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The Effect of Recruitment, Work Motivation, Work Discipline, and Compensation on Employee Productivity: An Empirical Study at PT Charoen Pokphand Indonesia

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Abstract

Employee productivity is a crucial determinant of organizational performance, particularly in labor-intensive industries where operational efficiency depends on employees' performance. This study aims to examine the effects of recruitment, work motivation, work discipline, and compensation on employee productivity at PT Charoen Pokphand Indonesia. A quantitative approach with an associative research design was employed. The study involved a population of 1,100 employees, from which 296 respondents were selected using proportionate stratified random sampling based on the Slovin formula. Primary data were collected through a structured questionnaire using a five-point Likert scale and analyzed using multiple linear regression. Prior to hypothesis testing, the data satisfied the requirements of validity, reliability, normality, multicollinearity, and heteroscedasticity tests. The findings reveal that recruitment, work motivation, work discipline, and compensation each have a positive and statistically significant effect on employee productivity. Among these variables, recruitment demonstrates the strongest influence, indicating that an effective recruitment process plays a vital role in improving workforce productivity. The results suggest that organizations should enhance recruitment practices, strengthen employee motivation, reinforce work discipline, and implement equitable compensation systems to improve productivity. This study contributes to the human resource management literature by providing empirical evidence regarding the determinants of employee productivity in the agribusiness sector and offers practical recommendations for improving organizational performance.

Keywords: Recruitment, Work Motivation, Work Discipline, Compensation, Employee Productivity.

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INTRODUCTION

Human resources constitute one of the most valuable organizational assets because the achievement of corporate objectives depends not only on financial capital and technological advancement but also on employees' capabilities and performance in utilizing available resources. For this reason, effective human resource management is essential for improving organizational performance, which can be reflected through employee productivity. Employee productivity describes employees' capacity to perform their duties efficiently and effectively while meeting predetermined quality and quantity standards (Surianta & Pakpahan, 2020). Numerous studies have identified recruitment, selection, training, work motivation, and work discipline as important determinants of employee productivity (Ainun & Wairani, 2017; Arviana & Ruswidiono, 2022). In addition, compensation has also been recognized as a factor that contributes to improving employees' productivity (Surianta & Pakpahan, 2020). Drawing upon these perspectives, the present study focuses on four variables that are expected to influence employee productivity, namely recruitment, work motivation, work discipline, and compensation.

Recruitment is considered the first factor that may affect employee productivity (Arviana & Ruswidiono, 2022). It refers to the organizational process of attracting and encouraging qualified individuals whose competencies match job requirements to apply for available positions (Arviana & Ruswidiono, 2022). Previous empirical studies conducted by Arviana & Ruswidiono (2022), Wibowo (2022), Baidun et al. (2023), and Saraswati (2024) consistently reported that recruitment has a positive and significant effect on employee productivity. In contrast, the findings reported by Siregar et al. (2020) and Sjafitri et al. (2024) indicated that recruitment does not significantly influence employee productivity.

Another factor that is expected to influence employee productivity is work motivation (Ainun & Wairani, 2017). Work motivation refers to the internal drive that encourages individuals to perform their work willingly without external coercion (Ainun & Wairani, 2017). Empirical evidence from Ainun & Wairani (2017), Fauziyah et al. (2023), Melina et al. (2024), and Pratiwi et al. (2025) demonstrated that work motivation has a positive and significant effect on employee productivity. Nevertheless, Purwanti et al. (2024) found different results, concluding that work motivation has no significant effect on employee productivity.

Work discipline is another factor that is considered to influence employee productivity (Ainun & Wairani, 2017). It reflects employees' willingness to respect, comply with, and consistently adhere to organizational rules and regulations, whether formally documented or informally established. In addition, disciplined employees are expected to carry out their responsibilities properly and accept the consequences of violating the duties and authority assigned to them (Ainun & Wairani, 2017). Previous studies by Ainun

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& Wairani (2017), Fauziyah et al. (2023), Melina et al. (2024), and Pratiwi et al. (2025) found that work discipline has a positive and significant effect on employee productivity. Conversely, Burhanudin et al. (2023) reported that work discipline does not have a significant influence on employee productivity.

Compensation is another variable that is expected to contribute to employee productivity (Surianta & Pakpahan, 2020). It refers to the rewards provided by an organization in return for employees' contributions and services. Employees generally perceive their knowledge, competencies, and skills as valuable assets that justify their entitlement to appropriate compensation for the work they perform (Surianta & Pakpahan, 2020). Empirical findings reported by Surianta & Pakpahan (2020), Sugiyasin & Hawa (2022), Sitorus & Hidayat (2023), and Burhanudin et al. (2023) indicate that compensation has a positive and significant effect on employee productivity. However, Suryanti (2021) found that compensation does not significantly affect employee productivity.

PT Charoen Pokphand Indonesia is an agribusiness company, with one of its business units operating in the food division. According to interviews conducted with the management, the division has a production capacity of 4,000 chickens per hour. Nevertheless, the actual production output has not consistently achieved the predetermined target. Variations in production performance indicate differences in employee productivity that may be associated with various internal organizational factors. To illustrate the phenomenon of employee productivity within the food division, data on production targets and actual production outcomes for the January–June 2025 period are presented below.

Tabel 1. Production Performance of PT Charoen Pokphand Indonesia Food Division

No	Month	Production Target (Birds/Hour)	Actual Production (Birds/Hour)	Achievement (%)
1	January 2025	4.000	3.940	98,5
2	February 2025	4.000	3.880	97,0
3	March 2025	4.000	3.960	99,0
4	April 2025	4.000	3.904	97,6
5	May 2025	4.000	3.948	98,7
6	June 2025	4.000	3.872	96,8

Source: Human Resource Department of PT Charoen Pokphand Indonesia, Food Division

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As presented in Table 1, the company established a monthly production target of 4,000 birds per hour throughout the January–June 2025 observation period. However, the actual production output consistently remained below the expected target, with achievement rates ranging from 96.8% to 99.0%. The lowest level of production performance occurred in June 2025, when output declined to 3,872 birds per hour, representing only 96.8% of the planned target. These results suggest that employee productivity has not yet reached the level required to consistently achieve the company's production objectives, despite the division's substantial production capacity. Furthermore, previous empirical studies examining the determinants of employee productivity have produced inconsistent findings, indicating the existence of a research gap that warrants further investigation. Based on this phenomenon, the present study aims to examine the effects of recruitment, work motivation, work discipline, and compensation on employee productivity among employees of PT Charoen Pokphand Indonesia.

LITERATUR REVIEW

Employee Productivity

Employee productivity refers to an employee's ability to accomplish assigned duties efficiently and effectively while achieving the quality and quantity standards established by the organization (Surianta & Pakpahan, 2020). According to Surianta and Pakpahan (2020), employee productivity can be assessed through six indicators, namely capability, continuous improvement in work outcomes, work enthusiasm, self-development, work quality, and efficiency.

Recruitment

Recruitment is defined as a systematic organizational process aimed at identifying, attracting, and selecting prospective employees who possess the motivation, competencies, and qualifications required to fill vacant positions in accordance with the company's workforce planning (Arviana & Ruswidiono, 2022). Arviana and Ruswidiono (2022) propose three indicators for measuring recruitment, namely the recruitment basis, recruitment sources, and recruitment methods.

Work Motivation

Work motivation describes the internal driving force that encourages individuals to perform their job responsibilities voluntarily without external pressure or coercion (Ainun & Wairani, 2017). Based on Ainun and Wairani (2017), work motivation consists of five indicators, including physiological needs, safety needs, social needs, esteem needs, and self-actualization needs.

Work Discipline

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Work discipline can be understood as an individual's internal commitment that encourages employees to willingly comply with organizational decisions, workplace regulations, and ethical values governing their work behavior and responsibilities (Ainun & Wairani, 2017). Ainun and Wairani (2017) identify four indicators of work discipline: employee attendance, punctuality in working hours, timely completion of assigned tasks, and compliance with organizational rules and regulations.

Compensation

Compensation encompasses all forms of financial and non-financial rewards provided by an organization in return for the services and contributions made by employees (Surianta & Pakpahan, 2020). According to Surianta and Pakpahan (2020), compensation is measured through four indicators, namely salary, wages, incentives, and indirect compensation.

RESEARCH METHOD

This study employed a quantitative approach using an associative research design to examine the effects of recruitment, work motivation, work discipline, and compensation on the employee productivity of PT Charoen Pokphand Indonesia. The study population consisted of 1,100 employees. Based on the Slovin formula with a 5% margin of error, the minimum required sample size was 294 respondents. The respondents were selected through proportionate stratified random sampling, resulting in a final sample of 296 employees. Primary data were collected using a structured questionnaire measured on a five-point Likert scale, where 1 represented strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree.

The research instrument was evaluated through validity testing using the Pearson correlation method, while reliability was assessed using Cronbach's Alpha with a minimum acceptable coefficient of 0.70. The collected data were analyzed using multiple linear regression. Before estimating the regression model, several classical assumption tests were performed, including the Kolmogorov–Smirnov test for normality, the Tolerance value and Variance Inflation Factor (VIF) for multicollinearity, and the Glejser test for heteroscedasticity. The regression model applied in this study is expressed as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + e$$

where:

Y = employee productivity
X1 = recruitment
X2 = work motivation
X3 = work discipline

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X4 = compensation
a = constant
b = regression coefficient
e = error term

Hypothesis testing was conducted using the t-test to determine the partial effect of each independent variable on employee productivity. In addition, the F-test was employed to evaluate the overall suitability of the regression model. Furthermore, the coefficient of determination (R^2) was calculated to determine the extent to which recruitment, work motivation, work discipline, and compensation collectively explain the variation in employee productivity.

RESULT AND DISCUSSION

The validity test conducted on 30 respondents indicated that all statement items measuring employee productivity (Y), recruitment (X_1), work motivation (X_2), work discipline (X_3), and compensation (X_4) produced calculated correlation coefficients (r-count) exceeding the critical r-table value of 0.361, confirming that every questionnaire item was valid. Reliability testing further demonstrated that all research variables achieved Cronbach's Alpha coefficients above the minimum threshold of 0.70, indicating satisfactory internal consistency. The normality assessment using the Kolmogorov–Smirnov test generated an Asymp. Sig. value of 0.200, which exceeded the significance level of 0.05, suggesting that the data followed a normal distribution. Furthermore, the multicollinearity test revealed that all independent variables had Tolerance values greater than 0.10 and Variance Inflation Factor (VIF) values below 10, indicating the absence of multicollinearity. Likewise, the Glejser test showed significance values greater than 0.05 for all variables, confirming that the regression model was free from heteroscedasticity. The results of the multiple linear regression analysis are presented in Table 2.

Table 2. Multiple Linear Regression Analysis

No	Independent Variables	Regression Coefficient	t_{value}	t_{table}	Significance
1	Recruitment (X1)	0.842	8.151	1.6501	0.000
2	Work Motivation (X2)	0.494	6.829	1.6501	0.000
3	Work Discipline (X3)	0.266	5.694	1.6501	0.000
4	Compensation (X4)	0.180	2.804	1.6501	0.005
Constant	= -3.743				
R^2	= 0.606				
F_{value}	= 2.4027				

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The estimated regression model can therefore be expressed as:

$Y = -3.743 + 0.842X_1 + 0.494X_2 + 0.266X_3 + 0.180X_4 + e$

The regression equation indicates that each independent variable contributes positively to employee productivity, implying that improvements in recruitment practices, work motivation, work discipline, and compensation are associated with higher levels of employee productivity. The constant value of −3.743 suggests that employee productivity would be −3.743 if all independent variables were assumed to be zero. Among the four explanatory variables, recruitment recorded the highest regression coefficient (0.842), indicating that it exerts the strongest influence on employee productivity at PT Charoen Pokphand Indonesia.

Effect of Recruitment on Employee Productivity

The regression analysis revealed that the recruitment variable produced a regression coefficient of 0.842, indicating that improvements in recruitment practices are associated with higher levels of employee productivity. This relationship was statistically supported by a calculated t-value of 8.151, which exceeded the critical t-table value of 1.6501, along with a significance value of 0.000, which is below the 0.05 threshold. Accordingly, the proposed hypothesis is accepted, confirming that recruitment has a positive and significant effect on employee productivity. These findings suggest that implementing appropriate recruitment policies through well-defined recruitment criteria, effective recruitment sources, and suitable recruitment methods enables the company to attract applicants whose competencies match organizational requirements, thereby contributing to greater employee productivity. The findings of this study are consistent with those reported by Arviana and Ruswidiono (2022), Wibowo (2022), Baidun et al. (2023), and Saraswati (2024), all of whom concluded that recruitment has a positive and significant influence on employee productivity.

Effect of Work Motivation on Employee Productivity

The results of the multiple regression analysis indicate that work motivation has a regression coefficient of 0.494, suggesting that higher levels of employee motivation contribute to greater employee productivity. Statistical testing further supports this relationship, as the calculated t-value of 6.829 exceeds the critical t-table value of 1.6501, while the significance value of 0.000 is lower than the 0.05 significance level. These findings confirm that work motivation has a positive and statistically significant effect on employee productivity. This implies that employees who experience greater fulfillment of their physiological, safety, social, esteem, and self-actualization needs are more likely to demonstrate stronger work performance, which ultimately enhances their productivity. The findings are in line with previous studies conducted by Ainun and Wairani (2017),

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Fauziyah et al. (2023), Melina et al. (2024), and Pratiwi et al. (2025), all of which reported a positive and significant relationship between work motivation and employee productivity.

Effect of Work Discipline on Employee Productivity

The empirical findings show that the work discipline variable has a regression coefficient of 0.266, indicating that stronger work discipline is associated with higher employee productivity. This relationship is statistically significant, as evidenced by the calculated t-value of 5.694, which is greater than the critical t-table value of 1.6501, and a significance value of 0.000, which is below the accepted significance level of 0.05. Therefore, the hypothesis proposing a positive effect of work discipline on employee productivity is supported. These results imply that employees who consistently maintain good attendance, adhere to working hours, complete assigned tasks according to schedule, and comply with organizational rules are more likely to perform their responsibilities effectively, leading to improved productivity. This finding is consistent with the results reported by Ainun and Wairani (2017), Fauziyah et al. (2023), Melina et al. (2024), and Pratiwi et al. (2025), who similarly concluded that work discipline exerts a positive and significant influence on employee productivity.

Effect of Compensation on Employee Productivity

The regression results demonstrate that compensation has a regression coefficient of 0.180, indicating that better compensation packages are associated with higher levels of employee productivity. This relationship is statistically significant, as reflected by the calculated t-value of 2.804, which exceeds the critical t-table value of 1.6501, and a significance value of 0.005, which is below the 0.05 significance level. Therefore, the hypothesis stating that compensation positively influences employee productivity is accepted. These findings suggest that providing appropriate financial and non-financial rewards, including salaries, wages, incentives, and indirect compensation, can strengthen employees' enthusiasm for work and encourage them to perform more productively. Accordingly, an effective compensation system serves as an important mechanism for enhancing employee productivity. The results of this study are consistent with those reported by Surianta and Pakpahan (2020), Sugiyasin and Hawa (2022), Sitorus and Hidayat (2023), and Burhanudin et al. (2023), all of whom concluded that compensation has a positive and significant effect on employee productivity.

CONCLUSION

The findings of this study confirm that recruitment, work motivation, work discipline, and compensation each exert a positive and statistically significant influence

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on the employee productivity of PT Charoen Pokphand Indonesia. These results suggest several practical implications for the company. First, the recruitment process should be continuously improved by aligning workforce requirements with job specifications to ensure that qualified and capable employees are selected. Second, employee motivation should be strengthened by fostering harmonious relationships between supervisors and employees, promoting open communication, and encouraging effective teamwork. Third, greater attention should be given to enhancing work discipline through more effective supervision and monitoring to ensure that employees complete their assigned responsibilities within the specified deadlines. Furthermore, the company should develop a more effective compensation system, particularly by providing performance-based incentives that appropriately reflect employees' contributions and achievements, thereby encouraging higher levels of productivity. Future studies are recommended to incorporate additional explanatory variables, such as job training, work environment, job satisfaction, leadership style, and human resource development. Expanding the scope of the research to include different organizations or industries is also suggested to provide more comprehensive findings and improve the generalizability of the results.

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