

## THE IMPORTANCE OF STRATEGIC IMPLEMENTATION TO INCREASE TAX REVENUE IN THE DIRECTORATE GENERAL OF TAXES



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### **ABSTRACT**

The main task of the DGT is to achieve the tax revenue target. Taking into account the increasingly heavy responsibilities of the DGT with such complex challenges, DGT requires strategic management to achieve its main objectives. This study aims to analyze comprehensively and in detail regarding the need for strategic implementation by the Directorate General of Taxes to increase tax revenues. By using qualitative research methods and descriptive analysis based on a strategic management approach from several experts, it is concluded that the Directorate General of Taxes needs to carry out strategic implementation to increase tax revenues by: a). create a guideline to be implemented by all components; b). have a program that is arranged systematically; c). have the necessary sources of funds; d). have clear procedures and systems; e) have a clear standard of measure to determine its success; f). have goals, policies, resources, organizational structure, restructuring, rewards and incentives, minimization of resistance, introduction of leaders to strategy, development of a culture that supports strategy, adaptation to production/operation processes, and development of effective human resources, g). accommodate changes. adaptation to production/operation processes, and effective human resource development, g). accommodate changes. adaptation to production/operation processes, and effective human resource development, g). accommodate changes.

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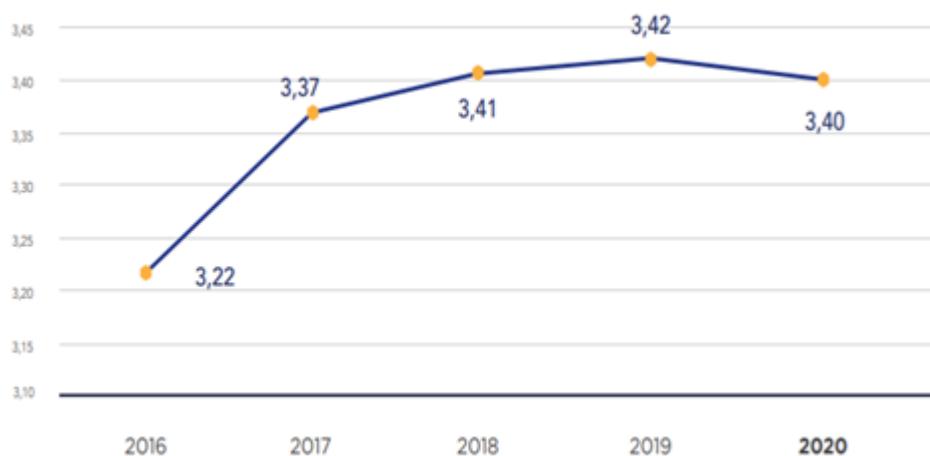
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## Introduction

The tax administration reform actually started in 1983, marked by a change in the official assessment system to a self-assessment system. However, the efforts made have not been optimal, especially related to organizational structure, procedures, strategies and organizational culture (Meutia, 2017). The role of reform within the Ministry of Finance, especially the Directorate General of Taxes (DGT) is marked by the establishment of a modern Tax Service Office (KPP). Improvements in the administration system and the use of data and information technology are expected to be able to contribute greatly to national tax revenues. Various efforts have been made to improve supervision more intensively, among others, by formulating policies (policy) that can make a significant contribution to tax revenues.

The implementation of tax administration is complex and interrelated, including registration of taxpayers, payments, reporting of notification letters (SPT), supervision, examination, collection and legal remedies for taxpayers in the form of objections and appeals. In the DGT's large organizational structure, it can allow for a long service chain and administrative procedure. The results of the Service User Satisfaction Survey (SKPL) which are routinely held by the Ministry of Finance show that the value of the service user satisfaction index has decreased in 2020 when compared to previous years, as seen in the following image:



**Figure 1. Tax Service User Satisfaction Index**  
Source: DGT Annual Report 2020 (Direktorat Jenderal Pajak, 2019).

Seeing the results of the survey makes it a challenge for DGT to continue to maintain the quality of its services. The implementation of complex administration can also be the cause of the emergence of unsatisfactory services to the public, so that taxpayer participation in tax obligations is low. Whereas community participation, especially taxpayers, is very important in public administration (Muluk, 2008).

Siagian (Muzakki & Ariyanto, 2019) states that the larger a company, or organization, the more complex the form, type and nature of the interactions it faces. One of the implications of this complexity is that the decision-making process is getting more difficult and complicated. For this reason, strategic management, including DGT, is needed, especially in an effort to achieve optimal tax revenue.

According to Robbins et al (Robins, 2012) there are at least 3 (three) important reasons that cause strategic management to be needed, namely: organizations that use management with higher levels of performance, managers from all organizations face changing situations and complex organizations so that each part requires cooperation to achieve organizational goals.

Strategic management has a role in determining the direction of the organization in order to achieve its goals. Strategic management plays a role in developing and implementing a strategy that can map the course of an organization so that it can run in an integrated manner through its environment. Strategic management includes the actions taken, the content of the strategy and the process by which actions are decided and implemented.

Witcher (Witcher, 2019) also argues that strategic management is the management of the organization as a whole for long-term goals. Strategic management is an organization-wide approach to directing operations to be achieved for the long-term goals of the organization. Organizational strategy should be used to guide and align the formation of sub-strategies in different parts of the organization. Thus, strategic management also includes the management of the organization as a whole, including the extent to which operations serve the strategic needs of the organization. Furthermore, the strategic management components are shown in the following figure:



**Figure 2. Components of Strategic Management**

Source: Witcher (Witcher, 2019)

Purpose is the basic reason for the long term existence of the organization and it is the starting point for understanding the organization as a whole. Goals are articulated at the top level and communicated from there through purpose statements of vision, mission, and values. Situation analysis is used to evaluate the external and internal situation of the organization in order to develop strategic objectives. The strategy used to achieve strategic objectives is to condition the scale and nature of the organization's activities, whether single business, multi-business or global orientation. Implementation includes organizational change management and strategic control, including feedback and learning through strategic performance management.

Strategic implementation means translating the chosen strategy into organizational actions to achieve strategic goals and objectives. Effective strategic implementation is recognized as critical to organizational success. Even strategic implementation is considered a very significant determinant of performance.

To achieve its objectives, the DGT has set a policy direction in 2015 with a concentration on fostering taxpayers. Furthermore, law enforcement became the focus in 2016 and reconciliation in 2017. The synergy of government agencies, institutions, associations and other parties (ILAP) became the focus of the 2018 policy direction, as well as the independence of the State Budget for 2019. Furthermore, referring to the Destination Statement, the objectives were formulated. as a priority to be implemented and achieved by DGT. To ensure the achievement of strategic targets, since 2007 the KPI (Key Performance Indicator) has been applied as a benchmark. The KPI used by the Ministry of Finance comes from the concept of the Balanced Score Card (BSC) to translate the vision, mission, goals and strategies of the Ministry of Finance (including DGT) into the operational realm. Through the use of the BSC method in performance management, it is hoped that the achievement of performance by organizations and employees within the Ministry of Finance will be more measurable and directed. This is reinforced by the Decree of the Minister of Finance of the Republic of Indonesia Number 467/KMK.01/2014 concerning Performance Management within the Ministry of Finance.

DGT implements its policy directions in 2015-2019 in the form of 11 (eleven) Strategic Targets (SS), 18 (eighteen) Strategic Initiatives (IS) and 128 (one hundred and twenty eight) Strategic Programs (PS). Strategic objectives are statements of what the organization should have, run, produce or achieve. The benchmark for the success of achieving SS or performance is done through the achievement of KPI. The way to achieve the KPI target is through breakthrough activities which are summarized in the Strategic Initiatives outlined in the Strategic Program.

The objectives to be achieved by the Ministry of Finance are implemented by DGT in the form of a Destination Statement. For 2015-2019, DGT's Destination Statement and its realization can be summarized in the following table:

**Table 1. DGT's 2015-2019 Destination Statement and Realization**

|                                   | 2015           |                | 2016           |                | 2017           |                | 2018          |                | 2019           |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
|                                   | DS             | real           | DS             | real           | DS             | real           | DS            | real           | DS             | real           |
| Tax Ratio (including local taxes) | 13.2%          | 11.6%          | 14.2%          | 10.8%          | 14.6%          | 10.7%          | 15.2%         | 11.4%          | 16%            | 10.7%          |
| Optimal Tax Revenue               | 1.294 Trillion | 1.061 Trillion | 1,512 Trillion | 1.105 Trillion | 1.737 Trillion | 1.151 Trillion | 2007 Trillion | 1.315 Trillion | 2,329 Trillion | 1.332 Trillion |
| SPT via e-filing (compliance)     | 2 million      | 2.68 million   | 7 million      | 8.44 million   | 14 million     | 85.72%         | 18 million    | 85.55%         | 24 million     | 110.88 %       |
| Number of registered taxpayers    | 32 million     | 33.33 million  | 36 million     | 36.44 million  | 40 million     | 42.47 million  | 42 million    | 41.99 million  | 44 million     | 44 million     |

*Source: DGT, (Direktorat Jenderal Pajak, 2019).*

DGT's policy directions for 2015-2019 are described in the form of 11 (eleven) Strategic Targets (SS), 18 (eighteen) Strategic Initiatives (IS), 128 (one hundred and twenty eight) Strategic Programs (PS) and Destination Statements along with realization figures its achievements illustrate that the strategy implemented

by DGT is determined by top management. Top management as a policy maker refers to the strategic plan of the Ministry of Finance which is translated into practice through the interpretation and execution of its formulation. In accordance with the conditions in the field, there are several DGT Destination Statements whose realization is still below the set target (not yet achieved). According to Kaplan & Norton (2004), it is found in almost all organizations about their inability to execute new strategies. Employees can hear the new mission, vision, and strategy statements, but they don't understand what those words mean to them. Managers who apply strategic management intuitively understand that so based on a strategy-based measurement system it is necessary to solve problems and communicate to implement the right strategy.

## Methods

There are several considerations made by the researchers so they chose to use qualitative research methods. First, the experience and specialization of an expert, especially related to strategic management in increasing tax revenue at the Directorate General of Taxes. This requires sharp analysis of data or information from experts. This situation can be found in qualitative research. Another reason is the nature of the problem to be studied. To uncover problems related to one's experience when dealing with certain phenomena, it would be more appropriate to use qualitative research methods. In addition, qualitative methods are also appropriate for gaining insight into something little known. Researchers can also deepen informants through the questions asked so that they are expected to be able to answer research problems that have been formulated and achieve research objectives. Qualitative methods can provide more complex details about phenomena that are difficult to express in quantitative methods. For this reason, qualitative research methods are expected to be appropriate for use in this study because they are able to fully and comprehensively describe the phenomenon to be studied.

Creswell & Creswell (2017) states that qualitative methods for scientific research have a different approach from quantitative research methods. Although the process is similar, qualitative methods rely on text and image data, have unique steps in data analysis, and use a variety of designs. In qualitative research methods also require the ability to know the purpose of qualitative research, make specific designs, be able to carefully reflect the role of researchers in research, draw a list of types of data sources that are constantly evolving, use special protocols to record data, analyze information through several steps. analysis, and mentions the approach in documenting the accuracy to obtain the validity of the data collected.

This study took place at the Head Office of the Directorate General of Taxes (KPDJP) of the Ministry of Finance. The reason for the determination of the research location at the Head Office of the Directorate General of Taxes is because strategic management to increase tax revenue is at the level of authority of the Echelon I unit of the Ministry of Finance, precisely at the Head Office of the Directorate General of Taxes (KPDJP).

This research data collection activity was carried out on several sources, namely: informants, phenomena or events and documents. The process of collecting data at each source uses "directions" from the research focus, so that it can be separated between data that is really needed and relevant and data that must be set aside because it is irrelevant.

In this study, key informants were determined and determined by the researchers themselves based on certain considerations. The main consideration in determining informants is the mastery of the information and data required. The selection of informants is based on subjects who have a lot of information related to the problems

studied and are willing to provide information. Based on these criteria, the researchers chose officials or employees at the DGT Head Office, especially those directly involved with the strategic management of tax revenues.

According to Sugiyono (Sugiyono, 2016) the data findings in qualitative research are valid if there is no difference between what was reported by the researcher and what happened to the object under study. Testing the validity of the data is carried out through internal validity/data credibility tests (credibility), external validity tests (transferability), reliability tests (dependability) and objectivity tests (confirmability).

This test is carried out by increasing persistence in research, triangulation, discussions with colleagues, negative case analysis and member checks.

## Results and Discussion

### New Public Management

Prior to the reform era, most government institutions were considered problematic places. This happens because the bureaucracy in it does a lot of things that are convoluted and inefficient. The rise of corruption, collusion and nepotism (KKN), abuse of authority and discriminatory services almost occurs in all ministries and institutions. Likewise with the government, experiencing conditions that are not much different.

In the public administration approach, these things are in line with the New Public Management (NPM) concept developed by David Osborne and Ted Gaebler in their monumental work entitled “Reinventing Government”. The ten principles of bureaucratic entrepreneurship (Ford & Andersson, 2017) in NPM are policy steps to run state administration in which the government acts as “steering rather than rowing” (the government acts as a catalyst), “empowering rather than serving” (the government plays a role in encouraging the community to solve their own problems), “injecting competition into service delivery” (the existence of competition to be more professional and efficient), “transforming rule-driven organization” (emphasizing achievements rather than regulations), “funding outcomes not inputs” (performance orientation is not merely output that is perceived internally), “meeting the needs of the customer not the bureaucracy” (prioritizing the fulfillment of consumer needs not bureaucratic needs), “earning rather than spending” (capable of generating revenue rather than spending the budget), “prevention rather than cure” (prevention is better than tackling), “from hierarchy to participation and teamwork” (raising participation and developing cooperation), “leveraging change through the market” (paying attention to market strengths and needs). New Public Management (NPM) has become one of the dominant paradigms in the world of public management. Indahsari (Indahsari & Raharja, 2020) stated that the core of this NPM is “how to run the wheels of government, like running a company or “run government like a business”. Efforts to improve the effectiveness, efficiency and performance of modern and advanced public services are certainly an indispensable part.

According to Frederickson *et al.* (2018), New Public Management (NPM) or Reinventing Government “entrepreneurial government” is often referred to as “new managerialism”. NPM characterizes the global public management reform movement that has redefined the relationship between government and society. The reform effort is a serious attempt to assess how governments can do “more with less” by maintaining, or even expanding, public services with a lower investment of resources. The reform movement is based on the government utilizing market mechanisms to overcome traditional bureaucratic pathologies. One of the general

goals of reform is to better connect government with citizens and to increase customer satisfaction with public services. Based on the principles and characteristics of the NPM paradigm, Rewansyah (2012) emphasizes that NPM is suitable for reforming the economic sector. The government must be entrepreneurial, innovative and creative so that it can grow the economy and the welfare of the community.

Almost all aspects of infrastructure in the Republic of Indonesia are directly related to tax revenues, so that all elements of the nation have high hopes for taxation that are able to finance national development independently. Therefore, so that the Directorate General of Taxes can carry out its main duties and functions optimally, appropriate strategic management is needed. According to Muluk (2007) NPM is considered still unable to place citizens as owners of the government because its control is still in the hands of the government. NPM generally presents a formula for improving achievement in public administration, the government should do better at lower costs. More efficient, effective, responsive public services, priorities, styles and methods adopted by governments vary widely.

Since 2002, DGT has initiated tax administration reforms with the aim of achieving a high level of trust in tax administration and high productivity of tax employees. This is marked by the establishment of a modern office which is a combination of several “conventional” offices. DGT started by establishing a Large Tax Office, followed by the establishment of a Medium Tax Office in 2004 and a Small Tax Office in 2006 to 2008. The modern office is proof of the realization of DGT's desire to carry out tax reform. The big goal is that taxpayers are willing and easy to make tax payments.

## Strategic Management

Strategic management is an ongoing process within the organization. This is because the conditions faced by the organization are always changing, both internally and externally. The basic thing that must be in the discussion of strategic management is that top management in the organization must be able to formulate organizational strategies so that the organization is able to maintain its existence and be able to adapt to changes (Mansor & Tayib, 2012). Meanwhile, according to Robins (2012), strategic management is what managers do to develop organizational strategies. It is an important task that involves all the basic management functions of planning, organizing, leading and controlling. Organizational strategy plans how the organization will do whatever it is in business to do,

The characteristics of strategic management are unity and coherent processes. Generally, it begins with developing the organization's mission, setting goals, formulating strategies, implementing strategies and evaluating performance. These things are an inseparable unit. Strategic management demands flexibility from organizational leaders in allocating their time due to unpredictable changes in the situation and in an irregular period.

The strategic management of public sector organizations has long been understood as a formal and rationalistic process of identifying efficient means to achieve good ends. After years of management reform, strategic management has finally become a necessity in the public sector (Nuh, 2019). Therefore, public sector managers need to adopt a strategic management approach that helps them explain the environmental expectations to which they are authorized. Communicate a more consistent strategic direction internally, while at the same time

externally demonstrating their organization's ability to conceal and respond to frequently changing political signals and priorities. Strategic management is increasingly becoming a way of life for public organizations around the world. It is relied upon to handle 5 (five) tasks: effective participation of the organization; create meritorious ideas for missions, goals, strategies, actions, and other strategic interventions; forge the coalitions needed to adopt and to implement change; implement changes in an appropriate manner; and building capacity for sustainable strategic implementation, learning, and change (Nuh, 2019).

According to Flynn & Asquer (2017), the strategic management of public sector organizations is centered on public managers' understanding of the strategic situation and their capacity to design and organize coordinated responses to emerging challenges. Part of the argument includes focused attention on the cognitive abilities of public managers who fill the strategic pinnacle of organizations. Strategic issues are usually complex, unstructured and surrounded by multiple sources of uncertainty about current and future contexts. Under such circumstances, public managers must be flexible with a certain degree of autonomy to make strategic choices under their managerial responsibilities. Public managers must be results oriented, embrace innovation and flexibly adapt to a rapidly changing environment. Public managers must creatively pursue original ways to design and implement public service delivery systems, often taking advantage of opportunities along the way. Thus public managers must actively contribute to solving policy problems at the organizational level.

## Strategic Implementation

According to David (2015), strategists never consider all feasible alternatives to benefit the organization because of the unlimited number of actions and unlimited ways of implementation. Therefore, the most attractive set of alternative strategies should be managed and developed. The advantages, disadvantages, trade-offs, costs, and benefits of the strategy must be determined. This step discusses the process that is often used by many organizations to determine a set of alternative strategies. Identifying and evaluating alternative strategies needs to involve multiple managers and employees. It is also necessary to collect the organization's vision and mission statements, conduct external audits, and conduct internal audits. Representatives from every department and division of the organization should be included in this process. Such engagement provides the best opportunity for managers and employees to gain an understanding of what the organization does and why, so that it is hoped that they will commit to assisting the organization in accomplishing its objectives. All those involved in strategy analysis and strategy selection activities should have information about the organization's external and internal audits. The mission statement of the organization needs to be conveyed so that it crystallizes in the mind, especially the strategies they believe are most profitable for the organization. Creativity should be encouraged in this thought process. The proposed alternative strategy should be considered and discussed in a meeting or series of meetings. The proposed strategy should be stated in writing. When all feasible strategies are identified, strategies should be ranked in order, such as 1 = should not be implemented, 2 = probably should be implemented, 3 = probably should be implemented and 4 = definitely should be implemented. Next the participant ranking sheets are collected and summed for each given rating of each strategy. The strategy with the highest number is considered the best, so this process will produce a priority list of the best strategies that reflect the collective wisdom of the group.

According to Paul Nutt in Wheelen & Hunger (2016), the authority in making decisions that are mostly made by managers often fail. It was found that failure stems from the actions of the decision maker, not from bad luck or situational constraints. Under these circumstances, managers commit one or more of the major mistakes: (1) their desire for quick action leads to rash judgments, (2) they adopt failure-prone decision-making practices such as adopting claims from influential stakeholders and (3) they make poor use of resources by investigating only one or two options. These three mistakes cause executives to limit their search to viable alternatives and seek more rapid consensus.

Strategic implementation is the estuary of strategic planning that has been done before (Singh & Singh, 2019). Strategic implementation is often called the strategic management action stage. Strategic implementation means mobilizing employees and managers to turn the formulated strategy into action (Taufiqurokman, 2016). This stage is a critical stage because many organizations are able to formulate a good strategy but are unable to implement it properly. In many cases, it is possible that many people are not involved in the strategic formulation (formulation) so that it has an impact on their ignorance of the strategic implementation.

Joyce (2015) also said that the challenges of strategic implementation can be seen when organizations develop new strategies that are needed. In modern public services implementing strategic change is often considered to involve comprehensive changes, meaning not only changes in services but also changes in organizational systems. Examples include the introduction of new management structures, performance management systems, performance measurement, information systems and training. This is supported through intensive efforts in management development, which means selecting and retaining the right people for managerial responsibilities and providing training and development opportunities. The problem behind efforts to implement comprehensive change is the concern that changes in services will not be sustained unless the organization can change the professional behavior and attitudes of its employees. The solution is to install systems within this organization (especially information systems, performance management systems and training) so that management can check and ensure that services will be provided according to the expected quality standards and in accordance with performance targets. In public service organizations there is often a concern that strategic management will fail at the implementation stage. performance management system and training) so that management can check and ensure that services will be provided according to the expected quality standards and in accordance with performance targets. In public service organizations there is often a concern that strategic management will fail at the implementation stage. performance management system and training) so that management can check and ensure that services will be provided according to the expected quality standards and in accordance with performance targets. In public service organizations there is often a concern that strategic management will fail at the implementation stage.

The opinion of Wheelen *et al.* (2012) regarding strategic implementation is about the total number of activities and choices required for the implementation of strategic planning. It is the process by which objectives, strategies and policies are implemented through the development of programs, budgets and procedures. Although implementation is usually considered after strategy is formulated, implementation is an important part of strategic management. Strategic formulation and strategic implementation should be considered as two sides of the same coin.

Even the best planned strategy may not produce the desired results. The problems that often arise in strategic implementation include:

1. Implementation took longer than planned
2. An unexpected big problem arose
3. Activities are not coordinated effectively
4. Competing activities and crises distract attention from implementation
5. The employees involved have insufficient ability to do their jobs
6. Lower level employees are not trained adequately
7. Uncontrolled external environmental factors can cause problems
8. Department managers provide inadequate leadership and direction
9. Key implementation tasks and activities are not well defined
10. Information systems are less able to monitor activities.

Witcher (2019) argues that strategic implementation is placing the organizational structures and systems needed to carry out strategic management. The most important part is the design of the appropriate organizational structure. In almost all organizations, the hallmark is a formal hierarchy of responsibilities. This allows for centralized decision making. To work as a whole system, the separate parts must be coordinated effectively by the center. The hierarchical structure allows the central organization to manage the overall design of the transformation process.

Added by Alkhafaji (2013) that implementation needs to involve the transformation of the chosen strategy into action and refers to the methods and techniques adopted by the organization to implement the strategy chosen by the management. Implementation is the process of selecting (1) the most appropriate structure for the chosen strategy, (2) the support system for resource allocation and (3) the appropriate motivation. Inherently, strategic implementation is critical to the attainment of goals because even the best strategies are worthless if implemented incorrectly. No matter how great the strategic plan is, it is useless unless all levels of the organization are committed to its implementation.

Thus, successful strategic implementation requires a planned effort with commitment from all members of the organization, not just from management. However, management must ensure that the right tools, support mechanisms and lines of authority are in place within the organizational structure to implement the strategy. No matter how effectively the organization has planned its strategy, performance will be compromised if the strategy is not implemented properly (Robbins & Coulter, 2002).

Strategic implementation at DGT means actualizing DGT's strategic plan (renstra). In other words, the vision and mission contained in the DGT strategic plan and described in the form of a strategic map are translated into strategic objectives which are the embodiment of the organizational goals to be achieved. Through strategic target indicators which in practice are actualized in the form of DGT's KPI, these important things are carried out and strived to be achieved by DGT during the strategic plan period.

The DGT strategic plan that is currently in effect and is being implemented is the strategic plan for the period 2020 to 2024. The contents of the DGT strategic plan are supported by each directorate within the KPDJP. There is an obligation from each directorate in KPDJP to make a strategic plan. The obligation to prepare strategic plans by each directorate within the KPDJP is in accordance with Article 4 paragraph (1) of the

The DGT Strategic Plan is managed by the Kitsda Directorate, Sub-Directorate of Organizational Transformation. The Sub-Directorate of Organizational Transformation, especially the Strategic Planning Section (Section Renstra) has the responsibility for preparing medium and long-term strategic plans, designing and carrying out testing of organizational transformation designs, supervising its implementation and evaluating its development implementation. The Renstra section is identical as a strategic plan team in charge of preparing materials used to prepare DGT's strategic plans in the medium, long term, as well as preparing planning, controlling, and evaluating it. This situation is in line with the opinion of Singh & Singh (2019) which states that strategic implementation is the estuary of strategic planning that has been done before.

The vision and mission contained in the DGT strategic plan are described in the form of a strategic map. In the strategic map, there are strategic objectives which are the embodiment of the objectives to be achieved by DGT. Strategic targets are a collection of important things that will be carried out and achieved by DGT in the short term, namely for 1 (one) year. To be able to know and measure the achievement of the strategic targets set out in the DGT strategic plan, the Key Performance Indicators (KPI) are used. To achieve organizational goals, in 2021 DGT will develop 14 (fourteen) strategic targets and translate them into several KPIs. The strategic targets which are translated into the KPI manual are always supervised by the DGT in their implementation.

In the DGT's strategic plan, 5 (five) strategic targets have been set. The strategic targets are set by DGT to provide an overview of the conditions to be achieved by DGT during 2020 to 2024. The strategic targets are:

1. expansionary and consolidated fiscal policy,
2. optimal tax sector state revenue,
3. optimal organization and human resources,
4. reliable and integrated information system,
5. value-added internal control and supervision.

The strategic targets that will be achieved by DGT during 2020 to 2024 are then described in the form of KPI so that their achievements can be measured and evaluated. As stated by Taufiqurokman (2016) strategic implementation is a program, activity or step that is systematically arranged as an elaboration of the strategy. The budget is a detailed description of the sources of funds needed and how they are used. Procedure or what is often called SOP, a system of sequential steps or techniques about how a job or task is done. Performance standards are quantitative and qualitative target measures of the program implemented to determine its success or achievement.

From the description of DGT's strategic implementation, it was found that there were important things that were in line with Suci (2015) thoughts that DGT had done. These important things are evidenced by, among others, the existence of annual goals, policies, resources, organizational structure, restructuring, rewards and incentives, minimization of resistance to change, introduction of leaders to strategy, development of a culture that supports strategy, adaptation to production/operation processes, and effective human resource development.

In its implementation, changes (revisions) to the DGT strategic plan can be made. Changes to the strategic plan can be made in 2 (two) things, namely:

1. there are laws and regulations that mandate changes to the Strategic Plan of Echelon I Units and/or Echelon II Units within the Directorate General of Taxes
2. there is a change in the organizational structure and/or duties and functions of Echelon I Units and/or Echelon II Units within the Directorate General of Taxes.

Changes to the DGT strategic plan for 2020-2024 can be made with the stipulation that if there is a change in the strategic plan of the Echelon I unit, the determination will be made by the Director General of Taxes after going through a review process by the Secretariat of the Ministry of Finance, precisely at the Bureau of Planning and Finance (Rocankeu Bureau). Meanwhile, if there is a change in the strategic plan for the Echelon II unit, the determination will be made by the Head of the Echelon II Unit, with regard to and on behalf of the Director General of Taxes. This process can be carried out after going through a review process by the unit that has duties and functions related to strategic planning at the Directorate General of Taxes, namely the Kitsda

Direktorate. This is in line with the opinion of Bryson (2015) which states that there are 4 (four) main things that need to be considered at this stage of strategic implementation, namely:

1. human beings, related to their care and commitment
2. process, related to the transition of strategic ideas for the better
3. structural, related to the relationship between the parts and the whole
4. institutional, related to transformative leadership.

Regarding changes to the components contained in the KPI manual, changes (revisions) can be made without having to be followed by an addendum to the Performance Contract. Currently, the KPI is one of the benchmarks for the success of DGT in improving its performance, especially in relation to the achievement of the performance targets set in the performance contract.

In addition to the factors that support success in improving DGT's performance as stated in the previous explanation, there are also a number of factors that can become obstacles in strategic management, as discussed in the description below.

1. The implementation of strategic formulation, strategic implementation and strategic evaluation are carried out in the same unit. If the assignment of duties and responsibilities to different units or people is likely to be more effective and able to reduce errors or irregularities in carrying out their duties. DGT's Strategic Plan is managed by the Strategic Planning Section, Sub-Directorate of Organizational Transformation in the Directorate of KITSADA. The Strategic Planning Section prepares medium and long-term strategic plans, designs and carries out testing of organizational transformation designs and evaluations of their development implementation. As stated by informant H that the Strategic Planning Section is in charge of preparing materials for preparing medium and long-term strategic plans, preparing plans, control and evaluation. In relation to the DGT strategic plan which is revealed in the form of KPI, supervision over the achievement of the activity program of the KPI is carried out by the Performance Measurement Sub-section, Organta Section of the Directorate General of Taxes. As stated by informant C who stated that the Performance Measurement Sub-Division is a trusted unit, which is mandated in its duties and functions to manage performance management.
2. The limited authority of the performance management unit due to its position structure. The Strategic Planning Section as the manager of the DGT strategic plan and the Performance Measurement Sub-section as the manager of the DGT's performance is an echelon IV position structure. This situation can cause the assessment to be non-objective because the position structure of the superior receives evaluation from the lower echelons.
3. There is no special unit directly under the leadership (such as SMO/Strategic Management Office) that oversees strategic planning and performance. If there is a special unit, it will quickly be able to coordinate and act as a liaison officer for all echelon 2 (two) units involved, starting from preparing meeting agendas, taking notes, to documenting every process. This is in accordance with the opinion of informant F who stated that with the existence of a special unit that has direct access to the leadership, with its authority it is able to provide information to the leadership at DGT about whether a performance program is appropriate or not.

4. Implementation and supervision of the achievement of performance indicators that have not been entirely carried out through a computer application system. This condition allows errors to occur due to the large number of performance indicators spread across vertical units throughout Indonesia. In addition, it also allows manipulation of the results of the performance indicators achieved.

## Conclusion

Based on the results of the analysis and discussion in the previous chapter, it can be concluded that the Directorate General of Taxes needs to carry out strategic implementation to increase tax revenues by: a). make a guideline to be implemented by all components; b). have programs, activities or steps that are systematically arranged; c). have the necessary sources of funds; d). have procedures or SOPs and systems in the form of clear steps or techniques; e) have a clear standard of measure to determine its success; f). have goals, policies, resources, organizational structure, restructuring, rewards and incentives, minimization of resistance, introduction of leaders to strategy, development of a culture that supports strategy, adaptation to production/operation processes, and effective human resource development, g). accommodate changes through a review process. In addition, it must also be able to overcome things that can become obstacles such as: a). implementation of strategic formulation, strategic implementation and strategic evaluation carried out in the same unit; b). the limited authority of the performance management unit due to the position of the position structure; c). there is no special unit directly under the leadership (such as SMO/Strategic Management Office) that oversees strategic planning and performance; d). the implementation and supervision of the achievement of performance indicators that have not been entirely carried out through a computer application system, then the strategic implementation to increase tax revenue can be carried out effectively. accommodate changes through a review process. In addition, it must also be able to overcome things that can become obstacles such as: a). implementation of strategic formulation, strategic implementation and strategic evaluation carried out in the same unit; b). the limited authority of the performance management unit due to the position of the position structure; c). there is no special unit directly under the leadership (such as SMO/Strategic Management Office) that oversees strategic planning and performance; d). the implementation and supervision of the achievement of performance indicators that have not been entirely carried out through a computer application system, then the strategic implementation to increase tax revenue can be carried out effectively. accommodate changes through a review process. In addition, it must also be able to overcome things that can become obstacles such as: a). implementation of strategic formulation, strategic implementation and strategic evaluation carried out in the same unit; b). the limited authority of the performance management unit due to the position of the position structure; c). there is no special unit directly under the leadership (such as SMO/Strategic Management Office) that oversees strategic planning and performance; d). the implementation and supervision of the achievement of performance indicators that have not been entirely carried out through a computer application system, then the strategic implementation to increase tax revenue can be carried out effectively. strategic implementation and strategic evaluation carried out in the same unit; b). the limited authority of the performance management unit due to the position of the position structure; c). there is no special unit directly under the leadership (such as SMO/Strategic Management Office) that oversees strategic planning and performance; d). the implementation

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## COMPETING INTERESTS

The authors have no competing interests to declare.

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