

Case Studies of Public Sector Innovation in Increasing Local Tax Compliance

Studi Kasus Inovasi Sektor Publik dalam Meningkatkan Kepatuhan Pajak Daerah

Pratiwi¹

*National Graduated Institute for Policy Studies
7 Chome-22-1 Roppongi, Minato City, Tokyo, Japan, 106-0032
Telp. +81-(0)3-6439-6000 dan Fax. +81-(0)3-6439-6010*

(Diterima 13/03/19; Disetujui 19/05/19)

Abstrak

Inovasi sektor publik (ISP) merupakan faktor pendorong yang krusial dalam pembangunan ekonomi. Pajak merupakan salah satu pendukung pembangunan sebagaimana 70% pengeluaran negara dibiayai dari pajak. Meski demikian, rasio penerimaan pajak terhadap Produk Domestik Bruto (PDB) di Indonesia masih kurang dari 13% dan termasuk yang terendah diantara negara-negara di Asia Tenggara. Kajian ini mendeskripsikan dua studi kasus pada konteks pemerintah daerah dalam meningkatkan kesadaran warga untuk membayar pajak. Kajian ini berfokus pada proses inovasi, alur pengetahuan, kondisi pendukung dan tantangan dalam implementasi inovasi. Dengan menggunakan metode studi kasus, kajian ini merekomendasikan bahwa penghargaan terhadap inovator, pelatihan pegawai, kerjasama multi-stakeholder, dan pendekatan *bottom-up* telah menstimulasi kesadaran berinovasi dalam organisasi pemerintah.

Kata Kunci: Inovasi sektor publik, penerimaan pajak, organisasi pemerintah daerah.

Abstract

Public sector innovation (PSI) is important driving factor of economic development. Tax is one of the drivers of economic development as 70% of national expenditure are covered by tax revenue. However, the tax revenue ratio towards the Gross Domestic Product (GDP) in Indonesia is less than 13% and is the lowest among Southeast Asian economies. This study describes two case studies in local governments on increasing the awareness of the citizens to pay tax. This study focuses on innovation process, the knowledge flow, supporting conditions and challenges in implementing the innovations. By employing case study method, this study suggests acknowledgement, human resource training, multi-stakeholder partnership, and bottom-up approach have stimulated innovativeness of public organizations.

Keywords: Public sector innovation, tax revenue, local government organization.

¹ Email: mep17205@grips.ac.jp

1. BACKGROUND

70% of national expenditure in Indonesia is covered by tax revenue. Even though the tax revenue achievement is 89,4% and is higher than previous years, the tax ratio towards GDP is below the IMF's minimum safe rate, 12, 75% and is also the lowest among Southeast Asian countries (Verico, 2018). Tax ratio per GDP in Thailand in 2017 is 17%, the Philippines is 14.4%, Malaysia is 15.5%, Singapore is 14.2%, and Vietnam is 13.8%. If formal activities complied well in tax payment, Indonesia tax base would be 36%.

Compare to other Southeast Asian economies, Indonesia faces more challenges in human resources as the largest and the most populous country among those big five ASEAN economies. However, geographical distance hampers public service delivery (Kopczewska, 2013; Ranasinghe, 2014). Indonesia also faces another challenge, to serve 250 million citizens across 514 municipalities and 74, 754 rural areas ("Peraturan Menteri Dalam Negeri Nomor 56 Tahun 2015 tentang Kode dan data wilayah Administrasi pemerintahan," 2015), 1.7 persons or less than two civil servants have to serve 100 citizens (Rakhmawanto, 2016). Compare to other big five ASEAN economies, the percentage of civil servants and population in Indonesia is the smallest. 1.7 % of citizens in Singapore are civil servants (*The Data of Civil Servants and Population in Singapore*, 2016), while in Malaysia, it is 5.2% (*Data of Malaysian Population and Civil Servants*, 2017); in Brunei Darussalam, they have 12.1% (*Data about Population of Brunei Darussalam*, 2016); and Thailand has 2.8% (*Public Administration Country Profile The Kingdom of Thailand*, 2004).

Further, Verico suggests to increase the potential tax payers, build more offices, and conducts the policy of tax amnesty (Verico, 2018). Other studies suggest different recommendation. There are some factors that significantly contribute to tax compliance such as updated tax administration system, tax disincentives, tax service, tax morale (Rahman, 2017; Arum, 2012); income levels, tax rates, audit, and penalties (Ezer & Ghazali, 2017); individual behavior, motivation and tax knowledge (Anggraini, 2018); and tax sanctions (Hantoyo & Handayani, 2016). Even though previous studies have suggested the significant variables that determine tax compliance, there are still lack of studies suggesting the process and mechanism on how the government implement the measures. Therefore, this study focuses on the process, mechanism, and the stimulating factors of public service innovation in increasing tax compliance.

Studies recommended that innovation and reform are essential to increase business growth where there are limited resources (Hilhorst & Frederic Meunier, 2015; Schubert, Constantin, & Lee, 2017; *Doing Business 2018, Reforming to Create Jobs*. Washington, US: International Bank for Reconstruction and Development, 2018). Public sector innovation (PSI) is also important driving factor of economic development (Alam, Kiterage, & Bizuayehu, 2017; Emara & Chiu, 2016; Han, Khan, & Zhuang, 2014). Since 1990, the studies of PSI have been robust. De Vries, et. Al conducted a framework study based on 181 academic publications about PSI during 1990-2014 (De Vries, Bekkers, & Tummers, 2016). The framework study categorized all the publications into some focuses such as innovation definition, types, goals, antecedents, and outcomes. De Vries, et. al suggested that future studies need to focus on theory and process development and testing as previous studies were theoretically weak (De Vries et al., 2016). Osborn and Brown also suggested further studies about PSI need to explore organizational, environmental and institutional condition to ensure the continuity of PSI (S. Osborne & Brown, 2011). Specifically, one major problem of PSI practices in Indonesia is lacking capacity of civil servants. Government employees often neglect to collect empirical evidence and analyzing the gap between the actual demand from stakeholders and the resources government has, therefore, the goal and the impact of PSI for the citizen life improvement are not clear defined (*Fostering Innovation in The Public Sector*, 2017). They suggest future studies about PSI need to focus on theory development in cross-

sectoral PSI, PSI continuity factors, and impact of PSI (De Vries et al., 2016; Osborne & Brown, 2011; *Fostering Innovation in The Public Sector*, 2017)

Since 2014, Indonesia has been implementing public sector innovation policy framework broadly and one distinctive feature is PSI training conducted by National Institute of Public Administration (NIPA) (*Open Government in Indonesia OECD Public Governance Reviews*, 2016). The leading sectors to implement the policy framework in PSI are Ministry of Administrative and Bureaucratic Reform, Ministry of Interior, Ministry of National Development Planning, and NIPA (*Open Government in Indonesia OECD Public Governance Reviews*, 2016). During last three years, NIPA has facilitated 35 municipalities and stimulated 6, 813 public sector innovations among those municipalities (Utomo, 2018). However, based on the preliminary interview with NIPA facilitators conducted in March 2018, not all of the innovation projects are sustainable and successful in addressing substantive benefit. To answer the gap in PSI implementation results and the gap in the previous studies, this study answers four research questions:

- a. How do local government innovators conceptualize the process of the PSIs?
- b. Who are stakeholders involved and how the knowledge flows among stakeholders?
- c. How do local government innovators perceive about supporting factors of public service innovation continuity?
- d. How much do those PSIs accelerate tax compliance performance?

2. LITERATURE REVIEW AND FORMER STUDIES

Previous studies have indicated some interventions affecting tax compliance such as widening tax base and tax evasion (Saleheen & Siddiquee, 2013), tax incentive (Infranca, 2008), sharing economy specific regulations (Migai, De Jong, & Owens, 2018), user knowledge (Bornman & Wessels, 2018), and user-friendly taxing procedure (Thomas, 2017). However, most cited studies focus on factors that affect tax compliance (Inasius, 2019; Sharma & Mitra, 2015) and factors influencing tax payment behavior (Kumar & Sachan, 2017).

Other studies have emphasized the importance of tax administrative reform and innovation. Tax administrative reform contributes to the emerging state of firm formation and compliance (Braunerhjelm & Eklund, 2014; Thomas, 2017). However, the process and best practices in tax administrative reform or innovation are still under-researched. Exploring best practices and the process of innovation allow policy-makers to understand policy-making and implementation process. As the innovation in tax administrative is still not explored much, this section explains the general processes, factors, and aspects in public sector innovation.

2.1 Conceptual Definition of Public Sector Innovation

The literature of innovation research grew after Schumpeter identified innovation as a determinant of entrepreneurship and economic growth (Fagerberg, Mowery, & Nelson, 2005). There are factors that determine innovativeness in a firm such as their investment to research and development, the ability of knowing market demand, the role of public research institute, labor force, and financial institutions (Fagerberg et al., 2005).

However, the concept and definition of innovation is different in the context of public sector. Syah Putra argues that public sector innovation should possess the element of newness and performs impact (Syah Putra, 2017). More broadly, three components when defining PSI are newness, impacting result, and replicable design (S. P. Osborne & Brown, 2013). The literature of PSI has been growing as the development of technology and citizens

demand for much better service. Some public service innovation might employ information, communication technology (ICT) and some might not, those do not employ can lead to a successful of innovation. Further, a study argues public sector has uncertainty and therefore, government needs to be careful in defining failure in public sector innovation. The failure in innovation could lead to another innovation (Syah Putra, 2017).

Schumpeterian concept of innovation describes different degree of innovation: radical and incremental (*Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*, 2005). Radical innovations produce breakthrough and changes the paradigm of producing something in industries, while incremental innovations perform small changes (Engen & Holen, 2014). Osborn & Brown notes that radical public sector innovation transforms the society and the whole system of service provision, while incremental innovations changes little part of the whole service system such as organizational skills and competency (S. P. Osborne & Brown, 2013). Those extents are implemented in various types. OECD/ Eurostat, 2005 categorizes types of innovations:

- Product innovations. This type of innovation increases the product and services functions significantly. Firms employ this kind of innovation in technological products.
- Process innovations. This changes delivery process of products and services. Firms employ new technique or technology to improve effectivity and efficiency in producing goods and services.
- Organizational innovations. It requires new organizational way such as new communication in workplace, new way to connect with external stakeholders, cutting administrative cost, new system of employee training, or other method to improve learning in organizations.
- Marketing innovations. It applies new method of marketing such as new packaging of product, new pricing, product placement and promoting methods (*Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*, 2005).

Other than the innovation categories, service innovation is another category which is more relevant to public service innovation. Service innovation is mainly customer or citizen driven, so the initiation of service innovation brings different result in an organization (Barrett, Davidson, Prabhu, & Vargo, 2015). Service innovation has more elements generally newness in service concept, client interface, service delivery system, and technology (Barrett et al., 2015).

2.2 The Process of Implementing Public Sector Innovation

There are six steps identified by OECD, in implementing innovation in the context of public service:

1. Problem identification. This step describes the ability to analyze citizen oriented problem is necessary. Problem identification includes identifying their needs and what have the organization achieves so far comparing to the goals of an organization.
2. Idea generation. Ideas can be generalized from the ability of the employee to adapt and implement new ideas which might be non-mainstream and uncertain. In this step, manager's role to support is crucial.
3. Developing proposal. To implement and realize the ideas, action plan based on objective is necessary particularly it gives the details about tasks and roles of each stakeholder in certain amount of time.
4. Project implementation. Trusting managers that apply decentralized decision making in this step is important.

5. Program monitoring. The role of central government and local government bureau to always maintain the process of monitoring on the field and regularly is important.
6. Diffusing lesson. It spreads the knowledge of the innovation and can increase the effectiveness of the innovation when it is applied in different context (*Fostering Innovation in The Public Sector*, 2017).



Figure 1. Theorically PSI Process

Source : *Fostering Innovation in The Public Sector*, 2017

2.3 Driving Factors of Public Service Innovation

There are some supporting conditions for public sector innovation such as political pressure, job satisfaction, and multi-stakeholder partnership. Political pressure means the initiation of the innovation starts with top-down approach. This works best in the context of public sector innovation as bureaucracy in the context of Indonesia is tight of hierarchical structure. Political pressure plays strong role as public managers comply more with top-down approach than conformity approach and performance information (Andersen & Jakobsen, 2018). Popular approach in boosting public sector innovation initiation is also multi-stakeholder approach where many parties can contribute equally in creating ideas and resources for the innovation (Sangiorgi, 2015). Different stakeholders may engage in the different process of innovation with different roles and knowledge that contribute to innovation success. To emphasize the importance of MSP, in the finding analysis part, this study will also draw the map of stakeholder particularly in knowledge flow among them. Knowledge flow is what Zhuge called with “knowledge transmission belts” (Zhuge, 2002). Everyone in the organization project can contribute knowledge and distribute it to other persons in the “transmission belt” who need the knowledge in delivering their task. Designing the knowledge flow improves project effectiveness. It avoids unnecessary knowledge distribution in the team. Drawing a knowledge flow requires three essential elements such as the direction of knowledge transfer (sender-receiver); knowledge content, and the media or mechanism to distribute the content (Zhuge, 2002). In PSI, knowledge flow helps to identify required knowledge resource and the mechanism to distribute the knowledge.

Job satisfaction also contributes to innovative behavior in an organization. Job satisfaction is the qualitative state of individual where he or she is motivated to perform more because the individual has felt satisfied with the job external and internal environment. Job satisfaction is associated with innovative behavior on an organization (Niu, 2014). A study defines innovative behavior in the context of idea generalization, idea promotion, and idea realization. Job satisfaction can also be one of an internal motivating factor that stimulates more innovation ideas (OECD, 2017). The next driving condition is the employment of ICT. ICT contributes to transform resources, delivers services faster, increases service quality and effectiveness (Barrett et al., 2015). ICT enables some chances for service industry such as big data, information security, cloud base infrastructure, Internet of

Things (IoT) and open collaboration (Mihály et al., 2014). The employment of ICT also contributes to higher value added (Mihály et al., 2014).

3. RESEARCH METHOD

This research employs qualitative method. Qualitative approach looks after meaning. This research is a case study with explanatory purposes. Case study is a variant of method where researcher can dig particular case in depth and usually is suitable to explain policy procedure (Hancock & Algozzine, 2016). Explanatory explains social phenomena and how components and factors are related in explaining the social phenomena (Hesse-Biber & Leavy, 2010). Interview guide is employed as primary data instrument. The participants of the interview are innovation initiators. The innovation cases are selected based on the recommendation from NIPA facilitators assessments on which innovation perform best in last two years particularly in tax compliance. Interviewing local government innovators will help the researcher to verify the statement from the facilitators and get a broader context of understanding about PSI best practices. The researcher conducts the interview through video calls and phone interview.

Firstly, this study categorizes participant's perception of PSI pattern. The pattern relates to how they define PSI best practices; supporting conditions of public sector innovation; and process and instruments in facilitating public sector innovation. Secondly, this study will compare the findings to the previous studies. Finally, once the researcher identifies the key process and driven factors of public sector innovation facilitation, this study will outline a conceptual framework for designing PSI.

The target population in this study is tax-based PSI initiations facilitated by NIPA during 2016-2018. Unit of analysis in this study is local government organizations that are responsible in tax compliance. Respondents are chosen based on preliminary interview with NIPA facilitators about the winning tax-based innovation initiations in each local government. Researcher interviews innovation initiators. The purpose of interviewing them is to answer following questions. How do they conceptualize innovation? How the process of innovation happens? Who are the stakeholders? What factors that support PSI? How do local government innovators overcome the inhibiting factors? What is the impact of innovation for the organizational efficiency? Those initiators are from two cases of PSI in easing tax payment:

1. Tax Payer saving account program, Tarogong Kidul Sub Regency, Garut Regency. This innovation is also awarded as the best innovation in Garut City by NIPA in 2016.
2. E-Tax Payment Program, Bureau of Revenue, Budget and Asset Management; Surakarta City. This innovation is also awarded as the best innovation in Surakarta City by NIPA in 2017.

Table 1 describes the detailed aspects of the interviewees.

Table 1. The Organizations Taken as Respondents

Tarogong Kidul Sub Regency, Garut Regency	
Number of Employees	66
Size of Annual Budget (USD)	67,000
Responsibilities	<ul style="list-style-type: none"> - Managing proper governance implementation, public service provision, and village community development. - Maintaining social order and security. - Coordinating building and land tax billing and payment.

Scope of Service	94,936 citizens
Population	
Innovation Description	Taxpayer Saving Account. By conducting agreement with a local bank, while the citizens can learn to save money and paying tax at the same time, this innovation has increased the amount of tax revenue in the sub-district.
Bureau of Revenue, Budget and Asset Management; Surakarta City	
Number of Employees	179
Size of Annual Budget (USD)	3,797,509
Responsibilities	<ul style="list-style-type: none"> - Implementing secretarial affairs in the bureau. - Managing revenue including registration and data collection of taxpayers, calculation and determination of tax payment, bookkeeping of tax revenue and other revenue, and tax lateness billing. - Managing the city budget. - Managing the city government's properties and asset effectively.
Scope of Service	34 local department organizations in Surakarta City and 503,421
Population	citizens in Surakarta City
Innovation Description	E-Tax Payment System. By creating an agreement with local banks and Central Bank of Indonesia, this innovation enables citizens to pay tax by online banking. It reduces human error and data incorrectness.

Source: Preliminary phone interview result with PSI initiators in March 2018.

4. RESULT AND DISCUSSION

This part describes the innovative ideas and process comparing particularly in two public sectors which are in easing tax payment and citizenship service provision.

4.1. Innovation Process in Easing Tax Payment and Influencing Factors

4.1.1. Multi-Channel E-Tax Multi-Channels Payment System

Previously, citizens in Surakarta city had to come directly to tax offices to pay eight types of taxes such as land and building tax payment, hotel tax, entertainment tax, advertisement tax, property transaction tax, parking tax, restaurant tax, and groundwater tax. In 2016, Bureau of Revenue, Budget and Asset Management (BRBAM), Surakarta City started to implement E-Tax Payment as one innovation project. Until the interview was conducted in May 2018, the program continues. By conducting an agreement among Surakarta City Mayor and four banks such as Jateng Bank, Mandiri Bank, BNI Bank and BTN Bank, E-Tax payment now enables cashless and real-time transaction of tax payment. Therefore this PSI can be categorized as technological innovation because it employs technological tool to deliver the task of the bureau in facilitating tax payment.

The process of implementing this innovation is described as follows:

1. The Mayor of Surakarta city gave a mandatory assignment for all local departments and bureaus to conduct beneficial PSI.
2. Related employees from BRBAM, Surakarta city held a meeting. After all the initiators agreed in the innovation idea, they brought the idea to Head of the Bureau and it was supported directly.
3. A comparative study to Surabaya City was conducted.

4. The initiators drew the idea in an innovation proposal.
5. Mayor of Surakarta City and several Banks made an agreement in facilitating tax payment. This innovation requires strong innovation network which enables banks to connect with the database of the Bureau of Revenue, Budget, and Asset Management so the payment can be made online, real-time and secured. Therefore, the innovators from the bureau made an agreement with Finnet Indonesia, Ltd. The stakeholders who are in charge are Department of Communication and Informatics (DCI), Surakarta City; Central Bank of Indonesia; Mandiri Bank, BNI Bank, Jateng Bank, and BTN Bank; and taxpayers.
6. The innovators started to make a series of trials in making online tax payment and it went well.
7. Human Resource Department from the bureau held an in-house training to prepare the human capital for monitoring the tax revenue and adjusting to use the new system.
8. The bureau conducted program launching and invited Sub-District leaders, journalists, Tax Service Office officers, Bureau of National Land, City Notary Association, Company and Advertising Associations, Hotel and Restaurants Associations, and State Electricity Company. The innovators promoted the program also through advertisement in local mass media .
9. Program implementation. Initially, the bureau only enabled Land and Building Tax payment through the E-Tax system. Since 2017, E-tax also enabled payment for hotel tax, entertainment tax, advertisement tax, property transaction tax, parking tax, restaurant tax, and groundwater tax.
10. The innovators only conduct monitoring every time problem arises, most of the problem is about the weakness of online payment network in the banks, they usually face the challenge through contacting the Finnet Indonesia as the network provider.

Those steps as described in Figure 2 appear to indicate that there are additional phases they passed through other than the phases in the OECD concept: problem identification, idea generalization, proposal development, project implementation, and innovation diffusion. Before they started to identify the problem, the Mayor formally assigned each organization to innovate. Secondly, they rose the problem identification. Based on the interview, problem identification appeared to be lack of empirical evidence about problem urgency and how they will target the goals to solve the problem. Therefore, it is likely the innovation would not lead to strategic decision making where empirical evidence in problem identification is neglected (*Fostering Innovation in The Public Sector*, 2017). Thirdly, the stimulation and expectation from top managers played important role in the phase of generating innovative ideas. In the fourth step, innovators needed to get more real description about how the program should work, therefore, they decided to take a diffusion study in Surabaya city which is known for more established e-government system. In the fifth step, they tested the innovation among themselves and also invited all stakeholders to get to know and participate greatly in the program. However, according to the interviewee, many of the taxpayers seem to not ready with the new system. The persuasive way like the incentive for taxpayers who use this system can be conducted to increase the participation. The next step is evaluating the project, interview result indicates that they conducted ongoing monitoring. They coordinate only every time the problem arises. In the last step, in the diffusing lesson, it needs more investigation about how innovation diffusion is conducted and what they have learned about it.



Figure 2. E-Tax Multi-Channels Payment System Innovation Process

Source: Interview result with the from one PSI initiator from BRBAM, Surakarta City in march 2018

Based on the interview result, the bureau has been implementing in reality this innovation from 2016 until present (May 2018). After one initial interview in May 2018, categories of factors influencing PSI continuity were made.

Political pressure from the mayor. This category includes the role of top management leaders in stimulating and facilitating the innovation. Participants described the innovation idea was started from mandatory assignment from top management leader.

"I and my friends from Division of Tax Registration, Designation, and Data Collection; and Division of Tax Billing and Objection initiated this program after the Mayor mandated all the local departments, bureaus, and sub-district offices to initiate public service innovation minimum one innovation in each agency in 2016. After the necessary tasks to initiate innovation from the Mayor, I and office mates talked about what is happening these days to increase tax revenue by easing the payment. Top managers repeatedly encourage us to make service easier by using online tools. Nowadays, transactions are online and multi-channel. We figured out to realize the idea" (Interview result with the interviewee from Bureau of Revenue, Budget and Asset Management; Surakarta City conducted in May 2018).

Participant also described that the Mayor and Head of the bureau are responsive in facilitating the strategic needs of innovation, for example in developing agreements with banks and other stakeholders. In the machine bureaucracy type of organization where Mintzberg defines as 'standardized in work process', 'specialized work', and 'limited horizontal decentralization' (Lunenburg, 2012) like BRBAM organization type, structural pressure from top management leaders still plays the vital role in stimulating innovation.

Incentives. If the annual tax revenue target is achieved, 5% of the tax revenue achievement will be distributed for contributing employees in BRBAM. However, the respondent said that the 5% is given not for the innovation initiators, the government has been implementing incentive policy before the innovation initiation. "However, it feels good to have a program that could improve tax revenue and make the procedure easier. It also enhances the opportunity for more incentives." Stated the participant.

Human resources training. PSI means implementing a new way of working. According to the participant, in-house training is included in the PSI process for server room officials and customer service officials so they can understand how to monitor tax revenue and integrate the multi-channels tax to another application for tax billing. This training transforms organizational skills to employ new technology (architectural innovation). The training also includes a study visit to Surabaya City where the e-government practice is more established as they started much earlier.

Absent of clear and measurable goals about expected output and benefit in the innovation proposal. This can be categorized in the innovation design flaw that causes low participation from innovation users according to the participant.

"We do not monitor the data about taxpayers who used this multi-channel payment. But, I can say that not majority of the taxpayers in Surakarta use this new service. Many taxpayers are still not really tech-savvy. Most of them are from old generation and often from middle to lower class society" (Interview result with the interviewee from Bureau of Revenue, Budget and Asset Management; Surakarta City conducted in May 2018).

The statement above represents that the program continues after two years, however the participation from the taxpayers to use E-Tax Payment is still low. Van Acker et. al., predicts if innovators do not assess the goal achievement to continuously improve beneficiary participation, the PSI may not survive (Van Acker & Bouckaert, 2017). This is likely to be the weakness of NIPA Innovation Facilitation program. Based on the interview conducted with NIPA facilitators, they indicated that measuring the benefit of the innovation is one of the challenges in facilitating PSI. This is due to the limited time of PSI facilitation. NIPA facilitators mostly conducted the PSI facilitation only one year. After one year, the NIPA facilitators would conduct PSI facilitation in other local government units. Besides, creating measurable innovation output and the empirical evidence were not emphasized in the facilitation program. The facilitation program focuses on motivating and stimulating innovation ideas in local governments without ensuring how the participants should conduct monitoring based on the goals, effectiveness, and effectivity. Ensuring the goals helps innovation initiators to focus on a solution during the monitoring process.

Multi-stakeholder Partnership. Statements in this category is attributed to the perception of the participant in the importance of working together with other stakeholders. Expanding stakeholders expands the PSI benefit as well. Participant stated:

"Initially, Jateng Bank is the primary bank for city budgeting and revenue. But, it is a just local bank. Then we think why do not we include banks with most customers nationally? Therefore, the citizens could pay taxes from multi-channels without any additional charge. Developing partnership with banks and network providers is important to apply this innovation in real life situation" (Interview result with the interviewee from Bureau of Revenue, Budget and Asset Management; Surakarta City conducted in May 2018).

Figure 3 describes multi-stakeholder knowledge flow in multi-channels e-tax payment. This part explains the knowledge flow based on three elements explained by Zhuge; direction of knowledge, content and the media of transfer (Zhuge, 2002). Based on roles and knowledge, the stakeholders in this PSI are:

- The Head of BRBAM and the staffs that provide services to all taxpayers and possess knowledge about service delivery.
- The mayor provides resource and supports for network necessary in innovation implementation particularly in giving guarantee on regulations of tax payment transaction and creating MoU with state-owned banks.
- Central Bank of Indonesia plays role as primary policymakers in banking system transaction through legal announcement.
- Financial Service Authority who adjusts, coordinates and ensures the security of financial service providers. The institution audits and verifies all banks in Indonesia to guarantee the safety of the transactions. Every six months, the institution announces the

result of their investigation openly.

- Three other banks (BNI, BTN, and Mandiri) play a role as payment channels. The money that is transferred for tax payment in those banks should be transferred to the primary account of local government in 1x24 hours. The agreement about the role of the three banks, Jateng Bank and Finnet Indonesia are signed in a MoU.
- Jateng Bank plays a role as primary account of local government budget and primary revenue receiver.
- Finnet Indonesia is a state-owned company who provides an online network that integrates the online banking system and local government budgeting system.
- DCI plays the role as the provider for online network infrastructure like government website that provides tax billing information.
- Taxpayers as the ultimate beneficiary of the program play vital role to give feedback about PSI implementation. However, the satisfaction survey that is conducted by BRBAM so far only measures general services provided by the bureau, not in particular about the PSI.
- NIPA gives general innovation facilitation on designing PSI. NIPA conducts training to participants from all local departments. NIPA plays role as consultant in stimulating innovation.
- Surabaya city government shared their ethical practices and experiences in implementing E-Government.

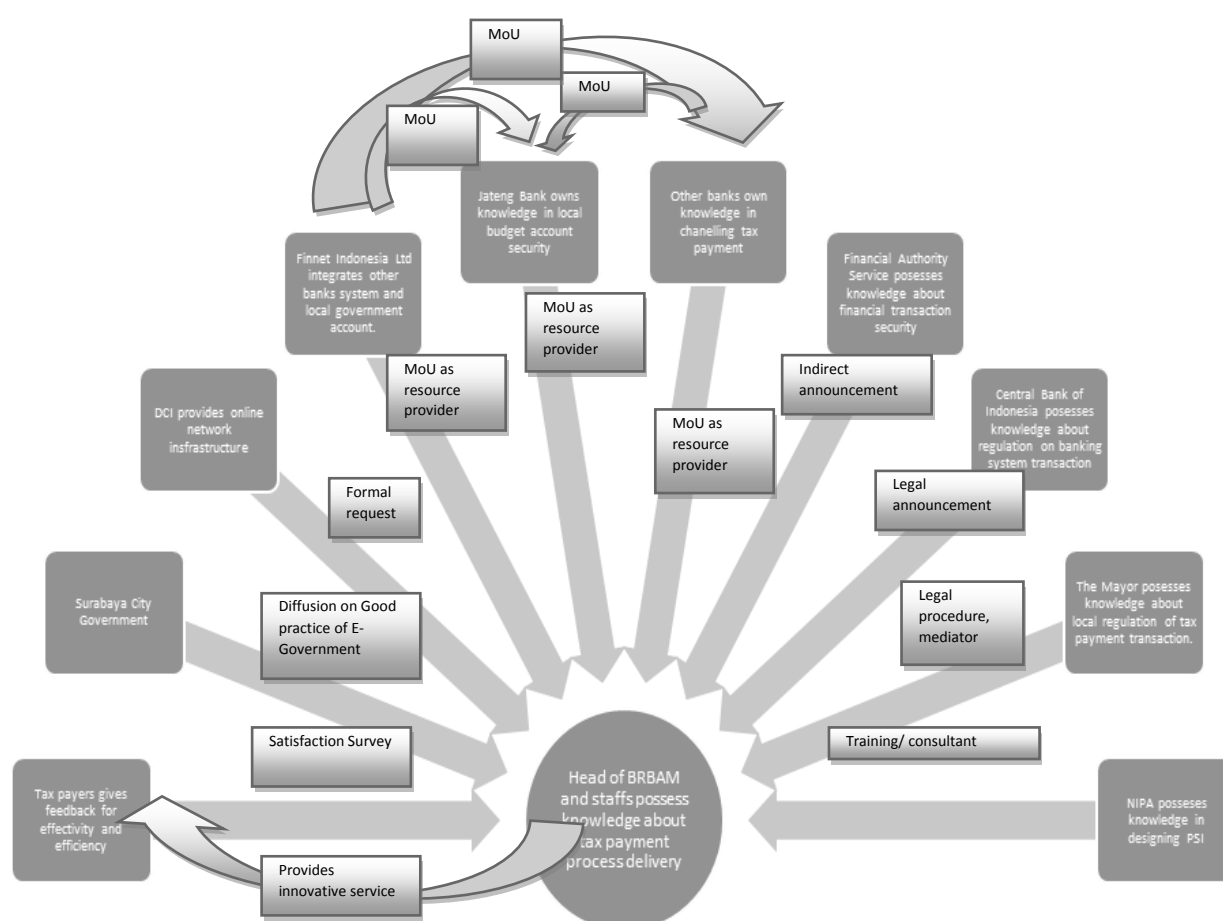


Figure 3. Multi-Stakeholder Knowledge Flow in Multi-channels E-tax Payment
Source: Interview result with one of PSI initiators from BRBAM, Surakarta City in march 2018

After the innovation implementation, tax revenue increased in Surakarta City as showed in Table 2. Table 2 indicates the achievement percentage increase of tax revenue by 13.4%. However, does the innovation play important role in increasing the tax revenue until present? Further investigation is needed.

Table 2 Tax Revenue Target and Achievements in Surakarta City during 2015-2016 (USD)

Year	Target	Achievement	Percentage
2015	15,538,006	16,409,273	105. 6%
2016	16,733,236	19,924,301	119 %

Source: Performance Accountability Report BRBAM, Surakarta City

4. 2. Tax Payer Saving Account in Sub-District of Tarogong Kidul, Garut Regency

Like the multi-channels e-tax payment system in Surakarta City, taxpayer saving account expands the channel in paying taxes. Taxpayer saving account is specialized in land and building tax. The participant started to initiate and implement this PSI since 2016. The interviewee as innovation initiator hoped that this program could expand the taxpaying channel so the citizens can also have saving without realizing that the program also enables

them to pay tax by saving in a local bank. "By making an account in the rural bank with the minimum balance account for IDR 10.000, in certain amount of balance after a year, they can be waved to not pay the land and building tax," as stated by the research participant. The statement represents a change in paying tax procedure and also to stimulate a saving financial habit among tax-payers. Therefore, this is a process innovation. This innovation can be categorized in incremental innovation because the purpose is to do primary task of sub-district office better but it influences the organizational capacity in conducting multi-stakeholder partnership.

Further, the interviewee described the process of the innovation implementation. There are six phases in the implementation of this saving account as described in Figure 5. According to the interviewee, the first phase is the training from NIPA to all public service providers in Garut City. After the training about creating PSI program conducted by NIPA, General Secretary of Garut Regency assigned all agencies to make one innovation. According to NIPA facilitators, before the PSI facilitation, Head of NIPA approached many city mayors and regency leaders to persuade them committing in PSI initiations. Therefore, in this context, *commitment from top management leader is essential for innovation implementation.*

"Based on our previous experiences, it was always difficult to get support from city mayors and regency leaders without structural approach. Head of NIPA position is as high as ministers, therefore, the talk between Head of NIPA and local government unit leaders before the initiation and during innovation implementation is important. It ensures the commitment of local government leaders to push the innovation implementations" (Interview result with the interviewee from Sub-District of Tarogong Kidul, Garut Regency conducted in May 2018).

The second phase is problem identification. According to the interviewee, before the innovation, the tax coordinator in sub-district office found it difficult to collect tax because citizens often delayed the payment. However, the initiator also wanted to stimulate saving as a sound financial habit to the citizens.

"One of the technical responsibility of Sub-District Office is collecting land and building tax. We faced difficulties in reaching the target of land and building tax revenue before this program implementation. Some of the head of villages had to fulfill the tax revenue target from other source and collect from the citizens later. Therefore, our leader always emphasizes to always reach the tax revenue target. In my observation, saving is a good financial habit which I rarely found citizens do that nowadays" (Interview result with the interviewee from Sub-District of Tarogong Kidul, Garut Regency conducted in May 2018).

Even though the participant did not disclose the data about tax revenue achievement in this sub-district, there was an invisible problem that village leaders had to cover up the tax revenue from other source and they would collect the real tax from citizens later. The third phase is idea generalization. After the participant realized the problem, she immediately drew into an innovation idea as General Secretary of Garut Regency demanded to submit innovation ideas soon. She also did not face difficulties in getting support internally. "When I first time came to the idea, the Sub-District office leader supported me immediately. All lower management leaders and their staffs also supported me immediately." *Her statement indicates that her position as general secretary of the sub-district office had given her stronger and easier internal support.*

The next phase is program implementation. Involving external stakeholder is the primary approach in this phase. According to the interviewee, the Sub-District Head knows

Bank Perkreditan Rakyat (BPR/ Rural Credit Bank) director very well. Therefore, they decided to make an agreement with the bank to facilitate saving habit and facilitate the tax payment (Figure 5). After they signed the understanding, they launched this program and introduced this program to village leaders. This program brings the improvement in tax revenue according to the participant. The program suggests that MSP is essential where the innovation initiator has little resource to give incentives to the citizens as motivation to their behavior change. Therefore, external stakeholder facilitates to provide incentives. The program also brings benefit to the rural bank as well. The trust building between the innovative organization and external organization is also essential to get the support easily.

"Our tax revenue target is always achieved in the last two years. Previously, the amount of tax revenue money is taken from village fund, then the village officers will ask each taxpayer to pay back. But now, the tax revenue is paid by the taxpayers directly. This innovation does not need a program budget also. We just made an agreement with the rural bank and they facilitate the people in opening accounts" (Interview result with the interviewee from Sub-District of Tarogong Kidul, Garut Regency conducted in May 2018).

The fourth phase is monitoring the process. The participant is likely no longer motivated in this process after more than two years of implementation because of *lack of incentive*.

"I am glad I was invited to innovation forum in West Java Province to diffuse this innovation to other regencies and cities. However, all the expenses were on me. There is no incentive from regency leader or general secretary for the innovative program rather than ranking acknowledgment by NIPA. During almost last 20 years, my career path is also unclear. I am little demotivated. It is not necessary to have periodic monitoring, we will conduct ongoing monitoring when there is a problem. I will do my task the way the resource we have now" (Interview result with the interviewee from Sub-District of Tarogong Kidul, Garut Regency conducted in May 2018).

Based on ongoing monitoring process, the participant identified challenges. First challenge is tax collectors from villages do not support this program because they think it will reduce their previous income in collecting tax from the taxpayers. Another challenge is many citizens are still not motivated in saving in banks because they are still not aware of the beneficiary on saving to their lives. Third, the location of the rural bank is too far from some remote villages. Therefore, citizens are sometimes still wanting to pay in village office more than going to the bank because it is nearer.

The participant feels supported by high performed village leaders mainly those villages that have many community empowerment programs. Therefore, this program can always be introduced during the community empowerment implementation program. Talking informally to explain the program to other village leaders is also the way how the participant deals with the challenges.

In the diffusion process, the interviewees admitted that West Java Province Government invited her to introduce the program to other local government units. Other sub-district offices also invited her to diffuse the PSI. However, so far, she admitted that no Local Government Units (LGU) adopts the PSI.

From the overall process, this study also draws the list of stakeholders in terms of role and knowledge flow as described in Figure 4;

- Innovation initiator plays primary role to deliver tax payment service to taxpayers.

- NIPA transfers knowledge about designing and implementing PSI through a year continuous training and consultancy.
- Bureau of Regional Planning and Development conducts annual monitoring to ensure innovation continuity.
- Village heads, as the representative of village citizens, disseminates the PSI and increase the participation of citizens to pay tax.
- BPR Banks, that owns the knowledge about account management, shares bank accounto channel the tax payment.
- Taxpayers give feedback about innovation effectiveness and efficiency.

The benefit of this PSI requires further investigation. Benefits of the innovation are particularly tax achievement in the sub-district and also the amount of the citizens who participate in this program.

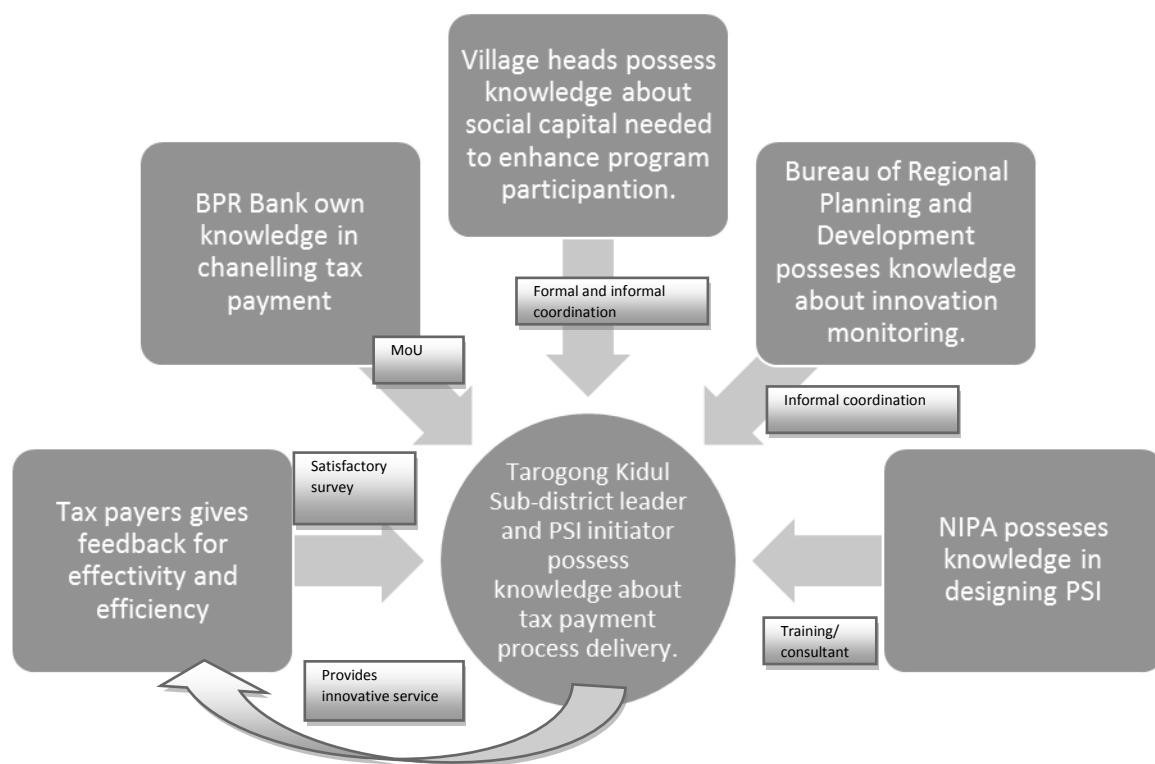


Figure 4. Stakeholder Roles Based on Interest, Influence and Knowledge Role

Source: Interview conducted in May 2018



Figure 5. Tax Payer Saving Account Innovation Process

Source: Interview result with one of PSI initiators from Sub-District Office of Tarogong Kidul, Garut Regency in March 2018

4.3. Discussion

The tentative results of this study feature the factors and process related to tax payment. The data support almost all theories about process and continuity factors of PSI. Both PSIs were initiated since 2016. However, the pattern of PSI in the two cases are different. Table 4 shows the comparison of innovation from all two PSIs. The following paragraphs explain the factors of innovation continuity and further recommendation.

Command to innovate from highest political officials such as mayors and regency leaders is likely to be the most determinant of the innovation initiation and continuity. Based on interview with NIPA facilitators, a change in leadership usually leads to change of policy priority then some PSIs discontinued. In the government organization where characterized in the machine bureaucracy type or attributed with limited decentralization, top management leadership role is essential. Therefore, the structural approach could be a critical requirement for NIPA before conducting innovation facilitation. It is also crucial to note that the dominant approach in initiating innovation from the internal organization is still top-down. Innovation initiators with a critical structural position in the organization are supported easily. However, little resistance came from some village heads in the case of Garut Regency because they think they will lose their revenue if the new way of tax payment is implemented.

Incentives. In the case of multi-channel e-tax payment in BRBAM, Surakarta City, incentives strengthen the innovation continuity. While in the Sub-District office in Garut City, lack of incentives demotivates the initiator and leads to decreasing job satisfaction.

Human resource training. Training particularly in the form of innovation diffusion in conducting e-government from Surabaya City provides broad understanding of designing the innovation for BRBAM innovators. The knowledge spillover flows from a local government forum that shares information about PSI. Therefore, a local government forum is also important to manage the innovative climate.

Both PSIs employ MSP. Before the innovation, all of the head of organization knew external stakeholders very well, therefore trust was built between them and their external stakeholder. Each stakeholder possesses a knowledge needed by other stakeholders. Therefore, identifying required knowledge and the media of knowledge transfer is also essential to ensure innovation effectivity.

Some recommendation that can be suggested to make those PSIs more survive based on the findings are;

- Bottom-up approach can be stimulated in the future practice. This needs larger delegation and incentives. It will be challenging in traditional organization with dominant vertical power. On the other hand, front-line public servants who interact directly with the citizens are likely to understand the problem better, as this study shows informal interaction with the citizens stimulates problem identification. Borins (2014) also suggests front-line public servants are among the most frequent initiators. The involvement of front-line staffs in innovation initiation expands possible sources of ideas (European Commission, 2011).
- Trust building among stakeholders. The cases of two PSIs above shows that trust building before the program was initiated helps them to get support from external stakeholder easily. For better implementation, general Secretary of city or regency government can identify overall development problems along with all public sectors organization leaders and created a multi-stakeholder forum to build the trust with other stakeholders.
- Creation of local government forum to expand innovative knowledge spillover. This forum enables local government to share knowledge and experiences in PSIs to serve citizens better.

- Focusing on measurable goals in the whole process of PSI. All the interviews showed that target of program achievements such as the amount of program beneficiaries and the degree of revenue increase are not clear. Analyzing empirical evidence and identifying the gap is essential in problem identification process (*Fostering Innovation in The Public Sector*, 2017). It can be predicted that the monitoring processes were not conducted well. To deal with this problem, in the future facilitation, NIPA needs to coordinate to local government units related to task assignment in the monitoring process as the facilitation is only conducted for one year. Each local government unit needs to assign one PSI coordinating task in one organization. Bureau of planning and development can be the strategic institution in doing the task. The training conducted by NIPA should also emphasize on how to target innovation benefit and the capacity to gather empirical evidence.
- *Implementing formal accountability mechanism.* Top management leaders can conduct formal accountability mechanism to ensure that progress of achievements and lesson learned are documented and implemented. The tools that can be applied are such as reports and scheduled monitoring forum.

Table 3. Comparison of Different PSI

	Multi-Channels E-Tax Payment System in Surakarta City	Tax Payer Saving Account
Year of innovation initiation	2016	2016
Numbers of employee	179	66
Size of annual budget (USD) in the organization	3,797,509	67,000
Extent of Innovation	Incremental innovation	Incremental innovation
Type of Innovation	Technological innovation	Process innovation
Strengthening factors of continuity	Top management leader stimulation	Top management stimulation
	Multi-stakeholder partnership.	Multi-stakeholder partnership.
	Human resource training.	Internal organization top management leader initiation
Inhibiting factors	Acknowledgement Absent of clear and measurable goals about expected output and benefit in the innovation proposal	Absent of clear and measurable goals about expected output and benefit in the innovation proposal
Challenges	Low participation from taxpayers.	Lack of incentives Low participation from taxpayers.
		Bank location is too far from some villages
Stakeholders	Mayor of Surakarta City, Head of	Sub-District leader

Multi-Channels E-Tax Payment System in Surakarta City	Tax Payer Saving Account
BRBAM, Jateng Banks, and three other banks (Mandiri, BNI, and BTN), NIPA, Surabaya City	Rural Bank directors
Government, Department of Communications and Informatics (DCI), Finnet Indonesia, Central Bank of Indonesia, Financial Service Authority, and taxpayers.	Village leaders
	Citizens
	NIPA

Source: Research finding, 2018

5. CONCLUSION

The overall process of PSI implementation in both cases are almost similar to the concept that OECD has offered: 1) problem identification, 2) idea generation, 3) developing proposals, 4) project implementation, 5) program monitoring, and 6) diffusion. Both PSI practices in Surakarta City and Garut Regency indicate that political pressure is important particularly to be considered before problem identification. Civil servants respond to mandatory tasks that come from higher position and higher power like top managers and the central government. Control is also not always bad for the initiation of PSI. Another phenomenon that is interesting to note is the process of learning in the BRBAM, Surakarta City before the program implementation. Officers in the organization in Surakarta City, previously learned from Surabaya City that employs ICT in many PSIs, therefore the knowledge spilled to expanded context and help the officers in Surakarta City to understand the implementation process better. Further, central government can encourage the establishment of PSI forum among local governments to strengthen partnership and capability of civil servants in innovation. Programs from human resource department to move employees to other sectors or division is also good to increase knowledge and capability of civil servants. Capability is one way for people to innovate.

Various stakeholders have involved in both two cases. In Surakarta City where the organization size is much bigger than Garut Regency, BRBAM has involved more stakeholders such as state-owned banks and ICT providers than Garut Regency. Expanded stakeholders led to more knowledge sharing and increased capability. The role of NIPA in both innovations is also helpful trainer on initiating innovation. In the future, NIPA can play role as a broker to stimulate multi-stakeholder approach in innovation project to increase the local government capability. The last condition that make contribution to innovativeness of an organization is acknowledgement and incentive from both central and local governments. Motivation is also way for people to innovate. In Garut Regency, based on the interview result, it can be seen that the lack of acknowledgement demotivates the innovator.

It is also crucial to consider that NIPA needs to emphasize in further training on creating clear and measurable goals of local government innovation to help them projecting the steps in the program. The program in Garut Regency is sometimes unmonitored because of the absent of clear and measurable goals. Lastly, the employment of ICT and the ability to understand new advancement in technology stimulate various stakeholders to be more connected and interdependent, it also initiates the collaboration among them and reduce the transaction costs as represented by the BRBAM case in Surakarta City.

REFERENCES

- Alam, M. R., Kiterage, E., & Bizuayehu, B. (2017). Government effectiveness and economic growth. *Economic Bulletin*, 1, 222-227. Retrieved from <https://econpapers.repec.org/RePEc:ebl:ecbull:eb-16-00708>
- Andersen, S. C., & Jakobsen, M. L. (2018). Political Pressure, Conformity Pressure, and Performance Information as Drivers of Public Sector Innovation Adoption. *International Public Management Journal*, 21(2), 213-242. <https://doi.org/https://doi.org/10.1080/10967494.2018.1425227>
- Anggraini, F. (2018). Faktor-faktor yang mempengaruhi kepatuhan pajak wajib pajak orang pribadi dalam rangka penerapan sistem self asesment. *Balance Vocation Accounting Journal*, 1(2), 53-65. <https://doi.org/http://dx.doi.org/10.31000/bvaj.v1i2.476>
- Arum, H. P. (2012). *Pengaruh kesadaran wajib pajak, pelayanan fiskus, dan sanksi pajak terhadap kepatuhan wajib pajak orang pribadi yang melakukan kegiatan usaha dan pekerjaan bebas (studi di wilayah KPP Pratama Cilacap)*. Diponegoro University. Retrieved from http://eprints.undip.ac.id/35890/1/SKRIPSI_ARUM.pdf.
- Barrett, M., Davidson, E., Prabhu, J., & Vargo, S. L. (2015). Service innovation in the digital age: key contributions and future directions. *MIS Quarterly*, 39(1), 135-154.
- Bornman, M., & Wessels, J. (2018). The tax compliance decision of the individual in business in the sharing economy. *EJTR*, 16, 425-439. Retrieved from <https://heinonline.org/HOL/LandingPage?handle=hein.journals/ejotaxrs16&div=27&id=&page=&t=1559807833>
- Braunerhjelm, P., & Eklund, J. E. (2014). Taxes, tax administrative burdens and new firm formation. *Kyklos*, 67(1), 1-11. <https://doi.org/https://doi.org/10.1111/kykl.12040>
- Data about Population of Brunei Darussalam. (2016). Bandar Sri Begawan. Retrieved from <http://www.depd.gov.bn/SitePages/Population.aspx>
- Data of Malaysian Population and Civil Servants. (2017). Kuala Lumpur. Retrieved from https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=397&bul_id=SmtysJf1eXplQTIrVWh3Wkx5N1pyQT09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TIhUUT09
- De Vries, H., Bekkers, V., & Tummers, L. (2016). Innovation in the public sector: A systematic review and future research agenda. *Public Administration*, 94(1), 146-166. <https://doi.org/https://doi.org/10.1111/padm.12209>
- Doing Business 2018, Reforming to Create Jobs. Washington, US: International Bank for Reconstruction and Development. (2018). Washington DC. Retrieved from <http://www.doingbusiness.org/reports/global-reports/doing-business-2018>
- Emara, N., & Chiu, I. (2016). The Impact of Governance on Economic Growth: The case of Middle Eastern and North African Countries. *Topics in Middle Eastern and North African Economies*, 18, 1-20. <https://doi.org/http://dx.doi.org/10.1453/jel.v3i1.662>
- Engen, M., & Holen, I. E. (2014). Radical versus incremental innovation: the importance of key competences in service firms. *Technology Innovation Management Review*, 4(4). Retrieved from https://timreview.ca/sites/default/files/article_PDF/EngenHolen_TIMReview_April2014.pdf
- Ezer, E., & Ghozali, I. (2017). Pengaruh tingkat pendapatan, tarif pajak, denda pajak, dan probabilitas pemeriksaan pajak terhadap kepatuhan pajak. *Diponegoro Journal of Accounting*, 6(3), 407-419. Retrieved from <https://ejournal3.undip.ac.id/index.php/accounting/article/view/19247/18272>
- Fagerberg, J., Mowery, D. C., & Nelson, R. R. (Eds.). (2005). *The Oxford handbook of innovation*. Oxford university press.
- Fostering Innovation in The Public Sector. (2017). paris.

- <https://doi.org/http://dx.doi.org/10.1787/9789264270879-en>
- Han, X., Khan, H., & Zhuang, J. (2014). *Do governance indicators explain development performance? A cross-country analysis* (No. 417). Manila. Retrieved from <https://www.adb.org/sites/default/files/publication/149397/ewp-417.pdf>
- Hancock, D. R., & Algozzine, B. (2016). *Doing case study research: A practical guide for beginning researchers*. New York: Teachers College Press.
- Hantoyo, S. S., & Handayani, S. R. (2016). Pengaruh Penghindaran Pajak dan Sanksi Perpajakan terhadap Kepatuhan Wajib Pajak (Studi pada Wajib Pajak di Kantor Pelayanan Pajak Pratama Tegal). *Jurnal Mahasiswa Perpajakan*, 9(1). Retrieved from <http://perpajakan.studentjournal.ub.ac.id/index.php/perpajakan/article/view/247/242>
- Hesse-Biber, S. N., & Leavy, P. (2010). *The practice of qualitative research*. Sage Publication. Retrieved from [https://books.google.co.jp/books?hl=en&lr=&id=FVjcZk7mCFwC&oi=fnd&pg=PR1&dq=Hesse-Biber,+S.+N.,+%26+Leavy,+P.+\(2010\).+The+practice+of+qualitative+research.+Sage.&ots=6uUuwjgecc&sig=8y9taUQ9npXapUghR4AdaRFUndc#v=onepage&q=Hesse-Biber%2C+S.+N.%2C+%26+Leavy%2C+P.+\(2010\).+The+practice+of+qualitative+research.+Sage.&f=false](https://books.google.co.jp/books?hl=en&lr=&id=FVjcZk7mCFwC&oi=fnd&pg=PR1&dq=Hesse-Biber,+S.+N.,+%26+Leavy,+P.+(2010).+The+practice+of+qualitative+research.+Sage.&ots=6uUuwjgecc&sig=8y9taUQ9npXapUghR4AdaRFUndc#v=onepage&q=Hesse-Biber%2C+S.+N.%2C+%26+Leavy%2C+P.+(2010).+The+practice+of+qualitative+research.+Sage.&f=false)
- Hilhorst, T., & Frederic Meunier. (2015). *How Innovations in Land Administration Reform Improve on Doing Business: cases from Lithuania, the Republic of Korea, Rwanda and the United Kingdom*. Washington DC. Retrieved from <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Special-Reports/Innovations-in-land-administration.pdf>
- Inasius, F. (2019). Factors influencing SME tax compliance: Evidence from Indonesia. *International Journal of Public Administration*, 42(5), 367–379. <https://doi.org/https://doi.org/10.1080/01900692.2018.1464578>
- Infranca, J. J. (2008). The Earned Income Tax Credit as an Incentive to Report: Engaging the Informal Economy Through Tax Policy. *NYUL Rev.*, 83. Retrieved from <https://heinonline.org/HOL/LandingPage?handle=hein.journals/nylr83&div=13&id=&page=&t=1559807655>
- Kopczewska, K. (2013). The spatial range of local governments: does geographical distance affect governance and public service? *The Annals of Regional Science*, 51(3), 793–810. <https://doi.org/https://doi.org/10.1007/s00168-013-0567-z>
- Kumar, R., & Sachan, A. (2017). Empirical Study to Find Factors Influencing e-Filing Adoption in India. In *Proceedings of the Special Collection on eGovernment Innovations in India* (pp. 52–57). New Delhi: ACM New York, NY, USA. <https://doi.org/https://doi.org/10.1145/3055219.3055231>
- Lunenburg, F. C. (2012). Organizational structure: Mintzberg's framework. *International Journal of Scholarly, Academic, Intellectual Diversity*, 14(1), 1–8. Retrieved from <http://www.nationalforum.com/Electronic+Journal+Volumes/Lunenburg,+Fred+C.+Organizational+Structure+Mintzberg+Framework+IJS+V14+N1+2012.pdf>
- Migai, C. O., de Jong, J., & Owens, J. P. (2018). The sharing economy: turning challenges into compliance opportunities for tax administrations. *EJTR*, 16, 395–424. Retrieved from <https://heinonline.org/HOL/LandingPage?handle=hein.journals/ejotaxrs16&div=26&id=&page=&t=1559807756>
- Mihály, C., Imre, R., Krasznay Csaba, M. N., Szilárd, M., Eszter, M., András, N., ... Tamas, S. (2014). *ICT Driven Public Service Innovation Comparative Approach Focusing on Hungary*. (A. Nemeslaki, Ed.). Budapest: National University of Public Service Institute of International Studies. Retrieved from <https://opac.uni-nke.hu/webview?infile=&sobj=9569&source=webvd&cgimime=application%2Fpdf%0>

D%0A

- Niu, H. J. (2014). innovation behavior congenital? Enhancing job satisfaction as a moderator. *Personnel Review*, 43(2), 288–302. <https://doi.org/https://doi.org/10.1108/PR-12-2012-0200>
- Open Government in Indonesia OECD Public Governance Reviews*. (2016). paris. <https://doi.org/http://dx.doi.org/10.1787/9789264265905-10-en>
- Osborne, S., & Brown, L. (2011). Innovation, public policy and public services delivery in the UK. The word that would be king? *Public Administration*, 89(4), 1335–1350. <https://doi.org/http://dx.doi.org/10.1111/j.1467-9299.2011.01932.x>
- Osborne, S. P., & Brown, L. (Eds.). (2013). *Handbook of innovation in public services*. Cheltenham, UK: Edward Elgar Publishing.
- Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*. (2005). Oslo. <https://doi.org/https://doi.org/10.1787/9789264013100-en>
- Peraturan Menteri Dalam Negeri Nomor 56 Tahun 2015 tentang Kode dan data wilayah Administrasi pemerintahan. (2015). Ministry of Home Affairs.
- Public Administration Country Profile The Kingdom of Thailand*. (2004). Newyork. Retrieved from <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023244.pdf>
- Rahman, A. (2017). *Tax compliance in Indonesia: the role of public officials as taxpayers*. University of Twente. Retrieved from <https://ris.utwente.nl/ws/portalfiles/portal/6046131>
- Rakhmawanto, A. (2016). *Rasionalisasi kebutuhan dan distribusi PNS nasional* (No. 002). Jakarta. Retrieved from <http://www.bkn.go.id/wp-content/uploads/2014/06/Policy-Brief-Distribusi-PNS20-10-2016.pdf>
- Ranasinghe, J. (2014). *DCLG/DEFRA Research into Drivers of Service Costs in Rural Areas*. Leighton Buzzard. Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/388595/Rural_main_report.pdf
- Saleheen, A. M., & Siddiquee, N. A. (2013). Tax Innovation or Excise Duty in Disguise? Deviations and Distortions in Value-added Tax in Bangladesh. *International Journal of Public Administration*, 36(6), 381–396. <https://doi.org/https://doi.org/10.1080/01900692.2013.773026>
- Sangiorgi, D. (2015). Designing for public sector innovation in the UK: design strategies for paradigm shifts. *Foresight*, 17(4), 332–348. <https://doi.org/https://doi.org/10.1108/FS-08-2013-0041>
- Schubert, J., Constantin, M., & Lee, J. (2017). *Spurring innovation in government to drive economic growth and development*. Dubai. Retrieved from <https://www.worldgovernmentsummit.org/api/publications/document/95657dc4-e97c-6578-b2f8-ff0000a7ddb6>
- Sharma, C., & Mitra, A. (2015). Corruption, governance and firm performance: Evidence from Indian enterprises. *Journal of Policy Modeling*, 37(5), 835–851. <https://doi.org/https://doi.org/10.1016/j.jpolmod.2015.05.001>
- Syah Putra, H. (2017). Different Perspective On Public Service Innovation In Indonesia. In M. Taufiq (Ed.), *Proceeding International Seminar Reconstructing Public Administration Reform To Build World Class Government* (pp. 179–186). Jakarta: National Institute of Public Administration.
- The Data of Civil Servants and Population in Singapore*. (2016). Singapore. Retrieved from https://data.gov.sg/dataset/public-service-staff-strength-civil-service-statutory-board?view_id=63319dfb-1e17-4236-af82-38bbb9b6a15a&resource_id=ccef8d30-b24c-4329-96d5-78c26ddba3cc and https://data.gov.sg/dataset/resident-population-by-ethnicity-gender-and-age-group?resource_id=d5d35678-cd15-4f43-b347-d671d1870655

- Thomas, K. D. (2017). User-Friendly Taxpaying. *Indiana Law Journal*, 92(4), 1509–1558. Retrieved from <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=11263&context=ilj>
- Utomo, T. W. W. (2018). Strategi LAN dalam Akselerasi Inovasi Pemerintah. Jakarta: Lembaga Administrasi Negara. Retrieved from <https://www.slideshare.net/triwidodowutomo/strategi-lan-dalam-akselerasi-inovasi>
- Van Acker, W., & Bouckaert, G. (2017). What makes public sector innovations survive? An exploratory study of the influence of feedback, accountability and learning. *International Review of Administrative Sciences*, 1–20. <https://doi.org/https://doi.org/10.1177/0020852317700481>
- Verico, K. (2018). *Does Indonesia's macroeconomic work well towards the political year?* Munich. Retrieved from <https://mpira.ub.uni-muenchen.de/86164/>
- Zhuge, H. (2002). A knowledge flow model for peer-to-peer team knowledge sharing and management. *Expert Systems with Applications*, 23(1), 23–30. [https://doi.org/https://dx.doi.org/10.1016/S0957-4174\(02\)00024-6](https://doi.org/https://dx.doi.org/10.1016/S0957-4174(02)00024-6)