

THE DETERMINANTS ANALYSIS ON EFFECTIVENESS OF LEVIES MANAGEMENT'S PERFORMANCE IN CENTRAL LOMBOK REGENCY

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Abstract

Performance of levies management in Central Lombok Regency is one thing that needs serious attention from the Local Government given the level of revenue is steadily declining year after year. This irony occurs when the Local Government is keen to increase PAD (Pendapatan Asli Daerah/regional revenue) which on average amounted to only 8.70% of the APBD (Anggaran Pendapatan dan Belanja Daerah/The Estimate Income of Regional Expense) during 2011-2015. This study uses a quantitative approach that aims to analyze the effect of the application of accountability, transparency, organizational commitment, and competence of human resources toward the effectiveness of levies management's performance with SPIP (Sistem Pengendalian Intern Pemerintah/Government Internal Control System) as moderating variable. Agency Theory and Goal Setting Theory are used to explain the phenomena related to the effectiveness of levies management's performance. This research uses questionnaire data from 97 respondents from 8 SKPD's (Satuan Kerja Perangkat Daerah/regional official work units) that handles levies taken by purposive sampling techniques and tested with smartPLS 3.0 analysis tools. The results of this study indicate that accountability and competence of human resources has a positive and significant effect; transparency has a negative and significant effect; and the organizational commitment has a positive effect but not significant to the effectiveness of levies management's performance in Central Lombok Regency. Other findings that SPIP has moderating relationship between human resources competencies with the effectiveness of levies management's performance. The implications of this study can be taken into consideration for Government of Central Lombok Regency in evaluating the levies management in order to improve the effectiveness of performance that will have an impact on the increase a regional revenue in the future.

Keywords: Accountability, Competence of Human Resources, Levies Management's Performance, Organizational Commitment, SPIP, Transparency

1. Introduction

The decline in level of levies or retribution revenue in Central Lombok Regency during the last five years which is realization of 106.99% in 2011 to only 60.25% in 2015, or if analyzed based on the ratio of effectiveness of PAD (Pendapatan Asli Daerah/regional revenue) that is a very effective in 2011 becomes an ineffective in 2015, would have to get serious attention from the local government to improve the performance of its management, considering this would happen when Government of Central Lombok Regency is efforts to increase PAD, which its ratio only 8.70% of total APBD (Anggaran Pendapatan dan Belanja Daerah/The Estimate Income of Regional Expense) in 2011-2015. Even though in the ideal concept PAD is should be as the source of local revenue and as a measure of regional capabilities in executing its autonomy.

Process of levies management's which is part of the financial management is starting from planning, actuating, controlling, and responsibility. To optimally the management's performance it must be ensured that every stage in the process has been running based on the principles of financial management of the region in accordance to Law No. 17 of 2003, namely: an orderly, efficient, economical, effective, transparent and accountable and obey the laws and regulations with regard fairness and propriety.

The budget principle of transparency and accountability has also become one of the construction policy of financial management in Central Lombok Regency as contained in the RPJMD (Rencana Pembangunan Jangka Menengah Daerah/Medium Term Development Plan) of 2011-2015 on page III-1. Then as the Government Regulation No. 24 of 2005 on SAP (Standar Akuntansi Pemerintah/Government's Accounting Standards) also noted that requirements for good governance in public financial management is to implement public accountability and transparency. Accountability and transparency has a different characters, but the application of accountability has close relationship with transparency (Shende, 2004). Public accountability and transparency is part inseparable from the principles of good governance, both of them is logical consequence in its application to pattern the partisipatory of local financial planning, actuating, and responsibility.

Besides the issue of accountability and transparency, there is a wide range of strategic issues which remained a main obstacle on the Government of Central Lombok Regency, one of which is problem of the bureaucratic reform has not optimally. This is partly influenced by the low of human resources competencies and organizational commitment (RPJMD of Central Lombok Regency 2011-2015; IV-15). So in order to optimally of bureaucratic reform process it is needed a high human resources competence and organizational commitment.

Then to realize financial management (including the management of levies) are orderly, controlled, efficient and effective, it takes a system of internal control that is strong which is intended to provide assurance that all state officials will perform their duties honestly and obey the rules, so as to encourage the achievement of objectives set (Rahmani, 2011). SPIP (Sistem Pengendalian Intern Pemerintah/Government Internal Control System) is an organized system of internal control as a whole in the central and local governments. Control measures are required to provide reasonable assurance to the achievement of the effectiveness and efficiency of governance objectives. Application of overall SPIP is intended to improve performance, transparency, and accountability of public financial management, in accordance with the mandate of Law No. 1 of 2004 on State Treasury in Article 58 Paragraph 1.

Based on the above it is assumed that accountability, transparency, organizational commitment, and competence of human resources are factors that influence to effectiveness of levies management's performance, especially if supported by the implementation of SPIP in every phase of its activity. It is the motivation of researchers to further investigate about the influence of the factors that mentioned above, in particular on the scope of the Regional Government in Central Lombok Regency.

To explain the phenomenon of these factors on the effectiveness of levies management's performance is used Agency Theory's approach. Its implication in this research is to explain that the Regional Government of Central Lombok Regency as an organization that is authorized to manage of levies are required to give their best performance to the public. In addition, researchers also used the Goal Setting Theory's approach which shows the relationship between a person's performance against the objectives of task. This objectives will determine how much work to do, where the higher the

person's commitment to achieve its goals it will further encourage such individuals to undertake an effort that is more than normal, so that it will encourage the achievement of organizational goals.

This study is the development of research conducted by Taufik and Kemala (2013) which examined the Influence of Understanding Principles of Good Governance, Internal Control, and Organizational Commitment to Public Sector Performance. This research adds Competence of Human Resources variable and changing SPIP as a moderating variable, because according to researcher SPIP's application is intended to improve performance, transparency, and accountability of public financial management as stated in Law No. 1 of 2004 as mentioned above. Then the researchers are also using the structural model as data analysis tools which is the development of previous study that using multiple linear regression analysis.

Based on the description above, the issues to be discussed in this study are: (1) Do accountability, transparency, organizational commitment, and competence of human resources have a positive and significant effect on the effectiveness of levies management's performance in Central Lombok Regency?; (2) Do SPIP strengthen the relationship between accountability, transparency, organizational commitment, and competence of human resources toward effectiveness of levies management's performance Central Lombok Regency?

The objectives of this study are: (1) to analyze the effect of accountability, transparency, organizational commitment, and competence of human resources toward effectiveness of levies management's performance in Central Lombok Regency; and (2) to analyze the SPIP's role in strengthening the relationship between accountability, transparency, organizational commitment, and competence of human resources toward effectiveness of levies management's performance in Central Lombok Regency.

2. Theoretical Framework and Hypothesis Development

2.1. Theoretical Framework

2.1.1. Agency Theory

Agency Theory was proposed by Jensen and Meckling (1976), which can be defined as the principle of a relationship that is contained in a contract which one or more principal appoint another

person (the agent) to perform some service on their behalf by delegating some powers of decision making to agent, as well as the separation of ownership and control in the enterprise. This delegation would give rise to a conflict of interest, because the agents have a tendency to be selfish and not a maximum effort for the benefit of the principal

2.1.2. Goal Setting Theory

Goal Setting Theory was proposed by Locke at the end of 1960. Locke found that specific and difficult's goal is causing a better performance than an easy goal. The basic concept of this theory is a person who has an understanding on the purpose of the organization will influence the behavior of its performance. If an individual has commitment to achieve the goal, then those commitment would influence the actions and consequences of its performance.

2.1.3. Effectiveness of Levies Mnagement's Performance

Effectiveness is primary element to achieve the goals or objectives that have been determined. Effectiveness is about the vision and objective, its connected with the focused of organization's energy in a specific objective (Riva, 2003:147). Tika (2006:121) defined performance as the result on function of activities in an organization are influenced by various factors to achieve organizational goals within a specific time period.

Financial management (including the management of levies) as according to Government Regulation No. 58 of 2005 in Article 1 Paragraph 6 is overall activities that including a planning, actuating, administrating, reporting, responsibility, and controlling of local financial management.". Then the institutes for the levies management in Central Lombok Regency is regulated by Regional Regulation No. 4 of 2011 on Specific Licensing Levies, Regional Regulation No. 5 of 2011 on Public Service Levies, and Regional Regulation No. 6 of 2011 on Business Service Levies. In the general provisions of that regional regulation is explained that the notion of levies/retribution is "local taxes as payment for certain services or special permits provided and /or administered by the local government for the benefit of the individual or entity.

2.1.4. Accountability

Public accountability is a principle which ensures that every activity of governance is openly responsible to the parties affected by the policy (Krina, 2003). According to Ellwood (1993) in Mardiasmo (2002: 21-22), there are four dimensions of accountability that must be met by sector public organizations, namely (1) accountability for probity and legality; (2) process accountability process accountability; (3) program accountability; and (4) policy accountability.

2.1.5. Transparency

Transparency is availability of information about public policy and the process of its making that adequate, accurate, and timely (Anugriani, 2014). Werimon, et al. (2007: 21-23) said that transparency is the principle of guaranteeing accessibility for everyone to obtain information about governance. Its information is about policy, the process of making, implementation and the results achieved. According Krina (2003), the principle of transparency has two aspects, namely: (1) the public communication by the government; and (2) the right of people to access information.

2.1.6. Organizational Commitment

Mowday et al. (1979) stated that organizational commitment is a strong belief in and support for the values and goals to be achieved by the organization. Organizational commitment has at least three characteristics, namely:

1. **Effective Commitment.** It is a commitment with regard to the willingness to be bound by the organization. The desire to keep staying in an organization as arising from himself.
2. **Continuance Commitment.** It is a commitment arising from the rational needs. This commitment arises on the basic of profit and loss. Considering what should be sacrificed if he keeps staying in an organization, with the dimensions of other options, benefits, and costs.
3. **Normative Commitment.** It is a commitment which is based on the norms existing in the individual which contains the individual's belief to be liable to the organization. He feels that he must survive for the reason of loyalty.

2.1.7. Competence of Human Resources

Head of State Employment Agency Regulations No. 7 of 2013 on Guidelines for Preparation of Managerial Competency Standards for Civil Servants has defined that competence is the

characteristics and workability which include aspects of knowledge, skills and attitudes that based on the duties and/or job function.

2.1.8. SPIP (Sistem Pengendalian Intern Pemerintah/Government Internal Control System)

SPIP is the representative of overall activities in the organization that should be implemented, in which the process run by a board of commissioners is intended to provide reasonable assurance in the achievement of effectiveness, efficiency, adherence to the applicable laws and regulations, and the reliability of financial statements. SPIP is measured by indicators of Government Regulation No. 60 of 2008, namely; (1) environment control; (2) assessment of risks; (3) activities control; (4) information and communication; and (5) monitoring.

2.2. Hypothesis Development

2.2.1. Accountability and Effectiveness of Levies Management's Performance

Accountability is includes the provision of information to the public, that making it possible for them to assess the government's accountability for any activities performed, not only in financial activity. Based on Agency Theory, accountability is the obligation of mandate holder (agent) to give responsibility in presenting, reporting, and disclose any activity and efforts which became their responsibility to mandate giver (principal) which has right and authority to ask the responsibility (Mardiasmo, 2002: 20). Then based on Goal Setting Theory, the agent must have a clearly goals and measurable performance for further evaluated in order to provide feedback to improve their performance.

Researchs of Auditya et al. (2013), Taufik and Kemala (2013), Azlina (2014), Zulkarnaini (2014), Susan (2015), Wandari et al. (2015), and Wiguna et al. (2015), shows that accountability has positive effect on the government's performance, because application of accountability has led the government to give responsibility on management of government to public, so that the government will strive to give the best performance to public.

Implementation of the various indicators of accountability in the management of public activities will directly improve the overall performance of the government. Based on the framework of these ideas, the hypothesis is as follows:

H1. *Accountability has positive and significant effect on the effectiveness of levies management's performance*

2.2.2. Transparency and Effectiveness of Levies Management's Performance

Transparency means openness government in providing information related to the activities of the management of public resources to the parties that require information (Mardiasmo, 2004). Transparency provides the opportunity to know the policies that will be and have been taken by the government as stipulated in the regional budget to public. Also through the transparency the public can provide feedback or outcomes of the policy that has been taken by the government. In the perspective of Agency Theory and Goal Setting Theory, information of agent's policy should be available in sufficient, accurate, and timely, so the public can participate as a principal supervise. Substantial of agent's control will cause the agent to work in accordance with the provisions that will eventually be able to improve the performance of government.

Previous research on the relationship between transparency toward performance, shows that transparency has a positive effect on performance, such as research conducted by Auditya et al. (2013), Taufik and Kemala (2013), Azlina (2014), Zulkarnaini (2014), Susan (2015), Wandari et al. (2015), and Wiguna et al. (2015).

Embodiments of transparency as mandated by legislation in the management of government has been putting pressure on the officials to open up on the people's right to obtain information as possible to the true, honest, and non-discriminatory, so that people have the opportunity to learn, provide input, evaluating, and assessing, which will eventually make the apparatus work in accordance with existing regulations. Based on these ideas, the hypothesis is as follows:

H2. *Transparansi has positive and significant effect on the effectiveness of levies management's performance*

2.2.3. Organizational Commitment and Effectiveness on Levies Management's Performance

Based on Agency Theory, the apparatus which has a high commitment to the organization will be more concerned with the organization's interests rather than individual's interests. In this perspective, the agent and principal interests are convergent and both of them has the same goal to benefit of organization. Then one of the principles in Goal Setting Theory is a high commitment to

achieve the goals set. Its strong commitment will have an implications to performance improvement in the organization.

Organizational commitment is built on trust people on organization's value, the willingness of individuals to help realize the organization's goal, and loyalty to remain an organization's member. Therefore, organizational commitment will create a sense of belonging to the organization. Right commitment will provide high motivation and positive impact on the success of the performance.

Previous research was conducted by Marwoto (2012), Soegama (2013), Tara (2013), and Hakim (2016) showed that organizational commitment has positive effects on the performance. Based on these descriptions, hypothesis is as follows:

H3. *Organizational commitment has positive and significant effect on effevtiveness of levies management's performance*

2.2.4. Human Resources Competencies and Effectiveness of Levies Management's Performance

The role of human resources will determine an organization to success or failure, therefore it must be ensured that human resources is managed as best as possible in order to provide an optimal contribution to achievement of organizational goals. Goal Setting Theory's perspective shows the relationship between the objectives and performance. An objectives are clearly, measurable, and have limited timeframe for its completion will motivate and direct the individual's ability to perform certain acts in accordance with organizational objectives. Meanwhile Agency theory considers that the government as the agent will act with full awareness, wise, and prudent for the organization. As an agent who has the duty to provide public services that government are required to use a competent human resources. Based on these descriptions, hypothesis is as follows:

H4. *Human resources competencies has positive and significance effect on effectiveness of levies management's performance*

2.2.5. Accountability, SPIP, and Effectiveness on Levies Management's Performance

The Law No. 28 of 1999 in Article 3 states that accountability as one of general principles of organization is a principle that determines that every activity and final results by the state's officials is must be responsibility to the community or people as holders state sovereignty in accordance with laws and regulations. Then, based on Law No. 1 of 2004 states that the President as Head of State was given

the mandate to regulate and organize the internal control system within the government as a whole in order to improve performance, transparency, and accountability.

Implementation of accountability in management of public activities will improve overall performance of the government, especially if it is supported by integral implementation of SPIP at every stage of its activities, thus its obtained a reasonable assurance that organizational goals can be achieved through the effective and efficient. So hypothesis is as follows:

H5. *SPIP is strengthen relationship between an accountability and effectiveness of levies management 's performance*

2.2.6. Transparency, SPIP, and Effectiveness of Levies Management 's Performance

Based on Agency Theory and Goal Setting Theory's perspective, an information of agent's performance should be available in sufficient, accurate, and timely, so that people can participate as a principal supervise. Its substantial control of principal will cause an agent to work as the provisions, that will eventually be able to improve government's performance.

Based on Law No. 1 of 2004 as mentioned above, the purpose of SPIP's implementation is to improve the performance, transparency, and accountability. The application of transparency to improve performance will be realized if supported by the application of SPIP in every phase of its activity. So, hypothesis is as follows:

H6. *SPIP is strengthen relationship between a transparency and effectiveness of levies management 's performance*

2.2.7. Organizational Commitment, SPIP, and Effectiveness of Levies Management 's Performance

SPIP is an integral process at any activities that carried out continuously by the management and all employees to provide reasonable assurance on the achievement of organizational goals. One of SPIP's goals is to improve the performance of government agencies. Improving of its performance will be achieved by high commitment of individuals that is built on trusting of organization's values, the willingness of individuals to help realize the goals of the organization, and loyalty to remain a member of the organization. Right commitment will provide high motivation and positive impact on the success of the performance. Based on the description above, hypothesis is as follows:

H7. *SPIP is strengthen relationship between organizational commitment and effectiveness of levies management's performance*

2.2.8. Human Resources Competence, SPIP, and Effectiveness of Levies Management's Performance

SPIP is a prerequisite for good governance in order to provide assurance that all state officials will perform their duties honestly and obey the rules, so there will be irregularities that may cause losses to the state. However, SPIP becomes useless if it is not supported by competent personnel resources. This human resource is important in determining the success or failure of an organization, so it must be ensured that human resources have been managed well in order to provide an optimal contribution to improved performance. So, hypothesis is as follows:

H8. *SPIP is strengthen relationship between human resources competence and effectiveness of levies management's performance*

3. Research Method

3.1. Type of Research

This is an associative research with quantitative approach. Associative research is research that aims to determine the relationship between two or more variables (Sugiyono, 2013: 36). The models in this research is using SPIP as moderating variable in the relationship between an accountability, transparency, organizational commitment, and human resources competence toward the effectiveness of levies management's performance.

3.2. Location and Time of The Research

This research was conducted in December 2016 in all SKPD's (Satuan Kerja Perangkat Daerah/Regional Official Work Units) that handle levies management in Central Lombok Regency.

3.3. Population and Sample

The population in this study is 202 consisting of all people who are employees of directly associated/involved in levies management that starting from the planning, implementation, monitoring and responsibility. Then the purposive sampling technique was chosen as many as 101 respondents who are representative of each SKPD which includes of Chief SKPD, Head of Division, Head of Section, Subsection Planning, Subsection Head of Finance, Treasurer Revenue, Head of Unit, Head of

Administration Unit/Treasurer Admissions Assistant, and one senior staff who works on the section which directly in levies management.

3.4. Operational Definition of Variables

3.4.1. Accountability

Public accountability is the obligation of governments to manage resources, reporting, and disclose all of activities and events related to the use of public resources to the mandate giver (Mahmudi, 2010: 23). Krina (2003) also mentioned that public accountability are principles that ensure that all activity's governance is openly responsibility by the offender to the parties affected by the policy. Variable accountability (AK) in this study was measured by indicators of accountability by Ellwood (1993) in Mardiasmo (2002: 21-22) with combined by accountability's indicators by Krina (2003) and Solihin (2007), namely: adherence to legal regulations (AK.1); application of consequences/sanctions for negligence/error (AK.2); availability of SOP/Standar Operating Procedure (AK.3); conformity with the implementation of SOP (AK.4); output (AK.5); benefits (AK.6); public interest considerations (AK.7); and accountability to parliament and the public (AK.8).

3.4.2. Transparency

Transparency is availability of adequate information, accurate, and timely about public policy and the process of its formation (Anugriani, 2014). Werimon et al. (2007: 21-23) says that transparency is the principle of guaranteeing access to or freedom for people to obtain information about governance, ie information about the policy-making process and implementation, and the results achieved. Variable transparency (TR) in this study was measured by adapted indicators from Krina (2003), Akbar (2010), and Auditya et al. (2013), namely: open accountability (TR.1); publication of the financial statements (TR.2); accommodation of the voice/proposals from the community (TR.3); accessibility of budget management document (TR.4); community rights on the results of audit (TR.5); and accessibility to budget management policies (TR.6).

3.4.3. Organizational Commitment

Organizational Commitment is something that is normative, it contains an attachment and the power of the individual identification of an organization (Becker et al., 1995). Mowday et al. (1979) defined organizational commitment as power levels of identification and attachment of the individual

to the organization. Robbins (1996) argue that organizational commitment is a condition in which individuals favoring a particular organization and the goals of the organization and intends to maintain its membership in the organization. Organizational commitment (Komitmen Organisasi /KO) variable in this study was measured by indicators developed from Warisno (2009) and Tara, M. (2013), namely: the desire to remain a member of the organization (KO.1); attachment to the organization (KO.2); proud as a member of the organization (KO.3); love for the organization (KO.4); care for the organizations (KO.5); and acceptance of organizational goals (KO.6).

3.4.4. Human Resources Competence

Head of State Employment Agency Regulations No. 7 of 2013 on Guidelines for Preparation of Managerial Competency Standards for Civil Servants defines competence as the characteristics and workability covers aspects of knowledge, skills and attitudes based on the duties and/or job function. Variable of Human Resources Competency (Kompetensi Sumber Daya Manusia/KSDM) in this study was measured by an indicator which is the development of Warisno's research (2009), namely: understanding of the task (KSDM.1); understanding of the SOP (KSDM.2); statutory interpretation of the levy (KSDM.3); training (KSDM.4); own initiative (KSDM.5); able to complete the task (KSDM.6); empathy (KSDM.7); able to communicate and work together well (KSDM.8); and optimally utilizing the working time (KSDM.9).

3.4.5. SPIP (Sistem Pengendalian Internal Pemerintah/Government Internal Control System)

According to Indonesian Government Regulation No. 60 of 2008, SPIP is the internal control system as a whole held within the central and local governments. SPIP's variable in this study was measured by an indicator which is the development of Government Regulation No. 60 of 2008 and Rahmani (2011), namely: effective embodiment of APIP's role (SPIP.1); perform to risk analysis (SPIP.2); authorization of transactions (SPIP.3); recording timely (SPIP.4); using of means of communication (SPIP.5); follow-up results of the review (SPIP.6); and continuous monitoring (SPIP.7).

3.4.6. Effectiveness of Levies Management's Performance

Effectiveness shows the level of success of management activities in achieving organizational goals (Robbins, 2002: 22). While the performance by Tika (2006: 121) is the result of the work/activity's function of person/group within an organization that is affected by a variety of factors

to achieve organizational goals within a specific time period. Then the understanding of financial management in accordance with Article 1 Paragraph 6 of the Indonesian Government Regulation No. 58 Year 2005 on Regional Financial Management is the overall activities that include financial's planning, implementation, administration, reporting, accountability and controlling. Variable of effectiveness of levies management's performance (EK) in this study was measured using indicators developed from Regulation No. 58 of 2005 and Regulation of the Minister of the Interior No. 13 of 2006, namely: timeliness of revenue's planning (EK.1); conformity with the existing potential targets (EK.2); coordination with the parties concerned (EK.3); accommodation of voice/proposals's community (EK.4); tariff conformity with regulation (EK.5); timeliness of deposit levy's revenue (EK.6); integrity of transaction records (EK.7); establishment of performance assessment (EK.8); effect of target-setting influence on employee motivation (EK.9); direct supervision (EK.10); indirect supervision (EK.11); functional supervision (EK.12); community supervision (EK.13); and submission of timely accountability reports (EK.14).

3.5. Data Analysis Procedure

Data analysis in this research is using the Partial Least Square (PLS) with analysis tool is SmartPLS version 3.0. Convergent validity's test on reflexive indicators can be seen from the loading factor for each construct to be > 0.50 . Then to discriminant validity's test is by looking at the value of cross-loading for each variable should be > 0.70 . While the reliability test seen from the composite reliability and cronbachs alpha are must be > 0.70 . Hypothesis test is using Path Coefficient's table in output PLS. The hypothesis is declared accepted if it has a value of t-statistic $>$ t-table.

4. Results

4.1. Results of Questionnaires Distribution

Of the 101 questionnaires distributed, 3 questionnaire were not returned, and 7 questionnaire were invalid. So, the data that could be collected was 97 questionnaires (96.04%) .

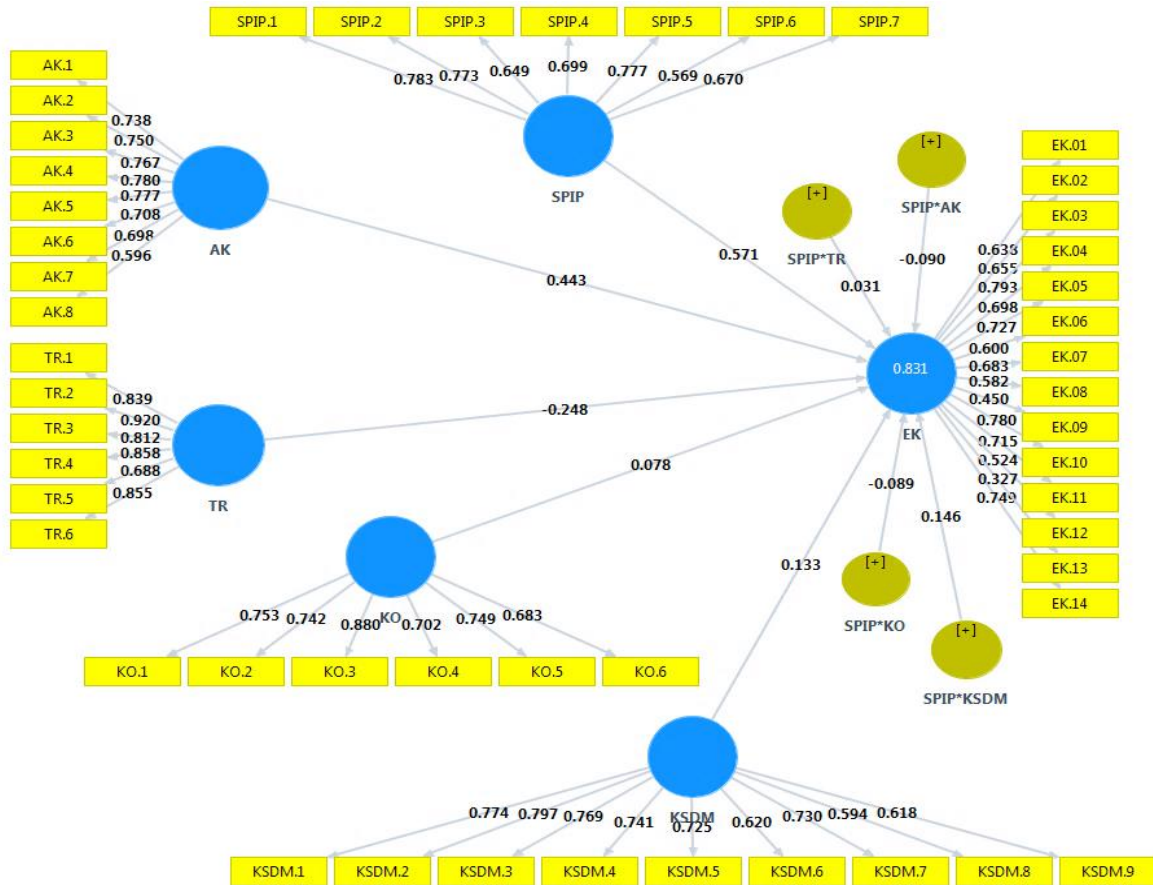
4.2. Results of Research

4.2.1. Convergent Validity Test

Convergent validity of reflektif indicator measurement assessed based on the correlation between the item score/component score to construct score. In this research, validity indicator is said to

have considerable value if it has an outer loading > 0.50. Result of convergent validity's testing is shown in the following figure:

Figure 4.1. Convergent Validity Variable (Step 1)



Based on above figure, it can be seen that there are indicators that have outer loading < 0.50, so its indicators must be dropping from model. Its indicators are as follows:

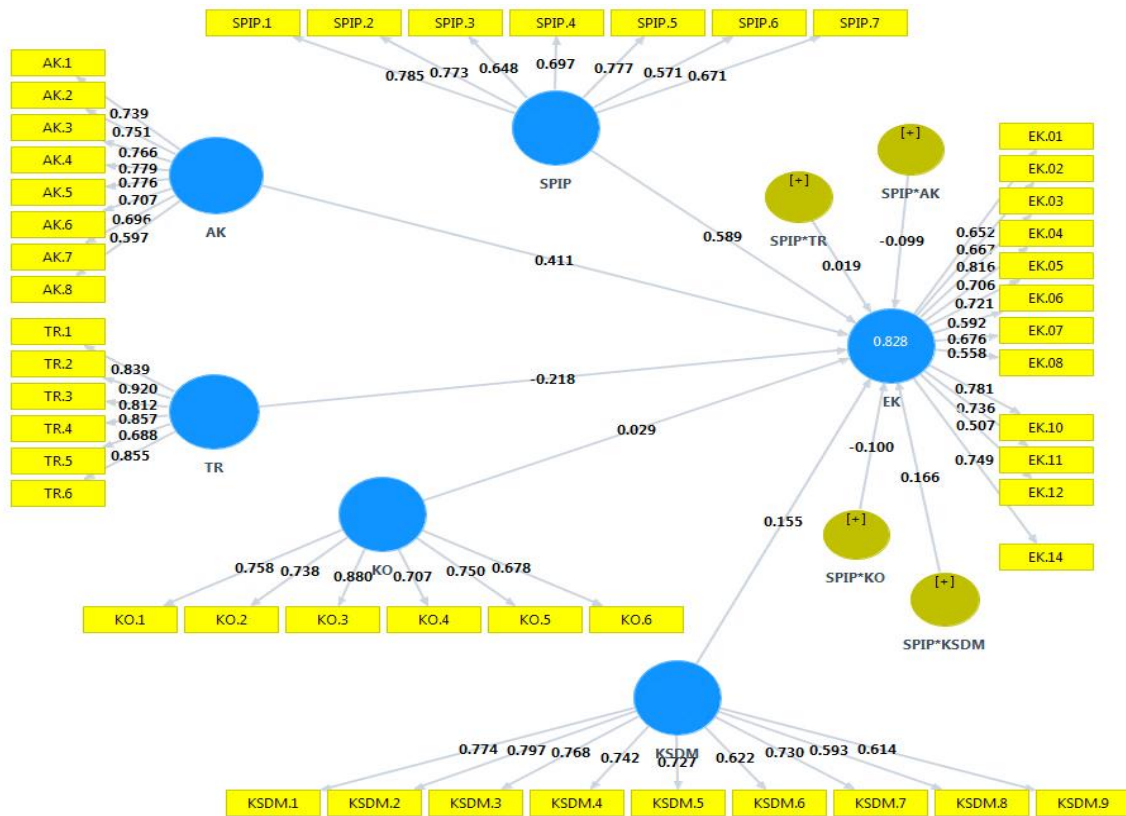
Table 4.1. Result of Convergent Validity's Testing (Step 1)

Indicator	Outer Loading < 0.50	Remark
EK.09	0.450	Drop
EK.13	0.327	Drop

Source: Output of PLS (2016)

Further testing back to the model with the following results:

Figure 4.2. Convergent Validity Variable (Step 2)



The test results showed that all indicators have had a loading factor > 0.50, so its declared fulfill the rule of thumb for convergent validity.

4.2.2. Discriminant Validity's Test

Discriminant validity of reflective indicators can be seen in cross loading indicator value with their construct. A construct is declared have good discriminant validity when cross loading correlation value is greater than the correlation with other latent variables.

Output of smartPLS test results show that the cross loading of each variable is higher than the correlation between the value of other variables. This suggests is latent constructs predict indicators on their blocks better than indicators in other blocks, so that the variables of accountability, transparency, organizational commitment, human resource competencies, SPIP, and the effectiveness of levies management's performance has been qualified test of discriminant validity.

4.2.3. Testing of Composite Reliability and Cronbachs Alpha

In addition to the construct validity test, reliability test was also conducted as measured by two criteria: composite reliability and cronbachs alpha of the block of indicator that measures the construct.

Constructs declared reliable if the value of composite reliability and cronbachs alpha are > 0.70. Results of composite reliability and cronbachs alpha in this study are presented in Table 4.2:

Table 4.2. Results of Composite Reliability and Cronbachs Alpha

Variable	Composite Reliability	Cronbachs Alpha	Remark
AK	0.900	0.872	Reliable
EK	0.913	0.895	Reliable
KO	0.887	0.846	Reliable
KSDM	0.901	0.878	Reliable
SPIP	0.874	0.830	Reliable
AK*SPIP	1.000	1.000	Reliable
KO*SPIP	1.000	1.000	Reliable
KSDM*SPIP	1.000	1.000	Reliable
TR*SPIP	1.000	1.000	Reliable
TR	0.930	0.910	Reliable

Source: Output of PLS (2016)

Based on Table 4.2 it can be seen that the entire construct has good reliability because value of composite reliability and cronbachs alpha are > 0.70.

4.2.4. Inner Structural Model's Testing

This test aims to see the relationship between the constructs, the significant value and R-square of the research model. The results of bootstrapping process in this study are shown in the following table:

Table 4.3. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Error	T Statistics (O/STERR)	P Values
AK → EK	0.411	0.422	0.091	4.523	0.000
KO → EK	0.029	0.040	0.074	0.395	0.346
KSDM → EK	0.155	0.145	0.080	1.945	0.026
SPIP → EK	0.589	0.585	0.093	6.362	0.000
AK*SPIP → EK	-0.099	-0.093	0.081	1.213	0.113
KO*SPIP → EK	-0.100	-0.106	0.065	1.550	0.061
KSDM*SPIP → EK	0.166	0.173	0.072	2.308	0.011
TR*SPIP → EK	0.019	0.016	0.094	0.198	0.422
TR → EK	-0.218	-0.219	0.096	2.265	0.012

Source: Output of PLS (2016)

Structural equation models based on that Table is:

$$EK = 0,411 AK - 0,218 TR + 0,029 KO + 0,155 KSDM - 0,099 AK*SPIP + 0,019 TR*SPIP - 0,100 KO*SPIP + 0,166 KSDM*SPIP + \zeta$$

Based on the equation it can be seen that accountability provides the most influence on the effectiveness of levies management performance in Central Lombok Regency compared with other variables.

4.2.5. Evaluation of R-square

The model of this study provide value of R^2 is 0.828, it can be interpreted that effectiveness of levies management performance's variable can be explained by the variability of the construct of accountability, transparency, organizational commitment, human resource competencies, as well as SPIP as moderating variable amounted to 82.8%, while 17.2% is explained by other variables outside researched. R^2 values of 0.828 also shows that the model is "strong" because it has a value of $R^2 > 0.75$ (Ghozali and Latan, 2015: 82-85).

4.2.6. Evaluation of Q-square (Predictive Relevance)

Evaluation of Q^2 is used to measure how well the observed values generated by the model and estimation parameters. A model is considered has predictive relevance if $Q^2 > 0$. Q^2 value is obtained by the formula: $Q^2 = 1 - (1 - R^2) = 1 - (1 - 0,828^2) = 0,686$

Q^2 value of 0.686 show that this model is feasible to explain the variable of effectiveness on levies management's performance. These results also show that the model has a "strong" predictive relevance because Q^2 is greater than 0.35 (Ghozali and Latan, 2015: 82-85).

4.2.7. Hypotesis Test

Its testing is done by comparing the value of the t-table with t-statistics or by comparing the p-value with alpha (5%). The hypothesis is accepted if the value of t-statistic is greater than the value of t table (1.66177) or if the p-value is less than alpha (0.05) for the hypothesis tsting in one-tailed. Results of hypothesis testing in this study are:

Table 4.4 Result of Hypothesis Test

Hypotesis	Original Sample	t-statistic	p-value	Result
H ₁ Accountability has positive and significance effect on the effectiveness of levies management's performance	0.411	4.523	0.000	Accepted
H ₂ Transparency has positive and significance effect on the effectiveness of levies management's performance	-0.218	2.265	0.012	Rejected
H ₃ Organizational commitment has positive and significance effect on the effectiveness of levies management's performance	0.029	0.395	0.346	Rejected
H ₄ Human resources competence has positive and significance effect on the effectiveness of levies management's performance	0.155	1.945	0.026	Accepted

H ₅	SPIP is strengthen relationship between accountability and effectiveness of levies management's performance	-0.099	1.213	0.113	Rejected
H ₆	SPIP is strengthen relationship between transparency and effectiveness of levies management's performance	0.019	0.198	0.422	Rejected
H ₇	SPIP is strengthen relationship between organizational commitment and effectiveness of levies management's performance	-0.100	1.550	0.061	Rejected
H ₈	SPIP is strengthen relationship between human resources competence and effectiveness of levies management's performance	0.166	2.308	0.011	Accepted

Source: Output of PLS (2016)

4.2.8. Moderation Effect's Test

The test results of PLS to influence an interaction between SPIP with human resources competencies (Hypothesis 8) shows that the hypothesis is accepted. Furthermore, to prouve effect of interaction it is necessary to see the value of its effect size is calculated using the formula:

$$f^2 = \frac{R^2 \text{ model with moderator} - R^2 \text{ model without moderator}}{1 - R^2 \text{ model with moderator}}$$

The R² model without moderator is obtained from the process algorithm on directly influence of human resources competence variable to the effectiveness of levies management's performance, that is equal to 0.821. While the value of R² with a moderator is obtained from the process algorithm on directly influence of human resources competence to the effectiveness of levies management's performance after addition of SPIP as moderating variables, thus:

$$f^2 = \frac{0,828 - 0,821}{1 - 0,828} = 0,04$$

Effect size's value of 0.04 is indicates that the model has a weak effect size, which according to Chin et al. (2003) a weak effect size will not affect in its interaction.

Furthermore, from the results of this study can also be known the moderation types of SPIP's construct to each variable are shown in the following table:

Table 4.Type of Moderation's Variable

Hypotesis	Results	Type of Moderation
SPIP → EK	Significant	-
AK*SPIP → EK	Not Significant	Predictor Moderation
TR*SPIP → EK	Not Significant	Predictor Moderation
KO*SPIP → EK	Not Significant	Predictor Moderation
KSDM*SPIP → EK	Significant	Quasi Moderation

Constructs of SPIP on the relationship between accountability, transparency and organizational commitment to the effectiveness of levies management's performance are belongs predictor moderation variable, its means that the variable moderation is merely acting as a predictor (independent) variable in a model of established relationships, or in other words is SPIP is not moderating variables. While constructs of SPIP on the relationship between human resources competence with the effectiveness of levies management's performance is belong to the type of a quasi moderation, it means that the variables that moderate the relationship between independent variables and the dependent variable which is alsoas the independent variable. In this relationship, SPIP's constructs as moderating variables showed significant results but has a low effect size value, so it will not affect in its interaction.

4.2.9. Discussion

4.2.9.1. The Effect of Acoountability to Effectiveness of Levies Management's Performance

The results of this research is indicate that accountability has positive and significant effect on the effectiveness of levies management's performance. The better the accountability is, the greater the effectiveness of levies management's performance. So to improve the effectiveness of levies management's performance requires the accountability that has been set. From the results of the equations's model it also shows that accountability contributes the highest compared to other variables.

Based on respondents' answers also known that the accountability has been implemented well, but still less than optimal because it is not specifically the application of consequences/sanctions against negligence/breach and still incomplete SOP on some SKPD's who are authorized to carry out the management of levies.

4.2.9.2. The Effect of Transparency to Effectiveness of Levies Management's Performance

These results indicate that transparency has a negative and significant effect, which means that a decrease in transparency (transparency is not good) will affect to effectiveness of levies management performance's improvement. In this study measured that the levies management must to openness accountability, doing publication of financial statements, accommodation of community proposals, providing access to documents of budget management, audit results, and to the policy of budget management. This causes considerable distress to the manager (agent) that resulting in reduced effectiveness of levies management performance.

Also according to the researchers, the lack implementation of transparency in the management of levies is also caused by the presence of a management system is not regulated clearly in the regulation. Its gap is utilized by certain parties for personal profit, so that if transparency is applied properly it will reduce their profits.

4.2.9.3. The Effect of Organizational Commitment to Effectiveness of Levies Management's Performance

These results indicate that organizational commitment has positive but not significant effect on the effectiveness of levies management's performance. This means that organizational commitment influence on increasing the effectiveness of levies management performance, but because its application that has not been consistent then its has not been able to improve the effectiveness of levies management's performance significantly. It is therefore necessary attention and support from the local government to maintain the consistency of organizational commitment's value, for example through a culture of openness, job satisfaction, personal opportunity to grow, clarity of organization direction, reward, and punishment.

4.2.9.4. The Effect of Human Resources Competence to Effectiveness of Levies Management's Performance

The results of this study indicate that human resources competence has a positive and significant effect, it means that the better the human resource competency will greater improve the effectiveness of levies management performance.

Based on the answers of respondents noted that personnel involved in levies management already have high competence but is still not optimal. One reason is the lack of human resources education and training in accordance with the duties and responsibilities, as seen from the mean of this indicator. Therefore, local governments must provide the opportunity for human resources who involved in the levies management to follow educational and training-related.

4.2.9.5. SPIP's Effect in Strengthening Relationship between Accountability to Effectiveness of Levies Management's Performance

The findings in this study showed that SPIP does not strengthening relationships between accountability and the effectiveness of levies management performance, as if seen from the results of the statistics test are the types of variables moderation classified as predictor moderation variable, it means that the variable moderation is merely acting as a predictor (independent) variable in the model, or SPIP is not moderating variables on this relationship model.

4.2.9.6. SPIP's Effect in Strengthening Relationship between Transparency to Effectiveness of Levies Management's Performance

The findings in this study showed that SPIP does not strengthening relationships between transparency and the effectiveness of levies management performance, as if seen from the results of the statistics test are the types of variables moderation classified as predictor moderation variable, it means that the variable moderation is merely acting as a predictor (independent) variable in the model, or SPIP is not moderating variables on this model.

4.2.9.7. SPIP's Effect in Strengthening Relationship between Organizational Commitment to Effectiveness of Levies Management's Performance

This study's results indicate that as the independent variable SPIP shown positive and significant effect, but when interacting with the organization's commitment its results become negative and insignificant. This indicates that in this model SPIP acts as a predictor variable, the variable which would only serve as a predictor (independent) variable, not as a moderating variable.

4.2.9.8. SPIP's Effect in Strengthening Relationship between Human Resources Competence to Effectiveness of Levies Management's Performance

The results of this study indicate that SPIP is strengthen the relationship between human resources competencies with the effectiveness of levies management's performance. Statistical analysis showed a significant and positive effect, both when SPIP acts as the independent variable and as a moderating variable. This puts SPIP as a quasi moderating variables, the variables that moderate the relationship between the dependent and independent variables which also became the independent variable. This meant that human resources competencies will further improve the effectiveness of levies management performance if supported by greater of SPIP.

5. Conclusions, Implications, and Limitation of Research

5.1. Conclusions

Several conclusions that can be drawn from this study are as follows:

1. Accountability has positive and significant effect, meaning that the better the accountability is, the greater the effectiveness of levies management performance.
2. Transparency has negative and significant effect, meaning that if transparency is applied very strictly it will lead to a strong pressure to agents that will cause reduced effectiveness of levies management's performance.
3. Organizational commitment has positive but not significant effect, which means that organizational commitment influence on increasing the effectiveness of levies management performance, but because its application is not consistent then it causes has been unable to improve the effectiveness of levies management's performance significantly.
4. Human Resources Competence has positive and significant effect, it means that the higher the human resources competence is, the greater the effectiveness of levies management's performance.
5. SPIP does not strengthen the relationship between accountability, transparency and organizational commitment to the effectiveness of levies management's performance. In this model, the type is predictor moderation variable, which means that SPIP only act as a predictor (independent) variable, not as a moderating variable.
6. SPIP is strengthen the relationship between human resources competencies to the effectiveness of levies management's performance, it means that the implementation of SPIP can motivate competent personnel to improve its performance in order to achieve organizational goals.

5.2. Implication

5.2.1. Theoretical Implication

This study can contribute to the knowledge and the development of public sector accounting literature related to the effectiveness of the management of levies in the perspective of agency theory and goal setting theory. This study can also be used as reference material for the next researchers who want to conduct similar research.

5.2.2. Practical Implication

1. The better of accountability implementation can be improved through the firmness to consequences/sanctions on omissions/errors, and through the complete SOP in any process of levies management.
2. Its need to make evaluate of regulations on levies collecting system to provide a more comprehensive solution to the problems in the levies management, particularly in relation to transparency.
3. Apparatus are involved in the levies management has had a high organizational commitment, but in order for this value affect the performance improvement it needs the support and attention of the local government, for example through a culture of openness, job satisfaction, personal opportunity to grow, clarity of organization direction, and the rewards of work.
4. The human resources competence of personnel who administer the levies is high, but not optimal, so it needs to be given ample opportunity for officials to improve themselves competency through their appropriate education and training. This results also showed that human resources competencies can further improve the effectiveness of levies management performance if SPIP is integrally applied in any process of levies management.

5.2.3. Policy Implication

The results could feed into the Central Lombok Regency in evaluating the regulation on the levies management so that there are no loopholes that can be used by a particular party as not responsible. It is expected to improve the levies management's performance in order to provide a greater contribution to the structure of local revenues in the future.

5.3. Limitation

1. The study only takes four independent variables and moderating variable to measure the effectiveness of levies management performance. There might be other variables that influence that are not spelled out in the research model.
2. The scope of this study is limited to the levies management in Central Lombok Regency, so that generalizing of research findings and recommendations less enforceable in other types of revenue management and for other local governments.

3. The effectiveness of levies management's performance in this study are from perspective on employee who limited in manager.
4. This study only uses questionnaires, where the respondent can be subjective in providing the answers of the questionnaires.

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