

## Effect of Implementing Total Quality Management (Tqm) Regarding Tax Consultant Service Quality with Tax Equalization as A Moderating Variable (Empirical Study of Ikpi Balikpapan Branch Tax Consultatnts)

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**ABSTRACT :** Our current the purpose of this study is to verify influence TQM focusing on customers and TQM continuous improvement on the quality of services, the influence of TQM focusing on customers and TQM continuous improvement of the quality of services moderated by equalization of taxes. The application of TQM focused on customers and appropriate continuous improvement TQM in tax consultant offices (KKP) believed to be better than competitors. This research was conducted on 80 (eighty) respondents who were clients of 16 active Tax Consultants registered with the Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI). This research design uses descriptive research methods and quantitative research design. This research uses a finite population, meaning that the number of individuals determined is 105 respondents who are clients of 16 (sixteen) active tax consultants registered with the Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI). The sample for this research was determined at 80 (eighty) respondents using a non-probability sampling method, namely by utilizing the solvin technique. Data collection was done by distributing questionnaires. The data analysis method used the SEM method, namely PLS (Partial Least Squares) with the help of SmartPLS 4.0.9.6 software. The results of the study indicate that there is a significant influence between client-centered TQM and continuous improvement TQM on the quality of tax consultant services, but cannot strengthen the influence of client-centered TQM and continuous improvement TQM on the quality of services with balanced rates. moderator.

**KEYWORDS :** *Total Quality Management (TQM), Service Quality, Tax Equalization, Tax Consultant.*

### I. INTRODUCTION

The implementation of tqm requires a strong commitment in doing continuous Improvement of product, service, worker, process and the environment. Tqm also can be meant as the combination of all management function, all parts of enterprise and everybody into the holistic philosophy which is established according to the concept of quality, teamwork, productivity, and consumer satisfactory (Ishikawa ib Nasution, 2010:22).

The efforts to achieve excellent service require a comprehensive and integrated understanding of the Dimensions of service quality, the factors that cause poor service quality, and strategies for continuously improving service quality. Thus, there are five main Dimensionons that are arranged to realize superior quality of service, namely: (1) Reliability, (2) Emphaty, (3) Responsiveness, (4) Tangible (Direct Evidence), and (5) Assurance (Guarantee) (Tjiptono, 2022).

The Indonesian Tax Consultants Association (IKPI) Balikpapan Branch was established on July 10 2014 based on the decision of the central management of the Indonesian Tax Consultants Association number: KEP-044/PP.IKPI/VII/2014.

Since it was established independently until this research was conducted, the Balikpapan Branch of IKPI has been approximately 10 (ten) years. Therefore, this study was conducted to determine the quality of tax consulting services in government agencies Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI).

The addition of a moderating variable in the form of tax equalization is because there are many problems faced by taxpayers when Periodic Value Added Tax (VAT) SPTs, Periodic Income Tax Returns Article 21 and Periodic Income Tax Returns Article 23 are examined by an Account Representative (AR) or when audited by tax auditor function.

The problems mentioned above are very risky for taxpayers because they can result in the discovery of material tax underpayments and additional administrative fines for underpayments, which can burden the company's cash flow conditions. Therefore, it is very important to carry out tax equalization before the taxpayer reports the Periodic SPT and Annual Corporate Income Tax SPT.

## II. LITERATURE REVIEW

### 2.1 *Resources Based View (RBV)*

The application of the Resource Based View (RBV) concept at the Tax Consultant Office (KKP) aims to manage its internal resources and capabilities effectively. This provides an advantage in competing sustainably in the service industry market, compared to Tax Consulting Firms (KKP) which only focus on service aspects or market position. Implementing Resource Based View (RBV) will help the Tax Consultant Office (KKP) in managing its resources and assets with a sustainable strategy.

### 2.2 *Total Quality Management*

The implementation of tqm requires a strong commitment in doing continuous Improvement of product, service, worker, process and the environment. Tqm also can be meant as the combination of all management function, all parts of enterprise and everybody into the holistic philosophy which is established according to the concept of quality, teamwork, productivity, and consumment satisfactory (Ishikawa ib Nasution, 2010:22).

### 2.3 *Tax Consultant*

The definition of a tax consultant according to the Minister of Finance Regulation Article 1 PMK No. 175/PMK.01/2022 Someone who provides taxes consultancy provide services to Taxpayers so that they can exercise their rights and fulfill their tax liabilities in accordance with tax legislation and regulations.

Practice License is a Tax Consultant Practice License which is determined by the Secretary General of the Ministry of Finance or an appointed official.

### 2.4 *Tax Equalization*

In terms of terminology, equalization is the process of making things equal. Equalization is a process of checking that one type of tax is in accordance with other types of taxes that are related to each other. In Attachment II to the Circular Letter of the Director General of Taxes Number: SE – 65/PJ/2013 concerning Guidelines for Using Audit Methods and Techniques to Test Compliance with Fulfilling Tax Obligations, explains that equalization or reconciliation is matching the balance of 2 (two) or more numbers that are related to each other. If there are differences in the results, then these differences must be explained. One tax equalization is to equalize the recording of costs and income as tax objects in financial reports with the reporting of costs and income as objects in the tax return (SPT) which is reported to the tax office.

### 2.5 *Hypothesis and Research Model*

The following is the research hypothesis:

H1: *Total Quality Management (TQM)* has a positive and significant impact on service quality

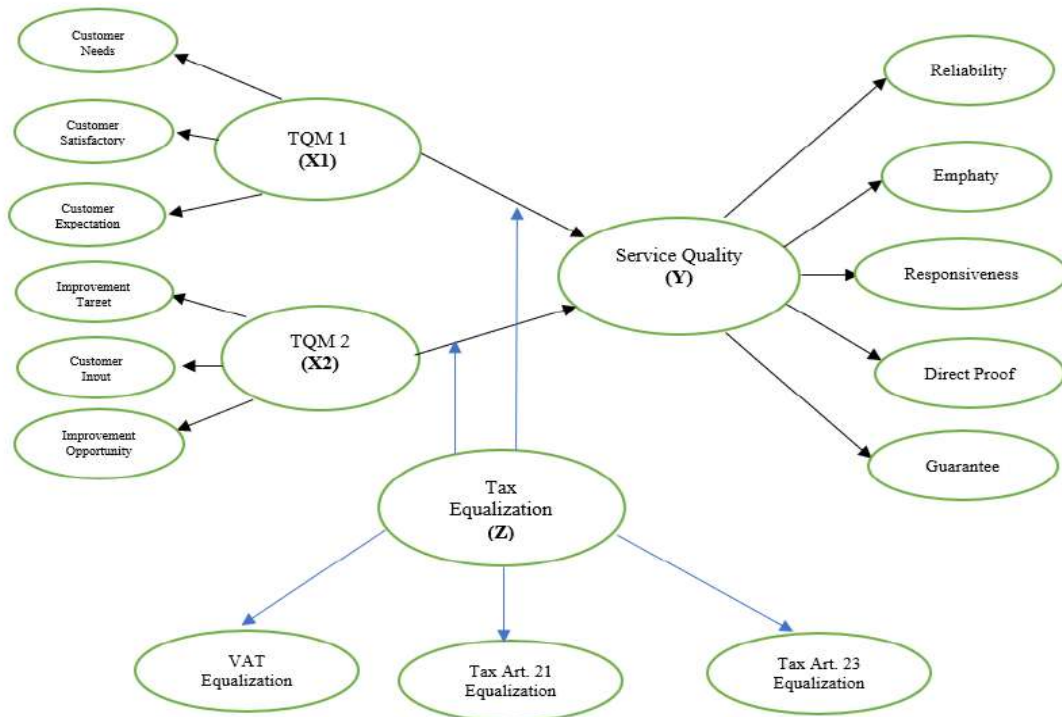
H2: *Total Quality Management (TQM)* has a positive and significant impact on service quality.

H3: Tax equalization can moderate the relationship between *Total Quality Management (TQM)* focusing on customers and service quality.

H4: Tax equalization can moderate the relationship between *Total Quality Management (TQM)* continuous improvement and service quality.

Based on the hypothesis testing above, the research model that can be presented is as follows:

Picture 2.2 Research Model



TQM 1 = (customer focus)

TQM 2 = (continuous improvement)

Source : Articles Review

### III. METHODOLOGY

#### 3.1 Population

This research uses a finite population, meaning that the number of individuals determined is 105 respondents who are clients of 16 (sixteen) active tax consultants registered with the Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI).

#### 3.2 Sample

According to Siregar (2012:34), there are several techniques that can be used to determine population sample size including Slovin method.

The sample size in this study was determined at 80 (eighty) respondents who were clients of 16 (sixteen) active tax consultants registered with the Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI).

#### 3.3 Source of Data

This is nothing but the main thing. First of all, this is data that you cannot put into the desired object, so you can make good use of it.

#### 3.4 Data Collection & Analysis Tool

The respondents used in this research were 80 (eighty) respondents who were active tax consultant clients registered with the Balikpapan Branch of the Indonesian Tax Consultants Association (IKPI). Distribution of research instruments in the form of questionnaires was carried out online via Google Form. In this research is used the PLS Structural Equation Modeling (SEM).

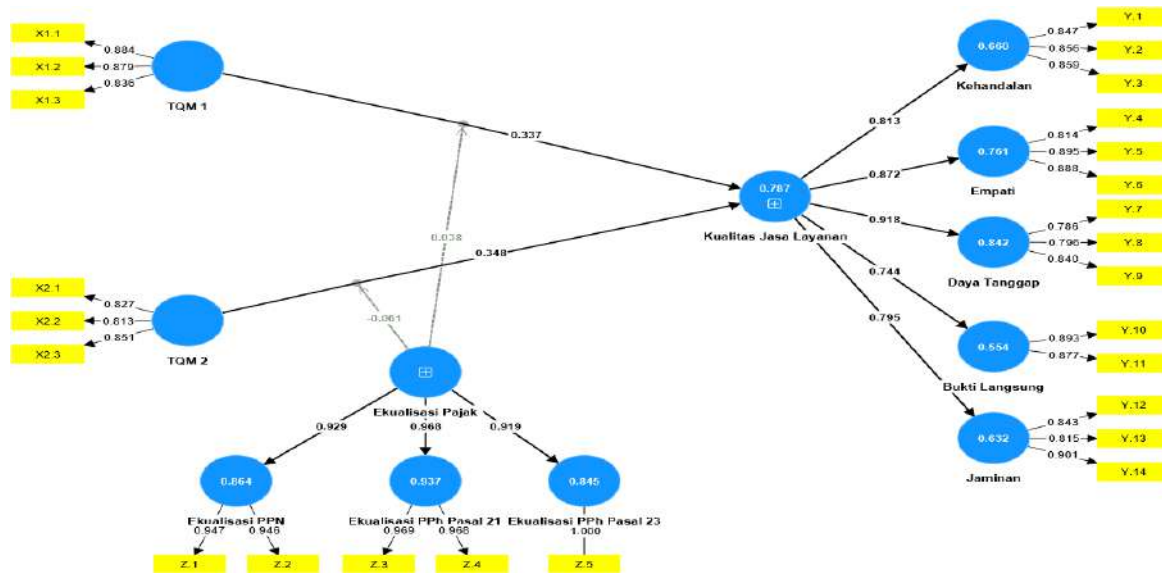
IV. RESULT AND DISCUSSION

4.1 RESULT

4.1.1 Convergent Validity

The first stage of the research was the development of a measurement scale with a weighting value between 0.5 and 0.6 which was considered adequate. (Chin in Ghozali and Latan, 2015). Can be used safely in high-risk populations as shown in Figure 4.1 below:

Figure 4.1 Loding Factor



X1 = TQM customer focus

X2 = TQM continuous improvement

Source : Researcher, 2024 (Output SmartPLS 4.0.9.6)

Based on the processing data, the researcher will be explained is as follows:

Table 4.11 Average Variance Extracted (AVE)

Variable	Average variance extracted (AVE)	Detail
X1	0,751	Valid
X2	0,690	Valid
Y	0,503	Valid
Z	0,830	Valid

Source : Researcher , 2024 (Output SmartPLS 4.0.9.6)

In Table 4.11, All AVE values are visible exceed 0.5, indicating that the calculated model's latent variables all satisfy the variable validation criteria (acceptable).

4.1.2 Discriminant Validity

Based on figure 4.1 above, the cross loadings value shows that there is the reason why discriminant validity is good is because there is a stronger association between the index and the construct than there is between the index and other constructs.

4.1.3 Reliability Test

Table 4.13 Composite Reliability and Cronbach's Alpha

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
TQM 1	0,834	0,835	0,901
TQM 2	0,776	0,779	0,870
Service Quality	0,923	0,925	0,934
Tax Equalization	0,949	0,950	0,961

Source: Researcher, 2024 (Output SmartPLS 4.0.9.6)

The construct reliability test results are displayed in Table 4.13 show that the values of Cronbach's alpha and composite reliability for each latent variable greater than 0.70. Therefore, all explicit variables measure the calculated model's latent variables need to be trustworthy. As a result, it is possible to test the internal model, or structural model.

4.1.4 Inner Model

a. Square Endogenous Construct Variance in R-Square Values

Table 4.14 Structural Model Evaluation

Variable (Konstruk) Endogen	R Square	Detail
Service Quality	0,787	Strong

Source : Researcher, 2024 (Output SmartPLS 4.0.9.6)

These results explain that 78.7% of service quality is influenced by TQM focusing on customers, TQM continuous improvement, equalization of taxes, moderation 1 (X1\*Z), and moderation 2 (X2\*Z). Meanwhile, the remaining 21.3% was influenced by other factors not tested in this study.

b. Path Coefficients

Table 4.15 Path Coefficients

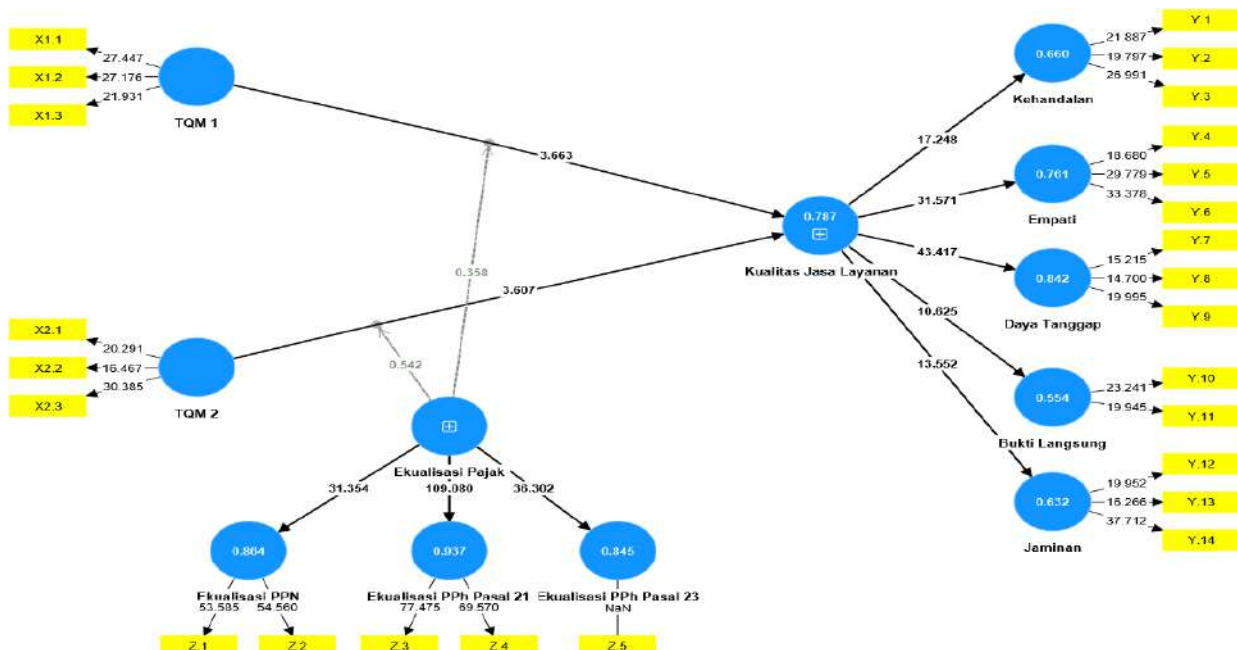
	Original Sample
TQM 1 -> Service Quality	0,337
TQM 2 -> Service Quality	0,348
Tax Equalization -> Service Quality	0,309
Tax Equalization x TQM 1 -> Service Quality	0,038
Tax Equalization x TQM 2 -> Service Quality	-0,061

Source : Researcher, 2024 (Output SmartPLS 4.0.9.6)

From Table 4.15 above, the path coefficient equation can be obtained as presented in the following equation :  $Y = 0,337X1 + 0,348 X2 + 0,309 Z + 0,038X1*Z + -0,061 X2*Z$

4.2 DISCUSSION

Based on the hypothesis testing, the researcher will be explained is as follows:



X1 = TQM customer focus  
X2 = TQM continuous improvement

Figure 4.2 T-Statistic Value (Bootstrapping)  
Source : Researcher, 2024 (Output SmartPLS 4.0.9.6)

Table 4.16 Hypothesis Testing

	Original Sample	T Statistics	P Values	Result
TQM 1 -> Service Quality	0,337	3,663	0,000	Significant
TQM 2 -> Service Quality	0,348	3,607	0,000	Significant
Tax Equalization -> Service Quality	0,309	2,320	0,020	Significant
Tax Equalization x TQM 1 -> Service Quality	0,038	0,358	0,720	Not Significant
Tax Equalization x TQM 2 -> Service Quality	-0,061	0,542	0,588	Not Significant

Source : Researcher, 2024 (Output SmartPLS 4.0.9.6)

#### 4.2.1 *The Influence of TQM Focusing on Customers on Service Quality*

Research has shown that the relationship between tqm and customer focus this has a favorable and noteworthy effect on the level of service. In particular, Total Quality Management (TQM) focuses on customers helping tax consulting offices (KKP) to better identify customer needs, understand how to meet customer satisfaction and ability to plan for future customer needs and service expectations, enabling tax consulting offices (KKP) to develop more effective strategies to improve the quality of services provided.

#### 4.2.2 *The Influence of TQM Continuous Improvement on Service Quality*

Research has shown that the link between tqm and continuous improvement this has a favorable and noteworthy effect on the level of service. In particular, Total Quality Management (TQM) continuous improvement helps tax consultant offices (KKP) to carry out continuous improvements in all parts without waiting for problems to arise, consider input from consumers to improve quality, and investigate opportunities for continuous improvement on new equipment and methods. In the context of services, continuous improvement allows tax consulting offices (KKP) to continuously adjust and improve processes, interactions with customers, and develop more effective strategies to improve the quality of services provided.

#### 4.2.3 *Tax Equalization Moderates the Effect of Customer Focused TQM on Service Quality*

Based on the research results, Tax Equalization this has a favorable and noteworthy effect on the level of service, but there is no significant influence from customer-focused TQM on Service Quality with Tax Equalization as a moderator. This can be seen from the following research data:

- 1) That there are indications that the tax consultant office (KKP) under the auspices of the Indonesian Tax Consultants Association (IKPI) Balikpapan Branch has not fully implemented the Tax Equalization procedure when reporting Periodic VAT SPT, Periodic PPh Article 21 SPT and Periodic PPh Article 23 SPT with reports. financial or Annual Corporate Income Tax Return.
- 2) That there are indications that tax equalization literacy is still low among clients of tax consultant offices (KKP) under the auspices of the Indonesian Tax Consultants Association (IKPI) Balikpapan Branch, the tax equalization factor is not a consideration for clients in choosing a tax consultant office, therefore the tax equalization variable cannot strengthen or weaken the independent variable TQM focus on customers and TQM continuous improvement on the dependent variable quality of tax consultant services.

#### 4.2.4 *Tax Equalization Moderates the Effect of TQM Continuous Improvement on Service Quality*

Based on the research results, Tax Equalization this has a favorable and noteworthy effect on the level of service, but there is no significant influence from TQM continuous improvement on Service Quality with Tax Equalization as a moderator. This can be seen from the following research data:

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- 2) That there are indications that tax equalization literacy is still low among clients of tax consultant offices (KKP) under the auspices of the Indonesian Tax Consultants Association (IKPI) Balikpapan Branch, the tax equalization factor is not a consideration for clients in choosing a tax consultant office, therefore the tax equalization variable cannot strengthen or weaken the independent variable TQM focus on customers and TQM continuous improvement on the dependent variable quality of tax consultant services.

## V. CONCLUSION

In this chapter, the findings (research results and discussion) will be explained which are presented briefly and clearly, which is the answer to the problem formulation.

1. It is possible to determine that there is a significant difference based on the outcomes of hypothesis testing. influence between TQM and customer focus on service quality. This means that the more focused the tax consultant office is on customers, the more positive and significant it will have an impact on Service Quality.
2. It may be inferred from the hypothesis test results that TQM significantly influences the improvement of service quality. This means that the more tax consulting firms continue to improve their service quality, the more positive and significant the impact on service quality will be.
3. These inferences can be made in light of the hypothesis testing results: Customer-oriented TQM in service quality cannot be improved by disparities in misunderstanding, moderated by Tax Equalization. This means that Tax Equalization does not play a moderating role between the influence of customer-focused TQM on Service Quality.
4. These inferences can be made in light of the hypothesis testing results: Variations in failure rates cannot amplify TQM's impact on raising long-term service quality, moderated by Tax Equalization. This means that Tax Equalization does not act as a TQM moderator for continuous improvement of Service Quality.

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