

ABSTRACT

PT APM Automotive Indonesia is a world-class automotive parts manufacturer in terms of quality, cost and delivery. With customer satisfaction as the priority. To optimize the achievement of the company's goals in the future, PT APM Automotive Indonesia applie human resources by paying attention to employee performance and assessing the performance of each employee.

The purpose of this study is to find out how compensation at PT APM Automotive Indonesia and to find out how employee performance at PT APM Automotive Indonesia then to determine the effect of compensation on employee performance at PT APM Automotive Indonesia.

This research method use a quantitative method with descriptive analysis and causal analysis techniques. The research data is collected by distributing the offline questionnaire to 165 employees of PT APM Automotive Indonesia. Data process was using SPSS software version 26. In explaining the result of the study, the method used the classic assumption test method and simple linier regression analysis to show that compensation has a significant effect on employee performance.

The result of this study indicate that compensation and employee performance at PT APM Automotive Indonesia are in good category. Compensation with a percentage score of 76,05% while employee performance with a percentage of 79,44%. The results show that compensation has a significant positive effect on employee performance of PT APM Automotive Indonesia. The compensation of PT APM Automotive Indonesia was good, so that's affects employee performance as well. The effect of compensation on employee performance of PT APM Automotive Indonesia is 40,8%.

From the results of the research, the researchers obtained suggestion that the company needs to pay more attention to the compensation system through bonus improvements by providing incentives, seen that PT APM Automotive Indonesia has not enforced incentives before, the research expected that the suggestion has a positive effect to improve employee performances of PT APM Automotive Indonesia.

Keywords: *Compensation and employee performance*