

ABSTRACT

Human resources are an important asset that must be managed properly to improve the company's performance. Employee performance at PT. Taspen (Persero) Bandung Main Branch Office (KCU) found decrease in 2017 of 0.72 compared to 2016. In addition, there is a different between amount of senior employees (upper 49 years old) and junior employees (below 49 years old). The composition of young employees with employees over 49 years old, the amount is far different. Based on that, the issues about ages become factor that caused decrease of employees performance.

This study was conducted to determine the effect of compensation on performance through job satisfaction of employees at PT. Taspen (Persero) Main Branch Office (KCU) Bandung. The purpose of this research is to find and analyze how the compensation, job satisfaction and employee performance, the effect of compensation and job satisfaction on employee performance. The other purpose is to determine job satisfaction can mediate the effect of compensation on the employee performance of PT. Taspen (Persero) KCU Bandung.

This study uses a quantitative approach using primary data obtained by distributing questionnaires. The sampling technique used a saturated sample technique which is to fifty samples. All samples are permanent employees at PT. Taspen (Persero) KCU Bandung. Data processing using method PLS-SEM (Structural Equation Modelling) with tools SmartPLS 3.0 & the analysis used is path analysis.

Based on descriptive analysis, compensation (78.6%), job satisfaction (77.52%), and employee performance (78.6%) in general categorized good category. In general, compensation variable (X1) and job satisfaction (X2) affect employee performance (Y) and employee job satisfaction (X2) can mediate the effect of compensation (X1) on employee performance (Y). Therefore, the variable become a factor in improving employee performance at PT. Taspen (Persero) KCU Bandung.

Keywords: *Compensation, job satisfaction, employee performance*