Analysis of the Impact of Organizational Culture on the Use of Digital Tax System for MSMEs in Medan City

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Abstract

This study aims to analyze the influence of organizational culture consisting of the dimensions of involvement, consistency, adaptability, and mission on the use of the digital tax system in MSMEs in Medan City. The population of this study is MSME owners and managers in Medan City, with a sample of 50 respondents. The research method uses a quantitative approach with multiple linear regression analysis, classical assumption test, and partial hypothesis test (t-test) and simultaneous (F-test). The results of the study show that partially and simultaneously, the dimensions of organizational culture have a positive and significant effect on the use of digital taxation systems. In conclusion, improving organizational culture can support the effectiveness of the implementation of the digital tax system for MSMEs. This research suggests the need for more intensive socialization and training related to the use of the digital tax system so that MSMEs can more easily adopt it.

Keywords:
Tax Information System; MSMEs; Organizational Culture;

Introduction

The development of information technology has brought significant changes in various aspects of life, including in the field of taxation. In Indonesia, the use of a digital tax system is one of the government's efforts to increase tax compliance, especially among Micro, Small, and Medium Enterprises (MSMEs). MSMEs, as the backbone of the national economy, contribute greatly to economic growth and job creation. However, they often face challenges in terms of understanding and implementing the ever-evolving tax system.

Organizational culture is an important factor that affects the way an entity conducts its operations, including in terms of implementing a digital tax system. A positive organizational culture can encourage the adoption of new technologies, increase participation, and strengthen employees' commitment to company goals. On the other hand, a negative culture can be an obstacle to acceptance of change, such as the implementation of a digital tax system.

In Medan City, although the government has implemented various initiatives to facilitate the adoption of the digital tax system by MSMEs, there are still significant challenges in its implementation. Many MSMEs have not fully utilized this system, which can be caused by a variety of factors, including a lack of understanding, limited resources, and an organizational culture that does not support innovation.

This study aims to analyze the impact of organizational culture on the use of digital taxation systems for MSMEs in Medan City. By understanding the relationship between the two, it is hoped that solutions can be found to overcome existing obstacles and encourage wider adoption of digital

taxation systems. This research is expected to contribute to the development of more effective tax policies and support the growth of MSMEs in Indonesia.

Methods
Type of Research
The material used in this study is quantitative research, which is to examine the influence between variables and independent variable data (X) Organizational Culture which has the dimensions *of Involvement, Consistency, Adaptability* and *Mission*, with the dependent variable (Y1) namely the Use of Digital Tax System.

Research Subjects and Objects
This research procedure is carried out in several stages, namely pre-research, data analysis, data interpretation and drawing conclusions, as follows:
1. The pre-research stage is carried out by collecting data and then the research phenomenon is known.
2. The second stage is the data analysis stage by analyzing through a descriptive approach, quantitative linear regression analysis with moderating variables.
3. The third stage is data interpretation by interpreting the results of the predicted values of each variable and comparing them with the theory and results of previous research. Interpretation can prove theories, oppose theories and develop new theories as a reference for research results.

Based on the presentation of the research material, a conceptual framework was made which would later be used as a basis for analyzing research data. The conceptual framework in this study is as follows:
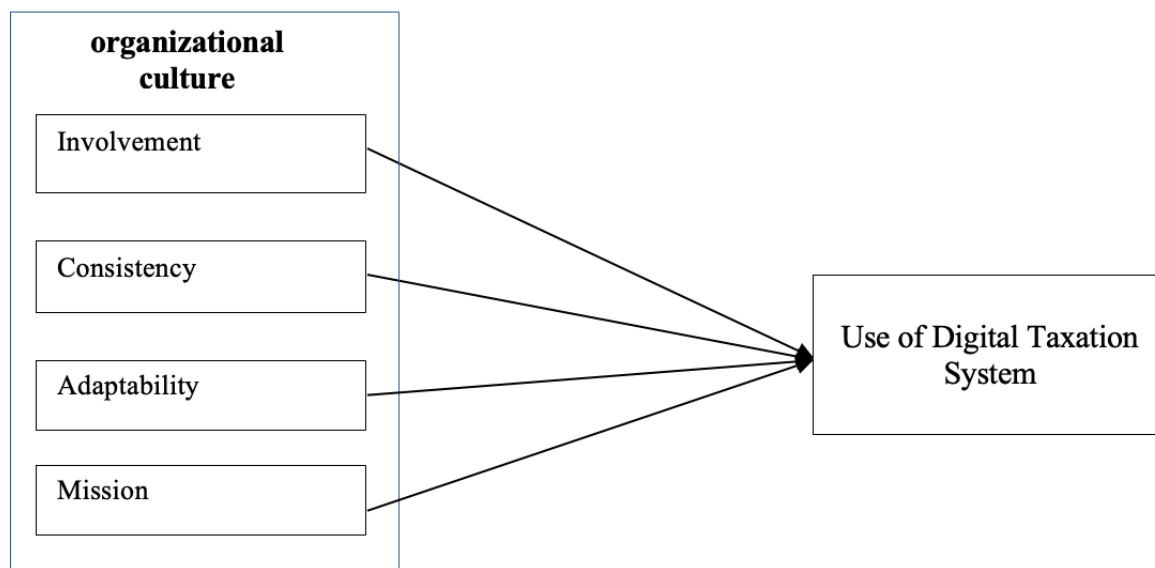
Research data sources
Research Analysis Techniques
The characteristics of qualitative research are in the form of case studies, so data analysis is carried out throughout the research process. The data that has been collected is clarified and conclusions

drawn. Data analysis is based on simplification and interpretation of data that has been carried out previously during this study. According to Silalahi (2009), the analysis process is sequential, namely reducation, display.

Results

The discussion in this chapter includes the results of research to test the influence of an independent variable, namely Organizational Culture, on the dependent variable of the Effectiveness of the Use of the Tax Digitization System. The results of the study include the description of the research respondents, data quality test, classical assumption test, hypothesis test and discussion.

This research was carried out on MSMEs registered at the Office of the Directorate General of Taxes of North Sumatra I (Regional Office of DGT North Sumatra I) in Medan City with predetermined criteria. Direct questionnaires are as much as questionnaires. Of the 60 questionnaires distributed, only 50 questionnaires (83.33%) were returned. All questionnaires that returned were then checked for completeness, and all of them could be processed because they were filled out completely by the respondents. The results of this research will be described in accordance with the data analysis techniques that have been determined, namely descriptive statistics, data quality tests, classical assumption tests, and research hypothesis tests.

Discussion

Based on the results of the study, it is simultaneously known that the significance value of F for the Equation Model is 0.000 < 0.05, so it can be concluded that the Organizational Culture is proxied with the variables *Involvement, Consistency, Adaptability,* and *Mission*. The results of this study are in line with the research of Firmawan and Marsono (2009), and Pikkarainen et. al. (2004) which stated that the Context of Technology and Organizational Culture affects tax compliance.

The Influence of Organizational Culture *(Involvement)* on the Effectiveness of the Use of Tax Digitalization

The results of the first hypothesis test (H1) partially (t-test) show that the Use of Organizational Culture *(Involvement)* has a significant positive effect on the Effectiveness of the Use of Tax Digitalization. This shows that the better the Organizational Culture, the Effectiveness of the Use of the Digital Tax System will increase.

The Influence of Organizational Culture *(Consistency)* on the Effectiveness of the Use of Tax Digitalization

The results of the first hypothesis (H2) partial test (t-test) show that the Use of Organizational Culture *(Consistency)* has a significant positive effect on the Effectiveness of the Use of Tax Digitalization. This shows that the better the Organizational Culture, the Effectiveness of the Use of the Digital Tax System will increase.

The Influence of Organizational Culture *(Adaptability)* on the Effectiveness of the Use of Tax Digitalization

The results of the first hypothesis (H3) partial test (t-test) show that the Use of Organizational Culture *(Adaptability)* has a significant positive effect on the Effectiveness of the Use of Tax Digitalization. This shows that the better the Organizational Culture, the Effectiveness of the Use of the Digital Tax System will increase.

The Influence of Organizational Culture *(Mission)* on the Effectiveness of the Use of Tax Digitalization

The results of the test of the first hypothesis (H3) partially (t-test) show that the Use of Organizational Culture *(Mission)* has a significant positive effect on the Effectiveness of the Use of Tax Digitalization. This shows that the better the Organizational Culture, the Effectiveness of the Use of the Digital Tax System will increase.

Conclusion

Based on the results of hypothesis testing, the conclusions that can be drawn from each of the hypothesis tests are as follows:
1. There is a positive and significant influence of Organizational Culture *(Involvement)* on the Effectiveness of the Use of the Digital Tax System for MSMEs in Medan City
2. There is a positive and significant influence of Organizational Culture *(Consistency)* on the Effectiveness of the Use of the Digital Tax System for MSMEs in Medan City
3. There is a positive and significant influence of Organizational Culture *(Adaptability)* on the Effectiveness of the Use of the Digital Tax System for MSMEs in Medan City
4. There is a positive and significant influence of Organizational Culture *(Mission)* on the Effectiveness of the Use of the Digital Tax System for MSMEs in Medan City

Suggestion

The results of the analysis in this study can provide input that can be used by MSME actors and the Directorate General of Taxes:
1. In general, MSME actors who have a relatively stable income have the will to comply with the tax obligations of MSMEs, especially those who use the digital tax system. However, due to the lack of knowledge, there will be changes in income tax for MSMEs, namely in the Tax Harmonization Law which provides special support to MSMEs where up to the turnover limit of 500,000,000, it is not an income tax object, thus giving a sense of justice to MSME actors, especially in Medan City.
2. This study has limitations in the number of samples and relatively few variables, so for future researchers to increase the number of samples and variables studied, so that they can improve the results of this research.

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