

ABSTRACT

This research was conducted to determine the effect of Compensation on Employee Job Satisfaction of PT Kereta Api Indonesia (Persero) Operational Region 7 Madiun using descriptive methods using quantitative methods. The sampling technique used simple random sampling method because in this study using a sample of 109 employees of PT Kereta Api Indonesia (Persero) Operational Region 7 Madiun.

This type of research is descriptive and causal with a quantitative approach. The analysis used is descriptive and simple linear regression using probability sampling techniques with simple random sampling.

Based on the results of research on "The Effect of Compensation on Job Satisfaction of Employees of PT. Kereta Api Indonesia (Persero) Operational Region 7 Madiun", the following conclusions are obtained: The compensation system at PT. Kereta Api Indonesia (Persero) Operational Area 7 Madiun to its employees has been going well with a score percentage of 69.10%. Job satisfaction of PT. Kereta Api Indonesia (Persero) Operational Region 7 Madiun is in the quite good category with a score percentage of 63.79%. There is a significant influence between compensation on job satisfaction of employees of PT. Kereta Api Indonesia (Persero) Operational Region 7 Madiun, this is based on the results of hypothesis testing with the t test, the results obtained $t_{count} > t_{table}$ ($10,907 > 1,982$) and a significance of $0.000 < 0.05$, then H_0 is rejected and H_a is accepted, and based on the results In this research, it is suggested that PT Kereta Api Indonesia (Persero) Operational Region 7 Madiun Company needs to increase the suitability of the holiday allowances to the employees of PT. Kereta Api Indonesia (Persero) Operational Region 7 Madiun in accordance with applicable regulations, so that employees are motivated to provide better work results to the company. To meet the expectations, needs of employees and assist the company in solving compensation problems, the company must review the compensation policies that have been ineffective so far.

Key Words: *Compensation, performance satisfaction, employee performance*