

## **ABSTRACT**

*This study originated from the discovery of problems in the performance of MSMEs. The problem in this study was the low performance of MSMEs caused by low of competence and compensation. This study refers to determine how competence and compensation influence the performance of Cempor MSMEs Dispora Bandung City, both partially and simultaneously. The research method used is descriptive and verificative, with a population of 376 and sample of 79 respondents. The analytical method used is multiple linear regression analysis, multiple correlation analysis, multiple determination coefficient analysis and hypothesis testing using the SPSS 25 program. The results of the research show that there is a positive and significant influence between competence and compensation on performance. Besarnya pengaruh kompetensi dan kompensasi secara simultan memiliki kontribusi pengaruh terhadap kinerja UMKM yaitu sebesar 85,8% sedangkan sisanya 14,2% dipengaruhi oleh variabel lain yang tidak diteliti dalam penelitian ini. The magnitude of the influence of competence and compensation simultaneously contributes to 85.8% of the influence on MSME performance, while the remaining 14.2% is influenced by other variables not examined in this research. The contribution of competence to performance is 58.7%, and the contribution of compensation to performance is 27.1%. So, it can be concluded that the competence variable makes the most dominant contribution to the performance of Cempor MSMEs fostered by Dispora of Bandung City.*

**Keyword : Competence, Compensation and Performance**