

ABSTRACT

In line with the growth and development of life, the problems faced by humans will be more complex, because basically people are always moving forward, and developed everyday. Meanwhile, the qualities of human resources increase rapidly, but the availability of qualified resources in accordance to fulfills requirement has not been able to keep up, and make huge gap between needs and availability of the human resources.

Human resources are a substantial investment for most companies. Human resources represent a significant portion of corporate overhead costs. Increased overhead means less profit.

From books written by Rival Veithzal. We have to explore a field of science that is very important and strategic role in management in general and human resource management in specific. Not only about employee performance appraisals, but also how to recognize and evaluate the behavior of stakeholders wants and to know what is desired by stakeholders. Performance appraisal is important for companies who want to grow especially in this era of globalization with tight competition that must be faced. For companies that succeed managed performance appraisal in their business and make it as daily operation, It means that company are succeeds to established culture of performance appraisal is not only a necessity for companies, but also for employees who want progress and challenge for healthy competition.

The goal of every company everywhere is to get income, from increased market share or increase the quality and income for company. The responsibility to obtain the desired results lies the team members in management who have a single challenge, that is to get results from others. So the managements should give awards to their employee for the growth, development and commitment from them. This simple philosophy involve in improving employee performance and achieve the expected results of the company.

An important issue for companies is to formulate compensation and rewards that affect the development of compensation strategies and long-term reward. This philosophy should be linking compensation to employee growth and development to increase the capacity of the company's performance.

This thesis discusses the relationship between compensation with performance Pegawai Negeri Sipil (PNS). The aim is to determine the compensation and performance Pegawai Negeri Sipil (PNS) in a government institution and to investigate the relationship of the compensation with the performance Pegawai Negeri Sipil (PNS) in a government agency.

Data obtained through survey by distributing questionnaires to Civil Servants (PNS) at the Institute for Environmental Policy Procurement Government. The sampling technique used is to take the civil servant population 44 people National Public Procurement Agency (LKPP) and every member of the population as well as a member of the sample.

From hypothesis testing the relation between compensation and performance of employees is equal to 0.668, it can be concluded that the relationship between

the compensation with employee performance indicates a strong relationship and linear (positive), it's mean that if company increase the compensation the performance of employees will increase as well, vice versa. Results obtained t count $>$ t table we should refused H_0 and H_a is accepted, it means the relationship between the compensation with employee performance level. Pegawai Negeri Sipil (PNS), National Public Procurement Agency (LKPP).

Key Words: Compensation, Performance Level Pegawai Negeri Sipil (PNS).

