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The Impact of Key Performance Indicators and Work Discipline on Employee Performance

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Abstract

This research is motivated by the decline in production target achievement at the Production Division of PT Bonecom Tricom, which indicates the need for improvements and the implementation of Key Performance Indicators (KPI) as well as the enhancement of employee discipline. The purpose of this study is to identify and analyze the effect of KPI and work discipline on employee performance, both simultaneously and partially. This study employs a quantitative method with an explanatory research approach, and data collected through questionnaires distributed to 40 respondents in the Production Department. The data analysis was conducted using validity and reliability tests, multiple linear regression, t-test, F-test, and the coefficient of determination with the assistance of SPSS version 25. Based on the results of the partial hypothesis test, it shows that key performance indicators affect employee performance, and work discipline also affects employee performance. Meanwhile, the results of the simultaneous hypothesis test show that key performance indicators and work discipline simultaneously affect employee performance. This study confirms that the company's success in achieving production targets highly depends on the consistent implementation of clear KPI and strong employee discipline.

Keywords: Key Performance Indicator; Work Discipline; Employee Performance.

1. INTRODUCTION

Manufacturing industries play a crucial role in Indonesia's economic growth by enhancing national productivity and global competitiveness. To remain competitive, manufacturing companies must continuously innovate, adopt advanced technologies, and strengthen their human resources. Human resources are a critical organizational asset because employee performance directly influences the effectiveness of other organizational resources, including capital and technology. Therefore, effective human resource management is essential to achieving organizational objectives and maintaining sustainable business performance.

Employee performance is a key determinant of organizational success and can be measured through the achievement of work targets and responsibilities. To ensure optimal performance, employees must clearly understand their duties, responsibilities, and expected outcomes. One of the most widely used performance management tools is the Key Performance Indicator (KPI), which provides measurable standards for evaluating employee contributions toward organizational goals. Well-designed KPIs help align individual, departmental, and organizational objectives, enabling employees to focus their efforts on activities that support the company's strategic direction.

In addition to performance measurement systems, work discipline is considered an important factor influencing employee performance. Work discipline reflects employees' commitment to organizational rules, procedures, and responsibilities. Employees with high levels of discipline tend to perform tasks more consistently, comply with established standards, and achieve targets more effectively. Furthermore, discipline contributes to the creation of a professional and productive work environment, allowing organizations to improve operational efficiency and overall performance. The combination of clear performance indicators and strong work discipline is therefore expected to enhance employee productivity and organizational effectiveness.

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PT Bonecom Tricom, a manufacturing company operating in the automotive industry, has experienced significant growth in production activities over the past five years. However, despite increasing production targets, the company's Production Department has faced challenges in achieving its expected performance levels in recent years. To address this issue, the company has implemented a KPI system to monitor and evaluate performance outcomes. Nevertheless, the KPI implementation process is still under development, particularly at the employee level, where performance monitoring and evaluation mechanisms have not yet been fully established. Preliminary assessment results indicate that a considerable proportion of employees still perform below the desired standards.

Observations and interviews conducted within the Production Department revealed that employee behavioral factors, particularly work discipline and attendance, remain areas of concern. Internal data showed relatively low scores for discipline-related indicators and a notable level of employee absenteeism and tardiness. These findings suggest that work discipline may significantly influence employee performance and the achievement of KPI targets. Therefore, this study aims to examine the effect of Key Performance Indicators and work discipline on employee performance in the Production Department of PT Bonecom Tricom, providing insights that may support future organizational improvement efforts.

2. LITERATURE REVIEW AND RESEARCH FRAMEWORK

2.1 Theoretical Background

In an organizational context, employee performance refers to the degree to which individuals or groups achieve assigned tasks and responsibilities in accordance with predetermined standards, objectives, and performance indicators. According to Anwar (2020), as cited in Hidayat and Perkasa (2024), the concept of performance originates from the notion of job performance or the actual achievements attained by an individual in carrying out their work. Similarly, Gomes (2001), as cited in Vallennia et al. (n.d.), defines performance as a record of outcomes generated from activities performed in line with an individual's functions and responsibilities within a specified period. Therefore, performance should not be viewed merely as the final outcome of an activity; rather, it also reflects the extent to which work processes are carried out systematically, effectively, and efficiently to achieve organizational goals.

Key Performance Indicators (KPI) are widely recognized as an essential management tool used to measure the extent to which individuals, teams, or organizations achieve their predetermined strategic objectives. According to Arini (2015), KPI serve as a business instrument for monitoring and controlling performance, enabling organizations to identify deviations from expected outcomes and implement corrective actions to ensure the achievement of desired performance levels. Similarly, Nur'aini (2019), as cited in Khoirunnisaa and Angela (2024), defines KPI as measurable performance indicators that are used to evaluate success at both the individual and organizational levels. Beyond serving as quantitative measures, KPI functions as a comprehensive performance evaluation mechanism that provides valuable information for managerial decision-making. In this regard, KPI are not merely formal metrics or statistical figures; rather, they offer meaningful insights into organizational performance and progress toward strategic goals. This perspective is supported by Wicaksono and Sari (2010), as cited in Haholongan (2022), who describe KPI as a performance reporting system through which employees communicate their work outcomes to management, allowing organizations to assess whether established targets and objectives have been successfully achieved.

Consequently, KPI plays a critical role in aligning employee performance with organizational goals and supporting continuous performance improvement. Work discipline is a fundamental aspect of the workplace that plays a crucial role in shaping employees' attitudes, behaviors, and performance. In general, work discipline can be defined as an individual's commitment, obedience, and awareness in adhering to organizational rules, norms, and work standards. According to Handoko (2001), as cited in Sinambela (2016), discipline refers to an individual's willingness, arising from self-awareness, to comply with the regulations established by an organization. Similarly, Nitisemita (1992), as cited in Vallennia et al. (n.d.), defines work discipline as attitudes, behaviors, and actions that are consistent with both written and unwritten organizational regulations.

Furthermore, Sutrisno (2017) describes discipline as an attitude of respect embedded within employees that encourages them to voluntarily adapt to and comply with organizational policies and regulations. These definitions suggest that work discipline extends beyond mere compliance with rules; it reflects an individual's internal commitment to maintaining professional conduct and fulfilling organizational expectations. Consequently, a high level of work discipline is essential for fostering a productive work environment and supporting the achievement of organizational goals.

2.2 Literature Review

The literature on performance management positions Key Performance Indicators (KPIs) as practical instruments for translating organizational objectives into measurable employee-level expectations. Soemohadiwidjojo (2015) defines KPIs as measures that help organizations monitor, control, and ensure the achievement of expected performance, while Gabcanova (2012) argues that HR-related KPIs can connect people-management activities with strategic objectives.

In this sense, KPIs are not merely administrative targets; they function as a mechanism through which employees understand the targets to be achieved, the criteria used to assess their work, and the time frame within which performance must be delivered. Effective KPI indicators must be identified carefully and aligned with organizational strategy. Drawing on Soemohadiwidjojo (2015), KPIs should meet the SMART-C criteria: specific, measurable, attainable or realistic, relevant, time-bound, and challenging. In the present study, the employee-level KPI construct is operationalized through five core dimensions that are directly relevant to the company's performance assessment practice: specificity, measurability, realism, relevance, and time-bound targets. These dimensions are especially important in a production department because employees' work must be directed toward clear output standards, objectively measurable results, achievable targets, job-related indicators, and deadlines that support production schedules.

Previous empirical studies relevant to this study generally support the positive relationship between KPI implementation and employee performance. Asmoro and Nazar (2024) found that KPIs and management control systems had significant partial and simultaneous effects on employee performance at Bank MNC. Khoirunnisaa, Suroso, and Angela (2024) reported that KPI assessment and organizational culture significantly influenced employee performance at PT Tongwei Indonesia, explaining 89.0% of the variation in performance. In a production context, Sholikha and Pujianto (2023) found that KPI-based performance appraisal improved employee performance, production output, and target achievement. Haholongan et al. (2022) likewise found that KPIs influenced employee performance in a home-appliance company. These findings suggest that KPI systems can improve employee performance by clarifying standards, strengthening accountability, and providing a basis for evaluation and corrective action.

Work discipline is also relevant because KPI achievement depends not only on the existence of performance targets but also on employees' consistency in following rules, procedures, attendance requirements, and assigned responsibilities. Vallennia, Atikah, and Azijah (2021) found that work discipline had a positive and significant effect on employee performance at PT Sinar Sosro Rancaekek. Hidayat et al. (2024) also found that work discipline significantly affected employee performance at PT Kalimutu Mitra Perkasa. However, most previous studies examined KPIs together with management control systems, organizational culture, or general performance appraisal, while discipline studies were often examined separately. Therefore, this study extends prior research by testing KPIs and work discipline simultaneously in the Production Department of PT Bonecom Tricom, an automotive manufacturing context where employee performance is evaluated through work quality, work quantity, and timeliness.

2.3 Hypotheses, Research Questions, or Propositions

The study hypothesizes that Key Performance Indicators (KPI) and work discipline significantly influence the performance of employees in the Production Department of PT Bonecom Tricom. Specifically, KPIs are expected to have a significant positive effect on employee performance, work discipline is anticipated to significantly affect employee performance, and both variables are hypothesized to simultaneously contribute to employee performance.

3. METHODS

3.1 Research Design

This study employed an explanatory research design using a quantitative approach. Explanatory research aims to examine the relationships among variables and explain the influence of one variable on another. The primary focus of this study was to analyze the relationships between the independent variables, namely Key Performance Indicators (KPI) and work discipline, and the dependent variable, employee performance. Furthermore, the study was conducted to test the proposed hypotheses and determine the significance of the effects of KPI and work discipline on the performance of employees at PT Bonecom Tricom.

3.2 Research Context and Setting

The research was conducted at PT Bonecom Tricom, located in the MM2100 Industrial Area, West Cikarang, Bekasi Regency, West Java, Indonesia.

3.3 Population, Sample, and Data Sources

The stuy population comprised 40 employees working in the Production Department of PT. Bonecom Tricom. A non-probability sampling technique, spesifically saturated samling (sensus sampling), was applied. This method was chosen due to the relatively small population size, enabling the inclusion of all population members as respondents and supporting generalization with a minimal level of sampling error.

3.4 Data Collection Procedures

The research instruments used in this study were questionnaires and documentation. Data were primarily collected thriugh a structured questionnaire employing a five-point Likert scale. According to Sugiyono (2019), the Likert scale is widely used to measure individuals' or groups' attitudes, opinions, and perceptions regarding social phenomena. The response categories used ranged from Strongly Disagree (1) to Strongly Agree (5), where higher scores indicated a stronger level of agreement with the statements presented in the questionnaire (Sugiyono, 2019).

Documentation was utilized as supplementary data collection technique. The documentation sources included transcripts, records, books, newspapers, magazines, inscriptions, minutes of meeting, agendas, and other relevant archival materials that provided supporting information for the study. Data collection and research activites were conducted between April and July 2025.

3.5 Measurement of Variables or Data Instruments

Research variables refer to attributes or characteristics investigated by researchers to obtain information and draw conclusions regarding a particular phenomenon (Sugiyono, 2019). This study involved two independent variables, which is Key Performance Indicators (KPI) (X1) and work discipline (X2), also one dependent variable, employee performance (Y). To facilitate data collection, reduce differences in interpretation, and clearly define the scope of each variable, operational definitions were established. The operational definitions and indicators of the variables are as follows:

Key Performance Indicators (KPI) (X1) represent measures of employee success in achieving organizational goals. The KPI indicators were adapted from Arini (2015, include: (1) specificity, referring to clearly defined performance indicators; (2) measurability, indicating that performance can be assessed objectively in both qualitative and quantitative terms; (3) realism, reflecting the attainability of performance targets; (4) relevance, indicating alignment with job responsibilities and employee capabilities; and (5) time-bound criteria, referring to clearly specified deadlines for achieving targets.

Work discipline (X2) refers to employees' attitudes toward organizational rules, including respect, compliance, and adherence to company regulations. The indicators were adapted from Siswanto (2005) as cited in Sinambela (2016) and Hasibuan and Malayu (2019), consisting of: (1) compliance with labor regulations; (2) adherence to work standards; (3) leadership example; (4) fairness in the implementation of rewards and sanctions; and (5) enforcement of sanctions and disciplinary measures for rule violations. Employee performance (Y) is defined as the measurable and verifiable level of achievement attained by employees in terms of both quality and quantity of work according to established standards. The performance indicators were adapted from Robbins (2006) as cited in Rosman (2014), including: (1) quality of work, reflected in compliance with standards and minimal errors; (2) quantity of work, measured by the achievement and exceedance of performance targets; and (3) timeliness, referring to the ability to complete assigned tasks within the specified timeframe.

3.6 Data Analysis Technique

The data collected were processed and analyzed using SPSS version 25. The analysis consisted of descriptive statistics, inferential statistics, multiple linear regression analysis, and hypothesis testing.

Descriptive statistical analysis was employed to describe and summarize the characteristics of the data without drawing generalized conclusions (Sugiyono, 2019). This analysis was used to examine respondents' perceptions of Key Performance Indicators (KPI), work discipline, and employee performance.

Inferential statistical analysis included several classical assumption tests. The normality test was conducted using the Kolmogorov–Smirnov method, where data were considered normally distributed if the significance value exceeded 0.05 (Arikunto, 2013). The multicollinearity test was assessed using tolerance and Variance Inflation Factor (VIF) values. Multicollinearity was considered absent when the tolerance value was greater than 0.10 and the VIF value was less than 10 (Priyatno, 2016). The heteroscedasticity test was performed through scatterplot analysis. A random distribution of residual points above and below zero without a clear pattern indicated the absence of heteroscedasticity (Ghozali, 2018).

To examine the effect of the independent variables on the dependent variable, multiple linear regression analysis was applied. The model was used to determine both the simultaneous and partial effects of Key Performance Indicators (KPI) and work discipline on employee performance (Sugiyono, 2019).

Hypothesis testing consisted of the F-test and t-test. The F-test was used to evaluate the simultaneous effect of KPI and work discipline on employee performance. A significance value below 0.05 indicated that the independent variables jointly had a significant effect on the dependent variable (Sugiyono, 2008). The t-test was conducted to assess the partial effect of each independent variable on employee performance, with a significance level of 0.05 as the criterion for statistical significance.

Finally, the coefficient of determination (R^2) was used to measure the proportion of variance in employee performance explained by the independent variables. According to Ghozali (2011), an R^2 value closer to 1 indicates a stronger explanatory power of the model, whereas a value closer to 0 indicates a weaker explanatory power.

3.7 Validity, Reliability, and Trustworthiness

Instrument validity was assessed to determine the extent to which the measurement items accurately represented the intended variables. The validity test results indicated that all questionnaire items for the variables of Key Performance Indicators (KPI), work discipline, and employee performance had calculated correlation coefficients (r-values) exceeding the critical r-table value of 0.361. Therefore, all measurement items were considered valid and suitable for further analysis. Reliability testing was conducted using Cronbach's Alpha to evaluate the internal consistency of the research instruments. An instrument is considered reliable when the Cronbach's Alpha coefficient exceeds 0.60. The results showed Cronbach's

Alpha values of 0.857 for Key Performance Indicators, 0.902 for work discipline, and 0.717 for employee performance. Furthermore, the overall reliability coefficient for all 26 questionnaire items was 0.941. Since all values exceeded the minimum threshold of 0.60, the instruments were deemed reliable and appropriate for use in subsequent analyses.

3.8 Ethical Considerations

This study adhered to established ethical principles throughout the research process. Prior to data collection, all participants were informed about the purpose of the study, the voluntary nature of their participation, and their right to withdraw from the study at any time without penalty. Informed consent was obtained from all respondents before they completed the questionnaire. To ensure confidentiality and privacy, no personal identifiable information was collected, and all responses were analyzed in aggregate form. The data obtained were used solely for academic and research purposes and were securely stored to prevent unauthorized access. Permission to conduct the research was obtained from the management of PT Bonecom Tricom. As the study involved a questionnaire survey of employees and did not include medical interventions, sensitive personal data, or vulnerable populations, formal ethical approval was not required under the institutional research guidelines applicable to the study. Nevertheless, the research was conducted in accordance with ethical standards for social science research, respecting participants' autonomy, privacy, and confidentiality.

4. RESULTS

The study involved 40 employees from the Production Department of PT Bonecom Tricom. Most respondents were male (62.5%), while females accounted for 37.5%. All respondents had a high school or vocational high school educational background. In terms of tenure, 70% of employees had worked for five years or less, while 30% had worked for more than five years. The majority of respondents (95%) were between 26 and 30 years old, indicating that the workforce was predominantly young and productive.

The descriptive analysis revealed that respondents generally had positive perceptions of all research variables. The Key Performance Indicator (KPI) variable obtained an overall mean score of 4.26, indicating that employees strongly agreed that the KPI system was specific, measurable, realistic, relevant, and time bound. The work discipline variable recorded an overall mean score of 4.30, suggesting a high level of compliance with organizational rules, work standards, leadership examples, fairness, and disciplinary sanctions. Employee performance also showed a high mean score, with respondents reporting positive perceptions regarding work quality, productivity, and timeliness in completing tasks.

The Kolmogorov–Smirnov normality test produced a significance value of 0.170, which exceeded the threshold of 0.05, indicating that the residuals were normally distributed. The multicollinearity test showed tolerance values of 0.487 and Variance Inflation Factor (VIF) values of 2.055 for both independent variables, confirming the absence of multicollinearity. Furthermore, the heteroscedasticity test and Glejser test yielded significance values greater than 0.05, indicating that the regression model was free from heteroscedasticity problems.

Table 1. Multiple Linear Regression Analysis Results

Independent Variables	Unstandardized Coefficients (B)	Standard Error	Standardized Coefficients (Beta)	t-Value	Sig.
Constant	0.869	2.768	-	0.314	0.755
Key Performance Indicators (KPI)	0.359	0.085	0.558	4.209	0.000
Work Discipline	0.212	0.085	0.330	2.486	0.0018

The multiple regression analysis generated the following equation:

Employee Performance = 0.869 + 0.359(KPI) + 0.212(Work Discipline)

The results indicate that both KPIs and work discipline have positive effects on employee performance. The unstandardized coefficient for KPIs (B = 0.359) indicates that a one-unit increase in KPI implementation is associated with a 0.359-unit increase in employee performance, holding work discipline constant. The unstandardized coefficient for work discipline (B = 0.212) indicates that a one-unit increase in work discipline is associated with a 0.212-unit increase in employee performance, holding KPI implementation constant. Based on the standardized beta coefficients, KPIs (Beta = 0.558) have a stronger relative effect than work discipline (Beta = 0.330).

Table 2. Simultaneous Effect Test Results (F-Test)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	343.156	2	171.578	39.973	0.000
Residual	158.819	37	4.292	-	-
Total	501.975	39	-	-	-

The F-test produced a significance value of 0.000, which was below the 0.05 significance level, indicating that KPI and work discipline simultaneously have a significant effect on employee performance.

Table 3. Partial Effect Test Results (t-Test)

Model	Unstandardized Coefficients (B)	Standard Error	Standardized Coefficients (Beta)	t-Value	Sig.
Constant	0.869	2.768	-	0.314	0.755
Key Performance Indicators (KPI)	0.359	0.085	0.558	4.209	0.000
Work Discipline	1.212	0.085	0.330	2.486	0.0018

The t-test results showed that KPI had a significant positive effect on employee performance ($t = 4.209$, $p = 0.000$), while work discipline also had a significant positive effect on employee performance ($t = 2.486$, $p = 0.018$). Therefore, both research hypotheses were supported.

Table 4. Coefficient of Determination (R^2) Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change
1	0.827	0.684	0.667	2.072	0.684	39.973

The coefficient of determination (Adjusted R^2) was 0.667, indicating that 66.7% of the variation in employee performance could be explained by Key Performance Indicators and work discipline. The remaining 33.3% was influenced by other factors not included in the model.

Table 5. Dominant Variables Analysis

Model	Standardized Coefficients (Beta)
Key Performance Indicators (KPI)	0.558
Work Discipline	0.330

Based on the standardized beta coefficients, Key Performance Indicators emerged as the most influential variable affecting employee performance ($\beta = 0.558$), followed by work discipline ($\beta = 0.330$). These findings suggest that a well-designed and effectively implemented KPI system plays a more dominant role in improving employee performance than work discipline alone.

5. DISCUSSION

5.1 Theoretical Implications

The findings of this study contribute to the development of performance management and human resource management theories by confirming the significant roles of Key Performance Indicators (KPI) and work discipline in enhancing employee performance. Specifically, the study provides empirical support for the performance management perspective, which posits that clearly defined and measurable performance indicators enable employees to align their efforts with organizational objectives and improve work outcomes.

The results further extend the application of the SMART-C framework underlying KPI implementation, demonstrating that performance indicators characterized by specificity, measurability, attainability, relevance, and time-bound objectives positively influence employee performance in a manufacturing context. These findings reinforce the argument that performance measurement systems serve not only as evaluation tools but also as mechanisms for guiding employee behavior and increasing accountability.

In addition, the study strengthens Human Resource Management (HRM) theory regarding the importance of work discipline as a behavioral determinant of performance. Consistent with the views of Hasibuan and Malayu (2019), the findings indicate that employees who demonstrate higher compliance with organizational rules, work standards, and operating procedures tend to achieve superior performance outcomes.

A noteworthy theoretical contribution of this study is the identification of the complementary relationship between KPI and work discipline. While KPI provides clear performance targets and expectations, work discipline ensures the consistent execution of activities required to achieve those targets. This finding suggests that employee performance is best explained through the integration of performance management mechanisms and behavioral control factors rather than by either factor alone. Consequently, the study extends existing theories by proposing that performance outcomes are influenced by both objective performance measurement systems and employees' adherence to organizational regulations and procedures.

Finally, the finding that KPI exerted a stronger influence on employee performance than work discipline highlights the strategic importance of structured performance measurement systems in manufacturing organizations. This result enriches the literature by providing empirical evidence that performance-oriented

management practices may play a more dominant role than behavioral factors in driving employee performance under highly standardized production environments.

5.2 Managerial and Practical Implications

This study contributes to the advancement of Human Resource Management (HRM) literature by providing empirical evidence on the influence of Key Performance Indicators (KPI) and work discipline on employee performance. The findings enrich existing theories by demonstrating the relevance of performance measurement systems and disciplinary practices in improving employee outcomes within a manufacturing environment. Furthermore, the study may serve as a reference for future researchers seeking to examine similar variables or extend the investigation to different organizational contexts. In addition, this research has enhanced the author's understanding of both theoretical and practical aspects of performance management, particularly in analyzing organizational issues and drawing evidence-based conclusions regarding employee performance.

From a practical perspective, the findings provide valuable insights for PT Bonecom Tricom and other manufacturing organizations. First, the results highlight the importance of implementing an effective and efficient KPI system to improve employee performance and align individual contributions with organizational objectives. Second, the study offers guidance for management in developing strategies to strengthen employee work discipline through appropriate policies, supervision, and performance monitoring mechanisms. Finally, the findings may assist organizations in identifying suitable measures to enhance employee performance, productivity, and overall organizational effectiveness.

5.3 Limitations and Future Research

To ensure a focused investigation and prevent deviations from the main research objectives, this study was subject to several delimitations. First, employee performance was examined at the individual level and measured through three dimensions: work quality, work quantity, and timeliness in task completion. Second, the study focused exclusively on the formal Key Performance Indicator (KPI) system implemented by the company as a tool for evaluating individual performance. The KPI dimensions assessed were limited to indicators that are specific, measurable, realistic, relevant, and time-bound. Third, work discipline was evaluated within the context of employees' daily work activities, focusing on compliance with company regulations, punctuality, and responsibility in carrying out assigned tasks. These delimitations were established to maintain the relevance and feasibility of the study while ensuring that the analysis remained aligned with the research objectives.

Several opportunities for future research emerge from the findings of this study. First, future studies may incorporate additional variables that potentially influence employee performance, such as work motivation, leadership style, organizational culture, job satisfaction, employee engagement, and work environment. Since the present model explained 66.7% of the variance in employee performance, further investigation is needed to identify other factors contributing to the remaining unexplained variance. Second, future researchers may expand the scope of the study by involving larger samples and organizations from different industries. Such an approach would improve the generalizability of the findings and allow comparisons across organizational contexts, particularly between manufacturing and service sectors.

Third, longitudinal research designs are recommended to examine the long-term effects of Key Performance Indicators (KPI) and work discipline on employee performance. Unlike cross-sectional studies, longitudinal approaches can provide deeper insights into how changes in performance management practices and employee behavior influence performance over time. Fourth, future studies may explore the mediating or moderating mechanisms underlying the relationship between KPI, work discipline, and employee performance. Variables such as employee motivation, organizational commitment, and job satisfaction may serve as mediators or moderators that strengthen or weaken these relationships. Finally, qualitative or mixed-method approaches are recommended to complement quantitative findings. In-depth interviews and case studies may provide richer insights into how employees perceive KPI implementation, disciplinary policies, and performance evaluation systems, thereby contributing to a more comprehensive understanding of performance management practices within organizations.

6. CONCLUSION

This study examined the effects of Key Performance Indicators (KPI) and work discipline on the performance of employees in the Production Department of PT Bonecom Tricom. The findings revealed that KPI had a positive and significant effect on employee performance ($\beta = 0.558$, $p < 0.001$). The regression coefficient indicated that a one-unit increase in KPI implementation was associated with a 0.359-unit increase in employee performance. These results suggest that clearly defined and well-structured KPIs provide employees with clear performance expectations and contribute to improved work outcomes.

The study also found that work discipline positively and significantly influenced employee performance ($\beta = 0.330$, $p = 0.018$). Specifically, a one-unit increase in work discipline was associated with a 0.212-unit increase in employee performance. This finding highlights the importance of maintaining consistent discipline and adherence to organizational rules in order to enhance employee productivity and support the achievement of organizational goals.

Furthermore, the simultaneous analysis demonstrated that KPI and work discipline together had a significant effect on employee performance ($F = 39.973$, $p < 0.001$). The model explained 66.7% of the variance in employee performance (Adjusted $R^2 = 0.667$), while the remaining 33.3% was attributable to factors not included in the study. Overall, the findings indicate that the combination of effective KPI implementation and strong work discipline plays a critical role in improving employee performance within manufacturing organizations.

Author Contributions

Syaidi conceptualized the study, conducted the analysis, and drafted the manuscript. Fauziana contributed to data interpretation and critically revised the manuscript. Both authors approved the final version.

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Use of Artificial Intelligence (AI)

Artificial intelligence tools were used to assist with language editing, translation, writing improvement, and enhancing the clarity and coherence of the manuscript. Specifically, ChatGPT (GPT-5.5, OpenAI, San Francisco, CA, USA) was utilized to support the refinement of academic writing and the preparation of the manuscript for publication. All AI-assisted content was carefully reviewed, revised, and verified by the authors. The authors take full responsibility for the integrity, originality, and accuracy of the final manuscript, including all analyses, interpretations, and conclusions presented in this study.

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