

# Performance Improvement and Development Strategy for Tax Center Teaching Factory (Tefa) at Politeknik Negeri Jember

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**Abstract.** This study was conducted at Tax Center Teaching Factory (Tefa), Politeknik Negeri Jember. It aims to describe performance and development; develop performance improvement and development strategies; determine strategic priorities for performance improvement and development. The research method uses SWOT analysis to formulate strategies, AHP to determine priority scales, and BCG analysis to direct the FGD process. Results of SWOT analysis research show that total IFAS is 0.387 and EFAS is 1.931, so a Stable Growth Strategy is suitable to use. Long-term contract strategy with lecturer partners and educational staff on service quality and management commitment is a priority implementation. The BCG results implemented through FGD recommend that client education and industry collaboration are required. Implementation strategies are grouped into short, medium, and long-term plans, including a list of activities to be carried out, human resources planning for required resources, and schedules of implementation for when to implement the strategy.

**Keywords:** Tax Center Tefa, AHP, SWOT Analysis

## 1 Introduction

Teaching Factory (Tefa) owned by Politeknik Negeri Jember is a superior program, realizing a competency-based vocational learning system. The research topic is directed at Tefa development research to support vocational learning and produce superior products[1]. Tax Center Tefa at Politeknik Negeri Jember was inaugurated on October 25, 2022[2], functioning as a center for the study, education, training, and socialization of taxation in universities and the community, carried out independently[3]. Tax Center Tefa activities collaborate with the Tax Service Office, as an extension of KPP Pratama, to assist in reporting and filling out Annual Tax Returns carried out by students who are members of the Tax Volunteers under instructions and are directly monitored by the person in charge of the Tax Center, becoming a means of practice and honing skills and increasing student competency in the field of taxation.

The problem is the limited service of the Tax Center; it only provides assistance with reporting and filling out Annual Tax Returns, which is limited in time from December to March. It is hoped that the tax service teaching factory activities will be carried out continuously as a means of student learning which not only provides assistance in reporting and filling out annual tax returns but also as a tax study on tax consultant services, tax training services, and tax outreach to taxpayers which is carried out independently and continuously.

The research aims to develop a strategy for improving the performance and development of Tax Center Tefa at Politeknik Negeri Jember and to determine strategic priorities for improving the performance and development of Tax Center Tefa Polije. The urgency of this research is to recommend strategies for improving performance and developing the Teaching Factory (Tefa) Tax Center Polije.

The research contribution in the learning aspect lies in the enhancement of added value and the quality of students, as well as the improvement of competency certification acquisition through strengthening the factory business entity. The implementation strategy's contribution is made in the aspects of the business entity, management commitment, service marketing mix, and the quality of services at the Tax Center Tefa.

## **2 Literature Review**

### **1) Business Entity**

A business entity is an organization created by an individual or group of people to carry out business activities. The concept of a business entity is that a business is seen as a separate entity from owners, creditors, or other stakeholders[4]. Entity types based on activity are grouped into five types: Service Entities, Trading Entities, Manufacturing Entities, Extractive Entities, and Agrarian Entities. According to their form, entities can be grouped into four forms, namely, Individuals, Partnerships, Limited Liability Companies, and Cooperatives[5]. Aspects studied in business entities include Legal aspects (legality), Market and Marketing, Engineering and Operations, Organizational Management, Finance, Socio-Economics, and Environmental Impact [6]. The success of a business entity regarding reputation is influenced by the marketing mix [7].

### **2) The Concept of Organizational Commitment**

Organizational commitment is a feeling that determines a person's attachment to an organization[8]. Commitment is an individual's willingness to do something based on trust[9]. Aspects of the commitment model include affective components, continuous components, and normative commitment[10]. Commitment is influenced by service quality and has an impact on performance [11];[12], while according to [13], employee satisfaction and commitment influence service quality.

### **3) Service Industry Marketing Mix (7P)**

The services marketing mix is a set of marketing tools consisting of 7 elements, namely: product, price, promotion, place, people, physical evidence, and processes, all elements of which can be

controlled by individuals or groups to achieve competitive advantage[14]. The elements contained in the marketing mix consist of seven main aspects. Four traditional aspects relate to the marketing of goods, and the following three aspects relate to expanding the marketing mix. Four traditional aspects, namely, product, price, place, and promotion. The three aspects of expanding the marketing mix are people, physical evidence, and process[15]. Marketing mix and service quality influence performance[16].

#### **4) Service Quality**

Parasuraman et al. (1988) and Kotler (1997) define service quality as a form of consumer assessment of the level of service received (perceived service) and the level of service expected (expected service). Two main factors influence service quality: expected and perceived service[17]. Zeithaml and Bitner in [18] explain that there are five main dimensions of service quality, also known as TERRA, including Tangible, Empathy, Reliability, Responsiveness, and Assurance.

#### **5) Organizational Performance**

Performance measurement is classified into four categories: financial measure, intellectual capital, balanced scorecard, and tangible and intangible[19]. Performance is the extent to which an organization achieves a set of pre-defined targets that are unique to its mission. These targets will include both objective (numerical) and subjective (judgmental) indicators[20]. Employee performance is influenced by several factors, namely compensation, work environment, organizational culture, leadership and work motivation, work discipline, job satisfaction, communication, and other factors[21]. [22] stated that both partial and simultaneous commitments significantly affect employee performance. Furthermore, [23] stated that a positive relationship between the marketing mix and customer satisfaction will positively affect the overall organization's performance.

### **3 Research Methods**

The type of research conducted is exploratory descriptive, aiming to depict the condition of Tefa and plan for developing Tefa's activities in the future. External expert samples are derived from the Jember Primary Tax Service Office (KPP Pratama Jember) and experienced speakers from Universities with expertise in managing Tax Centers. Internal expert samples consist of the managers of Tax Center Tefa and competent lecturers. Questionnaires were distributed to the structural officials at Polije to obtain an overview of Tax Center Tefa. The analysis techniques used are SWOT analysis, Analytical Hierarchy Process (AHP), and Boston Consulting Group (BCG).

### **4 Result and Discussion**

#### **4.1 Tefa's Strategy**

To be able to continue to develop, Tefa must be able to map out the strategies it will take in carrying out its business activities, starting from planning corporate strategies to planning

functional strategies in line with Tefa's vision, mission and values, supporting each other and synergizing with one another's strategies.

### 1) Alternative Corporate Strategy

Tefa's current positioning will be reflected in the EFAS and IFAS matrices. The EFAS matrix will be depicted in Y-axis coordinates, while the IFAS matrix will be depicted in X-axis coordinates. Once each coordinate is known, the company's current position will be obtained to draw conclusions regarding the company's strategy based on SWOT analysis.

### 2) IFAS Matrix Weighting (Internal Factors Analysis Summary)

Table 1. Weight Matrix of IFAS Tefa

	weight (w))	rating score (r)	score (wxr)
<b>Strength (S)</b>			
The current condition of Tax Center Tefa at Polije services	0.060	3.273	0.197
The current location determination of Tax Center Tefa at Polije.	0.065	3.290	0.214
The current speed of service handling at Tax Center Tefa Polije	0.061	3.348	0.203
The current formal legality status of Tax Center Tefa at Polije	0.060	3.302	0.198
The current client handling techniques at Tax Center Tefa Polije	0.061	3.419	0.209
The current leadership of Tax Center Tefa at Polije	0.060	3.360	0.202
The management of Tax Center Tefa at Polije is committed to continuously uniting and developing the organization	0.061	3.389	0.207
The management of Tax Center Tefa at Polije actively participates and is unwilling to leave the organization	0.060	3.290	0.196
The management of Tax Center Tefa at Polije morally obligates itself to stay and contribute to the development of the organization	0.062	3.389	0.209
<b>Strength Total (S)</b>	<b>0.550</b>	<b>30.061</b>	<b>We1.836</b>
<b>Weakness (W)</b>			
Setting the Tariff for Tax Center Tefa Polije Services at Present	0.057	3.009	0.171
The promotional efforts carried out by Tax Center Tefa at Polije at the moment	0.054	3.250	0.176
The current workforce placement at Tax Center Tefa Polije	0.057	3.360	0.191
The devices used to support the operations of Tax Center Tefa Polije at the moment	0.058	3.273	0.191
The current client handling procedures at Tax Center Tefa Polije	0.059	3.319	0.195

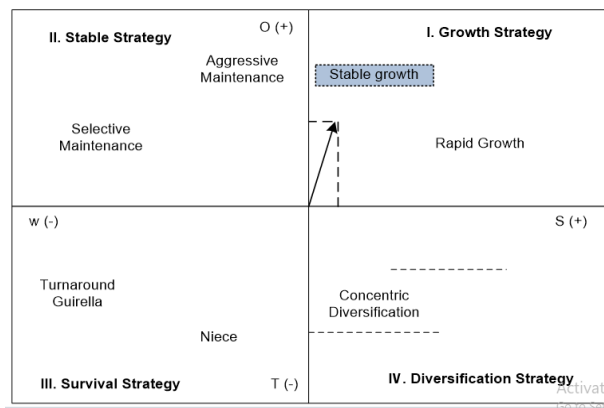
The current organization of Tax Center Tefa at Polije	0.059	3.273	0.194
The current revenue of Tax Center Tefa Polije's services	0.050	2.999	0.151
The financial accountability of Tax Center Tefa Polije at the moment	0.055	3.222	0.178
<b>Weakness Total (W)</b>	<b>0.339</b>	<b>19.446</b>	<b>1.449</b>
<b>Total Overall of IFAS</b>		<b>0.387</b>	

**Table 2.** Weight Matrix of EFAS Tefa

	weight (w)	rating score (r)	score (wxr)
<b>Opportunity (O)</b>			
The current market opportunity segments for Tax Center Tefa Polije	0.073	3.262	0.238
The current target market of Tax Center Tefa Polije	0.071	3.302	0.235
The current benefits of Tax Center Tefa Polije for the community	0.072	3.319	0.240
The impact of Tax Center Tefa Polije on tax payment awareness	0.074	3.245	0.240
The service offerings from Tax Center Tefa Polije can currently be experienced as per expectations.	0.071	3.189	0.226
The staff at Tax Center Tefa Polije are prompt in understanding the issues faced by their clients.	0.072	3.319	0.238
The outcomes of Tax Center Tefa Polije's services are tangible and accountable.	0.072	3.389	0.243
The seriousness in managing Tax Center Tefa Polije can increase revenue	0.071	3.331	0.235
The seriousness in managing Tax Center Tefa Polije can increase clients	0.073	3.302	0.240
The seriousness of managing Tax Center Tefa Polije can increase student participants	0.073	3.348	0.243
The seriousness in managing Tax Center Tefa Polije can increase the number of students with certified competency in tax services	0.071	3.302	0.235
<b>Opportunity Total (O)</b>	<b>0.792</b>	<b>36.307</b>	<b>2.614</b>
<b>Threat (T)</b>			
The current market position of Tax Center Tefa Polije	0.068	3.233	0.221
The staff at Tax Center Tefa Polije are responsive in assisting customers	0.070	3.290	0.231
The results of Tax Center Tefa Polije's services are convincing and build trust in their accuracy	0.070	3.331	0.232
<b>Threat Total (T)</b>	<b>0.208</b>	<b>9.854</b>	<b>0.683</b>
<b>Total Overall of EFAS</b>		<b>1.931</b>	

## 4.2 Determining Tefa Position

Mapping Tefa's position based on the weight of strength and weakness factors, as well as the weight of opportunity and threat factors, will determine the type of strategy that Tefa can use to achieve successful growth and development. Mapping on the X-axis, representing internal factors of the company (strengths-weaknesses), is done by subtracting the total weight of strengths from the total weight of weaknesses. This process yields the X-axis coordinates for Tefa. Mapping on the Y-axis, representing external factors of the company (opportunities-threats), is done by subtracting the total weight of opportunities from the total weight of threats. This process yields the Y-axis coordinates for Tefa coordinates. The X-axis and Y-axis coordinates (0.387; 1.931) obtained from the weighting results of the EFAS and IFAS factors are then mapped onto the X, Y coordinate axes.



**Fig 1:** Tefa's Current Strategy

Tax Center Tefa is in a position where the existing opportunities have greater value than the threats faced by Tefa, and Tefa's strengths have greater value than Tefa's weaknesses. The most suitable strategy for Tefa, based on the Tax Center Tefa SWOT map, is the Stable Growth Strategy. The factors that cause Tefa to choose a growth strategy are increasing market demand and expanding the industry.

For the long term, Tefa should implement a Long-term contract strategy with its lecturer partners and Polije education staff. This is to maintain long-term cooperation between the two parties. To support Tefa's growth in the future and maintain clients as the main service activity, what Tefa can do is as follows:

1. Educate clients, students, and accompanying lecturers with brevet competency.
2. Collaborating between industry and government agencies.

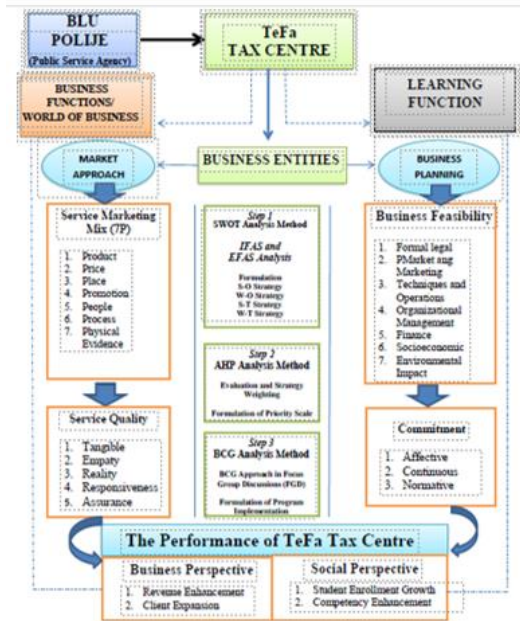
## 4.3 SWOT Matrix as an Alternative Strategy Development

Tefa's management can leverage these factors from the SWOT factor analysis to generate four alternative strategies. These four alternative strategies align the external opportunities and threats facing Tefa with the strengths and weaknesses inherent within Tefa's internal framework. The four sets of alternative strategies are as follows.

**Table 3.** SWOT Matrix.

Internal Factor	STRENGTHS (S)	WEAKNESS (W)
<b>External Factor</b>	Determining the strengths	Determining the weaknesses
<b>OPPORTUNITIES (O)</b> Determining the opportunities	STRATEGY SO <ul style="list-style-type: none"> <li>- Determining the location</li> <li>- Handling Client Technique</li> <li>- Moral Management</li> <li>- Continuing the commitment to unite ourselves to develop the organization</li> <li>- Being able to manage and increase student learning</li> <li>- Being responsible for the service</li> </ul>	STRATEGY WO <ul style="list-style-type: none"> <li>- Promotions</li> <li>- Fee Dtermination</li> <li>- Sevice Revenue</li> <li>- Handling Client Procedures</li> </ul>
<b>THREATS (T)</b> Determining the threats	STRATEGY ST <ul style="list-style-type: none"> <li>- The staffs participates and they should stay in the organization</li> <li>- Formal Legality</li> </ul>	STRATEGY WT <ul style="list-style-type: none"> <li>- Market position</li> <li>- Belief in building the trust</li> <li>- Sraff alertness</li> </ul>

**4.4 Tax Center Tefa’s Strategic Map**



**Fig 2.** Tax Center Tefa’s Strategic Map

## 4.5. Implementation Plan

### 4.5.1 Action Plan

The determination of the action plan is carried out with the following approach:

1. Market Requirement Perspective: This strategy involves observing and analyzing the market conditions, understanding the requirements of a market within its industry, and comprehending the actions or strategies implemented by competitors. Thus, what the Tax Center needs to do at present is to explore its customer needs further. This can be achieved by conducting market research regarding Tax Center Tefa consumers.
2. Operation Resources Perspective: An operational viewpoint wherein the company identifies the resources of Tax Center Tefa and its business processes, encompassing both tangible and intangible resources, measuring the capabilities of these resources, and executing them in operational activities to create a competitive edge for Tax Center Tefa.

The implementation strategy plan for Tax Center Tefa can be grouped into:

1. Short-Term Plan (Annual Plan)
2. Medium-Term Plan (2-4 Years)
3. Long-Term Plan (This long-term plan is an implementation plan spanning until 2028, aligned with the achievement plan of Tax Center Tefa's vision).

The short-term plan is a tactical plan that Tefa can promptly undertake within the next year. The medium-term plan can be seen as the strategy's application after one year until the long-term plan is accomplished. The long-term plan acts as a guide for Tefa in determining its annual plans.

This implementation plan consists of:

1. List of Activities: Encompassing the activities to achieve the desired strategies.
2. Human Resources: General outline of required resources.
3. Schedules of Implementation: Plans indicating the timing of strategy execution.

### 1). List of Activities

**Table 4.** Strategic Plan Format of Tax Center Tefa.

No	Strategy	Business Unit	Strategic Planning	Action Plan	Measurement
1	Backward Integration	Social Perspective (Teaching)	The Planning of Tax Center Location Enrollment Increase	Collaboration with Polije Procurement Opening of Registration	Unit Number of Participants & Competency Certifications

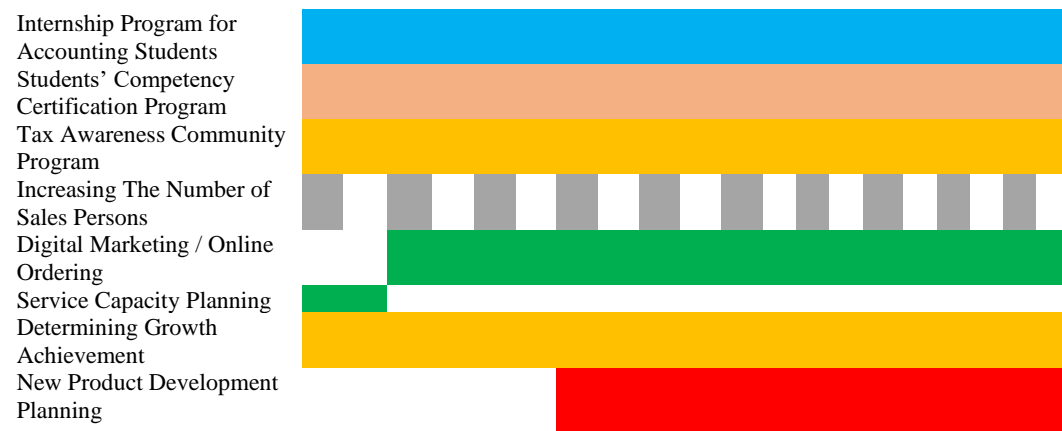


		Business Perspective (Factory)	Addition of Industry Partners	Collaboration System with Partners	Number of Industry Partners
2	Market Penetration	Social Perspective (Teaching)	Addition of Learning	Increase in the Number of Instructors	The growth in the number of competency certification recipients
		Business Perspective (Factory)	Increasing Market Share	Increase in the Number of Salespersons Direct Marketing (Online Ordering)	Client Growth Income Enhancement
3	Differentiation Strategy	Social Perspective (Teaching) Business Perspective (Factory)	Creating unique products or processes that hold significant value for customers	New product development: Best Total Solution Program	Future Business Growth Customer Satisfaction Data Recording

**Table 5.** Format for Implementation Plan of Functional Activities at Tax Center Tefa.

No	Strategy	Strategic Planning	Action Plan	Measurement
1	Operasi	Outside-in	Program Implementation: Know your customer Constructing the objective of Performance	Market Requirement & Positioning Tax Center Tefa Indicator pencapaian kinerja Tax Center Tefa
		Inside-in	Identifying resources, capabilities, and processes	Data core competency Tax Center Tefa
2	Marketing	Skim Pricing	Determining the service, and the quality of the service	Total Sales dan Net Profit Margin
		Penetration pricing	Financing collaboration with partners	
		Dynamic Pricing	Tax training	





## 6. Conclusions

The formulation of strategies to enhance and develop the performance of Tax Center Tefa was based on the results of SWOT, AHP, and BCG analyses, which were organized into stable, short-term, medium-term, and long-term growth strategies. These encompassed activity lists, human resource planning, and implementation schedules. The formulation of strategies contributed to the learning aspect by enhancing the added value and quality of students and improving the acquisition of competency certifications through strengthening the factory business entity. The implementation strategy contributed to the business entity aspect, management commitment, service marketing mix, and the quality of services at Tax Center Tefa.

## 7. Recommendation

For future research and strategy development, adopting a Balanced Scorecard perspective in the analysis approach is advisable.

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