

## **ABSTRACT**

*This study aims to analyze and determine the effect of compensation satisfaction on employee performance through work discipline as an intervening variable at PT Pura Barutama Unit Engineering, Central Java. Population in this study is all of the permanent employees. The number of samples used in this study is 89 respondents.*

*Data was collected through the distribution of questionnaires on samples selected through non-probability sampling techniques with saturated samples (census) method. Measurements in the questionnaires using five points of Likert Scale. Hypothesis in this study were tested using the SEM-PLS (Structural Equation Modelling-Partial Least Square), a multivariate statistical analysis with SmartPLS 4.0.9.9 software.*

*The statistical test shows the results that compensation satisfaction variable have a significant positive effect on employee performance. In addition, it is also proven by this study that work discipline variable can mediate the relation between compensation satisfaction on employee performance.*

*Keywords: compensation satisfaction, work discipline, employee performance*