

ABSTRACT

Human resources (HR) have a very important role in an organization or company. Good management of human resources can assist organizations in achieving organizational goals. This research was conducted on several medium-sized MSMEs in West Java, especially Bandung.

The purpose of this study is to find out the application of leadership and compensation to these MSMEs. As well as to determine the effect of leadership and compensation for employee engagement on middle MSMEs in West Java, especially Bandung.

The method used in this study is a quantitative method. This research is descriptive and causal research. The population in this study were employees of several middle MSMEs in West Java, especially Bandung. Data analysis in this study used descriptive statistical analysis, normality test, multicollinearity test, heteroscedasticity test, multiple regression analysis, coefficient of determination, hypothesis test T test and F test.

The findings in this study, concluded that leadership partially had a significant effect on employee engagement by 21.7%. And compensation partially has a significant effect on employee engagement by 21.7%. In addition, it can be concluded that leadership and compensation have a significant simultaneous effect on employee engagement.

The results of this study are expected to provide input for medium-sized MSMEs in West Java, especially Bandung. Middle MSME leaders in West Java, especially Bandung, are expected to be more attentive to employees and more participatory. Middle MSMEs are also expected to be able to provide fair and consistent compensation in addition to these medium MSMEs that are expected to create good relationships between employees and the middle MSME leadership

Keywords : *Leadership, Compensation Employee Engagemen, MSMEs*