

## **ABSTRACT**

*This Research was conducted on Hotel Bahari Inn Tegal. The aim of this study is to determine the influence of the Leader Member Exchange (LMX) mediated job satisfaction and employee engagement to employee performance. Total sample sets of this research are 105 respondents by using the survey method. Furthermore from the collecting data I used questionnaires (as the main instrument), interviews, and literature. As independent variables, namely the Leader Member Exchange (LMX), and the mediating variable is job satisfaction and employee involvement, while the dependent variable is the performance of employees. Moreover for data processing techniques this research used PLS (Partial Least Squares). The inside PLS steps are: specification models (outer and inner models model) and evaluation models (outer and inner models model).*

*The results of the analysis using the PLS showed that: 1) LMX directly related and positive impact on employee engagement, 2) LMX directly related and positive impact on job satisfaction, 3) Involvement of employees deal directly and positively on employee performance, 4) Job satisfaction relates directly and positively to employee performance, 5) LMX indirect effect on employee performance, LMX will be affected immediately if mediated by job satisfaction and employee performance.*