



Determinants of Verification Performance: The Role of Structure and Resilience in Indonesia's Oil & Gas Domestic Content Compliance

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ABSTRACT

The purpose of this study is to formulate strategies for enhancing employee performance at Oil and Gas Industry in Indonesia regarding the fulfillment of Domestic Content Requirements (Tingkat Komponen Dalam Negeri or TKDN) through the optimization of the TKDN verification process. Achieving performance targets in TKDN verification is a critical objective for Oil and Gas Industry as part of its compliance with applicable regulations. This study examines the influence of Organizational Structure and Adversity Quotient on Employee Performance, with Work Motivation serving as an intervening variable. A quantitative approach was employed using a survey of 80 respondents, with data analyzed using Descriptive Statistics and Structural Equation Modeling (SEM). The results demonstrate that both Organizational Structure and Adversity Quotient have a significant direct positive effect on Employee Performance, and both significantly influence Work Motivation. However, Work Motivation does not have a significant effect on Employee Performance, indicating that the mediating role of Work Motivation is not supported. These findings suggest that strengthening TKDN verification performance is more effectively achieved by optimizing organizational mechanisms through the implementation of effective work procedures and supervision/coordination as well as by enhancing individual resilience during the verification process. Such measures are essential to ensuring that this Oil and Gas Industry meets its TKDN achievement targets and remains compliant with prevailing regulations.

Keywords: Organizational Structure; Adversity Quotient; Work Motivation; Employee Performance; Tingkat Komponen Dalam Negeri (TKDN); Oil and Gas Industry



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INTRODUCTION

The industrial and trade sectors, both nationally and internationally, have grown rapidly in recent years. The demand for high-quality finished goods influences not only domestic pricing but also international competitiveness. To strengthen the national economy and reduce dependence on imports, the Indonesian government has implemented the Domestic Content (Tingkat Komponen Dalam Negeri, TKDN) as part of the Peningkatan Penggunaan Produk Dalam Negeri (P3DN) program. This policy encourages the use of locally produced goods and services in public procurement and strategic industries. In the oil and gas sector, TKDN serves as a key instrument to support industrial capacity building and economic resilience while ensuring that the benefits of production are distributed domestically.

This Oil & Gas Company, as one of the main upstream oil and gas subsidiaries in Indonesia, plays a vital role in implementing TKDN regulations through the procurement and verification of goods and services. The Oil & Gas Company integrates TKDN realization targets into its key performance indicators (KPIs) to ensure alignment with national policies. However, data from 2021–2024 show that although overall TKDN achievement targets were met, the realization of verification activities lagged expectations. The verification rate was lowest in 2022, attributed to limited human resource capacity and organizational restructuring. These conditions suggest that internal management factors, such as organizational structure and employee capability, have a significant influence on performance outcomes related to TKDN verification.

Several internal and external factors may hinder the optimization of TKDN verification performance. Internally, the design of the organizational structure, clarity of job delegation, and coordination among functions directly affect workflow efficiency. Changes in organizational design at The Oil & Gas Company, particularly after the 2022 restructuring, required adjustments in work distribution and adaptation by employees in the TKDN function. Furthermore, limited personnel and increasing verification targets intensified work pressure and affected the speed and quality of contract verification. Externally, partner companies' low awareness of reporting requirements and compliance standards also delayed verification timelines, resulting in lower achievement levels compared to corporate targets.

Organizational performance is closely linked to the effectiveness of human resource management (Efawati, 2020). A well-designed structure ensures clear roles, accountability, and control mechanisms that improve coordination and decision-making (Pada *et al.*, 2017). In contrast, ineffective structure design can lead to overlapping responsibilities and decreased motivation among employees (Efawati, 2023). To address performance gaps, it is necessary to understand how organizational structure interacts with individual psychological factors. Among these, Adversity Quotient represents the ability of individuals to endure, adapt, and transform challenges into opportunities (Stoltz, 2000). Employees with a high AQ tend to demonstrate stronger persistence and resilience when facing work pressure, enabling them to maintain productivity even under challenging conditions (Efawati *et al.*, 2025).

Motivation also plays a central role in translating structural and psychological factors into improved performance. Work motivation refers to the internal drive that directs effort, maintains persistence, and influences the quality of outcomes (Miftahun & Sugiyanto, 2010). Employees with higher motivation are more likely to take ownership of their tasks and complete them efficiently, contributing to the organization's strategic objectives (Chaniago *et al.*, 2025). Within The Oil & Gas Company, motivation is influenced by factors such as job status, career development, and reward systems, which differ between permanent and contract employees. Insufficient motivation may result in

delays, reduced accountability, and low productivity, all of which negatively affect TKDN verification results.

The interaction between organizational structure, Adversity Quotient, and motivation is therefore critical in determining employee performance in achieving TKDN verification targets. Previous studies have demonstrated that structure and AQ have both direct and indirect effects on performance through motivation (Kholidi & Frendika, 2022; Robbins & Judge, 2015). In the context of The Oil & Gas Company, optimizing verification performance requires not only adequate resources but also adaptive employees who are structurally supported and psychologically equipped to meet high compliance demands. Strengthening organizational systems alongside individual motivation and resilience is expected to enhance the effectiveness and efficiency of TKDN verification.

Therefore, the study aims to (1) analyze the effect of organizational structure on employee performance in TKDN verification, (2) examine the effect of Adversity Quotient on employee performance, (3) identify the effect of work motivation on employee performance, (4) assess the effect of organizational structure on work motivation, (5) determine the effect of Adversity Quotient on work motivation, (6) evaluate the indirect effect of organizational structure on performance through work motivation, and (7) examine the indirect effect of Adversity Quotient on performance through work motivation.

LITERATURE REVIEW

The study employs organizational behavior and motivation theories to explain how organizational structure, adversity quotient, and work motivation jointly shape employee performance in TKDN verification at Oil & Gas Company in Indonesia. The literature review positions work motivation as a key psychological mechanism linking structural and individual factors to performance outcomes.

The research is grounded in Colquitt's Integrative Model of Organizational Behavior (Colquitt, LePine, & Wesson, 2019), which connects organizational mechanisms (such as structure), individual mechanisms (such as motivation), and outcomes (performance and commitment). Classical and contingency organizational theories such as Weber's bureaucracy, Burns & Stalker's (1947), Lawrence & Lorsch's differentiation-integration (1967), and Winardi and Handoko (2003), complexity, centralization, and formalization) are used to conceptualize organizational structure. Adversity Quotient draws on Stoltz's (2000) framework of how individuals respond to difficulties and convert pressure into constructive actions, while work motivation refers to effort direction, intensity, and persistence based on needs, incentives, and organizational context.

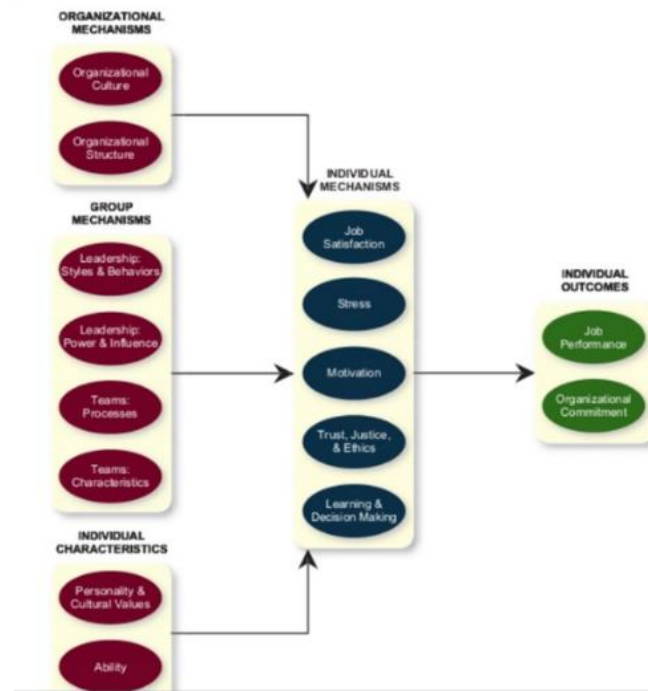


Figure 1. Colquitt's Integrative Model of Organizational Behaviour
 Source: Colquitt *et al.* (2019)

The literature on organizational behavior and human resource management explains employee performance as a function of structural design, individual resilience, and work motivation operating within a specific task context such as TKDN verification in upstream oil and gas. Drawing on this stream, the present study employs four core constructs as follows organizational structure, adversity quotient, work motivation, and employee performance with the objective to build a model of how internal organizational and psychological factors jointly influence TKDN verification performance at Oil & Gas Company in Indonesia. Organizational structure is understood as the formal configuration of roles, authority, work specialization, procedures, and communication channels designed to coordinate activities and achieve organizational goals efficiently. Classical and contingency theorists such as Weber, Burns and Stalker, Lawrence and Lorsch, Winardi, and Handoko emphasize division of work, hierarchy, formal rules, differentiation–integration, centralization–decentralization, and communication lines as key dimensions of structure. Adversity Quotient, based on Stoltz, refers to an individual's capacity to withstand pressure, manage difficulties, and convert setbacks into opportunities, typically operationalized through dimensions of control, origin, ownership, reach, and endurance (CO2RE). Work motivation is defined as the internal and external forces that initiate, direct, and sustain work behavior, reflected in indicators such as achievement drive, recognition, responsibility, advancement, working conditions, and status. Employee performance is conceptualized as the level of work results achieved by employees over a given period, measured through quality, quantity, effectiveness, and efficiency of TKDN verification activities.

Previous literature establishes that effective organizational structure—characterized by clear specialization and supervision—and high Adversity Quotient are critical drivers of employee motivation and performance. While structure provides necessary role clarity and Adversity Quotient equips individuals with resilience against work pressure, existing studies predominantly focus on generic manufacturing or stable environments, overlooking highly regulated sectors. This research addresses this gap by

examining these factors within the specific context of TKDN verification in the upstream oil and gas industry. In this setting, complex compliance demands and strict regulatory targets require robust structural support to prevent functional overload and high individual adaptability to manage data-intensive verification challenges. Furthermore, work motivation is posited as a crucial psychological mediator that translates structural efficiency and individual resilience into superior performance outcomes, defined here as the quality, quantity, effectiveness, and auditability of verification tasks. Although classical theories confirm motivation's role in general productivity, its specific impact on technical compliance and speed remains underexplored. Grounded in Colquitt's integrative framework, this study hypothesizes that organizational structure and Adversity Quotient not only directly influence performance but also indirectly enhance it through work motivation, ensuring accurate calculations, adherence to procedures, and the timely completion of strategic TKDN targets.

Based on the reviewed literature and conceptual framework, this research develops a model that investigates both the direct and indirect impacts of organizational structure and adversity quotient on employee performance, with work motivation positioned as a mediating factor.

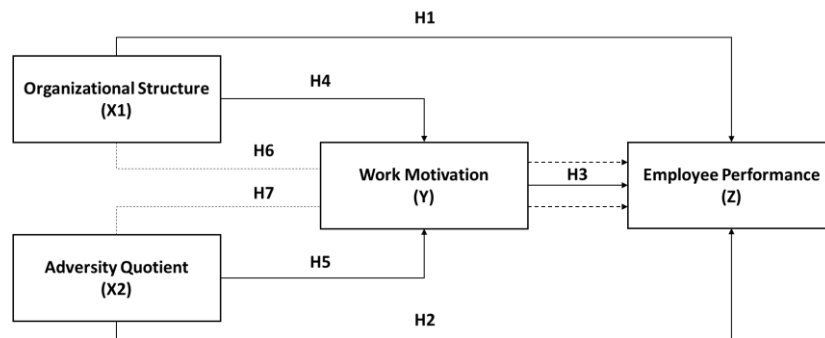


Figure 2. Research Constellation
 Source: Own Compilation (2026)

The hypotheses of this study are formulated as follows:

- H1: Organizational structure has a direct effect on work motivation.
- H2: Adversity quotient has a direct effect on work motivation.
- H3: Work motivation has a direct effect on employee performance in TKDN verification.
- H4: Organizational structure has a direct effect on employee performance.
- H5: Adversity quotient has a direct effect on employee performance.
- H6: Organizational structure has an indirect effect on employee performance through work motivation.
- H7: Adversity quotient has an indirect effect on employee performance through work motivation.

This research model is visualized in the form of a conceptual framework linking these variables.

RESEARCH METHOD

Research Design

This study employs a quantitative, explanatory, and cross-sectional design to test causal relationships among predetermined latent variables. Organizational structure and Adversity Quotient are treated as exogenous variables, work motivation as an intervening

construct, and employee performance as the endogenous variable. To ensure valid measurement, each variable is operationalized into specific indicators adapted from established theoretical frameworks. Organizational Structure is measured through five dimensions: supervision and coordination, work specialization, procedures, communication, and innovation, adapted from Robbins and Judge (2017) and Pada *et al.* (2017). Adversity Quotient adopts the CO2RE dimensions (Control, Origin, Ownership, Reach, Endurance) developed by Stoltz (2000). Work Motivation is assessed using indicators of achievement, recognition, responsibility, advancement, working conditions, and status, referencing Steers and Porter (1991). Finally, Employee Performance is measured by the quality, quantity, effectiveness, and efficiency of TKDN verification tasks. All items are measured using a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) for attitudinal variables, and frequency-based anchors for performance items. A preliminary instrument try-out was conducted to ensure clarity and psychometric readiness before the main survey.

Population and Sampling

The target population comprises employees involved in TKDN achievement in this Oil & Gas Company, specifically staff from the TKDN function, Supply Chain Management, and relevant contract's owner. The population frame totals 100 employees, distributed as 60 TKDN, 40 for SCM and contract's owner. Sample size was determined using the Slovin formula with a 5 percent margin of error, yielding an n of 80 respondents considered representative of the population. Proportional random sampling was applied to reflect the composition of functions in the final sample and to reduce selection bias. An additional set of 30 employees outside the study sample were engaged in pilot testing of the questionnaire (Chaniago *et al.*, 2023).

Data Collection Procedure

Primary data were collected via a structured self-administered questionnaire distributed to eligible employees during the study window. The instrument captures four constructs using Likert-type scales, with positively and negatively keyed items to mitigate acquiescence bias. Response options for organizational structure, Adversity Quotient, and motivation follow a five-point agreement scale, while performance uses a five-point frequency scale aligned to operational behaviors. Negatively worded items are reverse scored prior to analysis to maintain scale directionality. Ethical procedures include informed consent, anonymity, and the use of data solely for research purposes.

Data Analysis

Data analysis uses Smart PLS to estimate the measurement and structural models suited to prediction-oriented and complex models with moderate samples (Hair *et al.*, 2021). The measurement model assessment examines indicator loadings, composite reliability, Cronbach's alpha, average variance extracted, and discriminant validity via HTMT, with common thresholds such as loadings above 0.70, CR and alpha above 0.70, AVE above 0.50, and HTMT below 0.85. The structural model assessment reports collinearity (inner VIF), explained variance (R^2), predictive relevance (Q^2 via blindfolding), overall fit (SRMR), and effect sizes (f^2) for each exogenous path. Hypothesis testing relies on nonparametric bootstrapping with many resamples to obtain standard errors, t-values, and p-values for direct and indirect effects, including mediation through work motivation. Robustness includes checks for common-method bias indicators and sensitivity analyses where indicated by diagnostics.

RESEARCH RESULTS

Descriptive Statistics

This study involved 80 employees who are directly engaged in the implementation and management of Domestic Content (TKDN) verification. The respondents represent major organizational functions relate to verification responsibilities: the TKDN unit, the Supply Chain Management (SCM) and contract's owner function. These three functions are interrelated in supporting the company's TKDN compliance and verification process. Figure 1 presents the demographic distribution of the respondents, which includes variables such as gender, age, educational background, years of service, and work unit. The diversity of respondents is expected to provide a representative picture of the human resources involved in TKDN verification activities.

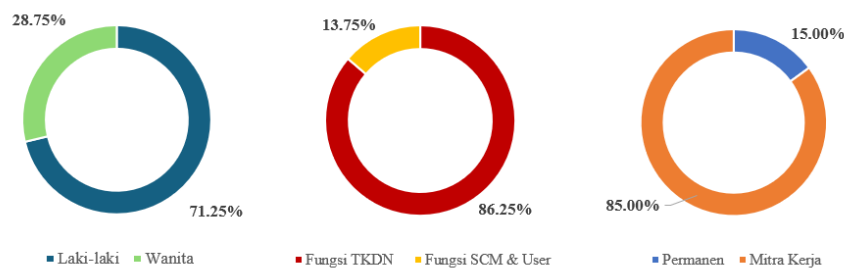


Figure 3. Respondent Characteristics
 Source: Own Compilation (2025)

In terms of gender, many respondents are male, amounting to 71.25 percent, while female respondents make up 28.75 percent. This gender composition reflects the male-dominated nature of the upstream oil and gas industry, where technical roles and field-related responsibilities are more commonly assigned to men. Female employees, though smaller in proportion, play essential roles in administrative, documentation, and verification data management. This gender distribution highlights the existing gap in gender representation but also shows opportunities for increasing women's participation in technical and managerial positions within the organization.

Based on organizational function, 86.25 percent belong to the TKDN function, remain respondents are 13.75 percent come from the SCM function and contract's owner. This composition reflects a proportional representation of all key departments involved in the TKDN process. The TKDN function holds the primary responsibility for verification and reporting, while the SCM function ensures coordination between procurement and verification teams. The user function contributes by validating technical requirements and providing necessary data for verification. The presence of these three interdependent units illustrates the collaborative and cross-functional nature of TKDN implementation at Oil & Gas Company. The diverse profile of respondents ensures that the research findings accurately represent the organizational conditions and provide reliable insights into how structure, adversity quotient, and motivation influence employee performance in achieving TKDN targets.

Measurement Model Results

The outer model in Partial Least Squares Structural Equation Modeling (PLS-SEM) explains the relationships between latent constructs and their observed indicators. This

stage evaluates whether the indicators used in the study accurately measure their intended constructs Organizational Structure, Adversity Quotient, Work Motivation, and Employee Performance. The evaluation follows a sequential process including tests of indicator reliability, convergent validity, discriminant validity, and internal consistency.

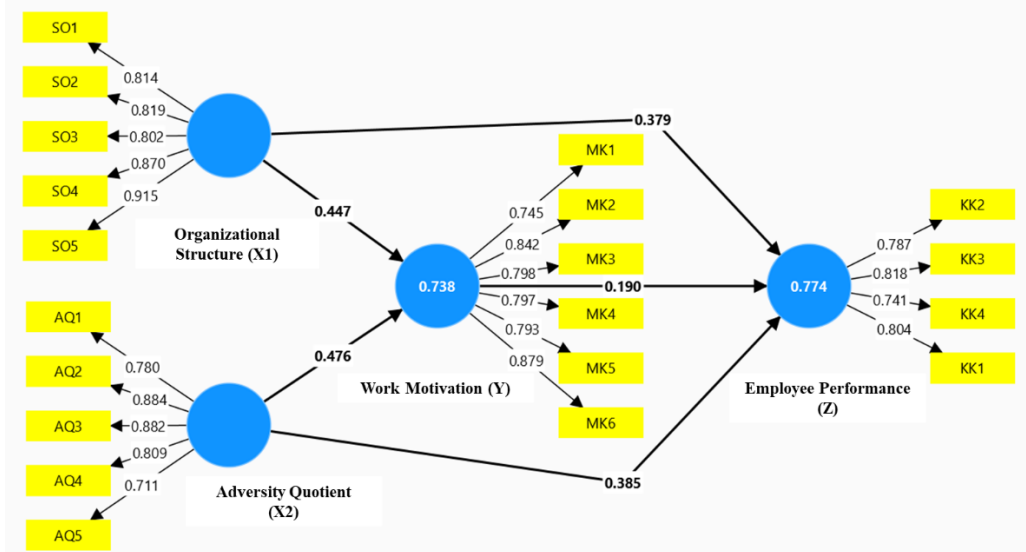


Figure 4. Measurement Model Schematic
 Source: Own Compilation (2025)

The measurement model was tested to ensure that each indicator contributes significantly to its corresponding latent construct. Organizational Structure (X1) was measured using indicators related to coordination, communication, procedure clarity, supervision, and innovation. Adversity Quotient (X2) consisted of indicators capturing control, ownership, reach, endurance, and origin. Work Motivation (Y) was represented by intrinsic and extrinsic dimensions such as achievement, responsibility, and recognition. Employee Performance (Z) was measured through indicators of quality, quantity, efficiency, and effectiveness. These constructs together form the measurement foundation for the inner model analysis.

Indicator Reliability

Indicator reliability, assessed through outer loadings, measures the extent to which each indicator is correlated with its latent variable. A loading value above 0.70 indicates that the indicator contributes significantly to the construct. In this study, all indicators met the minimum threshold, suggesting that each item is a valid reflection of its underlying construct.

Table 1. Indicator Loadings and Item Reliabilities

| Variable | Indicator | Outer Loading | Decision |
|-------------------------------|------------------------------|---------------|----------|
| Organizational Structure (X1) | Supervision and Coordination | 0.814 | Valid |
| | Work Specialization | 0.819 | Valid |
| | Procedures | 0.802 | Valid |
| | Communication | 0.870 | Valid |
| | Innovation | 0.915 | Valid |
| Adversity Quotient (X2) | Control | 0.780 | Valid |
| | Origin | 0.884 | Valid |

| Variable | Indicator | Outer Loading | Decision |
|--------------------------|--------------------|---------------|----------|
| Work Motivation (Y) | Ownership | 0.882 | Valid |
| | Reach | 0.809 | Valid |
| | Endurance | 0.711 | Valid |
| | Achievement | 0.745 | Valid |
| | Recognition | 0.842 | Valid |
| | Responsibility | 0.798 | Valid |
| | Advancement | 0.797 | Valid |
| Employee Performance (Z) | Working Conditions | 0.793 | Valid |
| | Status | 0.879 | Valid |
| | Quality | 0.804 | Valid |
| | Quantity | 0.787 | Valid |
| | Effectiveness | 0.818 | Valid |
| | Efficiency | 0.741 | Valid |

Source: Own Compilation (2025)

Indicators for Organizational Structure demonstrated strong reliability, with loadings ranging between approximately 0.802 to 0.915, showing that all items measure the latent construct consistently. The indicators for Employee Performance also achieved high reliability, ranging between 0.741 to 0.818, confirming that dimensions such as accuracy and compliance represent the construct effectively. Work Motivation indicators ranged from about 0.745 to 0.879, meeting the reliability standard, while Adversity Quotient indicators showed strong loadings between roughly 0.711 to 0.884. Collectively, these results confirm that the measurement items for all constructs are statistically reliable and theoretically consistent.

Convergent Validity and Internal Consistency

Convergent validity examines whether multiple indicators of the same construct share a high proportion of variance, while internal consistency assesses the stability of responses across indicators. These were evaluated using Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's Alpha. Constructs are considered valid and reliable when AVE exceeds 0.50 and both CR and Alpha exceed 0.70.

Table 2. Convergent Validity and Internal Consistency

| Construct | Average Variance Extracted (AVE) | Composite Reliability (CR) | Cronbach's Alpha (α) | Decision |
|-------------------------------|----------------------------------|----------------------------|-------------------------------|--------------------|
| Organizational Structure (X1) | 0.714 | 0.926 | 0.899 | Valid and Reliable |
| Adversity Quotient (X2) | 0.665 | 0.908 | 0.872 | Valid and Reliable |
| Work Motivation (Y) | 0.656 | 0.920 | 0.895 | Valid and Reliable |
| Employee Performance (Z) | 0.621 | 0.868 | 0.797 | Valid and Reliable |

Source: Own Compilation (2025)

All constructs demonstrated satisfactory values beyond the required thresholds. Adversity Quotient recorded the highest consistency, indicating strong convergence among its indicators. Employee Performance also displayed very high internal consistency, reflecting a cohesive measurement of performance dimensions. Work Motivation achieved acceptable internal consistency, while Organizational Structure showed a high AVE, emphasizing clarity and coherence in its measurement dimensions.

These findings confirm that the constructions are both conceptually and statistically consistent, allowing the measurement model to progress to discriminant validity testing.

Discriminant Validity

Discriminant validity was first assessed using the cross-loading criterion. The results indicated that each indicator loaded more strongly on its associated latent construct than on any other construct, confirming that the measurement items represented unique dimensions of their variables. For example, the Adversity Quotient indicators showed loadings above 0.711 and 0.884 on their own construct, higher than their correlations with other constructs, which ranged between 0.477 and 0.756. Similarly, all indicators of Employee Performance, Work Motivation, and Organizational Structure exhibited the highest loadings on their intended constructs. These findings demonstrate that all constructs in the model are empirically distinct and conceptually well-defined.

The overall evaluation of the outer model shows that all constructs and indicators satisfy the required statistical and theoretical criteria. The results confirm the model's adequacy in representing the latent variables through their indicators. Consequently, the validated measurement model provides a robust basis for proceeding to the inner model (structural model) analysis to examine the causal relationships among variables.

Structural Model Results

R-Square

The R-Square value measures the proportion of variance in endogenous variables explained by exogenous constructs. The results show that Work Motivation has an adjusted R^2 of 0.738 that indicating strong explanatory power and Employee Performance has an adjusted R^2 of 0.774 that indicating moderat explanatory power. This means that 73.80% of the variance in motivation is explained by Organizational Structure and Adversity Quotient, while 77.40% of the variance in performance is explained by all three predictors. These findings confirm that the model possesses substantial predictive capability and that the integration of structural and psychological factors strongly contributes to employee performance within the TKDN verification context.

Significance Testing

The results indicate that Organizational Structure has a significant direct positive effect on Employee Performance ($\beta=0.379$, $t=2.992$, $p=0.003$) and Work Motivation ($\beta=0.447$, $t=5.219$, $p=0.000$). Similarly, Adversity Quotient demonstrates a significant positive influence on both Employee Performance ($\beta=0.385$, $t=2.412$, $p=0.016$) and Work Motivation ($\beta=0.476$, $t=5.633$, $p=0.000$). However, a notable finding in this study is that Work Motivation does not have a significant effect on Employee Performance ($\beta=0.190$, $t=1.485$, $p=0.137$). Consequently, the mediation analysis confirms that Work Motivation fails to mediate the relationship between Organizational Structure and Performance ($\beta=0.085$, $t=1.481$, $p=0.139$) as well as between Adversity Quotient and Performance ($\beta=0.090$, $t=1.309$, $p=0.191$), suggesting that performance in TKDN verification is driven more by structural and resilience factors than by motivational drivers.

Effect Size

The effect size analysis was performed to measure the magnitude of the exogenous variables' influence on the endogenous variables. The results reveal that Adversity Quotient ($f^2=0.400$) and Organizational Structure ($f^2=0.353$) have a strong effect on Work Motivation, indicating that these factors are primary predictors of employee drive.

Regarding Employee Performance, both Organizational Structure ($f^2=0.218$) and Adversity Quotient ($f^2=0.217$) demonstrate a moderate effect, contributing substantially to the variance in performance. In contrast, Work Motivation shows a small effect size ($f^2=0.042$) on Employee Performance. This low value reinforces the hypothesis testing results, confirming that within the context of compliance and verification tasks, motivation plays a minor role compared to the robustness of the organizational framework and individual resilience.

Indicator Analysis Between Variables

The analysis of outer loadings highlights the strongest indicators contributing to each latent variable, ensuring the validity of the measurement model. For Organizational Structure, the indicator "Innovation" had the highest loading (0.915), followed by "Communication" (0.870), suggesting that adaptability and information flow are critical structural elements. For Adversity Quotient, the "Origin" (0.884) and "Ownership" (0.882) dimensions were dominant, indicating that the ability to identify the source of problems and take ownership of outcomes is central to resilience. In terms of Work Motivation, "Status" (0.879) and "Recognition" (0.842) were the strongest predictors. Finally, for Employee Performance, "Work Effectiveness" (0.818) and "Work Quality" (0.804) emerged as the most significant indicators, reflecting the organization's focus on accurate and effective verification output over mere quantity.

Table 3. Summary of Hypothesis Testing Results

| Relationship Between Variables | Path Coefficient (β) | T-Statistics | P-Values | Effect Size (f^2) | Effect Category | Hypothesis Decision |
|--|------------------------------|--------------|----------|-----------------------|---------------------------|--|
| Organizational Structure (X1) → Employee Performance (Z) | 0.379 | 2.992 | 0.003 | 0.218 | Moderate | Hypothesis is accepted with positive direct and significant |
| Adversity Quotient (X2) → Employee Performance (Z) | 0.385 | 2.412 | 0.016 | 0.217 | Moderate | Hypothesis is accepted with positive direct and significant |
| Work Motivation (Y) → Employee Performance (Z) | 0.190 | 1.485 | 0.137 | 0.042 | Low | Hypothesis is not accepted with positive direct and not significant |
| Organizational Structure (X1) → Work Motivation (Y) | 0.447 | 5.219 | 0.000 | 0.353 | Strong | Hypothesis is accepted with positive direct and significant |
| Adversity Quotient (X2) → Work Motivation (Y) | 0.476 | 5.633 | 0.000 | 0.400 | Strong | Hypothesis is accepted with positive direct and significant |
| Organizational Structure (X1) → Work Motivation (Y) → Employee Performance (Z) | 0.085 | 1.481 | 0.139 | — | Mediation Not Significant | Hypothesis is not accepted with positive direct and not significant thru Work Motivation |
| Adversity Quotient (X2) → Work Motivation (Y) → Employee Performance (Z) | 0.090 | 1.309 | 0.191 | — | Mediation Not Significant | Hypothesis is not accepted with positive direct and not significant |

| | | |
|--------------------------|------------|------|
| Employee Performance (Z) | thru | Work |
| | Motivation | |

Source: Own Compilation (2025)

DISCUSSION

This section interprets the statistical findings by elaborating on the causal relationships between Organizational Structure, Adversity Quotient, Work Motivation, and Employee Performance within the context of TKDN verification at oil and gas industry. The discussion is structured to address each hypothesis, supported by empirical data and recent relevant literature.

First hypothesis, the Role of Organizational Structure in Enhancing Employee Performance. The statistical analysis confirms that Organizational Structure has a significant direct positive effect on Employee Performance (H1 Accepted), with a path coefficient of 0.379 and t-statistic of 2.992. This finding indicates that improvements in organizational mechanisms directly enhance the accuracy and speed of TKDN verification tasks. In the context of oil and gas industry, the clear division of functions between Supply Chain Management and the TKDN unit following the reorganization has proven effective in enabling employees to focus on compliance targets without role ambiguity. This aligns with recent studies by Sari and Senen (2022) and Nugraha and Pratama (2023), who argue that in highly regulated industries, an adaptive and decentralized structural design accelerates operational response and minimizes procedural errors, thereby significantly boosting organizational performance.

Second hypothesis, the Impact of Adversity Quotient on Employee Performance. The results support the second hypothesis (H2 Accepted), showing a significant positive influence of Adversity Quotient on Employee Performance ($\beta = 0.385$, t-statistic=2.412). This suggests that employees possessing higher resilience are better equipped to handle the high-pressure environment of TKDN verification, which often involves tight audit deadlines and complex data disputes. Descriptive data reveals that in oil and gas industry respondents exhibit strong Endurance and Ownership traits, which are crucial when facing verification challenges. This finding is consistent with Yani and Sudibjo (2023) and Phoolka and Kaur (2021), who posit that employees with high Adversity Quotient can transform work pressure into productive momentum. In scenarios involving data verification conflicts with vendors, this psychological capacity becomes a critical asset in maintaining performance consistency.

Third hypothesis, Work Motivation as a Non-Significant Predictor of Performance. Contrary to general theoretical expectations, the third hypothesis is rejected (H3 Rejected). The analysis demonstrates that while Work Motivation has a positive effect, it is statistically insignificant regarding Employee Performance ($\beta = 0.190$, t-statistic = 1.485. t-statistic < 1.960). This implies that high levels of internal motivation do not statistically guarantee an increase in TKDN verification performance. This phenomenon can be explained by the nature of verification work, which is inherently a mandatory compliance task. As noted by Saputra (2022) and Haryono *et al.* (2021), in strictly regulated environments (such as audits and compliance), performance is determined more by adherence to systemic protocols (Structure) and mental endurance rather than by willingness or enthusiasm (Motivation). Employees operate under rigid Standard Operating Procedures, thus, variations in individual motivation levels do not yield significant marginal impacts on work output.

Fourth hypothesis, The Effect of Organizational Structure on Work Motivation. The fourth hypothesis is accepted with a strong significant effect ($\beta = 0.447$, t-statistic = 5.219). A well-designed organizational structure serves as a foundation for fostering work

motivation. Clarity in coordination flows and support for innovation within the TKDN function provides employees with a sense of security and professional certainty, which subsequently stimulates their drive to work. This finding is in line with Mulyani and Rahmawati (2024), who emphasize that a well-structured work environment provides the necessary "psychological space" for employees to feel valued and motivated, particularly within complex corporate organizations.

Fifth hypothesis, the Effect of Adversity Quotient on Work Motivation. The fifth hypothesis is also accepted, demonstrating the most dominant influence in the model ($\beta=0.476$, $t\text{-statistic}=5.633$). Employees with high mental resilience tend to be more motivated because they perceive verification difficulties not as burdens, but as challenges to be overcome. Empirical support is provided by Wijaya and Andini (2023), who found that resilience is a primary predictor of intrinsic motivation in the post-pandemic era. Employees who demonstrate high endurance naturally sustain higher levels of motivation to complete their tasks despite obstacles.

Final hypothesis, the Mediating Role of Work Motivation (Hypotheses 6 & 7). Given that the direct effect of motivation on performance is insignificant, the mediating role of Work Motivation in the relationship between Organizational Structure (H6 Rejected) and Adversity Quotient (H7 Rejected) on performance is also found to be insignificant (H6: $\beta=0.085$, $T=1.481$; H7: $\beta=0.090$, $t\text{-statistic}=1.309$). This underscores that in the specific context of TKDN verification within the upstream oil and gas industry, performance enhancement cannot be effectively achieved through motivational approaches alone. Management strategies must instead focus directly on strengthening organizational systems (Structure) and developing individual mental capacity. This finding provides novel insight, distinguishing this study from research in creative or service industries where motivation typically acts as a key mediator (Lestari & Santoso, 2024).

CONCLUSIONS

Based on statistical analysis, theoretical framework, and discussion of the seven tested hypotheses, several conclusions can be drawn. First, organizational structure has a positive and significant effect on employee performance at Oil & Gas Company in the implementation of TKDN verification. A clear, coordinated, and adaptive structure enhances employees' effectiveness by improving the speed, accuracy, and efficiency of verification processes. This finding confirms that well-governed organizational systems serve not only administrative purposes but also contribute directly to operational excellence. Second, the Adversity Quotient exerts a direct influence on performance, indicating that mental resilience, stress management, and focus under pressure are key determinants of optimal outcomes. Employees with high Adversity Quotient demonstrate persistence and precision despite time constraints, policy changes, or administrative challenges. Third, conversely, Work Motivation, while significantly influenced by structure and resilience, does not significantly translate into better performance, rendering it ineffective as a mediating variable in this specific context.

Fourth, organizational structure has a significant direct effect on work motivation. A structured and transparent work environment enhances employees' sense of involvement and clarity of purpose, leading to internal motivation for achievement. Effective coordination and fair reward systems create a conducive atmosphere that sustains collective commitment. Fifth, adversity quotient directly strengthens work motivation, as resilient employees display sustained enthusiasm and endurance when facing obstacles. Adversity Quotient provides a psychological foundation for perceiving

challenges as opportunities, directing energy toward productive task completion. Sixth, Organizational Structure has an insignificant indirect effect on Employee Performance through Work Motivation. An effective organizational structure enhances performance directly, bypassing the need for increased employee motivation. This finding supports the premise that Organizational Structure functions as an independent behavioral control mechanism. This aligns with Situational Strength Theory, which posits that strong situational cues such as clear procedures and hierarchy dictate performance behaviors regardless of an individual's motivational state. Finally, Adversity Quotient demonstrates an insignificant indirect effect on Employee Performance via Work Motivation. The results prove that Adversity Quotient drives performance directly rather than through motivational pathways. Individuals with high Adversity Quotient achieve better results due to their innate resilience in facing challenges, not because they feel more motivated. This validates the concept of resilience as an independent predictor of performance, where the ability to recover from pressure directly translates to operational success

Future research is encouraged to extend this model by incorporating additional variables such as transformational leadership, job satisfaction, and organizational culture to capture more complex mechanisms underlying performance improvement. Longitudinal designs are also recommended to observe changes in motivation and performance over time, particularly in high-intensity work environments such as TKDN verification. Moreover, mixed-method approaches could be used to explore the qualitative dimensions of employees' psychological resilience and motivational dynamics within organizational systems. Such approaches would provide deeper insight into how AQ and motivation develop and how structural design can be adjusted to enhance psychological well-being. Comparative studies across sectors or industries are likewise suggested to evaluate the role of AQ and organizational structure in different operational contexts. These expanded perspectives would enrich theoretical understanding and provide practical implications for strengthening human resource management in performance-driven organizations.

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