

ABSTRACT

Human resource is one of the most important investment of organization, especially for economic organization like a company. The value of human resource clearly seen when the company sold, it means the selling point will be bigger than total of physical value and the asset of payment if the human resource has good quality. Human resource that have high competency and high quality can make a company become successful in the future. This because the company can grow rapidly, so human resource main the important role in a company. A company often faced with the problem with its performance of employee. Every leader in the company will always try to make an activity become more effective and efficient in the result.

This research purposed to analyze the effect of salary towards performance, the effect of salary towards self esteem, the effect of self esteem towards performance, the effect of salary towards performance with self esteem as intervening variable. Samples in this research used purposive sampling that are full time employee on PDAM Grobogan that have been work there at least 2 years, that are 58 employees. Techniques used in this research are test validity, reliability, and linear regression.

Analysis result showed that : (1) Salary have positive and significant effect towards performance, (2) Salary have positive and significant effect towards self esteem, (3) Self esteem have positive and significant effect towards performance, (4) Salary have have positive and significant effect towards performance, with self esteem as mediating variable. But only partial mediating because the direct effect bigger than indirect effect.

Keywords: Salary, self esteem, employee performance.