

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto^{1*}, Tibrani², Lukmanul Hakim¹

¹Postgraduate School of Management, Universitas Riau Kepulauan, Batam, Indonesia

²Department of Digital Business, Faculty of Economy and Business, Universitas Riau Kepulauan, Batam, Indonesia

E-mail: ronniyanto64@gmail.com ; tibrani@fekon.unrika.ac.id ; lukman@fekon.unrika.ac.id

Received : 01 August 2025

Published : 20 September 2025

Revised : 15 August 2025

DOI : <https://doi.org/10.54443/morfaiv5i3.4076>

Accepted : 11 September 2025

Link Publish : <https://radjapublika.com/index.php/MORFAI/article/view/4076>

Abstract

Tax compliance remains a critical challenge for local governments, particularly in the domain of vehicle taxation which contributes significantly to regional revenues. This study aims to examine the extent to which human resource (HR) competence and public service promotion influence vehicle tax compliance in the Riau Islands. Employing a quantitative approach with survey, we collected 92 respondents from taxpayers and local revenue office employees, the research utilizes structural equation modeling (SEM) to analyze causal relationships among variables. The findings reveal that HR competence, encompassing professional knowledge, administrative skills, and service orientation, exerts a significant positive effect on taxpayer compliance. Similarly, public service promotion-delivered through information campaigns, digital platforms, and community outreach-enhances taxpayers' awareness, trust, and willingness to fulfill their obligations. Furthermore, the study highlights the combined effect of HR competence and service promotion strengthens compliance behavior by fostering a sense of procedural fairness and improving the perceived quality of government services. These results underscore the importance of strengthening human resource capacity and implementing innovative service promotion strategies as key policy instruments to improve vehicle tax compliance. The study contributes both theoretically and practically: it enriches the discourse on fiscal policy and public administration, while offering evidence-based recommendations for local governments to optimize tax revenue management.

Keywords: *Fiscal Policy; Human Resource Competence; Public Service Promotion; Riau Islands; Tax Compliance; Tax Revenue;*

INTRODUCTION

Tax compliance is a significant global issue for public finance authorities, particularly in developing countries where revenue collection is essential for maintaining government services and infrastructure (Bahl & Bird, 2008; Gupta & Jalles, 2022). Motor vehicle tax (MVT) constitutes a notable source of income, characterized by its straightforward administration owing to its object-specific nature. Despite the clarity of legal obligations and registration systems, widespread non-compliance with vehicle tax indicates deeper systemic, behavioral, and institutional challenges (Bird & Zolt, 2008). Enhancing compliance in this domain necessitates a multifaceted strategy targeting administrative capacity and citizen behavior. Human resources (HR) competence within the tax administration system is a crucial but frequently overlooked element in attaining tax compliance. The capacity of public officials to provide services in a professional, transparent, and efficient manner significantly affects public perception and trust in governmental institutions. In this context, competence encompasses technical skills, including legal knowledge and administrative efficiency, and soft skills such as communication, empathy, and ethical integrity (Maqsudi et al., 2021). HR personnel who exhibit fairness, consistency, and helpfulness in their interactions with the public can promote a culture of voluntary compliance, especially among vehicle owners who may otherwise postpone or evade payment. Furthermore, HR competence encompasses individual capabilities and the institution's preparedness. Organizational learning, staff training, performance evaluation, and adequate digital infrastructure collectively constitute the broader system influencing daily interactions between taxpayers and service providers. Integrating digital platforms in vehicle tax services requires practical staff training to ensure proper operation and

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto et al

user assistance throughout the process (OECD, 2019, 2021). With the increasing digitalization of vehicle taxation, human expertise is essential for guaranteeing equitable access and user satisfaction. Enhancing tax compliance requires not only HR proficiency but also the encouragement of public service. Public campaigns that inform citizens about their obligations, rights, and the broader implications of taxation foster an informed taxpayer base. Effective promotional strategies mitigate misinformation and diminish the perception that evasion is prevalent or socially acceptable (Maqsudi et al., 2021) In contexts where vehicle tax is perceived as a mere bureaucratic obligation rather than a civic duty, promotional strategies should extend beyond simple information dissemination to influence public attitudes, foster civic responsibility and establish social norms prioritizing tax compliance.

This point is especially pertinent in local government settings, where transparency and confidence in public service provision are significantly individualized. Promoting vehicle tax compliance and enhancements in public services-such as improved roads, traffic management, or accessible online platforms-can encourage an open dialogue about accountability between citizens and the state. Communication involves delivering instructions and constructing a persuasive narrative that connects tax compliance to concrete public benefits. Public service promotion involve efforts to inform, persuade and educate citizens about their rights and obligations, often through campaigns, media, and direct outreach (Batra & Keller, 2016; Cornelissen, 2001). In the taxation context, promotional efforts improve awareness, reduce ambiguity, and reinforce the perceived importance of tax compliance (Al-Maghrebi et al., 2022; Permana & Sanjaya, 2025). Empirical research shows that effective tax communication campaigns, particularly those that frame taxpaying as a civic duty and showcase public service outcomes, increase compliance rates (Gangl et al., 2015; OECD, 2019). Additionally, the use of digital platforms and community-based approaches has been instrumental in engaging younger taxpayers. This study aims to analyze the interaction and influence of HR competence and public service promotion on compliance with vehicle taxes at the regional level. This research seeks to offer practical recommendations for local governments aiming to enhance their revenue systems while minimizing reliance on punitive enforcement. It identifies specific elements within HR practices and promotional strategies associated with improved compliance.

LITERATURE REVIEW

Tax Compliance: Concepts and Determinants

Deterrence and fiscal exchange theories frequently serve to elucidate taxpayer behavior. Deterrence theory underscores the significance of audits and fines, whereas fiscal exchange focuses on the perceived equity and advantages associated with tax payment (Kirchler, 2007). Previous studies draw attention to voluntary compliance, which is fundamentally influenced by trust in government, perceived service quality, and social norms (Horodnic, 2018; Luttmer & Singhal, 2014). Conversely, compliance frequently encounters obstacles due to bureaucratic inefficiency, insufficient information, and a lack of trust in public institutions (Fonseca Corona, 2024; OECD, 2021). Tax compliance is a fundamental aspect of tax administration, denoting the readiness of taxpayers to meet their tax obligations voluntarily, punctually, and in accordance with legal requirements (OECD, 2019). Tax compliance includes payment of taxes, accurate and truthful reporting of income, submission of required documents (Kirchler, 2007) and adherence to deadlines (Alm, 2012). This compliance indicates the degree to which taxpayers voluntarily extend the validity period of vehicle tax, free from coercion, delay or evasion.

Deterrence theory posits that compliance levels are affected by the probability of detecting violations and the severity of imposed sanctions; specifically, a higher risk of audit and punishment correlates with an increased tendency for taxpayers to comply (Hanlon & Heitzman, 2010; Hossain et al., 2024). Ajzen (1991) highlighted intention, attitude, subjective norms, and control as key determinants influencing voluntary tax compliance behavior. This viewpoint highlights the psychological and social factors influencing tax payment decisions. Fiscal Exchange Theory is significant alongside normative and psychological theories, as it posits that compliance is a reaction to the perceived reciprocity between tax contributions and the quality of public services provided. Compliance motivation will rise when the public recognizes concrete advantages from tax payments, including sufficient infrastructure, equitable public services and transparency in budgeting (Fotiadis & Chatzoglou, 2022). Service quality perceptions at the Samsat office, procedural clarity, and service time efficiency significantly influence the perceived value of reciprocity in vehicle tax. In developing countries such as Indonesia, tax compliance is affected by structural and institutional factors (Permana & Sanjaya, 2025). Low tax literacy, inefficient bureaucracy, and insufficient trust in government institutions present considerable challenges (Alm, 2012; A. Fotiadis et al., 2021). Institutional reform and enhancement of human resource quality in the public service sector are essential measures for bolstering tax compliance.

Previous studies indicate that a synthesis of coercive methods (including audits and punishments) and persuasive strategies (including tax education and service promotion) yields more successful outcomes than employing either method in isolation (Gangl et al., 2015; OECD, 2021). This strategy fosters the development of a cooperative compliance framework that prioritizes conversation, trust, and transparency between tax authorities and the populace. Consequently, tax compliance should not be perceived merely because of legal coercion but rather as a multifaceted interplay of human, institutional, and societal influences. In Indonesia's vehicle tax context, comprehending these determinants is essential for formulating policies and strategies to sustainably enhance compliance.

Human Resource Competence in Public Sector Performance

Human resource (HR) proficiency in the public sector is fundamental to attaining organizational efficacy and public confidence. Competence is the amalgamation of information, abilities, attitudes, and behavioral traits that empower individuals to execute tasks effectively (Boyatzis, 2008). In governments, particularly those providing citizen-facing services like tax collection, proficient civil servants are essential for maintaining efficiency, accountability, and responsiveness (Pratama et al., 2015; Yesica et al., 2023). Adequate human resources in public service have been experimentally associated with numerous favorable outcomes, such as fewer bureaucratic errors, enhanced adaptation to change, and increased citizen satisfaction (Kuipers et al., 2014). The caliber of engagement between public authorities and service users frequently influences the degree of trust and readiness to adhere to administrative norms, including taxation. In tax administration, staff proficiency is essential for maintaining process transparency, providing accurate information, and effectively addressing taxpayer concerns, all of which enhance tax compliance (Whelan-Berry & Somerville, 2010).

Training programs, performance evaluations, and institutional learning mechanisms are crucial for enabling civil servants to adapt to regulatory changes, digital innovations, and evolving citizen expectations. Research in Southeast Asia has indicated that investment in tax officer training is associated with increased revenue collection and compliance rates (von Haldenwang, 2017). Initiatives that improve employees' technical knowledge of tax laws, communication skills, and IT literacy are essential in modernizing tax systems (Bahl & Bird, 2008). The digital transformation of public services necessitates an evolution of competence frameworks. With the implementation of e-government platforms and governments' automation of tax processes, HR capabilities need to evolve to encompass digital literacy, data interpretation, and adaptive problem-solving. The inability of staff to operate new systems or offer sufficient digital support to users can impede service delivery and diminish trust in institutions.

Organizational culture and leadership support are critical factors. Competence flourishes in settings that foster accountability, performance-oriented incentives, and ethical standards (Lapuente & Van de Walle, 2020; von Haldenwang, 2017). Efforts to build competence frequently do not produce lasting effects without supportive leadership and a culture focused on learning. Human resource competence significantly influences service quality in the context of motor vehicle tax services, especially within decentralized environments like provincial Samsat offices in Indonesia. The capacity of frontline officers to provide precise information, support mobile tax services, and enable swift processing significantly affects the efficiency and promptness of taxpayer compliance. Improving the competence of tax officers enhances administrative efficiency and promotes greater voluntary compliance.

Strengthening HR competence in public sector institutions, particularly in tax administration, is a strategic rather than merely a managerial priority. Competent personnel act as a link between policy and practice and their effectiveness significantly influences the legitimacy and success of fiscal governance. Research Hypothesis: H1: HR competency positively influences the effectiveness of vehicle tax payments. H2: The promotion of public service positively influences the effectiveness of vehicle tax payments. H3: HR competency simultaneously impact how well tax payments work through public service promotion and

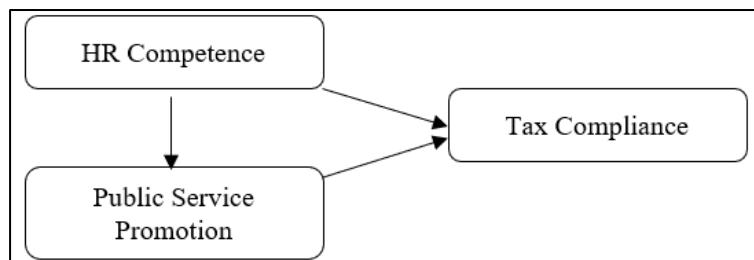


Figure 1. Research Framework

METHOD (TNR, 12 BOLD)

A quantitative questionnaire was employed to analyze the relationships among the variables. The study population included motor vehicle taxpayers and the Samsat Office of Riau Islands Province officers. Purposive sampling was employed to select a sample of 100 respondents. Participants consented to engage and supplied information and data for analysis. All participants were required to possess a minimum of one year of experience in their current position to ensure a comprehensive understanding of the job and company qualification requirements. The questionnaires underwent review and screening; eight were classified as invalid for failing to meet the assessment criteria, while the remaining 92 were considered valid. Table 1 presents respondents' gender, monthly income, education level, and living status. The research framework illustrated in Figure 1 outlines the indicators for the research variables derived from the theories presented in the introduction and literature review. Key references encompass tax compliance theory, focusing on concepts and determinants (Bahl & Bird, 2008; Horodnic, 2018; Kirchler, 2007; Luttmer & Singhal, 2014), as well as human resource competence in public sector performance (Boyatzis, 2008; Kuipers et al., 2014; Pratama et al., 2015; Yesica et al., 2023).

Examining the dimensions of the research variables and indicators is essential to avoid overlooking hidden risks related to enhancing vehicle tax compliance through HR competence and public service promotion in Riau Islands. To evaluate our research analysis, we utilized a quantitative design employing the Smart PLS application and a Likert scale from 1 to 5. This scale functions as a measure of the perceptions or experiences conveyed by research participants. Each participant provided verbal consent. Following the guidelines established by Hair et al (2014) the structural modeling analysis was performed in three stages: hypothesis testing, external model assessment, and internal model evaluation. Variable relationships were assessed using regression path analysis. The assessment of statistical power involved a Cronbach's alpha of 0.60, a composite reliability of 0.70, an average variance extracted (AVE) exceeding 0.50 and utilizing a p-value threshold of 0.05 to assess significance (Scheines et al., 1999). Internal model evaluation assesses multicollinearity through the variance inflation factor (VIF), utilizing a threshold of <5 . The assessment encompasses path coefficients, p-values, confidence intervals, effect size (F2), coefficient of determination (R2), predictive relevance (Q2), and goodness of fit (GoF) (Hair et al., 2019). A VIF value below 5 suggests the absence of multicollinearity among the constructs, while a value exceeding 5 indicates the necessity for model modification.

RESULTS AND DISCUSSION

This study, improving vehicle tax compliance through HR Competence and Public Service Promotion: Evidence from Riau Islands Province, was investigated the relationship between human resource competency, public service promotion, and taxpayer compliance in motor vehicle taxes. This aims to consolidate the principal findings, contemplate their theoretical and practical ramifications, and contextualize the contribution of this work within the broader domain of taxation research and public administration. Out of 100 issued questionnaires, 92 responses were considered valid for analysis, while eight were discarded for failing to meet the criteria. Participants included motor vehicle taxpayers and Samsat officials from the Riau Islands Province, each with at least one year of professional experience. They were considered competent to offer objective evaluations of the research indicators. The characteristics of respondents exhibited a varied distribution regarding gender, educational attainment, monthly income, and residential status. This variance enhanced the dependability of the data, as it accurately reflected the socioeconomic conditions of motor vehicle taxpayers in the study area. Convergent validity assessment, utilizing the Average Variance Extracted (AVE) metric, indicated that all constructs possessed values over 0.5, affirming their validity in capturing the latent variables. The construct dependability satisfied the criterion, with a cronbach's alpha exceeding 0.60 and a composite reliability surpassing 0.70. Consequently, the variables of HR competence, public service promotion, and tax compliance demonstrated reliability in the study.

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto et al

Table 1. Outer Loading and Construct Validity's Result

Variable	Indicator	Outer Loading	AVE	CR	Cronbach Alpha
HR Competence	HC1	0.812	0.63	0.88	0.81
	HC2	0.790			
	HC3	0.841			
Public Service Promotion	PSP1	0.846	0.67	0.89	0.83
	PSP2	0.802			
	PSP3	0.812			
Tax Compliance	TC1	0.828	0.65	0.90	0.84
	TC2	0.804			
	TC3	0.835			

Additionally, the multicollinearity assessment revealed that all Variance Inflation Factor (VIF) values were below 5, signifying the absence of collinearity concerns among the variables. The R² value for the Tax Compliance variable fell within the moderate to substantial range, meaning that the interplay of HR Competence and Public Service Promotion considerably influenced the variation in motor vehicle taxpayer compliance.

Tabel 2. Inner Model Result

	Path Coefficient	t-value	p-value	
HR Competence → Tax Compliance	0.421	4.756	0.000	Significant (+)
Public Service Promotion → Tax Compliance	0.389	3.982	0.000	Significant (+)
HR Competence → Public Service Promotion	0.512	6.221	0.000	Significant (+)

Table 2 presents path coefficient, indicating a positive effect of HR Competence on tax compliance, quantified at 42.1% or 0.421, with statistical significance confirmed by a p-value of 0.000. The findings indicate that enhancing HR competency has a direct positive impact on vehicle tax compliance. Improved skills, regulatory comprehension, and communication abilities of Samsat officers correlate positively with increased taxpayer compliance. The impact of public service promotion on tax compliance is positive, quantified at 0.389 or 38.9%, and is statistically significant with a p-value of 0.000. This relationship suggests that promoting public service via diverse media can enhance public awareness regarding tax compliance. It verifies that promotional initiatives, including digital campaigns and in-person outreach, positively influence taxpayer compliance. The relationship between HR competence and public service promotion exhibits a significant effect in comparison to correlations with other variables. The path coefficient is 0.512, indicating a substantial positive impact of 51.2%, which is corroborated by significant p-values. This path demonstrates human resource competence directly affects tax and enhances the effectiveness of public service promotion. Skilled human resources can develop promotional strategies that are more focused, persuasive, and aligned with community needs, thereby improving the effectiveness of these promotions in fostering compliance.

Testing the indirect effect of HR Competence on tax compliance via the mediating variable of public service promotion revealed a limited role for the mediating variable. Public service promotion can enhance the connection between HR competency and tax compliance. The intensity of their relationship, as assessed through the indirect effect method, elucidates the interrelationship among the variables. All hypotheses presented in the study were accepted, as the p-value was less than 0.05 for each relationship path. The findings indicate that enhancing HR competency and promoting public service significantly contribute to increased motor vehicle tax compliance in the Riau Islands Province.

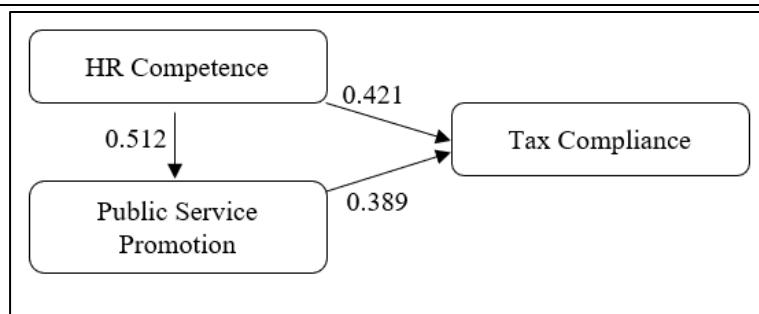


Figure 2. Evaluation Model

Next, the results of the R², Q² and GoF assessments are shown in Table 3. As follows.

Table 3. R², Q² and GoF's Value

Variable	R ²	Q ²	Category
Public Service Promotion	0.262	0.171	Moderate
Tax Compliance	0.483	0.295	Moderate-Strong
Goodness of Fit (GoF)	0.521	-	Good

The evaluation of the inner model, utilizing R², Q², and Goodness of Fit (GoF) values, demonstrates that the research model exhibits strong predictive quality and an adequate fit. The Tax Compliance variable exhibits an R² value of 0.483, indicating that the interplay of HR Competence and Public Service Promotion accounts for 48.3% of the variation in tax compliance. This moderate-strong value suggests that both exogenous variables significantly enhance motor vehicle taxpayer compliance in the Riau Islands Province. The Public Service Promotion variable exhibits an R² value of 0.262, categorizing it as moderate. This suggests that HR competency is crucial in elucidating the effectiveness of public service promotion. Consequently, higher quality in human resources correlates with increased effectiveness of promotional strategies. The positive Q² values for the endogenous variables, 0.171 and 0.295, demonstrate the model's predictive relevance in accurately forecasting the dependent variable. The GoF value 0.521 indicates that the model shows a good overall fit. This research model effectively elucidates the relationships among variables and substantiates the proposed hypotheses.

The findings indicate that motor vehicle tax compliance in the Riau Islands Province is significantly affected by the competence of human resources within the Samsat apparatus and the intensity of public service promotion. Both variables positively correlate increased taxpayer compliance, both directly and indirectly. The findings enhance the tax compliance literature by framing institutional factors and public communication as strategic tools within regional taxation. The focus on human resources and public service promotion illustrates the potential for local fiscal policy to be enhanced through managerial and social strategies to achieve tax compliance objectives (Bahl & Bird, 2008; Kirchler, 2007). The findings corroborate the tax compliance theory proposed by Luttmer & Singhal (2014), highlighting the significance of institutional factors and service quality in promoting taxpayer compliance. Human resource competency is essential for effective administration, regulatory comprehension, and public communication skills. Adequate human resources enhance service efficiency and foster taxpayer confidence in governmental institutions.

The competency of HR significantly influences tax compliance directly. Officials possessing a comprehensive understanding of tax regulations, sufficient administrative capabilities, and proficient communication skills can deliver precise, timely, and transparent services to taxpayers. This enhances public confidence in tax institutions. Boyatzis (2008) highlighted the individual competency includes technical, cognitive, and emotional skills, which collectively influence effective work behavior. This research highlights the importance of Samsat officers' competency in promoting taxpayer compliance, consistent with the findings of Kuipers et al (2014), which indicate a direct relationship between the quality of public officials and the legitimacy of government institutions. A strong relationship is essential for establishing legitimacy within government institutions. Public service promotion is essential for enhancing tax compliance from a competency standpoint. Promotional strategies utilizing social media, brochures, banners, and face-to-face campaigns have effectively enhanced information dissemination and increased public awareness. This promotion conveys technical information about tax payment schedules and procedures while acting as a persuasive instrument that can influence the establishment of new social norms concerning tax obligations. Pratama et al (2015) and Yesica et al (2023) was demonstrated systematic public communication

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto et al

enhances public participation in government policies. Public service promotion is a communication tool connecting fiscal policy with taxpayer behavior. The findings suggest that public service promotion partially mediates the relationship between human resource competency and tax compliance. The direct effect of human resource competency is amplified when it is supported by effective public service promotion. This suggests that skilled human resources offer administrative services and the ability to design, manage, and implement communication strategies that align with community characteristics. This finding supports Kirchler's (2007) theoretical framework of tax compliance, articulated through the Slippery Slope Framework, which posits that compliance is affected by authority and trust. In this context, authority is demonstrated by the competence of officials, and trust is reinforced through continuous promotion of public service.

This study emphasizes a contextual institutional dimension, particularly concerning motor vehicle tax in Indonesia, in contrast to Horodnic's (2018) research on tax compliance factors in Eastern Europe. Luttmer and Singhal's (2014) study highlighted the significance of moral and social factors in tax compliance. In contrast, this study illustrates how the technical dimension of human resource competency and the communicative aspect of public promotion can work in tandem. This study presents empirical evidence indicating that tax compliance is influenced by internal factors within individual taxpayers and the quality of institutional interactions established by local governments. This study supports the concept of institutional design in local tax governance. Boyatzis (2008) and Kuipers et al. (2014) highlight that the competence of public organizations is essential for attaining policy legitimacy and sustainability. This study demonstrates that the legitimacy of the Samsat institution is reinforced by two dimensions: the competence of human resources, which ensures service efficiency, and public promotion, which enhances transparency and public participation. This indicates that local motor vehicle tax compliance is closely associated with the quality of institutional governance.

This study recommends that the local government of the Riau Islands Province enhance its Samsat human resource competency development program by implementing regular training, public communication workshops, and digital capacity building initiatives. Additionally, the promotion of public services should focus on more interactive digital methods, including community-based social media, mobile applications, and tax service chatbots. This strategy aims to enhance tax awareness among the younger generation and urban communities that engage more frequently with digital media. In Riau Islands, characterized by considerable population mobility, motor vehicle tax constitutes a crucial source of regional revenue. Consequently, strategies to enhance tax compliance must consider local socioeconomic challenges, including diverse community backgrounds, variations in access to information, and educational inequalities. In these circumstances, integrating adaptive human resource competencies with advancing inclusive public services is essential to sustain tax compliance.

This study enhances the existing literature on tax compliance by incorporating human resource management and public communication viewpoints into examining regional taxation. This approach been infrequently addressed in prior literature and predominantly focuses on economic or psychological factors. This research explores relationship between the quality of public institutions and taxpayer behavior, particularly within a developing country such as Indonesia. This research demonstrates that motor vehicle tax compliance arises not only from regulations and sanctions but also from the interplay between the competencies of public apparatus and the strategies for promoting public service. The findings indicate that enhancing regional tax revenue is more effective when accompanied by improvements in institutional quality and effective public communication strategies. This research offers empirical contributions to taxation literature and practical recommendations for local governments in developing policies that better address community needs.

Finally, this study provides robust evidence that improving vehicle tax compliance requires a dual focus on strengthening HR competence and enhancing public service promotion. The interplay of these factors creates both direct and mediated pathways that shape taxpayer behavior. By situating tax compliance within the broader context of institutional governance and public communication, this study underscores that compliance is not solely a function of deterrence or moral obligation but also a reflection of institutional quality and relational trust. For policymakers in the Riau Islands Province and beyond, the findings advocate for integrative strategies that combine HR training with innovative promotional campaigns. For the academic community, the study expands theoretical understanding by integrating insights from taxation, governance, communication disciplines. Ultimately, improving vehicle tax compliance through competent human resources and effective public service promotion contributes not only to fiscal sustainability but also to stronger state–citizen relations and inclusive governance. Looking forward, future research could explore longitudinal designs to assess how HR development programs and promotional campaigns affect compliance over time. Comparative studies across provinces or countries could further illuminate how cultural, institutional, and economic differences shape the interplay between competence, promotion, and compliance.

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto et al

Additionally, mixed-methods approaches that combine surveys with interviews or ethnographic observations could uncover deeper insights into taxpayer motivations and officer–citizen interactions. By broadening the scope and methodology, scholars can generate more comprehensive frameworks for understanding and improving tax compliance in diverse contexts.

CONCLUSION

The empirical findings demonstrate HR competence directly and significantly impacts vehicle tax compliance. Competence in this study encompasses the officers' understanding of tax regulations, provision of accurate information, effective communication, and transparent service delivery. This is consistent with Boyatzis who posits that professional competence includes cognitive, emotional, behavioral capacities that influence performance outcomes. In the Samsat environment, qualified officers establish trust, decrease uncertainty, and lower compliance costs for taxpayers. This indicates that compliance arises not only from deterrent measures like fines and penalties but also from institutional credibility and the perceived professionalism of public officials. The study establishes a significant positive correlation between public service promotion and tax compliance. Promotion in this context encompasses campaigns, the dissemination of public information, persuasive communication to increase awareness of tax obligations. The findings align with the arguments presented by Pratama and Yesica, was highlighted the importance of communication strategies in influencing public perceptions of government initiatives. In Riau Islands, the diversity of taxpayers regarding income, education and mobility necessitates targeted and culturally sensitive promotional campaigns to address information gaps and enhance compliance motivation. Underscores the significance of communication as a policy tool enhances HR competence in influencing taxpayer behavior.

The study indicates public service promotion mediates the relationship between HR competence and tax compliance. The mediating effect demonstrates that competent officers directly influence compliance through administrative services and indirectly enhance it by developing and implementing effective promotional strategies. The presence of skilled and knowledgeable personnel enhances the effectiveness of promotional campaigns, ensuring that messages are credible and relatable to taxpayers. This aligns with Kirchler's framework, which asserts that compliance is influenced by the interplay of trust and power: HR competence embodies institutional power and professionalism, whereas promotion fosters trust and enhances voluntary compliance. This study enhances the literature on tax compliance by integrating insights from public administration and communication studies. Previous studies have predominantly focused on deterrence mechanisms (penalties, sanctions) and psychological influences (morality, fairness) as key factors affecting tax compliance. This study illustrates that organizational capacity, specifically HR competence, and communication, particularly in public service promotion, are equally essential. This conceptual expansion connects taxation theory, institutional governance, and public sector performance literature. It emphasizes that compliance in developing economies represents not merely an economic calculation but also a manifestation of institutional legitimacy and relational governance.

The findings indicate that provincial governments ought to prioritize ongoing human resource development. Training programs emphasizing technical taxation knowledge and soft skills, including empathy, communication, and problem-solving, can enhance service delivery and increase taxpayer satisfaction. Governments should also allocate resources toward innovative promotional strategies beyond conventional posters or announcements. Utilizing digital platforms, social media, and mobile applications can enhance the dissemination of tax information, especially to younger and more mobile demographics. With the rise of digital penetration in Indonesia, digital campaigns provide efficient and scalable mechanisms to enhance compliance. The interaction between HR competence and promotion suggests that policies should not consider these variables independently. Competent officers can design more effective promotional materials and campaigns, whereas robust promotional frameworks offer a platform for officers to demonstrate their competence. An officer proficient in digital literacy can effectively manage social media campaigns that inform taxpayers about deadlines and offer interactive guidance on payment procedures. Integrative approaches can establish a virtuous cycle in which institutional competence and public communication mutually reinforce one another, resulting in sustained improvements in compliance.

The findings have substantial practical implications. Improved services and more transparent communication for taxpayers diminish uncertainty and lower transaction costs related to compliance. Increased compliance rates for government institutions result in enhanced and predictable revenue streams, reinforcing regional development's fiscal. Furthermore, enhanced compliance diminishes the necessity for coercive enforcement mechanisms, which tend to be expensive, adversarial, and harmful to citizen-state relations. Governments can enhance efficiency and legitimacy in tax administration by promoting voluntary compliance through competence and advocacy.

REFERENCES

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)

Al-Maghrebi, M. S., Sapiei, N. S., & Abdullah, M. (2022). Power, Trust and Transparency as Determinant Factors of Tax Compliance: A Systematic Review. *Journal of Tax Reform*, 8(3), 312–335. <https://doi.org/10.15826/jtr.2022.8.3.124>

Alm, J. (2012). Measuring, explaining, and controlling tax evasion: lessons from theory, experiments, and field studies. *International Tax and Public Finance*, 19(1), 54–77. <https://doi.org/10.1007/s10797-011-9171-2>

Bahl, R. W., & Bird, R. M. (2008). Tax Policy in Developing Countries: Looking Back—and Forward. *National Tax Journal*, 61(2), 279–301. <https://doi.org/10.17310/ntj.2008.2.06>

Batra, R., & Keller, K. L. (2016). Integrating Marketing Communications: New Findings, New Lessons, and New Ideas. *Journal of Marketing*, 80(6), 122–145. <https://doi.org/10.1509/jm.15.0419>

Bird, R. M., & Zolt, E. M. (2008). Tax Policy in Emerging Countries. *Environment and Planning C: Government and Policy*, 26(1), 73–86. <https://doi.org/10.1068/cav3>

Boyatzis, R. E. (2008). Competencies in the 21st century. *Journal of Management Development*, 27(1), 5–12. <https://doi.org/10.1108/02621710810840730>

Cornelissen, J. P. (2001). Integrated marketing communications and the language of marketing development. *International Journal of Advertising*, 20(4), 483–498. <https://doi.org/10.1080/02650487.2001.11104907>

Fonseca Corona, F. J. (2024). Tax morale: a global scoping review from the cultural approach to economics. *International Review of Economics*, 71(2), 343–365. <https://doi.org/10.1007/s12232-024-00446-x>

Fotiadis, A., Polyzos, S., & Huan, T. C. T. C. (2021). The good, the bad and the ugly on COVID-19 tourism recovery. *Annals of Tourism Research*, 87, 1. Matandirotya NR. Research trends in the field o. <https://doi.org/10.1016/j.annals.2020.103117>

Fotiadis, K., & Chatzoglou, P. (2022). The tax morale of exhausted taxpayers. The case of Greece. *Constitutional Political Economy*, 33(3), 354–377. <https://doi.org/10.1007/s10602-021-09349-3>

Gangl, K., Hofmann, E., & Kirchler, E. (2015). Tax authorities' interaction with taxpayers: A conception of compliance in social dilemmas by power and trust. *New Ideas in Psychology*, 37, 13–23. <https://doi.org/10.1016/j.newideapsych.2014.12.001>

Gupta, S., & Jalles, J. T. (2022). Do tax reforms affect income distribution? Evidence from developing countries. *Economic Modelling*, 110, 105804. <https://doi.org/10.1016/j.econmod.2022.105804>

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>

Hair, J. F., Sarstedt, M., Hopkins, L., & G. Kuppelwieser, V. (2014). Partial least squares structural equation modeling (PLS-SEM). *European Business Review*, 26(2), 106–121. <https://doi.org/10.1108/EBR-10-2013-0128>

Hanlon, M., & Heitzman, S. (2010). A review of tax research. *Journal of Accounting and Economics*, 50(2–3), 127–178. <https://doi.org/10.1016/j.jacceco.2010.09.002>

Horodnic, I. A. (2018). Tax morale and institutional theory: a systematic review. *International Journal of Sociology and Social Policy*, 38(9/10), 868–886. <https://doi.org/10.1108/IJSSP-03-2018-0039>

Hossain, M. S., Ali, M. S., Ling, C. C., & Fung, C. Y. (2024). Tax avoidance and tax evasion: current insights and future research directions from an emerging economy. *Asian Journal of Accounting Research*, 9(3), 275–292. <https://doi.org/10.1108/AJAR-09-2023-0305>

Kirchler, E. (2007). *The economic psychology of tax behaviour*. Cambridge University Press.

Kuipers, B. S., Higgs, M., Kickert, W., Tummers, L., Grandia, J., & Van Der Voet, J. (2014). The Management of Change on Public Organizations: A Literature Review. *Public Administration*, 92(1), 1–20. <https://doi.org/10.1111/padm.12040>

Lapuente, V., & Van de Walle, S. (2020). The effects of new public management on the quality of public services. *Governance*, 33(3), 461–475. <https://doi.org/10.1111/gove.12502>

Luttmer, E. F. P., & Singhal, M. (2014). Tax Morale. *Journal of Economic Perspectives*, 28(4), 149–168. <https://doi.org/10.1257/jep.28.4.149>

Maqsudi, A., Ratnawati, T., & Riyadi, S. (2021). Socialization, Service and Knowledge Matter with Taxpayer Compliance: An Empirical Study in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(6), 89–95. <https://doi.org/https://doi.org/10.13106/jafeb.2021.vol8.no6.0089>

IMPROVING VEHICLE TAX COMPLIANCE THROUGH HR COMPETENCE AND PUBLIC SERVICE PROMOTION: EVIDENCE FROM RIAU ISLANDS PROVINCE

Ronni Yanto et al

OECD, O. (2019). *Tax Morale*. OECD. <https://doi.org/10.1787/f3d8ea10-en>

OECD, O. (2021). *Building Tax Culture, Compliance and Citizenship, Second Edition*. OECD. <https://doi.org/10.1787/18585eb1-en>

Permana, Y. H., & Sanjaya, M. R. (2025). Corruption, Tax Morale and Tax Evasion: An Experimental Study from Indonesia. *Journal of Tax Reform*, 11(2), 434–450. <https://doi.org/10.15826/jtr.2025.11.2.210>

Pratama, A. P., Ghazali, A., Putranto, N. A. R., Iswari, K. R., Wisesa, A., & Febriansyah, H. (2015). Civil Servants' Competence in Indonesia: Suggestions for Future Research in the Context of Business. *Procedia - Social and Behavioral Sciences*, 169, 371–377. <https://doi.org/10.1016/j.sbspro.2015.01.322>

Scheines, R., Hoijtink, H., & Boomsma, A. (1999). Bayesian estimation and testing of structural equation models. *Psychometrika*, 64(1), 37–52. <https://doi.org/10.1007/BF02294318>

von Haldenwang, C. (2017). The Political Cost of Local Revenue Mobilization: Decentralization of the Property Tax in Indonesia. *Public Finance and Management*, 17(2), 124–151. <https://doi.org/10.1177/152397211701700202>

Whelan-Berry, K. S., & Somerville, K. A. (2010). Linking Change Drivers and the Organizational Change Process: A Review and Synthesis. *Journal of Change Management*, 10(2), 175–193. <https://doi.org/10.1080/14697011003795651>

Yesica, N. A., Jerahmeel, G., Ichsan, M., Kertapati, M. S., Aditya, R. B., & Pradana, A. (2023). Project management office manager's competences: systematic literature review. *International Journal of Project Organisation and Management*, 15(2), 253–278. <https://doi.org/10.1504/IJPOM.2023.131676>