The Effect of Service Quality Dimension on Taxpayers' Satisfaction (Study at Howard Tax Consultant)

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ABSTRACT

This research aims to explore the impact of service quality towards the satisfaction of taxpayers who use the services of Howard Tax Consultant. Dimensions of the service quality that are used as independent variables are flexibility, reliability, assurance, tangibles, and responsiveness, meanwhile the dependent variable is taxpayers' satisfaction. All members of the population are taken as the sample of the research, with total of 50 respondents, among those are 35 individual taxpayers and 15 corporate taxpayers. Data was collected through questionnaire with 24 indicators with Likert scale, and was analyzed using multi-linear regression analysis. The result of multi-linear regression analysis shows that flexibility, reliability, assurance, tangibles, and responsiveness are significantly and positively correlated to the satisfaction of taxpayers who use the services of Howard Tax Consultant, and therefore it is concluded that all the hypothesis in this research are upheld.

Keywords: Flexibility, Reliability, Assurance, Tangibles, Responsiveness, Customer Satisfaction

INTRODUCTION

Based on the 2018 state budget drafted by the central government, domestic income in Indonesia reached Rp1,894.7 trillion and 85.4% of the revenue came from tax income which amounted to Rp1,618.1 trillion (www.kemenkeu.go.id). That is why the government is very concerned about the tax management system and the fulfillment of tax obligations by every taxpayer in Indonesia.

Since 1984, the taxation system implemented in Indonesia is a self-assessment system, where taxpayers are responsible for calculating, paying, and reporting the amount of tax they are required to pay to the government through the Tax Office (KPP). Even taxpayers can now pay taxes through the online administration system provided by the government. However, because the context of tax in Indonesia is very broad and tax regulations are very diverse and complex, many taxpayers face difficulties in fulfilling their tax obligations.

Table 1. Indonesia Tax Report in 2017

Number of Taxpayers	**39.151.603**
Compliance Ratio of Annual Tax Return Submission	**72,64%**
Tax Income resulting from Audit and Collection	**Rp53,93 triliun**
Disbursement of Tax Receivables through Tax Collection	**Rp24,27 triliun**

Source: www.pajak.go.id

Based on the data that can be seen from Table 1, the compliance ratio for submitting Annual Tax Returns in 2017 is around 72.64% where in other countries it can reach 75-80%. In addition, the total sanctions collected by the government due to non-compliance of taxpayers reached Rp53.93 trillion. This shows that there are still many taxpayers who fail to report their taxes, either intentionally or due to confusion. This explains why many taxpayers are more inclined to use the services of tax consultants, for various reasons where they are considered to have broader knowledge about tax regulations as well as quality in solving taxation problems based on their experience.

Although they require help from a tax consultant, as is the relationship between two parties in general, taxpayers and tax consultants tend to face problems due to lack of communication, transparency, and various other factors. Therefore, it is quite common for a taxpayer to terminate the relationship with their tax consultant and switch to another tax consultant. Tax consultants must strive to avoid such things from happening, and for that tax consultants must be able to maintain client satisfaction with the services provided. Taxpayers adhere to value-based consulting when using the services of a tax consultant (Sutanto and Tjondro,

2013), which means that taxpayers focus more on the processes and results provided by tax consultants, therefore service quality becomes a very important factor in measuring customer satisfaction.

Although there have been many studies that prove the significant influence of service quality on customer satisfaction (Shresta, 2018; Hoang, 2018; Kant and Jaiswal, 2017), the majority of these research were examining the banking sector, and researches related to service quality and satisfaction customers in the tax consulting service sector are still rarely found. Therefore, this research is expected to help tax consulting service companies in identifying variable dimensions of service quality that need to be optimized in increasing customer satisfaction.

LITERATURE REVIEW
Service Quality

Service quality is defined as the evaluation of all activities by service providers (Eshghi et al, 2008). The definition of service quality is further developed as an overall evaluation of a particular service company by comparing the performance of a business with the general expectations of consumers regarding how a business in its field should work (Chidambaram & Ramachandvan, 2012). Tan et al. (2014) states that the number of service quality dimensions can vary based on industrial and country or cultural contexts. Therefore, this study identifies the dimensions of service quality related to tax consulting services including flexibility, reliability, assurance, tangibles, and responsiveness.

Flexibility refers to the desire and ability to respond to dynamic situations and circumstances. According to Gronroos in Clarissa and Mangoting (2013), service flexibility is related to the convenience of customers in accessing tax consulting services in terms of location, working hours, employees and operational systems which are corresponding to the customer's wants and needs.

Reliability refers to the expertise to provide services that have been promised in a quick, accurate, and satisfactory manner (Panjaitan and Yuliati, 2016). This means that employees are expected to provide services according to customers' expectations. Reliability means the customer assumes that in any situation, they can rely entirely to the service provider and its employees to solve the problem accurately and on time.

Assurance refers to the knowledge, attitudes, and abilities possessed by employees or service providers that can create a sense of trust (Zeithaml et al., 2006 in Shrestha, 2018). This dimension can be very important in the service sector that requires a high level of trustworthiness because customers would want to feel calm and secure when they entrust their money to the service provider.

Tangibles or physical evidence in the form of services that can be noticed directly by customers is highly considered by the company in order to show the best service quality for customers so that it can improve the work performance of

the company. Tangibles include representations from companies, physical facilities, materials, and equipment and communication tools (Al-Azzam, 2015).

Responsiveness is defined as the desire and willingness to help customers and provide services in a quick and deft manner (Parasuraman et al., 1988 in Al-Azzam, 2015). This dimension relates to handling customer requests, questions, and complaints as quickly as possible, so that the customer would feel that the service providers are more than willing to respond to their need.

Customer Satisfaction

Satisfaction is related to feelings of either disappointment or pleasure felt by someone, which is the result of a comparison between his personal impression of the performance of a product with his personal goals (Kotler and Keller, 2009: 138-139). Customer satisfaction is the short-term emotional reaction of consumers to the service performance (Lovelock and Wright, 2007: 96). Another definition of customer satisfaction is a condition where the needs, desires and expectations of consumers can be fulfilled through the products or services that they use (Laksana, 2008: 10). Basically, every activity carried out by the company are aimed to increase added value for customers so that customers can feel satisfied (Abdullah et al., 2012).

Hypothesis

H1: Flexibility significantly effects the satisfaction of taxpayers who use the services of Howard Tax Consultant

H2: Reliability significantly effects the satisfaction of taxpayers who use the services of Howard Tax Consultant

H3: Assurance significantly effects the satisfaction of taxpayers who use the services of Howard Tax Consultant

H4: Tangible significantly effects the satisfaction of taxpayers who use the services of Howard Tax Consultant

H5: Responsiveness significantly effects the satisfaction of taxpayers who use the services of Howard Tax Consultant

RESEARCH METHOD

The study was conducted at Howard Tax Consultant which is a tax consulting services company that was founded in 2010 and is located in Surabaya. The study uses quantitative methods where the data that has been obtained from the questionnaire will be analyzed statistically using multiple linear regression analysis. The population in this study are all clients who use the services of a Howard Tax Consultant consisting of 15 corporate taxpayers and 35 individual taxpayers. Because the population in this study is less than 100 people, the sampling technique used is saturated sampling where all members of the population are used as samples.

RESULT AND DISCUSSION
Respondent Characteristics
Characteristics of respondents are classified by the type of taxpayer and period of time using the services of a Howard Tax Consultant. 70% of the respondents are individual taxpayers, while 30% of the respondents are corporate taxpayers. 8 respondents (16%) have been using the services of Howard Tax Consultants for less than 1 year, while 22 respondents (44%) have been using the services of Howard Tax Consultants for 1-5 years, and 20 respondents (40%) have been using the services of Howard Tax Consultants for 5 -10 years.

Multiple Linear Regression Analysis
The research model used in this study has gone through the stages of the validity and reliability test which states that each indicator used to measure the variables in this study is valid and reliable. In addition, the research model has also gone through the classical assumption test stage which concludes that the research model is feasible to be used or free from classical assumptions.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.892a	.795	.772	.35145	1.980

Source: Data Processed

Table 2 shows that the value of the correlation coefficient (R) is 0.892 where the value approaches the number 1 which shows that there is a strong relationship between the independent variables (flexibility, reliability, assurance, tangibles, and responsiveness) with the dependent variable (customer satisfaction). The coefficient determination ($R2$) of 0.795 indicates that the independent variables are able to contribute 79.5% of the changes that occur in the dependent variable, while the remaining 20.5 % is explained by other variables that are not used in this study.

Table 3. ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.134	5	4.227	34.220	.000b
	Resisual	5.435	44	.124		
	Total	26.569	49			

Source: Data Processed

Table 3 shows that the significance value is 0.000 (smaller than 0.05), therefore it can be concluded that there is a significant influence between the

variables of flexibility, reliability, assurance, tangibles, and responsiveness simultaneously on satisfaction of taxpayers who use the services of Howard Tax Consultant.

Table 4. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	-.959	.389		-2.467	.018
x1	287	.108	.231	2.649	.011
x2	249	.084	.257	2.959	.005
x3	219	.076	.231	2.871	.006
x4	212	.086	.193	2.474	.017
x5	291	.084	.300	3.466	.001

Source: Data Processed

Table 4 indicates that the six dimensions of service quality have a significant effect on satisfaction of taxpayers who use the services of Howard Tax Consultant. Responsiveness is the most dominant variable with a beta value of 0.291, followed by flexibility with a beta value of 0.287.

Flexibility

The regression analysis results show that flexibility has a positive effect on satisfaction of taxpayers who use the services of Howard Tax Consultant. This proves that the first hypothesis (H1) can be accepted. In other words, if the company increases the ease of access for taxpayers and adjusts operational services to the needs and demands of taxpayers, the taxpayers' satisfaction will likely increase. The result of this study supports the research by Clarissa and Mangoting (2013), which states that the accessibility and flexibility variable has a significant effect on client satisfaction.

Reliability

The regression analysis results show that reliability has a positive effect on satisfaction of taxpayers who use the services of Howard Tax Consultant. This proves that the second hypothesis (H2) can be accepted. In other words, the more a company is able to provide services quickly and accurately, the more likely that taxpayers' satisfaction taxpayers will increase. The result of this study supports the researches by Ludji and Widuri (2013) and Clarissa and Mangoting (2013) which also show a significant and positive relationship between reliability and customer satisfaction.

Assurance

The regression analysis results show that assurance has a positive effect on satisfaction of taxpayers who use the services of a Howard Tax Consultant. This proves that the third hypothesis (H3) can be accepted. In other words, the more a company is able to increase the trust of taxpayers through knowledge, attitudes, and abilities of employees, the more likely that taxpayers' satisfaction will increase. The result of this study supports the researches by Kant and Jaiswal (2017) and Jamaluddin and Ruswanti (2017) which show a significant influence between assurance and customer satisfaction.

Tangible

The regression analysis results show that tangible has a positive effect on satisfaction of taxpayers who use the services of a Howard Tax Consultant. This proves that the fourth hypothesis (H4) can be accepted. In other words, the more a company is able to improve the physical aspects including facilities, personnel, and written material, the more likely that taxpayers' satisfaction will increase. The result of this study supports research by Hoang (2018) which confirms that tangible has a significant influence on customer satisfaction.

Responsiveness

The regression analysis results show that responsiveness has a positive effect on satisfaction of taxpayers who use the services of Howard Tax Consultant. This proves that the fifth hypothesis (H5) can be accepted. In other words, the more employees show their desire and willingness to help customers and provide services quickly and responsively, the more likely that taxpayers' satisfaction will increase. The result of this study supports the researches conducted by Felix (2017), Mulat (2017), and Tufail et al. (2016) which justify that responsiveness significantly and effectively influence customer satisfaction.

CONCLUSIONS AND SUGGESTIONS

Based on the results discussed above, it can be concluded that the dimensions of service quality used in this research (flexibility, reliability, assurance, tangibles, and responsiveness) significantly influence the satisfaction of taxpayers who use the services of Howard Tax Consultant, with responsiveness as the most significant variable to affect satisfaction, followed by flexibility. Therefore, it is very important for tax consultants to provide a responsive and quick services, accompanied by adjustments in operational services according to the needs and demands of taxpayers.

Suggestions for further research is that other variables such as empathy, service recovery, image, and other variables relevant to customer satisfaction can be added so that the result would have a wider scope and be more beneficial for service providers and other industries. Furthermore, because this study cannot separate between individual taxpayers and corporate taxpayers due to the number of population, therefore it is recommend to conduct discriminant tests to identify whether there are

differences between individual taxpayers and corporate taxpayers based on their characteristics.

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