Importance and Performance Analysis to Measure the Quality of Tax Reporting Services

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Abstract:- The purpose of this research is to identify the expectations of Taxpayers at the southern Makassar LTO office that have been met and the which have not been met, using marketing mix analysis, as well as to Determine the dimensions that need priority to be improved by using the interest Level Analysis and Performance (Importance and Performance Analysis-IPA). The methodology used is descriptive qualitative using a questionnaire as a tool of data collection. Each variable has an indicator, then the indicators are used as a starting point for preparing the questionnaire instrument. The answer of the instrument was measured using a Likert scale. The results Showed that the priority was a performance that needed to be improved: socialization of the importance of tax payments, information on how to pay taxes, information on types of taxes, and speed in the service process. This research has implications for taxpayer compliance to the make tax payments on time and with self-awareness.

I. INTRODUCTION

➢ *Background*

Public services by government officials today becomes very important because the quality of public services provided by the government must pay attention to the satisfaction of the recipient of the service, buton the other hand there's also a weakness in this public service, so it can not meet the quality expected by society. It is characterized by the presence of various public complaints submitted via the mass media, which can result in unfavorable image of the government apparatus. Given the government's main function is to serve the public, the government needs to continue to work to improve the quality of service.

One of the institutions that serve the community is a Tax Service Office, as a unit of the Directorate General of Taxation, the institute organizes public services in the field of taxation. Taxes are the most potential source of revenue for the government and used in the context of Indonesia's development activities and other financing. The number of taxpayers the Service Tax Office Pratama South Makassar (STO) last 3 years, in 2016 there were 142.441 registered taxpayers, consisting of corporate taxpayers, individual employees and non-employees. In 2017 total registered taxpayers was 154.091, an increase of 11,650 (8.18%), while in 2018 the increase in the taxpayer's total of 9.372

registered only in the amount of 163.463 it means that only increased by 6.08% (Source: STO Pratama South Makassar.2019)

From these data is expected to provide quality services to the number of registered taxpayers increased every year accompanied by an increase in the level of compliance of taxpayers to make payments and tax reporting. Quality of service are often referred to as the quality of service is how far the difference between reality and expectations of the customers with the services they receive. Expectation is the desire of the customers of the service may be provided by the company.

Measuring the quality of service being used is adapted factors marketing mix as the dimensions that include 7P namely Product, Price, Place, Promotion, People, Process, Physical Evidence. The marketing mix is a tool which consists of various programs / marketing tips to ensure success of the marketing process is done (Lupiyoadi and Hamdani, 2006). By using the marketing mix as a model of service measure is expected to overcome the limitations of commonly used models, namely SERVQUAL, As research conducted by Alfian, Paul and Charles (2011) with the title: Development of Service Quality Measurement Model e-banking With Engage Marketing Mix Factors which states that:

Unlike the tangible product, service quality management rather difficult. This is due to the properties of the intangible services, heterogeneous, and inseperable (Zeithaml et al, 1990). These properties make it difficult to define the specification of services, build a model of measurement, quality control services even before it reaches the consumer. At the beginning of its development, built a model of measuring the quality of services that the level of generalization, considered to be very high, namely SERVQUAL (Parasuraman et.al, 1988). However, subsequent studies (Cronin and Taylor, 1992; Teas, 1993, Ladhari 2008) showed even incompatibility barriers SERVQUAL models with actual models derived from service industries studied. Hence came the idea that there is no means of measuring the quality of services that can be generalized to all service industry so that the necessary measurement tools that are specific to a particular service industry or even to place, time, and even specific consumer segments. The need for a specific measuring instrument to a service industry represented by Dabholkar et.al. (1996) in Ladhari (2008). Quality is an important factor in building a customer base. It is estimated that consumers have criteria /

specific dimension in assessing the quality of services. Service industry marketing mix strategy (McCarthy and Perreault, 1984; Kotler, 2003, Lupiyoadi and Hamdani, 2006; Ivy, 2008), which involve seven areas, namely product, price, promotion, place, people, physical evidence, and the process can be used in an attempt to maintain or increase market e-banking industry. Seven it was basically at the level of strategy but did not rule out the possibility to use directly on the operational level (Ivy, 2008) which became dimension in assessing the quality of services.

Therefore, in this study using the marketing mix factor as a measurement tool that can be used as a tool in the management of service quality with the expectation This instrument will be useful to overcome the limitations that are owned by the models previously existing quality measurement, because the appropriate measurement model will greatly help businesses handling qualities. Dimensions of this service will then be used to find possible related gaps (gap) when taxpayers are confronted with the reality and expectations. By using the Importance and Performance Analysis of the gap can be analyzed to then be used as a device to generate recommendations to improve the quality of service.

On the other hand it can be also increase dawareness taxpayers for services provided by the tax office, the taxpayer is beginning to show the quality of tax reporting services. Taxpayers want the best services even in terms of fulfillment of their obligations, in this case the payment of taxes. The quality of service play an important role even have a significant effect on improving taxpayer compliance. Service Tax Office (STO) Pratama South Makassar as one of the tax administration office in Makassar area (South Celebes in Indonesia) continuously working to improve the quality of their services, through a vision: "To be the best tax services office in the ministry, leading in reception, professional and trusted by the community."

II. LITERATURE REVIEW

➢ *Quality of Service*

Quality, according to Goetsch and Davis in Tjiptono (2006) is a dynamic condition associated with products, services, people, processes, and environments that meet or exceed expectations. In this context that the quality judged by its ability to meet or exceed the expectations of taxpayers and also an traits and characteristics associated with the products, services, people, processes and environments that have to meet or exceed the perception of an expectation. Parasuraman in Lupiyoadi (2001) argues that "The quality of service (service quality) can be defined as the extent to which the difference between reality and expectations of the customer or the service they receive".

➢ *Marketing Mix factors as Model Service Industry Service Quality Measurement*

The marketing mix is a tool which consists of various programs / marketing tips to ensure success of the marketing process is done (Lupiyoadi and Hamdani, 2006). Based on these explanations, it was realized that this marketing mix is extremely important. In the service industry, there are 7 factors marketing mix (7P) that must be considered, namely: product, place, promotion, price, people, physical evidence and process. Product is not limited to tangible objects, but everything that is given to the consumer so that the consumer be satisfied. In fact a product may not be associated with tangible goods altogether (McCarthy and Perreault, 1984).The second factor is the Place. Place can be interpreted as a line / space of a product can be obtained by consumers. Not enough presents only quality products, manufacturers / service providers must be able to provide product distribution channels that correspond to the needs of consumers.

The third factor is Promotion. Promotion-related information submitted producers to consumers. This information is intended to influence consumer attitudes towards the products offered. Lupiyoadi and Hamdani (2006) gives some promotional methods that may be used is an advertising, personnel selling, sales, public relations, the information by word of mouth (word of mouth), and a notification letter (direct mail). The fourth factor is the Price. Price is an important thing that must be determined by the manufacturer on the products / services it offers. Price determines how many products / services to be sold and also how much revenue earned. Price is the fee charged on a thing and it should be of value to the consumer. The price factor can be a force for a service industry.

The fifth factor is the People. In the traditional service industry, people factor is related to the business of training and motivation to the service providers to satisfy consumers. A service provider should be competent, workmanlike, and care for the consumer. The sixth factor is the Physical evidence that included the presentation. Apart from the five factors previously mentioned, a product / service must have a good view. Display a product / service into one of the dimensions that consumers use to judge the quality. The last factor is the Process. A service must provide to consumers the freedom to choose how the service will be performed. This factor is also related to the quality of execution services.

➢ *Taxpayer*

According to Article 1 paragraph (1) of Law No. 28 of 2007 concerning General Provisions and Procedures for Taxation that what is meant by Taxpayers is as follows: "Taxpayers are individuals or entities that according to the provisions of taxation laws are determined to carry out tax obligations including tax collectors or certain tax cutters, with Thus, taxpayers are required to carry out tax obligations including certain tax collectors or tax cutters.

Therefore the government continues to strive for taxpayers to fully understand their obligations to the state and want to implement them in good faith with their tax obligations. Then the taxpayer consists of: Individual taxpayers, Corporate taxpayers, Treasurer taxpayers as tax collectors and cutters.

➢ *Analisis Importance and Performance*

This technique was first proposed by Martilla and James in 1977 in their article "Importance-Performance Analysis (IPA)", published in the Journal of Marketing, presenting a science model that considers the relationship between interests and performance and theorizes that target performance levels for attributes Certain products must be in accordance with the interests of these attributes.. According Ruhimat (2008), Importance Performance Analysis (IPA) is a technique that is easy to regulate the application of the attributes of the level of interest and the level of implementation itself useful for the development of an effective marketing program.
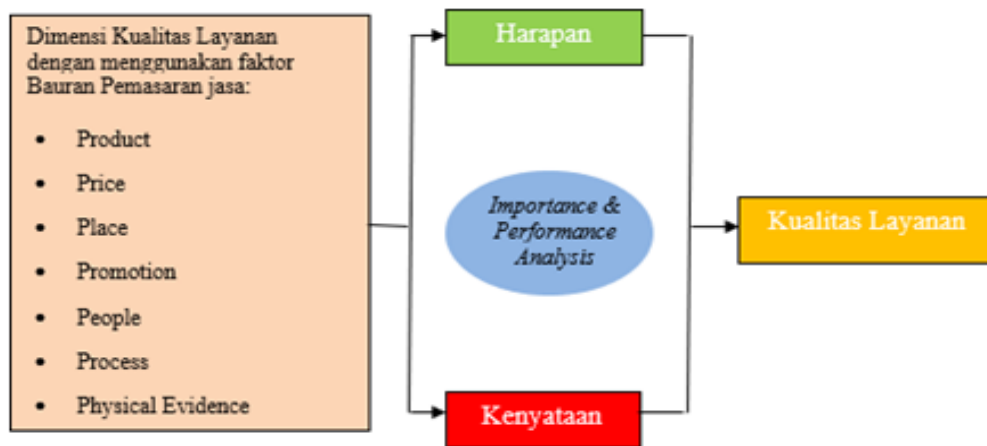

Fig 1:- Conceptual framework

III. RESEARCH METHODS

This research was conducted at the Makassar Southern Tax Office Jl. UripSumoharjo No.225 A, S inrijala, Panakkukang, Makassar City, South Sulawesi. The population of this study is all effective taxpayers registered in the Makassar South Tax Office, while the sample size is determined using the Slovin formula, namely by using the formula:

$$n = \frac{N}{1+Ne2}$$

Where : n = the number of samples N = total population
e = critical value (accuracy limit) used, which is set at 10%.

Based on the formula above, obtained the number of samples used in this study are: n= 163.463 / 1 + 163463 * 0.12 n = 99.93 ≃100 Thus the number of samples is 100 people from the entire population. Sampling is done by incidental sampling ie anyone who happens to meet with researchers can be used as a sample, if deemed suitable as a source of data (Sugiyono, 2011). Primary data of this study were taken from the results of the questionnaire and from the agency's office through documents. Data was also obtained from relevant books, journals, articles and literature from libraries and the internet. In summary, indicators of this research variable can be listed in the table:

➢ *Analisis Importance and Performance (IPA Analysis)*

Each item questions have answers in a Likert scale of Importance and the level of Performance.

➢ *Performance Level (Performance)*

As a guideline for the respondents to rate the level of service performance, using a Likert scale with grades 1-5.

Score		Information	
1	:	Very Bad	(STB)
2	:	Poor	(KB)
3	:	Good Enaough	(CB)
4	:	Good	(B)
5	:	Very good	(SB)

➢ *Importance (Importance)*

As a guideline for customers to assess the importance of service quality, using a Likert scale with a value of 1-5.

Score		Information	
1	:	Very unimportant	(STP)
2	:	Not important	(TP)
3	:	Quite important	(CP)
4	:	Important	(P)
5	:	Very important	(SP)

The results of data collection through this questionnaire were further analyzed using importance performance analysis with the following steps::

Determining the level of concordance between the level of interest and the level of quality performance attributes are examined by comparing the performance score with a score of interests. In this method required the measurement of conformance to find out how much customers are satisfied with the performance of the company, and how much the service provider to understand what the customers to the services they provide. The formula used is as follows:

$$Tk_i = \frac{X_i}{Y_i} \times 100\,\%$$

Where :

Tki = suitability of respondents

Xi = The actual service performance assessment scores

$$Tk_i\ Total = \frac{\Sigma X_i}{\Sigma Y_i} \times 100\,\%$$

Yi = Assessment score interests / expectations of customers.

Testing criteria:

If Tki<100%, the service is not satisfactory;
if Tki = 100%, it means the service is satisfactory
If Tki> 100%, it means that the service is very satisfactory.

➤ *Determining the Level of Compliance Total*
    Tki total value is calculated by comparing the total number of actual services provided (ΣXi) with a total amount of customer expectations (ΣYi).

➤ *Make a Map Position Importance-Performance Analysis*
    Map position of importance - performance which is a structure that is divided into four kuardan bounded by two intersecting lines perpendicular to first determine the point of intersection between the X and Y axis using the formula:

$$\overline{\overline{Xi}} = \frac{\sum\limits_{i=1}^{k} \overline{Xi}}{n} \qquad \overline{\overline{Yi}} = \frac{\sum\limits_{i=1}^{k} \overline{Yi}}{n}$$

*X*i = Weighted average level of performance attribute ratings to-i
n = The number of attributes
*Y*i = Weight of the average rate of interest attribute ratings to-i n = The number ofattributes
    Rated X cut perpendicular to the horizontal axis, that

axis reflects the performance attributes (X) or customer perception. while the value Y cut perpendicular to the vertical axis, the axis of which represent the interests of attributes (Y) or customer expectations. Having gained weight and importance of performance attributes as well as the average value of the performance and importance, then these values are plotted into a Cartesian quadrant.
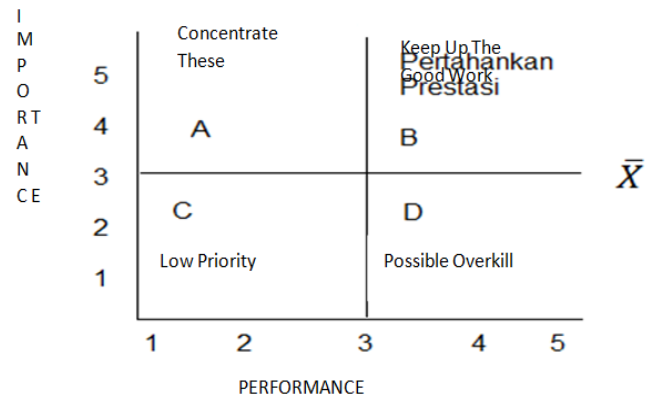

Fig 2:- Cartesian diagram (Source: Supranto, 2006)

Importance-Performance Analysis method is used to measure the level of satisfaction of services that go to the quadrants on the map Importance-Performance Matrix

IV. DISCUSSION

Service Tax Office (STO) Pratama South Makassar is just one of the 3 (three) STO in Makassar City South Celebes of Indonesia, which includes 4 sub-district administrative areas, namely: Rappocini, Makassar, Panakkukang and Mangala.The total area is 52.94 Km2, with a population of 466,272 people or 95,980 households. Compared to Makassar City, South Makassar KPP's area covers 30.12 % of Makassar City's area. From that area, South Makassar KKP covers 28.67 % of urban villages with a total population of 37.19 % or 32.38 % of family heads in Makassar City. Of the total area, Service Tax Office South Makassar dominated the District of Mangala, at 46 %, followed by 32 %Panakkukang district, District Rappocini 17 %, and the last Makassar district which is only 5 %. However, the area does not reflect the potential taxes that one of them be seen from the number of inhabitants.

V. RESEARCH RESULT

Analysis of Compliance
    The level of conformity is the result of a comparison between the performance scores with a score of interest, so it can be used to determine priorities (Yola and Duwi, 2013). Results of Conformity Level of performance with a score of interest can be seen in

Table 1 below:

variables	Indicator	performance Levels (Xi)	Importance (Yi)	Level of Conformity (Tki)
product	.1.1	407	453	89.85
	.1.2	417	445	93.71
	.1.3	396	445	88.99
Price	.1.4	387	441	87.76
	.1.5	393	446	88.12
Place	.1.6	412	452	91.15
	.1.7	411	450	91.33
Promotion	.1.8	325	466	69.74
	.1.9	324	465	69.68
	.1.10	309	465	66.45
People	.1.11	408	431	94.66
	.1.12	415	425	97.65
	.1.13	414	422	98.10
Process	.1.14	417	454	91.85
	.1.15	416	454	91.63
	.1.16	393	453	86.75
physical Evidence	.1.17	442	465	95.05
	.1.18	449	464	96.77
	.1.19	449	465	96.56
Total		7584	8561	88.59

Table 1:- Tabulation Level Compliance Level Performance with Importance Each indicator.
Source: Data processed, 2019

Overall average values obtained suitability is in the range of values that is 88.59%, so it can be concluded overall that these attributes into the category of "appropriate". According Sukardi and Cholidis (2006), if the value of the degree of conformity of close to 100% and is above the average, it can be said the level of conformity is good. However, when seen in the level of suitability value of each indicator variable whose value then there is a very low indicator is 66.45 which is the indicator of "socialization types of taxes" (1.10) in the variable Promotion. This figure compared with the criteria of customer satisfaction index then enter the criteria of "Good".

➤ *Importance and Performance Analysis*
The average perception of each attribute is the basis for determining whether each attribute performanceSTO South Makassaris good or not, by comparing to the average mean of all the attributes (X) and obtained yield was 3.99. On average expectations of each attribute is the basis for determining whether the attribute is important or not important, by comparing to the average of the average of all the attributes (Y) and obtained 4.50. The results fromdata processing ofProduct variable , the average Indicator I.1 for Performance Analysis (X I.1) is 4.07, while in the Importance analysis (Y I.1) 4.53 is obtained so that the Cartesian diagram is placed in quadrant II (Keep Up The Good Work)), Indicator I.2 based on Performance analysis is at an average point of XI2 = 4.17 while the average Performance Y.1.2 = 4.45 thus this indicator is placed in quadrant IV (Posible Overkill). Indicator I.3 has an average

value of Performance XI.3 = 3.96 and an average value of Importance YI.3 = 4.45 so this indicator is placed in quadrant III (Low Priority).).

In the Price variable, the average value of the indicator of performance "Affordability of the amount of tax costs" XI.4 = 3.87 while the average value of importance YI.4 is 4.41, the indicator "Tax Suitability to be paid with the stipulated regulation" has an average value the average performance of XI.5 is 3.93 and the average value of performance YI.5 = 4.46 so that both of them in the Cartesian quadrant are placed in quadrant III (Low Priority). The indicator "Ease of direct access" to the Place variable has an average value of performance

XI.6 = 4.12 and an average importancet of YI.6 = 4.52 while the indicator "Ease of Access Online" has an average performance of XI.7 = 4.11 average value of importance YI.7 = 4.50 so that both indicators are placed in quadrant II (Keep Up The Good Work) Promotion variable with indicator "Socialization of the Importance of Tax Payments by Taxpayers" has an average value of performance XI.8 = 3.25 with an average value of importance YI.8 = 4.66. As for the indicator "Socialization of Tax Payment Methods" has an average value of performance XI.9 = 3.24 with an average value of YI.9 = 4.65. While the indicator "Socialization of Tax Types" has an average value of performance XI.10 = 3.09 with an average value of importance YI.9 = 4.65 thus the three indicators are placed in Quadrant I (Priority).).

People as variables with the indicator "Reliability" have an average value of $XI.11 = 4.08$ "with an average value of importance $YI.11 = 4.31$. As for the indicator"Friendliness and courtesy of officers"has an average value of performance $XI.12 = 4.15$ with an average value of importance $YI.12 = 4.25$. While the indicator "Appearance of Officers" has an average value of performance $XI.13 = 4.14$ with an average value of importance $YI.13 = 4.22$ thus the three indicators are placed in Quadrant IV (Posible Overkill.). Proces variable data of Processing variable, results obtained an average Indicator "Ease of service" for Performance Analysis $(X\ I.14)$ obtained figure 4.17 while in analysis of importance $(Y\ I.14)$ obtained figure 4.54 as for the Indicator" Justice Getting Service "based on the Performance analysis at an average point $XI5 = 4.16$ while the average Importance $Y.1.5 = 4.54$ so that in the Cartesian diagram these two indicators are placed in quadrant II (Keep up the good work), the indicator "Speed in the Service Process" has an average value of Performance $XI.\ 6 = 3.93$ and the average value of Importance $YI.6 = 4.53$ so this indicator is placed in quadrant I (Priority).).

"Service Place Facilities" as indicator $XI17$ on the Physical Evidence variable has an average value of performance of 4.42 while in the analysis of interest $(Y\ I.17)$ a number of 4.65 is obtained as for the Indicator "Cleanliness and Tidiness of Service area" based on the analysis of Performance is at an average $XI8 = 4.49$ while in the importance analysis $(Y\ I.18)$, the number 4.64 is obtained, while the Indicator "Service Place Comfort" is based on the performance analysis and the average importance of $Y\ I.19$ is 4.65. From these figures, the three indicators are placed in quadrant II (Keep up the good work)

VI. CLOSING

By using the marketing mix dimensions of this study can identify the expectations of taxpayers who have not been fulfilled and which are met related to the performance conducted by ServiceTaxOffice South Makassar. From the identification of these expectations can be known dimensions of performance that need to be improved by the ServiceTaxOfficeSouth Makassar, in order to improve performance, which in turn can increase the awareness of and adherence to pay taxes. Performance needs to be given priority to be improved are: a)socialize the importance of tax payment, b) socialization of tax payment, c) Socialization types of taxes, three types of socialization is still felt not by the taxpayer, they still lack the information so that taxpayers expect this activity could be intensified, and ServiceTaxOfficeSoth Makassar is expected to be initiative and creative in socializing. d). speed in the service process. Taxpayers expect service office service counter attendant at ServiceTaxOffice South Makassar can be improved so that the taxpayer is not too long a wait queue, especially at the end of the reporting period of tax payments.

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