

ABSTRACT

PT Krakatau Engineering is a company operating in the construction sector. PT Krakatau Engineering has a parent company, namely PT Krakatau Steel, where in 2019 the parent company streamlined the organization by carrying out Spin Off. So that the addition of employees to one of its subsidiaries, namely PT Krakatau Engineering.

This research was conducted with the aim of explaining the effect of compensation on job satisfaction, employee engagement on job satisfaction. This research was also conducted to determine the level of compensation, job satisfaction, and employee engagement at PT Krakatau Engineering. The research conducted is supported by relevant theories related to organizational behavior, employee engagement, job satisfaction, human resource management, and compensation.

The method used in this study is a quantitative research method. The data obtained was carried out by distributing questionnaires to 120 PT Krakatau Engineering employee respondents. The results of the validity and reliability tests show that the questionnaire used is valid and reliable, so that it can support the research process.

The research conducted shows the results of the coefficient of determination between compensation and employee engagement on job satisfaction of 79.8%. This research also shows the results of the coefficient of determination between compensation and employee engagement of 65.%. So it means that compensation and employee engagement have an influence on the job satisfaction of employees of PT Krakatau Engineering as well as compensation has an influence on employee engagement of PT Krakatau Engineering.

The results obtained in the research conducted are the effect of compensation and employee engagement on job satisfaction and the effect of compensation on employee engagement partially. The results obtained from the research are expected to be a reference for study material for further research. The results of this study are also expected to be useful for the science of human resources in the future.

Keywords : *Compensation, Job Satisfaction, Employee Engagement*