

The Dynamics of Local Representation in Regional Tax Units

Danny Wibowo^{1*} Amizawati Mohd Amir²

¹ Department of Accounting, Faculty of Economics, Surabaya College of Economics, Indonesia

² Faculty of Economics and Management, Universiti Kebangsaan Malaysia, Malaysia

e-mail: ^adannywibowo@stiesia.ac.id

* Corresponding Author

Abstract

Introduction/Main Objectives: This study aims to analyze the role of geographical-cultural representation of tax officials in shaping institutional trust, service legitimacy, and tax compliance in the archipelago. **Methods:** Using a qualitative approach with a case study method in the Tanimbar Islands, this study examines how the DJP's rotation policy structure and merit system affect the representation of local officials in strategic positions and its implications for public service interactions. **Finding / Results:** The results of the analysis show that the socio-cultural competence of local employees plays an important role in building social closeness, facilitating communication, and increasing public acceptance of taxation policies. However, the centralized merit system does not fully recognize the strategic value of this social capital, so that local representation is still limited and the adaptation of central policies to the regional context is less than optimal. **Conclusion:** This study emphasizes that local representation is a key element for the effectiveness of taxation services in the archipelago and requires greater attention in the formulation of human resource and public service policies.

Keywords: Institutional Trust; Local Employees; Representation of the Bureaucracy; Tax Services

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INTRODUCTION

Public bureaucracy plays a central role in carrying out state functions and maintaining public trust in the government. Within the bureaucratic system, one important issue that is often discussed is the extent to which the bureaucracy reflects the diversity of the society it serves. This idea is known as the theory of representative bureaucracy, which was first proposed by Mosher and later developed by researchers such as Meier and Xu (2023); Pitts (2005); Riccucci, Van Ryzin, and Lavena (2014). This theory stems from the idea that bureaucrats who share similar social, cultural, or geographical backgrounds with their communities will better understand the needs of those communities and act more fairly.

In the Indonesian context, this issue of representation is relevant when considering the low representation of "local sons" in high-level structural positions, especially in tax agencies such as the Tax Office (KPP) and the Tax Service, Information, and Consultation Office (KP2KP). This phenomenon is not only related to equal career opportunities, but also has an impact on the effectiveness of fiscal policy, public trust, and tax compliance rates. To understand this issue, this section reviews a number of relevant theories and research

results, including bureaucratic structure and merit systems, representation theory, regional capacity disparities, and the relationship between public trust and tax morale.

Tax services at the regional level are one of the key pillars in achieving state revenue and fostering taxpayer compliance. In Indonesia, the Directorate General of Taxes (DGT), through vertical units such as the Tax Service, Information, and Consultation Office (KP2KP), acts as the spearhead of services to the community, especially in regencies/cities. Regulations explain that KP2KP is a vertical agency under the Head of KPP Pratama and led by a Head. Although the organizational structure and operational standards are designed nationally, the effectiveness of services is greatly influenced by the social, cultural, and geographical conditions of the local area, especially in regions with strong cultural identities such as the Tanimbar Islands in Maluku Province.

Although service functions and organizational structures have been standardized, there is still dynamism in the management of human resources (HR) for tax officials, particularly in relation to local representation, namely the extent to which officials in vertical tax units come from the local area. This is important because the regional context (including 3T areas: Disadvantaged, Frontier, Outermost) requires sensitivity to local culture, language, and social networks in order for tax services to run optimally. In this context, the quality of interaction between tax officials and the community is an important factor in creating trust and institutional legitimacy.

The DJP's employee placement, rotation, and promotion policies follow the principles of meritocracy and civil service regulations, which stipulate that structural and functional positions must be managed based on competence, integrity, and experience. However, formal regulations do not explicitly regulate regional representation in tax unit leadership positions. For example, the DGT's 2022 performance report shows that tax revenue reached IDR 1,716.76 trillion, or 115.61% of the national target.

From an institutional perspective, regulations such as PMK No. 62/PMK.01/2009 concerning the Organization and Work Procedures of Vertical Institutions of the DGT provide a structural framework, but do not include public data on the regional origins of officials or the composition of local/non-local leadership positions.

Thus, there is a “blind spot” in the literature and public data regarding the extent of local sons' involvement in leadership positions in regional tax units. Existing research has focused more on issues of fiscal capacity, interregional inequality, or local political dynamics Setiawan et al., (2022); Berenschot & Mulder, (2019); Shoosmith et al., (2020), but has not specifically discussed the relationship between the geographical representation of tax officials and public response to fiscal services. In fact, there has been no empirical study that explores how the lack of local employees in strategic positions affects the comfort of citizens, communication patterns, and public perceptions of tax institutions in the archipelago. Similarly, the influence of the DGT's rotation and meritocracy systems on the representation of local people in the leadership structure of tax units has not yet received academic attention.

The limitations of the literature indicate important research gaps. First, there has been no integration between representative bureaucracy theory and trust theory in tax compliance to explain the dynamics of fiscal services in island regions. Second, geographical representation, which is a fundamental issue in island countries such as



Indonesia, has not been adequately positioned as a determining factor in the effectiveness of tax services. Third, the subjective experiences of local and non-local employees, including the social capital advantages possessed by local employees and structural barriers to career development, are still rarely included as part of academic analysis.

Therefore, this study offers three main contributions. Theoretically, this study expands the understanding of representative bureaucracy by showing that cultural geography representation is an important dimension in building public trust and fiscal legitimacy in archipelagic regions. Empirically, this study provides the first field evidence on how the dominance of non-local employees in strategic positions affects community comfort, communication quality, and tax compliance patterns in the Tanimbar Islands. Practically, the findings of this study provide a basis for reforming the DGT's personnel policy, particularly regarding the need for affirmation of local employees, strengthening culturally sensitive training for non-local employees, and adjusting the merit system to be more inclusive of socio-cultural competencies.

Based on this background, this study aims to analyze how the representation of local employees affects public trust, service effectiveness, and tax compliance behavior, as well as to understand how rotation and promotion policies within the DGT shape the career opportunities of local employees within the tax organization structure in the Tanimbar Islands.

RESEARCH METHOD

This study uses a qualitative method with a case study approach. This method was chosen because the focus of the study is not to measure numbers or find statistical relationships, but rather to gain an in-depth understanding of the meaning behind a social phenomenon. The phenomenon in question is the lack of representation of local people in strategic positions within the Directorate General of Taxes (DGT) and how this affects the work dynamics of employees and the public's perception of the tax institution. Through qualitative methods, researchers seek to explore the experiences, views, and feelings of employees who are directly involved in this phenomenon.

The case study approach was chosen because it allows researchers to explore a phenomenon comprehensively and contextually. According to Yin (2018), case studies are suitable when researchers want to answer the questions “why” and “how” an event occurred in a real situation. In this study, the case study approach was used to understand how the employee rotation and promotion policy at the DGT affected the representation of local people, as well as why this condition could lead to differences in perception and experience between local and non-local employees. In this way, researchers not only observed the policy from an administrative perspective, but also studied its meaning from a social perspective.

This research was conducted in one of the districts in Maluku Province. This region was chosen because it has strong social and cultural characteristics and is often used as a placement location for DGT employees from various regions in Indonesia. These conditions make Maluku an ideal place to observe firsthand how tax officials from the local area and those from outside the area interact in the same work context. In addition, the geographical characteristics of Maluku, which consists of many islands, also create their own dynamics in the implementation of tax services, which can enrich the research findings. The research is planned to last for three months, starting from the pre-field stage

(permitting and selection of informants), then the data collection stage, to analysis and report preparation.

This study utilizes two types of data, with a primary focus on primary data collected directly through interviews and field observations. In addition, the study is supplemented with secondary data sourced from various studies and literature relevant to the research topic. The main source of this study is informants, namely individuals who can provide relevant and in-depth information on the topic being studied. The informants in this study consist of two main groups. First, DGT employees who come from Maluku, often referred to as local sons. This group will provide an overview of their career experiences, their views on the promotion system, and their feelings regarding opportunities and representation in the work environment. Second, DGT employees who come from Java or other areas outside Maluku. This group will help researchers understand how non-local employees adapt to the work culture and society in Maluku, as well as how they view their colleagues who come from the region. In addition to these two main groups, researchers will also conduct interviews with community leaders or local taxpayers to see how the community views tax officials from their own region and from outside the region.

Data collection was conducted in three main ways, namely in-depth interviews and observation. Interviews were conducted in a semi-structured manner, meaning that researchers prepared a list of guiding questions, but still allowed informants to tell stories and develop answers based on their experiences. These interviews aimed to explore a rich understanding of work experiences, cultural adaptation, perceptions of the career system, and social relationships between tax officials and the community. Furthermore, observations were conducted to directly observe the interactions between local and non-local employees in the workplace, how they serve the community, and the working atmosphere in the regional tax office. Observations helped researchers understand behaviors and communication patterns that cannot always be explained in words.

The data collected from interviews, observations, and documents were then analyzed using thematic analysis with a model (Miles & Huberman, 1994). This analysis consisted of three main stages, namely data reduction, data presentation, and conclusion drawing. In the data reduction stage, researchers select, group, and simplify relevant data so that the research focus remains on target. For example, interview excerpts related to experiences of discrimination, cultural adaptation, or career perceptions will be categorized according to theme. The second stage is data presentation, which involves compiling the reduced data into a simple narrative form so that it is easy to understand and analyze further. In the final stage, researchers draw conclusions by looking for recurring patterns and relationships between themes. This process is carried out reflectively and repeatedly so that the conclusions obtained truly emerge from the data, not from the researchers' assumptions.

In conducting the research, the researcher also paid attention to research ethics. All informants were given an explanation of the purpose of the research, their rights as participants, and assurances that their identities would be kept confidential. Each interview is conducted with the permission and consent of the informants (informed consent), and the data obtained is used solely for academic purposes. Researchers also strive to maintain neutrality in interpreting data, respecting differences in views among informants without judgment.



Overall, this study seeks to provide an in-depth understanding of the phenomenon of regional representation within the DGT through a qualitative case study approach. Thus, it is hoped that the results of this study can provide a comprehensive and realistic picture of the relationship between personnel policies, the regional origins of employees, and public perceptions of tax institutions in the Maluku region.

RESULTS AND DISCUSSION

Bureaucratic Structure and Merit System

Many studies show that modern public bureaucracy is built on the principle of meritocracy, which is a system that assesses performance and promotion based on competence. However, as explained in the World Bank's report *Civil Service Reform in Indonesia*, the implementation of meritocracy in Indonesia is still highly centralized. The process of employee rotation and transfer is carried out on a national basis, so that regional employees are often transferred to other areas without considering the social proximity and local context of where they work. This rotation is indeed intended to maintain neutrality and broaden experience, but in practice it actually weakens opportunities for regional employees to develop their careers in their home regions.

In their study, Rutherford & Mee, (2023) explain that variations in representation in public institutions are often not due to a lack of formal policies, but rather because of an organizational culture that values vertical loyalty over contextual experience. This means that employees who are often assigned to central or strategic regions tend to be considered more deserving of promotion than those who have spent their careers in the regions. The study by Meier & Xu, (2023) adds that without a critical mass of local employees, the bureaucracy will not undergo a change in values. One or two individuals from the regions occupying high positions are not enough to change the mindset and selection system that is already deeply rooted.

In a study by Jankowski et al., (2020) this view is reinforced by explaining the existence of a "meritocracy paradox," which is when a system that appears objective actually narrows diversity. Score-based assessments and quantitative indicators often overlook social competencies such as the ability to understand local cultural contexts. As a result, bureaucracies become homogeneous and lose the potential of local diversity that could actually enrich public services.

Representation of Bureaucracy and Social Justice

The theory of representative bureaucracy emphasizes the importance of balancing passive and active representation. In their study, Riccucci et al., (2018) explain that when citizens see officials who have similar social backgrounds to them, their sense of justice and legitimacy increases. Research by Theobald & Haider-Markel, (2009) reinforces this finding: the presence of officials from the same social group can increase public trust in institutions, even without any substantive policy changes.

In a broader study, K. Johnston & Yarrow, (2024) found that bureaucratic identity influences how the public perceives institutional behavior. When officials come from the same group or region, they tend to be perceived as having a better understanding of the community's conditions. Gade & Wilkins, (2013) added a new dimension: non-racial professional identities, such as veteran status, can also create a symbolic effect that increases public satisfaction with services. This means that representation does not have to

be based on race or gender, and regional origin can also play a similar role in the Indonesian context.

However, Bishu & Kennedy, (2020) in their meta-review remind us that the effects of representation do not automatically occur. Many studies find that representation only has a positive impact if the organization has a good reputation and provides space for bureaucrats to use policy discretion. Without such space, representation becomes merely symbolic, with no real influence on performance or public perception.

Regional Disparities and Human Resource Quality

The low representation of local people in strategic positions in agencies such as the KPP and KP2KP cannot be separated from the very different structural conditions between regions. Empirical research shows that a region's ability to produce nationally competent bureaucrats is greatly influenced by two main factors: regional fiscal capacity and the quality of regional governance and institutions.

First, regarding fiscal capacity, a study conducted by Setiawan et al. (2022) clearly shows that local governments with weak fiscal bases, including high dependence on central government transfers and little or no strong local revenue sources, have limitations in providing employee training, competency improvement facilities, and job rotations that support long-term career development. This condition means that local employees do not grow in an environment that provides opportunities to build a “performance track record” that is considered acceptable by the national structure. This is in line with broader fiscal literature, such as Fjeldstad, Chambas, and Brun (2014) which explains that regions with low fiscal capacity are often unable to finance efficient and professional public administration, so that local bureaucrats grow up in a different situation than their colleagues in regions with high capacity.

Second, studies on local governance and political structures confirm that the quality of regional institutions varies greatly and that this variation affects the ability of local bureaucrats to excel. In their study in Indonesia, Berenschot & Mulder, (2019), found that regions with economies that are highly dependent on the central government budget (“state-dependent economies”) tend to have stronger clientelistic political patterns and bureaucratic norms that are less strict on professionalism. In such environments, local officials are more involved in personal and political mechanisms, so they rarely obtain nationally recognized technocratic performance portfolios. Shoemith et al., (2020) reinforce this by showing that in Eastern Indonesia, which faces significant geographical and fiscal challenges, regional officials work in “firefighting” (survival) mode rather than career development mode, making it more difficult for them to be appointed to strategic positions.

Furthermore, a study (He, 2022) shows that administrative reforms and regional expansion in developing countries often create new regional entities that are structurally lacking in adequate administrative capacity. Officials in such regions are then faced with enormous responsibilities without adequate structural support, making them relatively “less prepared” compared to officials from more established regions or institutions. Appiah et al. (2021) links this to fiscal outcomes: they find that the quality of the bureaucracy has a direct relationship with national tax revenues, meaning that officials who grow up in strong



bureaucracies are more often considered “ready to use” by central structures, while those from weak bureaucracies are relatively hidden or undervalued.

The combination of the above factors creates a systemic pattern: regions with weak finances and fragile institutions tend to produce employees who are less likely to be promoted to the national level. Because strategic positions at the regional and central levels are often filled by people from “institutionally established” groups, opportunities for local people to rise to these positions are increasingly limited. This is reinforced by the fact that when the center or national agencies perceive a region as “lacking capacity,” they are more likely to appoint officials from outside the region or from the central network in order to maintain the credibility of their policies (Appiah et al., 2021; Hattari, 2015).

This cycle then becomes a closed mechanism: local officials with weak systems and fewer opportunities to perform/achieve, resulting in fewer promotions, so that top positions are dominated by outsiders and regional policies become increasingly centralized and local values increasingly marginalized. Thus, the issue of “local people rarely occupying high positions” is not just a matter of individual preference or discrimination, but rather the cumulative result of disparities in fiscal capacity, regional governance, and national bureaucratic selection mechanisms.

Public Trust, Tax Morale, and Voluntary Compliance

The issue of public trust is very important in the context of taxation. Kirchler et al., (2008) using the Slippery Slope Framework, explain that tax compliance depends on two things: the power of the authorities and trust. When citizens believe that the tax authorities act fairly and understand them, voluntary compliance increases. Conversely, when citizens feel unrepresented, trust declines and the authorities must replace it with harsh law enforcement, which actually increases social costs.

Research by Kogler et al., (2023) found that perceptions of fairness and authority differ between countries, but the general pattern is consistent: the higher the level of trust, the lower the need for sanctions. The study by Feld & Frey, (2021) refers to this relationship as a “psychological contract.” If taxpayers feel that they are treated with respect and understanding, they see tax obligations not merely as a burden, but as part of their social responsibility.

In 2019, the OECD emphasized that tax morale is built on trust and fairness, not solely on the threat of sanctions. The Trust Breeds Trust study also shows that good treatment by officials increases compliance more effectively than enforcement alone. In this context, the presence of local officials plays an important role as a social bridge: they understand the values, language, and customs of the local community, making tax interactions feel more humane.

Studies by Hallsworth, (2014) and Von Schiller, (2024) show that messages delivered using a social approach and familiar language are more effective than formal messages. At KPP and KP2KP, employees who come from the local area tend to be more trusted when delivering compliance appeals, because residents feel closer to them emotionally.

Impact on Tax Service Effectiveness and Institutional Legitimacy

The quality of bureaucracy greatly influences the effectiveness of tax collection. Research by Appiah et al., (2021) shows that countries with professional and responsive bureaucracies tend to have higher tax collection rates. However, the quality of bureaucracy

is not only determined by technical capabilities, but also by sensitivity to the social context. In a study on the implementation of e-government at the Palopo Tax Office, Widyastuti and her colleagues found that the community's readiness to use digital services was greatly influenced by the ability of officials to bridge language and cultural differences. Local employees were better able to explain the new system in a way that was easy for the community to understand.

Research by Castro & Scartascini, (2015) through case studies in Argentina and Chile shows that tax enforcement that does not consider the local context actually causes resistance. When tax policies are implemented without cultural sensitivity, citizens tend to reject or delay their obligations. Conversely, the presence of trusted local officials can change the pattern of interaction to be more collaborative.

Representation also affects institutional legitimacy. Johnston and Holt (2021) studied perceptions of public organizations and found that representation increases the attractiveness of institutions, but only if the organization has a good reputation. This means that local representation is not enough without institutional reforms that ensure transparency and accountability.

Theoretical Synthesis and Cause-and-Effect Flow

Based on all the literature, a clear chain of cause and effect can be drawn. First, Indonesia's centralized bureaucratic structure and narrow merit system mean that local experience and values are undervalued. Second, fiscal and institutional disparities between regions weaken the competitiveness of regional employees in terms of promotion. Third, as a result, few regional natives reach high positions in the KPP and KP2KP.

This situation has multiple consequences. The lack of local representation reduces the sense of social closeness between the community and the tax authorities. The feeling of “not being represented” creates an emotional distance that erodes public trust. When trust declines, tax morale weakens and voluntary compliance decreases. To close this gap, tax institutions must increase law enforcement, which means greater workloads and administrative costs.

In the long term, this kind of structure not only reduces service effectiveness but also undermines the legitimacy of the DGT in the eyes of the public. Local representation, if managed properly, can serve as a bridge to strengthen public trust, improve tax compliance, and enhance the institution's reputation. As stated (Meier & Xu, 2023), a diverse bureaucracy is not merely a symbol of justice, but also a strategy to improve performance and strengthen the foundations of social trust.

Local Representation, Social Proximity, and the Foundation of Public Trust

The results of the study show that the Tanimbar community feels a clear difference when served by tax officials from Maluku compared to officials from outside the region. Almost all community informants emphasized that local officials are better able to understand the everyday language, communication expressions, and social norms of the island community.

“It feels better to talk to local employees. They understand everyday language and can read the situation.” (Informant 1).



Meanwhile, non-local employees working in Tanimbar also admitted to communication barriers and social distance, as conveyed by the following informant.

“WP is more comfortable with local employees, mainly because of the language and dialect... it's a natural familiarity that we don't have.” (Informant WPK).

These statements show that social closeness between local employees and the community is an important component in building trust in the tax service environment.

These findings confirm the main proposition of the representative bureaucracy theory by Meier & Xu, (2023); Pitts, (2005); Riccucci et al., (2014) (2018); Theobald & Haider-Markel, (2009) which states that the compatibility of social identities between bureaucrats and the community increases perceptions of fairness, psychological closeness, and trust in institutions. In the context of Tanimbar, geographical-cultural identity is not only a symbol of representation, but also a substantive factor that determines the quality of communication and the comfort of citizens in interacting with tax authorities. The field findings are also in line with the Slippery Slope Framework theory from Kirchler et al., (2008), which emphasizes that public trust is the main pillar of voluntary compliance. Informants who feel understood and valued by local bureaucrats are more open to discussing tax obligations and are more receptive to the information provided.

In the context of taxation, the relationship between local representation and public trust is directly related to tax compliance. The Slippery Slope Framework (Kirchler et al., 2008) explains that tax compliance depends on two pillars: trust and power. Further studies by Feld and Frey (2021) and Kogler et al. (2023) show that trust is far more decisive for tax morale than the threat of sanctions. Field data in Tanimbar supports this theory. The community said that they felt more “heard” when served by local employees, and when trust increased, they were more receptive to tax appeals. Conversely, when served by employees from outside the region, they felt shy and psychologically distant, which made them reluctant to ask questions or be open. This was confirmed by residents who said:

“If they are outsiders, I am afraid of saying the wrong thing... but with local children, I am more confident to ask questions.” (Informant 3).

The tax trust theory from Feld and Frey (2021); Hallsworth (2014); Kirchler et al. (2008); Kogler et al. (2023) finds empirical validity in the context of Maluku. Thus, local representation is proven to play a strategic role in building trust, which in turn directly affects the effectiveness of tax services. These findings confirm that low local representation is not merely a staffing issue, but has a direct impact on fiscal legitimacy and state-society relations.

Administrative Meritocracy, Centralized Rotation, and Limited Career Mobility for Local Sons

Field findings indicate structural inequality felt by local employees interested in career development opportunities within the DGT. Employees from Maluku stated that access to training, strategic assignments, and opportunities to build performance portfolios were more readily available to employees from outside the region. One local employee explained as follows.

“We work in the field all the time, but we have very little exposure to strategic projects... the opportunities don't seem equal.” (Informant JB).

“We were not adequately prepared from the outset for strategic positions—we were not given the opportunity to lead teams.” (Informant TI).

Another informant added that opportunities to lead teams or handle strategic tasks are rarely given to local employees. Conversely, employees from outside the region acknowledged that they are often considered “better prepared” by their superiors even though they do not yet understand the local cultural context.

“I was promoted faster than my local colleagues who actually understood the community better.” (Informant NR).

This finding is relevant to the criticism raised by Jankowski et al., (2020) regarding the paradox of meritocracy, namely when an apparently objective meritocracy system actually creates representation inequality. Assessment systems that focus on administrative scores, cross-regional experience, and central project records tend to overlook the socio-cultural competencies that are so important in remote areas. The study by Rutherford & Mee, (2023) also emphasizes that bureaucratic culture often values vertical experience over contextual experience, so that employees who have served for a long time in remote areas are less recognized for their competencies.

In the context of Maluku, this condition is exacerbated by regional structural factors. As explained by Setiawan et al., (2022) and Fjeldstad et al., (2014) regions with weak fiscal capacity tend to have difficulty providing adequate training and competency improvement facilities. Shoemith et al., (2020) show that bureaucrats in Eastern Indonesia often work in survival mode, preoccupied with field issues, leaving them no time to build a nationally recognized technocratic track record. The combination of these factors explains why local employees experience systemic barriers to career mobility and why strategic positions are mostly filled by non-local employees. Berenschot & Mulder, (2019) also show that local political structures often position regional employees as social implementers rather than reformers. All of these findings are consistent with the experiences of local DGT employees in Maluku, who feel that the system structurally does not provide them with equal opportunities.

Local Employees' Social Capital as a Key Competency Not Recognized by the System

This study also found that local employees have significant social capital advantages, particularly in understanding customary structures, clan relations, communication norms, and conflict resolution mechanisms in the community. Employees from outside the region explicitly acknowledged this; one informant said:

“Local employees can defuse conflicts very subtly... that's a great strength that I don't have.” (Informant WPK).

Local employees themselves emphasize that their ability to translate central government policies into the local cultural language is often the key to successful service delivery in the islands.

“The customary approach is not considered technical work, even though it is what resolves disputes without conflict.” (Informant JB).



These findings support the active representation theory of Gade & Wilkins, (2013) and K. Johnston & Yarrow, (2024) which explains that bureaucratic identity not only serves as a symbol but can also encourage actions that improve the quality of public services. In this context, local employees use their social capital to bridge cultural differences between central policies and community conditions. The theory of tax communication by Hallsworth, (2014) and Von Schiller, (2024) also confirms that messages conveyed in familiar language and values are far more effective in increasing compliance.

Meanwhile, a study Appiah et al. (2021) confirms that the quality of bureaucracy is not only determined by administrative capabilities, but also by sensitivity to the socio-cultural context. All of these theories are empirically validated in the context of Maluku: the social capital of local employees is a strategic asset for the DGT, which, ironically, is not taken into account in the performance appraisal system. The absence of local employees in decision-making positions means that this social capital is not an integral part of tax service policy.

However, research shows that this social capital is not recorded in the DGT's official performance indicators. Because local employees are rarely placed in decision-making positions, their cultural contributions are not integrated into the formulation of tax service policies. As a result, the policies implemented are often less adaptive to the characteristics of island communities. This highlights the gap between actual competence in the field and competence valued in the merit system.

The Inconsistency of Central Government Policy with the Reality on the Ground in Maluku

The interviews revealed that several administrative policies implemented by the DGT were not in line with the socioeconomic conditions of the island communities. Residents said that their income was uncertain and highly dependent on the season, weather, and natural cycles. One fisherman explained:

“Our income is uncertain... officials seem confused about explaining our tax obligations.” (Fisherman Informant).

Non-local employees also acknowledged difficulties in adapting central policies to the local cultural context; one informant stated:

“I don't understand the customary structure, so the process is very complicated... it is the local employees who determine our success.” (Informant SAW).

These findings are in line with those of Castro & Scartascini, (2015) who found that taxation policies that do not take local contexts into account actually cause resistance among citizens. He, (2022) study explains that regions with limited administrative capacity will experience significant pressure when implementing technocratic central policies. Hattari, (2015) research adds that administrative decentralization in Indonesia still leaves gaps in implementation capacity in the regions. Similarly, Appiah et al., (2021) emphasize that the effectiveness of tax services is highly dependent on the ability of institutions to adapt policies to the social realities of the community. If the officials leading the tax unit

do not understand local dynamics, the policy adaptation process becomes weak, which ultimately reduces the legitimacy of the institution.

Overall, the mismatch between central government policies and social conditions in Maluku reinforces the need for local representation. Local employees have the unique capacity to translate policies into language that is appropriate to cultural values, thereby reducing resistance and increasing the effectiveness of service interactions.

Systemic Cause-and-Effect Flow

The integration of theory and field data reveals a consistent and mutually reinforcing chain of cause and effect. First, the highly administrative merit system of the DGT (Jankowski et al., 2020; Meier & Xu, 2023; Rutherford & Mee, 2023) ignores socio-cultural competencies, resulting in local employees not standing out in formal assessments. Second, Maluku's low fiscal capacity Berenschot and Mulder (2019); Fjeldstad et al. (2014); Setiawan et al. (2022); Shoesmith et al. (2020) means that local employees receive less strategic technical training, so they are considered “unprepared” for high-level positions. Third, employees from outside the region who have stronger administrative records are promoted more quickly. Fourth, the dominance of employees from outside the region in strategic positions reduces the space for local adaptation in tax policy (Appiah et al., 2021; Castro & Scartascini, 2015; He, 2022). Fifth, the community feels underrepresented, leading to a decline in trust (Feld & Frey, 2021; Kirchler et al., 2008; Kogler et al., 2023). Sixth, declining trust leads to a decline in voluntary compliance, increases administrative tension, and weakens the effectiveness of tax services.

Overall, the theories used in the literature review are entirely relevant and confirmed by field data. There are no theories that lack empirical evidence. In fact, all theories converge and support the conclusion that local representation is not only an issue of identity, but has profound implications for fiscal legitimacy, the quality of state-citizen relations, and the effectiveness of taxation policy.

CONCLUSION

This study confirms that the geographical–cultural representation has an important role in the effectiveness of tax services in the archipelago. The presence of local employees strengthens communication, improves citizen comfort, and builds institutional trust—in line with the theory of representative bureaucracy and Slippery Slope Framework that places trust as the basis for voluntary compliance.

However, the merit system and the National rotation of the DGT oriented to technocratic experience have not fully accommodated the socio-cultural competence of local employees. Regional capacity limitations also limit their career development opportunities so that local representation in strategic positions is low. This condition weakens the ability of institutions to adapt central policies to the social and economic context of island communities.

Overall, the study concludes that local representation is not just an issue of job distribution, but a key element for the establishment of public trust, legitimacy of Service, and improved tax compliance. Strengthening the role of local employees and recognition



of their social capital is an important step to improve the quality of tax services in the archipelago.

Future research is recommended to expand the study site to other islands and use a mixed method so that the relationship between local representation, institutional trust, and tax compliance can be tested more widely and deeply. The DGT needs to consider increasing the representation of local employees in strategic positions, integrating socio-cultural competencies into the merit system, and adjusting tax policies to the socio-economic characteristics of the archipelago. Taxpayers are encouraged to take more active advantage of tax consulting and education services and build open communication with tax officials, so that the service process can run more effectively and according to local needs.

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