ABSTRACT

PT XYZ is a large company in Indonesia. Companies are required to continue to grow and adapt. Therefore, companies need human resources who have good performance, of the many factors that can affect performance, there is one factor, namely compensation.

This study aims to determine the effect of compensation on employee performance at PT XYZ. Where in this study researchers will examine the level of employee compensation, employee performance levels, and the effect of compensation on employee performance at PT XYZ.

The research method used is quantitative method, with a sample of 112 respondents using accidental sampling technique. The questions consist of 23 questions using a 5 Likert scale. The data obtained will be processed using SPSS 25 to find a simple linear regression that aims to determine the effect of compensation on performance, and the data will be interpreted using descriptive analysis techniques.

The results of data processing show that compensation has a significant positive effect on employee performance. The effect of compensation on the performance of PT XYZ's employees is 34%, the remaining 66% is influenced by variables not examined in this study.

This research is expected to be used as an evaluation of the company in order to pay more attention to the provision of existing compensation so as to maximize performance.

Keywords: compensation, employee performance