

## Public Service Quality of the Tax Service Office of Pratama Palembang: Qualitative Study of Taxpayer Service

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**Abstract:** Tax is the most dominant state revenue. However, the service to the taxpayer is still not satisfying. There are still many complaints from the taxpayers on the services provided, such as convoluted service, the absence of centralization in service, the absence of officers who can provide accurate information to help direct or resolve taxpayers (TP) problems and others. Through descriptive qualitative research method with interview technique to informants, the result of this study indicated that in terms of tangibility (physical facilities), completeness of supporting facilities and infrastructure have been sufficient. In terms of reliability, it provided providing similiar counter service and the ability of serving related matters of service. In terms of responsiveness, the service process in general was good. In terms of assurance (certainty), in providing services to taxpayers, the officers were serious and well serving. Furthermore, in terms of empathy (intense attention), in providing services to the public, the officers do it wholeheartedly. The conclusion, in general public service at the Tax Service Office of Pratama Palembang has been running well, but still weak in communication to the taxpayers.

**Keywords:** Service quality, tax service, taxpayer, Palembang.

### INTRODUCTION

Nowadays, tax is the most dominant state revenue and regional revenue in Indonesia. In 2016, tax revenue on state revenues reached 83%.

Related to this, the efforts to improve the quality of service to taxpayers (TP) continues to be pursued. One of the working units that perform TP services is the Service Unit of Tax Service Office of Pratama Palembang through professional services, quality, and friendly. Circular Letter of the Directorate General of Taxes (DGT) Number SE-45/PJ/2007 has set out the excellent service that must be applied by every officer in Integrated Service Center such as: being respectful and humble to the guest; the officers are always well-dressed and wearing shoes; friendly, smile, greetings; wearing employee identity cards embedded; avoiding using mobile phones while on duty at the counter; receive and deliver files with both hands; avoid excessive chatting or joking between officers, and or taxpayers served [1].

Implementation of excellent service standards supported by qualified human resources is a challenge for the DGT to provide the best service. Reformation undertaken by the DGT starts from the most basic aspects of the mindset, the pattern of action, clothing and speech politness in communication. The low quality of service, causing services given to the TP is convoluted, lack of centralization in the service so that the TP must move around the room to take care of his

needs. Being absence of an officer who can provide accurate information to guide or resolve TP's problems. The attitude of the tax officers rarely smile in providing service, causing the impression of less friendly. The room is not conducive to accommodate the number of TP come, causing a long queue and seemed chaotic with the number of piled files. The length of service provided resulted in the attitude of the TP easily ignited emotionally and impatiently. In balance between the TP queuing up with the serving officer causing the queue getting longer. And unpredictable system failures (via computer) and other non-technical problems. Based on the background, the writer identified the following problems: Service Quality by Tax Officers is not yet in accordance with service standards; Standard Operation Procedure (SOP) has not been applied properly so there are still TP unsatisfied with the services provided; the existing human resources apparatuses have not met the standard of service required because they do not have sufficient knowledge and capability in facing TP; not complete facilities and infrastructure supporting the services. Based on the background, the question is: How is the quality of public services at the Tax Service Office of Pratama Palembang?: a qualitative study of Tax Payer services.

## LITERATURE REVIEW

Studies on tax services had been done by many researchers, such as research conducted by Alabede, Zaimah and Kamil [2]; Mustapha & Obid [3]; and Madjid [4]. In general, the results of their research indicated that a good tax service could raise the awareness of taxpayers to pay taxes and also increase the amount of tax revenue. According to Kotler [5] that the quality of services should start from the needs of customers and ends on the perception of the customer where the customer perception of service quality was a comprehensive assessment of the benefits of a service. Parasuraman *et al.* [6] stated that service quality was the comparison between expectation and perception of the consumer on the performance of the service they receive (perceptions-expectation), if the service received or perceived in accordance with expectations, the quality of service perceived good and satisfactory. Perceptions and expectations are the consumer's picture of what consumers actually accept and expect.

Parasuraman *et al.* [6] identified ten dimensions of service quality that customers could use in evaluating service quality: (1) Tangibles, the appearance of physical facilities, equipment, personnel and means of communication; (2) Reliability, the ability to provide promptly, accurately, and satisfactorily promising services; (3) Responsiveness, the willing of the employees in helping the customers and providing responsive services; (4) Competence, skills and knowledge possessed by employees in providing services; (5) Courtesy, which was the character of a polite, respectful, and friendly employee; (6) Credibility, service providers could be trusted and honest in providing services to customers; (7) Security, free from hazards, risks, and doubts; (8) Access, ease of contact; (9) Communication, always provided information to customers and response to customer suggestions and complaints; (10) Understanding the customer, trying to understand customer needs.

Several similar dimensions need to be combined among them are: The dimensions of competence, courtesy, credibility, and security are combined into Assurance dimensions, while the dimensions of access, communication, and understanding of the customer are combined into empathy dimensions. Based on the result of combining similar understanding dimensions, obtained five dimensions of service quality, namely: (1) Direct evidence (tangibles), the appearance of physical facilities, equipment, personnel and means of communication; (2) Reliability, the ability to provide promptly, accurately, and satisfactorily promising services; (3) Responsiveness, the desire of the staff in helping the customers and providing responsiveness services with; (4) Assurance, including employee knowledge and decency and ability to convince customers; (5) Empathy, including care and attention to customer needs.

Based on the above description, that between the services provided with the customers' satisfaction is related. Service can be said good when the customers served by the apparatus feel satisfied. According to Kotler [5] customer satisfaction is the level of a person's feelings arise after comparing the perception of the performance (or outcome) of a product with its expectations. According to Just there are three things that underlie the importance of knowing customer satisfaction: (1) There is a strong belief that the level of customer satisfaction directly affects the size of market share, the rate of income, and the level of profit development; (2) Management find about their (personal) success rate is also reflected through the level of customer satisfaction; (3) Management is about to get an overview of their success or failure in competition to gain and retain customers.

According to Kotler [5] there are four methods used to track and measure customers' satisfaction, they are: (1) Complaints and suggestions system. Every customer-oriented company makes it easy for their customers to share their suggestions, opinions, and complaints. For examples by using media such as suggestion boxes, comment cards, providing custom phone lines, adding web pages and emails, and others. Information complaints and customer suggestions are useful for companies to respond immediately in overcoming existing problems; (2) Customer satisfaction survey.

Receiving complaints from customers can not be used as a measurement of customer satisfaction. Responsive companies will measure customer satisfaction on a regular basis by directly interviewing to customers about customer satisfaction with the company's performance. Customer satisfaction surveys can be done by sending a list of questions or by calling customers; (3) Stealth shopping. This method is executed by companies paying people acting as potential buyers with the aim of reporting weaknesses and strengths when purchasing competing company products; (4) Analysis of customer loss. The Company contacts its customers who have stopped buying or are changing suppliers to obtain information that causes the customer to stop buying. The information is useful for the company to be able to increase customer satisfaction. One of the measurement product of service quality is "SERVQUAL." This method was developed in the 1980s by Zeithaml *et al.* [8] and had been used in measuring the quality of services. By using this questionnaire, we can find out how big gap that exist between the customer perception and customer expectations from a service company. The SERVQUAL questionnaire can be customized to suit different service industries (eg banks, restaurants, or telecommunications companies).

SERVQUAL dimensions is a service quality dimension consisting of tangibles, reliability,

responsiveness, assurance, and empathy where every service offered has several aspects that can be used to find out the quality level. Each dimension has several questions and and score obtained using a Likert scale with range values from 1 to 5, where 1 represents a strongly disagree and 5 represents a strongly agree, with a total of 22 questions representing the fifth dimensions of service quality. Parasuraman *et al.* [6] identified five gaps that lead to service delivery failures: Gap 1 is a gap between consumer expectations and management perceptions of consumer expectations. The underlying factors are: (a) Non-compliance in use of marketing research; (b) Ineffective marketing research; (c) Bad upward communication. Gap 2 is a gap between management perceptions and service quality specifications in which service quality specifications do not represent consumer expectations. Causal factors are: (a) Mismanagement of management commitment with service quality; (b) The absence of a formal process in determining the purpose of service quality; (c)

inappropriated job standards. Gap 3 is a gap between service quality specifications and service delivery where the service quality specification does not only represents consumer expectations but also be supported by appropriate and sufficient resources. The contributing to these factors are: (a) Poor work team; (b) Low technology; (c) Non-competent employees; (d) Incorrect evaluation. Gap 4 is the gap between service delivery and external communication. The cause factors are: (a) Lack of communication between the salesman and the operational deivision; (b) Lack of communication between advertising and operational deivision; (c) Different policies and procedures between branches and departments. Gap 5 is the gap between services received and services expected. Services expected are influenced by oral communication among customers, personal needs, past experience, and external communication to customers. The 5 gap model illustrated in Fig. 1

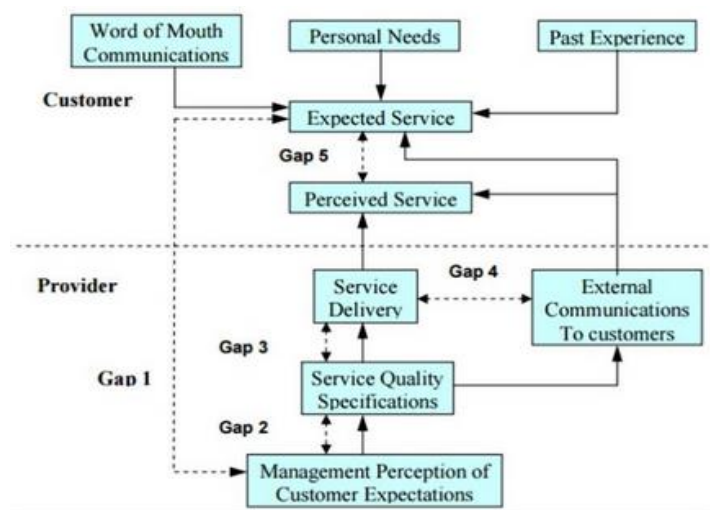


Fig-1: The 5 Gap Models [8]

In this study discussed 5 gaps model between the service gap received with the expected services. The advantages of SERVQUAL method according to Tan and Pawitra [7] are: (1) SERVQUAL is good in generating customer's view on services, for example, customer interest, customer expectation, and customer satisfaction; (2) provide management awareness to consider management and customer perceptions; (3) handling service gaps can serve as a basis for formulating strategies or tactics to ensure customer satisfaction; (4) SERVQUAL is able to identify specific areas of strength and weaknesses; (5) providing priority of weakness areas of the service; (6) Be able to perform benchmarking analysis for organizations within the same industry; (7) SERVQUAL when it is used periodically, can track trends from customer interests, customer expectations, and customer perceptions.

**RESEARCH METHODOLOGY**

This study used descriptive qualitative method. Data collection techniques were conducted through

interviews with informants (service officers and taxpayers), observations made during the study and data reports on the implementation of public services. The writer directly conducted interviews with informants in accordance with their social status in considering their capability and understanding about the theme of the study, namely: Head of Service Unit (Informant 1); Service Supervisor (Informant 2); Integrated Service Center Officer (Informant 3); Taxpayer (Informant 4) the informants obtained during the service took place in the Tax Service Office of Pratama Palembang Seberang Ulu.

**RESEARCH RESULTS AND DISCUSSION**

Based on the five dimensions of Servqual, the writer conducted interviews with pre-established informants with the following results:

**Tangibility Dimension**

Dimensions of Tangibility (physical), can be direct evidence, appearance, physical facilities,

equipment, personnel and means of communication. The result of the interview with informant 1 related to the completeness, room facilities and apparatus resource of integrated service place obtained information as follows: "... for the number of file receiving officer they had 3 people and there would be no additional personnel, but in the future when the work increases by research system on transitional transactions of land and building rights there would be additional personnel for 2 or 3 people. The Integrated Service Center room was now sufficient to accommodate the taxpayers so that there was no need to expand or enlarge the room capacity." related to the facility, according to informant 3, that: "... the capacity of the room could accommodate 20 taxpayers and when the peak of customers visit for last day report for taxpayers, the room was overcapacity, and the number of files receiving officers were only 3 people. There was a queue machine to set the queue service. The queue number was combined for all types of services. There were no booklets, brochures or books on taxation that could be requested by the Taxpayer but they could access and download at [www.pajak.go.id](http://www.pajak.go.id)." Meanwhile, according to informant 4 that: "... queue Taxpayers were the most crowded occurs at the end of the report or when a new employee recruitment occurred in an institution / company that required a taxpayer ID number (NPWP), so they came to the tax office and were forced to stand because the seats were full, however the situation was quickly responded by the management to take care of this situation.

The queue machine once was out of order and also damaged due to improper use by taxpayers. The queue machine should be operated by a service steering officer and not by a taxpayer so that it can be avoided from misoperating by the customers. In addition to maintaining a service process the computer used should be run appropriately. "Informant 1 also said that: "... Network system used was integrated into the DGT Head Office. when a disruption to the system network / system down then the office would soon report to the central operators and operators of the headquarters followed up by conducting a thorough check of the disruption occurred simultaneously / nationally and if only local then they would contact the service provider, Telkom as the owner of the network system in a problematic office area. "The further explanation by informant 1 that: "... queuing machines helped us as the taxpayers in line quickly and regularly however the machine should be maintained or operated by security and or operator officer because not only young customers but also some elders who came but also they do not understand and still need guidance."

Based on the results of the interviews, it can be concluded that the Integrated Service Center room accommodates the number of taxpayers who come and the service is quickly given so there is no long queue customers. There is one online computer monitor

connected to the internet, selfservice dispenser and mineral water, the mobile phone charger outlet for taxpayers, candy jars in every service desk. The number of file-receiving officers considered adequate for 3 people, and plus one supervisor, but the service operators officer are not functioning properly.

It can cause the queuing machine damaged due to improper use by the taxpayer or customers, in addition because no machine operator, taxpayers who are supposed to be directed to the office of tax service Pratama Kayu Agung often incorrectly enter the room to tax office of Palembang Seberang Ulu because the current office building is still used jointly by two agencies between Tax office of Palembang Seberang Ulu and Tax Office of Pratama Kayu Agung (Tax office of Pratama Kayu Agung does not have their own building). The service operator officer is a assigned honorary or security officer at the entrance and in control of queuing machines (queuing machine operators), directional guidance, providing initial information and being responsive to the arrival of guests who may interfere with the work routine of the employee. We recommend there are at least 2 person operator service officers on duty.

In order to support fast and accurate services, it is supposed to provide supporting equipments such as computers and networks with well operating conditions, while from the officers and operators console explain that and computers exist now has problems (often restart itself, slow responding, old and network down). No shelves or cabinets provide booklets, brochures and regulations on Integrated Service Center for the taxpayers.

### **Reliability Dimension**

Reliability dimension, the ability to provide promising services immediately, accurately, and satisfactorily. The result from interview with informant 3 was related to reliability, ability to provide promptly, accurately and satisfactorily service obtained by service hours from 08.00-16.00 WIB with rest time from 12.00-13.00 WIB, officer kept working with shift system (alternately). Services were provided in professional manner to provide prompt and accurate service, every request for service would be answered by providing information in the form of completeness of application requirements, completion period and check list of attachment requirements. Each counter served any tax services so it could be more quickly resolve the taxpayer's problems. The next explanation put forward by informants 2 said that the media used and could help queue system so every taxpayer could be served with an orderly and delivery of information could be received by the taxpayer completely from the officer. Before there was a queue machine there were some rushes of taxpayer requesting served first so it was difficult to convey information / not focus. Ineffective service operator officers (rarely in place) resulted in mutual

rushed requests for information. Meanwhile informant 2 argued that the services provided by Integrated Service Center officers were practical, efficient and fast and we felt not complicated. All tax services are free of charge. Our only concerns were due to the security did not tell where to be directed / no place to ask, rather confusing initially.

Based on Integrated Service Center officers and supervisors found that during service had been given as much as possible through the availability of queuing machines and counters that could serve all taxpayer justified by Mr. SY as the taxpayer. Tax Service Office still opened during break time in order to remain service to taxpayers who could not come in rush hour. The disadvantages here were the non-functioning operator service. The existing operator service officers did not direct the taxpayer to their destination, nor provide the queue number to the taxpayer or keep the guest room order from the guest which might disrupt the performance of the officers. The service operator only stood outside of the door and occasionally opened the door for guests and sometimes was not in place.

### **Responsiveness Dimensions**

Responsiveness Dimension, the desire of the staff in helping the customers and provide services with responsiveness. Information, told by informant 3 said that: "... Integrated Service Center officers tried to provide the best service including anticipation by giving notice via short messages and phone call in case of delays or system interference to the taxpayer who would take the product service. "While according to informant 4 said that even though the network was experiencing network disruption, the officers still tried to provide services if it was possible to be assisted by providing manual services. Or requested a taxpayer contact so they could inform the taxpayers when the system had been improved. From informant 2 obtained the information as follows: "... as a supervisor, I still have the concern and responsibility in helping taxpayers especially on taxpayers who did not get satisfactory answers from officers, they would be assisted to find a solution, and if it was necessary then head of the service section would also help taxpayers. We had experienced this when there was a long queue of making Tax Payers ID Number (NPWP). "The informant 2 said that: " .... I thought the service provided by officers was practical, efficient and fast and we felt it was not complicated. "From the answers and information above related to the responsiveness of officers in helping taxpayers it can be concluded that the desire of officers in helping taxpayers is very clear and they are still trying to help despite the limitations and troubled system. This is the commitment of the tax service office and Directorate General of Taxes (DGT) in providing the best service.

### **Assurance Dimension**

Assurance Dimension (Security), including the knowledge and propriety of employees and their

abilities to convince customers. The result of interview with informant 1 related to employee's knowledge and politeness and ability to convince the customers obtained information as follows: "...the officers needed to get training and I had proposed to head office to include the employees in training. Meanwhile, informant 3 said that: "... when he began to be work in his office since January 2016, previously he was in the Inspection Section, he graduated Diploma I of Taxation in 2014 and until now never followed the training services such as personality training, communication techniques and service-based training. The tasks were learned through the guidance of employees who had served on the TPT. When there was a problem with the taxpayer then the first step was done persuasively by showing the existing rules. Sometimes when meeting arrogant taxpayers who were hard to be explained, the customers would be directed to meet the Head of Service Section to explain it. So far the understanding of the flow and the work process was limited to surface information. On another occasion, informant 4 stated that: " ...he served in his office since October 2016, previously in the Supervision and Consultation section, Diploma I graduate of Taxation 2014 and up to now he never followed the training services such as personality training, communication techniques and other service-based training. It was necessary to get the training and placement of reliable service steering staff in order to provide optimal service. During this time often encounter taxpayers who did not believe the explanation of the officer so it must be explained repeatedly and printed rules to show to them until they believe. "Furthermore, Informant 2 suggests that: "...the officers trying to be friendly and politely to the taxpayer by always saying hello and asking for his needs. They were dressed properly, wearing identification, on time and alternating duties serving the taxpayer during break time. Although once there was seen an officer making phone call while serving the customers."

Based on the information and explanation above, it found that the weakness of the problem was the officers had not been equipped with training on services such as personality, communication techniques, procedures and standards of service and others. Human resources should be equipped with skill (ability) so that the quality of service can be given optimally, informant 4 told that it was difficult to communicate with the taxpayer due to different levels, not all taxpayers who came from the educated person. Variety of taxpayers can be from elders, youth, academics, employers, doctors, freelancers, free workers and others. And also mastery of information delivery techniques to eliminate taxpayers doubt arising.

It is also a challenge for the Tax Service Office to promptly provide proper training for the officers, and also placing qualified service operator officers or following such as security officers in the Banking Service Company that makes the service director

officers as the leading customers services and firmly alert in maintaining the security of the room. As stated by informant 2 as the taxpayer that the role of security currently in the tax office that provides direction or guidance does not exist so resulting confusion / lost information for taxpayers.

### Empathy Dimension

Empathy dimensions, including care and attention to customer needs. The results of interviews with informant 1 related to concern and attention to customer needs obtained information as follows: "...currently the tax office provided booking online services but not many taxpayers knew and used this service, only 1 or 2 people did. Some taxpayers facing me regarding their application to register *NPWP* but were constrained by incompleting requirements such as a certificate of employment for those who were prospective employees so we changed the terms with a tax obligation letter so that they did not back and forth to meet the requirements. " related to this problem, informant 3 suggests that: "...the officers tried to give the best explanation and apologize in case of circumstances that could not resolve the taxpayer's problem, related to network disruption, we as officers requested data, name and phone contact to notify them when the network had been well improved. It also provided online applications that could be downloaded from the playstore. This application was similar to a queue booking online. So the taxpayer who did not take the queue number at the tax office had the online queue number."

The information was reinforced by informant 1 who said that: "...for busy taxpayers and or difficult to come to the tax office to register their *NPWP* then they could register online by means of email and scanned ID card, and will be approved by the Services Tax Office where the taxpayer is registered, then *NPWP* will be notified by their email. Taxpayers could also report their tax return (*SPT*) without coming to the tax office (e-filing), for entrepreneurs who often issue tax invoices could also get an invoice number online through tax invoice (e-invoice) application. Payment of taxes online via e-billing application. Included the ease of obtaining tax information (tax rules, tax rates, Tax amnesty) through the web [www.pajak.go.id](http://www.pajak.go.id)."

Based on the explanation of the Head of Service Department, The Integrated Service Center officers and console operators, the tax office had tried to facilitate taxpayers in interacting with the tax office through a variety of sophisticated applications that were easy to apply, so the distance and time was no longer a barrier for taxpayers to implement tax obligations. Regarding to the explanation, it can be argued that in terms of tangibility (physical facilities), the completeness of facilities and supporting facilities has been sufficient. In terms of Reliability, in addition to providing a similar counters and can serve all the

service affairs supported also by the professional employees. Next, in terms of responsiveness, the officers in the service process in general is good. In terms of assurance (certainty), in providing services to taxpayers, the officers are always serious and total service, the weakness on untrained officers in communicating and behaving so that taxpayers who have not so understand will doubt and hesitant. Furthermore, in terms of empathy (intense attention), in providing services to the public, officers do it wholeheartedly, because employees understand their position as the service provider and taxpayer as the customers and the Tax Office also provides online services for taxpayers who can not come to the tax office. Available facilities and infrastructure have sufficient need in serving the taxpayer. Comfortable room with air conditioning, availability of dispenser and mineral water. Queue machine that regulates taxpayer order and has connected to online booking application that can be downloaded via android based gadget.

### CONCLUSION

Based on the results description above, it can be concluded that the four dimensions exist in tax services are tangibility dimension (physical facilities), reliability (reliability), responsiveness (responsiveness) and empathy dimensions (intense attention) considered conducted generally in well condition. Meanwhile, from the assurance dimension (certainty) in providing services to taxpayers, service officers have been serious and totality in serving, but there are weaknesses when communicating and behaving so taxpayers do not understand, less trust and a little hesitant with the tax service personnel.

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