

The Effectiveness of Standard Competency of Account Representative in Tax Service Office of Pratama Palembang

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Article History

Received: 29.01.2018

Accepted: 04.02.2018

Published: 18.02.2018

DOI:

10.21276/sjbms.2018.3.2.4



Abstract: The purpose of this study is to find out the implementation of Account Representative (AR) standard competency in Tax Service Office (TSO) of Pratama Palembang. In 2015-2016, the realization of tax revenue in TSO of Pratama Palembang did not reach the target of the national acceptance. Not reaching this target, directly and indirectly related to the role of AR in the implementation of its role as tax service representative. Using qualitative research method with primary data sources in the form of interviews and field observations and secondary data derived from various documents, it was found conclusion that the TSO of Pratama Palembang SeberangUlu had applied AR standards competency in accordance with applicable provisions. However, not in accordance with the achievement of tax revenue target. Each of AR Competence in completing the work was still different, depending on knowledge, skill and attitude.

Keywords: Effectiveness, Standard Competency, Account Representative, Tax Service.

INTRODUCTION

In the last ten years, more than 70% of the country's revenues in the state budget of revenues and expenditures (*Anggaran Pendapatan & Belanja Negara/APBN*) of Indonesia accepted from tax revenue. This fact indicates that tax revenue has become one of the sustaining pillars of the Indonesian economy.

Directorate General of Taxation (DGT) Ministry of Finance of the Republic of Indonesia is served to compiling and drafting tax regulations. The instability of the Indonesian economy sometimes makes it hard for the DGT in collecting and achieving tax revenue target set by the Government through the 2016 *APBN* draft that was Rp 1,360.2 trillion or up 5.1% from the 2015 State Budget (DGT 2016) target.

The target of tax revenue has become an assessment indicator to finance state development budget. When a target has been determined, the DGT must approve and implement the achievement of the target. The DGT together with its regional offices strive to achieve the established revenue target and support the achievement of the targets at the end of the year. Therefore, DGT has vital role as an institution supporting the sustainability of development budget. This role is actualized by emphasizing the hard work, commitment, and cooperation of all elements in DGT for exploring the potential of taxes as well as cooperating together with community so that the tax becomes an important aspect in the life of nation and state.

In order to collect tax revenue as much as possible to meet the target, DGT will distribute the target of tax revenue to regional offices in Indonesia to support revenue targets until the end of the fiscal year. In such efforts, DGT has regional offices scattered in various regions of Indonesia consisting of: (1) Regional Offices, spread over each province in Indonesia; (2) The City Office, spread over each city in each province; (3) Main Tax Office, spread over each city in each province; and (4) Offices of Service, Counseling and Taxation Consultations, spread over in every city in each province.

Those offices carry out their functions and responsibilities to assist DGT in collecting tax revenues from various business sectors throughout Indonesia. Tax Service Office (TSO) is a vertical work unit in DGT that performs services in taxation to the public who have registered as tax payers (TP) or who have not registered within the scope of DGT working area. The main duty of TSO is to carry out operational activities in taxation related to their respective territories based on applicable laws and tax regulations. TSO is an institution of collecting the mandate of the state and a

means to facilitate the community to be easier in handling taxation issues.

Based on national tax data, the realization of tax revenue in 2015 only reached 81.16% of the national revenue target or only Rp 1,050.39 trillion from the targeted of Rp 1,294.25. Meanwhile, in particular, the realization of tax revenue on TSO Pratama Palembang Seberang Ulu Total only 88.9% or Rp 210.720.261.194,- of the target Rp 237,021,814,754,-. Meanwhile, state revenues from taxes targeted by the Government from year to year are increasing regardless to actual economic developments.

Account Representative hereinafter called AR is one of the means of TSO in charge of supervising and consulting to TP. Based on the Regulation of the Minister of Finance No. 79/PMK.01/2015 dated 14 April 2015, it is stipulated that AR is an employee served and assigned as AR to TSO. In the regulation, it is stated that AR consists of (a) AR performing service and consulting function to TP; and (b) AR performing the supervision and exploring function to potential TP [1].

Regarding to the tasks above, it is known that AR has a big duty and responsibility in efforts to achieve the target of tax revenue through supervision and consultation conducted on TP. In addition, AR is the spearhead of exploring the potential of state revenues in taxation and responsible to carry out the taxation intensification through the provision of guidance/promotion, consultation, analysis and supervision of TP. Specific standard competency assigned to an AR in carrying out its main duty and functions in conducting supervision and consultation to the TP is one of the benchmarks in successful implementation of AR basic task. However, in fact, AR's standard competency is not effective in improving AR performance and TSO's performance in collecting tax revenue. Whereas, according to research results from Suyanto and Andri Setiawan [2] concluded that the performance of AR had a positive effect on TP's compliance in Yogyakarta. Self-assessment system had a positive effect on TP's compliance in Yogyakarta City. Tax audit had a positive effect on TP's compliance in Yogyakarta City. AR performance, self-assessment system, and tax audit simultaneously had a positive effect on TP's compliance in Yogyakarta City. Furthermore, the research results from Boihaqi *et al.* [3] also revealed that counseling, consultation and supervision conducted by AR had a significant effect on corporate taxpayers' compliance. Supervision becomes the dominant variable in influencing Taxpayer compliance in Malang.

LITERATURE REVIEWS

Basically, effectiveness is a state that indicates the extent to which a plan can be achieved. According to Steers [4] there are three terms of reference often

used to explain the effectiveness of an organization, namely: First, understand the goal of optimization, which is the effectiveness assessment based on the criteria of achievement level of the organization's final mission by analyzing the inhibited factors and optimizing the supporting factors. Second, the perspective system, namely; the assessment of effectiveness based on the criteria for the functioning of all the elements in the organization that became a condition for the achievement. Third, the emphasis on human behavior in the organizational structure, namely the assessment of effectiveness based on individual human behavior criteria as well as groups, whether to support or hinder the achievement of organizational goals.

According to Edison *et al.* [5] competence is the ability of individuals to perform a job properly and has advantages based on matters of knowledge, skill, and attitude. In addition, Spencer and Spencer in Edison *et al.* [5] stated that competence is "an underlying characteristic of an individual causally related to criterion-referenced effective and/or superior performance in a job or situation" (The underlying characteristic of an individual related to causal relationships or causal effective execution and/or superior in work or circumstances).

TSO is one of the government institutions performing the function of public service. Hardiyansyah [6] argues that the public service concept is related to how to improve the capacity and capability of the government and / or regional government to perform the service function, in the context of the economic approach, providing basic needs for the whole community. TSO in this case provides services for the community, in the form of services to the TP in fulfilling its tax obligations and also provide services to the government collect state revenue which is the source of development funds. In such efforts, TSO is supported by the role of AR, ie the existing employees in the TSO which is the spearhead of excavating the potential of state revenues in the field of taxation carrying the task of taxation intensification through the provision of guidance/counseling, consultation, analysis and supervision of TP.

Regarding to the heavy duty of the AR's workload, the DGT has of course set certain standards competency so that AR can run its main duty and function well to be able to maximally collect tax revenue. Article 7 of Regulation of the Minister of Finance No. 79/PMK.01/2015 dated April 14, 2015 stipulates that to be eligible as AR, employees must meet the following requirements: (a) The lowest formal education graduated from senior high school; (b) The lowest rank at the proposed time is the Regulator (class II / c); (c) the appointment as AR referred to article (1) shall be made by considering the availability of the employees of the Directorate General of Taxes,

workload, and potential revenue at the relevant Tax Office. AR is not a structural position within the organizational structure of the Ministry of Finance [1].

The positioning of AR with a competence-based is expected to provide achievement in accordance with the goals and objectives of the DGT with predefined performance standards. Suryanto [7] argued in his research that the role of AR as a bridge between taxpayers with the DGT has a very significant role in improving taxpayer compliance which will have implications in tax revenue.

Research on the role of AR related to taxation had been done by Amilin and Anisah [8]; Ramadhan and Sandi [9]; Irawan and Sardjiarto [10]; Nuzula *et al.* [11]; Kiswara *et al.*[12]. The results of their research showed that AR played a role in improving TP compliance in paying taxes. Even the role, the performance, and the service of AR had a significant effect on compliance level of TP in paying taxes, however, there were several AR service factors that had no significant effect, ie consultation, supervision and decency. But in general, the role of AR participation in determining the process of tax revenue through TP compliance in paying taxes in Indonesia. The results above are also in accordance with the results of the Evi [13] study which explains that there was a

positive influence between AR service and supervision on taxpayer compliance.

METHODOLOGY

The method used in this research was qualitative method. Primary data sources were in-depth interviews to selected informants, namely: Head of TSO Pratama Palembang Seberang Ulu; Head of Supervision and Consultation Section I; and Head of Section AR IV. They were chosen as an informants because of their position, and were considered capable and willing to provide complete and comprehensive information about AR standards competency related to tax service to TP.

Other primary data obtained through direct observation on the object of research that was the standard of AR's competence in TSO Pratama Palembang SeberangUlu. Secondary data source were description of organizational structure; the official script on the basic task of AR function; AR Performance appraisal report; books, journals, and expert judgment related to AR theory and work.

RESULT AND DISCUSSION

Based on employment data, the composition of AR in TSO of Pratama Palembang Seberang Ulu related to the educational background in 2016 presented in the following table.

Table-1: AR Composition based on Educational Background

Section	Educational Background						Employees
	SMA	D1	D3	D4	S1	S2	
Supervision & Consultation I		1			5	1	7
Supervision & Consultation II	1		2		3	1	7
Supervision & Consultation III		1		1	5		7
Supervision & Consultation IV		1			6		7
Total	1	3	2	1	19 (67,85%)	2	28

Source: The employee data of SIKKA [14]

Based on the table 1 it shows that AR educational background was varied, ie from senior high school to graduated level/S2. The undergraduate background of S1 graduated dominates the AR position (67.85%). Based on the above data, the level of AR education at TSO of Pratama Palembang

SeberangUlu had met the AR qualification requirement as required in the Regulation of the Minister of Finance.

Meanwhile, the composition of AR in TSO of Pratama Palembang Seberang Ulu based on the rank in 2016 is presented in table 2.

Table-2: AR Composition based on Rank

Section	Rank							Employees
	II.b	II.c	II.d	III.a	III.b	III.c	III.d	
Supervision & Consultation I			4	2	1			7
Supervision & Consultation II		1	2	1	3			7
Supervision & Consultation III		1	1		5			7
Supervision & Consultation IV		1		1		4	1	7
Total		3	7	4	9	4	1	28

Source: The employee data of SIKKA [14]

Based on table 2 above it is known that the AR rank is between II.c up to III.d so that it has met the qualification of AR position as required in Regulation

of the Minister of Finance. Based on the data above, the level of education and rank has met the requirements specified.

As main duty of the DGT, which is collecting state revenue, the TSO of Pratama Palembang Seberang Ulu has a target achievement of state revenues. Based

on data of tax revenue in 2015 and 2016 at TSO Pratama Palembang Seberang Ulu can be seen as follows:

Table-3: Target and Realization Acceptance of TSO of Pratama Palembang Seberang Ulu

Year	Target	Realization	Achievement
2015	237,021,814,754	210,720,261,941	88.90%
2016	294,776,903,874	212,311,311,532	72.02%

Source: State revenue Data on MPN Info (2017)

Along with the target set for TSO of Pratama, the target will be charged to each section in TSO of Pratama Palembang Seberang Ulu, not excluding for

AR, which is determined based on work area owned. Based on the achievement data of each AR target is as follows in Table 4.

Table-4: Target and Realization Acceptance Per-AR

Section	Target	Realization	Achievement
Year of 2015			
Supervision & Consultation II			
AR A	9.901.948.501	12.443.888.268	125,67%
AR B	16.727.026.141	13.542.371.824	80,96%
AR C	9.012.573.168	7.176.907.836	79,63%
AR D	8.812.098.955	6.864.341.098	77,90%
AR E	9.988.131.772	6.376.749.137	63,84%
AR F	0	6.594.195.898	0,00%
AR G	0	7.622.750.881	0,00%
Supervision & Consultation III			
AR H	9.073.384.071	8.751.036.424	96,45%
AR I	9.700.187.880	8.999.041.213	92,97%
AR J	10.477.628.602	8.659.192.688	82,64%
AR K	35.324.364.587	24.492.883.955	69,34%
AR L	0	5.490.234.994	0,00%
AR M	0	10.931.683.192	0,00%
AR N	0	10.478.199.063	0,00%
Supervision & Consultation IV			
AR O	6.238.016.202	8.998.263.528	144,25%
AR P	6.476.401.531	8.354.018.486	128,99%
AR Q	7.257.350.535	8.041.362.099	110,80%
AR R	7.875.880.744	7.988.134.406	101,43%
AR S	7.168.494.561	7.164.816.063	99,95%
AR T	16.074.272.813	8.819.575.496	54,87%
AR U	0	9.921.019.123	0,00%
Year of 2016			
Supervision & Consultation II			
AR A	19.364.092.881	19.087.778.442	98,25%
AR B	22.398.031.531	18.798.110.604	89,93%
AR C	10.462.077.738	8.570.238.304	81,92%
AR D	12.655.346.522	9.958.016.112	78,69%
AR E	11.404.112.559	8.021.582.505	70,34%
AR F	5.269.977.992	3.001.601.792	56,96%
AR G	7.206.441.357	3.262.775.569	45,28%
Supervision & Consultation III			
AR H	6.144.082.549	9.688.272.200	157,68%
AR I	13.222.756.752	11.322.188.251	85,63%
AR J	8.220.096.171	6.907.302.379	84,03%

AR K	12.766.251.353	10.140.679.776	79,43%
AR L	12.307.759.230	8.910.034.682	72,39%
AR M	13.254.797.128	8.313.633.962	62,72%
AR N	11.903.061.711	6.886.722.163	57,89%
Supervision & Consultation IV			
AR O	11.850.414.648	10.276.401.857	86,72%
AR P	11.011.473.292	8.048.349.145	73,09%
AR Q	11.739.554.983	8.547.370.005	72,81%
AR R	12.807.355.219	9.125.619.835	71,25%
AR S	13.134.034.630	9.070.141.883	69,06%
AR T	9.495.457.001	6.544.912.845	68,93%
AR U	13.159.728.627	8.541.460.882	64,91%

Source: State revenue data on MPN Info (2017)

The assessment on the employees performance made through the achievement of the Main Performance Index (MPI), hereinafter abbreviated MPI which is an assessment of the Ministry of Finance of the

Republic of Indonesia. In the MPI, a target has been set at the beginning of the year that must be achieved by each AR for one year.

Table-5: MPI Prospect in 2016 Per-AR

No	Name of AR	Number of Supervised TP	Yearly SPT			SPT Period		
			Target TP	Realization TP	achievement MPI SPT/year	Target TP	Realizationi TP	Achievement MPI SPT/Year
Supervision & Consultation II								
	AR A	30	6	18	300%	24	39	163%
	AR B	30	6	0	0%	24	7	29%
	AR C	30	6	15	250%	24	41	171%
	AR D	30	6	43	717%	24	42	175%
	AR E	30	6	1	17%	24	2	8%
	AR F	30	6	38	633%	24	71	296%
	AR G	30	6	40	667%	24	61	254%
Supervision & Consultation III								
	AR H	30	6	25	417%	24	55	229%
	AR I	30	6	1	17%	24	4	17%
	AR J	30	6	0	0%	24	3	13%
	AR K	30	6	21	350%	24	29	121%
	AR L	30	6	23	383%	24	53	221%
	AR M	30	6	26	433%	24	40	167%
	AR N	30	6	19	317%	24	53	221%
Supervision & Consultation IV								
	AR O	30	6	15	250%	24	31	129%
	AR P	30	6	13	217%	24	25	104%
	AR R	30	6	14	233%	24	24	100%
	AR S	30	6	16	267%	24	26	108%
	AR T	30	6	1	17%	24	0	0%
	AR U	30	6	25	417%	24	29	121%
	AR V	30	6	19	317%	24	29	121%

Source: Secondary Data (2017)

Based on data of the realization acceptance from the targets set for each AR and AR performance

assessment conducted through MPI assessment. It is found that there are differences in realization value and

percentage of achievement for each AR's targets. It shows that the level of competence of each AR is also different.

Furthermore, based on the results of interviews from Head of Supervision and Consultation I Section obtained the following information: "The main role of AR that performs supervisory and exploring potential functions is very important in achieving the revenue target of the office, and so does the role of AR who perform the service and consulting in improving the compliance of TP which will ultimately have an impact on the achievement of tax revenue targets in the TSO. "Headed that" AR role is very important in the TSO because AR has a fundamental duty and a very important function in achieving organizational goals in DGT which is the front guard in the service and supervision to TP. (Interview, 27/01/2017).

Regarding to the information above, AR must be aware that its appointment in TSO as the front guard in the TSO is to carrying out the service and consultation task and supervision and exploration of potential tax to collect and to secure tax revenue.

In carrying out its work, AR is granted Standard Operating Procedure (SOP) and technical guidance of work so that work done by AR more directed to organizational goals and in accordance with the provisions of applicable legislation. SOP and technical implementation of the work is made by the head office which will be implemented by AR in carrying out its work in order to provide services and consultation as well as supervision and exploration of potential tax.

Based on interviews results from informants related to the fulfillment of SOP implementation conducted by AR, Head of Supervision and Consultation I provides information as follows: "In general, the AR has been implementing its SOP well, but there are adjustments. The purpose of the adjustment here is that sometimes in practice on the ground there are procedures that can be simplified by considering the completion of matured employment. These adjustments will be used as input to the superior so that the work can be run more effectively and efficiently." (Interview, 05/02/2017).

Meanwhile, the Section Head of Supervision and Consultation IV also provided the following information: "Some AR have already applied SOP because it is one of the guidelines to be obeyed, unless there are SOPs that are out of date due to changes in the applicable taxation regulations, making adjustments in the implementation of work need to be done." (Interview, 05/02/2017).

In addition informants told that AR jobs provided the following information: "AR has performed the applicable SOPs, it is indicated by the supervision

of AR performance performing the applicable SOPs through the TSO's Internal Compliance Unit (ICU) monthly whether the tasks and functions have been running according to SOP or not. In case there are findings improvement notes should be given." (Interview, 05/02/2017).

From the information gathered from informants, it was found that overall AR had performed its work in accordance with the predefined SOP but still need adjustments in implementing. In addition, the implementation of the SOP was also monitored by the Internal Compliance Unit (UCI) existing at the TSO on a regular basis to ensure that all work had been carried out in accordance with the SOP and any violations found should immediately be solved.

The tax system in Indonesia embraces Self Assessment System, which demands the DGT to always conduct guidance and supervision to TP. One of supervisions is through the examination provided in Article 29 of *KUP* Law. Tax inspection is one of the government's efforts dealing with fraud committed by TP such as manipulating income or misappropriation of funds. This disobedience has become a particular homework need to be completed by the Director General of Taxes because non-compliance TP will affect the income of the State as a source of fund for the development and maintenance of public infrastructure for the community. Therefore, it is important to increase of supervision from the Directorate General of Tax on all Taxpayers through the officers incharged to AR. AR in carrying out its main duty in providing services for the TP has a strong contribution in analyzing every TP assigned to avoid the occurrence of avoidance of obligations or non-compliance, and to assist TP in understanding the taxation obligations so the implementation of the Self Assessment System can run fluently in accordance with legislation applicable tax laws.

TP has the right to be supervised by an AR. The appointment of AR is the main characteristic of the application of modern tax administration system as a form of tax reform which has been initiated by DGT since 2002. With Self Assessment System embraced in Indonesian Taxation System now requires DGT to always conduct guidance and supervision of TP. One form of such supervision is through the examination provided for in Article 29 of the *KUP* Law. Tax inspection is one of the government's efforts in dealing with fraud committed by TP such as manipulating income or misappropriation of funds. At TSO Pratama Palembang Seberang Ulu, an AR has its own part to oversee the TP. In this case, an each AR has TP's area for their supervision.

The interview results from Head of Supervision and Consultation Section I related to the implementation of AR standards competency, the

following information were obtained: "DGT needs to issue written provisions on AR standards competency. In general, ARs had met the requirements as stated in PMK No. 79/PMK.01/2015 dated April 14, 2015, but a written rule regarding AR standards competency should be issued, regarding different AR's work characteristics between ARs performing service and consulting function with AR performing supervisory and potential prospect functions. There should be boundaries related to the standard competency from each function because each AR had a different passion." (Interview, 12/02/2017).

Interviews were also conducted on the Section Head of Supervision and Consultation IV, and obtained the following information: "The implementation of AR standard competency regulated by the institution in writing is necessary, especially the basic competence of taxation and basic rules to be understood, and those competency can be self-taught by AR if they want to have higher competencies than other employees." (Interview, 12/02/2017).

From the information obtained from both informants obtained information that the need for written rules on the implementation of AR competency standards are regulated by the institution so that employees who have met the requirements as AR can further improve his ability to conform to the standard of competence that has been set for an AR.

In carrying out the work, it is known that the work completion rate of each AR is different. It shows that the level of competence of each AR is different. The level of competence including knowledge, skills, and attitudes owned by each AR different are different. Based on the results of interviews with the Head of Supervision and Consultation Section I related to AR competence, the following information is obtained: "it necessary to have adjustment for new AR to have ideal standard competence as AR" while the Section Head of Supervision and Consultation IV provided the following information: ... The level of competence existed in TSO Pratama Palembang Seberang Ulu had not been in standard level, because some AR had more capability compared to other AR, especially in terms of working experience as tax intensification officer, and some still in the level of TP's service officer however they showed strong will to develop." (Interview, 17/02/2017).

From the results of these interviews obtained information that the AR's standard competencies in the TSO Pratama Palembang Seberang Ulu relatively different. It can be seen from the performance results of each AR, both from the results of work related to hard skills and soft skills. In keeping the quality of AR, the Directorate General of Taxation conducted assessment on the performance of AR every year. It was conducted in order the leaders know the level of competence from

each AR and what strategies should be done to improve the competence of each AR.

The interviews results with the Head of Supervision and Consultation I Section related to the assessment of the performance of AR obtained information as follows: "Assessment of performance against the AR performing the services function and consultations gathered from the completion of work in time for service, and the number of TP requesting information to provide consultation. Meanwhile, based on the interview results with the Section Head of Supervision and Consultation IV related to the same thing, obtained the information: "The ideal assessment of AR competence is a performance-based assessment and whether or not the work productivity of AR ideal." (Interview, 22 / 02/2017).

To achieve the target of tax revenue through the role of AR, it is necessary to increase the competence of AR so that the work done more effectively and efficiently. Based on the interview results with the Head of Supervision and Consultation I Section related to efforts to increase the competence of AR, obtained the following information: "it is important to conduct on-job training for new AR so they will have the same competence with experienced AR. Education and training are also required for AR to train its technical skills in work. And most important is the counselling and monitoring from superiors so they can have the standard competencies. The TP applying for and conducting the consultation is completed by AR who has the same standard of competence." (Interview, 03/03/2017).

Meanwhile, information obtained from the interview with Head of Supervision and Consultation IV Section related to the assessment of the competence and performance of AR obtained information as follows: "to improve the competence of AR, it needs guidance from superiors and direct superior of the AR, and the existence of punishment and rewards should be applied objectively, supportive work environment atmosphere, of course resulting in work feelings for doing better." (Interview, 03/03/2017).

Based on observations conducted by the writer, the factors affecting the performance of TSO Pratama Palembang Seberang Ulu in achieving the target of tax revenue was not only related to internal factors or AR competence, but also external factors, namely: Economic conditions in Indonesia; Non-compliance TP in meeting tax obligations; The target of tax revenue was too high; and lack of support from others.

From the findings cases, in the last two years, tax revenue on TSO Pratama Palembang Seberang Ulu had not reached the target as predetermined. When associated with the role of AR as the spearhead in collecting tax revenues in the TSO, AR competence had not been effective in achieving the performance of the

TSO. AR conditions in accordance with existing requirements and competencies, not in accordance with the performance of TSO in achieving state revenue target.

Effective means existing effect (consequently, its effect, its impression); or bring results; (effectiveness, meaning), effectiveness (effect, effort, action), while effectiveness is defined as something has effect (consequently, effect), brings results, effectiveness (action) and also means come into force (about laws / regulations) (<https://kbbi.web.id/efektif>). According to Steers [16], there are three terms of reference often used to describe organizational effectiveness: First, objectives optimization, which is the assessment of effectiveness based on the criteria of achievement level of the organization's final mission by analyzing the factors that inhibit, and optimize the supporting factors; Second, the system perspective, namely the effectiveness assessment based on the criteria for the functioning of all the elements in the organization that became a condition for achieving goals; and Third, the emphasis on human behavior in organizational structure, namely the assessment of effectiveness based on individual human behavior criteria and groups, whether to support or hinder the achievement of organizational goals.

Achievement of results (effectiveness) undertaken by an organization by Jones [15] consists of three stages, namely input, conversion, and output or input, changes and results. Input includes all resources owned, information and knowledge, raw materials and capital. In the input stage, the level of efficiency of the resources possessed greatly determines the ability possessed. The conversion phase is determined by the organization's ability to utilize its resources, management and technology use in order to generate value. In this stage, the level of human resource expertise and the responsiveness of the organization to environmental change greatly determine its level of productivity. While in the output stage, the services provided are the result of the use of technology and HR expertise. Organizations that can utilize their resources efficiently can improve their ability to improve service by satisfying customer needs.

Regarding to cases found from observations and interviews and from the theoretical basis studied, solutions that can be submitted and provided by writer related to the effectiveness of AR competencies in the effort to achieve the objectives of the Tax Office in achieving tax revenue targets, as follows: Understanding the vision and mission of the organization. An AR must be able to understand the vision of TSO which is a derivative vision of the Directorate General of Taxes, which is to be a government institution that organizes effective modern tax administration system, efficient, and trusted by the people with high integrity and professionalism in

accordance with the mission of collecting state tax revenue based on Tax laws. In addition, AR must also understand the purpose of the TSO to provide services to TP and simultaneously collect and secure tax revenue. By understanding the purpose of TSO then AR will work in accordance with the purpose of TSO.

According to Edison *et al.* [5] that competence is the ability of individuals to perform a job properly and have advantages based on matters of knowledge, skill and attitude. Spencer & Spencer [16] classifies the dimensions of individual competence into three: intellectual competence, ie character, attitudes and behavior or individual intellectual will and ability (can be knowledge, skill, professional understanding, contextual understanding, etc.) relatively stable when facing problems at work, synergizing among character, self-concept, internal motivation, and contextual knowledge capacity. Intellectual competence is formed in: a) achievement ability, b) job certainty, c) initiative, d) information acquisition, e) analytic thinking, f) conceptual thinking, g) practical skills, h) linguistic skills, and i) narrative skills. Emotional competence is the character of attitude and behavior or the willingness and ability to master yourself and understand the environment objectively and morally so that the emotional pattern is relatively stable when face various problems in the workplace through the synergy between character, self-concept, internal motivation and emotional knowledge capacity. Individual emotional competence is manifested in the form of: a) mutual understanding, b) internal concern and external customer satisfaction, c) self-control, self-confidence, e) adaptability, and f) commitment to the organization. Social competence, the character of attitude and behavior or the willingness and ability to build cooperative nodes with others who are relatively stable when faced with the problems at work, through synergic character, self-concept of internal motivation and capacity of social knowledge contextual. Individual social competence consists of seven disciplines, namely; a) influence and impact, b) awareness of organization, c) establishing working relationships, d) developing others, e) directing subordinates, f) teamwork, g) group leadership.

From experts' judgments above, it can be concluded that the competence is individual capability in carrying out their work well and have excellency according to the character influenced by intellectual ability, psychological ability and social ability. In general, within the competence itself there are elements of knowledge, abilities and attitudes.

CONCLUSION

Based on the results of the research and discussion, it can be concluded that Tax Service Office of Pratama Palembang Seberang Ulu has applied the standard competence to AR in accordance with the provisions regulated by the Directorate General of

Taxes starting from the determination of requirements to occupy the position of AR, the determination of SOP to be done by AR, AR performance and competency improvement strategies owned by each AR. Although the requirements of the AR position have met the requirements and the application of AR competency standards have been in accordance with the provisions stipulated by the Minister of Finance of the Republic of Indonesia through the DGT, but on the other hand the achievement of tax revenue targets is not fully met the target. Competence of each AR in completing the work is still various different, depending on knowledge, skill and attitude.

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