

## **ABSTRACT**

*This study aims to determine the effect of performance appraisal and compensation on employee motivation at PT. Bintang Baru Sukses. The research method used is descriptive and verification method with a total sample of 94 respondents. The data collection techniques used were interviews, questionnaires and observation. Methods of data analysis and hypothesis testing used are multiple linear regression analysis, multiple correlation analysis, simultaneous determination coefficient and partial determination coefficient, simultaneous hypothesis testing and partial hypothesis testing.*

*The results showed that there was a positive and significant influence between performance appraisal and compensation on employee motivation at PT. Bintang Baru Sukses simultaneous is 64.8%. While partially the magnitude of the effect of performance appraisal on motivation is 40.1% and the effect of compensation on motivation is 24.7%.*

**Keywords: Performance Appraisal, Compensation and Motivation**