

## **ABSTRACT**

*A company basically must have the resources for doing business, from various sources possessed by the company, human resources have an important role in doing a business to keep the it works as expected. In order to improve employee performance, the company gives financial compensation to motivate employees.*

*This study aims to determine the effect of financial compensation on employee performance in Perusahaan Daerah Bank Perkreditan Rakyat Bank Klaten. The method used in this research is descriptive analysis and quantitative causality. Respondents the research are employees of Perusahaan Daerah Bank Perkreditan Rakyat Bank Klaten with a population of about 132 respondents. Sampling technique that used is probability sampling especially simple random sampling. Data analysis technique that is used in this research is linear simple regression analysis.*

*Based on the result of this research, it was concluded that financial compensation in Perusahaan Daerah Bank Perkreditan Rakyat Bank Klaten is in good category. Employee performance in Perusahaan Daerah Bank Perkreditan Rakyat Bank Klaten is in good category. Financial compensation positively affects and significant impact on employee performance in Perusahaan Daerah Bank Perkreditan Rakyat Bank Klaten.*

**Keyword: Financial Compensation, Performance, Human Resources**