

ABSTRACT

In this business world in maintaining the continuity of its business required the role of employees or workers in improving the activities of the organizers drive, so it can provide an important role in each job in order to take the time, thought, and energy owned to improve its performance. The purpose of this study is to analyze the influence of leader-member exchange on employee performance with participation and work engagement as a mediation variable.

Case study conducted in this research is at PDAM Tirta Moedal Kota Semarang. The data collected in this study using questionnaires distributed to respondents and samples used in this study is simple random sampling with total samples of 105 respondents. Variable leader-member exchange as independent variable, and participation and work engagement as mediation or intervening variable, and employee performance variable as dependent variable. Data analysis techniques use path analysis, reliability test, validity test, classical assumption test, t test, F test, and sobel test to test the mediation effect of the variable.

The results of the analysis data using the path analysis that: 1.) LMX directly related and positive impact on participation, 2.) LMX directly related and positive impact on work engagement, 3.) participation directly related and positif impact on job performance, 4.) work engagement directly related and positif impact on job performance, and 5.) LMX directly related and positif impact on job performance.

Keyword: Leader-Member Exchange, Participation, Work Engagement, Job Performance