

ABSTRACT

Syamsul Fuad. Thesis 2014. Title: "The influence of Compensation toward the Employee Performance (Studies in PLN PT (Persero) East Java Distributor in Malang area)".

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Key words: Compensation, Employee Performance

Human Resources (HR) is a vital ingredient for any company, because the success or failure of a company depends on its HR. By looking at the performance of employees, it will be known whether or not the activities of employees in accordance with the purposes and expectations of the company.

The purpose of this research is to find out the simultaneous and partial influence of compensation on the performance of employees and to find out the most dominant variable that influences on the performance of employees.

This research was conducted at PT PLN East Java Distributor in Malang area. There are 37 samples. In this research, data analysis were used multiple linear regression model. Before using regression analysis, the test validity, reliability and classical assumption were investigated, so that the resulting data will be good.

Based on the results of this study concluded that financial compensation and non financial compensation, either simultaneously or partial exercise significant influence on the performance of employees. It is shown from the calculation of the F test (simultaneous), which indicates that $F_{count} > F_{table}$ and also from the calculation of t test (partial) showing that $t_{count} > t_{table}$. Variables that have the most dominant influence on the performance of employees is financial compensation. It is shown from the calculation of beta values for 0.364. So it can be concluded that the financial compensation and non financial compensation has an equally important role in improving employee performance.