

ABSTRACT

This research is motivated by the researchers' curiosity about employee compensation at PT Sandhy Putra Makmur for the performance given by the company. The purpose of this study was to determine the effect of compensation on the performance of the employees of PT Sandhy Putra Makmur. Appropriate compensation policy will improve employee performance (Simamora, 2015: 221).

This research method uses quantitative methods with descriptive research type. Sampling was done by the method of saturated sample (population) causality, respondents in this study were 34 people.

Based on the results of testing the compensation hypothesis affects performance with a correlation coefficient (r) of 0.618, which means there is a strong relationship between Compensation and Employee Performance. It can also be seen in the hypothesis test where the value of t (5.780) \geq table (2.036) and a significance value of $0.000 < 0.05$ then H_0 is rejected and H_1 is accepted so it can be concluded that the Compensation variable has a strong influence on employee performance.

The conclusion of this study is that there is a positive and significant influence of the Compensation variable on Employee Performance at PT Sandhy Putra Makmur, West Java with a contribution of 38.2%. This shows that increasing compensation will improve employee performance.

Keywords: *Human Resource Management, Employee Performance, Employee Compensation*