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What Drives Enforced Compliance? Insights from the Extended Slippery Slope Model among Value Added Taxpayers

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ABSTRACT

Objectives: This study examines the interrelationships among coercive power, implicit trust, antagonistic climate, and enforced tax compliance within the theoretical framework of the Extended Slippery Slope Framework.

Methodology: Utilizing a quantitative research design, data were collected from 359 Value Added Taxpayers in East Java, Indonesia. The analysis focuses on how taxpayer perceptions of institutional authority influence their compliance behavior.

Finding: Empirical results reveal that coercive power significantly exacerbates the emergence of an antagonistic climate, whereas implicit trust exerts a mitigating effect. Furthermore, an antagonistic climate is positively associated with enforced compliance, indicating that taxpayer adherence in such contexts is driven more by perceived institutional pressure than by intrinsic moral obligation. Mediation analysis further substantiates the role of antagonistic climate as a significant intermediary in the relationships between coercive power and enforced compliance, as well as between implicit trust and enforced compliance.

Conclusion: These findings contribute to the growing body of behavioral tax literature by highlighting the psychological mechanisms that underpin compliance behavior. The results advocate for a dual-strategy approach in tax administration that integrates both enforcement mechanisms and trust-enhancing interventions to foster sustainable tax compliance over the long term.

Keywords: Extended Slippery Slope Framework; Enforced Compliance; Tax Climate; Power; Trust.

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INTRODUCTION

Tax compliance remains a structural challenge in many developing economies where fiscal sustainability depends heavily on indirect taxation. In Indonesia, Value Added Tax constitutes a central pillar of state revenue, accounting for a substantial share of national tax collections. This reliance places VAT-registered business entities at the core of the fiscal system, as they function not merely as taxpayers but as intermediaries responsible for collecting and remitting tax on behalf of the state. Consequently, compliance among VAT taxpayers is not only a legal obligation but a systemic determinant of revenue stability.

Conventional deterrence theory conceptualizes compliance as a rational response to enforcement intensity, where taxpayers weigh expected penalties against potential gains from evasion (Allingham & Sandmo, 1972). From this perspective, stricter audits, monitoring systems, and penalties should increase compliance. Indonesia's recent enforcement-oriented reforms in VAT administration—including mandatory electronic invoicing and intensified audit mechanisms—reflect this logic. However, behavioral tax research increasingly demonstrates that enforcement-driven compliance may be effective yet psychologically fragile. When compliance is sustained primarily by fear of sanctions, it risks generating adversarial perceptions of authority and weakening long-term cooperative engagement.

The Slippery Slope Framework (SSF) introduced a relational perspective by arguing that compliance is shaped not solely by power but by the interaction between power and trust (Kirchler et al., 2008). Its extension, the Extended Slippery Slope Framework (eSSF), further clarifies that taxpayers interpret authority behavior within subjective relational climates, such as antagonistic, service-oriented, or confidence-based environments (Gangl et al., 2015; Hofmann et al., 2014). In antagonistic climates characterized by high coercive power and low trust, compliance becomes strategic and enforcement-driven rather than cooperative.

Although eSSF has been widely applied, empirical studies have predominantly emphasized voluntary compliance and cooperative dynamics, often overlooking enforcement-driven compliance as a distinct behavioral outcome. This leaves an important gap. Enforced compliance is not merely a weaker form of voluntary compliance; it reflects a qualitatively different motivational structure grounded in surveillance, deterrence, and defensive adaptation. Particularly in enforcement-intensive systems such as VAT administration, understanding the mechanisms that sustain enforced compliance becomes critical.

From a theoretical standpoint, this study also engages a deeper conceptual issue within the eSSF. While the framework distinguishes between enforced and voluntary compliance, empirical applications frequently treat these outcomes as symmetrical alternatives without sufficiently unpacking their distinct motivational logics. Enforced compliance is often modeled as a residual or secondary outcome rather than as a theoretically autonomous form of compliance grounded in surveillance-based behavioral regulation. In enforcement-intensive fiscal systems, the question is not whether compliance increases, but what type of compliance is being institutionalized. By explicitly isolating the coercion-driven pathway—coercive power, antagonistic climate, and enforced compliance—this study clarifies how enforcement operates not only as a deterrence mechanism but as a relational signal that restructures taxpayers' motivational orientation. In doing so, the study contributes to refining the explanatory boundaries of the eSSF, particularly in contexts where institutional trust is uneven and enforcement visibility is high.

Existing studies have established that power and trust jointly influence tax compliance and that relational climates mediate this relationship within the eSSF. Prior research has also demonstrated that voluntary compliance is strengthened in high-trust environments. However, less is known about how enforcement-dominant regimes shape enforced compliance as a distinct motivational outcome, particularly within developing-country VAT systems where monitoring intensity is structurally high. Empirical evidence remains limited regarding how VAT-registered enterprises in Indonesia interpret coercive authority strategies and whether such strategies institutionalize stable compliance or merely reactive obedience. By focusing specifically on VAT-registered enterprises in East Java—one of Indonesia’s major VAT-contributing regions—this study positions its novelty at the intersection of enforcement intensity, relational climate, and enforcement-driven compliance within a developing-country VAT sector.

Moreover, empirical validation of eSSF in developing-country contexts remains limited. In Indonesia, research on tax behavior frequently addresses general compliance attitudes without disentangling how coercive power and trust jointly shape enforcement-based compliance through relational climates. Little is known about how VAT-registered enterprises interpret authority strategies in high-monitoring environments and whether such strategies strengthen compliance at the cost of relational legitimacy.

This study addresses these gaps by applying the Extended Slippery Slope Framework to examine enforced tax compliance among VAT-registered enterprises in East Java, Indonesia. Specifically, it investigates how coercive power and implicit trust shape enforced compliance both directly and through the mediating role of antagonistic climate. By isolating the coercion-based pathway of the eSSF, this study refines the framework’s explanatory precision regarding enforcement-dominant compliance regimes.

While the eSSF differentiates between coercive and legitimate power as well as between implicit and reason-based trust, this study deliberately focuses on coercive power and implicit trust to maintain theoretical coherence with enforced compliance as the focal outcome. Legitimate power and reason-based trust are conceptually associated with voluntary compliance and synergistic or service-oriented climates. Including these dimensions would broaden the analytical scope toward cooperative compliance mechanisms, which lies beyond the primary objective of examining enforcement-driven compliance. Therefore, the model is intentionally narrowed to the coercion-centered pathway in order to enhance conceptual clarity and analytical precision.

The contributions of this study are structured at three levels. First, theoretically, the study advances the eSSF by clarifying the coercion-based pathway in a developing-country VAT context and by treating enforced compliance as a distinct motivational construct rather than a derivative of voluntary compliance. Second, methodologically, the study applies Partial Least Squares Structural Equation Modeling (PLS-SEM) to test climate-mediated relationships, thereby demonstrating the suitability of variance-based SEM for examining relational climate mechanisms in tax compliance research. Third, from a policy perspective, the findings provide insights for the Directorate General of Taxes in designing sustainable compliance strategies that balance enforcement visibility with trust-building measures, particularly in enforcement-intensive VAT regimes.

LITERATURE REVIEW

Extended Slippery Slope Framework (eSSF)

This study adopts the Extended Slippery Slope Framework (eSSF) as its principal theoretical foundation. The eSSF, developed by Gangl et al. (2015), extends the original Slippery Slope Framework (SSF) proposed by Kirchler et al. (2008), which conceptualizes tax compliance as the outcome of an interaction between authority power and taxpayer trust. Unlike traditional deterrence models that emphasize audits and sanctions as primary compliance drivers, the SSF integrates relational and psychological dimensions into the authority–taxpayer dynamic.

The eSSF refines this framework by distinguishing two forms of power—coercive and legitimate—and two types of trust—implicit and reason-based. Coercive power operates through monitoring, audits, and penalties, appealing to deterrence-based compliance. Legitimate power derives from taxpayers' perceptions of fairness, institutional competence, and procedural justice. Implicit trust develops effectively through habitual and positive interactions with tax authorities, whereas reason-based trust arises from deliberate evaluation of institutional integrity and performance.

The interaction of these dimensions produces three distinct tax climates: antagonistic, service-oriented, and confidence-based. Each climate reflects a specific configuration of trust and power and corresponds to different motivational pathways to compliance (Gangl et al., 2015; Gangl et al., 2020). This climate-based extension allows the eSSF to capture how taxpayers interpret authority behavior, rather than assuming a direct mechanical relationship between power, trust, and compliance.

Empirical research across various national contexts—including Austria, Finland, Hungary, and cross-national samples of 44 countries—supports the robustness of this framework in explaining how contextual and institutional factors shape compliance motivation (Gangl et al., 2020; Kogler et al., 2013). However, most empirical applications emphasize voluntary compliance, leaving enforcement-driven compliance comparatively underexplored, particularly in developing-country VAT contexts.

Tax Climate

Tax climate refers to the shared psychological perception of how tax authorities exercise power and cultivate trust. It operates as an interpretative filter through which taxpayers evaluate institutional behavior. An antagonistic climate emerges when coercive power dominates and trust is low, resulting in adversarial relations and compliance driven by fear of detection or punishment. A service-oriented climate reflects formal and professional interaction, where institutional competence and procedural clarity shape cooperation. A confidence-based climate is characterized by high implicit trust and shared values, fostering intrinsic motivation and voluntary adherence.

Research suggests that climate perceptions significantly influence behavioral outcomes. For example, when taxpayers believe others comply or perceive authorities as fair, voluntary compliance increases (Hallsworth et al., 2017). Conversely, excessive reliance on coercion may reinforce adversarial perceptions, potentially strengthening enforcement-based compliance while weakening long-term trust (Alm & Torgler, 2011). Within the eSSF, antagonistic climate is particularly associated with enforced compliance, as taxpayers comply primarily to avoid sanctions rather than from internalized obligations.

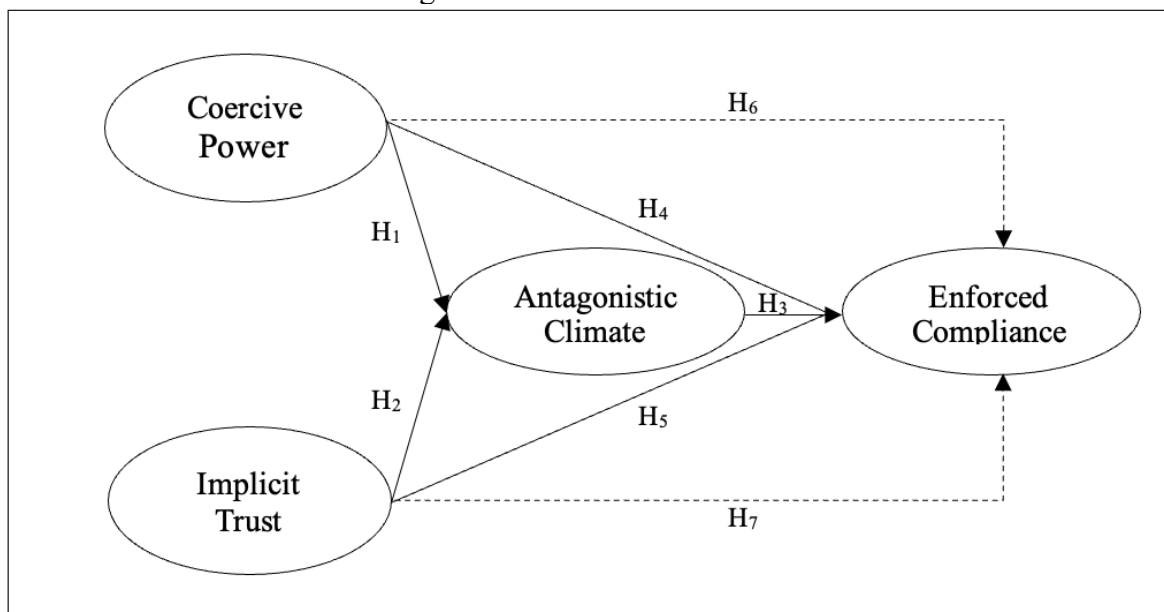
Powers of the Tax Authority

Within the eSSF, coercive and legitimate power represent distinct regulatory approaches. Coercive power relies on deterrence mechanisms such as audits, penalties, and conditional enforcement tools, encouraging compliance through external pressure (Kastlunger et al., 2013). This approach often reinforces an antagonistic climate, where compliance is contingent upon surveillance. Legitimate power, by contrast, stems from perceptions of fairness, transparency, and professional competence. When tax authorities are viewed as procedurally just and knowledgeable, taxpayers are more likely to cooperate out of respect and identification with institutional norms (Gobena & Van Dijke, 2016). Legitimate power therefore supports cooperative and service-oriented climates, promoting more stable compliance motivations. While both forms of power are theoretically central to the eSSF, this study focuses on coercive power due to its conceptual linkage with enforced compliance, the primary outcome examined.

Taxpayer Trust

Trust within the eSSF consists of implicit and reason-based dimensions. Implicit trust is affective and habitual, shaped by repeated positive interactions and social learning (Bornman, 2015). It develops gradually and often unconsciously, reflecting accumulated relational experiences. Reason-based trust, in contrast, is cognitive and evaluative, grounded in deliberate judgments regarding fairness, integrity, and institutional performance. Both forms influence compliance motivation; However, implicit trust is particularly relevant in shaping relational climates and enforcement perceptions. High levels of implicit trust contribute to confidence-based climates and voluntary compliance, whereas diminished trust may amplify perceptions of antagonism, reinforcing enforcement-driven behavior.

Figure 1. Research Framework



Based on the theoretical framework (Figure 1) and the identified empirical gaps, this study examines whether coercive power and implicit trust shape an antagonistic tax climate among VAT-registered enterprises in East Java. It also investigates whether an antagonistic tax climate predicts enforced tax compliance. Finally, the study tests whether antagonistic tax climate mediates the effects of coercive power and implicit trust on enforced tax compliance.

Research Hypotheses and Framework

Coercive Power, Implicit Trust and Antagonistic Climate

Within the Extended Slippery Slope Framework (eSSF), antagonistic tax climate emerges when coercive power dominates the authority–taxpayer relationship and trust is weak. An antagonistic climate is characterized by adversarial perceptions, where taxpayers view the authority primarily as an enforcer rather than as a legitimate institutional partner (f et al., 2015; Kirchler et al., 2008). In such a climate, compliance is driven by external pressure rather than internalized norms.

Coercive power refers to the use of audits, sanctions, and monitoring mechanisms to ensure compliance. The eSSF posits that when taxpayers perceive enforcement strategies as punitive or control-oriented, these measures reinforce perceptions of distrust and asymmetry, thereby strengthening an antagonistic climate. Empirical evidence suggests that excessive reliance on coercive power increases adversarial perceptions and reduces relational cooperation (Kastlunger et al., 2013). According to him, coercive power is expected to intensify antagonistic climate.

Implicit trust, in contrast, represents affective and habitual confidence in tax authorities, developed through repeated positive interactions and social learning. High levels of implicit trust reduce the perception that enforcement is arbitrary or hostile. Within the eSSF, implicit trust acts as a stabilizing relational force that mitigates adversarial interpretations of authority behavior. When implicit trust is present, taxpayers are less likely to interpret enforcement as antagonistic. Therefore, implicit trust is expected to weaken antagonistic climate.

Informed by this theoretical perspective, the proposed hypotheses are:

H1: Coercive power has a positive influence on an antagonistic climate.

H2: Implicit trust has a negative influence on an antagonistic climate.

Antagonistic Climate and Enforced Compliance

Within the Extended Slippery Slope Framework (eSSF), antagonistic climate represents a relational context in which taxpayers perceive the tax authority as controlling, punitive, and distrustful (Gangl et al., 2015; Kirchler et al., 2008). In such a climate, the authority–taxpayer relationship resembles a strategic and adversarial interaction, where compliance is interpreted as a response to surveillance rather than as a cooperative contribution. The eSSF posits that relational climate serves as a psychological mechanism translating perceptions of authority behavior into compliance motivation. When antagonistic climate prevails, taxpayers are more likely to comply due to fear of detection and sanctions rather than internalized norms. Compliance under such conditions is enforcement-driven and contingent upon continued monitoring. Empirical research indicates that adversarial perceptions increase reliance on deterrence-based compliance and reduce intrinsic cooperation (Alm & Torgler, 2011). Therefore, antagonistic climate is expected to strengthen enforced compliance.

Informed by this conceptual foundation, the third hypothesis of this study is proposed as follows:

H3: Antagonistic climate has a positive influence on enforced compliance.

Coercive Power, Implicit Trust and Enforced Compliance

Within the Extended Slippery Slope Framework (eSSF), compliance outcomes are shaped by two distinct yet interacting dimensions of authority: power and trust (Hofmann et al., 2014; Kirchler et al., 2008). These dimensions activate different motivational mechanisms underlying taxpayer behavior. Coercive power refers to the perceived capacity of the tax authority to detect, monitor, and sanction non-compliance. In the original SSF, coercive power is theorized to stimulate compliance primarily through deterrence-based mechanisms, increasing the perceived costs of evasion. However, the eSSF emphasizes that enforcement does not operate in isolation; its behavioral effect is filtered through relational perceptions of the authority. When audits and penalties are perceived as dominant and control-oriented, they foster an antagonistic interaction climate in which taxpayers view compliance as a defensive response to surveillance rather than cooperative engagement.

Enforced compliance represents behavior motivated by external pressure and fear of sanctions (Hofmann et al., 2014). Accordingly, coercive power is theoretically expected to increase enforced compliance, both directly through deterrence and indirectly through antagonistic climate. While coercive power activates compliance through external control, implicit trust reshapes the motivational structure of compliance by reducing dependence on enforcement signals. Implicit trust reflects an automatic, experience-based confidence in the authority that does not require constant deliberation. According to Kirchler et al. (2008), trust reduces taxpayers' reliance on coercive enforcement as the primary regulator of behavior. When implicit trust is high, compliance is less driven by fear of punishment and more by internalized legitimacy or cooperative orientation. Conversely, when trust is low, taxpayers are more likely to interpret authority actions through a control–resistance lens, reinforcing enforcement-based motives.

Enforced compliance specifically captures compliance grounded in deterrence rather than intrinsic commitment (Hofmann et al., 2014). Therefore, higher levels of implicit trust should reduce the dominance of enforcement-driven compliance as a motivational basis. Trust does not eliminate compliance behavior. Instead, it reduces reliance on coercive cues as the primary driver of compliance decisions.

H4: Coercive power has a positive influence on enforced compliance

H5: Implicit trust has a negative influence on enforced compliance

Coercive Power, Antagonistic Climate and Enforced Compliance

Within the Extended Slippery Slope Framework, coercive power does not translate into compliance in a purely mechanical manner. Instead, its effect operates through taxpayers' relational interpretations of enforcement practices. When audits, penalties, and monitoring mechanisms are perceived as dominant or control-oriented, they reinforce perceptions of distrust and asymmetry, thereby strengthening an antagonistic climate (Gangl et al., 2015; Kirchler et al., 2008). In such a climate, compliance becomes enforcement-driven: taxpayers comply primarily to avoid sanctions rather than out of internalized commitment. Thus, antagonistic climate functions as a psychological transmission mechanism linking coercive enforcement strategies to enforced compliance behavior. Drawing upon this theoretical exposition, the hypothesis is articulated as follows:

H6: Antagonistic climate mediates the influence of coercive power on enforced compliance

Implicit Trust, Antagonistic Climate, and Enforced Compliance

Within the Extended Slippery Slope Framework, implicit trust shapes how taxpayers interpret enforcement practices and institutional authority. As a non-deliberative and affective form of trust, it develops through habitual and positive experiences with tax authorities (Murphy, 2004). When implicit trust is high, taxpayers are less likely to perceive enforcement actions as hostile or excessively controlling, thereby weakening the emergence of an antagonistic climate. Because antagonistic climate is positively associated with enforcement-driven compliance, implicit trust is expected to influence enforced compliance indirectly through its effect on relational climate. Specifically, higher implicit trust reduces antagonistic perceptions, which in turn may diminish the reliance on enforcement-based compliance. Based on this rationale, the hypothesis of this study is proposed as follows:

H7: Antagonistic climate mediates the influence of implicit trust on enforced compliance

METHOD

This study employs a quantitative research design within an explanatory framework. Quantitative research is characterized by the collection and analysis of numerically measurable data using standardized instruments, allowing for systematic data processing and statistical evaluation (Hair et al., 2019). The explanatory approach, in particular, is aimed at elucidating causal relationships among variables by empirically testing formulated hypotheses.

Data Collection

The target population for this study comprises Value Added Taxpayers registered in Malang, East Java totalling 3,429 enterprises. The sampling technique employed is convenience sampling. To determine the appropriate sample size, this study was using Qualtrics sample calculator with a 5% margin of error ($\alpha = 0.05$). Based on this calculation, a minimum sample size is 346. During the data collection, a total of 359 taxpayers were selected to constitute the final sample for empirical analysis. Primary data for this study were collected through the administration of structured questionnaires. The data collection process employed an online dissemination was facilitated via Google Forms and promoted through social media platforms. Given the non-probability and self-selection nature of the sampling approach, the study faces limitations in external generalizability. Respondents may systematically differ from non-respondents in terms of digital access, willingness to participate, and prior experiences with the tax authority, which may introduce self-selection bias. Accordingly, the findings are interpreted as evidence of theoretically grounded relationships within the observed sample rather than as population-level.

All constructs were measured using established scales adapted from prior studies within the Extended Slippery Slope Framework (eSSF) literature. Coercive power was operationalized using four items adapted from Hofmann et al. (2017), capturing respondents' perceptions of the tax authority's enforcement capacity, particularly the salience of audits, sanctions, and monitoring intensity. Implicit trust was measured with five items adapted from Rashid et al. (2022), reflecting an automatic, experience-based tendency to trust the authority without extensive deliberation. Antagonistic climate was assessed with three items adapted from Hofmann et al. (2017), capturing perceptions of an adversarial relationship between taxpayers and the authority, characterized by

mutual suspicion and a confrontational interaction tone. Enforced compliance was measured using four items adapted from Hofmann et al. (2017), capturing compliance is driven primarily by external pressure and deterrence. All items were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis

Data analysis constitutes a structured and methodical procedure involving the aggregation, categorization, and interpretation of empirical information obtained through interviews, observational field notes, and documentation. This process entails organizing the data into thematic categories, disaggregating it into analytical units, synthesizing key insights, identifying emergent patterns, filtering for relevance, and ultimately formulating conclusions that are both coherent and accessible to researchers and stakeholders. In the context of this study, data analysis was conducted using descriptive statistical techniques, supported by the Partial Least Squares (PLS) methodology to facilitate the modelling and examination of latent variable relationships.

RESULTS AND DISCUSSION

Statistics Descriptive

The study sample comprised 359 respondents, all of whom were registered as Value Added Taxpayers. Among the total respondents, 212 were male and 147 were female. A significant proportion of the sample fell within the 26–35 age cohort, representing a demographically productive segment actively engaged in entrepreneurial activities. As indicated in the preceding table, all constructs demonstrate Average Variance Extracted (AVE) values exceeding the threshold of 0.50. This finding confirms that each latent variable satisfies the criteria for convergent validity (Table 1), as it accounts for more than 50% of the variance in its respective indicators.

Table 1. Validity Test

Items	Factor Loading
X1.1	0.889
X1.2	0.837
X1.3	0.854
X1.4	0.777
X2.1	0.817
X2.2	0.839
X2.3	0.816
X2.4	0.828
X2.5	0.756
Y1.1	0.864
Y1.2	0.831
Y1.3	0.786
Y1.4	0.791
Z1.1	0.908
Z1.2	0.916
Z1.3	0.906

Source: Author's own creation

Table 2. Reliability Test

Variables	Cronbach's Alpha	Composite Reliability	Average Variable Extracted
Coercive Power	0.861	0.906	0.706
Implicit Trust	0.870	0.906	0.659
Antagonistic Climate	0.896	0.890	0.828
Enforced Compliance	0.835	0.935	0.670

Source: Author's own creation

Despite the sensitivity of the subject matter, particularly regarding perceptions of institutional power and taxpayer trust, the study achieved a high response rate, indicating strong participant engagement and data reliability (Table 2). Regarding construct reliability, the composite reliability scores for all latent variables surpass the recommended minimum of 0.70. Accordingly, it can be inferred that the constructs employed in this study fulfill both reliability and validity standards, rendering them appropriate for subsequent analysis within the structural equation modeling framework.

Hypotheses Testing

The structural model estimation conducted using SmartPLS yielded an R^2 value of 0.590 for the antagonistic climate construct. This result suggests that 59% of the variance in the antagonistic climate is explained by the exogenous variables coercive power and implicit trust, whereas the remaining 41% of the variance is attributable to unobserved or exogenous factors not incorporated within the present model. In addition, the R^2 value (Table 3) for the enforced compliance construct was determined to be 0.185. This indicates that 18.5% of the variation in enforced compliance is accounted for by the antagonistic climate, while the residual 81.5% is influenced by other latent variables not specified in the current structural framework.

For enforced compliance, the model yielded an R^2 of 0.185, suggesting that antagonistic climate explains 18.5% of the variance in enforced compliance. This relatively modest explanatory power implies that enforced compliance is likely shaped by additional factors beyond the current eSSF pathway, such as taxpayers' perceived detection probability, penalty salience, fairness perceptions, moral norms, or situational constraints that were not modelled in this study.

From a practical standpoint, the findings indicate that coercive power tends to strengthen enforced compliance primarily by intensifying an antagonistic climate, whereas implicit trust reduces enforced compliance indirectly by weakening that antagonistic climate. However, because the indirect effects operate through a single mediator and enforced compliance is only partly explained by the model, the mediated impacts are expected to be comparatively small in practical magnitude, meaning that climate-focused interventions alone are unlikely to produce large shifts in enforced compliance without complementary measures addressing other compliance drivers.

Table 3. R-Square

	R-Square	Adjusted R-Squared
Antagonistic Climate	0.590	0.587
Enforced Compliance	0.185	0.181

Source: Author's own creation

The results of hypothesis testing using SmartPLS are presented in Table 4 below.

Table 4. SEM Results

Paths	Beta	P value
Direct Effect		
Coercive Power → Antagonistic Climate	0.602***	0.000
Implicit Trust → Antagonistic Climate	-0.182***	0.000
Antagonistic Climate → Enforced Compliance	0.183***	0.000
Coercive Power → Enforced Compliance	0.374***	0.000
Implicit Trust → Enforced Compliance	-0.137**	0.002
Indirect Effect		
Coercive Power → Antagonistic Climate → Enforced Compliance	0.068***	0.000
Implicit Trust → Antagonistic Climate → Enforced Compliance	-0.025*	0.014
*** p < 0.001, ** p < 0.01, * p < 0.05		

Source: Author's own creation

Discussion

Coercive Power and Antagonistic Climate

The first hypothesis posits that coercive power exerts a positive influence on the formation of an antagonistic climate. Empirical results reveal an original sample coefficient of 0.602, indicating a positive and statistically significant association between the two constructs, consistent with the hypothesized direction. The T-statistic of 10.485 (> 1.64) and the P-value of 0.000 (< 0.05) confirm the statistical robustness of this relationship.

Within the Extended Slippery Slope Framework (eSSF), coercive power is conceptualized as the authority's application of control mechanisms, such as audits, penalties, and legal sanctions, to compel compliance. When such enforcement strategies are prominently utilized, the interaction between taxpayers and authorities tends to become adversarial, fostering a climate of mutual suspicion and distrust.

In applied contexts, taxpayers who perceive themselves as subject to constant surveillance, regulatory pressure, and punitive threats are more likely to perceive tax authorities as antagonistic. Conversely, authorities may reciprocate by assuming that taxpayers are inherently noncompliant, thus justifying the deployment of coercive measures. This reciprocal perception contributes to the emergence of an antagonistic tax climate.

This empirical finding is congruent with the conclusions of Gangl et al. (2020), who demonstrated that coercive power is a significant antecedent of antagonistic climate formation. Similarly, Rashid et al. (2022) identified that enforcement pressures may provoke taxpayer resistance. Nevertheless, Gangl et al. (2020) also emphasized that when sanctions are perceived as procedurally fair and institutionally legitimate, they can coexist with trust, thus facilitating a more balanced and credible tax enforcement system.

Implicit Trust and Antagonistic Climate

The second hypothesis proposes that implicit trust negatively influences the formation of an antagonistic climate. The empirical analysis yielded an original sample coefficient of -0.182, with a T-statistic of 4.647 (> 1.64) and a P-value of 0.000 (< 0.05), thereby supporting the acceptance of this hypothesis as statistically significant.

Within the conceptual framework of the Extended Slippery Slope Framework (eSSF), implicit trust is defined as a trust construct derived from internalized social norms and accumulated positive experiences with authorities. Elevated levels of implicit trust are associated with taxpayers' favorable perceptions of tax authorities and a diminished sense of threat from enforcement mechanisms. As a result, such trust contributes to a reduction in interpersonal tension and institutional suspicion, thereby decreasing the likelihood of an antagonistic tax climate.

From a practical perspective, taxpayers who perceive tax authorities as equitable and oriented toward the collective good are more inclined to engage in cooperative behavior. This affective trust mechanism reduces friction and resistance in tax-related interactions. Empirical support for this finding is provided by Gangl et al. (2020), who demonstrated that nations with high levels of implicit trust, such as Finland, exhibit lower levels of antagonism in taxpayer-authority relationships. These results are further substantiated by Gangl et al. (2012), who found that implicit trust plays a crucial role in fostering collaborative tax environments.

Antagonistic Climate and Enforced Compliance

The third hypothesis posits that the antagonistic climate exerts a positive influence on enforced compliance. Empirical analysis reveals an original sample coefficient of 0.183, supported by a T-statistic of 4.209 and a P-value of 0.000, thereby confirming the statistical significance and acceptance of this hypothesis.

Within the theoretical scope of the Extended Slippery Slope Framework (eSSF), an antagonistic climate is characterized by heightened relational tension and mutual distrust between taxpayers and tax authorities. In such an environment, compliance behavior is primarily reactive and driven by fear of punitive sanctions, rather than by normative commitment or intrinsic motivation. Taxpayers perceive themselves as subjects of surveillance and coercive pressure, resulting in a form of compliance that is externally enforced and devoid of voluntary engagement.

In practical terms, Taxable Persons for VAT Purposes operating under an antagonistic climate tend to fulfill their tax obligations primarily out of concern for legal repercussions. Although statutory compliance is achieved, it is rooted in compulsion rather than in cooperative or ethical intent. These findings align with previous studies by Ramadhan & Rodoni (2021) and Gangl et al. (2015), which demonstrate that rigorous enforcement mechanisms stimulate enforced compliance. Nonetheless, as highlighted by Hofmann et al. (2014), over-reliance on coercive strategies may compromise long-term trust in tax institutions and hinder sustainable compliance outcomes.

Coercive Power and Enforced Compliance

The fourth hypothesis states that the coercive power has a positive influence on enforced compliance. Empirical analysis reveals an original sample coefficient of 0.374, supported P-value of 0.000, thereby confirming the statistical significance and acceptance of this hypothesis. This result aligns with the deterrence-based component of the Extended Slippery Slope Framework (eSSF), which posits that the perceived capacity of tax authorities to audit, monitor, and sanction non-compliance increases taxpayers' motivation to comply out of fear of detection and punishment rather than internalized obligation.

From a theoretical standpoint, this finding confirms that coercive power remains an effective mechanism for inducing compliance when taxpayers perceive enforcement as credible and sanctions as consequential. In line with SSF literature, coercive power strengthens compliance

primarily through an instrumental pathway—taxpayers respond to expected costs rather than normative alignment. The magnitude of the coefficient ($\beta = 0.374$) suggests a moderate effect, indicating that enforcement intensity meaningfully shapes compliance behavior, although it does not constitute the sole determinant.

However, the results should be interpreted within the broader structural context of the model. While coercive power increases enforced compliance, earlier findings also show that it contributes to the formation of an antagonistic climate. This implies that reliance on coercive measures may sustain compliance in the short term but simultaneously reinforce adversarial perceptions of authority. Such dynamics are consistent with the eSSF distinction between enforced and voluntary compliance: coercion secures obedience, yet it does not necessarily cultivate legitimacy or long-term cooperative motivation.

In practical terms, the results suggest that strengthening audit visibility, sanction certainty, and monitoring systems can increase compliance driven by external pressure. Nevertheless, excessive reliance on coercive strategies risks institutionalizing compliance that is reactive rather than internally endorsed. Therefore, while coercive power remains a necessary element of tax administration, it should be balanced with trust-enhancing strategies to avoid reinforcing an antagonistic interaction climate that may undermine sustainable compliance over time.

Implicit Trust and Enforced Compliance

Statistical test shows that implicit trust has a negative influence on enforced compliance ($\beta = -0.137$; p value 0.002). This finding suggests that when taxpayers hold automatic, experience-based trust in the tax authority, their compliance is less likely to be driven by external pressure or fear of sanctions. Within the Extended Slippery Slope Framework (eSSF), this pattern reflects the conceptual distinction between enforced and voluntary compliance. Trust reduces dependence on coercive motivation and shifts behavioral regulation away from deterrence-based obedience.

The negative coefficient implies that higher levels of implicit trust weaken the relevance of enforced compliance as a dominant compliance mode. In other words, taxpayers who perceive the authority as reliable, legitimate, and generally well-intentioned are less inclined to comply merely to avoid punishment. Instead, compliance behavior under conditions of trust is more likely rooted in internalized norms or cooperative orientation, even though voluntary compliance was not directly modeled in this study.

The magnitude of the effect ($\beta = -0.137$) indicates a statistically significant but relatively modest influence. Practically, this suggests that trust-building alone may not dramatically reduce enforced compliance, but it meaningfully reorients the motivational basis of compliance. Trust does not eliminate the need for enforcement, rather, it reduces the dominance of compliance grounded solely in fear.

Importantly, when interpreted alongside the earlier finding that coercive power strengthens both antagonistic climate and enforced compliance, this result highlights a structural tension within tax administration strategies. While coercive power secures compliance through pressure, implicit trust gradually diminishes the reliance on enforcement-driven obedience. Therefore, sustainable compliance systems require a calibrated balance: enforcement mechanisms to maintain credibility, and trust-enhancing institutional practices to prevent compliance from being sustained exclusively by antagonistic perceptions.

Coercive Power, Enforced Compliance, and Antagonistic Climate

Hypothesis six posits that the antagonistic climate serves as a mediating variable in the relationship between coercive power and enforced compliance. The mediation analysis produced an original sample estimate of 0.068, accompanied by a T-statistic of 4.764 and a P-value of 0.000, indicating statistical significance and thereby supporting the acceptance of the proposed hypothesis.

In the context of tax administration, coercive power refers to the application of authoritative enforcement tools such as audits, financial penalties, and legal sanctions by tax authorities. The utilization of such mechanisms may provoke psychological strain among taxpayers, ultimately fostering an antagonistic climate characterized by tension and mistrust. Under these conditions, compliance behavior is not rooted in voluntary adherence but is instead driven by apprehension of punitive consequences.

Taxable entities subjected to high levels of coercive pressure are more likely to fulfill their tax obligations as a reaction to deterrence rather than from an intrinsic sense of civic duty. This finding aligns with empirical evidence reported by Gangl et al. (2020), which illustrates that coercive power induces compliance predominantly through the mediation of an antagonistic relational climate. Additionally, Alm and Torgler (2011) underscore that excessive regulatory pressure can erode institutional trust and foster a compliance dynamic that is fear-based rather than cooperative.

Implicit Trust, Enforced Compliance, and Antagonistic Climate

The seventh hypothesis posits that the antagonistic climate functions as a negative mediating variable in the relationship between implicit trust and enforced compliance. Empirical analysis reveals an original sample coefficient of -0.025, with a T-statistic of 2.197 and a P-value of 0.014, thereby indicating statistical significance and supporting the acceptance of this hypothesis.

Implicit trust refers to an affective, non-deliberative form of trust in institutional authority that is not subjected to cognitive evaluation. When levels of implicit trust are low, particularly in the context of a rigid or stressful tax environment, individuals may develop perceptions of being surveilled or mistrusted by the authorities. This perception fosters the emergence of an antagonistic climate, which subsequently promotes compliance behaviors rooted in coercion rather than voluntary intent.

Under such conditions, taxable persons may still fulfill their tax obligations, but their compliance is driven by fear of punitive consequences rather than by normative or ethical considerations. This dynamic underscores how diminished implicit trust amplifies psychological strain and erodes cooperative engagement. The findings are consistent with the empirical results of Gangl et al. (2020) and Wahl et al. (2010), both of which demonstrate that an antagonistic climate plays a critical mediating role in attenuating voluntary compliance and fostering fear-induced adherence.

CONCLUSION

This study highlights how coercive power, through audits, penalties, and sanctions, creates an antagonistic tax climate marked by distrust and enforced compliance. Such compliance is unstable and dependent on continuous enforcement (Gangl et al., 2020; Hofmann et al., 2014). In contrast, implicit trust, affective and spontaneous belief in the authority's fairness, promotes

voluntary compliance and fosters a service-oriented climate (Gangl et al., 2012). Taxpayers who trust the authority are more likely to view it as legitimate, reducing resistance and enhancing cooperation. The study also confirms that the antagonistic climate mediates the relationship between institutional power and taxpayer behavior; high coercion or low trust increases adversarial dynamics and fear-based compliance. Conversely, high trust fosters a confidence climate conducive to sustained voluntary compliance. These findings emphasize the need for balanced tax policies that integrate enforcement with trust-building. Overuse of coercion may damage legitimacy, while strategies rooted in fairness and mutual respect better support long-term compliance.

The findings provide several concrete implications for tax enforcement strategy. First, since coercive power significantly contributes to the formation of an antagonistic climate, enforcement measures should be communicated transparently and procedurally fairly to prevent perceptions of arbitrariness. Audit notifications, for instances, can emphasize procedural justice, taxpayer rights, and objective risk-based selection criteria rather than solely highlighting penalties.

Second, the negative association between implicit trust and enforcement-driven compliance suggests that overreliance on surveillance mechanisms may inadvertently weaken long-term relational trust. Therefore, enforcement policies should be complemented with service-oriented interventions, including responsive taxpayer assistance, simplified VAT procedures, and clear guidance on e-invoicing compliance.

Third, the mediating role of antagonistic climate indicates that taxpayer perceptions act as a psychological filter through which enforcement is interpreted. This implies that the Directorate General of Taxes (DGT) should invest not only in monitoring technologies but also in communication strategies that frame enforcement as protective of fairness and market integrity, rather than punitive control. Segmenting Value Added Taxpayers based on compliance history and tailoring enforcement intensity accordingly may further reduce unnecessary adversarial dynamics. Overall, effective VAT enforcement in Indonesia requires a calibrated strategy: maintaining credible deterrence while simultaneously minimizing antagonistic climate through procedural fairness, transparency, and service quality enhancement.

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