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THE EFFECT OF EMPLOYEE ENGAGEMENT, WORK-LIFE BALANCE AND COMPENSATION ON EMPLOYEE PRODUCTIVITY AT PT. LESTARI ALAM SEGAR

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Abstract

This study aims to analyze and examine the effect of employee engagement, work-life balance, and compensation on employee productivity at PT. Lestari Alam Segar, both partially and simultaneously. The study is motivated by indications that employee productivity in the production division has not been optimal, allegedly influenced by low work engagement, an imbalance between work and personal life, and a compensation system that is not yet fully transparent. This research employed a quantitative approach with an associative research design. The population consisted of all permanent employees of the Production Division of PT. Lestari Alam Segar, and a saturated sampling technique (census) was applied, resulting in a sample of 92 respondents. Data were collected through a questionnaire that had been tested for validity and reliability. Data analysis techniques used were multiple linear regression analysis, t-test, F-test, and the coefficient of determination. The results show that employee engagement has a positive and significant effect on employee productivity (regression coefficient 0.288; significance 0.004). Work-life balance has a positive and significant effect on employee productivity (regression coefficient 0.305; significance 0.002) and is the most dominant variable in the model. Compensation has a positive and significant effect on employee productivity (regression coefficient 0.241; significance 0.008). Simultaneously, the three variables have a significant effect on employee productivity, with an F-count of 32.396 and a significance value of <0.001. The coefficient of determination (R Square) of 0.525 indicates that 52.5% of the variation in employee productivity can be explained by employee engagement, work-life balance, and compensation, while the remainder is explained by other factors outside this research model.

Keywords: Employee Engagement, Work-Life Balance, Compensation, Employee Productivity

INTRODUCTION

Employee productivity serves as the primary foundation for an organization's success in achieving its strategic goals. Without optimal individual productivity, any business strategy—no matter how well-designed—cannot be implemented effectively. Employee productivity is defined as the level of achievement in completing tasks set by the organization, encompassing aspects such as quantity, quality, time efficiency, and work autonomy. Within the realm of human resource management (HRM), productivity is not merely a metric for individual performance; rather, it reflects the overall quality of an organization's management system. Enhancing employee productivity is a priority for any company focused on growth and long-term business sustainability (Mathis et al., 2023). Human resource management in manufacturing companies faces increasingly complex challenges. The PwC Indonesia Workforce Hopes and Fears 2023 survey found that 52% of employees in Indonesia's manufacturing sector anticipate significant changes to their jobs due to digital transformation over the next two years, while 43% reported low to moderate levels of work engagement. This low level of engagement correlates directly with a decline in productivity and higher turnover rates.

Based on the table of employee work productivity at PT. Lestari Alam Segar for the production process of Mie Sedaap, there is a fairly consistent increase in productivity from 2020 to 2025. This growth indicates that the company has successfully enhanced workforce effectiveness in generating production output, although the productivity levels achieved have not yet fully met the ideal targets set by the company.

In 2020, the total production reached 3,912,000 cartons with a production workforce of 163 employees, resulting in a productivity rate of 24,000 cartons per employee per year. Subsequently, in 2021, productivity rose to 25,000 cartons per employee per year, alongside an increase in total production to 4,074,000 cartons. This improvement in productivity reflects better work efficiency and more effective utilization of production resources. In 2022, work productivity increased further to 26,000 cartons per employee per year, with a total production of 4,237,000 cartons. By 2023, productivity reached 27,491 cartons per employee per year. This rise indicates that the company has become increasingly capable of optimizing employee performance to generate higher output without increasing the size of the production workforce.

The upward trend in productivity continued through 2024 and 2025. In 2024, work productivity reached 28,994 cartons per employee per year, with a total production of 4,726,000 cartons.

Furthermore, in 2025, labor productivity increased to 30,497 cartons per employee per year, with total production reaching 4,971,000 cartons. This achievement demonstrates that the company has successfully increased production output on a sustainable basis through more effective and efficient utilization of its workforce. Overall, the labor productivity at PT. Lestari Alam Segar during the 2020–2025 period shows a positive trend. Nevertheless, the company must continue to pursue various initiatives to further enhance productivity, such as developing employee competencies through training, strengthening work discipline, optimizing the use of technology and production machinery, and providing motivation and performance-based rewards. Overall, the pre-survey results indicate that employee engagement at PT. Lestari Alam Segar is reasonably good, as the responses are predominantly "agree" or "strongly agree." However, the presence of some respondents who selected "disagree" or "strongly disagree" suggests that a portion of the workforce lacks optimal work enthusiasm, dedication, and a deep sense of connection to their roles. This situation is likely influenced by factors such as heavy workloads, pressure to meet production targets, and variations in individual motivation levels and commitment to the company. Consequently, the company should enhance initiatives aimed at strengthening employee engagement to ensure continued growth in employee productivity.

While the overall level of employee engagement at PT. Lestari Alam Segar is considered fairly good—evidenced by the prevalence of "agree" and "strongly agree" responses across all indicators—there remain specific areas for improvement. In particular, aspects such as consistent energy levels, pride in one's work, and the ability to maintain full concentration on tasks could be bolstered to achieve a more optimal level of engagement. A second factor identified as influencing employee productivity is work-life balance—the ability of employees to harmoniously manage the demands of their professional responsibilities alongside their personal lives. Overall, the pre-survey results indicate that the work-life balance of employees at PT. Lestari Alam Segar is reasonably good, though not yet fully optimal. This is evidenced by the fact that some respondents expressed disagreement or strong disagreement with certain indicators—specifically regarding their satisfaction with their work-life balance and the extent to which work interferes with their personal lives. Such findings suggest that the company needs to further improve policies that support a healthy work-life balance, which would, in turn, enhance both employee well-being and productivity.

While the pre-survey results show that employees' work-life balance generally falls into a "reasonably good" category—particularly concerning time management, emotional involvement, and job satisfaction—there remains evidence of work-related interference with employees' personal lives. These preliminary findings serve as a crucial foundation for further research into the factors influencing employee work-life balance, such as workload, flexibility in working hours, organizational support, and the corporate work environment. Overall, the pre-survey results indicate that the compensation variable at PT. Lestari Alam Segar is not yet optimal. This is evident from the prevalence of "disagree" and "strongly disagree" responses across nearly all indicators. Such findings suggest that some employees feel the compensation they receive—whether financial or non-financial—does not fully meet their expectations. Consequently, the company needs to evaluate and improve its compensation system to enhance job satisfaction and employee engagement, which will ultimately lead to increased work productivity.

Although the variables of employee engagement, work-life balance, and compensation have been extensively researched individually, studies that integrate all three simultaneously—specifically within the context of beverage manufacturing companies in Indonesia—remain very limited. Research by Ramadhan & Surya (2022), conducted within the manufacturing sector in Central Java, analyzed only two variables—compensation and productivity—without incorporating indicators for employee engagement or work-life balance. Similarly, a study by Putri et al. (2023) on work-life balance and productivity in the FMCG industry did not account for the role of compensation within that relationship. Furthermore, no research has yet been identified that specifically examines

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these three variables concurrently with PT. Lestari Alam Segar as the subject of study. Based on the background information provided above, several issues have been identified at PT. Lestari Alam Segar:

1. The employee absenteeism rate in the production division of PT. Lestari Alam Segar averages 8.2% per month, exceeding the company's tolerance threshold of 5%, which indicates a low level of employee commitment and engagement toward their work.
2. While employee productivity in the production process of "Mie Sedaap" at PT. Lestari Alam Segar has shown an upward trend annually between 2020 and 2025, it has yet to reach the ideal targets set by the company. Consequently, there is a need to identify the factors influencing employee productivity.
3. The average time required to resolve internal customer complaints is 4.3 working days, which surpasses the company's maximum standard of 2 working days, reflecting a lack of responsiveness and suboptimal work quality among employees.
4. Low levels of employee engagement, evidenced by a lack of initiative in independently resolving work-related problems and insufficient active participation in achieving company targets.
5. An imbalance between work and personal life, resulting from a three-shift system and a high frequency of overtime during peak seasons, which negatively impacts employees' personal and family lives.
6. Approximately 73.3% of the employees interviewed at PT. Lestari Alam Segar stated that their current compensation does not adequately reflect their workload or their actual contributions to the company.
7. The absence of a structured and transparent productivity-based incentive system for production-level operators, which diminishes their motivation to perform beyond the established minimum standards.

LITERATURE REVIEW

Employee Productivity

Mathis et al. (2023) define employee productivity as the extent to which organizational members contribute to the achievement of organizational goals, measured through indicators such as the quantity and quality of output, timeliness, workplace attendance, and a cooperative attitude. Productivity is not merely the final result achieved; it also encompasses the processes and work behaviors that employees exhibit while carrying out their tasks and responsibilities. Furthermore, Rivai & Sagala (2021) assert that productivity is the tangible behavior displayed by each employee, manifesting as work performance generated in accordance with their role within the company. Additionally, Mangkunegara (2022) defines employee productivity as the quality and quantity of work results achieved by an employee in the execution of tasks aligned with their assigned responsibilities.

Employee Engagement

According to Syihabudhin & Pristiwiana (2020), employee engagement is a form of emotional and intellectual commitment by employees toward their company. Employee engagement is one of the most extensively studied concepts in contemporary human resource management literature. Schaufeli & Bakker (2023) define employee engagement as a positive, fulfilling, work-related state of mind, characterized by vigor, dedication, and absorption. Harter et al. (2022) define engaged employees as those who are involved, enthusiastic, and committed to their work and their workplace.

Work Life Balance

Work-life balance is a concept that relates to an individual's ability to fulfill both professional and non-professional commitments harmoniously, without experiencing conflicts that disrupt either domain. This concept evolved from research on "work-family conflict," a topic first introduced by Greenhaus et al. (2022). Haar et al. (2022) define work-life balance as the level of satisfaction an individual derives from their ability to simultaneously fulfill roles both at work and outside of the workplace. Greenhaus et al. (cited in Noe et al., 2022) define work-life balance as the extent to which an individual feels equally engaged in and satisfied with both their work roles and their family roles.

Compensation

According Dessler (2023) defines compensation as all forms of payment or rewards provided to employees arising from their employment, which include salaries, benefits, and various other types of rewards. According to Nursaifah & Sari (2026), compensation is a form of remuneration provided by a company to its employees in exchange for the performance of tasks, duties, and responsibilities assigned to them in pursuit of organizational goals.

Mathis et al. (2023) categorize compensation into two primary types: direct compensation—consisting of base salary, wages, bonuses, and productivity-based incentives—and indirect compensation, or benefits.

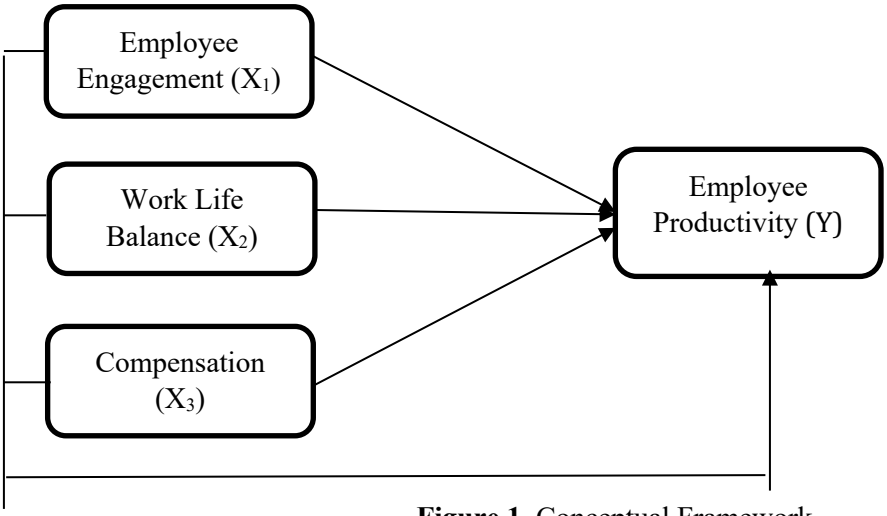


Figure 1. Conceptual Framework
Source: Researcher (2026)

The research hypotheses are:

1. Employee engagement has a positive and significant effect on employee productivity at PT. Lestari Alam Segar.
2. Work-life balance has a positive and significant effect on employee productivity at PT. Lestari Alam Segar.
3. Compensation has a positive and significant effect on employee productivity at PT. Lestari Alam Segar.
4. Employee engagement, work-life balance, and compensation, when considered simultaneously, have a positive and significant effect on employee productivity at PT. Lestari Alam Segar.

METHOD

The research approach used an associative approach, with a quantitative method. This research was conducted at PT. Lestari Alam Segar, located in Sampali, Percut Sei Tuan District, Deli Serdang Regency, North Sumatra 20371—a company operating in the food and beverage processing industry. This location was selected because PT. Lestari Alam Segar has a sufficient number of employees to serve as the research subject and is highly relevant for studying employee engagement, work-life balance, compensation, and employee productivity, given that the processing industry demands high productivity and optimal human resource management. The study was carried out over a period of approximately four (4) months, from April 2026 to July 2026. The research population consists of 92 (ninety-two) permanent employees working within the specific unit under study: the Production Division of PT. Lestari Alam Segar. Given the relatively small population size (fewer than 100 individuals), this study employs a saturated sampling technique (total sampling/census), in which the entire population is included as the research sample. Consequently, the total sample for this study comprises 92 respondents—all of the permanent employees at PT. Lestari Alam Segar. Data analysis was performed using SPSS version 25.

RESULTS AND DISCUSSION

Results

Validity and Reliability Test

Table 1. Validity Test Results Employee Productivity, Employee Engagement, Work Life Balance, Compensation

Statement Items	r-count	r-table	Description
EP1	0,716	0,361	Valid
EP2	0,752	0,361	Valid
EP3	0,580	0,361	Valid
EP4	0,669	0,361	Valid
EP5	0,663	0,361	Valid
EP6	0,580	0,361	Valid
EP7	0,633	0,361	Valid
EP8	0,724	0,361	Valid
EP9	0,653	0,361	Valid
EP10	0,721	0,361	Valid
EE1	0,597	0,361	Valid
EE2	0,716	0,361	Valid
EE3	0,729	0,361	Valid
EE4	0,775	0,361	Valid
EE5	0,822	0,361	Valid
EE6	0,746	0,361	Valid
EE7	0,798	0,361	Valid
EE8	0,752	0,361	Valid
EE9	0,654	0,361	Valid
EE10	0,769	0,361	Valid
WLB1	0,756	0,361	Valid
WLB2	0,738	0,361	Valid
WLB3	0,741	0,361	Valid
WLB4	0,757	0,361	Valid
WLB5	0,641	0,361	Valid
WLB6	0,655	0,361	Valid
WLB7	0,638	0,361	Valid
WLB8	0,753	0,361	Valid
WLB9	0,719	0,361	Valid
WLB10	0,641	0,361	Valid
C1	0,533	0,361	Valid
C2	0,792	0,361	Valid
C3	0,688	0,361	Valid
C4	0,615	0,361	Valid
C5	0,671	0,361	Valid
C6	0,590	0,361	Valid
C7	0,816	0,361	Valid
C8	0,559	0,361	Valid
C9	0,647	0,361	Valid
C10	0,673	0,361	Valid

Sources: SPSS versi 25 (2026)

Based on Table 1, the results of the validity test above show that all statement items are > r table 0.361, so they are hereby declared valid/legitimate.

Table 2. Reliability Test Results Employee Productivity, Employee Engagement, Work Life Balance, Compensation

Variable	Cronbach Alpha	Provision	Description
Employee Productivity	0,855	0,60	Reliable
Employee Engagement	0,903	0,60	Reliable
Work Life Balance	0,883	0,60	Reliable
Compensation	0,853	0,60	Reliable

Sources: SPSS versi 25 (2026)

It is known that the Cronbach's alpha value for all research variables of employee productivity, employee engagement, work life balance, compensation is > 0.60, so it can be said that the results of the reliability test for all variables are reliable.

Table 3. Results of the One Sample Kolmogorov Normality Test

Description	Value
N	92
Mean	0.0000000
Std. Deviation	3.14238915
Absolute	0.086
Positive	0.066
Negative	-0.086
Test Statistic	0.086
Asymp. Sig. (2-tailed)	0.086

Sources: SPSS versi 25 (2026)

It is known that the asymp. sig. (2-tailed) value is 0.086 > 0.05 significance value so it can be concluded that the data tested is normally distributed.

Table 4. Gletsjer Test Results

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	6.505	3.448		1.887	.062
Employee Engagement	.288	.096	.297	2.998	.004
Work Life Balance	.305	.094	.321	3.240	.002
Compensation	.241	.088	.243	2.730	.008

Sources: SPSS versi 25 (2026)

The significance values are 0.081 for Employee Engagement, 0.831 for Work-Life Balance, and 0.620 for Compensation. Since all significance values are greater than 0.05, the model is considered free from heteroscedasticity. The scatterplot also shows that the residual points are distributed above and below the zero line without forming any discernible pattern

Table 5. Multicollinearity Test Results

Variable	B	Std. Error	Beta	t	Sig.	**Tolerance**	**VIF**
(Constant)	6.505	3.448		1.887	.062		
Employee Engagement	.288	.096	.297	2.998	.004	.551	1.813
Work Life Balance	.305	.094	.321	3.240	.002	.550	1.817
Compensation	.241	.088	.243	2.730	.008	.679	1.472

Sources: SPSS versi 25 (2026)

It is known that the results of the multicollinearity test for the employee engagement, work life balance and compensation variables have a tolerance value of > 0.10 and VIF < 10, so this study is declared free from multicollinearity problems.

Table 6. Multiple Linear Tegression Test Results

Variable	**B**	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	6.505	3.448		1.887	.062		
Employee Engagement	.288	.096	.297	2.998	.004	.551	1.813
Work Life Balance	.305	.094	.321	3.240	.002	.550	1.817
Compensation	.241	.088	.243	2.730	.008	.679	1.472

Sources: SPSS versi 25 (2026)

Y = 6.505 + 0.288X1 + 0.305X2 + 0.241X3 + e

Note:
Y = Employee Productivity
X1 = Employee Engagement
X2 = Work-Life Balance
X3 = Compensation

The constant of 6.505 represents the predicted value of Y when Employee Engagement, Work-Life Balance, and Compensation are all zero. An Employee Engagement coefficient of 0.288 indicates that for every one-unit increase in Employee Engagement—assuming Work-Life Balance and Compensation remain constant—Employee Productivity will increase by 0.288 units. A Work-Life Balance coefficient of 0.305 indicates an increase in Employee Productivity of 0.305 units for every one-unit increase in Work-Life Balance, while a Compensation coefficient of 0.241 indicates an increase in Employee Productivity of 0.241 units for every one-unit increase in Compensation, assuming the other independent variables remain constant.

Table 7. Partial Test Results (t-Test)

Variable	B	Std. Error	Beta	**t**	**Sig.**	Tolerance	VIF
(Constant)	6.505	3.448		1.887	.062		
Employee Engagement	.288	.096	.297	2.998	.004	.551	1.813
Work Life Balance	.305	.094	.321	3.240	.002	.550	1.817
Compensation	.241	.088	.243	2.730	.008	.679	1.472

Sources: SPSS versi 25 (2026)

Based on the table above, the results of the partial test (t-test) can be explained as follows:

1. Employee Engagement Variable (X1)
   The Employee Engagement variable (X1) has a t-calculated value of 2.998, which is greater than the t-table value of 1.987, with a significance value (Sig.) of 0.004, which is less than 0.05. Furthermore, the regression coefficient is 0.288, indicating a positive influence. Consequently, H0 is rejected and H1 is accepted, meaning that Employee Engagement (X1) has a positive and significant effect on Employee Productivity (Y). This indicates that a higher level of employee engagement—both toward their work and the company—leads to an increase in Employee Productivity.
2. Work-Life Balance Variable (X2)
   The Work-Life Balance variable (X2) has a t-calculated value of 3.240, which is greater than the t-table value of 1.987, with a significance value (Sig.) of 0.002, which is less than 0.05. The regression coefficient is 0.305, indicating a positive influence. Consequently, H0 is rejected and H2 is accepted, meaning that Work-Life Balance (X2) has a positive and significant effect on Employee Productivity (Y). This indicates that a better balance between work life and personal life, as perceived by employees, leads to an increase in Employee Productivity.
3. Compensation Variable (X3)
   The Compensation variable (X3) has a t-calculated value of 2.730, which is greater than the t-table value of 1.987, with a significance value (Sig.) of 0.008, which is less than 0.05. The regression coefficient is 0.241, indicating a positive influence. Consequently, H0 is rejected and H3 is accepted, meaning that Compensation (X3) has a positive and significant effect on Employee Productivity (Y). This indicates that the better the compensation a company provides to its employees, the higher the employees' productivity will be.

Table 8. Simultaneous Test Results (F Test)

Model	Sum of Squares	df	Mean Square	**F**	**Sig.**
Regression	992.400	3	330.800	32.396	.000[b]
Residual	898.589	88	10.211		
Total	1890.989	91			

Sources: SPSS versi 25 (2026)

Based on the above, The F-test results indicate an F-calculated value of 32.396. With 92 respondents and 3 independent variables, the degrees of freedom are df1 = 3 and df2 = 88. At a 5% significance level (α = 0.05), the F-table value is 2.71. Since the F-calculated value of 32.396 is greater than the F-table value of 2.71, and the significance level is < 0.001 (which is less than 0.05), the null hypothesis (H0) is rejected and H4 is accepted. Consequently, it can be concluded that Employee Engagement (X1), Work-Life Balance (X2), and Compensation (X3) simultaneously have a significant effect on Employee Productivity (Y).

Table 9. Results of the Coefficient of Determination test

Model	R	R Square	**Adjusted R Square**	Std. Error of the Estimate
1	.724[a]	.525	.509	3.196

Sources: SPSS versi 25 (2026)

Based on the results of the coefficient of determination test shown in Table 9, The Adjusted R-squared value is 0.509. This indicates that the variables Work-Life Balance, Employee Engagement, and Compensation, taken together, are able to explain 50.9% of the change or variation in Employee Productivity. The remaining 49.1% is influenced or explained by other variables not included in the research model.

Discussion

The Effect Employee Engagement on Employee Productivity

Based on the partial test results (t-test), the Employee Engagement variable (X1) has a calculated t-value of 2.998 with a significance level of 0.004. Since the significance level of 0.004 is less than 0.05, it can be concluded that Employee Engagement has a positive and significant effect on employee productivity at PT. Lestari Alam Segar. Furthermore, the regression coefficient for Employee Engagement is 0.288, indicating that for every one-unit increase in Employee Engagement—assuming the variables of Work-Life Balance and Compensation remain constant—employee productivity will increase by 0.288 units. A standardized beta value of 0.297 also confirms that Employee Engagement contributes positively to employee productivity. These findings are consistent with the research of Gede & Huluka (2024), which examined the impact of Employee Engagement on organizational performance, demonstrating that Employee Engagement plays a crucial role in enhancing organizational performance.

Conceptually, employee engagement serves as a mechanism linking the psychological state of employees to the achievement of organizational outcomes. When employees possess a high level of engagement, they tend to demonstrate greater commitment, motivation, and contribution toward their work. Additionally, research published by Imam et al. (2023) further supports the link between Employee Engagement and performance. That study, which utilized data from 249 employee-supervisor pairs in the automotive sector, highlighted the importance of supervisor support, internal communication, and Employee Engagement in improving performance. These findings suggest that engagement does not exist in isolation but can be strengthened through leadership support and effective organizational communication. This is relevant to PT. Lestari Alam Segar, as enhancing Employee Engagement within the Logistics Division can be facilitated through clear communication, the provision of feedback, and managerial support in resolving work-related challenges.

The Effect Work Life Balance on Employee Productivity

Based on the partial test (t-test) results, the Work-Life Balance variable (X2) yielded a calculated t-value of 3.240 with a significance level of 0.002. Since this significance value is less than 0.05, it can be concluded that Work-Life Balance has a positive and significant effect on employee productivity at PT. Lestari Alam Segar. A regression coefficient of 0.305 indicates that for every one-unit increase in Work-Life Balance—assuming other variables remain constant—employee productivity will increase by 0.305 units. Furthermore, the standardized beta coefficient of 0.321 is the highest among the variables (surpassing Employee Engagement and Compensation),

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identifying Work-Life Balance as the variable with the strongest relative influence within this research model. These findings are consistent with the study by Wijaya and Putri (2022) on a manufacturing company in Surabaya, which found that Work-Life Balance has a positive and significant impact on employee productivity (t-value = 4.87; significance = 0.000). Additionally, research by Pratiwi and Wulandari (2023) found that both Work-Life Balance and Compensation have a positive and significant effect on employee performance, both partially and simultaneously.

Consequently, these results reinforce previous research suggesting that an employee's ability to maintain a balance between their professional and personal lives is a crucial factor in enhancing work outcomes. These findings also align with the study by Mutiara and Rulianti (2026), which examined Employee Engagement, Work-Life Balance, and workforce productivity among manufacturing employees in Indonesia. That study indicated that Work-Life Balance is a key factor linked to workforce productivity within a manufacturing environment. This finding is relevant to the present study, as both position productivity as an outcome within the context of manufacturing work. Manufacturing environments are characterized by performance targets, operational demands, and the need to maintain consistent productivity; consequently, work-life balance emerges as a crucial aspect of human resource management.

This study's findings are supported by research from Nugraha & Rukhviyanti (2024), which analyzed the impact of work engagement and work-life balance on work productivity. Their results indicate that work-life balance does indeed influence work productivity. These findings suggest that an employee's ability to maintain a balance between their professional and personal life helps create conditions that foster productivity. Although the context of that study differs from that of PT. Lestari Alam Segar, the results reinforce the argument that work-life balance is a human resource factor linked to employee productivity.

The Effect Compensation on Employee Productivity

The partial test results indicate that the Compensation variable (X3) has a calculated t-value of 2.730, with a significance level of 0.008. Since the significance value of 0.008 is less than 0.05, it can be concluded that Compensation has a positive and significant effect on employee productivity at PT. Lestari Alam Segar. A regression coefficient of 0.241 suggests that a one-unit increase in Compensation will lead to a 0.241-unit increase in employee productivity, assuming the variables of Employee Engagement and Work-Life Balance remain constant. The standardized beta value of 0.243 indicates that Compensation contributes positively to productivity, although its relative influence is lower than that of Work-Life Balance and Employee Engagement. These findings are consistent with the research of Harianto and Dewi (2022) at PT Indofood Sukses Makmur Tbk., which found that Compensation has a positive and significant impact on employee performance, with a t-value of 6.23 and a significance level of 0.001. This is further supported by the study of Saragih and Lubis (2024), which found that Employee Engagement, Compensation, and Work Motivation all have a positive and significant effect on employee performance, with Compensation emerging as the most dominant variable. Consequently, the results from PT. Lestari Alam Segar reinforce the evidence that compensation serves as a crucial instrument for driving employee productivity. This relationship is particularly relevant within the Production Division of PT. Lestari Alam Segar, as production tasks are closely linked to the achievement of targets, product quality, timeliness, discipline, and consistency in work execution.

Employees who feel that their contributions are appropriately rewarded are more motivated to maintain their level of work performance. Compensation that aligns with job demands and responsibilities can also strengthen the perception of organizational justice, thereby encouraging employees to contribute optimally. These results are consistent with the study by Wibowo & Prasetyo (2022), which indicates that compensation influences employee productivity. The study explains that compensation is a key factor in enhancing motivation and productivity, as employees evaluate the alignment between their contributions and the rewards they receive. This finding supports the results from the study at PT. Lestari Alam Segar, which suggest that improved compensation can drive an increase in workforce productivity. Research by Rizki et al (2025) also demonstrates the impact of compensation on employee productivity. The findings indicate that compensation can serve as a factor that motivates employees to increase their effort and improve their work outcomes. These findings are relevant to the present study, as productivity in an operational work environment is closely linked to employee motivation to achieve the work targets established by the organization.

The Effect Employee Engagement, Work Life Balance and Compensation on Employee Productivity

Based on the simultaneous test (F-test) results, an F-statistic of 32.396 was obtained, with a significance value of < 0.001. Since this significance value is less than 0.05, it can be concluded that Employee Engagement, Work-Life Balance, and Compensation have a simultaneous, positive, and significant effect on employee productivity at PT. Lestari Alam Segar. Consequently, the fourth hypothesis of this study is accepted. These results indicate that employee productivity is not influenced by a single factor alone, but rather emerges from the interaction between employee engagement, work-life balance, and the compensation system. This finding is supported by previous research by Pratiwi and Wulandari (2023), which found that Work-Life Balance and Compensation have a positive and significant impact on employee performance, both individually and simultaneously. Furthermore, studies cited in the literature review suggest that Employee Engagement, Work-Life Balance, and Compensation are significant predictors of employee work outcomes. Specifically, research by Johari et al. (2024) demonstrates that these three variables simultaneously exert a positive influence on employee productivity by enhancing motivation, commitment, job satisfaction, and the effectiveness of task execution.

The findings regarding Employee Engagement are also consistent with those of Corbeanu and Iliescu (2023), who, through a meta-analysis of 174 studies, identified a positive relationship between work engagement and job performance. These results provide empirical support for the notion that an employee's engagement in their work is linked to better performance outcomes. Thus, Employee Engagement can be considered a crucial component in any model aimed at improving employee productivity.

Meanwhile, research by Islam et al. (2025) also indicates a positive relationship between Employee Engagement and worker productivity. Utilizing data from 401 workers, the study found that Employee Engagement has a positive impact on worker productivity. These findings support the results of this study, indicating that employee engagement is an important mechanism that can link employees' psychological states to work productivity.

CONCLUSION

Research on the influence of price perception, word of mouth, and customer experience on consumer satisfaction can yield the following conclusions:

1. Employee engagement has a positive and significant effect on employee productivity, with a regression coefficient of 0.288, a calculated t-value of 2.998, and a significance level of 0.004.
2. Work-life balance has a positive and significant effect on employee productivity, with a regression coefficient of 0.305, a standardized beta of 0.321, a calculated t-value of 3.240, and a significance level of 0.002.
3. Compensation has a positive and significant effect on employee productivity, with a regression coefficient of 0.241, a standardized beta of 0.243, a calculated t-value of 2.730, and a significance level of 0.008.
4. Employee engagement, work-life balance, and compensation, when considered simultaneously, have a significant effect on employee productivity, with a calculated F-value of 32.396 and a significance level of <0.001.

Based on the discussion and conclusions of this study, the following recommendations are provided:

1. PT. Lestari Alam Segar should maintain and enhance work-life balance, as it is the variable with the strongest influence on employee productivity. This can be achieved by managing workloads, work schedules, break times, and overtime in a balanced and proportionate manner.
2. The company should foster greater employee engagement through effective communication, the provision of appreciation and feedback, and the involvement of employees in resolving production-related issues.
3. The company should maintain a fair compensation system—aligned with job demands and responsibilities—to effectively support employee productivity.
4. Future researchers are encouraged to incorporate additional variables, such as leadership, motivation, competence, work environment, or workload, given that 47.5% of the factors influencing employee productivity remain unaccounted for by the current model.

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