

## ABSTRACT

Selection of compensation is not a thing without consideration. Selection of compensation is not an easy payment performance, so the risk to be borne certainly very large if the compensation received does not match the employee's performance will decline resulting in decreased revenues. At the PT. Mideast Express get its decline in revenue each year, it is also seen through the reduction of the employee's performance is seen by the system KPI (key performance indicator).

Through this research will be the analysis of the effect of compensation to employee performance at PT. Mideast Express.

The method used in this research is survey method. This type of research is descriptive and verification. Methods of data collection was conducted through questionnaires with direct spread to 59 employees of PT. Mideast Express who received compensation from the company. Data processing using SPSS 22.

Partial results showed that compensation had a significant influence on employee performance. The coefficient of determination is 71.9%. This means that the influence of independent variables are compensated on the performance of employees is 71.9% while the remaining 28.1% is explained by other variables not examined in this study.

Based on the research, to improve employee performance, PT. Mideast Express should be in order to improve its system of compensation, such as salaries, incentives, bonuses, allowances, promotion of employees, career opportunities. This is particularly necessary given the compensation assessed by bad employees who also have an impact on the performance of employees at PT. Mideast Express too bad.

Keywords: Compensation, Employee Performance, Appraisal of Employee Performance.