

The role of work engagement in mediating the effect of job characteristics and compensation on performance

Muktar Redy Susila

Department of Management, STIESIA Surabaya, Surabaya, Indonesia

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Corresponding author:

muktarredys@gmail.com

muktarredysusila@stiesia.ac.id

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Abstract

This study aims to analyze the effect of job characteristics and compensation on performance through work engagement. There are four variables in this study, including work engagement, compensation, job characteristics, and performance. Several previous studies have shown that work engagement is able to mediate the influence of job characteristics and compensation on performance. The data of this research comes from the perception of tax bailiff. The sample size of 263 employees was obtained by using Slovin formula. The analytical SEM PLS method was used to answer the research objectives. The results obtained from this research show that work engagement is able to mediate the effect of job characteristics and compensation on performance. In addition, the direct influence test shows that job characteristics and compensation have a significant and positive effect on work engagement. Job characteristics, compensation, and work engagement have a significant and positive effect on performance.

Introduction

Performance is a measure of the outcome of a process (Wahyudi, 2022). An activity can be measured to determine the achievement of the desired expectations. These expectations can be achieved if an effort is made (Aucejo et al., 2022). The measure of performance of an activity can be observed from the productivity of individual or group (Iacovone et al., 2022). Individual performance is measured from an individual, while group performance is a measured from a group of individuals. Productivity can be measured by the output produced from the activity and the time required to produce that output (Kumala et al., 2022). On the other hand, performance is also measured through the services provided to customers. A good service means that the customer is satisfied after getting the service (Juwaini et al., 2022). In other words, poor service indicates poor performance (Meriyani et al., 2022; Singh & Slack, 2022). Poor service can make customers disappointed decrease the performance.

The Directorate General of Taxes (DGT) is part of the first echelon under the auspices of the Indonesian Ministry of Finance, whose task is to develop strategies and implement policies and technical standardization in the field of taxation (Nugraha & Balogun, 2022). The performance of the Directorate General of Taxes is in the spotlight every year. It happens because a large part of the State Revenue and Expenditure Budget (APBN) is obtained from taxes. DGT is required to achieve the targets set by the government.

Table 1. Target vs Realization on Tax Revenue

Year	Target (Trillion rupiah)	Realization (Trillion rupiah)	Percentage (%)
2019	1577.56	1332.06	84.44
2020	1198.82	1072.11	89.43
2021	1229.58	1277.53	103.90

Every year, the percentage of achievement of tax revenue has increased. Within three years starting from 2019, the achievement is 84.44%, 89.43% and 103.90%. This achievement was obtained with hard work and policies from DGT. To carry out its duties and functions, DGT organizational structure consists of head office unit and operational office unit. According to its

function, the head office is responsible for formulating policies and technical standardization, developing, coaching, and providing administrative service support. Operational and support functions are carried out by operational office work units. In terms of organizational structure, the DGT head office consists of a secretariat to the directorate general, 14 directorate units, and 4 reviewer positions. Overall, every province in Indonesia has DGT operational offices which are called as regional office. In addition, DGT also has 4 Tax Service Offices (KPP) for large taxpayers, 9 Special KPPs, 38 Middle KPPs, 301 Primary KPPs, 204 Tax Counseling and Consultation Service Offices (KP2KP), and 4 Technical Implementation Units (UPT) consisting of Central Tax Data and Document Processing (PPDDP), Tax Data and Document Processing Office (KPDDP), and Information and Complaint Service Office (KLIP).

According to Law Number 16 of 2009 article 1 paragraph 2, a taxpayer is an individual or entity which includes taxpayers, tax collectors, and has tax rights and obligations in accordance with the provisions of tax laws and regulations. Not all taxpayers voluntarily fulfill their obligations (Ebrahimiyan Jelodar et al., 2018). Therefore, in the organization of the Directorate General of Taxes (DGT) in the Collection Section there is a tax bailiff. The main task of the tax bailiff is to carry out tax collection in accordance with the procedures stated in the applied law. The tax bailiffs has an important role in achieving target of tax revenue (Rajagukguk & Kuntonegoro, 2022). They pick up the ball to make the taxpayers fulfill their obligations. Therefore, it is important to pay attention to the factors that can increase the performance of tax bailiffs (Permatasari et al., 2022).

One important factor that can affect performance is work engagement. There are several factors considered to affect work engagement, including job characteristics and compensation. According to Yanti et al. (2022), job characteristics can affect work engagement. The more suitable the work characteristics of an employee, the greater the sense of work engagement (Agarwal & Gupta, 2018). In the process of assigning task to the employees, they must pay attention to the characteristics of the job (Ramakers et al., 2017). The background of the employee must be suitable with his work. The sense of work engagement will be provoked by the compensation received by employees. According to Zacher et al. (2015), the amount of compensation affects work engagement. The greater the compensation, the greater the employee's sense of engagement. The increase of work engagement can improve the performance of employees (Li et al., 2022).

Job characteristics, compensation, and work engagement are supposed to directly influence the performance of tax bailiffs. According to de Vargas Pinto et al. (2022) and Ningrati (2022) job characteristics can affect the performance of employees. The more appropriate the characteristics of the job with the employee, the performance of the employee will increase. The amount of compensation such as salary can increase the motivation of employees, so that the compensation received by employees can improve the performance of employees. According to Elisa et al. (2022) and Hidayati and Zulher (2022), the amount of compensation that employees get can affect the performance of employees. The greater the compensation, the performance of employees will increase (Sahlan et al., 2022). Lack of compensation will causes a decrease in the performance of employee because the employee will experience a low work motivation which affects the performance (Pudjowati et al., 2022). According to Gupta et al. (2015) and Kartal (2018), work engagement can affect performance. Work engagement is motivation and positive thought related to work, which is characterized by the aspects of vigor, dedication, and absorption. The higher the level of work engagement, the greater the sense of belonging (Wijayati et al., 2022). This sense of belonging will trigger a sense of responsibility from an employee. If all employees contribute and are responsible to their duties, then the performance of these employees will increase (Andreas, 2022).

There is an indirect effect of job characteristics and compensation on performance through work engagement. According to Bhatti et al. (2018), work engagement can mediate the effect of job characteristics on employee performance. The research shows that performance can be improved by adjusting the job characteristics of employees. Appropriateness of these job characteristics will increase the employee's sense of engagement, which has a direct impact on employee performance. According to Memon et al. (2017), work engagement can mediate the effect of compensation on employee performance. This research shows that the size of the compensation received by employees affects the employee's sense of engagement which has a direct impact on employee performance.

An interesting thing to observe in the DGT environment is the relationship between job characteristics, compensation, work engagement, and the performance of tax bailiffs. Previous studies have shown that job characteristics and compensation directly affect work engagement. Other research also shows that job characteristics, compensation, and work engagement affect employee performance. There are several studies that have proven that work engagement is able to mediate the effect of job characteristics and compensation on employee performance. In other words, job characteristics and compensation indirectly influence employee performance through work engagement. Based on the problems and the previous studies, this study aims to analyze the direct and indirect effects of the variables that are presumably affect the performance of tax bailiffs within the DGT.

Literature Review and Hypotheses Development

Performance is a measure of the results of an activity. According to its dimensions, performance consists of task performance and contextual performance (Hartini et al., 2019; Bhardwaj & Kalia, 2021). Task performance is a dimension of performance that shows the effectiveness of the main tasks of work that have a direct impact on the main tasks of an organization (El-Kassar et al., 2022). Contextual performance is a dimension of performance that shows informal actions while these actions are efforts to support and create a social environment but the technical core of the organization continues (Chen & Shao, 2022).

Job characteristics are an attempt to identify the task characteristics of a job, how these characteristics are combined to form different jobs and their relationship to motivation, job satisfaction and employee performance. There are five dimensions in job characteristics that can encourage the benefits and results of an employee's work, including skill variety, task identity, task significance, autonomy, and job feedback (Omar et al., 2022; Seqhobane & Koko, 2021). Appropriateness of job characteristics has a significant effect on work engagement. According to Yanti et al. (2022), the relationship between the two variables is unidirectional.

H₁: Job characteristics have a significant effect on work engagement and have a positive relationship.

Compensation is an award given by the organization to employees as remuneration for the employee's contribution to the organization. Compensation consists of direct compensation and indirect compensation (Diyanto & Peristiowati, 2022). The direct compensation has the form of salaries, wages and incentives (Hertzberg et al., 2021), while the indirect compensation has the form of insurance, benefits, leave, and awards (Mohammed et al., 2022). The size of the compensation has a significant effect on work engagement (Zacher et al., 2015). These two variables have a unidirectional or positive relationship.

H₂: Compensation has a significant effect on work engagement and has a positive relationship.

Work engagement is a relationship between a person and his work, which is expressed through physical, cognitive, and emotional conditions (Wu et al., 2022). Physical condition is the physical energy used by employees in carrying out their roles at work, whereas cognitive conditions lead to employee beliefs about the organization, leaders and the working conditions themselves. Emotional condition reflects positive or negative feelings towards work roles, organizations and leaders. According to Khan and Ghayas (2022) the dimensions of work engagement consist of vigor, dedication, and absorption. The size of the existing work engagement has a significant effect on performance (Gupta et al., 2015; Kartal, 2018). The two variables have a unidirectional or positive relationship.

H₃: Work engagement has a significant effect on performance and has a positive relationship.

Job characteristics can provide positive work results on performance, so that it has an impact on high quality performance. According to de Vargas Pinto et al. (2022) and Ningrati (2022), job characteristics have a significant effect on employee performance. The relationship of the two variables is unidirectional or positive. If the characteristics of the job match the worker, good performance will follow.

H₄: Job characteristics have a significant effect on performance and have a positive relationship.

Compensation is one of the organizational factors that can affect employee performance, apart from individual factors and psychological factors. Employee dissatisfaction with the

compensation received can reduce performance. According to Elisa et al. (2022) and Hidayati and Zulher (2022), performance is significantly affected by compensation. The relationship of the two variables is unidirectional or positive. If the compensation received by employees is good, then it will be followed by good performance.

H₅: Compensation has a significant effect on performance and has a positive relationship.

According to Bhatti et al. (2018), work engagement can mediate the influence of job characteristics on employee performance. Appropriateness of the characteristics of an employee's work affects work engagement. Employees will feel comfortable if they work is suitable to their field. The work engagement that is created affects employee performance. Indirectly, suitability of job characteristics affects performance through work engagement.

H₆: Job characteristics affect performance through work engagement.

According to Memon et al. (2017), work engagement can be a mediator to the effect of compensation on employee performance. The size of the compensation received by employees affects the employee's sense of engagement. Employees will feel comfortable when all their needs are sufficient. If the employee received less compensation, then the employee will feel uncomfortable at work, so this will have an impact on work engagement. The work engagement that is created affects employee performance. Indirectly, the compensation received by employees influences performance through work engagement.

H₇: Compensation affect performance through work engagement.

Research Methods

The population of tax bailiffs in this study was obtained from the Directorate General of Taxes Personnel, Finance and Assets Information (SIKKA) As of June 28, 2021, there were 772 people. The number of samples is determined using the Slovin formula with an error rate of 0.05 (Oktariyana, 2022). So that the number of samples used in this study were 263 samples.

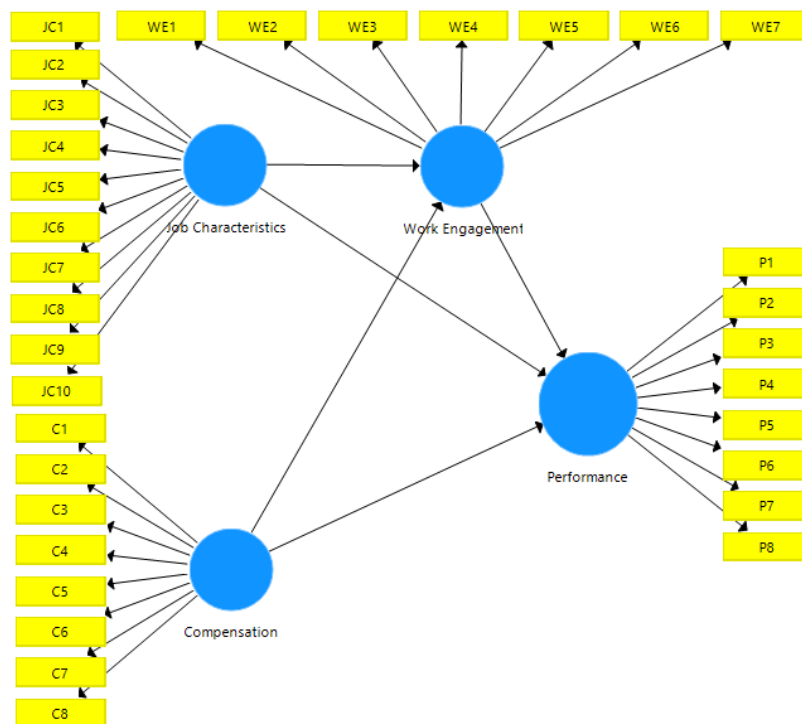


Figure 1. Structural Model

In this study, there are three variables used, including endogenous, exogenous, and mediators. The endogenous variable is similar to the dependent variable which means the variable is influenced by other variables (Belloni et al., 2022). In this research, the endogenous variables are work engagement and performance. Exogenous variables are similar to independent variables

which means variables that affect other variables (Olivares et al., 2022). In this study, the exogenous variables are job characteristics, compensation, and work engagement. Mediating variables or intermediary variables are variables that mediate the influence of exogenous variables on endogenous variables (Widarko & Anwarodin, 2022). In this study, work engagement has three roles, including as an exogenous variable, an endogenous variable, and a mediator variable.

To answer the hypothesis in this study, the PLS SEM method was used. The stages of the PLS method are evaluating the measurement model through convergent validity, discriminant validity, and validity, evaluating the structural model through the coefficient of determination and prediction relevance, and conducting hypothesis testing using the bootstrapping t-test results.

To evaluate the measurement model, the benchmark number 0.5 is used. If all measurements in the model evaluation are above 0.5, the model is suitable for further analysis (Popova & Popovs, 2022). For the results of the t test, the variable can be said to have a significant effect if the p-value is less than 0.05 (Susila, 2022a) (Susila, 2022b). The structural model image of the research is presented in Figure 1.

Results and Discussion

There are three evaluations on the measurement model including convergent validity, discriminant validity, and reliability. Convergent reliability is measured by outer loading and the Average Variance Extracted (AVE) value. The expected condition is that the value of outer loading and AVE is more than 0.5 (Musyaffi et al., 2022). Table 1 is the output of outer loading.

Table 1. Outer Loading Testing Results

Indicator	Job Characteristics	Compensation	Work Engagement	Performance
JC1	0.702	-	-	-
JC2	0.854	-	-	-
JC3	0.780	-	-	-
JC4	0.729	-	-	-
JC5	0.849	-	-	-
JC6	0.715	-	-	-
JC7	0.753	-	-	-
JC8	0.708	-	-	-
JC9	0.745	-	-	-
JC10	0.802	-	-	-
C1	-	0.790	-	-
C2	-	0.842	-	-
C3	-	0.790	-	-
C4	-	0.756	-	-
C5	-	0.756	-	-
C6	-	0.882	-	-
C7	-	0.796	-	-
C8	-	0.712	-	-
WE1	-	-	0.827	-
WE2	-	-	0.890	-
WE3	-	-	0.911	-
WE4	-	-	0.892	-
WE5	-	-	0.783	-
WE6	-	-	0.869	-
WE7	-	-	0.748	-
P1	-	-	-	0.716
P2	-	-	-	0.763
P3	-	-	-	0.783
P4	-	-	-	0.866
P5	-	-	-	0.864
P6	-	-	-	0.811
P7	-	-	-	0.748
P8	-	-	-	0.770

It can be seen in Table 1 that the outer loading values for all indicators meet the requirements, which are more than 0.5. Furthermore, testing of the AVE value was carried out. The AVE values obtained are shown in Table 2.

The AVE value for each variable is 0.586 for job characteristics, compensation is 0.627, work engagement is 0.718, and performance is 0.627, which are above 0.5. Therefore, it can be said that all the variables used in this study have met the of convergent reliability conditions.

Table 2. Average Variance Extracted (AVE) Testing Results

Variable	Average Variance Extracted (AVE)
Job Characteristics	0.586
Compensation	0.627
Work Engagement	0.718
Performance	0.627

Discriminant validity can be measured by cross loadings (Yaacob et al., 2021). Output of cross loading shows that the outer loading score of an indicator on the variable and on the other variables observed. The desired expectation is that the outer loading value has the highest score on the variable compared to the other variables.

Table 3. Cross Loading Testing Results

Indicator	Job Characteristics	Compensation	Work Engagement	Performance
JC1	0.702	0.252	0.399	0.438
JC2	0.854	0.296	0.439	0.419
JC3	0.780	0.196	0.468	0.471
JC4	0.729	0.200	0.274	0.316
JC5	0.849	0.158	0.433	0.412
JC6	0.715	0.298	0.318	0.334
JC7	0.753	0.394	0.543	0.445
JC8	0.708	0.381	0.370	0.325
JC9	0.745	0.419	0.407	0.334
JC10	0.802	0.330	0.479	0.476
C1	0.337	0.790	0.356	0.409
C2	0.353	0.842	0.341	0.367
C3	0.272	0.790	0.326	0.291
C4	0.396	0.756	0.492	0.373
C5	0.373	0.756	0.406	0.375
C6	0.276	0.882	0.395	0.376
C7	0.136	0.796	0.410	0.376
C8	0.252	0.712	0.337	0.246
WE1	0.496	0.379	0.827	0.701
WE2	0.550	0.477	0.890	0.621
WE3	0.485	0.445	0.911	0.602
WE4	0.468	0.492	0.892	0.575
WE5	0.376	0.363	0.783	0.492
WE6	0.466	0.436	0.869	0.547
WE7	0.410	0.297	0.748	0.561
P1	0.374	0.326	0.437	0.716
P2	0.394	0.268	0.510	0.763
P3	0.476	0.339	0.581	0.783
P4	0.486	0.358	0.621	0.866
P5	0.468	0.423	0.581	0.864
P6	0.425	0.398	0.593	0.811
P7	0.374	0.385	0.452	0.748
P8	0.332	0.353	0.594	0.770

Based on the output cross loadings shown in Table 3, the cross-loading values of the indicators on the variables show a greater value when compared to the cross-loading values of these indicators on other variables in the model.

Reliability can be measured by cronbach's alpha and composite reliability (Ammad et al., 2021). It is expected that the cronbach's alpha and composite reliability values obtained are more than 0.5. The following is the output of cronbach's alpha and composite reliability based on research data.

Table 4. Cronbach's Alpha and Composite Reliability Testing Results

Variable	Cronbach's Alpha	Composite Reliability
Job Characteristics	0.921	0.934
Compensation	0.915	0.931
Work Engagement	0.934	0.947
Performance	0.914	0.931

Based on the output in Table 4, it is found that the value of Cronbach's alpha and composite reliability of each variable has a value of more than 0.5. This shows that each indicator can be said to be reliable and has accuracy and consistency in measuring these variables.

There are two evaluations on the structural model, including the coefficient of determination and prediction relevance. The output coefficient of determination is presented in Table 5.

Table 5. Coefficient of Determination Value

Endogenous Variables	R-Squared
Work Engagement	0.397
Performance	0.524

Based on Table 5, the coefficient of determination for work engagement is 39.7%. This value indicates that work engagement can be explained by job characteristics and compensation of 39.7%. The remaining 60.3% is explained by other variables not in the model. The value of the coefficient of determination for performance is 52.4%. This value indicates that performance can be explained by job characteristics, compensation, and work engagement of 52.4%. The remaining 47.6% is explained by other variables that are not in the model.

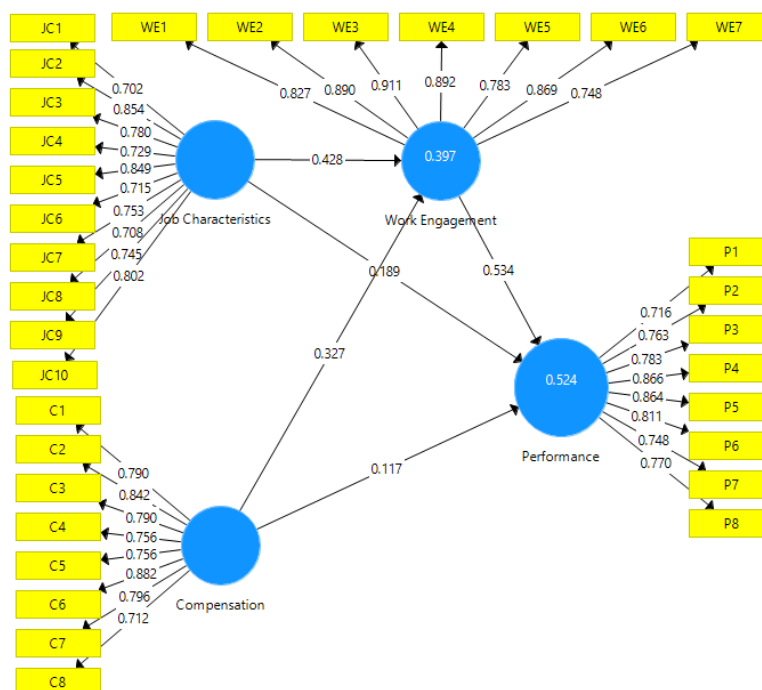


Figure 2. Structural Model Results with Their Coefficients

From the coefficient of determination values presented in Table 6, the prediction relevance values can be found as follows (Hussain et al., 2021):

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2)$$

$$Q^2 = 1 - (1 - 0.397)(1 - 0.524)$$

$$Q^2 = 0,713.$$

The Q^2 value obtained is 0.713 (this is large because $0.713 > 0$), this value indicates that the exogenous variables have good model predictive ability, in other words the exogenous variables are suitable and able to explain the endogenous variables in the model.

The direct effect test is a direct test of exogenous variables on endogenous variables. Based on Figure 2, there are five direct tests. The direct test results are presented in Table 6.

Table 6. Direct Effect Testing Results

Variable	Coefficient	T-Statistic	P-Values
Job Characteristics → Work Engagement	0.428	6.769	0.000
Compensation → Work Engagement	0.327	6.393	0.000
Work Engagement → Performance	0.534	8.685	0.000
Job Characteristics → Performance	0.189	3.048	0.002
Compensation → Performance	0.117	2.396	0.017

Based on Table 6, it was found that the p-value for the test results did all get a value of less than 0.05. Therefore, it can be concluded that all exogenous variables have a significant effect on endogenous variables. The test results show that job characteristics affect work engagement. The coefficient of influence of job characteristics on work engagement is 0.428, meaning that if job characteristics increase by one unit, then work engagement will increase by 0.428 units. Vice versa, if the job characteristics decrease by one unit, then work engagement will decrease by 0.428 units. The test results show that compensation affects work engagement. The coefficient of compensation effect on work engagement is 0.327, meaning that if compensation increases by one unit, then work engagement will increase by 0.327 units. Vice versa, if compensation decreases by one unit, then work engagement will decrease by 0.327 units. The test results show that work engagement has an effect on performance. The coefficient of influence of work engagement on performance is 0.534, meaning that if work engagement increases by one unit, then performance will increase by 0.534 units. Vice versa, if work engagement decreases by one unit, performance will decrease by 0.534 units.

The test results show that job characteristics affect performance. The coefficient of influence of job characteristics on performance is 0.189, meaning that if job characteristics increase by one unit, performance will increase by 0.189 units. Vice versa, if the job characteristics decrease by one unit, the performance will decrease by 0.189 units. The test results show that job characteristics affect performance. The coefficient of influence of compensation on performance is 0.117, meaning that if compensation increases by one unit, performance will increase by 0.117 units. Vice versa, if the compensation decreases by one unit, the performance will decrease by 0.117 units.

In the indirect effect test, the indirect effect was analyzed. The role of the intermediary variable is to mediate the influence of exogenous variables on endogenous ones. Table 7 is the result of testing the indirect effect.

Table 7. Indirect Effect Testing Results

Variable	Coefficient	T-Statistic	P-Values
Job Characteristics → Work Engagement → Performance	0.228	5.703	0.000
Compensation → Work Engagement → Performance	0.174	5.318	0.000

In Table 7, the p-value is 0.000, which is less than 0.05. Therefore, it can be concluded that work engagement as a mediator variable is able to mediate the effect of job characteristics and compensation on performance.

From the test results, it is found that job characteristics have a significant effect on work engagement. The leadership of the Directorate General of Taxes (DGT) in the Collection Section must pay attention to the job characteristics of the tax bailiff. The job or jobdesk given to the tax bailiff must be in accordance with his duties and functions. A clear Jobdesk will make tax bailiffs carry out their work according to the rules and can make bailiffs deepen the characteristics of their work. If the characteristics of the work are obtained, a sense of work engagement will arise. Tax bailiffs will feel comfortable and will have a greater sense of responsibility towards their duties. Of course, all of this can be realized with the commitment of the tax bailiffs. The results obtained in this study support the results of research from Yanti et al. (2022). According to Yanti et al. (2022), job characteristics have a significant effect on work engagement. To increase job engagement, workers must understand the characteristics of their work. Based on the test results, it can be proven that the first hypothesis (H_1) in this study can be accepted.

From the test results, it was found that compensation has a significant effect on work engagement. Compensation is a reward that will be obtained by workers after what workers have done for an institution. The compensation provided by the Directorate General of Taxes (DGT) to tax bailiffs conforms to the regulations in force at the institution. In principle, compensation can have an impact on worker satisfaction. If workers are satisfied with the compensation they receive, they will be even more eager to work. So is the case with tax bailiffs, a sense of satisfaction with the compensation they receive can increase their work spirit. Therefore, from this sense of enthusiasm, work engagement will be created. Therefore, the size of the compensation received by the tax bailiff can affect work engagement. The results of this study support the results of research from Zacher et al. (2015). The greater the compensation obtained will increase the sense of work engagement of the tax bailiff. Based on the test results, it can be proven that the second hypothesis (H_2) in this study can be accepted.

From the test results, information is obtained that work engagement has a significant effect on performance. Work engagement shows the employee's emotional relationship with the work he does. Workers who do their job happily will produce good work results. Directly, work engagement can affect the performance of employees. From the results of the t test, it was found that work engagement has a significant and positive effect on performance. To improve the performance of employees, leaders must make employees comfortable with their work. The officials of the Directorate General of Taxes (DGT) in the Collection Section are required to create a sense of work comfort for tax bailiffs. The results of this study support the results of research from Gupta et al. (2015) dan Kartal (2018). The higher the sense of work engagement from employees will be followed by an increase in employee performance. Based on the test results, it can be proven that the third hypothesis (H_3) in this study can be accepted.

From the test results, it is found that job characteristics have a significant effect on performance. Besides being able to affect work engagement, job characteristics can affect the performance of employees. The work characteristics of the Directorate General of Taxes (DGT) in the Collection Section must be in accordance with the tax bailiff employees. The suitability of these job characteristics can make it easy for tax bailiffs to adjust to the work given by their superiors. The adaptability of tax officials can make it easier for employees to carry out work activities. Jobs given by superiors can be completed easily if the characteristics of the work match the workers. Conversely, if the characteristics of the job do not match the worker, the worker needs time to adapt. The results of this study agree with the results of research from de Vargas Pinto et al. (2022) and Ningrati (2022) which state that job characteristics have a significant effect on performance. Based on the test results, it can be proven that the fourth hypothesis (H_4) in this study can be accepted.

From the test results, it was found that compensation has significant effect on performance. Good compensation will improve the performance of employees. Therefore, the government must pay attention to the compensation received by tax bailiffs. The greater the compensation received by the employee, the greater the performance of the tax bailiff employee. Conversely, if the compensation received by the tax bailiff decreases, it will be followed by a decrease in the performance of the tax bailiff. The results of this study agree with the results of research by Elisa

et al. (2022) and Hidayati and Zulher (2022). Based on the test results, it can be proven that the fifth hypothesis (H_5) in this study can be accepted.

From the results of the indirect influence test, it was found that job characteristics has an effect on performance through work engagement. Work engagement is one of the keys to improving the performance of tax bailiff employees. Work engagement shows the emotional feelings of workers with their work. It is not easy to create work engagement because many factors influence it. Work engagement can be realized by adjusting the characteristics of the job with the workers. The results of this study support the results of research from Bhatti et al. (2018). The relationship between job characteristics and work engagement can have a positive impact on performance. Based on the test results, it can be proven that the sixth hypothesis (H_6) in this study can be accepted.

From the results of the indirect influence test, it was found that compensation has an effect on performance through work engagement. Another factor that can increase the sense of work engagement is compensation. Compensation can provide workers with a sense of self-satisfaction. The size of the compensation obtained will have an impact on the psychology of employees. Employees will feel enthusiastic about working if the compensation given is in accordance with what they do. If the compensation given is in accordance with the wishes of the employees, a sense of work engagement will be created. This sense of work engagement can affect the performance of employees. The results of this study support the results of Memon et al. (2017). The relationship between compensation and work engagement can have a positive impact on performance. Based on the test results, it can be proven that the seventh hypothesis (H_7) in this study can be accepted.

Implication and Conclusion

The results of the analysis and discussion of the research show that work engagement is able to mediate the effect of job characteristics and compensation on performance. This occurs as a result of the characteristics of work and compensation that directly have a significant effect on work engagement. The relationship between job characteristics and work engagement is positive. Likewise, compensation for work engagement has a positive relationship. Directly, job characteristics, compensation, and work engagement have a significant and positive effect on performance. This study still uses limited exogenous variables. For further research other exogenous variables can be added. In general, government employees receive adequate facilities to support employee mobility. Therefore, further research can examine the effect of the facilities provided by the government on the performance of tax bailiffs.

To improve the performance of tax bailiff employees, the leadership of the Directorate General of Taxes (DGT) in the Collection Section must pay attention to factors that can affect the performance of these employees. This study proves that directly and indirectly, job characteristics, work engagement, and compensation have a significant effect on the performance of tax bailiffs. Leaders must make employees feel comfortable with the work they are given and feel satisfied with the compensation provided.

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