

## ABSTRACT

*To support the performance of companies in competing with other companies, companies must make various efforts to empower human resources that aims to improve the performance of each individual. One of them through the application of compensation. The purpose of this research is to know compensation consisting of direct financial compensation, indirect financial compensation, and performance of employees of PT Telkom Regional IV Central Java and Yogyakarta Special Region section of Infrastructure, and also to know how big influence between compensation and performance at employee.*

*This research method is descriptive quantitative, where data obtained from questionnaire. Sampling technique in this research is Nonprobability sampling saturated. Questionnaires were distributed to 74 respondents. Data analysis techniques used are multiple linear regression analysis with direct financial compensation variable (X1), indirect financial compensation (X2), and performance (Y).*

*Based on partial hypothesis test results, both direct financial compensation and indirect financial compensation, both did not significantly affect the performance of employees of PT Telkom Regional IV Central Java and Yogyakarta Special Region of Infrastructure. But based on hypothesis test simultaneously, both have a significant effect on the improvement of employee performance.*

*Conclusion Based on the result of this research is not found significant influence between direct and indirect financial compensation, with improvement of employee performance of PT Telkom Regional IV Central Java and Yogyakarta Special Region of Infrastructure section. But for the compensation as a whole gives a significant effect to the improvement of employee performance of PT Telkom Regional IV Central Java and Yogyakarta Special Region of Infrastructure section.*

**Keywords:** *Compensation, performance, human resource*