

# The Effect of Position Restructuring, Additional Employee Income, on Employee Effectiveness Through Quality Of Work for Civil Servants in Banyuasin Regency

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## Abstract

This article investigates the effect of position restructuring and additional employee income on employee effectiveness and assesses the role of quality of work as a mediating variable. The research methodology employs a quantitative approach, using M-PLS-assisted Structural Equation Modeling (SEM) to test direct and indirect causal relationships among variables. The findings show that job restructuring significantly affects the effectiveness and quality of work. In contrast, additional income only affects the quality of work, not employees' effectiveness. In addition, the quality of work has been proven to mediate the effect of job restructuring and additional income on employee effectiveness. In practice, the study's results emphasized the importance of optimizing the position arrangement and improving the quality of work as the primary strategy to increase the effectiveness of government employees.

**Keywords:** Additional Employee Income; Employee Effectiveness; Position Restructuring; Quality of Work.

## 1. Introduction

In the business world, the most important factor in a company is human resources. (Stone et al., 2024). According to Steers (2020) The key to success in an organization and its leadership is measured by the extent to which the organization achieves that effectiveness. Effectiveness, as a critical condition for an organization's success, emphasizes the goals achieved while ensuring the stability, balance, and survival of the functions on which it stands. (Anwar & Abdullah, 2021; Azeem et al., 2021). The components that comprise the position structure's dimension are changes in corporate conditions, management flexibility, formal control, task complexity, and the communication system. (Lam et al., 2021; Xonkeldiyeva & Xo'Jamberdiyev, 2020). Effectiveness is influenced by a position structure that is aligned and supports the achievement of goals. This is done in accordance with a system designed to support an organization's sustainability. (Adaeze & Ekwutosi, 2020; Amoako et al., 2022).

In connection with the Letter of the Minister of State Apparatus Empowerment and Bureaucratic Reform of the Republic of Indonesia Number: B /467/KT.01/2021 dated May 27, 2021, the bureaucratic simplification needs to be carried out carefully, with attention to several important factors that determine the success of this policy. First, bureaucratic simplification must continue to ensure that all government duties and functions operate optimally to achieve state goals. Second, the transition process for simplifying bureaucracy must be carefully planned to avoid interfering with business processes or hindering government services. Third, bureaucratic simplification must not be detrimental to the state civil servants, both in terms of income and their career system.

In principle, the bureaucratic simplification policy is carried out through 3 (three stages: simplification of the organizational structure, equalization of positions, and adjustment of the work system).

The additional income of employees in terms of relations with the government bureaucracy can still be said to have not upheld the principle of justice, and has not shown that remuneration is a Reward of the worker, in other words, the worker who has an overwork is treated the same as the worker who has a lower workload, the receipt of remuneration as a Reward In work, there is still no significant difference. An organization that begins to grow and exist will develop more quickly both externally and internally in achieving the mission and vision of the organization, which is inseparable from the quality of work of civil servants is a model that develops in an organization that has its own characteristics and is formed from within the organization, which has distinctive characteristics, and this distinguishes between organizations. (Creemers et al., 2022).

The quality of work life is one of the most important factors that can shape an employee's organizational behavior, including the work environment, relationships with supervisors, job perceptions, working conditions, service support, and wages (Eren & Hisar, 2016). Quality of work life also refers to people's likes and dislikes of the work environment, reflecting the quality of the relationship between the employee and the total work environment (Hussein & Khaleel, 2016). The idea of quality of working life is important because it has the potential to preserve human values that have been neglected in the pursuit of technical progress, productivity, and economic



growth (Alqarni, 2016). Finally, the author conducted a study entitled "The Effect of Position Restructuring and Additional Employee Income on Employee Effectiveness Through Civil Servant Quality of Work in Banyuasin Regency."

## 2. Theoretical Framework

### 2.1. Organizational development theory

According to Cumming (1961), organizational development is a professional field of social action and an area of scientific research. Organizational Development practices cover a broad spectrum of activities, with seemingly endless variations. Team formation with top corporate management, structural changes in municipalities, and job enrichment in manufacturing companies are examples of Organizational Development.

### 2.2. Goal-setting theory

At first, the theory of goal setting was put forward by. Locke (1968), published in an article titled "Toward a Theory of Task Motivation and Incentives. Goal setting is the process of setting goals or objectives in work. This means that there is a relationship between the goals set and the quality of work. Goal Setting Theory is a form of goal achievement theory in which a person who understands the goals (what the organization expects of him) will affect his work behavior. (Latham, 2023; Swann et al., 2021).

### 2.3. Restructuring

Position restructuring is the process of changing or rearranging organizational structures, processes, and components to increase efficiency, effectiveness, and adaptability to internal and external changes. (Robbins & Coulter, 2019). This process can involve changes in organizational structure, such as reductions in management levels, mergers or separations of departments, and adjustments to roles and responsibilities. (Arunachalam, 2021; Lundmark et al., 2022). Job restructuring is a process a company uses to overhaul internal structures, systems, and processes to improve efficiency, effectiveness, and adaptability. (Ben Zammel & Najar, 2024).

### 2.4. Compensation

Providing proper compensation will have a positive effect on employees, as compensation is the main goal for most government employees. To get an overview of compensation, the following definitions will be presented. According to Werther and Davis (1996), compensation is what workers receive in exchange for their contributions to the organization. According to Dessler (2010), employee compensation is any form of payment or reward given to employees and arising from their work.

### 2.5. Effectiveness

Employee effectiveness is measured as a level of organizational success in achieving its goals and objectives. There are several approaches most often used to measure employee effectiveness, one of which is the target approach (Goal Approach) (Anwar & Abdullah, 2021).

### 2.6. Quality of work

According to Robbins et al. (2021)The quality of work describes the process by which an organization responds to employees' needs by developing mechanisms that enable them to make decisions about designing their lives within the scope of work. Quality of work formulates that every policy process decided by the company is a response to what is the desire and expectation of employees, it is realized by sharing problems and uniting their views (company and employees) into the same goal, namely improving employee performance and Quality of work (Fred Luthans, 2020).

## 3. Methods

The chosen method for analyzing the data must align with the research design and the variables to be studied. In this study, the analysis tool used is Structural Equation Modelling (SEM) in SEM-PLS for modeling and hypothesis testing.

## 4. Results

The Confirmatory Factor Analysis (CFA) was conducted at the second-level latent construct, starting with the Position Restructuring construct, which comprises three dimensions: Structural Changes, Technological Changes, and Infrastructures. All indicators have loading factors  $>0.5$  and AVEs  $>0.5$ , indicating good convergent validity. Cronbach's Alpha and Composite Reliability values for each dimension are above 0.9, indicating high reliability. The Additional Construct of Employee Income, which includes the dimensions of Competence and Discipline, also shows loadings of 0.882–0.976 and an AVE above 0.5. The reliability results showed Cronbach's Alpha values of 0.811–0.988 and Composite Reliability of 0.849–0.951, indicating strong internal consistency among the indicators. The CFA analysis for Employee Quality of work includes the dimensions of Work Quantity, Quality of work, and Punctuality. The indicator shows a high loading factor (0.861–0.959) and an AVE  $> 0.5$ . All three dimensions have Cronbach's Alpha and Composite Reliability values above 0.9, indicating the construct's validity and reliability.

Furthermore, the construct of Employee Effectiveness consists of the dimensions of Goal Achievement, Integration, and Adaptation. All indicators have a loading factor  $>0.8$  and an AVE  $>0.5$ . The correlation between dimensions ranges from 0.668 to 0.769, indicating consistency among components. Cronbach's Alpha values of 0.919–0.947 and Composite Reliability of 0.920–0.949 indicate high reliability. In the SEM-PLS analysis stage, an outer model test was conducted to evaluate the validity and reliability of the indicators using loading factors, AVEs, Cronbach's Alphas, and Composite Reliabilities. All constructs, namely Employee Effectiveness, Quality of Work, Position Restructuring, and Additional Employee Income, meet the criteria of convergent validity (loading  $>0.7$ , AVE  $>0.5$ ).

The inner test of the model evaluated the relationship between latent variables using a goodness-of-fit test based on  $R^2$  and a multicollinearity check with VIF. A high  $R^2$  value indicates a good model, while VIF ensures that there is no excessive correlation. The estimation results were obtained using SEM-PLS with bootstrapping.

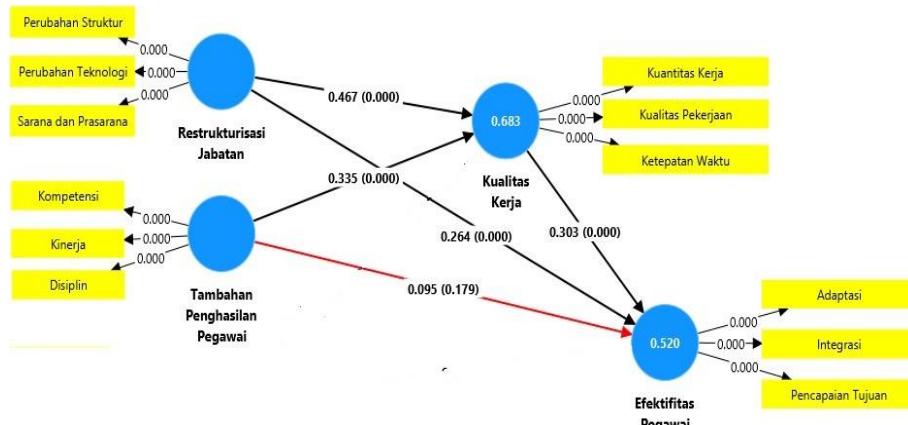


Fig. 1: Estimation Results of the SEM Model PLS Bootstrapping.

#### 4.1. Goodness of fit model testing

Table 1: Goodness of Fit Model

	R-square	Q-square	SRMR
Employee Effectiveness	0,520	0,405	
Quality of Work	0,683	0,578	0,047

Source: data processed (2025).

The results of the goodness-of-fit test indicated that the Employee Effectiveness construct (Y1) had an R-square of 0.520, which was in the moderate category. The Q-square value of 0.405 falls within the medium predictive relevance range, indicating that the model has quite good predictive capabilities. Furthermore, the Quality of work (Z) construct has an R-square of 0.683, which is in the strong category, and a Q-square of 0.578, which is in the large category (strong predictive relevance). This shows that the model has a high predictive ability for the Quality of work variable.

The model's SRMR of 0.047, which is below 0.08, indicates that it meets the fit criteria (i.e., it matches the data). Based on the test results, the SEM-PLS model demonstrates good model fit and is suitable for testing the relationships among variables as proposed in this study.

#### 4.2. Evaluation of effect size

Table 2: Effect Size ( $f^2$ )

	F-Square
Quality of work -> Effectiveness of Employees	0,060
Job Restructuring -> Employee Effectiveness	0,042
Job Restructuring -> Quality of Work	0,248
Employee Income Supplement > Employee Effectiveness	0,007
Additional Employee Income -> Quality of work	0,152

Source: data processed (2025).

Table 2 shows the effect sizes ( $f^2$ ) for each variable relative to the other variables. The  $f^2$  value ranges from 0.007 to 0.248, indicating variation in the degree of influence among the variables in the research model. Based on Cohen's (1988) criteria, the  $f^2$  value of 0.02 is small, 0.15 is medium, and 0.35 is large. The construct of Quality of Work to Employee Effectiveness has an  $f^2$  value of 0.060, which is small, indicating that changes in Quality of Work have a relatively small influence on increases in Employee Effectiveness. Furthermore, for Employee Effectiveness, the  $f^2$  value is 0.018, which is also in the small category, indicating that its influence on Employee Effectiveness is not significant. Meanwhile, the Employee Income Supplement to Employee Effectiveness has an  $f^2$  value of 0.007 (minimal), and the effect of Employee Income Supplement on Quality of work is 0.152, which falls in the medium category, indicating that additional income has a significant impact on improving the quality of employee work.

#### 4.3. Direct impact testing

Table 3: Direct Impact Testing

	Path Coeff.	T statistics	P values
Quality of work -> Effectiveness of Employees	0,303	4,312	0,000
Job Restructuring -> Employee Effectiveness	0,264	3,632	0,000
Job Restructuring -> Quality of Work	0,467	11,325	0,000
Employee Income Supplement > Employee Effectiveness	0,095	1,344	0,179
Additional Employee Income -> Quality of work	0,335	8,109	0,000

Source: data processed (2025).

Based on the analysis, several important findings emerged. First, Quality of work has a significant effect on Employee Effectiveness ( $p = 0.000$ ,  $t = 4.312$ , path coefficient = 0.303), such that higher Quality of work is associated with higher Employee Effectiveness. Second, Position Restructuring also has a significant effect on Employee Effectiveness, with a  $p$ -value of 0.000, a statistical  $T$  of 3.632, and a coefficient of 0.264, indicating that adequate position arrangements increase work effectiveness. Third, Position Restructuring has a

significant effect on Quality of work, with a p-value of 0.000, a t-statistic of 11.325, and a coefficient of 0.467, indicating that the better the restructuring, the better the quality of employee work. Fourth, Additional Employee Income does not have a significant effect on Employee Effectiveness, as the p-value is 0.179 and the statistical T is 1.344, even though the influence is positive. This illustrates that other factors beyond income incentives more influence effectiveness. Fifth, Additional Employee Income has a significant effect on Quality of work ( $p = 0.000$ ,  $t = 8.109$ ,  $\beta = 0.335$ ), indicating that higher additional income is associated with better quality of work.

#### 4.4. Indirect influence testing

**Table 4:** Indirect Effects Test Results

	Original sample (O)	T statistics ( O/STDEV )	P values
Job Restructuring -> Job Quality -> Employee Effectiveness	0,141	4,111	0,000
Employee Income Supplement -> Quality of Work -> Employee Effectiveness	0,101	3,582	0,000

Source: data processed (2025).

The results of the analysis in Table 4 show the influence of exogenous variables on endogenous variables via intervening variables. First, the indirect effect of Position Restructuring on Employee Effectiveness through Quality of work was significant ( $p = 0.000$ ) and had a path coefficient of 0.141. This shows that the quality of work can mediate the relationship: increasing Position Restructuring will improve the quality of work, which ultimately increases Employee Effectiveness. Second, the indirect effect of Additional Employee Income on Employee Effectiveness through Quality of work was also significant, with a p-value of 0.000 and a path coefficient of 0.101. Thus, Quality of work is proven to be an effective mediator: an increase in Additional Employee Income improves Quality of work, which, in turn, increases Employee Effectiveness.

#### 4.5. Coefficient of determination and simultaneous influence testing

**Table 5:** Coefficient of Determination

Endogenous (Y)	Exogens (X)	F Calculate (F Table)	R-square	R-square adjusted
Employee Effectiveness	1. Quality of Work	78,813 (2.403)	0.520	0.514
	2. Restructuring of Positions 3. Additional Employee Income			
Quality of Work	1. Restructuring of Positions 2. Additional Employee Income	209,712 (2.683)	0.683	0.680

Source: data processed (2025).

The analysis showed that Quality of work, Position Restructuring, and Additional Employee Income simultaneously had a significant effect on Employee Effectiveness, as indicated by an F value of  $85,672 > F$  table (2,403). The contribution of all these exogenous variables to Employee Effectiveness is 0.520, indicating that Quality of work, Position Restructuring, and Additional Employee Income explain 52.0% of the variance in Employee Effectiveness. In comparison, the remaining 48.0% is explained by other factors that were not studied in this study.

The results of the subsequent analysis of the Quality of work variable show that Position Restructuring and Additional Employee Income simultaneously have a significant effect on Quality of work, as indicated by the calculated F value of 92,318, which exceeds the F table value (2,683). The contribution of all these exogenous variables to the quality of work is 0.683, which means that. In comparison, Job Restructuring and Additional Employee Income can explain 68.3% of the variance in Quality of work; the remaining 31.7% is explained by other factors not studied in this study.

#### 4.6. Research hypothesis testing

Based on the research results, most hypotheses are significant. Hypothesis 1 was accepted (a p-value of 0.000; a path coefficient = 0.264), indicating that Position Restructuring has a significant influence on Employee Effectiveness. On the other hand, Hypothesis 2 is rejected because Additional Employee Income does not have a significant effect on Employee Effectiveness, as evidenced by a p-value of 0.179 and a path coefficient of 0.095. Hypothesis 3 was accepted ( $p = 0.000$ ; path coefficient = 0.467), indicating that Position Restructuring has a significant effect on Quality of work. Furthermore, Hypothesis 4 is also accepted, with a p-value of 0.000 and a path coefficient of 0.335, indicating that Additional Employee Income improves Quality of work. In the mediation test, Hypothesis 5 was accepted ( $p = 0.000$ ; path coefficient = 0.141), indicating that Quality of work mediated the effect of Job Restructuring on Employee Effectiveness. The same thing happened with Hypothesis 6, which was accepted with a p-value of 0.000 and a path coefficient of 0.101, indicating that Quality of work mediates the influence of Additional Employee Income on Employee Effectiveness. Finally, Hypothesis 7 was accepted, with a p-value of 0.000 and a path coefficient of 0.303, indicating that Quality of work has a significant influence on Employee Effectiveness. Thus, the main factors that drive employee effectiveness are Position Restructuring, Additional Employee Income (through Quality of work), and direct improvement of quality of work.

### 5. Discussion

#### 5.1. The effect of position restructuring on employee effectiveness

The study's results show that position restructuring significantly influences employee effectiveness. Proper restructuring can improve understanding of roles and task efficiency (Mondy & Martocchio, 2016). These findings align with Change Management Theory, which posits that planned structural changes increase organizational effectiveness through the unfreezing-changing-refreezing process (Lewin, 1947). Previous research by Rahmat (2021), Pangarso & Susanti (2016), and Hadian (2017) also confirmed that restructuring that considers competencies increases self-efficacy and employee effectiveness. In the context of Banyuasin Regency, employee effectiveness increases when role adjustments following position simplification are carried out systematically and supported by strong internal communication (Handayani et al., 2021).

## 5.2. The effect of additional employee income on employee effectiveness

The study found that additional employee income did not have a significant effect on effectiveness. These findings indicate that work effectiveness is more influenced by non-financial factors such as commitment, work culture, and leadership (Robbins & Judge, 2017).

## 5.3. The effect of job restructuring on the quality of work

Restructuring has been shown to affect the quality of work significantly. A simple, transparent organizational structure can improve the precision, accuracy, and consistency of work results (Mondy & Martocchio, 2016). Previous research by Pangarso & Susanti (2016) and Hadian (2017) found that restructuring that considers workload and competence can improve accuracy and productivity. These findings are also supported by Steffgen et al. (2020).

## 5.4. The effect of additional employee income on quality of work

Additional employee income has a significant effect on the quality of work. This is consistent with the Two-Factor Theory, which holds that compensation is a hygiene factor that reduces dissatisfaction and maintains job stability (Herzberg, 1959). Research by Rahmat (2021), Zailani & Artanto (2024), and Sudarnaya et al. (2023) shows that financial compensation can increase employee accuracy and responsibility.

## 5.5. The effect of job restructuring on employee effectiveness on the quality of work

Quality of work mediated the effect of Job Restructuring on Employee Effectiveness. The relationship between job changes, employee effectiveness, and quality of work has also been demonstrated in several previous studies, which show that changes in organizational structure can affect individual Employee Effectiveness and overall work outcomes. According to Pangarso and Susanti (2016), job restructuring that takes into account employee competencies, expertise, and workload can improve efficiency, responsibility, and consistency in task execution. Research by Handayani et al. (2021) also found that work effectiveness affects target achievement and the quality of public services.

## 5.6. The effect of additional employee income on employee effectiveness on the quality of work

That Quality of work mediates the influence of Additional Employee Income on Employee Effectiveness. The quality of work, including consistency and adherence to professional standards, determines the quality of the output (Wibowo, 2016). Lestari et al. (2022) also found that additional income is positively correlated with job satisfaction, particularly in the public service sector. Employees who receive additional compensation feel more valued and motivated, thus improving work discipline and optimal overall Employee Effectiveness. Furthermore, other studies show that compensation, including additional income, directly impacts work productivity. Ihalauw et al. (2024) emphasized that providing fair compensation to lecturers has a positive impact on their productivity in academic publications.

## 5.7. The effect of employee effectiveness on quality of work

The results of this study indicate a significant impact of employee effectiveness on the quality of work. Increasing employee effectiveness has been shown to improve the quality of work, while decreasing employee effectiveness will also lead to a decline in quality of work. Employee effectiveness has been shown to significantly influence the quality of work. Employee effectiveness contributes significantly to the quality of work, so efforts to improve the quality of work of Banyuasin Regency Civil Servants can begin with increasing employee effectiveness. The relationship between employee effectiveness and quality of work has been proven in various previous studies, which show that employee effectiveness plays a significant role in determining the quality of work produced. According to Pangarso and Susanti (2016), effective employees can complete tasks with high accuracy, efficiency, and consistency, thereby significantly improving the quality of work. Rahmat (2021) also found that high employee effectiveness, supported by good adaptability and time management, tends to produce higher-quality output.

## 6. Conclusions

The results of the study show that position restructuring significantly influences both the effectiveness and quality of employee work, enabling the Banyuasin Regency Civil Service to increase its effectiveness through an optimal position arrangement. Additional income has been shown to have no direct effect on employee effectiveness but a significant effect on quality of work, and it is an important factor in increasing effectiveness through quality of work mediation. In addition, the quality of work plays an important role because it is influenced not only by job restructuring and additional income but also significantly affects employees' overall effectiveness.

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