

# The Role of Technical and Managerial Competencies in Improving the Quality of Regional Tax Revenue Administration Using Multiple Linear Regression

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**Abstract:** Competence of Civil Servants consists of three categories, namely technical competence, managerial competence, and socio-cultural competence. Previous research found that technical competence and managerial competence did not provide a good contribution to regional tax services. This study will examine the role of technical competence and managerial competence on the quality of regional revenue administration services. The research design uses a quantitative method conducted from April to May 2023 at the Regional Revenue of the Kendari Municipality Government with a purposive sampling technique of 50 employees. The data collection instrument uses a questionnaire which is then analyzed using multiple linear regression analysis. The results of the study show a Correlation Coefficient Value (R) of 0.858 and an R<sup>2</sup> Value of 0.725. This finding means that both partially and simultaneously, technical competence and managerial competence have a strong role positive and significant in improving the quality of regional revenue administration services. This study is limited to two independent variables only, so the researcher suggests that future research should examine the role of other variables such as socio-cultural.

**Keywords:** Technical Competence, Managerial Competence, Quality of Service, Regional Revenue

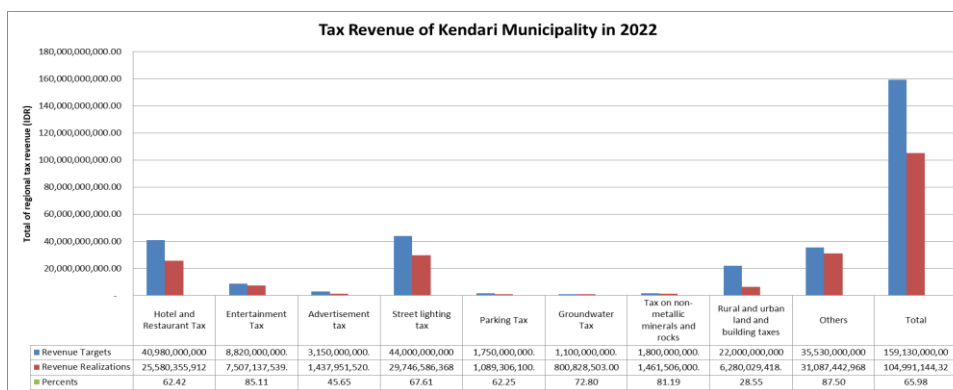
## 1. Introduction

McClelland (1973) in his theory explains that competence is a factor that determines a person's success in work. This theory was later developed by Spencer (1993) by explaining that competence is a set of knowledge, skills and attitudes needed for success in work. Likewise, the competency theory proposed by Boyatzis (1982) explains that competency is a set of knowledge, skills and attitudes that can be learned and developed.

The division of human resource competencies into three categories is based on the assumption that managerial competence, technical competence and socio-cultural competence are factors that determine a person's success in their work. Managerial competence is necessary for someone's success in a managerial position. Technical competence is necessary for a person's success in jobs that require specific technical skills and knowledge. Socio-

cultural competence is needed for a person's success in interacting with other people from various backgrounds.

Mutiah's (2018) research show that there is a positive relationship between human resource competency and the quality of administrative services for the apparatus. Ariyanto and Fauzi (2019) also shows that there is a positive relationship between human resource competence and the quality of administrative services for the apparatus. Research conducted by Purnamasari and Kusumawati (2020), shows that there is a positive relationship between human resource competency and the quality of administrative services for the apparatus. However, research conducted by Hasibuan, et al (2021) found that technical competence and managerial competence did not make a good contribution to tax services in the office, but the determining factor was socio-cultural competence. This research is different from other research findings, so it is interesting for researchers to study the findings in the field of local revenue revenue services.



Source: BPS-Statistics of Kendari Municipality, 2022

**Figure 1:** Realization of Kendari Municipality Tax Revenue in 2022

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The realization of Kendari Municipality tax revenue in the 2022 fiscal year only reached 65.98% of the target set at Rp. 159,130,000,000,- (BPS, 2022). There is a deviation of 34.02%. Researchers are interested in conducting a study on the role of technical and managerial competence in improving the quality of local revenue services in Kendari Municipality.

### Aims

- 1) To determine the role of developing technical competency;
- 2) To determine the role of developing managerial competency;
- 3) To determine the simultaneous role of technical competence and managerial competence.

## 2. Literature Review

### 2.1 Service Quality

The SERVQUAL theory proposed by Parasuraman, Zeithaml, and Berry (1988) focuses on measuring the quality of public services based on five dimensions, namely:

- 1) Tangibles, namely facilities, equipment and physical appearance of personnel;
- 2) Reliability, namely the ability to display the promised services accurately and reliably;
- 3) Responsiveness, namely the ability to help customers and provide agile service;
- 4) Assurance, namely the knowledge and manners of workers and their ability to convey a sense of trustworthiness and confidence
- 5) Empathy, namely the personal attention that the organization provides to customers.

### 2.2 Human Resources Competency

The human resource competency theory developed in 1973 by David McClelland proposed that there are three types of HR competencies, namely technical, social and conceptual competencies. Technical competency relates to an individual's ability to carry out specific tasks related to their job. Social competence is related to an individual's ability to interact with other people, while conceptual competence is related to an individual's ability to understand and manage complex and abstract problems. The Human Resources Technical Competency Theory is part of the Human Resources Competency Theory which proposes that to achieve optimal organizational performance, organizations must have competent and committed human resources. This theory emphasizes the importance of human resource quality and provides the view that humans are an important resource for organizations (Spencer, 1993).

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Technical competence, one type of competence in this theory, is related to an individual's ability to carry out specific tasks related to their work. This technical competency includes the skills, knowledge, and experience needed to perform job tasks effectively and efficiently (Lombardo & Eichinger, 2000).

### 2.2 The Relationship between Technical Competence and Service Quality

Research conducted by Zeithaml, et al (1988) found that employee competency is one of the most important factors in determining service quality. Research conducted by Bettencourt, et al (2002) found that employees who have high technical competence tend to be better able to provide services that are fast, accurate and in line with customer expectations. Research conducted by Ryu, et al., (2009) found that employee technical competence can increase customer satisfaction, customer loyalty and customer recommendations.

Hanitha (2012) conducted an analysis to determine the role of employee competence on service quality. The research results show that there is a significant influence between employee competence and service quality. Andayani (2019) in his study found a significant relationship between competence and service quality, which means that increasing employee competence will improve the quality of community services.

Research conducted by Al-Harbi and Al-Anazi (2019) found that employees who have better skills and abilities in the hotel industry tend to provide higher quality services. Research conducted by Boshoff and Leong (2008) found that employees who have better knowledge and skills in the financial services industry tend to provide more satisfying services to customers. Research conducted by Grönroos (2008) found that employees who have better technical competence in the health care industry tend to provide services that are more responsive to customer needs. Hartline and Jones (2010) found that HR competencies, such as technical abilities, can improve service quality

However, research by Hasibuan, et al (2021) found that technical competence does not play a good role in improving tax services. This finding is also in line with the results of a study conducted by Safitri (2020) which found that employee competence has little significant influence on service quality. Kalepo, et al (2022) do not have a significant influence so the following hypothesis is proposed:

H1 :Technical competence has a significant influence on the quality of regional tax administration services.

Hartline, et al. (2003) expressed the opinion that HR competencies, such as leadership abilities and employee motivation, can improve service quality. Managers who have the ability to manage conflict and change (Bitner and Hubbert, 1994), have the ability to motivate and develop employees (Bowen, et al., 1999), have the ability to create a positive and supportive work environment (Brown and Lam, 2007), and having the ability to understand customer needs and provide customized services (Chuang, et al., 2012) can improve service quality.

However, research by Hasibuan, et al (2021) found that managerial competence does not have a good role in

improving tax services, so the following hypothesis is proposed:

H2: Managerial competency has a significant influence on the quality of regional tax administration services.

H3: Technical competence and managerial competence simultaneously have a significant influence on the quality of regional tax administration services.

Based on the hypothesis put forward in this research, the researcher proposed a conceptual framework as seen in Figure 2 below.

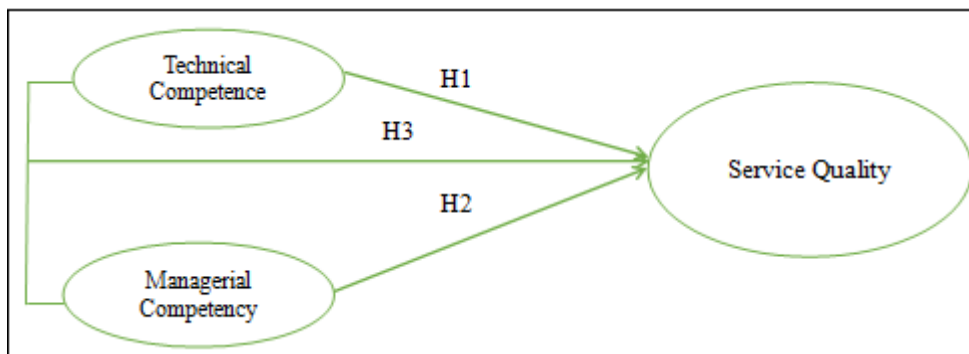


Figure 2: Research Conceptual Framework

3. Methods

The research method uses quantitative methods and multiple regression analysis to determine the influence between the independent variable and the dependent variable. The population was all employees totaling 118 people with a research sample of 50 employees selected purposively who were deemed able to provide information relevant to the research objectives (Hair, et al., 2010).

The research instrument uses a questionnaire consisting of the independent variables technical competence (X1) and managerial competence (X2) as well as the dependent variable quality of regional tax administration services (Y1) which is measured using a Likert scale. Data collection was carried out by distributing questionnaire forms online to respondents from April to June 2023. Data were analyzed using multiple linear regression analysis with the help of the SPSS 22 application.

4. Results

Validity and Reliability Test

The results of the validity test analysis of the technical competency development variable data show that all research items have an  $\alpha$  (alpha) value of less than 0.05 at a significance level of 5% so that all technical competency development variable items are valid. Meanwhile, the reliability test results show a Cronbach's Alpha value of 0.915, indicating a very high level of reliability. Likewise, the results of the validity test analysis of the managerial competency development variable data show that all research items have an  $\alpha$  (alpha) value of less than 0.05 at a significance level of 5% so that all managerial competency development variable items are valid. The reliability test results of the Technical Competency Development Strategy Variable with Cronbach's Alpha test results of 0.863 show a very high level of reliability.

Assumptions Test

Table 1: Assumptions Test

No.	Methods	Valued	Criteria	Interpretation	Explanation
1.	p-value	0.166	p-value > 0.05	0.166 > 0.05	Normal Data
2.	Significance	1.000	Nilai sig > 0.05	1.000 > 0.05	Linear Data
3.	Variance Inflation Factor (VIF)	1.287	VIF < 5	1.287 < 5	Multicollinearity does not occur
4.	Durbin-Watson	2.114	dU < dw < (4-dU)	1.6283 < 2.114 < 2.3717	There is no autocorrelation
5.	p-value Technical Competence p-value Managerial Competency	0.322 0.643	p-value > 0,05,	0.322 > 0.05 0.643 > 0.05	HeteroscedastiMunicipality does not occur

Source :Data Processing Results with SPSS, 2023

## Multiple Linear Regression Test

**Table 2: Multiple Linear Regression Test Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.858 <sup>a</sup>	.736	.725	.23522	.736	65.496	2	47	.000

a. Predictors: (Constant), Technical Competence, Managerial Competency

b. Dependent Variable: Service Quality

Source : Data Processing Results with SPSS, 2023

Based on Table 2. Correlation Coefficient Value (R = 0.858). This value shows a strong and positive relationship or correlation of 85.8% between technical competency strategy and managerial competency on the quality of regional revenue administration services, the remaining 14.5% is influenced by unobserved variables in this research. This result means that the two independent variables significantly influence the dependent variable. The following presents a partial test of the independent variable on the dependent variable as follows:

**Table 3: Partial Test**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.182	.393		-.464	.645
	Komp. Teknis	.395	.076	.440	5.178	.000
	Komp. Manajerial	.628	.096	.557	6.549	.000

a. Dependent Variable: Service Quality

Source : Data Processing Results with SPSS, 2023

Based on Table 4.6 above, the regression equation for the independent variable and dependent variable can be written as follows:

$$Y = -0.18 + 0.39X_1 + 0.63X_2$$

The constant coefficient is -0.182. The coefficient of the technical competency variable is 0.395, indicating that every increase in the technical competency variable will be followed by an increase in service quality of 0.395 with a t-statistic of 5.178 which is significant at 0.000. This research proposes a hypothesis (H1) that technical competence has a significant influence on the quality of regional tax administration services at the KendariMunicipality Revenue Office. The results of the analysis show a p-value (0.000) > 0.05, which means that the hypothesis proposed in this research, is acceptable.

The coefficient of the technical competency variable is 0.628, indicating that every increase in the managerial competency variable will be followed by an increase in service quality of 0.628 with a t-statistic of 6.549 which is significant at 0.000. This research proposes a hypothesis (H2) that managerial competence has a significant influence on the quality of regional tax administration services at the KendariMunicipality Revenue Office. The results of the analysis show a p-value (0.000) > 0.05, which means that the hypothesis proposed in this research, is acceptable.

**Table 4: Simultaneous Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.248	2	3.624	65.496	.000 <sup>b</sup>
	Residual	2.6	47	0.055		
	Total	9.848	49			

a. Dependent Variable: Service Quality

b. Predictors: (Constant), Technical Competence, Managerial Competency

Source : Data Processing Results with SPSS, 2023

Table 4 shows the results of the simultaneous test of technical competency and managerial competency variables with an F value of 65.496 which is significant at 0.000. 0.05 indicates that the joint or simultaneous influence of these two independent variables on the variable quality of regional tax revenue administration services is statistically significant. The R2 value is as presented in Table 4.5. Amounting to 0.736 provides strong evidence that the combination of the two independent variables has an impact of 73.6% on the dependent variable studied, and the remaining 27.5% may be influenced by other factors not included in this study. This research proposes the third hypothesis (H3) that technical competency strategies and managerial competency strategies simultaneously have a significant influence on the quality of regional tax administration services at the KendariMunicipality Revenue Office. The results of the analysis show the p-value (0.000) > 0.05, which means that the variables Technical Competency Strategy and Managerial Competency Strategy significantly influence Service Quality, so the hypothesis proposed in this research can be accepted.

## 5. Discussions

The research results reveal that the technical competency strategy has a significant and very strong influence on the quality of regional tax administration services in Kendari Municipality . In other words, the higher the level of employee technical competence, the better the quality of service that can be provided to taxpayers in KendariMunicipality . This finding is not in accordance with the results of research conducted by Hasibuan, et al (2021) which stated that technical competence does not make a positive contribution to tax services in the regions. This finding illustrates the importance of technical competence factors in improving the standards and efficiency of tax services at the local level. However, this finding is supported by various researchers such as Zeithaml, et al. (1988), Bettencourt, et al., (2002), Ryu, et al., (2009), Hanitha (2012), Andayani (2019), Al-Harbi and Al-Anazi (2019 ), Boshoff and Leong (2008), Grönroos (2008), Hartline and

Jones (2010) who state that technical competence has a very strong role in improving service quality.

The research results show that Managerial Competence has a significant influence on the quality of regional tax administration services at the Kendari Municipality Revenue Office. However, interestingly, this finding does not seem to be in line with the results of research conducted by Hasibuan, et al (2021) which states that managerial competence does not make a positive contribution to tax services in the regions. However, this finding is supported by various other researchers. Managerial competencies such as leadership abilities and motivating employees (Hartline, et al., 2003), the ability to manage conflict and change (Bitner and Hubbert, 1994), the ability to motivate and develop employees (Bowen, et al., 1999), the ability to create an environment positive and supportive work (Brown and Lam, 2007), and the ability to understand customer needs has a strategic role that can improve service quality.

The research results show that technical competency strategies and managerial competency strategies have a significant influence together on the quality of regional tax administration services. This indicates that the two aspects of competence, namely technical competence and managerial competence support each other and contribute positively and very strongly to improving the quality of tax administration services in the office.

## 6. Conclusions

Based on the discussion found above, it can be concluded that partially, technical competence has a strong and significant positive role in improving the quality of regional revenue administration services. Likewise, managerial competence also has a strong and positive role in improving the quality of regional revenue administration services. Simultaneously, the two variables, both technical competence and managerial competence, have a strong and positive significant role in improving the quality of regional revenue administration services. This research is only limited to two independent variables, namely technical competence and managerial competence, so it is highly recommended for further research to add other variables such as socio-cultural competence.

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