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The Influence of Service Quality and Competence of Tax Officers on the Image/Reputation of the Direktorat Jenderal Pajak

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ABSTRACT

This study aims to influence the quality of service, the competence of tax officers on the image/reputation of the Direktorat Jenderal Pajak. The population in this study were taxpayers who had interacted directly with the Direktorat Jenderal Pajak, totaling 50 respondents. This study uses the Structural Equation Model (SEM) approach with a measurement model using the Smart PLS program version 3.2.9 to measure the intensity of each research variable and a structural model to analyze data and research hypotheses. The results of the study indicate that the quality of service has a significant influence on the image/reputation of the Direktorat Jenderal Pajak (DJP). Then the competence of tax officers has a significant influence on the image/reputation of the Direktorat Jenderal Pajak (DJP).

INTRODUCTION

The Direktorat Jenderal Pajak (DJP) has a strategic role in managing state revenues through taxes. In this context, the image or reputation of the DJP is very important because it directly affects the level of public trust and taxpayer compliance. A good image in the eyes will also create high loyalty. Image is a reflection of the identity of an organization or company. Image cannot be created like creating a product, the image will emerge by itself according to the impression obtained by the public from knowledge and understanding of something (Maulyan et al., 2022). Andrele (2014) stated that a strong corporate image is an important asset in today's modern era. All companies want a positive image attached to their company, which in turn also affects the products issued. The DJP efforts to maintain its reputation face major challenges, especially with cases involving tax officials. In 2023, there was a case of the Direktorat Jenderal Pajak of the Ministry of Finance (KEMENKEU) Rafael Alun Trisambodo and his son Mario Dandy who recently raised anti-tax protests on social media. From the case, Tax Observer of the Center for Indonesia Taxation Analysis (CITA) Fajry Akbar said that the case eroded public trust in the Direktorat Jenderal Pajak (DJP) of the Ministry of Finance. One of the risks is formal compliance, namely reporting SPT (notification letters), especially individual SPT. However, the amount needs to be studied more deeply," said Fajry in a written statement to Tempo, Saturday, February 25, 2023 (Sari, 2023).

Cases involving DJP officials such as Rafael Alun Trisambodo and his son, Mario Dandy, have had a significant impact on DJP reputation. In addition to damaging DJP image in the public eye, this case worsens public perception of fairness in the taxation system in Indonesia. This phenomenon illustrates the importance of service quality and the competence of tax officers in forming and maintaining DJP image. When tax officers are considered not to be carrying out their duties properly or are involved in detrimental actions, this will reduce public trust in DJP. Therefore, it is important to evaluate two main factors that play a role in building a good image, namely service quality and the competence of tax officers.

According to Maulyan et al. (2022) image is a perception built by customers. A good corporate image will be formed if the company provides good service to its consumers. A good corporate image functions as an effective strategy in winning competition in the business world. Companies that want to maintain their status in maintaining a good image must continue to maintain the quality of service. This is an absolute concern for companies that not only have to face their competitors, but also have to know the needs of their customers who are constantly changing, varying, and aware of their needs. Therefore, continuous improvement in service quality must be carried out. This finding is supported by Christiani & Fatmayanti (2022) who found that service quality has a positive effect on the reputation of airline companies. The same results were shown by Prasetya (2021) who found that service quality has a positive and significant effect on company image.

In addition to service quality, the competence of tax officers is a crucial factor that also influences the image or reputation of the Direktorat Jenderal Pajak (DJP). As an institution that plays a role in managing state revenues through taxes, the DJP is required to have officers who are not only skilled in carrying out tax procedures, but also able to maintain integrity and professionalism in every action they take. The competence of tax officers covers various fundamental aspects, from technical knowledge of tax regulations to the ability to interact with taxpayers ethically and transparently. This is supported by research by Elmie et al. (2020) which found that competence can have a positive and significant effect on building a high image. The same results were shown by Firda & Fitriatin (2024) in their research which found that competence can have a positive impact on building the image of madrasahs at MTs. Hidayatush Shibyan Cendoro Palang Tuban.

Based on the phenomena that occur and comparison with previous studies, the objectives achieved from this study are to determine the effect of service quality, tax officer competence on the image/reputation of the DJP. This study is expected to provide broad benefits for the development of tax policies, especially in improving the image of the DJP in the eyes of the public. In addition, the results of this study are also expected to be a reference for improving the quality of public services in the taxation sector, as well as providing a better understanding of the factors that influence the reputation of government institutions related to services to taxpayers. Based on the description and results of previous studies, the researcher intends to conduct a study entitled "The Effect of Service Quality, Tax Officer Competence on the Image/reputation of the DJP".

LITERATURE REVIEW

Corporate Image/Reputation

According to Maulyan (2022), image is defined as "an impression, picture, or accurate impression (in accordance with reality) of the existence of various personnel policies or services of an organization or company". Image can be said to be the public's perception of the experience, trust, feelings, and knowledge of the community itself towards the company, so that aspects of the facilities owned by the company, and the services provided by employees to consumers can influence consumer perceptions of the image. A good corporate reputation is a very valuable strategic asset because it directly influences customer or consumer decisions in choosing the goods and services offered. When a company is known to have a positive reputation, this reflects customer trust in the quality of the product or service, ethical values, and operational reliability of the company. A good reputation not only influences perception, but also forms customer loyalty, which ultimately increases the company's market share and competitiveness (Christiani & Fatmayanti, 2022). Buddy et al. (2019) stated that corporate reputation is consumer perception of the company's ability to provide the best service, or an assessment of past conditions and future prospects regarding the quality of the company or product.

Quality of Service

Setiawan et al. (2022) defines service quality as referring to all actions taken by a company with the aim of meeting consumer expectations. How consumers view this service quality has a major impact on customer satisfaction levels. Furthermore, according to Kotler & Keller (2018:156) service quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. This is clearly a customer-centered definition. We can say that a seller has provided quality whenever its product or service meets or exceeds customer expectations. It is a form of consumer assessment of the service provided by the company to consumers. Furthermore, Karani et al. (2019) states service quality as a measure of the service that provides consumer needs, and involves comparing consumer expectations with their perceptions of actual service performance.

Competence

According to Kreitner & Kinicki (2020), Competence is a commonly used term, and is more about abilities and skills that receive a lot of attention from management circles. Robbins & Judge (2020) define Competence as an individual's capacity to perform various tasks in a job. In other words, competence reflects a combination of knowledge, skills, and attitudes that enable a person to achieve optimal work results. In practice, competence is not only limited to individual abilities but also includes continuous development through training, experience, and lifelong learning to meet increasingly complex job demands. According to Elmie et al. (2020), competence can also be seen as expertise or capacity to carry out work and obligations well, supported by mastery of relevant technical skills and knowledge. This perspective highlights the importance of a combination of practical expertise and theoretical understanding in supporting optimal performance. Thus, competence is not only a basic ability, but also reflects a person's level of professionalism and readiness to face work challenges.

From the previous theoretical description, the research model is presented as below:

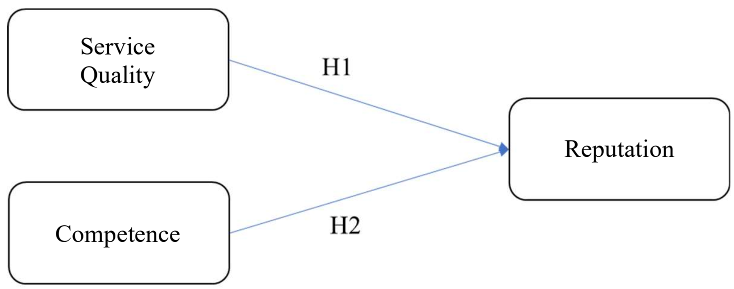

Figure 1. Framework of Thought

The hypotheses proposed in the research include:

H1 : Service quality has an impact on the image/reputation of DJP

H2 : Competence of tax officers influences the image/reputation of the DJP

RESEARCH METHODS

This study uses a quantitative approach with an explanatory or causal design that aims to explain how one variable affects or is responsible for changes in other variables (Cooper & Schindler, 2017). This study consists of service quality, and tax officer competence as independent variables, and the image/reputation of the DJP as the dependent variable, below are measurements of each variable can be described in Table 1 below.

Table 1. Measurement of Research Variables

Variables	Dimensions	Item No.	Scale
Service Quality	Tangibles	1, 2	
	Reliability	3, 4	
	Responsiveness	5, 6	
Syaifullah & Mira (2019)	Guarantee and Assurance	7, 8	
	Empathy	9,10	
Competence	Knowledge	11, 12	
	Skills	13, 14	Likert Scale
	Self-Concept	15, 16	
Wibowo (2022)	Traits (Character)	17, 18	
	Motives (Motivation)	19, 20	
Reputation	Credibility	21. 22	
	Trustworthy	23, 24	
	Reliability	25, 26	
Harrison (1995)	Responsibility	27, 28	

The data collection method used in this study uses primary data sources obtained through a survey conducted using an online questionnaire with the help of Google Forms. The population in this study were taxpayers who had interacted directly with the DJP totaling 50 respondents. This study uses

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the Structural Equation Model (SEM) approach with a measurement model using the Smart PLS program version 3.2.9 to measure the intensity of each research variable and a structural model to analyze data and research hypotheses.

RESULTS AND DISCUSSION

Calibration of Research Instruments

Testing of data analysis requirements in this study was obtained from the results of the PLS algorithm calculation which showed the loading factor value or *outer loading* to determine *convergent validity*, *cross loading* to determine *discriminant validity*, *composite reliability*, *Cronbach alpha* and AVE (*Average Variance Extracted*) value to determine reliability.

Table 2. Value of Research Variable *Loading Factors*

Variables	Indicator	Loading Factor Value	Conditions	Description
Service Quality	KP1	0.905	> 0.7	Valid
	KP2	0.855	> 0.7	Valid
	KP3	0.823	> 0.7	Valid
	KP4	0.755	> 0.7	Valid
	KP5	0.837	> 0.7	Valid
	KP6	0.736	> 0.7	Valid
	KP7	0.927	> 0.7	Valid
	KP8	0.850	> 0.7	Valid
	KP9	0.838	> 0.7	Valid
	KP10	0.754	> 0.7	Valid
Competence	KOM1	0.735	> 0.7	Valid
	KOM2	0.884	> 0.7	Valid
	KOM3	0.882	> 0.7	Valid
	KOM4	0.812	> 0.7	Valid
	KOM5	0.835	> 0.7	Valid
	KOM6	0.870	> 0.7	Valid
	KOM7	0.849	> 0.7	Valid
	KOM8	0.888	> 0.7	Valid
	KOM9	0.868	> 0.7	Valid
	KOM10	0.836	> 0.7	Valid
Reputation	CTR1	0.744	> 0.7	Valid
	CTR2	0.791	> 0.7	Valid
	CTR3	0.835	> 0.7	Valid
	CTR4	0.814	> 0.7	Valid
	CTR5	0.791	> 0.7	Valid
	CTR6	0.810	> 0.7	Valid
	CTR7	0.819	> 0.7	Valid
	CTR8	0.898	> 0.7	Valid

Source: Data Processing Results with SmartPLS 3.2.9 (2024)

It is known that all *loading factor values* of each indicator used to measure all variables are above 0.7. This proves that all indicators used to measure the variables of service quality, tax officer competence, and DJP image/reputation is valid or has met *convergent validity*. Therefore, the researcher's decision is to include all indicator items for each variable. The entire loading factor is depicted in Figure 2 below.

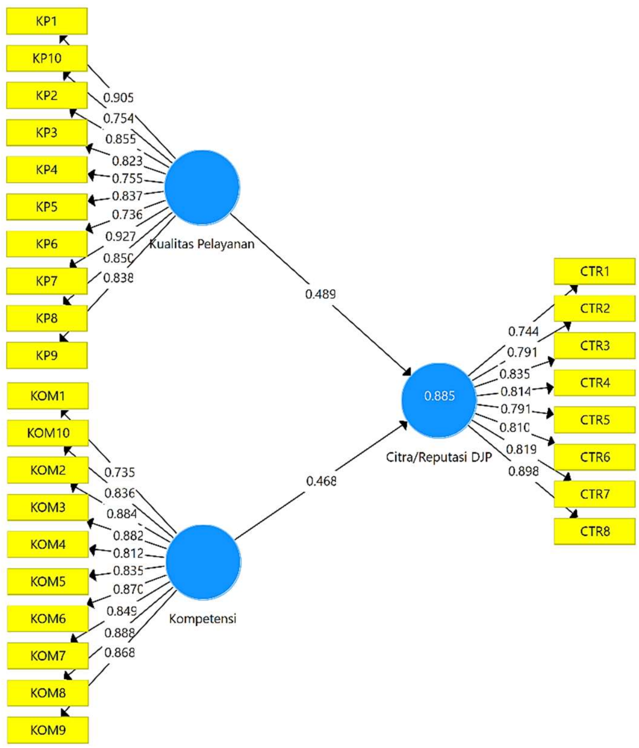

Figure 2. Outer Model

Next, below are the results of the *discriminant validity test* by looking at *the Average Variance Extracted* (AVE) value which can be seen in the table below.

Table 3. AVE results

Variables	AVE Value
Quality of Service	0.689
Competence	0.717
Reputation	0.662

Source: Data Processing Results with SmartPLS 3.2.9 (2024)

Discriminant validity test conducted by looking at the AVE value can be explained that the AVE Value of the research model for all variables has a value above 0.5 so that the AVE value for the *discriminant validity test* has met for further testing. Thus, the *discriminant validity test* has been met as well as the *convergent validity test*. Furthermore, the reliability test, the reliability test in this study is determined from *the composite reliability* and cronbach's alpha values for each indicator block. *The rule of thumb is* that the alpha or *composite reliability value* must be greater than 0.7 although a value of 0.6 is still acceptable (Hair et al. 2008). Table 4 presents the results of *the cronbach alpha* and *composite reliability tests* in this study.

Table 4. Reliability Test Results

Variables	*Cronbach's Alpha*	*Composite Reliability*
Quality of Service	0.949	0.957
Competence	0.956	0.962
Reputation	0.927	0.940

Source: Data Processing Results with SmartPLS 3.2.9 (2024)

Table 4 shows the results of the *Cronbach* alpha and *composite reliability tests,* where all values of the variables meet the requirements for minimum test values and are reliable so that they can be used in hypothesis testing.

Structural Model Testing

Determination Coefficient Test/R Square (R^2)

The coefficient of determination aims to measure how far the model's ability to explain the variance of the dependent variable. The value of the coefficient of determination is between 0 and 1. The value of the coefficient of determination (R^2) approaches the value of 1. The R-Square (R^2) value explains how much the independent variables hypothesized in the equation are able to explain the dependent variable.

Table 5. Results of the Determination Coefficient Test

Variables	R Square Adjusted
Reputation	0.880

Source: Data Processing Results with SmartPLS 3.2.9 (2024)

R-square value of the DJP Image/Reputation variable is 0.880, this shows that 88.0% of the DJP Image/Reputation variable can be influenced by the service quality *and* tax officer competence variables, while the remaining 12% is influenced by other variables outside those studied.

Hypothesis Testing

Hypothesis testing in this study uses path coefficient values, t-statistics, and p-values. The rules of thumb used in this study are t-statistics > 1.96 or p-value < 0.05 (5%) which can conclude that there is a significant influence between the independent variable and the dependent variable. The results of the research model are depicted in Figure 3 and the results of hypothesis testing are shown in Table 6.

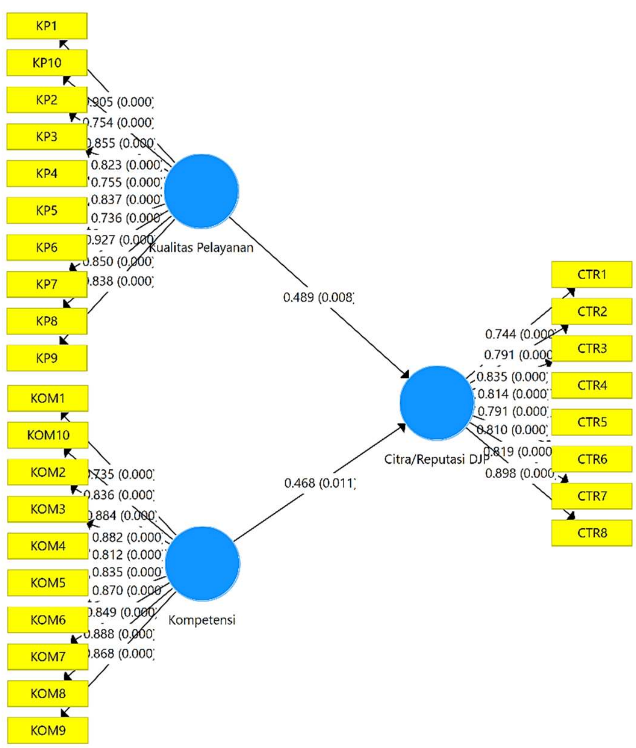

Figure 3. Research *Path Diagram*

The relationship between variables can be assessed through the path coefficient column, while the level of significance can be assessed through the T-statistic or P-value column, as follows:

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Table 6. Results of *Path Coefficient, t-Statistics,* and *P-Values*

Variable Relationship	Original Sample	T Statistics	P-Values	Conclusion
Quality of Service → Reputation	0.489	2,647	0.008	H1 Accepted
Competence → Reputation	0.468	2,539	0.011	H2 Accepted

Source: Data Processing Results with SmartPLS 3.2.9 (2024)

The table above shows that the first to second hypotheses are accepted, this is because they obtain a t-statistic value > 1.96 or a p-value < 0.05.

Discussion

The Influence of Service Quality on the Image/Reputation of Direktorat Jenderal Pajak

The first hypothesis suggests that service quality significantly influence the image/reputation of the Direktorat Jenderal Pajak. This shows that the higher the quality of service provided by the Direktorat Jenderal Pajak, the better the image or reputation of the Direktorat Jenderal Pajak. Service quality that includes reliability, responsiveness, assurance, empathy, and physical evidence plays an important role in shaping taxpayer perceptions. When the Direktorat Jenderal Pajak is able to provide professional, responsive, and appropriate services to taxpayer needs, the level of public trust and appreciation for this institution will increase. This result is in line with the research of Christiani & Fatmayanti (2022) which found that service quality has a positive effect on the reputation of airline companies. The same result was shown by Prasetya (2021) who found that service quality has a positive and significant effect on the company's image.

The Influence of Competence on the Image/Reputation of Direktorat Jenderal Pajak

The second hypothesis shows that competence has a significant effect on the image/reputation of the Direktorat Jenderal Pajak. This confirms that the higher the competence possessed by the Direktorat Jenderal Pajak officers, the better the image or reputation of the Direktorat Jenderal Pajak. Competence that includes knowledge, skills, and professional attitudes of officers in serving taxpayers plays an important role in increasing public trust. When Direktorat Jenderal Pajak officers are able to provide the right solutions, understand the needs of taxpayers, and act professionally, the public's positive perception of the Direktorat Jenderal Pajak will increase. This finding is supported by research by Elmie et al. (2020) which found that lecturer competence has a positive and significant effect on building the image of the faculty in higher education. The same results were shown by Firda & Fitriatin (2024) who found that competence can have a positive impact on building the image of the School.

CONCLUSION

Based on the research results, service quality and competence have a significant influence on the image/reputation of the Direktorat Jenderal Pajak (DJP). This shows that DJP can increase public trust and appreciation through reliable, responsive, empathetic services supported by professional officer competence. This study emphasizes that efforts to improve service quality and develop officer competence are important strategies in building a positive image of the institution. However, this study has several limitations. The research sample is limited to taxpayers who have interacted directly with DJP, so the generalization of these findings to the entire taxpayer population is still limited. In addition, the variables used in this study do not cover all aspects that can affect DJP image/reputation, such as aspects of public communication or the effectiveness of tax education programs.

Based on these results and limitations, it is recommended that further research expand the scope of the sample by involving more diverse respondents, both in terms of background and experience with the DJP. Future research is also expected to consider additional variables, such as communication strategies, public trust, or taxpayer satisfaction, to provide a more comprehensive understanding of the factors that influence the image or reputation of government institutions. Thus, this research can provide a greater contribution in supporting the development of public service improvement policies.

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