian manufacturing. By leveraging qualitative methods, the study aims to gather in-depth insights that quantitative methods may not fully capture.

### **Data Sources**

The data for this study is derived from a variety of secondary sources, including academic journals, books, conference proceedings, and reputable industry reports. A systematic search was conducted in databases such as Google Scholar, JSTOR, and ResearchGate, using keywords related to competency-based recruitment, training, employee performance, and the Indonesian manufacturing sector. The selection criteria for included studies were based on relevance, methodological rigor, and recency, focusing primarily on literature published within the last ten years to ensure that the findings reflect current practices and trends.

### **Data Collection Techniques**

Data collection involved a systematic literature review process, which included the following steps:

1. Identification of Relevant Literature: A comprehensive search was conducted to identify scholarly articles and publications that address competency-based recruitment and training in relation to employee performance in manufacturing contexts, with a particular emphasis on Indonesia.
2. Screening and Selection: The identified literature was screened for relevance, and studies that did not align with the research focus or lacked empirical evidence were excluded. This process ensured that only high-quality and pertinent sources were included in the review.
3. Data Extraction: Key information, including study objectives, methodologies, findings, and conclusions, was extracted from the selected literature. This data extraction process facilitated a structured analysis of the existing research landscape.

### **Data Analysis Method**

The analysis of the collected data was conducted using thematic analysis, which involves identifying, analyzing, and reporting patterns (themes) within the literature. The following steps were undertaken in the analysis process:

1. Familiarization with the Data: The researchers immersed themselves in the literature to gain a comprehensive understanding of the existing findings and perspectives related to competency-based recruitment and training.
2. Coding: Initial codes were generated based on recurring themes and concepts identified in the literature. This coding process helped to organize the data and highlight key areas of focus.

3. Theme Development: The codes were then grouped into broader themes that reflect the relationship between competency-based practices and employee performance. These themes were critically analyzed to draw connections and insights relevant to the research objectives.
4. Synthesis of Findings: Finally, the synthesized findings were presented in a coherent narrative that addresses the research questions and highlights the implications for practice in Indonesian manufacturing companies.

## **RESULTS AND DISCUSSION**

The analysis of the literature regarding the effect of competency-based recruitment and training on employee performance in Indonesian manufacturing companies reveals several critical themes that underscore the significance of these practices in enhancing workforce effectiveness. The synthesis of findings from various studies provides a comprehensive understanding of how competency-based approaches align employee capabilities with organizational objectives, ultimately leading to improved performance outcomes.

One of the primary findings is that competency-based recruitment significantly enhances the quality of hires within the manufacturing sector. Research indicates that organizations adopting a competency framework during the recruitment process are better equipped to identify candidates who possess not only the necessary technical skills but also the behavioral competencies that align with the company's culture and values. This alignment is particularly crucial in the Indonesian context, where cultural factors and workplace dynamics can profoundly influence employee performance. For instance, studies conducted by Rachmawati et al. (2021) demonstrate that companies implementing competency-based recruitment practices experience reduced turnover rates and higher job satisfaction among employees. The rationale behind this is that employees who fit well within the organizational culture are more likely to be engaged, motivated, and productive. This is especially important in the manufacturing sector, where teamwork and collaboration are often required to achieve operational goals.

Moreover, the literature indicates that competency-based training programs are essential for developing the skills and knowledge necessary to excel in a rapidly changing manufacturing environment. In Indonesia, where technological advancements and globalization are continuously reshaping the industry landscape, ongoing training is vital for maintaining competitiveness. Research conducted by Kurniawan et al. (2022) emphasizes that targeted training programs focusing on specific competencies lead to improved employee performance. Employees who participate in such training are better prepared to adapt to new technologies and processes, resulting in increased efficiency and productivity. This adaptability is crucial in the manufacturing sector, where the ability to respond quickly to market demands can provide a significant competitive advantage.

The analysis further reveals that the integration of competency-based recruitment and training fosters a culture of continuous improvement within organizations. When employees are recruited based on their competencies and are subsequently trained to further develop those competencies, they are more likely to take ownership of their roles and contribute positively to organizational goals. This sense of ownership and accountability enhances motivation and job satisfaction, which are critical drivers of employee performance. The findings align with the theoretical framework proposed by Dessler (2017), which posits that organizations prioritizing competency-based practices create environments conducive to high performance. Employees who feel competent and supported through effective training are more likely to exhibit higher levels of engagement and commitment to their work.

However, the literature also highlights several challenges and barriers to the effective implementation of competency-based recruitment and training in Indonesian manufacturing companies. One significant challenge is the lack of awareness and understanding of competency frameworks among human resource practitioners. Many organizations still rely on traditional recruitment and training methods that do not adequately address the specific competencies required in the manufacturing sector. This gap in knowledge can lead to ineffective hiring practices and insufficient training programs, ultimately hindering employee performance. To overcome these challenges, it is essential for organizations to invest in training for HR professionals to ensure they are equipped with the necessary skills to implement competency-based practices effectively. By enhancing the capabilities of HR practitioners, organizations can better align their recruitment and training strategies with the competencies that drive performance in the manufacturing sector.

Additionally, the contextual factors unique to Indonesia, such as regional differences in education and skill levels, can impact the effectiveness of competency-based approaches. The literature indicates that while urban manufacturing companies may have access to a more skilled workforce, those in rural areas may struggle to find candidates with the required competencies. This disparity highlights the need for tailored recruitment strategies that consider local labor market conditions and the availability of skilled workers. Organizations must also engage

with educational institutions to develop training programs that align with industry needs, ensuring a steady pipeline of competent employees. Collaborating with universities and vocational schools can help create curricula that are responsive to the skills required in the manufacturing sector, thus bridging the gap between education and industry.

Furthermore, the role of leadership in fostering a competency-based culture cannot be overstated. Leaders play a crucial role in setting the tone for organizational practices and ensuring that competency-based recruitment and training are prioritized. Research suggests that organizations with strong leadership commitment to competency development are more likely to experience positive outcomes in employee performance. Leaders who actively promote and support competency-based initiatives create an environment where employees feel valued and motivated to develop their skills. This leadership commitment is particularly vital in the Indonesian context, where hierarchical structures can influence employee engagement and participation in training programs.

Another critical aspect highlighted in the literature is the necessity for continuous evaluation and feedback mechanisms in competency-based training programs. Effective training should not only focus on the initial acquisition of skills but also incorporate ongoing assessments to ensure that employees are applying what they have learned in their roles. Feedback mechanisms allow organizations to identify areas for improvement and make necessary adjustments to training programs, thereby enhancing their effectiveness. Continuous evaluation fosters a culture of learning and development, where employees are encouraged to seek improvement and adapt to changing industry demands.

In conclusion, the analysis of the literature underscores the vital role that competency-based recruitment and training play in enhancing employee performance in Indonesian manufacturing companies. By aligning employee capabilities with organizational goals, these practices not only improve workforce effectiveness but also foster a culture of continuous improvement and adaptability. However, the successful implementation of competency-based approaches requires addressing the challenges related to awareness, education, and local labor market conditions. As Indonesian manufacturing companies continue to navigate a competitive landscape, embracing competency-based practices will be essential for driving sustainable performance improvements and achieving long-term success. The insights gained from this research provide valuable implications for practitioners and policymakers, emphasizing the need for a strategic focus on competency development to enhance employee performance in the sector. By investing in competency-based recruitment and training, organizations can build a skilled and motivated workforce capable of meeting the challenges of the modern manufacturing environment.

### **The Impact of Competency-Based Recruitment on Employee Quality**

The first significant finding of this study is the substantial impact of competency-based recruitment on the quality of hires within Indonesian manufacturing companies. Competency-based recruitment focuses on identifying candidates whose skills, experiences, and behaviors align closely with the specific competencies required for the job. This alignment is crucial in ensuring that new hires are not only technically proficient but also fit well within the organizational culture. Research has shown that companies that utilize competency-based recruitment strategies experience lower turnover rates, as employees who are well-matched to their roles tend to be more satisfied and engaged.

Furthermore, the recruitment process that emphasizes competencies allows organizations to better assess candidates' potential for growth and adaptability. In the fast-paced manufacturing environment, where technological advancements and market demands are constantly evolving, the ability to learn and adapt is critical. Studies indicate that candidates who are selected based on their competencies are often more successful in their roles, as they possess the foundational skills necessary to thrive and contribute effectively to their teams.

Additionally, organizations that implement competency-based recruitment practices can enhance their employer brand. A reputation for hiring competent individuals can attract top talent, as prospective employees are often drawn to companies that demonstrate a commitment to quality and excellence. This competitive advantage is particularly important in the Indonesian manufacturing sector, where the demand for skilled labor is high. By prioritizing competency in recruitment, companies can establish themselves as leaders in the industry, fostering a cycle of attracting and retaining high-quality employees.

Moreover, the literature suggests that competency-based recruitment can lead to improved team dynamics. When team members possess complementary competencies, collaboration and communication are enhanced, resulting in higher overall performance. This synergy is particularly beneficial in manufacturing settings, where teamwork is essential for meeting production targets and ensuring quality standards. Consequently, organizations that focus on competency-based recruitment not only improve individual employee performance but also strengthen the collective performance of their teams.

However, it is important to recognize that the successful implementation of competency-based recruitment requires adequate training for HR professionals. Many organizations in Indonesia still rely on traditional recruitment methods, which may not effectively identify the competencies needed for specific roles. Therefore, investing in training programs for HR personnel is crucial to ensure they are equipped with the knowledge and skills to conduct competency-based assessments. This investment in human capital will ultimately lead to better hiring decisions and improved employee performance.

Lastly, the analysis highlights the need for a clear and well-defined competency framework tailored to the unique context of the Indonesian manufacturing sector. Organizations must engage stakeholders, including industry experts and employees, to develop competency models that accurately reflect the skills and behaviors required for success in various positions. By establishing a robust competency framework, companies can ensure that their recruitment processes are aligned with organizational goals and industry standards.

### **The Role of Training in Enhancing Employee Competencies**

The second key finding of this study pertains to the role of training in enhancing employee competencies and, consequently, performance. Competency-based training programs are designed to equip employees with the specific skills and knowledge necessary to excel in their roles. In the context of Indonesian manufacturing companies, where technological advancements and market dynamics are ever-changing, such training is vital for maintaining a competitive edge.

Research indicates that organizations that invest in competency-based training see significant improvements in employee performance. Training programs that focus on developing both technical and soft skills enable employees to adapt more effectively to new processes and technologies. For instance, employees trained in problem-solving and critical thinking are better equipped to address challenges that arise on the production floor, leading to increased efficiency and productivity.

Moreover, competency-based training fosters a culture of continuous learning within organizations. When employees are encouraged to develop their skills and competencies, they are more likely to take ownership of their professional development. This sense of empowerment not only enhances individual performance but also contributes to overall organizational success. The literature suggests that organizations that prioritize employee development create a motivated workforce that is committed to achieving shared goals.

In addition to improving individual capabilities, competency-based training can also enhance team performance. Training programs that emphasize collaboration and communication skills can lead to more effective teamwork, which is crucial in manufacturing settings. Employees who have undergone training together are more likely to understand each other's strengths and weaknesses, resulting in improved coordination and productivity.

However, the effectiveness of training programs is contingent upon several factors, including the quality of the training content and the delivery methods used. Organizations must ensure that training programs are relevant, engaging, and aligned with the competencies required for specific roles. Additionally, providing opportunities for hands-on practice and real-world application can significantly enhance the learning experience and retention of skills.

Furthermore, continuous evaluation and feedback mechanisms should be integrated into training programs to assess their effectiveness. Organizations should regularly collect feedback from participants and measure the impact of training on employee performance. This iterative approach allows companies to make necessary adjustments to training content and delivery methods, ensuring that programs remain effective and relevant.

Lastly, organizations must recognize the importance of leadership support in the implementation of competency-based training programs. Leaders play a crucial role in promoting a culture of learning and development, and their commitment to employee training can significantly influence participation and engagement. By fostering an environment that values continuous improvement, organizations can enhance the effectiveness of their training initiatives and drive employee performance.

### **The Link Between Competency Development and Employee Performance**

The third significant finding of this study is the direct link between competency development and employee performance. The literature consistently highlights that employees who possess the requisite competencies are more likely to perform at higher levels. In the context of Indonesian manufacturing companies, where operational efficiency and quality are paramount, the development of specific competencies is essential for achieving organizational success. Research indicates that employees who undergo competency-based training demonstrate improved job performance, as they are better equipped to handle the demands of their roles. For instance,

employees trained in technical skills, such as machine operation and quality control, are more proficient in their tasks, leading to reduced errors and increased productivity. This is particularly important in manufacturing, where even minor mistakes can have significant repercussions on production timelines and costs.

Moreover, the development of soft skills, such as communication and teamwork, is equally important in enhancing employee performance. In a manufacturing environment, where collaboration is often required to meet production targets, employees who possess strong interpersonal skills are more likely to work effectively with their colleagues. This enhanced collaboration can lead to improved problem-solving and innovation, ultimately benefiting the organization as a whole.

Furthermore, the analysis reveals that organizations that prioritize competency development are better positioned to respond to changing market demands. In an industry characterized by rapid technological advancements, employees who continuously develop their competencies are more adaptable and resilient. This adaptability is crucial for maintaining competitiveness in the manufacturing sector, where organizations must be able to pivot quickly in response to new challenges and opportunities.

However, it is essential to consider the role of organizational support in facilitating competency development. Employees are more likely to pursue professional development opportunities when they perceive that their organization values and invests in their growth. Organizations that provide resources, such as access to training programs and mentorship opportunities, create an environment that encourages employees to enhance their competencies.

Additionally, the literature suggests that recognition and reward systems can further motivate employees to develop their competencies. When employees are acknowledged for their efforts to improve their skills and performance, they are more likely to remain engaged and committed to their professional development. This positive reinforcement not only enhances individual performance but also contributes to a culture of excellence within the organization.

Lastly, organizations must ensure that their competency development initiatives are aligned with strategic goals. By clearly defining the competencies that are critical for success in the manufacturing sector, organizations can create targeted development programs that directly contribute to improved employee performance. This alignment ensures that investments in competency development yield tangible results for both employees and the organization.

### **Challenges in Implementing Competency-Based Practices**

While the benefits of competency-based recruitment and training are evident, the analysis also highlights several challenges that organizations in the Indonesian manufacturing sector face in implementing these practices. One of the primary challenges is the lack of awareness and understanding of competency-based frameworks among HR practitioners. Many organizations continue to rely on traditional recruitment and training methods, which may not effectively identify the competencies needed for specific roles.

This lack of knowledge can lead to ineffective hiring practices, resulting in a workforce that lacks the necessary skills and competencies to perform optimally. To address this challenge, organizations must invest in training and development for HR professionals to ensure they are equipped with the knowledge and skills to implement competency-based practices effectively. By enhancing the capabilities of HR personnel, organizations can improve their recruitment and training processes, ultimately leading to better employee performance.

Another significant challenge is the cultural resistance to change within organizations. In many cases, employees and management may be accustomed to traditional practices and may be hesitant to embrace new approaches. This resistance can hinder the successful implementation of competency-based recruitment and training initiatives. To overcome this challenge, organizations must engage stakeholders at all levels and communicate the benefits of competency-based practices clearly. By fostering a culture of openness and collaboration, organizations can facilitate the acceptance of new practices and drive positive change.

Additionally, the contextual factors unique to Indonesia, such as regional disparities in education and skill levels, can impact the effectiveness of competency-based approaches. Organizations in urban areas may have access to a more skilled workforce, while those in rural regions may struggle to find candidates with the required competencies. This disparity highlights the need for tailored recruitment strategies that consider local labor market conditions and the availability of skilled workers.

Moreover, the literature suggests that organizations may face resource constraints in implementing competency-based practices. Developing and maintaining competency frameworks, as well as designing and delivering training programs, require significant investments in time and resources. Organizations must carefully

assess their capabilities and allocate resources effectively to ensure the successful implementation of competency-based initiatives.

Furthermore, the analysis indicates that the absence of a clear and well-defined competency framework can hinder the effectiveness of competency-based practices. Organizations must engage stakeholders, including industry experts and employees, to develop competency models that accurately reflect the skills and behaviors required for success in various positions. By establishing a robust competency framework, companies can ensure that their recruitment and training processes are aligned with organizational goals and industry standards.

Lastly, continuous evaluation and improvement of competency-based practices are essential for addressing challenges and ensuring their effectiveness. Organizations should regularly assess the impact of their recruitment and training initiatives on employee performance and make necessary adjustments based on feedback and outcomes. This iterative approach will help organizations refine their practices and enhance their overall effectiveness in developing a competent workforce.

### **Future Directions for Research and Practice**

The findings of this study highlight several important implications for future research and practice in the field of competency-based recruitment and training. One key area for further investigation is the exploration of the long-term impacts of competency-based practices on employee performance and organizational outcomes. While the current literature provides valuable insights into the immediate effects of these practices, longitudinal studies are needed to assess their sustainability and effectiveness over time.

Additionally, future research should examine the role of technology in facilitating competency-based recruitment and training. The increasing use of digital tools and platforms in recruitment processes presents an opportunity to enhance the effectiveness of competency assessments. Exploring how technology can be leveraged to streamline recruitment and training processes may yield valuable insights for organizations seeking to improve their practices.

Furthermore, the impact of organizational culture on the successful implementation of competency-based practices warrants further exploration. Understanding how different organizational cultures influence the acceptance and effectiveness of competency-based recruitment and training can provide valuable guidance for practitioners. Organizations may need to adopt tailored approaches that align with their unique cultural contexts to ensure successful implementation.

Moreover, future research should investigate the potential benefits of integrating competency-based practices with other human resource management strategies. For example, examining how competency-based recruitment and training can be aligned with performance management and career development initiatives may yield insights into creating a holistic approach to talent management.

Lastly, the literature suggests that collaboration between industry and educational institutions is crucial for addressing skill gaps in the workforce. Future research should explore effective partnerships between manufacturing companies and educational institutions to develop competency-based curricula that align with industry needs. By fostering collaboration, organizations can ensure a steady pipeline of skilled workers equipped with the competencies required for success in the manufacturing sector.

In conclusion, the analysis of the literature underscores the vital role that competency-based recruitment and training play in enhancing employee performance in Indonesian manufacturing companies. By aligning employee capabilities with organizational goals, these practices not only improve workforce effectiveness but also foster a culture of continuous improvement and adaptability. However, the successful implementation of competency-based approaches requires addressing the challenges related to awareness, education, and local labor market conditions. As Indonesian manufacturing companies continue to navigate a competitive landscape, embracing competency-based practices will be essential for driving sustainable performance improvements and achieving long-term success. The insights gained from this research provide valuable implications for practitioners and policymakers, emphasizing the need for a strategic focus on competency development to enhance employee performance in the sector.

### **CONCLUSION**

The implementation of competency-based recruitment and training significantly enhances employee performance in Indonesian manufacturing companies by ensuring that the workforce possesses the necessary skills and competencies aligned with organizational goals. This approach not only leads to improved job satisfaction and

reduced turnover rates but also fosters a culture of continuous learning and adaptability, which is crucial in the rapidly evolving manufacturing sector. By prioritizing the development of both technical and soft skills, organizations can create a more competent and engaged workforce, ultimately driving higher productivity and operational efficiency. As such, competency-based practices are essential for Indonesian manufacturing companies aiming to maintain a competitive edge in the industry.

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