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THE WORK SPIRIT OF MEDIATOR EMPLOYEES: THE INFLUENCE OF COMPENSATION AND WORK ENVIRONMENT ON THE PERFORMANCE OF EMPLOYEES AT NUSANTARA LOGISTICS HIGHER EDUCATION

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Abstract: The aim of this study is to examine the influence of compensation and work environment on employee performance through employee work spirit. The sampling technique used in this research is purposive sampling, with 46 respondents from the Head of Department (Kabag) along with the Head of Subdivision (Kasubbag) and their staff, based on the employees' minimum educational level of grade II. This research was conducted at Nusantara Logistics Higher Education. The analytical tool used is path analysis. The results of this study indicate that compensation and work environment contribute to the improvement of employee work spirit and performance, and work spirit contributes to the improvement of employee performance. Work spirit is able to mediate the influence of compensation and work environment on the improvement of employee performance. Based on the research findings, it is recommended for the leaders of Nusantara Logistics Higher Education to provide fair compensation to employees, and employees should maintain a comfortable and conducive work environment to stimulate work spirit and impact on performance improvement.

Keywords: Compensation, Work Environment, Work Spirit, Employee Performance

CITATION

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INTRODUCTION

Higher education is an institution that provides educational services and plays a crucial role in preparing high-quality human resources, holding significant importance within the national development framework (Effendi, 2003). As one of the types of formal educational institutions, higher education is expected to deliver quality education services that align with the expectations and desires of educators (Apriliana et al., 2017). It is particularly relevant in the current era of globalization, where competition has intensified. Therefore, educational institutions are compelled to enhance their performance and services to compete effectively with similar institutions, including Nusantara Logistics Higher Education in Kudus, Central Java.

In a higher education institution, the employees are a crucial asset because the organization would find it challenging to achieve its goals without them. An individual's ability to perform their job depends on their performance. Performance is the tangible behavior each person displays as work achievements produced by employees in line with their roles within the company (Rivai, 2004). Simanjuntak (2005) stated that individual performance is the level of achievement or results of someone's work in meeting the set targets or tasks within a specified period.

Issues related to employee performance are often encountered by higher education institutions, including Nusantara Logistics Higher Education in Kudus, Central Java. The phenomenon faced at Nusantara Logistics Higher Education in Kudus, Central Java, is specifically related to the problem of employee attendance. The following data presents the percentage of employee attendance at Nusantara Logistics Higher Education.

Table 1. Employee Attendance Percentage at Nusantara Logistics Higher Education

No.	Chess Wulan	Year 2020	Year 2021	Year 2022
1	1	89.7%	75%	-
2	2	72%	72.25%	-
3	3	75%	80.5%	89%

Source: Nusantara Logistics College Staff

Based on Table 1 shows that the percentage of employee attendance at Nusantara Logistics Higher Education has experienced uncertain fluctuations, both increases and decreases. Attendance is one of the indicators that an employee has high motivation and performance, meaning that if attendance increases, the employee has high work spirit and performance. Compensation plays a crucial role in enhancing employee performance, as one of the main reasons people work is to meet their livelihood needs. Individuals tend to work to their maximum capacity to receive corresponding compensation. The results of studies conducted by Triana (2017), Candradewi and Dewi (2019), Sutoro (2019), Ratnasari et al. (2020), Susanto and Haryono (2020), Hendrasti et al. (2022), Fauzan (2022), Anwar and Abrar (2023), and Prayogo et al. (2023) concluded that compensation influences the improvement of employee performance. However, contrasting results were found by Hariani and Lutfi (2023), who concluded that compensation does not have an impact on enhancing employee performance.

The work environment is one of the factors influencing the employee performance. Employees may feel unmotivated to work if the surrounding work environment gives an uncomfortable impression. It aligns with Nurjaya's statement (2021) that the work environment shapes employee performance. The work environment has a direct impact on employees in completing their tasks, ultimately resulting in positive effects on the overall organizational performance. A work environment can be considered good when employees can efficiently carry out their tasks and feel comfortable, safe, and healthy.

The research findings conducted by Pratama (2019), Sunarsi et al. (2020), Zhenjing et al. (2022), As'ad (2021), and Wulandany et al. (2023) concluded that the work environment has an impact on improving employee performance. However, differing results were found by Rismayadi (2022), who concluded that the work environment does not have an influence on improving employee performance. Based on several previous research findings on the influence of compensation and work environment on employee performance, there are still differences in results (research gap), opening the opportunity to re-examine the impact of

compensation and work environment on employee performance with work spirit as a mediator.

Siagian (2002) stated that work spirit indicates the extent to which employees are enthusiastic about carrying out their tasks and responsibilities within the organization. Nitisemito (2015) asserts that compensation is the most effective system as a motivator capable of both binding and generating employee work spirit. The research findings conducted by Nurjannah et al. (2013), Danti et al. (2014), Kasim and Rusli (2021), Ganandy et al. (2019), Perwira (2020), Oktavina et al. (2023), and Syafitri and Andri (2023) concluded that compensation has an impact on increasing employee work spirit.

The work environment has a significant influence on employee work spirit. A good work environment can enhance work spirit and employee performance, while an unfavorable work environment can decrease work spirit. Siagian (2002) asserts that a good work environment will inspire the employees to perform their tasks. The research findings conducted by Chandra and Setiawan (2018), Safrina and Lestari (2019), Jufri et al. (2020), Duha et al. (2021), Al-Hakim et al. (2022), Rico et al. (2023), and Supri (2023) concluded that the work environment has an impact on increasing the employee work spirit.

Work spirit is crucial for achieving organizational goals. Employee work spirit is a psychological state that generates pleasure and motivates employees to work well, correctly, and diligently in achieving the targeted goals within an institution or organization. According to Hendri (2010), with high work spirit, employee performance will improve because employees will carry out their tasks more diligently, and work can be completed quickly. The research findings conducted by Zainuddin and Darman (2020), Syihab et al. (2020), Sarumaha et al. (2021), Bestara et al. (2022), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023) concluded that work spirit has an impact on increasing employee.

Based on the personnel phenomenon and several relevant previous research findings, the study focuses on the role of work spirit as a mediator in the influence of compensation and work environment on employee performance at Nusantara Logistics Higher Education, Kudus City, Central Java. The designation of work spirit as a mediator

variable is a novelty in this study.

LITERATURE REVIEW

Compensation

Fundamentally, people work to earn money to fulfill their living needs. In light of this, an employee begins to appreciate hard work and demonstrates increased loyalty to the organization, prompting the organization to acknowledge employees' work achievements through compensation. According to Enny (2019), compensation can be defined as a form of reward given to employees as an acknowledgment of their contributions and work to the organization. This compensation can take the form of direct or indirect financial rewards, and the acknowledgment can also be indirect.

The compensation system implemented by a company is one way to enhance employee morale and work spirit. Therefore, the determination of the compensation system must be done effectively. The compensation system can be differentiated based on its types. According to Enny (2019), compensation can be categorized into Financial Compensation, which includes direct and indirect compensation. Direct compensation comprises employee payments in wages, salaries, bonuses, or commissions. Indirect compensation, or benefits, consists of all payments not covered in direct financial compensation, such as entertainment, various insurance services like child care or religious care, and so forth. Non-financial compensation refers to non-financial rewards like praise, self-appreciation, and recognition that can influence employee motivation, productivity, and satisfaction.

Work Environment

The work environment in an organization is crucial and deserves attention from organizational leaders. In several organizations, workplace issues are highly prioritized because the work environment is where employees conduct their activities and fulfill their responsibilities. Sutrisno (2009) stated that the work environment encompasses all work facilities and infrastructure around employees engaged in their tasks, which can significantly influence job performance. Nitisemito (2015) stated that the work environment refers to everything around an employee that can influence them in carrying out their assigned tasks. According to Enny (2019), the indicators that shape the work environ-

ment include working conditions, facilities for the employees, and employee relations.

Work spirit

Work spirit stimulates an individual to excel and be creative in their work. Employees with high work spirit can undoubtedly complete their tasks effectively and efficiently. Hasibuan (2013) expresses that work spirit is the desire and sincerity of an individual to perform their tasks well and be disciplined to achieve maximum work achievements. According to Marpaung (2013), work spirit is the ability of a group of people to work together diligently and consistently in pursuing common goals. According to Busro (2018), the indicators that shape work spirit include discipline, work decisions, responsibility, and work enthusiasm.

Employee Performance

Performance is the tangible behavior individuals' exhibit as work achievements produced by employees according to their roles within the company (Rivai, 2004). Performance is condition that shows an employee's ability to carry out tasks in accordance with the standards set by the organization, as per their job description (Siagian, 2002). Simanjuntak (2005) stated that individual performance is the level of achievement or work results of someone based on the goals to be achieved or tasks to be completed within a specified period. According to Mangkunegara (2017), the indicators that shape employee performance include quantity, quality, and timeliness. Based on the phenomena, theoretical review, and empirical studies that have been presented, the conceptual framework of

this research is as in figure 1.

HYPOTHESIS DEVELOPMENT

Compensation and Work Spirit

Nitisemito (2015) stated that compensation is the most effective system as a motivator capable of both binding and generating employee work spirit. The research findings conducted by Nurjannah et al. (2013), Danti et al. (2014), Kasim and Rusli (2021), Perwira (2020), Oktavina et al. (2023), Ganandy et al. (2019), and Syafitri and Andri (2023) concluded that compensation has an impact on increasing employee work spirit. Based on that, the hypothesis of this research is as follows:

H1: Compensation has a significant influence on the work spirit of employees at Nusantara Logistics Higher Education.

Work Environment and Work Spirit

The work environment has a significant impact on the employee work spirit. A good work environment can enhance work spirit and employee performance, while an unfavorable work environment can decrease work spirit. Siagian (2002) asserts that a good work environment will inspire the employees to perform their tasks. The research findings conducted by Chandra and Setiawan (2018), Safrina and Lestari (2019), Jufri et al. (2020), Duha et al. (2021), Al-Hakim et al. (2022), Rico et al. (2023), and Supri (2023) concluded that the work environment has an impact on increasing employee work spirit.

H2: The work environment has a significant influence on the work spirit of employees at Nusantara Logistics Higher Education.

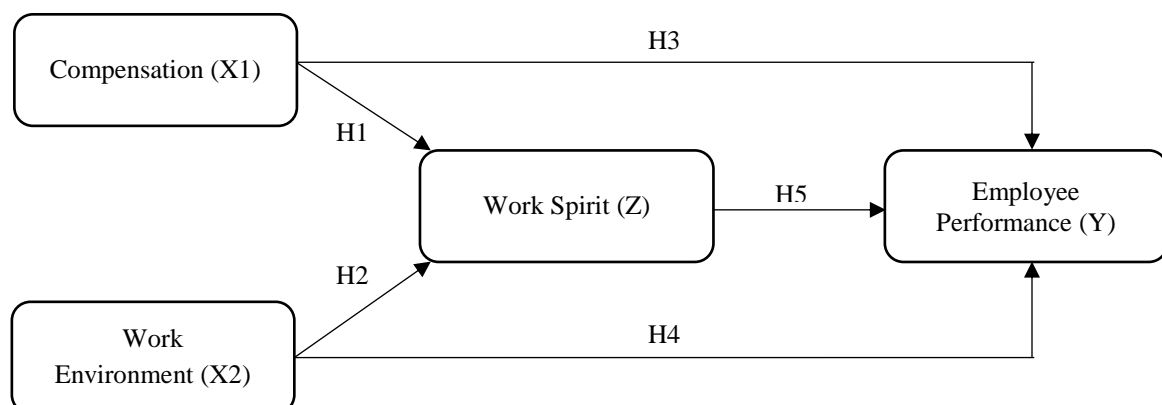


Figure 1. Conceptual Model

Compensation and Employee Performance

Compensation plays a crucial role in enhancing the employee performance, as one of the main reasons people work is to meet their livelihood needs. Individuals tend to work to their maximum capacity to receive corresponding compensation. The results of studies conducted by Triana (2017), Candradewi and Dewi (2019), Sutoro (2019), Ratnasari et al. (2020), Susanto and Haryono (2020), Hendrasti et al. (2022), Fauzan (2022), Anwar and Abrar (2023), and Prayogo et al. (2023) concluded that compensation has an impact on increasing the employee performance. Based on the results of previous empirical studies, the hypothesis of this research is as follows:

H3: Compensation has a significant influence on the performance of employees at Nusantara Logistics Higher Education.

Work Environment and Employee Performance

Nurjaya (2021) reveals that the work environment is crucial in shaping the employee performance. The work environment has a direct impact on employees in completing their tasks, which ultimately has a positive effect on overall organizational performance. A work environment can be good if employees can efficiently carry out their tasks and feel comfortable, safe, and healthy. The research findings by Pratama (2019), Sunarsi et al. (2020), As'ad (2021), Zhenjing et al. (2022), and Wulandany et al. (2023) concluded that the work environment influences the improvement of employee performance. Based on the results of previous empirical studies, the hypothesis of this research is as follows:

H4: The work environment has a significant influence on the performance of employees at Nusantara Logistics Higher Education.

Work Spirit and Employee Performance

According to Hendri (2010), with high work spirit, employee performance will increase because employees will work more diligently, and tasks can be completed quickly. The research findings by Zainuddin and Darman (2020), Sarumaha et al. (2021), Syihab et al. (2020), Bestara et al. (2022), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023) concluded that work spirit has an impact on increasing employee performance.

Based on the results of previous empirical studies, the hypothesis of this research is as follows:

H5: Work spirit has a significant influence on the performance of employees at Nusantara Logistics Higher Education.

The Influence of Compensation on Employee Performance through Work Spirit

The research findings by Nurjannah et al. (2013), Danti et al. (2014), Ganandy et al. (2019), Perwira (2020), Kasim and Rusli (2021), Oktavina et al. (2023), and Syafitri and Andri (2023) concluded that compensation has an impact on increasing employee work spirit. The results of research conducted by Zainuddin and Darman (2020), Syihab et al. (2020), Sarumaha et al. (2021), Bestara et al. (2022), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023) concluded that work spirit has an impact on increasing employee performance. Based on the results of previous empirical studies, the hypothesis of this research is as follows:

H6: Work spirit mediates the influence of compensation on the performance of employees at Nusantara Logistics Higher Education.

The Influence of Work Environment on Employee Performance through Work Spirit

The research findings by Chandra and Setiawan (2018), Safrina and Lestari (2019), Jufri et al. (2020), Duha et al. (2021), Al-Hakim et al. (2022), Rico et al. (2023), and Supri (2023) concluded that the work environment has an impact on increasing employee work spirit. The results of research conducted by Zainuddin and Darman (2020), Syihab et al. (2020), Monalisa et al. (2023), Hermita et al. (2022), Sarumaha et al. (2021), Maulidah et al. (2022), and Bestara et al. (2022) concluded that work spirit has an impact on increasing employee performance. Based on the results of previous empirical studies, the hypothesis is as follows:

H7: Work spirit mediates the influence of work environment on the performance of employees at Nusantara Logistics Higher Education

METHOD

The research utilized an explanatory research design. According to Singarimbun and Effendi (1995), an explanatory study aims to explain the relationship between clauses and test hypotheses.

The research objective is to analyze the relationship between compensation, work environment, work spirit, and employee performance. The study was conducted at Nusantara Logistics Higher Education. Data collection in this research involved the use of questionnaires. The population is a general area with objects or subjects with specific qualities and characteristics determined by the researcher for study and subsequent conclusion drawing (Sugiyono, 2013). The population in this study

consists of employees of Nusantara Logistics Higher Education. A purposive sampling technique was employed, as described by Arikunto (2006), which involves non-random sampling based on specific considerations focused on particular objectives. The study chose respondents focused on the managerial staff (Head of Department - Kabag and Head of Subdivision – Kasubbag) and their subordinates with a minimum education level of Class II, resulting in 46 respondents.

Table 2. Operational of Variables Compensation and Work Environment

Variabel	Indikator	Item
Compensation (X1)	Financial Compensation (X1.1)	1. Wages
		2. Performance Allowance
		3. Incentive
		4. Protection Program
		5. Pay outside working time
		6. Facilities provided
	Non-financial Compensation (X1.2)	1. Interesting task
		2. Challenge
		3. Responsibility
		4. Confession
		5. Sense of Accomplishment
		6. Healthy policy
		7. Competent supervisor
Work Environment (X2)	Working Conditions (X2.1)	1. Accurate location of light sources in the workspace
		2. Adequate fresh air circulation in the workplace
		3. Noise at work
		4. Psychologically, the colors in the workspace are calming
		5. There is enough room to move freely.
	Facilities for employees (X2.2)	1. Availability of places to eat and rest. Adequate health benefits for employee families
		2. Providing other facilities needed by employees
	Employee relations (X2,3)	1. Good relationships are created between leaders and employees as well as between employees in the workplace.
		2. Creating good communication

Table 3. Operational of Variables Work Spirit and Employee Performance

Variabel	Indikator	Item
Work Spirit (Y)	Discipline (Y1)	1. Every activity is carried out in accordance with the regulations that have been made.
	Work decisions (Y2)	2. A less supportive work atmosphere and environment affect work results.
	Responsibility (Y3)	3. In every activity the leader carries out, he is always responsible for his duties.
	Passion for work (Y4)	4. Individuals work with a feeling of happiness and other pleasant feelings.
Employee Performance (Z)	Quantity (Z1)	1. The level of achievement of the average quantity of work output according to the period for which the work is carried out is in accordance with applicable regulations.
	Quality (Z2)	2. The level of achievement of the quality of work results is that the suitability of the resulting activity product is in accordance with the applicable regulatory references.
	On-time (Z3)	3. Reach level

In this research, each response in the questionnaire is assigned a score: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree. Data analysis in the study involves path analysis, and the hypothesis testing of direct effects is examined based on the significance level. If the significance value is less than the predetermined error rate (α) 0.05, it indicates a direct influence. To test the mediating role, the total effect is compared with the direct effect. If the total effect is greater than the direct effect, it suggests that work spirit mediates the influence of compensation and work environment on employee performance.

RESULTS

The data on the respondent characteristics in this study include: 1) based on gender, 2) based on age, and 3) based on groups. The three characteristics of respondents are presented in the table 4. The data on respondent characteristics in this study include: 1) based on gender, 2) based on age, and 3) based on groups. Based on Table 3 above, it can be seen that male respondents amount to 30 people or 65.22%, while female respondents amount to 16 people or 34.80%. Based on this data, the majority of respondents are males, accounting for 65.22%. Respondents under 30 years are four people or 8.7%, while those over 30 years are 42 people or 91.3%. According to this data, most respondents

are those over 30 years, accounting for 91.3%. Group II respondents are 32.9%, while Group III respondents are 76.1%. Based on this data, the majority of respondents are group III respondents, which is 76.1%.

Table 4. Characteristics of Respondents

Characteristics of Respondents	Number (people)	%
Gender		
Man	30	65,22
Woman	16	34,80
Age		
≤30	4	8,7
≥30	42	91,3
Work Experience Group		
II	11	32,9
III	35	76,1
IV	0	0

Instrument Testing

Before the instrument is used for research, it must be tested first on a designated number of respondents. The research instrument is tested by distributing a small sample to 30 respondents. The results of the validity and reliability testing of the instrument can be seen in the following Table 5.

Table 5. Results of Validity and Reliability Testing of Items

Variable	Item	Correlation		Coefficient	
		R statistics	status	alpha	status
Compensation	X1.1.1	0,498	Valid	0,906	Reliable
	X1.1.2	0,589	Valid	0,906	Reliable
	X1.1.3	0,812	Valid	0,906	Reliable
	X1.1.4	0,722	Valid	0,906	Reliable
	X1.1.5	0,791	Valid	0,906	Reliable
	X1.1.6	0,795	Valid	0,906	Reliable
	X1.2.1	0,738	Valid	0,906	Reliable
	X1.2.2	0,767	Valid	0,906	Reliable
	X1.2.3	0,622	Valid	0,906	Reliable
	X1.2.4	0,591	Valid	0,906	Reliable
	X1.2.5	0,695	Valid	0,906	Reliable
	X1.2.6	0,638	Valid	0,906	Reliable
	X1.2.7	0,567	Valid	0,906	Reliable
Work Environment	X2.1.1	0,775	Valid	0,925	Reliable
	X2.1.2	0,823	Valid	0,925	Reliable
	X2.1.3	0,866	Valid	0,925	Reliable
	X2.1.4	0,788	Valid	0,925	Reliable
	X2.1.5	0,861	Valid	0,925	Reliable
	X2.2.1	0,726	Valid	0,925	Reliable
	X2.2.2	0,566	Valid	0,925	Reliable
	X2.3.1	0,688	Valid	0,925	Reliable
Work Spirit	X2.3.2	0,661	Valid	0,925	Reliable
	Y1	0,735	Valid	0,81	Reliable
	Y2	0,714	Valid	0,81	Reliable
	Y3	0,676	Valid	0,81	Reliable
Employee Performance	Y4	0,714	Valid	0,81	Reliable
	Z1	0,675	Valid	0,841	Reliable
	Z2	0,723	Valid	0,841	Reliable
	Z3	0,766	Valid	0,841	Reliable

Based on the results of the validity and reliability tests, it is indicated that all questionnaire items are declared valid and reliable. It is because they have met the validity testing criteria, which is

the Pearson product-moment correlation coefficient ($r \geq 0.3$), and they have also passed the reliability testing, which requires Cronbach's alpha value to be greater than or equal to 0.6.

Table 6. Results of Direct Influence on Variables

Dependent Variable	Independent Variable	Beta Standard Coefficient	T statistics	Sig.
Work Spirit	Compensation	0,386	3,547	0,001
	Work Environment	0,514	4,719	0
	F statistics = 29,597 (Sig 0,000)			
Employee Performance	Compensation	0,256	2,649	0,011
	Work Environment	0,225	2,124	0,04
	Work Spirit	0,52	4,363	0
F statistics = 41,827 (Sig 0,000)				

Source: Internal data processed (2023)

Hypothesis Testing Results

The results of hypothesis testing on the direct effects of compensation and work environment on the work enthusiasm, as well as the influence of the compensation, work environment, and work enthusiasm on the performance of employees at Nusantara Logistics College, are presented in Table 6. Based on Table 6 in Model 1, testing the influence of the compensation and the work environment on the work enthusiasm yields an F-statistic value of 29.597 with a significance level of 0.000, smaller than the error rate (α) of 0.05. This result indicates that the model used in this study is suitable (fit).

The test results for the influence of compensation on work enthusiasm show a t-statistic value of 3.547 with a significance level of 0.001, which is smaller than the error rate (α) of 0.05. This result indicates that compensation directly affects employees' work enthusiasm. The test for the influence of the work environment on work enthusiasm yields a t-statistic value of 4.719 with a significance level of 0.000, which is smaller than the error rate (α) of 0.05. This result indicates that the work environment has a direct impact on employees' work enthusiasm.

Based on Table 6, in Model 2, testing the influence of compensation, work environment, and work enthusiasm on employee performance yields an F-statistic value of 41.827 with a significance level of 0.000, smaller than the error rate (α) of 0.05. This result indicates that the model used in this study is suitable (fit). The test results for the influence of compensation on employee performance show a t-statistic value of 2.649 with a signif-

icance level of 0.011, smaller than the error rate (α) of 0.05. This result indicates that compensation directly affects employee performance. The test for the influence of the work environment on employee performance yields a t-statistic value of 2.124 with a significance level of 0.040, which is smaller than the error rate (α) of 0.05. This result indicates that the work environment has a direct impact on employee performance. Similarly, the test for the influence of work enthusiasm on employee performance produces a t-statistic value of 4.363 with a significance level of 0.000, which is smaller than the error rate (α) of 0.05. This result shows that the work enthusiasm has a direct impact on employee performance.

The direct effect of compensation on employee performance has a coefficient value of 0.256. The indirect effect of compensation on work enthusiasm, which subsequently impacts the employee performance, is calculated as $(0.386 \times 0.824) = 0.320$, resulting in a total effect of 0.576. Since the total impact is greater than the direct effect, it can be concluded that work enthusiasm mediates the relationship between compensation and employee performance.

The direct effect of the work environment on employee performance has a coefficient value of 0.681. The indirect effect of the work environment on the work enthusiasm, which subsequently impacts employee performance, is calculated as $(0.675 \times 0.824) = 0.675$, resulting in a total effect of 1.356. Since the total impact is greater than the direct effect, it can be concluded that work enthusiasm mediates the relationship between the work environment and employee performance.

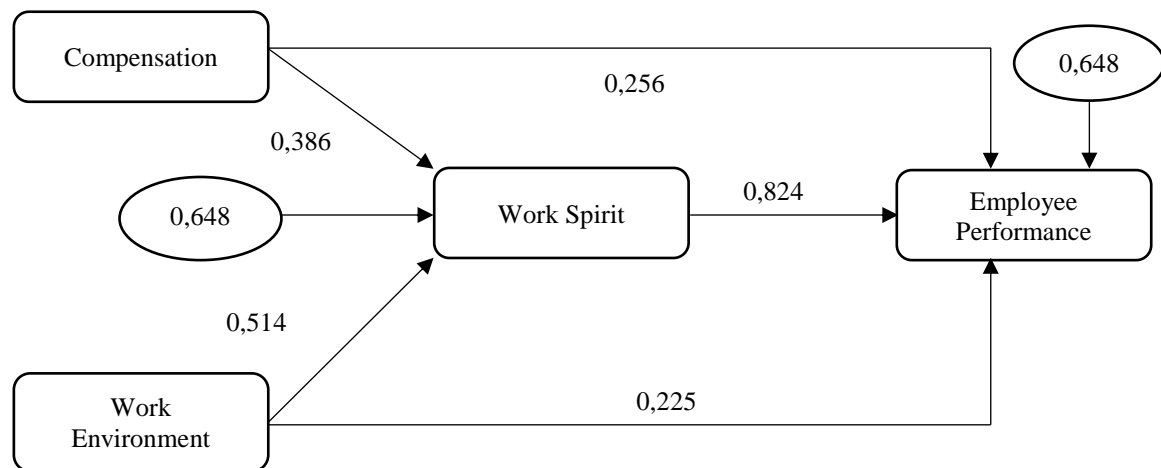


Figure 2. Path Analysis Model

DISCUSSION

Compensation and Work Spirit

The analysis results indicate that compensation improves work enthusiasm among employees at Nusantara Logistics College. It suggests that employees will have high work enthusiasm when financial and non-financial compensation policies are provided fairly. Properly implemented compensation can alleviate employees' concerns about economic issues and daily needs, as well as non-economic problems such as engaging tasks, challenges, responsibilities, recognition, a sense of achievement, healthy policies, and competent supervisors. These conditions stimulate employees to be enthusiastic in performing their job duties.

This concept aligns with the views expressed by Sumampow et al. (2013), stating that compensation policies are crucial and strategic due to their association with enhancing work enthusiasm. Nitisemito (2013) reveals that compensation is the most effective system as a motivator capable of both binding and fostering the employees' work enthusiasm. The findings of this study support the research conducted by Ganandy et al. (2019), Nurjannah et al. (2013), Oktavina et al. (2023), Kasim and Rusli (2021), Syafitri and Andri (2023), Danti et al. (2014), and Perwira (2020), concluding that compensation has an impact on increasing employee work enthusiasm.

Work Environment and Work Spirit

In the work environment, employees carry out their tasks, providing a sense of safety and comfort and enabling optimal performance, thus influ-

encing employee enthusiasm. Based on the analysis results, it is evident that the work environment enhances work enthusiasm among employees at Nusantara Logistics College. This implies that the employees will have high work enthusiasm if the work environment at Nusantara Logistics College provides comfort, demonstrated through good working conditions, adequate facilities, and the creation of harmonious relationships.

This concept aligns with the views expressed by Moekijat (2010), stating that a healthy, good, and enjoyable work environment will boost employees' feelings and satisfaction in their work, fostering their enthusiasm to work more diligently, thus effectively and efficiently achieving organizational goals. Siagian (2002) asserts that a good work environment will inspire employees to perform their tasks. The findings of this study support the research conducted by Duha et al. (2021), Safarina and Lestari (2019), Jufri et al. (2020), Chandra and Setiawan (2018), Al-Hakim et al. (2022), Rico et al. (2023), and Supri (2023), concluding that the work environment has an impact on increasing employee work enthusiasm.

Compensation and Employee Performance

A good compensation system can ensure the satisfaction of company members, which in turn allows the company to attract, retain, and employ several high-performing employees. Based on the analysis results, it is evident that the compensation contributes to improving employee performance at Nusantara Logistics College. It means that employees will perform highly if both financial and non-

financial compensation policies are administered fairly. By providing more suitable compensation that employees accept because it aligns with the effort and abilities they put forth and appreciates their hard work, employees will adopt a more professional attitude, work earnestly, and make various efforts to achieve better results, thereby enhancing their performance.

This concept aligns with the views expressed by Handoko (2014), stating that compensation is considered to play a significant role in improving the performance because it encompasses everything received by employees as a reward for their work. Simamora (2006) suggests that compensation costs should be at a level that ensures the effectiveness of the company and provides fair rewards for all employees based on their abilities, skills, knowledge, and performance achievements. According to Mathis and Jackson (2011), compensation can be a key factor in improving employee performance in a company. The findings of this study support research conducted by Candradewi and Dewi (2019), Ratnasari et al. (2020), Triana (2017), Hendrasti et al. (2022), Sutoro (2019), Susanto and Haryono (2020), Fauzan (2022), Anwar and Abrar (2023), and Prayogo et al. (2023), concluding that compensation has an impact on improving employee performance

Work Environment and Employee Performance

The work environment is a crucial component where employees conduct their work activities by focusing on a good work environment or creating working conditions that provide safety and comfort for employees to carry out their tasks effectively and efficiently. Based on the analysis results, it is evident that the work environment improves employee performance at Nusantara Logistics College. This implies that employees will perform highly if the work environment at Nusantara Logistics College provides comfort, demonstrated through good working conditions, adequate facilities for employees, and the creation of harmonious relationships among them.

This concept aligns with the views expressed by Lee and Brand (2005), stating that the work environment in a company is expected to support employee performance. Efforts to ensure that the work environment is supportive recommend a fle-

xible workplace model, meaning a workplace adjusted to situational conditions related to employees and the characteristics of the tasks they handle. Nurjaya (2021) emphasizes that the work environment is crucial in shaping employee performance. A positive work environment directly impacts employees in completing their tasks, ultimately having a positive effect on the overall organizational performance. A work environment is good when employees can efficiently perform their tasks and feel comfortable, safe, and healthy. The findings of this study support research conducted by Pratama (2019), Sunarsi et al. (2020), Zhenjing et al. (2022), As'ad (2021), and Wulandany et al. (2023), concluding that the work environment has an impact on improving employee performance.

Work Spirit and Employee Performance

Work enthusiasm is the condition that drives an individual to perform tasks more quickly and effectively within a company. The state of performing tasks more quickly and effectively is an initial reflection of an employee's productivity. In other words, there is a tendency for a direct relationship between high productivity and high work enthusiasm. Based on the analysis results, it is evident that work enthusiasm contributes to improving employee performance at Nusantara Logistics College. This means that employees will have high performance when they exhibit high work enthusiasm, demonstrated through high levels of discipline, accurate decision-making, a high sense of responsibility, and an eagerness to work.

This concept aligns with the views expressed by Hendri (2010), stating that with high work enthusiasm, employee performance will increase because employees will work more diligently, and tasks can be completed quickly. The findings of this study support research conducted by Zainuddin and Darman (2020), Syihab et al. (2020), Sarumaha et al. (2021), Bestara et al. (2022), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023), concluding that work enthusiasm has an impact on improving employee performance.

Work Spirit Mediates the Influence of Compensation on Employee Performance

The results of this study indicate that work enthusiasm can mediate the influence of compensation on employee performance. This means that

if both financial and non-financial compensation policies are administered fairly, employees will exhibit high work enthusiasm, as demonstrated by high levels of discipline, accurate decision-making, a high sense of responsibility towards their work, and eagerness to work. The high work enthusiasm of employees has an impact on the improvement of employee performance at Nusantara Logistics College, as evidenced by the quantity and quality of task completion and the timeliness of completing tasks.

These findings build upon previous research conducted by Nurjannah et al. (2013), Danti et al. (2014), Ganandy et al. (2019), Perwira (2020), Kasim and Rusli (2021), Syafitri and Andri (2023), and Oktavina et al. (2023), concluding that compensation has an impact on increasing work enthusiasm among the employees. Additionally, it aligns with research conducted by Zainuddin and Darman (2020), Bestara et al. (2022), Syihab et al. (2020), Sarumaha et al. (2021), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023), concluding that work enthusiasm has an impact on improving employee performance.

Work Spirit Mediates the Influence of the Work Environment on Employee Performance

The results of this study indicate that work enthusiasm can mediate the influence of the work environment on the employee performance. This means that if the work environment at Nusantara Logistics College provides comfort, demonstrated through good working conditions, adequate facilities for employees, and the creation of harmonious relationships among them, employees will exhibit high work enthusiasm. This is manifested through high levels of discipline, accurate decision-making, a high sense of responsibility toward their work, and eagerness to work. The high work enthusiasm of employees has an impact on the improvement of employee performance at Nusantara Logistics College, as evidenced by the quantity and quality of task completion and the timeliness of completing tasks.

These findings build upon previous research conducted by Chandra and Setiawan (2018), Safriana and Lestari (2019), Jufri et al. (2020), Duha et al. (2021), Rico et al. (2023), Supri (2023), and Al-Hakim et al. (2022), concluding that the work environment has an impact on increasing work enthu-

siasm among the employees. Additionally, it aligns with research conducted by Zainuddin and Darman (2020), Bestara et al. (2022), Syihab et al. (2020), Sarumaha et al. (2021), Hermita et al. (2022), Maulidah et al. (2022), and Monalisa et al. (2023), concluding that work enthusiasm has an impact on improving employee performance.

IMPLICATIONS

When employee morale is increased through various factors, such as compensation and a conducive work environment, it can be assumed that employee performance will significantly increase. Thus, an in-depth analysis of the factors that influence employee morale can be the main key to optimizing employee performance in the organization.

RECOMMENDATIONS

It is hoped that the Nusantara Logistics College can increase compensation for employees so that the performance of employees at the Nusantara Logistics College will increase. Nusantara Logistics College pays more attention to the compensation and work environment of each employee and understands what employees want and need to gain work enthusiasm. Nusantara Logistics College employees need to improve their performance and increase their ability to complete work and collaborate between employees. All employees of the Nusantara Logistics College must maintain a comfortable and conducive work environment so that it can raise work enthusiasm and have an impact on improving performance. For readers who will carry out research and will use this thesis as a reference, it is necessary to review it because it does not rule out the possibility that there are still many shortcomings both in terms of statements and other things.

CONCLUSIONS

Compensation and the work environment contribute to improving employee work enthusiasm and performance, while work enthusiasm contributes to enhancing the employee performance. Work enthusiasm effectively mediates the influence of compensation and the work environment on the increased performance of employees. Based on the research findings, it is recommended for the leadership of Nusantara Logistics College to provide fair compensation for the employees and ensure

a comfortable and conducive work environment. This approach aims to foster work enthusiasm and ultimately lead to an improvement in the employee performance.

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