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PUBLIC SERVICE QUALITY AND ETHICS IN LOCAL GOVERNMENT: AN EMPIRICAL SURVEY AND THE VERIFICATION OF THE TAXATION BUREAU IN TAIWAN

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Abstract. *In order to highlight the spirit of serving people and to understand the effectiveness of the tax service and its ethics in a selected case study, two empirical investigation methods were conducted: one took the form of face-to-face interviews, and the other was a telephone questionnaire survey. The survey was conducted from October 16 to November 15, 2019, at between 09:00 and 17:00 every day, and mainly included two types of respondents – land administration agents and public consultants. It collected 142 valid responses, to which descriptive statistics and Chi-squared analysis were applied. Based on the results of the empirical analysis of the survey, the respondents gave good assessments of service quality and ethical performance, with both achieving more than 80% satisfaction, and an overall assessment score of 88.9%. This score shows that the Taxation Bureau's service is generally well regarded. On the other hand, based on the results of cross analysis, we found*

that “occupation” and “status” are both key background factors that affect respondents’ assessments of the Taxation Bureau. Finally, the survey results also show that some groups with specific backgrounds are willing to expose illegal behaviors. These results correspond with previous research which suggests that local residents with a college education or above have a low tolerance for government corruption.

Keywords: *public service, integrity and ethics, service quality, anti-corruption*

Reikšminiai žodžiai: *valstybės tarnyba, sąžiningumas ir etika, paslaugų kokybė, antikorupcija*

Introduction

As democratic politics mature in Taiwan, the demands and expectations placed on the government are constantly increasing. This requires the provision of high-quality and efficient services that demonstrate the government’s commitment to its people. Therefore, when faced with the changing needs of people and the changing styles of service, constant effort is required to upgrade public services. However, in previous literature there has been an absence of direct analyses of the quality of Taiwan’s tax administration services and of investigations into their integrity and transparency.

The white paper of the Taxation Bureau states that “rental tax revenue is the most important financial source for local governance.” The government levies taxes on the people, and the people should pay taxes according to the law. In this way, wealth in the hands of the people is converted into the government’s taxation income. During this process, the government should review its operation at all times, innovate and simplify the operation process, promote work efficiency, and improve service quality.

In order to highlight the spirit of service and to understand the effectiveness of the tax service and its ethics in a selected case study, this article first reviews surrounding theory and literature. It then uses data sourced using two research methods: face-to-face interviews and a telephone questionnaire survey. Targeting people who have actually used the services of the Taxation Bureau helped to determine their contact experience and perceptions. Therefore, this article reflects the opinions of people who responded to the questionnaire survey. The authors hope that this study will result in the continuous promotion of reforms in local government tax administration, and will aid in improving the quality and convenience of local government services.

Literature Review

1. Public service quality

The public sector aims to serve the people, so the quality of these services depends on the satisfaction and contact experience of the people they serve. Because the needs of people are varied, government services can only satisfy people through innovation and

continuous improvement in the quality of their services (Hsiao and Lin 2008). Therefore, the efficiency, performance, and quality of public services have become key issues in governmental administration. Public services should be continuously improved, and citizens should be respected and recognized; there should also be an exploration of best practices, and services should be provided that are coordinated and integrated among departments and agencies. Therefore, local government is responsible for providing a wide range of services to the people as their customers. The main role of local governments is to provide public services (Maniam, Puteh, and Dorasamy 2014); they are responsible for providing the best performance to the public while ensuring a high degree of transparency and accountability.

1.1. The Administration Innovation Program in Taiwan

Since the 1980s, governments have been influenced by New Public Management (NPM) – a practice which has begun to be used to support government activity, and involves the establishment of an enterprise-oriented government which is also customer-oriented and encourages innovation to improve administrative efficiency and service quality. In fact, the reform of government and the improvement of service quality in various countries have been continuous long-term plans. Since 1993, the Taiwanese government has been implementing the Administration Innovation Program, with three requirements: Convenience, Integrity, and Efficiency (Executive Yuan, n.d.). Alongside this, the following four important administration reform programs regarding public service quality and ethics have also been undertaken.

First, the central government pushed forward the Program of Improving the Agencies' Overall Quality of Service in 1996, based on the establishment of the Executive Yuan Service Quality Award Implementation Plan. This plan selected a government agency with outstanding performance in public service quality management, best practices in simplifying the administrative process, and good attitude development. The selected agency was then presented with the Executive Yuan Service Quality Award in order to encourage the public sector to develop and provide high-quality services.

Second, the government promoted the Innovative Advanced Program of Government Services in 2008. This program introduced the concept of “good governance” advocated in advanced countries, and transformed the traditional services of government in line with the following: “people’s satisfaction with services,” “ensuring the public’s right to know and use information,” and “encouraging institutions to provide a creative service.” In other words, the public service provided by a fully-functioning government is combined with digital, innovative, and integrated services.

Third, the government hosted the Trilogy of Government Service Process Transformation in 2012. This program was divided into three parts: “you can do everything without going out,” which provided convenient services across locations and broke time limits through the popular network infrastructure; “one-counter service,” which integrated the service operations of different agencies and used a single counter to achieve the goal of full service; and “proactive service for home.” By using the convenience of wireless

networks and mobile vehicles, public officials can take the initiative to quickly provide various convenient services.

Fourth, the central government adopted the core concepts of New Public Service by promoting the Government Service Upgrade Program in 2017. This program emphasized the importance of efficiency, quality, and innovation, and then incorporated the core spirits of “fair sharing,” “participation and cooperation,” and “openness and transparency.” The goal of this program was to guide agencies in strengthening their cross-domain collaborative cooperation, balancing urban and rural services and creating an open government.

Therefore, the government of Taiwan continues to promote activities for the improvement of service quality with innovative ideas, enhancing the added value of services and their convenience for the people. These practices also improve the competitiveness and performance of government services and the government itself, combining the efforts of central and local governments in pursuing better governance.

1.2. Government service quality award

Since 2007, the Taiwanese government has presented the Government Service Quality Award, which became the Government Service Award in 2017. These awards serve mainly to encourage various administrative agencies to improve their services to meet the needs of the people, and replace strict assessments on competition between agencies. Selecting the best practices of service quality aims to achieve the recognition of outstanding service agencies, and to establish a model of high-quality service. In addition, the results of award-winning agencies are broadcast, and benchmark learning benefits are diffused across agencies.

Borins (2000) suggested that governmental departments hold various award ceremonies and prize programs, and these have become an important part of public management reform. Holzer, Charbonneau, and Kim (2009) also argued that public service awards originate from the quality management movement, and the purpose of their establishment is mostly to encourage organizational innovation and the ability to improve.

2. Integrity and governance

Corruption, integrity, and accountability are familiar themes of reform in all governments, and setting standards for service ethics is also an important matter. Integrity and ethics involve the concept of accountability and the promotion of a culture of good practice in government (Howe and Haigh 2016); therefore, public service ethics can guide government officials towards choosing “good” and avoiding “bad” options, as they are expected to do in the course of their work (Kim and Yun 2017).

2.1. The causes of government corruption

Transparency International (n.d.) defined corruption as “the abuse of entrusted power for private gain.” Public officials are central to almost all corruption; if we do not study

how the management of public officials shapes corruption, then there will be a lack of important opportunities to gather feasible evidence to reduce it (Meyer-Sahling, Mikkelson, and Schuster 2018). Officials will weigh up the intensity of the punishment as well as the degree of profit that can be obtained from a corrupt action before deciding whether to perform it. Pursuing integrity and ethics has become the foundation of government legitimacy, and forms the most basic requirement of management.

2.2. The performance and efforts of Taiwan's government

Since 1995, Transparency International has compiled the Corruption Perceptions Index (CPI). With its results published through the mass media every year, this index has become the most widely used global tool to measure corruption. In addition to the CPI, Transparency International also developed the Global Corruption Barometer (GCB), and measures the status of corruption in various countries from the perspective of the citizen.

In the published results of the CPI, the Taiwanese government has ranked between 30th and 40th (of 180 countries and territories) over the past 10 years, with a score fluctuating around 60 points (100 points representing “very transparent”). According to the latest ranking in 2019, Taiwan's ranking has moved up to 28th, with a CPI score of 65 points.

Every organization is committed to building a clean governance environment. The Agency Against Corruption (the anti-corruption agency in Taiwan) also references the United Nations Convention against Corruption and the National Integrity System (NIS), promoted by Transparency International, and proposes the Action Plan for National Integrity Construction. This plan emphasizes that the government should continuously survey public opinion and understand international trends, encouraging society to participate in promoting a consensus on transparency and zero tolerance for corruption. The Agency Against Corruption has continuously executed investigations into the government's integrity. These surveys can be traced back to the Public Opinion Survey of Taiwan Area Integrity Indicators, which was conducted in 2003. Although the names of the subsequent investigations are slightly different, they have established a serial, long-term observational basis for the empirical analysis of the integrity of the government.

According to the investigations of the Agency Against Corruption, taxation officials ranked among the top 10 types of public officials in Taiwan in terms of integrity, and the results of the last three years – with 10 points indicating the highest level of integrity – are as follows: 5.51 points in 2016 (SD = 2.31); 5.50 points in 2017 (SD = 2.14); and 5.67 points in 2018 (SD = 2.46). Therefore, from the perspective of citizens, the public service provided by taxation officials has achieved a stable, moderate level of quality and integrity.

Research design and methods

The subjects of the survey conducted in this article can be divided into two groups: land administration agents in the Hsinchu area (used the telephone questionnaire survey); and

people who had visited the Hsinchu County Government Taxation Bureau for a public consultation and accepted the services of the Taxation Bureau. For the second group, the consent of the interviewees was obtained, and face-to-face interviews were conducted. For the questionnaire, the Taxation Bureau was consulted and communicated with several times during the design process, and so a certain degree of expert validity was assured. The questionnaire was also pre-tested before being formally distributed, and was revised accordingly.

The questionnaire used in this article can be divided into four parts. First, the questionnaire surveyed the demographic information of the respondents, including six variables – gender, age, education, occupation, status, and working experience. Second was the Convenience Services Scale section, in which there were 10 close-ended and one open-ended question. The main subject of inquiry in this section was the different services provided by the Taxation Bureau. The third section concerned the Tax Service Ethics Scale, in which there was also 10 close-ended and one open question. The main subject of inquiry in this section was the Taxation Bureau's performance in anti-corruption, such as whether there were any cases of corruption, and the willingness of respondents to expose illegal behavior. Fourth was the Overall Assessment section, in which respondents answered only two questions on the services which need to be improved and the score of service performance (from a maximum of 100 points).

The survey was conducted from October 16 to November 15, 2019, between 09:00 and 17:00 every day, and primarily included two types of respondents. As Hsinchu County has a population of approximately 570,000, it is not easy to predict the number of people served by the Taxation Bureau every day. As a result, convenience sampling was used in this study. Finally, the number of valid questionnaires was 142, including 91 face-to-face interviews (public consultation) and 51 telephone surveys (land administration agents).

Results and discussion

1. Descriptive analysis of the results

This survey applied two statistical analysis methods: descriptive statistics, analyzing the components of the sample and the satisfaction of the scales; and Chi-squared analysis, using the background information of the respondents as the independent variable and testing whether there were significant differences among the three scales.

1.1. Features of the samples

The main components of the demographic information of the 142 respondents was as follows: females accounted for 54.9%, respondents aged 31–40 years old accounted for 24.6%, those with a college or university education degree accounted for 68.3%, occupation as a house and land sales agent accounted for 33.1%, status as a public consultant accounted for 67.6%, and those with more than 25 years of working experience accounted for 23.9% of the sample.

1.2. The assessment of convenience services

This scale was designed to investigate the consultant category in the Taxation Bureau, the opinions of respondents on the convenience of services, and whether they had had a bad experience during the administrative process. Firstly, respondents went to the Taxation Bureau to pay taxes. The top three services that respondents utilized were House Tax (47.5%), Land Value Added Tax (43.3%), and Land Price Tax (39.7%). Secondly, the respondents expressed their opinions on various convenience services provided by the Taxation Bureau using a 5-point Likert scale (1 indicating “very satisfied,” and 5 indicating “very dissatisfied”).

The respondents generally gave highly positive assessments of the various convenience services, and the two items with the highest satisfaction were “credit card and mobile payment” (85.3%, $M = 1.8190$), and “unified counter smart service” (82.4%, $M = 1.8308$). These items also obtained the lowest average scores. In addition, “credit card and mobile payment” had the most agreed-upon assessment ($SD = 0.69281$), and “convenience” had the most divergent result ($SD = 0.76142$).

1.3. The assessment of taxation service ethics

This scale also used a 5-point Likert scale to investigate responses as to the presence of corruption in the Taxation Bureau, the willingness to expose it and to whom respondents would do so, and the degree of integrity in the service.

Of the respondents, 80% had not heard about or experienced corruption or corrupt behaviors in the Taxation Bureau; these numbers also indicate that the performance of services was excellent. In addition, only a few respondents (0.7%) had even heard of corruption happening previously.

This study also asked whether, if a taxation officer were to ask for illegal benefits, the respondents would be willing to expose it, and to whom they would do so. The results of this survey were very surprising. First, 81.9% of respondents said that they would expose corrupt behavior if a taxation officer asked for illegal benefits, 11.0% of respondents were not sure about this, and only 7.1% of respondents stated that they would ignore it. In other words, the majority of respondents believed that if bribery occurred, they would be willing to act as a whistle-blower.

Second, if they wanted to expose corruption, 54.6% of respondents said that they would report the corruption to the “integrity department of local government,” and the rest would report the corruption to either the “Integrity Office of the Bureau” (15.7%), “media and the internet” (5.6%), “police station,” “Law Investigation Bureau,” or “Anti-Corruption Agency” (each 2.8%). A minority said that they would expose the corrupt behavior directly to the head of the service department (1.9%), and 13.9% of respondents said they had “no idea” who they would consult in such a scenario.

Third, regarding the reasons as to why respondents might ignore corrupt behavior, 33.3% said that they were afraid of delaying their own case. Other reasons included: “no evidence” and “afraid of retaliation” (each at 20%), “not my business,” “bureaucrats look

out for each other,” “afraid of suspending my own service,” and “further explanation needed” (each 6.7%).

The items in this scale were also designed to investigate the degree of integrity in the taxation service. In total, 81.9% of respondents gave highly positive assessments of the performance of the taxation service, and the parameter “ethical conduct of taxation officer” obtained the best assessment ($M = 1.9104$).

1.4. Overall assessment

According to the results of the survey, 11.67% of respondents expressed that they were looking forward to improving administrative efficiency, and the remainder of the answers involved “hardware facilities” and “promotion of tax policy” (each at 6.67%), “service attitude” (5.83%), “service ethics,” and “need to explain further” (each at 0.83%).

Moreover, 127 respondents provided an overall assessment score, with the final result averaging 88.9 points. The three most supported rankings were 90 points (30.7%), 80 points (25.2%), and 100 points (10.2%). Conversely, three least supported points scores were 60 (2.4%), 70 (1.6%), and 80 (1.6%). In other words, respondents provided a good overall assessment, and they also validated the service quality and ethics of the Taxation Bureau.

2. Chi-squared analysis

For this section, we used the demographic information of the respondents as the independent variable and tested whether there were significant differences in the scales using Chi-squared analysis. Firstly, the results that originated from the Convenience Services Scale (excluding the consultant category and the open-ended question) and “occupation” (service or sales staff, $p = 0.005$) and “status” (public consultant, $p = 0.002$) were the important factors in influencing the respondents’ perceptions of service quality. This was especially the case with public consultants who were service or sales staff, and they were most satisfied with this service.

Secondly, the key factors affecting the perception of ethics were “occupation” and “status,” especially for the “accepted a bribe” and “to whom would you expose corruption” questions. Regarding the results of cross-analysis, the respondents who were 41–50 years of age ($p = 0.008$), had a graduate school education degree ($p = 0.001$), and had long-term experience ($p = 0.004$) in service sales or were land administration agents ($p = 0.006$) showed more willingness to expose corruption and illegal affairs. In some cases, they would choose the most professional and appropriate institutions, such as the Integrity Office in the Bureau or higher-level administrative authorities in charge of ethics, to report their findings and experiences. This result demonstrates that highly-educated professionals aged 40–50 are more willing to report abuses to higher authorities. This is also the group with the most potential and likelihood of becoming a whistleblower.

Thirdly, respondents with different occupations had significantly different opinions regarding improvement matters ($p = 0.007$). Some addressed service attitudes (service or

sales staff), while others wanted to strengthen administrative efficiency (house and land sales agents). In short, the occupations of respondents widely affected their views regarding the insufficiency of services, and led to different expectations.

Conclusion

The goal of governance is to pursue a prosperous and just society. With the exception of the requirements of the effectiveness of public service, the government cannot avoid having to reconcile multiple values. In fact, public officials must have a responsive attitude in this context, provide high quality public service and meeting the standards of ethical behavior (Huberts 2014). From the analysis of the results of the empirical survey, the respondents gave a very good assessment of the Taxation Bureau's service quality and ethical performance, both of which showed more than 80% satisfaction, and the score of the overall assessment was 88.9 (of a maximum 100). This score also shows that the Taxation Bureau's service was generally validated. On the other hand, the results of the cross analysis indicate that "occupation" and "status" were both key background factors that affected the assessment of respondents. Furthermore, the survey results also showed that some groups with specific backgrounds were more willing to expose illegal behaviors than others. Specifically, residents who have a college education or above have a low degree of tolerance for government corruption.

"Strengthening service efficiency and providing innovative and quality services" are important concepts in the administrative reform of Taiwanese government. Therefore, central and local governments have continuously provided high-quality public service and have committed to meeting the needs of the people over the past two decades. The results of our survey show that public service in Taiwanese local government is convenient, integrative, and user-friendly, and also maintains high integrity in the process of serving.

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Viešųjų paslaugų kokybė ir etika vietos valdžios institucijose: Taivano mokesčių biuro empirinis tyrimas ir jo analizė

Anotacija

Siekiant išryškinti tarnavimo žmonėms svarbą ir suprasti mokesčių tarnybos veiksmingumą bei jos etiką pasirinktame atvejo tyrime, šiame darbe buvo atlikti du empiriniai tyrimai: vienas buvo tiesioginių pokalbių forma, o kitas – asmeninių pokalbių, pasiremiant telefonine anketine apklausa. Apklausa buvo vykdoma kiekvieną dieną nuo 09:00 iki 17:00 (2019 m. spalio 16–15 d.). Joje daugiausia dalyvavo dviejų tipų respondentai – žemės administravimo agentai ir viešojo sektoriaus įstaigų konsultantai. Iš respondentų buvo surinkti 142 prieš tai išdalyti klausimynai, jiems apdoroti pritaikyta aprašomoji statistika ir Chi-kvadrato analizė. Remdamiesi empirinės apklausos analizės rezultatais, respondentai gerai įvertino paslaugų kokybę ir etišką elgesį, bendras vertinimo balas buvo 88,9. Viena vertus, šis balas rodo, kad Mokesčių biuro paslaugos paprastai yra gerai vertinamos. Kita vertus, iš kryžminės analizės rezultatų nustatyta, kad „profesija“ ir „statusas“ yra pagrindiniai pagrindiniai veiksniai, turintys įtakos respondentų vertinimui Mokesčių biure. Pagaliau, apklausos rezultatai taip pat rodo, kad kai kurios grupės, turinčios specifinį išsilavinimą, tikrai nori atskleisti neteisėtą elgesį. Šie rezultatai atitinka anksčiau atliktų tyrimų rezultatus, patvirtinančius, kad gyventojai, turintys aukštesnįjį ar aukštąjį išsilavinimą, yra netolerantiški vyriausybės įstaigų korupcijai.

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