

THE ROLE OF COMPENSATION, DISCIPLINE, MOTIVATION, AND WORK ETHIC IN ENHANCING EMPLOYEE PRODUCTIVITY AT PT ROYAL KORINDAH PURBALINGGA

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Abstract

This research was conducted to analyze how compensation, work discipline, work motivation, and work ethic influence employee productivity at PT Royal Korindah Purbalingga. The study involved a total workforce of 395 individuals, from which 219 participants were chosen through a proportionate stratified random sampling technique. The collected data were processed using multiple linear regression supported by SPSS software. The findings reveal that each independent variable, both individually and collectively, exerts a positive and statistically significant impact on employee productivity. The determination coefficient further indicates that a considerable share of productivity variation can be explained by these variables, while the remaining portion is affected by other elements beyond the scope of this research. These results underline that productivity enhancement depends on comprehensive human resource management efforts, particularly through equitable compensation practices, firm disciplinary implementation, reinforcement of employee motivation, and the development of strong work values. In practical terms, management is encouraged to prioritize transparent pay structures, consistent rule enforcement, motivational incentive systems, and the creation of a supportive organizational culture to optimize employee performance. For future investigations, it is suggested that additional aspects such as the work environment, workload, employee competence, career advancement opportunities, and organizational culture be incorporated to achieve a broader and more holistic understanding of productivity drivers.

Keywords: Compensation, Work Discipline, Work Motivation, Work Ethic, Work Productivity

1. INTRODUCTION

In the globalization era, business rivalry is becoming more competitive than ever. Organizations are no longer able to depend only on technological advancement; they are also required to cultivate human resources who are skilled, flexible, and committed to lifelong learning. Workers who have high enthusiasm and perseverance tend to utilize their abilities more effectively and serve as strategic assets for long-term organizational survival. Nevertheless, many employees are still unprepared to adapt to rapid changes, resulting in work being viewed as a burden that eventually diminishes motivation and performance levels. This reality underlines the urgency of implementing professional human resource management that offers constructive and ongoing direction so employees can perform more dependably, efficiently, and deliver maximum contributions. By applying sound human resource management practices, companies are expected to accomplish their core goals, such as maximizing profits,

increasing organizational value, and fostering harmonious relations between management and staff (Fauziyah et al., 2023).

Employee productivity can be understood as the output generated by workers in producing goods or delivering services through processes that are both effective and efficient. An individual is categorized as productive when assigned responsibilities are completed in accordance with established standards and within the allocated timeframe. Productivity is vital for organizational continuity because it mirrors the capability and quality of the workforce. Saleh & Utomo (2018) mention several determinants of productivity, including discipline at work, motivational drive, work ethic, and the surrounding work environment. In addition, Yusrandi (2025) highlights workload and compensation as influential elements. Referring to these viewpoints, this research concentrates on compensation, work discipline, work motivation, and work ethic as the primary variables that may shape employee productivity.

Compensation is frequently regarded as a central element that potentially impacts employee productivity (Yusrandi, 2025). It encompasses every type of reward or financial return granted by an organization to its workforce as acknowledgment of their contributions. When compensation is perceived as fair and proportional, it is assumed to strengthen motivation, loyalty, and overall job performance, which in turn enhances productivity. Empirical findings from Anisa and Santoso (2024), Yusrandi (2025), and Febriani and Karneli (2025) reveal a positive and significant relationship between compensation and productivity. On the other hand, Hasanah et al. (2025) concluded that compensation does not produce a significant effect on productivity.

Work discipline represents another variable believed to influence productivity levels (Reivaldo et al., 2023). This concept illustrates the extent to which employees adhere to organizational rules and norms, whether formally written or informally established. Research conducted by Reivaldo et al. (2023), Pratiwi et al. (2025), and Fauziyah et al. (2023) indicates that discipline contributes positively and significantly to productivity outcomes. Conversely, findings from Burhanudin et al. (2023) demonstrate that discipline does not have a meaningful impact on productivity, suggesting the presence of differing conclusions in earlier studies.

Motivation in the workplace is also recognized as a crucial driver of productivity (Fauziyah et al., 2023). It reflects an employee's internal willingness to exert substantial effort in order to satisfy personal aspirations while achieving organizational objectives. Several investigations, including those by Fauziyah et al. (2023), Pratiwi et al. (2025), and Sukmarani et al. (2024), show that motivation exerts a positive and statistically significant influence on productivity. In contrast, Reivaldo et al. (2023) reported that work motivation does not significantly affect employee productivity, again illustrating inconsistencies in prior empirical evidence.

Beyond motivation, work ethic is another dimension that may shape productivity performance (Sartika et al., 2025). Work ethic refers to the dedication, persistence, seriousness, and moral accountability demonstrated by employees while carrying out

their responsibilities (Sain et al., 2023). Studies undertaken by Sain et al. (2023), Mila et al. (2023), and Ridwan et al. (2024) affirm that work ethic positively and significantly influences productivity. However, Karauwan et al. (2024) reported opposing results, indicating that work ethic does not significantly contribute to productivity, thereby revealing additional research gaps.

Indonesia holds the position of the world's second-largest exporter of wigs and false eyelashes after China, with major export markets including the United States, Malaysia, Germany, South Korea, and the United Kingdom. One of the prominent manufacturing hubs for these products is Purbalingga Regency (Indonesia Trade Promotion Center, 2023). PT Royal Korindah Purbalingga is engaged in the false eyelash manufacturing industry and originally started as a small-scale business producing customized eyelashes for local beauty communities.

According to interviews with the management of PT Royal Korindah Purbalingga, the company has encountered a reduction in production output in recent months. This downturn is suspected to stem from various internal issues, such as less-than-optimal compensation systems, declining discipline among employees, unstable motivational levels, and inconsistent work ethics. In addition, the firm faces difficulties in preserving product quality consistency while handling increasing customized orders from international brands. These circumstances have contributed to decreased productivity and occasional delays in meeting production targets, encouraging management to reassess both production management and human resource development strategies.

Production records from May to October 2025 reveal a steady decline in output realization. Even though the achievement rate still exceeds 90 percent of the planned target, the downward trajectory signals a reduction in operational efficiency within the production process. This trend demands managerial attention so that productivity improvements can be implemented and future targets can be attained more optimally.

Moreover, earlier empirical studies examining the determinants of work productivity have generated mixed and sometimes contradictory results, highlighting the necessity for deeper exploration. Considering the existing research gaps alongside the productivity issues observed at PT Royal Korindah Purbalingga, this study is designed to investigate how compensation, work discipline, work motivation, and work ethic contribute to improving employee productivity within the company.

2. METHODOLOGY

This research applied a quantitative approach aimed at analyzing the interconnections among previously formulated variables. The participants involved in the study totaled 219 individuals who were determined through a proportionate stratified random sampling technique to ensure balanced representation. The variables examined, along with their respective indicators and measurement scales, are illustrated in Table 1 below.

Table 1. Research Variables

No.	Reseach Variables	Indicators	Scale
1.	Employee Productivity Saleh dan Utomo (2018)	a. Work quantity b. Work quality c. Timeliness d. Cooperative attitude e. Attitude toward the organization	Likert
2.	Compensation (Reivaldo dkk., 2023)	a. Salary b. Incentives c. Allowances/Benefits d. Facilities	Likert
3.	Work Discipline Saleh dan Utomo (2018)	a. Attendance frequency b. Level of alertness c. Compliance with work standards d. Compliance with work regulations e. Work ethics	Likert
4.	Work Motivation Saleh dan Utomo (2018)	a. Recognition b. Challenge c. Responsibility d. Advancement e. Involvement f. Opportunity	Likert
5.	Work Ethic Saleh dan Utomo (2018)	a. High work enthusiasm b. Diligence c. Seriousness d. Maintaining dignity and honor	Likert

All research variables were evaluated through a five–point Likert scale. The accuracy of the measurement items was examined by applying the Pearson product–moment correlation to test validity, whereas the consistency of the instruments was verified using Cronbach’s alpha reliability analysis. The dataset was then processed through multiple linear regression techniques. The panel-data regression framework applied in this study can be formulated as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Description:

Y = Employee Productivity

a = Constant

b_1, b_2, b_3, b_4 = Regression Coefficients

X_1 = Compensation

X_2 = Work Discipline

X_3 = Work Motivation

X_4 = Work Ethic

e = Error Term

Prior to interpreting the regression outcomes, several classical assumption examinations were carried out to ensure the suitability of the model, including tests of normal distribution, multicollinearity, and heteroscedasticity. After these prerequisites were satisfied, the overall model appropriateness was evaluated through the F-test, while the significance of each independent variable was analyzed using the t-test procedure.

3. FINDINGS AND DISCUSSION

The results of the instrument evaluation revealed that every questionnaire statement met the validity requirements, while the reliability assessment confirmed that the measuring tool was consistent and dependable. Furthermore, all classical assumption examinations were fulfilled appropriately. The outcomes of the multiple linear regression processing are displayed in Table 2.

Table 2. results of the multiple linear regression

No	Independent Variables	Regression coefficient values	t-values	t-statistics	Sig.
1.	Compensation	0,106	2,594	1,6520	0,010
2.	Work Discipline	0,155	3,112	1,6520	0,002
3.	Work Motivation	0,305	7,301	1,6520	0,000
4.	Work Ethic	0,460	7,053	1,6520	0,000
Constant = 0,079					
R ² = 0,605					
F-count = 81,866					

3.1 The Effect of Compensation on Employee Productivity

Employee productivity tends to increase when compensation is provided effectively because it represents a concrete form of appreciation for the time, energy, and performance employees contribute to the organization. Fair wages create a sense of financial stability, bonus schemes motivate individuals to meet or exceed set targets, benefits enhance overall well-being, and adequate workplace facilities help employees perform their duties more comfortably and efficiently. These results are consistent with the findings of Anisa and Santoso (2024), Yusrandi (2025), and Febriani and Karneli (2025), who concluded that a properly structured compensation system plays a significant role in improving employee productivity.

3.2 The Effect of Work Discipline on Employee Productivity

Employee productivity improves when strong work discipline is maintained, as it directs individuals to carry out their responsibilities in line with company policies and established standards. Consistent punctuality, obedience to operational procedures, and strict observance of workplace regulations minimize the likelihood of delays and mistakes during task execution. This outcome aligns with the conclusions of Reivaldo

et al. (2023), Pratiwi et al. (2025), and Fauziyah et al. (2023), who underline that disciplined employee conduct contributes to higher levels of effectiveness and efficiency in job performance.

3.3 The Effect Work Motivation on Employee Productivity

Employee productivity rises significantly when individuals possess strong work motivation, because motivated workers usually demonstrate higher energy, proactive behavior, and sustained commitment in carrying out their responsibilities. Sources of motivation such as appreciation for achievements, engaging and challenging assignments, entrusted responsibilities, and opportunities for personal growth stimulate employees to continuously enhance their performance. These results are in harmony with the studies of Fauziyah et al. (2023), Pratiwi et al. (2025), and Sukmarani et al. (2024), which identify motivation as an essential factor that drives productivity.

3.4 The Effect of Work Ethic on Employee Productivity

Work ethic constitutes an important factor in determining how productive employees are within an organization. Employees who demonstrate a strong work ethic generally show dedication, consistency, and a deep moral commitment to their responsibilities, which ultimately produces stable performance and high-quality results. This conclusion is supported by prior studies carried out by Sain et al. (2023), Mila et al. (2023), and Ridwan et al. (2024), all of which emphasize that the presence of a robust work ethic plays a significant role in increasing employee productivity.

4. CONCLUSION

The results of this research indicate that compensation, work discipline, work motivation, and work ethic simultaneously as well as partially have a positive influence on the productivity of employees at PT Royal Korindah Purbalingga. These outcomes reveal that efforts to enhance productivity cannot rely only on monetary incentives, but must also consider the roles of employee discipline, internal motivation, and underlying work principles. Consequently, the implementation of comprehensive human resource management that integrates equitable reward systems, firm disciplinary standards, motivational support, and the development of strong ethical values becomes crucial to maintaining stable productivity, particularly within labor-intensive manufacturing industries.

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