

## Improving the Performance of Tax Bailiffs through Understanding the Effects of Job Characteristics, Job Demands, and Compensation

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### Abstract

**Purpose** - Previous researches generally examined the performances of employee, nurse, lecturer and police officer while only a few of them examined tax bailiff's performance. Therefore the purpose of this research is to determine, analyze and obtain empirical evidence on the effect of job characteristics, job demands, and compensation on tax bailiffs' performance.

**Methodology** - This is a quantitative research with data collected from 130 tax bailiffs in 63 Tax Offices in Indonesia through questionnaires and analyzed using the Structural Equation Model SMART PLS 3.0.

**Findings** - The results showed that job characteristics and compensation significantly positively affect work engagement. Job characteristics, job demands, and work engagement have a significant positive effect on performance. Meanwhile, job demands insignificantly affect work engagement, and compensation insignificantly affect performance.

**Originality** - This research examined tax bailiffs' performance which has a broad and significant impact on the achievement of state revenues. It contributes to understanding the relationship between job characteristics, job demands, and compensation on tax bailiffs' performance.

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## 1. Introduction

A tax bailiff is an employee at the Directorate General of Taxes responsible for collecting tax revenues in accordance with the implemented tax debt collection activity against taxpayers who are owing arrears. This achievement has not been optimal due to their poor performances. From 2017 to 2019, some bailiffs have been unable to meet their targets. This is represented based on each tax office and according to data obtained from the Tax Arrear Performance Dashboard on January 21, 2021. The number of parastatals whose bailiffs performed poorly from 2017 to 2019 is shown in Table 1. It is evident that those who failed to implement the tax debt collection activity, such as distress warrant, confiscation of the debtor's assets, taxpayer's bank account blocking, overseas travel ban, and auction, had indeed reduced in the past 3 years. However, the number of offices whose bailiffs were unable to collect the tax arrears continues to increase.

**Table 1.** The tax offices whose bailiffs were unable to achieve performance

Performance Targets	2017		2018		2019	
	tax offices	%	tax offices	%	tax offices	%
Distress warrant	110	32,3%	93	26,4%	45	12,8%
Confiscation of the debtor's assets	200	58,7%	194	55,1%	61	17,3%
Taxpayer bank account blocking	184	54,0%	164	46,6%	48	13,6%
Overseas travel ban	255	74,8%	175	49,7%	20	5,7%
Auction	109	32,0%	191	54,3%	25	7,1%
Tax arrears collections	6	1,8%	74	21,0%	170	48,3%

Source: Data Process, 2021

Tax bailiffs need to possess several technical skills related to administrative and tax debt collection activity, legal aspects, data retrieval or processing, strategy and risk mitigation, and effective communication to execute their tasks effectively. However, these capabilities are developed within 1 to 6 months after being employed while they should be otherwise. This capability should be developed before an employee is appointed as tax bailiff to breach the existent skill gap. The implemented tax debt collection activity includes notifying the distress warrant, confiscating the debtor's assets, blocking the taxpayer's bank account, selling confiscated assets, overseas travel ban, and *gijzeling* (hostage). All these tasks need to be thoroughly executed, therefore, bailiffs have to identify them from beginning to end. However, several obstacles were encountered while conducting the tax debt collection activity, such as difficulty asset tracing or refusal of the taxpayer or tax bearer to submit confiscated assets, leading to arrears.

The tax debt collection activity has a significant impact on the organization to achieve optimal tax revenue and as a law enforcement effort that ensures fairness and justice. Tax revenue generated from these arrears is a measure of Organizational Performance Value. However, these bailiffs face diverse challenges, ranging from educating taxpayers to payment of arrears and taking strict actions against offenders according to the law. They independently schedule their tasks and employ the appropriate strategy for collecting tax arrears. These targets are realized according to the standard operating procedures, implementing regulations, and coordinating with internal (regional offices or headquarters) and external parties (law enforcement officers or other relevant authorities). Tax bailiff's activities need to follow the stages that the law has regulated. The challenge is determining how each arrear is collected and ways to avoid the expiration of the tax debt collection activity.

Ultimately, this task requires supervision and feedback, thereby enabling bailiffs to evaluate the effectiveness of the tax debt collection activity and its impact on the tax arrears. Stern warnings are also issued by the superiors assuming their performances are unsatisfactory.

These tasks are relatively demanding because they sometimes find themselves in situations that affect emotions such as patience, pity, or fear, affecting the tax debt collection activity. In addition, the high workload and several tax assessments that need to be followed up is a challenge itself. Each tax office has an average of 2 or 3 bailiffs who are responsible for hundreds of thousands of tax assessment products realized due to supervisory and tax auditory activities. Bailiffs are not proportional to the auditors and account representatives responsible for tax assessments.

Another demand is that this task requires cognitive abilities, defined as the capability to learn new skills or concepts, understand ones' surrounding environment, as well as solve certain problems (Pudjiati & Masykouri, 2011). Tax bailiffs need some cognitive skills to reduce task pressure. Presently only communication is provided. The other skills are needed to support and ensure their performance is more optimal.

Bailiffs receive several compensations consisting of basic salary, performance allowances, and tax collection fees. The basic salary provided refers to Government Regulation of the Republic of Indonesia Number 15 of 2019. It is paid according to the class and working period of the employee rather than the position or type of task executed. The basic salary received by the bailiff is the same amount as that earned by the administrative staff, assuming they are in a similar class and working period. Meanwhile, their performance allowances are guided by the Presidential Regulation of the Republic of Indonesia Number 37 of 2015, and it is based on position or rank and job title. The tax bailiff and administrative staff who have the same position or rank receive similar allowances, with tax collection fees in accordance with transportation and business trip costs.

It is rare for employees to become bailiffs of their own accord. This is due to the various challenges encountered, including the requirement of mental maturity, emotional intelligence, high energy level, persistence, and risk mitigation skills. In 2016, the tragic story of a tax bailiff in Nias also triggered employee's reluctance. Engagement is needed to ensure those "forced" to become tax bailiffs are happy and proud, as well as enthusiastic in carrying out their duties.

In theory, the job characteristics tend to affect a person's work output, which impacts high-quality performance (Hackman & Oldham, 2005). Job Demand Resources Theory stated that every position has risk factors related to motivation and work pressure which plays a role in the straining process and harms performance (Demerouti et al., 2001). Compensation is a tool employed by the management to improve performance (Mathis & Jackson, 2011). According to Imperatori (2017), work engagement motivates employees to achieve higher performance levels, but some previous research reported otherwise. Job characteristics have a significant and positive effect on employee performance in Pasuruan Regional Revenue Service (Novitasari & Winarsih, 2020). Those working with the Department of Youth Education and Sports, Bima District, were unaffected (Nabila & Mistar, 2020). Job demands had a significant and positive effect on the performance of officers at the Directorate of Drug Investigation of the Regional Police of South Kalimantan (Siahaan et al., 2019), and it had a negative impact on the associate nurses in hospitals (Batubara et al., 2020). Compensation does not affect the performance of local water company Tirta Moedal employees in Semarang City (Widyastuti & Rahardja, 2018). Rather, it had an impact on those employed at PT. Matahari Department Store Lippo Plaza Jambi (Emil & Riandi, 2021). Meanwhile, work engagement had an insignificant effect on the performance of lecturers at private universities in Aceh (Abidin et al., 2019). It also affected employees at PT. Eastern Pearl Flour Mills Makassar (Haris et al., 2020).

Several previous research generally examined employee performance (Novitasari & Winarsih, 2020; Nabila & Mistar, 2020; Widyastuti & Rahardja, 2018; Emil & Riandi, 2021; Haris et al., 2020) or nurses (Batubara et al., 2020), lecturers (Abidin et al., 2019), and police officers (Siahaan et al., 2019) while few of them analyzed tax bailiffs. The majority examined this attribute with respect to organizational targets with limited impact. Conversely, only a few have been carried out regarding its overall and significant effect on achieving state revenues, such as tax bailiffs. Therefore, this research provides knowledge and understanding of the relationship between job characteristics, demands, and compensation and its effect on bailiffs' performance.

Based on the phenomena from 2017 to 2019, it is important to examine tax bailiffs' performance by understanding the effect of job characteristics, demands, and compensation with work engagement as a mediator. The purpose of this research was to determine, analyze, and obtain empirical evidence related to the effect of job characteristics, demands, and compensation with work engagement and performance, including its benefits such as optimizing tax revenues for the Directorate General of Taxes as well as the provision of additional references for academics.

Job characteristics play an important role in shaping and influencing employee engagement (Kangure, Guyo, & Odhiambo, 2014). Employees feel responsible and dedicated to their duties for 2 reasons, namely, they tend to help their colleagues, and this benefits the company (Wildermuth & Pauken, 2008). This result relates to work engagement and job characteristics, namely dedication (Bakker & Schaufeli, 2014) and task significance which benefits the organization (Hackman & Oldham, 2005). Employees who have a reasonable perception of the organization tend to positively impact the job characteristics and level of employee engagement (Ghosh et al., 2015). This simply means that job characteristics positively influence the level of employee engagement. Based on the theoretical basis, hypothesis 1 was formulated as follows:

**H1:** Job characteristics have a positive effect on work engagement.

An aspect that reduces work engagement is job demands (Bakker & Demerouti, 2007). According to Robbins (2006), it leads to increased anxiety and stress when excessive. Job demands that trigger and increase fatigue reduces work engagement (Bakker & Demerouti, 2007). Long-term work leads to excessive loads that trigger fatigue, reducing employee motivation and engagement (Hockey, 1997). Based on this theoretical basis, hypothesis 2 was formulated as follows:

**H2:** Job demands have a negative effect on work engagement.

The compensation received by employees is usually in the form of incentives and recognition, which are the drivers of work engagement. Federman (2009) reported that these are both financial and non-financial rewards. However, only non-financial compensation tends to affect work engagement, and it is in the form of superior's support for employees to complete their tasks (Thomas, 2009). Experts agree that incentives or compensation increases employee engagement. Based on the theoretical basis, hypothesis 3 was formulated as follows:

**H3:** Compensation has a positive effect on work engagement.

Job characterization is an attempt to identify the characteristics of an assigned task how they are combined to form different tasks related to employees' performance (Robbins, 2006). It is a collection of variables that relate to the core traits of work situations, generally considered to be the main cause of certain behaviors exhibited by the individuals or employees with the benefits capable of improving output (performance) (Hackman & Oldham, 2005). Dimensions of job characteristics provide high-performance results (Robbins & Judge, 2008), and based on this theoretical basis, hypothesis 4 was formulated as follows:

**H4:** Job characteristics have a positive effect on performance.

Job demands trigger psychological stressors, thereby affecting work output and reducing performance (Love et al., 2007). It also triggers fatigue (Bakker & Demerouti, 2007), and when in excess, it puts employees under pressure, thereby leading to increased anxiety and stress, which reduces their performance (Robbins, 2006). Based on the theoretical basis, hypothesis 5 was formulated as follows:

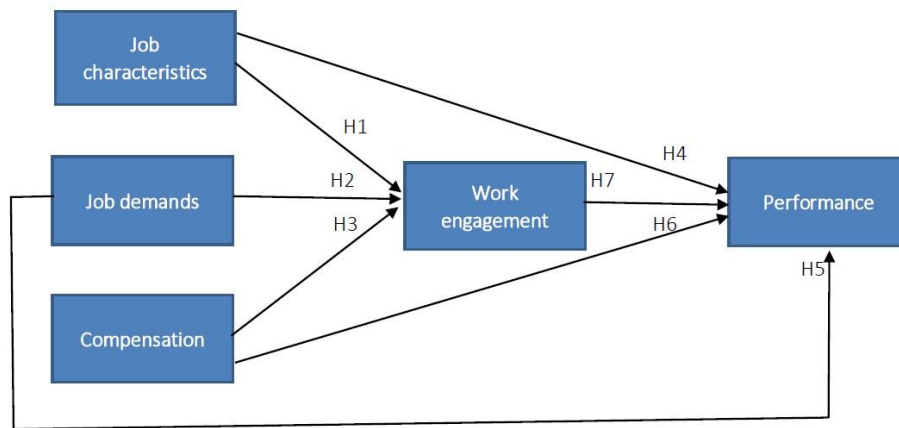
**H5:** Job demands have a negative effect on performance.

Compensation is all the rewards that employees receive from the company for the services rendered (Mondy, 2010). It is one of the organizational factors that tend to affect employee performance. According to Gibson et al. (2012), in the circumstances, when they are dissatisfied with the compensation received, their performances are reduced. There is a need to consider 4 factors: attractiveness, adherence to the rules, motivating, fair, and transparency (Asnawi, 2012). The management uses the compensation as a tool to improve employee performance (Mathis & Jackson, 2011). Based on the theoretical basis, hypothesis 6 was formulated as follows:

**H6:** Compensation has a positive effect on performance.

Physical, cognitive, and emotional conditions influence personal engagement or disengagement in an employee's behavior and performance (Kahn, 1990). Work engagement refers to a state of positive thoughts reflected in 3 dimensions, namely vigor, dedication, and absorption (Bakker & Schaufeli, 2014). It is manifested in the form of passion, commitment, and extra effort, which serves as an illusionary motivation for employees to achieve higher performance levels (Imperatori, 2017). Based on this theoretical basis, hypothesis 6 was formulated as follows:

**H7:** Work engagement has a positive effect on performance.



**Figure 1.** The research model

## 2. Research Methods

This quantitative research was carried out in 2021 on 130 tax bailiffs as respondents representing all 153 of them in Indonesia who experienced issues related to their performances. According to the research sample, data was collected by distributing questionnaires to those who worked in tax offices. The approval was received from the Directorate of Counseling Services and Public Relations-Head Office of the Directorate General of Taxes. The questionnaires were distributed to the respondents using a Google form linked through WhatsApp. This service provides online survey features or applications that are customized according to the research needs. The Google form link was opened and sent to respondents starting from June 2021 and closed at the end of July.

Measurement of job characteristics involved the use of Job Diagnostics Survey (JDS) questionnaires (Hackman & Oldham, 1980) and Megawati's (2012), which consisted of 20 indicators. Job demands used the Questionnaire on the Experience and Evaluation of Work (QEEW) (Schaufeli et al., 2009), which consisted of 6 indicators. Oktawati's (2016) questionnaire, which reflects the 12 indicators designed by Asnawi (2012), was employed for the compensation variable. Work engagement was measured using the Utrecht Work Engagement Scale (UWES-9) (Schaufeli & Bakker, 2004), which consisted of 9 indicators. The Individual Work Performance Questionnaire (Koopmans et al., 2014), which consisted of 21 indicators, was employed to measure performance. The participant's responses to each item (related to the variable) were provided using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Brown & Peterson, 1994). "1" means "strongly disagree," "2" means "disagree," "3" means "neutral," "4" means "agree," and "5" means "totally agree."

### 3. Results and Discussions

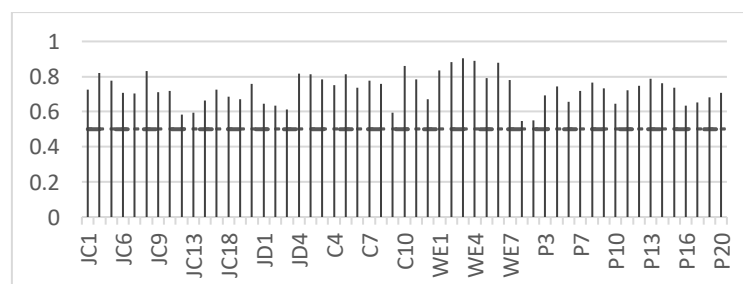
The validity of the research instrument was tested using Pearson Product-Moment Correlation with SPSS software version 24. All statement items used as questionnaires are valid because they have a calculated  $r$ -value greater than the  $t$ -table with a significance level of 5%. This research instrument resulted in Cronbach's alpha value  $> 0.8$ , thereby reflecting good reliability (Wagner, Bezuidenhout, & Roos, 2015). The analytical technique used is the Structural Equation Model (SEM) with the Smart Partial Least Squares version 3.0 device to test the proposed hypothesis. Data analysis includes testing the measurement (outer model) and structural models (inner model). A significance level of 0.05 was used to reduce the possibility of type I and type II errors (Wati, 2018). The influence between variables is presumed to be significant, assuming  $p$  values  $< 0.05$  and  $t$  statistics  $> 1.96$  (Wati, 2018).

**Table 2.** Respondents profile

Descriptions	Number	Percentage (%)
Gender:		
Male	121	93.1
Female	9	6.9
Age:		
20-30	47	36.2
31-40	29	22.3
41 above	54	41.5
Last education:		
High school degree	25	19.2
Diploma 1 degree	37	28.5
Diploma 3 degree	34	26.2
Bachelor degree	34	26.2
Working period:		
Less than 1 year	37	28.5
1-3 years	42	32.3
Above 3-5 years	18	13.8
Above 5 years	33	25.4

Source: Data Process, 2021.

Testing the convergent validity resulted in a loading factor greater than the recommended value for all indicators, namely  $> 0.5$ , as shown in Figure 2. Meanwhile, the resulting Average Variance Extracted (AVE) value is  $> 0.5$ , meaning that the latent construct is used to explain the average variance of the indicators to ensure that it has adequate convergent validity.



**Figure 2.** Outerloadings

The discriminant validity test, which is reflected by the cross-loadings value, shows that the entire construct has the highest loading factor compared to others. Another method adopted was the Fornell-Larcker Criterion, which proved that all constructs having a square root value of AVE are greater than the correlation between others in the model, as shown in Table 3.

**Table 3.** Fornell-larcker criterion

Constructs	Job characteristics	Work engagement	Performance	Compensation	Job demands
Job characteristics	0.715				
Work engagement	0.473	0.795			
Performance	0.356	0.648	0.713		
Compensation	0.490	0.472	0.354	0.753	
Job demands	0.640	0.193	0.385	0.184	0.723

Source: Data Process, 2021.

It was proven that all constructs have good composite reliability because they have a value of  $\geq 0.7$ . Cronbach's alpha values for all constructs were also  $> 0.7$ . The r-square test results show that job characteristics, demands, and compensation are used to explain 34.4% (moderate) of the work engagement, while the rest was influenced by other variables not included in this research. Meanwhile, job characteristics, demands, compensation, and work engagement were used to explain 57% (moderate) of the performance construct, while the rest was influenced by other variables not included in this research.

**Table 4.** Construct validity and reliability

Constructs	Composite reliability	Cronbha's alpha	AVE
Job characteristics	0.940	0.931	0.511
Job demands	0.866	0.825	0.523
Compensation	0.921	0.904	0.567
Work engagement	0.938	0.924	0.632
Performance	0.943	0.935	0.509

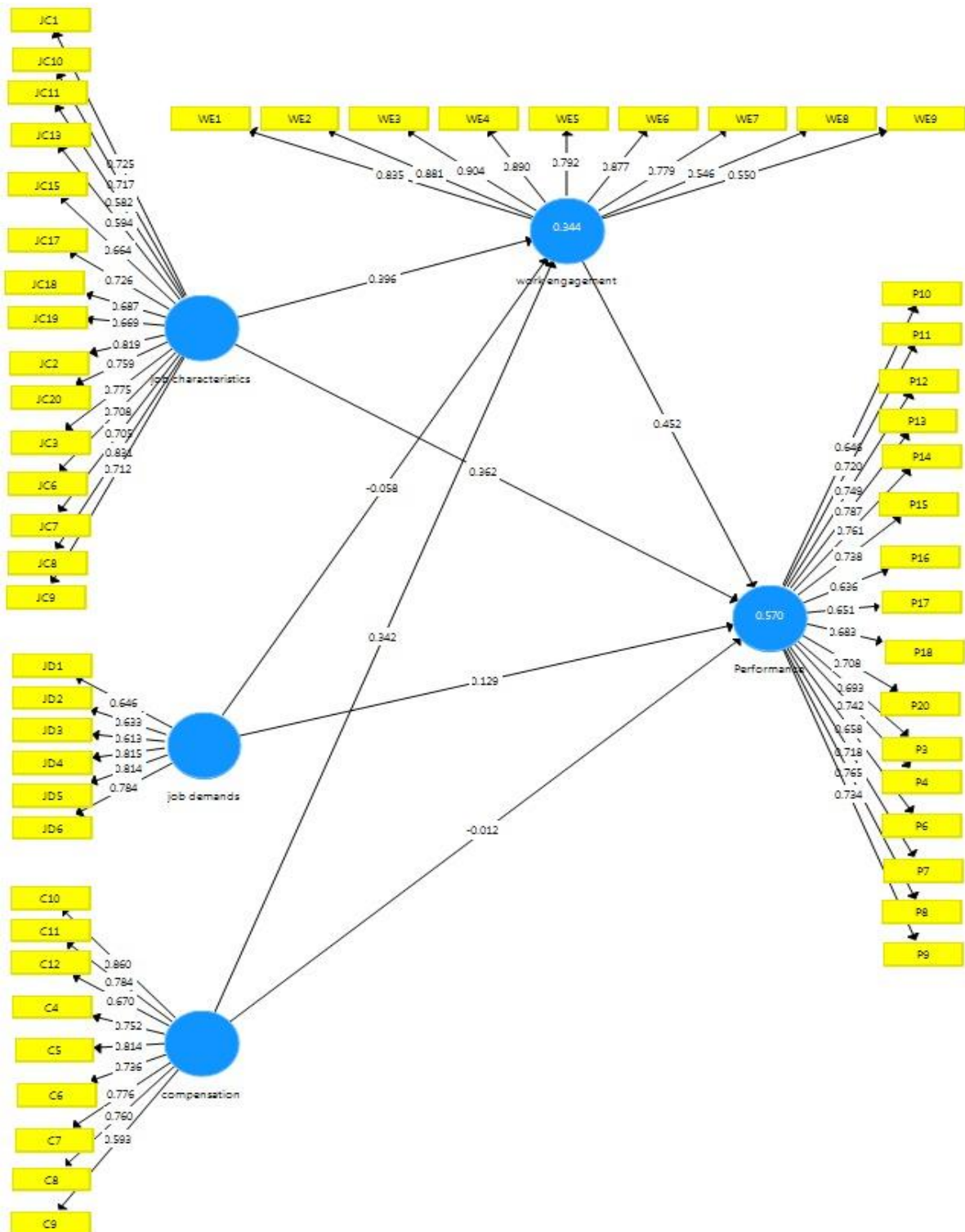
Source: Data Process, 2021.

Evaluation of the Goodness of Fit Model was performed using the predictive relevance value ( $Q^2$ ), which yielded a value of 0.718, indicating that the variables of job characteristics, demands, and compensation were used to explain and predict the work engagement and performance phenomena properly. Therefore, the model is presumed to have the goodness of fit and used for hypothesis testing.

### 3.1 Hypothesis Testing

After the validity and reliability tests are accepted, the goodness of fit, path analysis, and hypothesis is evaluated. Table 5 shows that a positive result ( $b = 0.396$ ) exists in the relationship between job characteristics and work engagement. It also exists between job characteristics and performance also showed positive results ( $b = 0.362$ ). The relationship between job demands and work engagement was found to be negative ( $b = -0.058$ ), while the correlation between job demands and performance showed positive results ( $b = 0.129$ ). Positive relationship ( $b = 0.342$ ) also exists between compensation and work engagement, as well as in work engagement and

performance ( $b = 0.452$ ). However, there is negative relationship ( $b = -0.012$ ) between compensation and performance.



**Figure 3.** Result of testing model

Further analysis of the direct test results shows that the relationship between job characteristics, work engagement, and performance had a significant effect ( $p = 0.000$ ). However, job demands have an insignificant effect on work engagement ( $p = 0.521$ ) and a significant effect on performance ( $p = 0.044$ ). Compensation significantly affects work engagement ( $p = 0.000$ ) and



has an insignificant effect on performance ( $p = 0.859$ ). Meanwhile, work engagement significantly affects performance ( $p = 0.000$ ). Based on these results, H1, H3, H4, and H7 are accepted, while H2, H5, and H6 are rejected.

**Table 5.** Hypothesis testing

Hypothesis	Original Sample (b)	t statistics	p values	Conclusion
H1: Job characteristics -> Work engagement	0.396	4.308	0.000	Accepted
H2: Job demands -> Work engagement	-0.058	0.642	0.521	Rejected
H3: Compensation -> Work engagement	0.342	4.619	0.000	Accepted
H4: Job characteristics -> Performance	0.362	3.890	0.000	Accepted
H5: Job demands -> Performance	0.129	2.018	0.044	Rejected
H6: Compensation -> Performance	-0.012	0.178	0.859	Rejected
H7: Work engagement -> Performance	0.452	4.897	0.000	Accepted

Note.  $p < 0.05$  = significant

Source: Data Process, 2021.

The first hypothesis test results prove that job characteristics positively and significantly affect work engagement. This research discovered that it increases work engagement because tax bailiffs require certain skills and knowledge to discharge their duties. They understand their jobs have a significant impact on organizational goals. This condition stimulates the meaningfulness of the task that boosts work engagement. The autonomy of the tax bailiff in thoroughly discharging their duties and the ability to schedule work activities following the stages of the tax debt collection activity that have been regulated by law affect their responsibilities and have a positive influence on work engagement. Likewise, feedback or supervision from the superiors (section heads, head or regional offices) who instill knowledge to bailiffs on the actual outcome of their tasks increases their work engagement. This is in line with the findings of Santoso & Santoso (2020) that job characteristics had a positive and significant effect on work engagement. The similarity of this research involves the use of job characteristics as proposed by Hackman & Oldham (2005), such as skill variety, task identity, significance, and autonomy and feedback.

The results of the second hypothesis prove that job demands have no significant effect on work engagement. The average bailiff agrees that their task is emotionally demanding and personal. Several work demands concentration and attention simultaneously, although job demands do not significantly affect work engagement because bailiffs proudly execute their tasks. The results of this research is contrary to Mandala & Nurendra's (2020) research that job demands to harm employee work engagement. Russell et al. (2020) reported that work demands had a significant and positive effect on work engagement. Meanwhile, this research used emotional and cognitive demands, including work overload, as opposed to Mandala & Nurendra (2020), which adopted physical, psychological, and organizational demands. Russell et al. (2020) employed excessive workloads, long working hours, and high levels of over-commitment.

The third hypothesis test results prove that compensation has a significant and positive effect on work engagement. The majority of bailiffs admitted that their compensation provides job satisfaction, motivation, and attractiveness, thereby boosting work engagement. However, this research reported that the compensation received by the tax bailiff does not entirely follow the regulations because there were incentives from auctions whose payments had not been completely realized. In addition, the compensation received was not entirely considered fair because it does not reflect the job risks. It is important to be properly compensated because the statistical test results show that this is one of the dominant variables that affect work engagement. This supports Rachman et al. (2021) that the compensation received by employees had a significant and positive

effect on employee engagement. The similarity lies in measuring employees' perceptions using compensation dimensions, namely fairness, objectiveness, and openness.

The fourth hypothesis test results prove that job characteristic have a significant and positive effect on performance. This research reported that tax bailiffs perform greatly because they use their knowledge and skills to get the task done. They understand that the outcome of their work is meaningful to themselves and others (society). However, completing their job functions independently and scheduling work activities following the stages of the tax debt collection activity are part of their responsibilities. Feedback and criticism from superiors give them knowledge of their actual performance and cause them to make necessary improvements. These results support Novitasari & Winarsih (2020), that job characteristics had a positive and significant effect on employees' performance. The similarity is in measuring employee perceptions using the dimensions of job characteristics, namely skill variety, task identity and significance, autonomy, and feedback.

This research showed that job demands have a significant and positive effect on performance. The fifth hypothesis that job demands harm performance was rejected. It was reported that the tax bailiff's job, which was emotionally demanding and touching, had a positive effect on performance. Likewise, several jobs require absolute attention and encouragement to achieve better performance. Tax bailiffs tend to cope with these job demands to perform effectively. This occurs because the bailiff understands the target that needs to be met to promote improvement. The results of this research support Siahaan et al. (2019), that job demands had a significant and positive effect on performance. Although there are certain similarities, there are also differences in measuring the perceptions of job demands. Previous research adopted the dimensions of the task, physical, role, and interpersonal demands.

Interestingly, the results of this research reported that compensation has no significant effect on performance. This rejects the sixth hypothesis that compensation has a positive effect on performance. It was discovered that these bailiffs are satisfied with the compensation received, irrespective of the fact that it has not been fair as well as does not reflect the risks of the job. The current system is similar to the administrative staff with lower occupational risks. This condition does not significantly affect the performance of these bailiffs. They strive to discharge their duties diligently because it is understood that meeting the set targets plays an important role for the organization. In addition, the compensation received has not been able to improve the bailiff's performance because it does not reflect their job risks. These results support Widyastuti & Rahardja (2018) that the compensation received by employees had an insignificant effect on employee performance. Although there are similarities, there are also differences in the dimensions of compensation used. Previous research employed expertise, work motivation, performance, and salary suitability according to employee positions in measuring their perceptions.

The seventh hypothesis test results proved that work engagement has a significant and positive effect on performance. This research stated that tax bailiffs' work engagement reflected their attitudes such as pride, enthusiasm, energy, and happiness in discharging their job functions as bailiffs. This condition causes them to enjoy their work and creates awareness of meeting targets to improve their performances. These results support Haris et al. (2020) that work engagement has a positive and significant effect on performance. Irrespective of the fact that there are similarities, there are also differences in the dimensions employed. Previous research adopted the dimensions of work engagement, namely basic needs, management support, sense of belonging, learning, and growth, in measuring employee perceptions.

### 3.2 Mediation Analysis

The mediating effect test was carried out using the Variance Accounted For (VAF) method designed by Preacher & Hayes (2008) and later developed by Hair et al. (2011). The requirements for VAF testing are the results of analyzing both the direct and indirect effects of exogenous latent variables on the endogenous ones are significant.

**Table 6.** Indirect effect

Indirect effect	Original Sample ( <i>b</i> )	<i>t</i> statistics	<i>p</i> -value
Job characteristics -> Performance	0.179	3.583	0.000
Compensation -> Performance	0.154	3.386	0.001
Job demands -> Performance	-0.026	0.648	0.517

Note.  $p < 0.05$  = significant

Source: Data Process, 2021.

Table 6 shows a significant and indirect effect job characteristics on performance ( $p = 0.000$ ) and between compensation and performance ( $p = 0.001$ ). On the contrary, job demands have an insignificant effect ( $p = 0.517$ ). Table 5 shows that there is a significant and direct effect between job characteristics and performance and between job demands and performance, but insignificant between compensation and performance. Based on above explanation who qualify for the mediation effect test are only the variables with a direct and indirect relationship significantly, namely job characteristics and performance.

**Table 7.** Result of mediating effect

Construct	Direct effect	Indirect effect	Total effect	VAF	Result
Job characteristics -> Performance	0.362	0.179	0.541	33%	Partial

Source: Data Process, 2021.

Table 7 shows the results of the work engagement as a mediator between job characteristics and performance, thereby resulting in a VAF value of 33%. This means that work engagement partially mediates the relationship between job characteristics and performance. The direct effect of job characteristics on performance is greater than the indirect impact realized through the mediating role of employee engagement. It was suspected that other variables mediate the relationship between job characteristics and performance.

## 4. Conclusion

The results of this research indicated that job characteristics and compensation have a positive and significant effect on work engagement. Job characteristics, demands, and work engagement also positively and significantly affect performance. Meanwhile, job demands and compensation have an insignificant effect on tax bailiffs' work engagement and performance. Work engagement has no mediating effect on the relationship between job demands and performance, and between compensation and performance. It was only able to mediate the relationship between job characteristics and performance partially.

Several recommendations for improvement aids these bailiffs in achieving optimal tax revenue targets. The first is to strengthen their job characteristics to improve their performance,

among others, by providing technical training for qualified employees, thereby equipping them with the needed skills to carry out their tasks. Second, to overcome the relatively high demands of their jobs, these bailiffs need to be equipped with adequate soft skills, including critical thinking, open communication, public speaking, collaboration, time management, and conflict resolution. Third, to create fair compensation and motivate them, it is necessary to make improvements by differentiating their allowances from administration staff. Fourth, it is necessary to immediately implement certain regulations for the provision of incentives of 1% (one percent) of the proceeds from the sale of confiscated assets and regulations for implementing payment of collection fees to tax bailiffs.

This research has some limitations, for instance, it was conducted at 63 tax offices. Although it is expected to represent the overall picture of these parastatals in Indonesia, there is a need to note that there are gaps in the human resources, specifically in the frontier, remote and outermost areas. Therefore, further research needs to employ a larger sample of tax offices to represent the reality in all regions.

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