

## Productive Employees in SMEs: Exploring the Influence of Work Discipline and Turnover Intention

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### ABSTRACT

This study explores the influence of work discipline and turnover intention on employee productivity in SMEs. The research design adopts an explanatory survey model. The research instrument was distributed to collect responses from 57 respondents across 14 SMEs in the creative industry sector in the Indonesian context, using a probability sampling method with a non-proportional sampling technique. The data analysis method applies instrument validity and reliability tests, as well as collinearity tests estimated using a multiple linear regression model, and evaluates predictive power using the R<sup>2</sup> criterion. The significance tests for individual and simultaneous influences are evaluated using the t- and F-statistics, with thresholds of >1,96 at an alpha of 0,05. The research findings confirm that work discipline and turnover intention have a positive and significant influence on employee productivity among SMEs in the creative industry sector, both individually and simultaneously. Work discipline and turnover intention together can explain variance in employee productivity, with moderate predictive ability. However, turnover intention has a more dominant influence on employee productivity in SMEs than work discipline. Evaluating employee turnover rates and work discipline is crucial in SMEs, and HR management must manage them appropriately, decisively, conservatively, and regularly to significantly impact employee productivity and strengthen sustainable business competitiveness at the organisational level.

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### Keywords:

Employee  
Productivity; Work  
Discipline; Turnover  
Intention;  
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## INTRODUCTION

In an era of disruption, rapid technological development, and a rapidly changing market environment (Firmansyah et al., 2024), only resilient companies can survive (Wahdiniwaty et al., 2025; Susetyo et al., 2022). To survive, companies must have strong and prepared resources, especially human resources (HR) as the organizer and driver of other resources owned by the company (Firmansyah, Andiani, et al., 2021). Preparing employees as HR in a company plays a crucial and strategic role in efforts to increase productivity and achieve long-term goals (Pranajaya et al., 2022). This can be seen from their behaviour and work performance during their time at the company, which of course requires good and appropriate employee management (Suparman et al., 2024). Of course, all of this cannot be separated from the managerial aspect and the role of the right leadership style in developing effective work mechanisms to encourage employee productivity and performance (Suparman & Purnama, 2025; Purnama et al., 2022).

Without effective management that fully empowers employees, with all standard operating procedures (SOPs) in place, a company will likely struggle to achieve productivity and ultimately fail to sustainably meet stakeholder needs, both now and in the future (Pranajaya et al., 2022). In fact, it's not impossible for a company to be run by employees with low work discipline and high employee turnover rates. The

quality of employee behavior, work commitment, discipline, and performance, as well as the intensity of employee turnover, all reflect the success or failure of company management in managing its employees. Interestingly, productivity is the end result that reflects employees' good or bad performance in carrying out and completing their work. If employee productivity is low or does not meet the company's targets, employees are often blamed.

Productivity is defined as a comparative measure of the ratio of the output of goods and services to the input of resources consumed in the production or work process (Firmansyah, 2023: p.278). Specifically, the productivity ratio is explained by output compared to input. Therefore, parameters such as work quality, work quantity, time, and costs can be used as measures of employee productivity. Work discipline is a formal instrument that binds the behaviour of all employees in the organisation. Work discipline that does not comply with SOPs is often cited as a fundamental reason for low employee productivity, thereby allowing various disciplinary sanctions to be imposed on employees, ranging from mild to severe sanctions to termination of employment. However, the management process does not stop there because when employees leave, whether due to layoffs (involuntary turnover) or resignation (voluntary turnover), it results in vacant positions or a shortage of staff. At the same time, operations and work must still be completed, which ultimately results in employee turnover. Where additional costs for the selection and recruitment process may be required again, to the point that the management process requires a redesign from the perspective of the placement and development of new human capital to maintain good performance achieved through maximum work productivity. Conversely, if management views employee turnover as normal without comprehensive attention to the management process, they have unknowingly allowed work productivity to become unstable and to decline.

Work discipline is an employee's awareness of fulfilling their obligations by optimising their competence in the work assigned to them (Firmansyah, 2023). Good discipline reflects a strong sense of responsibility for assigned tasks. The level of employee work discipline in a company can be seen from the parameters of goals and abilities, exemplary leadership, rewards, fairness, the firmness of sanctions and punishments, and ongoing supervision. Meanwhile, employee turnover is the proportion of employees who leave the company permanently and the number of new employees who join as a result of management efforts to replace them within a given period (Mathisen et al., 2021). Empirical parameters of employee turnover over a period can be seen from the number of employees leaving due to management dismissals and the number of employees leaving voluntarily. Work discipline and employee turnover are human resources components that mutually reinforce employee work activities to achieve optimal productivity for the company.

Work discipline and turnover intention have clear consequences for employee productivity levels in various companies, including SMEs. Work discipline is among the parameters that drive employee productivity. Good or poor employee productivity can reflect the level of employee discipline in every work behaviour and job completion. Employees can achieve maximum productivity when they demonstrate high work discipline (Aprilia et al., 2023; Suparman et al., 2023). Research results from Zainun et al., (2025); Purwanto (2023); and Umulkulsum et al., (2020), show that good work productivity is influenced by high work discipline supported by good management

governance. Work discipline is an important mediator that strengthens the relationship between the work environment and employee productivity (Sujimah, 2025), and is a driver of employee productivity (Dharliana & Wibowo, 2022), with employee productivity positively influenced by work discipline (Marlapa & Mulyana, 2020). Similarly, regarding the correlation between turnover intention and employee productivity, several studies have found that turnover intention can impact productivity as a driving factor for business competitiveness, and that turnover intention should be reduced and not tolerated (e.g., Jeong & Han, 2021; Moon et al., 2023). Consequently, high employee productivity can be achieved with low employee turnover (De Winne et al., 2019), as productivity monitoring is inseparable from the trend of turnover intention (Flatøy & Lund-Tønnesen, 2025). Therefore, employee turnover and work discipline are two important factors that companies must manage appropriately and firmly because they can affect employee productivity.

Based on several recent relevant studies, work discipline and turnover intention are important factors influencing employee productivity across various companies. Interestingly, there is a significant gap, as previous studies have mostly focused on medium-sized and large companies. Productive employee engagement is crucial for small and medium-sized enterprises (SMEs) to achieve competitiveness in the era of digital disruption. To address this gap, this study explores the influence of work discipline and turnover intention on employee productivity among SMEs in the creative industry sector in the Indonesian context. This research contributes to expanding the management literature, particularly human resource management (HRM) related to HR processes and HR practices as strategic assets with competencies, and knowledge management that is increasingly integrated with the presence of artificial intelligence (AI) as human capital (HC) that is difficult to imitate and needs to be maintained by implementing various appropriate managerial schemes, avoiding the cost and time of repeated selection and recruitment, and reducing unnecessary cost waste. This research also contributes practical insights into improving managerial governance, focusing more on work performance and productivity, stable employee performance based on work discipline, and an ideal turnover ratio among entrepreneurs, as realised through the operational mechanisms of SMEs, to strengthen business competitiveness and lead to better and sustainable business performance.

## METHOD

This study employed a quantitative survey method. The research design adopted an explanatory survey model to meet the research objective, which was to empirically estimate causal relationships (Agranoff & Kolpakov, 2019), among research subjects based on respondent response data (Firmansyah, Setiawan, et al., 2021). The survey model was developed as a questionnaire using a 7-point Likert scale, ranging from strongly disagree to strongly agree. The questionnaire was distributed to 81 respondents working in fourteen SMEs in the creative industry sector in West Java, within the Indonesian context. They were selected using a probability sampling method developed with a non-propositional sampling technique. The sampling criteria were based on employees working in SMEs who have at least three main management functions: production management, marketing and sales, and administration and general affairs. The research subjects consisted of work discipline (WD), turnover

intention (Tol), and employee productivity (EP). Work discipline is operationalized with nine indicators (WD1-WD9), turnover intention consists of eight parameters (Tol1—Tol8), and employee productivity is explained by nine indicators (EP1-EP9). The final stage of data collection yielded approximately 57 questionnaires received in full as valid responses. Male respondents, aged over 35 years, dominated, reflecting that more respondents have a high school education and work experience of more than 5 years.

The data analysis method applies the instrument validity test to the r-statistic greater than the r-table, and/or the r-statistic greater than the r-critical of 0,3 (Gujarati, 2012; Suparman & Purnama, 2025), and the instrument reliability is evaluated at a Cronbach's Alpha value greater than 0,7 (Hair et al., 2011; Hair Jr et al., 2020); (Wahdiniwati et al., 2025), to reduce biased predictions, the collinearity test between independent variables is applied to the Variance Inflation Factor (VIF) criterion of less than 3,3 (Kock, 2017; Kock & Lynn, 2012); as quoted by Budiarti & Firmansyah (2024) in their research documentation. The predictive relationship between each variable is applied to the r criterion <0,80, which is expected to be achieved at a significance level of 0,05. Data parameter estimation was performed by adopting a multiple linear regression model, where a statistical summary model based on R<sup>2</sup> was applied to evaluate the predictive power and suitability of the regression model, with the coefficient of determination evaluated based on the criteria of R<sup>2</sup><0,25, R<sup>2</sup> = 0,25, R<sup>2</sup>≥0,5 but >0,75, and R<sup>2</sup>≥0,75 (Marselia & Firmansyah, 2025; Firmansyah et al., 2025). The significance test of the influence, both individually and simultaneously, was estimated by applying the t-statistic criterion greater than the critical value of 1,96, at an alpha of 0,05, similar to the t-table criterion at degrees of freedom (df) = v1; and F-table at df = v1 and v2.

## RESULTS AND DISCUSSION

### Research Data Quality Evaluation

Data quality evaluation was conducted by examining the validity and reliability of the instruments and testing the classical assumption of collinearity with VIF < 3.3.

### **Validity Test of Work Discipline, Turnover Intention, and Employee Productivity Instruments**

To demonstrate the validity of the instrument, the validity of respondents' responses regarding work discipline (WD), turnover intention (Tol), and employee productivity (EP) parameters was applied to the statistical criterion of a t-value greater than the critical t-value of 0,3.

Table 1. Results of the Validity Test of the WD, Tol, and EP Instruments

WD Indicators	r-Stat	Tol Indicators	r-Stat	EP Indicators	r-Stat	Critical r-value	Information
WD1	0.599	Tol1	0.536	EP1	0.774	0.3	Valid
WD2	0.383	Tol2	0.590	EP2	0.731	0.3	Valid
WD3	0.673	Tol3	0.633	EP3	0.690	0.3	Valid
WD4	0.612	Tol4	0.762	EP4	0.560	0.3	Valid
WD5	0.584	Tol5	0.661	EP5	0.661	0.3	Valid
WD6	0.761	Tol6	0.489	EP6	0.616	0.3	Valid
WD7	0.764	Tol7	0.665	EP7	0.620	0.3	Valid
WD8	0.660	Tol8	0.611	EP8	0.565	0.3	Valid
WD9	0.715	-	-	EP9	0.546	0.3	Valid

Note: r-stat >r-critical 0.3, instrument item is valid.

The data in Table 1 shows that all WD, Tol, and EP parameter items meet good validity criteria, with each item having a t-statistic value > t-critical 0,3, thus meeting the instrument validity criteria.

**Reliability Test of WD, Tol, and EP Instruments**

Table 2 shows that each statement item reaches the latent variable level, both from WD, Tol, and EP with a Cronbach's Alpha value >0,7, loading factor ( $\lambda$ ) >0,7 and CR >0,7, so that all are declared reliable and consistent.

Table 2. Results of the Reliability Test of the WD, Tol, and EP Variable Instruments

Variables	Indicators	$\lambda$	C $\alpha$ ; CR	Items	Conclusion
WD	WD1	0.807	0,821	9	Reliable
	WD2	0.828			
	WD3	0.799			
	WD4	0.811			
	WD5	0.814			
	WD6	0.785			
	WD7	0.783			
	WD8	0.801			
	WD9	0.792			
Tol	Tol1	0.757	0,768	8	Reliable
	Tol2	0.747			
	Tol3	0.738			
	Tol4	0.709			
	Tol5	0.735			
	Tol6	0.776			
	Tol7	0.734			
	Tol8	0.744			
EP	EP1	0.768	0,810	9	Reliable
	EP2	0.783			
	EP3	0.782			
	EP4	0.799			
	EP5	0.800			
	EP6	0.791			
	EP7	0.795			
	EP8	0.798			
	EP9	0.801			

Note: Cronbah's Alpha value,  $\lambda$ , C.R >0.7 reliable instrument item.

**Predictive Correlation and Multicollinearity Tests**

To avoid statistical bias in estimating predictive relationships between the WD and EP, Tol and EP parameters, and to ensure unbiased and collinearity-free predictions of relationships between independent variables, a predictive correlation test is required with  $r < 0,80$  and a collinearity assumption test with  $VIF < 3,3$ ; see Table 3.

Table 3. Results of Predictive Relationship and Collinearity Tests

Model				Correlation	Collinearity Statistics-VIF	
Pearson Correlation	WD	Tol	EP	Model	WD	Tol
WD	-	0.631**	0.605**	WD	-	1.662
Tol		-	0.730**	Tol	1.662	-
EP	0.605**	0.730**	-			

Note:  $r < 0.80$ ;  $VIF < 3.3$ . \*\*Significance at  $p < 0.01$ .

Referring to the data in Table 3, two findings emerge: confirmation of a strong predictive correlation between the latent variables and statistical collinearity between the independent variables based on the VIF criterion. First, work discipline (WD) and

employee productivity (EP) have a significant correlation with an  $r$  value of 0,605 at an alpha of 0,05. Turnover intention (Tol) also has a significant predictive correlation, with  $r = 0,730$  at  $\alpha = 0,05$ . Each relationship is in strong and adequate criteria but does not exceed  $r = 0,80$  ( $r_{WD \text{ and } EP} = 0,605 < 0,80$ ;  $r_{Tol \text{ and } EP} = 0,703 < 0,80$ ), with the direction of the relationship confirmed positive. Second, Collinearity Statistics (VIF): VIF values indicate that the statistical collinearity criteria are met between the independent variables (WD and Tol), with a VIF of  $1,662 < 3.3$ . This finding verifies that the bias-free full collinearity criteria for the WD-Tol relationship in predicting EP can be met statistically.

**Evaluation of Regression Model Suitability Based on  $R^2$  Predictive Power**

Evaluation of the suitability of the regression model, both for the individual influence model and the simultaneous influence model, is evaluated based on the magnitude of the predictive power of  $R^2$ . In the model summary, the criteria of  $R^2 < 0,25$  are very low,  $R^2 = 0,25$  is low,  $R^2 \geq 0,50$  but  $< 0,75$  is moderate, and  $R^2 \geq 0,75$  indicates strong predictive power, as shown in the results of the model summary statistical test - the coefficient of determination  $R^2$  presented in Table 4.

Table 4. Predictive Power Test Results of the  $R^2$  Model

Model Summary <sup>b</sup>	R <sup>2</sup> Model 1		R <sup>2</sup> Model 2		R <sup>2</sup> Model 3	
	WD	EP	Tol	EP	WD	EP
	-	0.365	-	0.533	Tol	0.560
	-	-	-	-	-	-

Note:  $R^2 > 0.5$ , medium strong predictive power category.

Table 4 shows the predictive power of each independent variable on the dependent variable based on the coefficient of determination  $R^2$  in the summary model. The results show that the  $R^2$  value of Regression Model 1, which reflects the predictive ability of work discipline (WD) in explaining the variance in employee productivity (EP), is 0,365, indicating a low effect size that falls into the medium category. Regression Model 2 shows the predictive ability of turnover intention (Tol) to explain the variance in employee productivity (EP), with  $R^2 = 0.533$ , indicating a medium effect size. Regression Model 3 has an  $R^2$  value of 0.560, which adequately confirms that work discipline (WD) and turnover intention (Tol) together explain the variance in employee productivity (EP). Work discipline and turnover intention simultaneously have moderate predictive power in explaining the total variance of employee productivity. Therefore, the construction of the regression model in this study has a good overall model fit.

**Hypothesis Testing**

Regarding the construction of the regression model, the proposed research hypotheses comprise individual-effect hypotheses, namely H1 and H2, and a combined-effect hypothesis, namely H3. Thus, there are three hypotheses to be proven in this study. The significance test for the effects was analyzed using the criteria of a t-statistic and an F-statistic greater than 1,96 at a p-value of 0,05.

**Significance Test of Individual Effects**

Significance tests for individual effects, also known as partial effect significance tests, were conducted to prove H1 and H2, as presented in Table 5. The analysis was conducted using the criteria of a t-statistic greater than the critical t-value of 1,96 at a p-value of 0,05 to support the hypotheses developed in this study.

Table 5. Results of the Significance Test of Individual Effects

Hypothesis	Coefficients <sup>a</sup> Model	UnStdzd. Coeff. B	S.E	Stdzd. Coeff. B	t-Stat.	Sig.	Results
H1	WD → EP	0.487	0.087	0.605	5.627***	0.000	Accepted
H2	Tol → EP	0.873	0.110	0.730	7.919***	0.000	Accepted

Note: Significance of effect,  $t\text{-stat} > t\text{-critical} = 1.96$ ;  $\text{Sig.} < p$ ;  $\alpha = 0.05$ .

The results of the significance test of individual influences in Table 5 show that work discipline (WD) has a positive influence on employee productivity (EP), with a regression model coefficient value of 0.487, significant at p value;  $\alpha = 0,000 < 0,05$  with a statistical value of  $5,627 > 1,96$ , so that H1 is accepted. Turnover intention (Tol) has a positive influence on employee productivity (EP), with a coefficient value of 0.873, significant at p value;  $\alpha = 0,000 < 0,05$  with a statistical value of  $t = 7,919 > 1,96$ , so that H2 can be accepted. The findings from the partial influence significance test support all proposed hypotheses, so that H1 and H2 are proven and accepted.

### Simultaneous Effects Significance Test

Significance tests for simultaneous effects were estimated to prove H3 (WD; Tol → EP). Data parameter estimates for each latent variable were tested and analyzed simultaneously using an F statistic greater than the critical value of 1,96 at a p-value of;  $\alpha = 0,05$  to support the proposed hypothesis, as visualized in Table 6.

Table 6. Results of the Simultaneous Effect Significance Test

Hypothesis	Coefficients Model	R	R <sup>2</sup>	S.E	F-Stat.	Sig.	Results
H3	WD; Tol → EP	0.753	0.567	2.615	35.382***	0.000 <sup>b</sup>	Accepted

Note: Significance of simultaneous effect,  $F\text{-stat} > 1.96$ ;  $\text{Sig.} < p$ ;  $\alpha = 0.05$ .

Referring to Table 6, the analysis results found that work discipline (WD) and turnover intention (Tol) simultaneously have a positive influence on employee productivity (EP), significant at p-value;  $\alpha = 0,05$ , with Sig.  $0,000 < 0,05$ , and F-statistic value of  $35,382 > 1,96$ , at  $n = 57$ ;  $df = v1$  and  $v2$ . This finding supports the proposed hypothesis, thereby proving and accepting H3. Work discipline and turnover intention together can explain the total variance of employee productivity, with moderate predictive ability. In the regression model in this study, more than 50% of the variance in EP can be predicted and influenced by WD and turnover intention. However, turnover intention plays a more dominant role in influencing employee productivity among SMEs than employee work discipline.

### Discussion

Productivity is a real concern for every company, including SMEs, as it can be used as a key driver of business competitiveness (Firmansyah et al., 2024). To create productive employees, various strategic and conservative managerial approaches and programs in HR practices need to implement stimuli that enable the creation of a culture and behavioral patterns that lead to maximum responsibility and work performance, despite the limitations and scarcity of SMEs. Inclusively, work discipline and trends in intention to leave can be alternatives worth considering to maintain employee productivity. Employee turnover is inevitable and common in every company and is indeed necessary to refresh new employees. However, in the long term, high employee turnover intensity becomes unusual and even undesirable, especially in large numbers. Because employee turnover is correlated with the level of discipline, readiness, and maturity of human resources in the workplace, the intensity of employee turnover has the potential to impact work productivity (Gultom et al., 2024).

Research findings verify that work discipline has a positive and significant influence on employee productivity in SMEs. Parameters such as employee goals and

abilities, exemplary leadership, appropriate compensation, fairness, firm sanctions and punishments, and continuous, consistent supervision are important instruments that strengthen the reality of work discipline and influence employee productivity over time. This finding is in line with Sujimah (2025); and Jeong & Han (2021) who emphasized that HR management instruments cannot be separated from the aspect of work discipline, which has a significant positive influence on employee productivity. Employee work discipline needs to be improved through the implementation of Standard Operating Procedures (SOPs) with strict leadership supervision and work systems, as well as good management governance so that increased employee productivity can be achieved (Zainun et al., 2025; Purwanto, 2023; Dharliana & Wibowo, 2022; Umulkulsum et al., 2020; Marlapa & Mulyana, 2020). High work discipline reflects an employee's ability to work meticulously and diligently, thus enabling maximum work productivity (Aprilia et al., 2023). Despite limitations and simplified functional management in SMEs, work discipline remains a crucial element that must be bound by clear rules in accordance with employee talents and contributions, who must be treated fairly to accommodate their motivations and needs. This can result in a high level of responsibility across various tasks, lower employee turnover rates, and higher, more stable employee productivity among SMEs in the creative industry sector.

The research findings also adequately confirm that turnover intention has a positive and significant impact on employee productivity. Work quality, work quantity, time and cost efficiency, which reflect employee productivity, are closely related to the turnover intention ratio, which can be verified based on the intention to resign due to termination of employment, which can disrupt the ideal work process due to vacant positions. This finding is in line with the findings of Moon et al., (2023); and Jeong & Han (2021) whose findings revealed evidence that turnover intention has a positive and significant impact on employee productivity, which reflects business competitiveness parameters. Therefore, the turnover intention ratio should be reduced and not considered a normal occurrence from period to period. Maximum employee productivity can be achieved at a lower employee turnover rate (De Winne et al., 2019). Monitoring and evaluating suboptimal employee turnover ratios is necessary because of the importance of stable employee productivity (Flatøy & Lund-Tønnesen, 2025). Regardless of whether the compensation offered is attractive, SME managers need to pay attention to the work environment, motivation, work comfort, workload, job stress, and job satisfaction to reduce employee turnover, both due to management terminations and resignation intentions. Even the lack of clear management regarding this allows for an increase in the desire to leave the job voluntarily, which is reflected in the increasing ratio of resignation intentions in SME organizations in the creative industry sector. To overcome this, management must make changes by bringing in a mixed workforce through a relatively expensive selection and recruitment process. The impact can disrupt the smooth operation of the business and the completion of work and can reduce productivity at the organizational level as a whole to the point that business competitiveness becomes vulnerable and less resilient to fragility. Therefore, factors that support the creation of comfort and job satisfaction, motivation and work spirit need to be developed in managerial and HR practices to maintain a low and ideal employee turnover ratio among SMEs.

The research findings also confirm that work discipline and turnover intention simultaneously have a positive and significant influence on employee productivity in SMEs. Work discipline and turnover intention together can explain variance in employee productivity, with moderate predictive power. Work discipline and employee turnover are two important factors that must be managed appropriately and firmly by companies because both factors can affect employee productivity (Rara Sylvia, 2025). High employee turnover rates not only reduce work productivity but can also disrupt the continuity of company operations. Furthermore, intensive employee selection and recruitment risk requiring high management costs. As mentioned by Mathis & Jackson (2020), if employee turnover occurs repeatedly and with high frequency, it can have serious consequences, such as increased recruitment and training costs, disruption to operational flow, and decreased organizational efficiency and effectiveness, ultimately leading to a decline in overall productivity.

Ultimately, since productive employees are the company's goal and reality, SME management needs to evaluate the employee turnover ratio and work discipline because these two factors are an important part of the HR management instrument that must be managed well and firmly by the company in order to truly have a positive impact on employee productivity in carrying out their duties, work, and responsibilities. At least conservatively with an internal managerial approach based on HR practices and their development, good work discipline occurs in line with the implemented work SOPs and with a low turnover intention ratio, then the cost of repeated selection and recruitment, as well as employee management and development can be reduced, operational smoothness can be maintained well, work positions remain ideally filled according to previously identified competencies, the quality and quantity of work and work completion remain achieved effectively and efficiently so that maximum employee productivity can be achieved adequately over time, which ultimately contributes positively to strengthening business competitiveness among SMEs.

## **CONCLUSION**

The research findings indicate that work discipline has a positive and significant impact on employee productivity in SMEs. Similarly, turnover intention also has a positive and significant impact on employee productivity. The research findings also adequately confirm that work discipline and turnover intention simultaneously have a positive and significant impact on employee productivity in SMEs. These findings reveal evidence that work discipline and turnover intention can jointly explain variance in employee productivity, with moderate predictive power. However, turnover intention crucially has a dominant influence on employee productivity in SMEs compared to work discipline. This emphasizes the need for attention to employee turnover because high employee turnover rates can disrupt the continuity of SME operations, and the risks of intensive employee selection and recruitment require high management costs. These findings provide valuable insights that can fill the existing gap. SME management needs to evaluate employee turnover ratios and work discipline because these two factors are important parts of the HR management instrument that must be managed appropriately and firmly by companies to significantly influence employee productivity in carrying out their duties, work, and responsibilities.

This research contributes to the expansion of management literature, particularly in HR management, by examining HR processes and practices as strategic

assets with difficult-to-imitate human capital competencies that require maintaining them through appropriate managerial schemes, avoiding the costs and time of repeated selection and recruitment, and reducing unnecessary waste. Managerially and practically, this research also contributes to the improvement of managerial governance that is more focused on work performance, productivity in stable employee performance based on work discipline and ideal employee turnover ratio among entrepreneurs, which is manifested in the operational mechanisms of SMEs to strengthen business competitiveness and maintain sustainable survival with better business performance. The limitation of this research is the prediction of employee productivity among SMEs based on work discipline and employee turnover intentions, with each data parameter limited to respondents' responses, with a limited sample size, which allows statistical bias at a more global level of generalisation. In addition, the comparison of employee response data parameters working in several SMEs that are the subjects of this research has not been studied and analyzed in depth. Hopefully, all the limitations of this research can be used as ideal considerations for related research agendas in the future.

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