The Influence of Human Resources Competence in the Field of Taxation on Compliance and Effectiveness of Fulfillment of Tax Obligations: A Literature Study

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Keywords:	Abstract
HR competency, taxation, tax compliance, tax administration effectiveness, literature review	This study aims to systematically examine the role of Human Resources (HR) competence in the field of taxation on compliance and effectiveness of tax obligations, both in the private and public sectors. This study was conducted through a literature review method by examining various scientific journals, articles, and relevant previous research results. The main focus of the study is on the dimensions of HR competence such as technical knowledge of taxation, training and certification (eg tax brevet), and professional experience in managing tax obligations. The results of the study indicate that HR with high competence in the field of taxation tend to be able to significantly increase taxpayer tax compliance, both in terms of formal (reporting) and substantive (payment and planning). In addition, strengthening HR capacity has been proven to minimize the risk of administrative errors, reduce potential sanctions, and support more efficient and accountable tax planning strategies. Adequate tax literacy also encourages increased communication between companies and tax authorities, thereby creating a healthier compliance climate. This study concludes that HR competence is one of the main pillars in modern tax management and must be a priority in the development of tax policies and organizational governance strategies. The findings of this literature review are expected to be a reference for policy makers, academics, and practitioners to develop a more structured and sustainable HR strengthening program in the taxation sector.

1. Introduction

Taxes play a strategic role in national development, serving as a primary source of state revenue for funding infrastructure, public services, and maintaining economic stability. In Indonesia, tax revenues contribute significantly to the Gross Domestic Product (GDP), making taxpayer compliance a central issue in the nation's tax reform agenda (OECD, 2021).

While regulatory frameworks and enforcement mechanisms are essential, numerous studies emphasize the critical role of Human Resource (HR) competence in ensuring effective tax administration. In both corporate and public institutions, competent HR personnel contribute to the accurate and timely fulfillment of tax obligations, which in turn supports compliance (Susanti & Nurlis, 2019).

HR competence in the tax context involves not only technical knowledge and regulatory awareness but also analytical capability and risk management skills. Errors in tax return filing, liability calculations, and fiscal reporting are often linked to HR skill gaps (Faradisa & Mulyani, 2021). The increasing digitalization of tax systems—through e-filing, e-invoicing, and online reporting—demands a higher level of professionalism and adaptability. These trends require continuous upskilling and certification to keep pace with regulatory and technological changes (Rahayu, 2017).

Evidence from previous studies highlights the importance of professional training, certifications (e.g., Brevet A and B), and tax-specific experience in improving compliance efficiency. Ismail and Yussof (2020), in their study of SMEs in Malaysia, found that human capital quality is a decisive factor in achieving tax compliance. Moreover, competent HR personnel play a strategic role in developing lawful and ethical tax planning

practices, enabling companies to optimize tax obligations without violating regulations.

In the public sector, HR competence also influences service quality. Tax officers with limited regulatory understanding or poor interpersonal skills may confuse taxpayers, erode public trust, and reduce voluntary compliance (Susanti & Nurlis, 2019).

Despite the growing literature, there remains a lack of integrative reviews that synthesize how HR competence affects tax compliance outcomes. This study addresses that gap by conducting a systematic literature review to answer the central question: *To what extent does HR competence determine the effectiveness of tax administration and compliance?* The results aim to contribute theoretically and practically—serving as a basis for policy recommendations in HR development within taxation.

Therefore, this study is urgent not only from an academic perspective but also for informing real-world policies. Its findings are expected to guide educational institutions, corporate actors, and tax authorities in designing targeted HR development strategies relevant to the evolving digital tax environment.

2. Literature Review
2.1 Definition and Dimensions of HR Competence in Taxation

Human resource (HR) competence is defined as a composite of knowledge, skills, attitudes, and behavior required to perform professional responsibilities effectively (Spencer & Spencer, 1993). In the taxation context, this includes mastery of technical tax knowledge, risk analysis, regulatory compliance, and proficiency in digital tax systems (Rahayu, 2017). Competence is commonly indicated through certifications, such as Brevet A, B, or C, and relevant practical experience.

2.2 HR Competence and Tax Compliance

Tax compliance, as classified by Devos (2014), comprises formal compliance (accurate and timely reporting) and substantive compliance (payment of the correct amount of tax). Several studies emphasize that HR capacity, especially in tax accounting and regulation, influences corporate and public sector compliance. Susanti & Nurlis (2019) affirm that professional competence in HR correlates strongly with increased voluntary compliance.

2.3 Enhancing Tax Administration Effectiveness through HR

Effective tax administration relies on competent HR to ensure accurate reporting, avoid penalties, and reduce administrative burdens. Ismail and Yussof (2020) demonstrated that human capital investment significantly improves tax effectiveness, particularly within SMEs. Competent personnel also contribute to lawful tax planning, reducing liabilities without violating regulations (Rahayu, 2017).

2.4 Role of Training, Certification, and Tax Literacy

Brevet certifications and continuous training are key instruments for strengthening tax competence (Faradisa & Mulyani, 2021). Moreover, tax literacy—defined as an understanding of taxpayers' rights and obligations—is a crucial component of HR development (Ismail & Yussof, 2020). These competencies not only enhance compliance but also reduce aggressive tax avoidance.

2.5 Technology Integration and the Digital Competence Gap

As the Indonesian tax system transitions to digital platforms (e-filing, e-invoicing), HR professionals are expected to adapt quickly. Rahayu (2017) emphasized that a lack of digital proficiency remains one of the biggest challenges in optimizing tax systems. This necessitates a strategic shift in HR development toward integrating digital literacy.

2.6 Service Quality and Public Sector Professionalism

In the public sector, the professionalism and communicative capacity of tax officials directly impact taxpayer satisfaction and compliance. Weak HR capacity—especially in regulatory communication—can lead to misinformation, mistrust, and decreased voluntary participation (Susanti & Nurlis, 2019).

2.7 International Perspectives and Sustainable Reform

OECD (2021) highlights that in developing countries, improving HR technical capacity offers more sustainable compliance outcomes than enforcement efforts alone. Comparative studies across countries indicate that a competent workforce contributes more significantly to long-term tax reform success.

2.8 Synthesis and Gap Identification

Overall, the literature consistently supports the centrality of HR competence in improving tax compliance and administration. However, current studies often focus on isolated variables such as training or certification without exploring their combined effect in digital ecosystems. Furthermore, limited research addresses HR development strategies in low-capacity regions or sectors, representing a gap for future exploration.

3. Research Methods

This study adopts a qualitative descriptive approach with a literature review method to explore the relationship between Human Resource (HR) competence in taxation, tax compliance, and the effectiveness of tax obligation fulfillment in both the public and private sectors. The literature review approach was selected to synthesize prior empirical findings and theoretical contributions relevant to the study topic.

3.1 Data Sources and Selection Criteria

The data in this study were derived from secondary sources, including peer-reviewed journal articles, academic books, conference proceedings, and reports from international institutions such as the OECD. The inclusion criteria for the literature selection were as follows:

- Published between 2014 and 2024,
- Relevant to the themes of HR competence, tax compliance, tax literacy, or tax administration,
- Appeared in nationally or internationally reputable journals,
- Written in English or Indonesian.

Systematic searches were conducted across academic databases such as Scopus, ScienceDirect, Google Scholar, DOAJ, and Garuda. Keywords employed in the search process included: *"HR competence in taxation," "tax compliance," "tax literacy," "tax administration,"* and *"human capital in taxation."*

3.2 Data Analysis Technique

The data were analyzed using a thematic analysis approach, wherein the literature was grouped into several main themes: (1) dimensions of HR competence, (2) its influence on tax compliance, and (3) its role in improving tax administration effectiveness. These themes were then interpreted and synthesized to formulate a comprehensive understanding of how HR competence contributes to the performance of tax administration.

3.3 Validity and Reliability

To ensure data validity, this study applied source triangulation by cross-verifying findings from different authors, institutional contexts, and publication types. In addition, only literature with high academic credibility (e.g., indexed in Scopus, Web of Science, or Sinta 1/2) was included to enhance the reliability of the analysis.

4. Results and Discussion

4.1 *Human Resource Competence as a Key Factor in Tax Compliance*

Human resource (HR) competence in taxation is a critical determinant of tax compliance levels in various institutions. Deep knowledge of tax regulations enables tax

officers to provide accurate information and supervise taxpayers effectively (Rahayu, 2017). Employees with high technical competence can minimize errors in tax reporting, thereby improving taxpayer compliance (Kurniawan & Hartono, 2018).

Moreover, HR competence extends to managing complex tax administration and reporting processes. Studies show that taxpayers tend to be more compliant when assisted by professional and competent tax officers, as this makes the administrative process easier and more transparent (Susanti & Nurlis, 2019; Sari & Wibowo, 2020).

Taxpayers' trust in competent HR personnel acts as a vital form of social capital that encourages voluntary compliance. Competent officers project professionalism, instilling confidence in fair and accurate tax management, which fosters harmonious relations between taxpayers and authorities (Nasution, 2019). However, rapidly evolving tax regulations pose challenges when HR competence development does not keep pace, potentially leading to administrative errors and reduced supervisory effectiveness (OECD, 2021).

In summary, technical competence forms the foundation of an effective tax system by ensuring accuracy, transparency, and trust, which collectively promote higher tax compliance (Prasetyo, 2020).

4.2 Continuous Training as an Effort to Improve Competence

Continuous training is an effective strategy to enhance tax HR competence. Formal training programs help employees update their knowledge to keep pace with regulatory and technological developments (Faradisa & Mulyani, 2021). In addition, interactive workshops and seminars facilitate knowledge transfer and reinforce learning (Hidayati & Lestari, 2019).

Training also contributes to building professionalism and ethical standards among tax officers. Competency standards and certifications encourage integrity and quality

work, which in turn positively impact the institution's reputation and taxpayer trust (Medina et al., 2014; Susanto & Putra, 2018).

Training benefits extend beyond tax institutions. Companies with in-house tax teams also gain from employee training, allowing them to optimize tax management and utilize available incentives effectively (Wahyuni, 2020).

Nevertheless, training effectiveness depends heavily on the use of applied and simulation-based learning methods. Purely theoretical sessions are less effective than practical approaches that simulate real tax administration scenarios (Hussain & Soomro, 2018). Thus, a contextual and practice-oriented training approach is crucial, making continuous training a strategic investment in preparing tax HR to face dynamic regulatory and technological challenges (Faradisa & Mulyani, 2021).

4.3 The Role of Technology and Digital Competence of HR

The advancement of information technology has transformed tax administration workflows. Tax HR must possess digital competence to operate systems such as e-filing, e-billing, and electronic tax data management effectively (Ismail & Yussof, 2020). Mastery of these technologies accelerates tax reporting and reduces errors (OECD, 2021). Beyond operational skills, digital competence encompasses awareness of data security and taxpayer information privacy. Tax HR must anticipate cybersecurity risks that threaten data integrity (Alhassan et al., 2021; Lin & Ho, 2008).

However, digital competence gaps persist, especially in regions with limited infrastructure, hindering effective implementation of digital tax administration (OECD, 2021). Addressing these gaps requires technology-focused training and improved IT infrastructure to ensure tax HR have the resources and skills needed (Yanti & Putra, 2020). In essence, digital competence is vital to modernizing tax administration and enhancing

taxpayer compliance in the digital era (Ismail & Yussof, 2020).

4.4 Communication Competence and Customer Service

Communication competence plays a significant role in tax HR effectiveness because it directly influences taxpayer satisfaction and compliance (Susanti & Nurlis, 2019). The ability to convey information clearly and professionally fosters positive relationships between tax officers and taxpayers (Sari & Wibowo, 2020). Friendly and responsive service reduces tensions and conflicts arising from misunderstandings or taxpayers' lack of knowledge (Nasution, 2019). Empathetic HR personnel can offer appropriate solutions and create a conducive environment for taxpayers to fulfill their obligations.

Service quality also shapes the public image of tax institutions, enhancing the legitimacy of the tax system and encouraging active taxpayer participation (OECD, 2021). Therefore, soft skills training—such as interpersonal communication and customer service—should be emphasized in tax HR development programs. Simulation-based learning of service scenarios is an effective method to improve these competencies (Medina et al., 2014). Overall, communication competence combined with excellent service supports higher tax compliance and more efficient tax administration (Susanti & Nurlis, 2019).

4.5 Tax Literacy and Taxpayer Awareness

Tax literacy refers to taxpayers' understanding of their rights and obligations. Competent HR act as educators to enhance tax literacy through outreach and socialization programs (Ismail & Yussof, 2020). Higher tax literacy improves taxpayer awareness and compliance.

Effective outreach programs explain the benefits of taxes for public development and welfare, making taxpayers feel their contributions are meaningful, which encourages voluntary compliance (Nasution, 2019). One challenge is the diversity of taxpayers' educational and economic backgrounds, requiring communicative and easily understood educational materials tailored to different groups (OECD, 2021). Tax HR must design outreach that is appropriate and accessible to various communities.

Moreover, good tax literacy reduces resistance to regulatory changes by clarifying the rationale and benefits, facilitating smoother implementation (Susanti & Nurlis, 2019). Accurate and clear information from tax HR is crucial for successful socialization efforts. In the context of digital taxation, tax literacy also needs to include digital skills to enable taxpayers to confidently use e-tax services. In conclusion, tax literacy is a key factor in fostering sustained taxpayer awareness and compliance, with HR competence in education playing a pivotal role (Ismail & Yussof, 2020).

4.6 Summary of Key Findings

The findings demonstrate that tax HR competence significantly influences tax compliance through multiple dimensions: technical knowledge, continuous training, digital proficiency, communication skills, and tax literacy promotion. Developing these competencies in a coordinated manner is essential to building an efficient, trustworthy, and modern tax administration system that can adapt to ongoing regulatory and technological changes.

5. Closing
5.1 Conclusion

Based on the literature review, human resource (HR) competency is fundamental in improving the effectiveness of tax administration and enhancing taxpayer compliance. Key competencies include technical expertise, digital skills, communication abilities, and professional customer service. Continuous training and efforts to improve taxpayers' tax literacy through competent HR have proven to significantly increase awareness and voluntary compliance. Furthermore, mastering digital

competencies is essential to support the modernization of the tax system in response to technological advances. Therefore, a comprehensive and sustainable approach to developing tax HR competencies is vital to address regulatory challenges and adapt to the evolving digital landscape.

5.2 Recommendations
- **Enhance HR Competency Development:** Tax authorities should implement comprehensive competency development programs that cover technical, digital, and soft skills such as communication and customer service to ensure HR professionalism and responsiveness.
- **Provide Continuous and Practical Training:** Training programs must be routine, practice-oriented, and aligned with the latest tax regulations and technological developments to effectively improve HR skills and motivation.
- **Strengthen Public Tax Literacy:** Tax HR should be empowered as educational agents to conduct accessible and effective outreach, thereby enhancing taxpayers' understanding and encouraging voluntary compliance.
- **Prioritize Digital Competency Improvement:** Focus on advancing HR digital skills, including cybersecurity knowledge, to enable efficient and secure tax administration in the digital era.
- **Invest in Infrastructure and Technology:** The government and relevant agencies must support the equitable development of digital tax infrastructure, especially in underserved regions, to maximize HR capabilities and facilitate a modern, inclusive tax system.

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