



INCREASING THE ROLE OF STRATEGIC MANAGEMENT ACCOUNTING AND TAX AWARENESS IN FORMING TAX COMPLIANCE OF MSMES WITH A MODERATING INFLUENCE ON ORGANIZATIONAL PERFORMANCE

Dhaniel Hutagalung^{1*}, Sukriyah²

Indonesian Development University

*Email Correspondence: dhanielhutagalung@gmail.com

Abstract

Micro, Small, and Medium Enterprises (MSMEs) significantly contribute to Indonesia's national economy, despite facing substantial challenges, including low tax compliance rates. Most previous studies have focused their analysis on tax awareness factors, leaving an important gap regarding the role of Strategic Management Accounting (SMA). This study aims to address this gap by comprehensively analyzing the influence of SMA and tax awareness on MSME tax compliance. Specifically, this study also examines the role of organizational performance as a moderating variable in this relationship. A quantitative method was used, involving 300 MSME actors as respondents through a survey conducted in three strategic provinces: DKI Jakarta, Banten, and West Java. The data were processed and analyzed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) technique. Empirical results indicate that SMA and tax awareness independently have a significant positive effect on increasing MSME tax compliance. Another crucial finding is that organizational performance significantly moderates the effect of AMS on compliance, but this moderating role is not significant in the relationship with tax awareness. These findings emphasize the importance of integrating a measurable managerial approach (through AMS) with awareness factors to achieve an optimal and sustainable level of MSME tax compliance.

Keywords: Strategic Management Accounting, Tax Awareness, Organizational Performance, Tax Compliance, MSMEs.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the Indonesian economy. According to data from the Central Statistics Agency (2023), MSMEs contribute more than 60% to the national Gross Domestic Product (GDP) and absorb approximately 97% of the workforce. This role makes MSMEs the backbone of the national economy, especially during the post-pandemic economic recovery. However, one crucial issue still faced by MSMEs is low levels of tax compliance. Yet, tax revenue from the MSME sector can be a significant source of funding for national development.

Previous research has shown that tax awareness is a dominant factor influencing taxpayer compliance, including MSMEs (Darmayasa et al., 2022; Hadiansah et al., 2021). Tax awareness is defined as a condition where taxpayers understand and are aware of their tax rights and obligations, thus encouraging them to fulfill these obligations correctly and on time. However, other research suggests that tax awareness alone is insufficient to ensure compliance, especially when MSMEs face limited resources in managing their business and tax administration (Hutagalung et al., 2023).

In this context, a managerial approach through Strategic Management Accounting becomes relevant. Strategic Management Accounting is an extension of management accounting that integrates financial and non-financial information to support strategic

planning, control, and decision-making (Ojra et al., 2021). For MSMEs, implementing Strategic Management Accounting not only helps increase efficiency and competitiveness but also has the potential to improve tax compliance by improving administrative and reporting processes. Unfortunately, studies that identify Strategic Management Accounting as a determinant of MSME tax compliance are still very limited, so further research is needed to fill this gap (N. A. Hamid et al., 2022).

In addition to Strategic Management Accounting and tax awareness, organizational performance is also considered to play a crucial role in driving tax compliance (Bandiyono & Augustine, 2019). MSMEs with good organizational performance tend to have more organized internal systems, better financial management capacity, and a higher commitment to compliance. (Hadiansah et al., 2021) emphasized that organizational performance can be a factor that strengthens or weakens the relationship between internal factors (such as Strategic Management Accounting and tax awareness) and tax compliance. However, research examining the moderating role of organizational performance in the context of MSME tax compliance is still rare, thus opening up significant research opportunities.

Based on the description above, this study has several key contributions. First, this study integrates Strategic Management Accounting and tax awareness into a single model of MSME tax compliance. Second, this study examines organizational performance as a moderating variable that has received little attention. Third, this study provides practical contributions in the form of policy recommendations for the government, particularly the Directorate General of Taxes (DGT), in designing strategies to improve MSME tax compliance through a combination of awareness factors and a managerial approach.

Therefore, the research questions are formulated as follows: (1) Does Strategic Management Accounting influence MSME tax compliance? (2) Does tax awareness influence MSME tax compliance? (3) Does organizational performance moderate the relationship between Strategic Management Accounting and tax awareness on MSME tax compliance?

LITERATURE REVIEW

According to Stakeholder Theory, businesses must serve all their stakeholders, including shareholders, creditors, suppliers, customers, government, society, analysts, and others, not just their own interests. This concept, first introduced by Freeman (1984) (Kivits & Sawang, 2021), argues that the sustainability of a business must serve all its stakeholders, including shareholders, creditors, suppliers, customers, government, society, and analysts, not just the interests of the owners of capital. This theory generally encompasses corporate social responsibility (CSR), which encompasses legal compliance and commitment to sustainable development.

Stakeholder Categories:

- 1) Primary Stakeholders: Those whose absence would threaten the company's survival (investors, employees, customers, and suppliers).

2) Secondary Stakeholders: Those who directly or indirectly affect the business but are not involved in its daily operations (government and community organizations).

Relevance to Research:

- 1) SMA: Stakeholder Theory underscores how SMA implementation must consider the expectations of various stakeholders to improve organizational performance.
- 2) Tax Compliance: Demands and pressures from stakeholders (especially the government as the tax authority) significantly impact tax compliance. Stakeholder involvement in strategic planning can increase transparency and accountability, thereby encouraging tax compliance.

Attribution Theory, developed by (Heider, 1958), explains how individuals identify the causes of both their own behavior and those of others—by attributing them to internal (dispositional) factors such as personality and attitudes, or external (situational) factors such as environmental pressures or specific circumstances.

Attribution Concepts:

- 1) Dispositional (Internal) Attribution: Relates to individual aspects such as knowledge, self-perception, ability, and motivation.
- 2) Situational (External) Attribution: Refers to environmental factors such as regulations, societal norms, and service quality.

In the context of taxpayer compliance, internal factors (tax knowledge) and external factors (tax service quality) influence behavior (Batrancea et al., 2022). Internal attribution of tax obligations has been found to be positively correlated with compliance. Developed by (Ajzen, 2020; Ajzen & Fishbein, 1969) as an extension of the Theory of Reasoned Action (TPB), the TPB states that an individual's intention to engage in a behavior is a primary determinant of that behavior (Nurwanah et al., 2018).

Intention is influenced by three main factors:

- 1) Attitude Toward the Behavior: A person's positive or negative evaluation of the behavior.
- 2) Subjective Norm: Perceived social pressure to engage in or refrain from the behavior.
- 3) Perceived Behavioral Control: A person's belief in their ability to successfully perform the behavior, influenced by enabling or inhibiting factors.

In the context of tax compliance, the TPB is relevant for Tax Awareness. Positive attitudes toward paying taxes and perceived behavioral control (the belief in being able to fulfill obligations) influence compliance intentions. Furthermore, morality can strengthen the relationship between intention and compliance (Bui & Krajcsák, 2024).

Contingency Theory argues that there is no single best way to organize or lead an organization. Instead, optimal actions always depend on situational factors (contingency), both internal and external. This theory emphasizes that organizational success lies in the alignment between organizational structure and its environmental conditions.

From a strategic management accounting perspective, this theory underscores the importance of aligning accounting practices with external demands to ensure survival. The effectiveness of SMA, for example, depends on contextual factors such as organizational size, complexity, and environmental uncertainty. Applying SMA techniques helps

organizations become more adaptive to changing tax policies, making them proactive in compliance.

RBV is a strategic management framework that emphasizes internal resources as the primary source of sustainable competitive advantage. Organizational resources and capabilities influence strategic choices in a competitive business environment.

VRIN Framework: Competitive advantage emerges when resources possess four attributes:

- 1) Valuable: Contribute significantly to achieving objectives.
- 2) Rare: Difficult for competitors to obtain.
- 3) Inimitable: Difficult to imitate due to its complexity.
- 4) Non-substitutable: Lack of alternatives that competitors can exploit.

In this study, SMA is viewed as a strategic capability within the RBV. Strong organizational performance reflects the effective use of resources, which can strengthen the relationship between SMA and tax compliance. High-performing organizations tend to have superior resources to implement effective management accounting systems, which in turn enhances compliance.

This theory integrates economics, psychology, and sociology to explain why individuals or organizations comply with or evade tax obligations.

- 1) Model (Allingham & Sandmo, 1972): An economic concept that views taxpayer decisions as a rational process that considers the costs/benefits of compliance vs. evasion, the risk of detection, and the severity of penalties.
- 2) The “Slippery Slope Framework” model (Kirchler, 2017): Psychological aspects that identify trust (encouraging voluntary compliance) and power (resulting in coercive compliance) as key components.

Tax compliance manifests itself in three main forms: internal obligations, annual obligations, and compliance with material and formal requirements. Factors influencing compliance include trust in the government, service quality, personal/social norms, and legal understanding (García-Sánchez et al., 2020).

Tax awareness is a crucial element in promoting optimal taxpayer compliance. This cognitive process involves an individual's understanding of the importance of paying taxes, willingness to comply with all tax regulations, and timely fulfillment of payment obligations (N. A. Hamid et al., 2022; Khan & Tjaraka, 2024). Similar definitions (S. A. Hamid, 2013; Triono et al., 2022) describe tax awareness as a disposition formed from perspectives, beliefs, knowledge, and reasoning processes that ultimately motivate taxpayers to act in accordance with applicable regulations.

Meanwhile, Hastuti (2014) (Anandito, 2015) emphasized the practical dimension of tax awareness, namely an individual's ability to independently calculate, pay, and report taxes. This dimension is considered an intrinsic factor that enables individuals to understand the realities of the tax system and respond with appropriate attitudes and actions. Overall, Sawitri (2017) concluded that tax awareness contributes significantly to taxpayer

compliance because individuals with an adequate knowledge base regarding tax regulations and planning tend to report and settle their tax obligations more accurately.

Tax awareness is built on several key dimensions, including tax knowledge and education. Tax knowledge is the foundation of awareness, encompassing taxpayers' understanding of rates, aspects of fairness, and the function of taxes in society. Saad (2014) found that awareness of the tax rate structure significantly influences compliance levels. Furthermore, Kirchler (2017) explained that perceptions of fairness regarding tax rates can increase taxpayers' willingness to comply. Furthermore, transparent communication initiated by tax authorities regarding the allocation and use of tax funds can foster trust and strengthen taxpayer compliance.

Education plays a vital role in increasing tax awareness. Sawitri (2017) demonstrated that educational programs, both formal and informal, such as workshops, seminars, or public campaigns, are effective in strengthening taxpayers' understanding of their obligations, which directly encourages compliance. With the advancement of digital technology, social media is also recognized as an effective platform for raising awareness among the younger generation. (Anwar Syadat et al., 2022) noted that campaigns through platforms like Instagram have been shown to significantly increase awareness and engagement, which ultimately correlates with higher levels of compliance.

In the digital era, the role of information technology in shaping tax awareness is increasingly prominent. Applications, online platforms, and software have revolutionized taxpayer interaction with the system, simplifying reporting and payment procedures. Knowledge and skills in utilizing these digital tools are key to improving compliance. Furthermore, the use of technology increases transparency and trust, enabling taxpayers to better understand their obligations and the use of public funds. (Al-Maghrebi et al., 2016) confirmed that campaigns emphasizing education and transparency effectively increase compliance. Providing easily accessible information regarding rates, public fund allocations, and administrative procedures helps build trust and encourage active taxpayer participation.

In conclusion, tax awareness is a determining factor in improving tax compliance and system effectiveness. The core elements—knowledge, education, and technology adoption—are integrated in shaping taxpayer understanding and engagement. Strategies that prioritize transparency, continuing education, and technological advancement have great potential to significantly improve overall tax awareness and compliance.

Strategic Management Accounting and Tax Compliance

Strategic Management Accounting is a form of management accounting that emphasizes providing information to support an organization's long-term strategy (Cadez & Guilding, 2012). In practice, Strategic Management Accounting involves the use of financial and non-financial information such as competitor analysis, market position assessment, and resource planning (Ojra et al., 2021). For MSMEs, Strategic Management Accounting can be an instrument for improving operational efficiency while ensuring administrative compliance, including tax obligations.

Research (Hutagalung et al., 2023) shows that Strategic Management Accounting is positively related to MSME tax compliance. The implementation of Strategic Management Accounting enables MSMEs to better understand their financial condition, thus improving their ability to fulfill their tax obligations in a timely manner. Therefore, the first hypothesis proposed is:

H1: Strategic Management Accounting has a positive effect on MSME tax compliance.

Tax Awareness and Tax Compliance

Tax awareness reflects the level of understanding and willingness of taxpayers to fulfill their tax obligations. According to (Hadiansah et al., 2021), tax awareness is influenced by education, experience, and an understanding of the benefits of taxes for development. Research (Darmayasa et al., 2022) also found that tax awareness has a positive relationship with MSME tax compliance.

With increased awareness, taxpayers will be more motivated to pay taxes voluntarily and on time, regardless of coercive factors such as sanctions. Therefore, the second hypothesis proposed is:

H2: Tax awareness has a positive effect on MSME tax compliance.

The Moderating Role of Organizational Performance

Organizational performance reflects an entity's effectiveness in achieving its stated goals, both financially and non-financially. (Hadiansah et al., 2021) emphasize that strong organizational performance can strengthen the positive effect of internal factors on compliance. In this context, MSMEs with high organizational performance have better recording and control systems, thus strengthening the influence of Strategic Management Accounting on tax compliance.

However, the role of organizational performance on tax awareness may vary. Awareness is individual, depending on the knowledge and attitudes of the business owner, so organizational performance does not always strengthen its influence on tax compliance. Based on this description, the third and fourth hypotheses are formulated as follows:

H3: Organizational performance moderates the effect of Strategic Management Accounting on MSME tax compliance.

H4: Organizational performance moderates the effect of tax awareness on MSME tax compliance.

METHOD

This research used a quantitative approach with a causal design, focusing on testing hypotheses regarding the relationships between variables. This approach was chosen because the research aimed to empirically test the developed theoretical model. The study was conducted cross-sectionally in 2025 in three major economic regions of Indonesia: Banten, DKI Jakarta, and West Java. The unit of analysis was business entities (MSMEs), with respondents consisting of business owners or representatives with responsibility and

knowledge in finance and taxation. The study population was MSMEs registered with the tax authorities in Banten, DKI Jakarta, and West Java. The sampling technique used purposive sampling, with the following criteria:

- 1) MSMEs had a Taxpayer Identification Number (NPWP).
- 2) MSMEs had been actively operating for at least three years.
- 3) Respondents were business owners or staff directly involved in the finance/accounting function.

The minimum sample size was determined at 300 respondents in accordance with the power analysis rules for PLS-SEM (11). Data were collected using a structured questionnaire distributed physically and through an online platform (Google Forms). The research instrument used a 6-point Likert scale (1 = strongly disagree, 6 = strongly agree). The even-numbered scale was chosen to avoid neutral answers and encourage respondents to provide more explicit choices. Data analysis was conducted using SmartPLS 4.0 software with the following stages:

1) Descriptive Statistics

Used to describe the respondent profile and characteristics of MSMEs.

2) Measurement Model Testing (Outer Model)

a) Validity: includes content validity, convergent validity ($AVE > 0.50$), and discriminant validity (Fornell-Larcker and HTMT).

b) Reliability: measured using Cronbach's Alpha and Composite Reliability ($CR > 0.70$).

3) Structural Model Testing (Inner Model)

a) Coefficient of determination (R^2) to measure the model's ability to explain variance in the dependent variable.

b) Q^2 (Stone-Geisser test) to measure the model's predictive relevance.

c) f^2 (Effect Size) to measure the strength of the relationship between variables.

d) Path Coefficient to assess the direction and significance of the relationship between variables.

4) Hypothesis Testing

Conducted using bootstrapping techniques (5000 resamplings) to obtain t-statistics and p-values. The relationship is declared significant if the p-value is <0.05 .

5) Moderation Analysis

Using a product indicator approach to test whether organizational performance acts as a pure, quasi-moderator, predictor, or potential moderator in the relationship between the independent and dependent variables (Tefera & Abebe, 2024) (Henseler & Fassott, 2010)

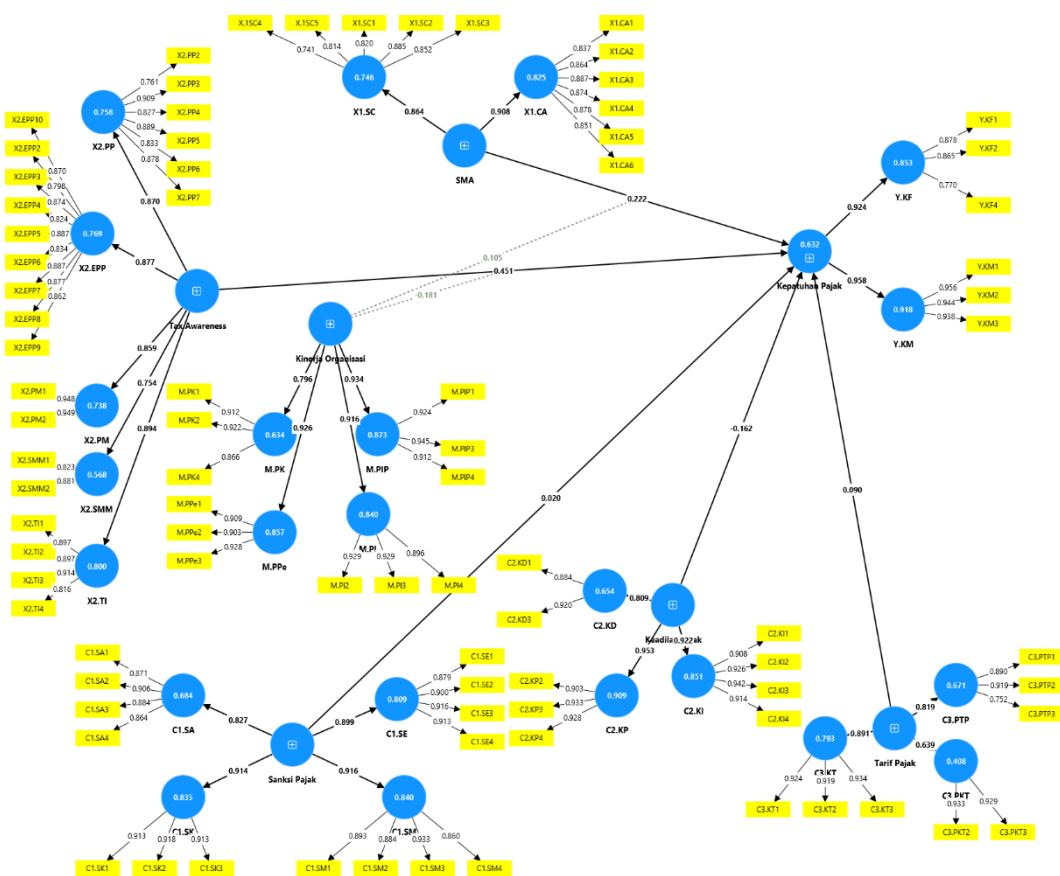


Figure 1. Structural Model with Fulfilled Factor Loading

RESULTS AND DISCUSSION

Measurement Model Testing (Outer Model)

The following describes the results of the measurement model testing using Confirmatory Factor Analysis (CFA) for each research variable. Testing the measurement model using a second-order approach confirmed that all latent variables (Tax Compliance, Strategic Management Accounting, Tax Awareness, and Organizational Performance) had strong validity. These results were supported by two main criteria:

- 1) Factor Loadings: All indicators, in both the first- and second-order models, recorded factor loading values above the threshold of 0.70. This value indicates that the indicators effectively reflect their constructs.
- 2) Average Variance Extracted (AVE): The Average Variance Extracted (AVE) value for all latent variables exceeded 0.50. Substantively, this means that each construct was able to explain more than 50% of the variance in its indicator.

Based on these two results, Confirmatory Factor Analysis (CFA) proved that the measurement model for the four variables had adequate convergent validity. Discriminant validity was tested to ensure that each construct in the model was empirically distinct from the other constructs. Based on the results of the cross-loading method (presented in Figure 1), all The indicators for the variables Tax Compliance, Strategic Management Accounting,

Tax Awareness, and Organizational Performance showed a significantly stronger correlation with their own constructs than with the other latent constructs.

This finding strongly confirms that all four indicator variables have strong discriminant validity. The results presented in Figure 1 indicate that the model's measurement instrument has high reliability. This is evident from the Cronbach's Alpha (CA) values, which are above the threshold of 0.6, and the Composite Reliability (CR) values, which exceed 0.7 for each construct. These figures indicate that all indicators used are consistent and reliable in measuring the intended constructs.

Furthermore, the Cronbach's Alpha calculations also identified the most dominant dimensions within each variable:

- a) Tax Compliance: The strongest dimension is Material Compliance (CA = 0.941).
- b) Strategic Management Accounting: Strategic Costing emerged as the most dominant dimension (CA = 0.933).
- c) Tax Awareness: The dimension with the highest value is Education/Counseling Tax (CA = 0.955).
- d) Organizational Performance: The most dominant dimension is the Learning and Innovation Perspective of Corporate Capabilities (CA = 0.944).

Testing the Control Variable Measurement Model

Based on the summary of the Confirmatory Factor Analysis (CFA) results for the second-order control variable measurement model (as illustrated in Figure 1), it can be concluded that the control variables have strong convergent validity.

Table 1. Results of R-Square and Adjusted R-Square Tests

| R-Square | R-Square | Adjusted R-Square |
|----------------|----------|-------------------|
| Tax Compliance | 0,651 | 0,643 |

Source: Data processed by the author, 2025

This is demonstrated by two key indicators:

- 1) Factor Loadings: All indicators, in both the first- and second-order models, recorded factor loading values exceeding the threshold of 0.70. This figure ensures that each indicator validly reflects its latent variable (construct).
- 2) Average Variance Extracted (AVE): The Average Variance Extracted (AVE) values for all latent variables were above 0.50. This indicates that each construct independently explains more than half of the variance contained in its indicator.

Therefore, the control variable measurement model through CFA has demonstrated adequate convergent validity. The discriminant validity of the control variable indicators was proven strong, strengthened by two testing methods: (1.) Cross-Loading Test: The results of the cross-loading test (presented in Figure 1) indicate that each indicator has a stronger correlation with the construct it is intended to measure, compared to the correlation of that indicator with the other latent constructs. (2.) Fornell-Larcker Criterion: In addition to the cross-loading results, discriminant validity was also evaluated using the Fornell-

Larcker criterion (a method that complementarily strengthens these findings). The agreement of the results from these two methods ensures that each control variable is a distinct and empirically unique entity in the model.

The reliability test of the measurement model indicates that the instruments used for the control variables are consistent and reliable. This reliability is supported by: (a) Composite Reliability (CR) values for each construct exceeding the threshold of 0.70, and (b) Cronbach's Alpha (CA) values for each construct exceeding 0.60.

The results presented in Figure 1 confirm that all indicators consistently measure their respective constructs. Based on the table, the Cronbach's Alpha analysis also highlights the most dominant dimensions in each control variable: (a) For the Tax Sanctions control variable, the strongest dimension is Criminal Sanctions, with a Cronbach's Alpha value of 0.929. (b) For the Tax Fairness variable, the dominant dimension is Interactional Fairness, with a Cronbach's Alpha of 0.942. (c) For the Tax Rates control variable, Perception of Fairness of Tax Rates emerged as the dominant dimension, with a Cronbach's Alpha of 0.846.

Inner Model Test

Based on the data presented in Table 1, the Tax Compliance variable (Y) recorded an Adjusted R-square value of 0.643. This result indicates that the explanatory variables Tax Awareness and Strategic Management Accounting (SMA) together with the moderating variable Organizational Performance, are able to explain 64.3% of the variability in Tax Compliance. The remaining 35.7% is influenced by other factors not included in this research model.

This substantial R-square value demonstrates that the developed model has strong predictive power and is consistent with two main theoretical frameworks: the Resource-Based View (RBV) and Stakeholder Theory.

Theoretical Support:

- 1) Stakeholder Theory: This theory asserts that companies that implement effective strategic accounting management will demonstrate a higher commitment to tax compliance. This compliance is seen as an integral part of corporate accountability to external stakeholders, including the government (Freeman et al., 2010). In this context, the existence of an SMA and tax awareness within the company ensures that the company has an efficient and reliable tax reporting system and procedures.
- 2) Resource-Based View (RBV): From the RBV perspective, SMA and Organizational Performance are considered unique strategic capabilities. These capabilities support a company's competitive advantage by managing internal resources more effectively and efficiently. This capability enables companies to achieve higher levels of reporting accuracy and transparency, while strengthening compliance with tax regulations. The strong role of these variables in improving tax compliance in SMEs as aligns with the findings of research by Pasaribu et al. (2020) and Rashid et al. (2023) that highlight the importance of an efficient accounting management system confirms the high Adjusted R-

square value in the tested model.

Table 2. PLS-Predict Test Results

| Hipotesis | Q ² predict | PLS- SEM_RMSE | PLS- SEM_MAE | LM_RMSE | LM_MA E |
|-----------|------------------------|------------------|-----------------|---------|------------|
| Y.KF1 | 0,382 | 0,729 | 0,484 | 0,808 | 0,575 |
| Y.KF2 | 0,244 | 0,943 | 0,645 | 1,073 | 0,735 |
| Y.KF4 | 0,252 | 0,994 | 0,597 | 1,211 | 0,757 |
| Y.KM1 | 0,532 | 0,630 | 0,454 | 0,665 | 0,473 |
| Y.KM2 | 0,509 | 0,656 | 0,472 | 0,738 | 0,519 |
| Y.KM3 | 0,562 | 0,574 | 0,406 | 0,631 | 0,450 |
| Y.KF1 | 0,386 | 0,726 | 0,485 | 0,808 | 0,575 |
| Y.KF2 | 0,238 | 0,947 | 0,644 | 1,073 | 0,735 |
| Y.KF4 | 0,250 | 0,995 | 0,596 | 1,211 | 0,757 |
| Y.KM1 | 0,532 | 0,630 | 0,454 | 0,665 | 0,473 |
| Y.KM2 | 0,509 | 0,656 | 0,471 | 0,738 | 0,519 |
| Y.KM3 | 0,561 | 0,574 | 0,406 | 0,631 | 0,450 |

Source: Data processed by the author, 2025

3) Given that the RMSE and MAE values for all measurement items for the endogenous variables are lower than those of the LM model, Table 2 demonstrates the high predictive power of the suggested PLS model. Therefore, the RMSE (or MAE) value of the LM model is greater than the value of any SEM-PLS analysis indicator.

Table 3. Q-Square Test Results

| Variabel | Q-Predict | RMSE | MAE |
|-------------------|-----------|-------|-------|
| Tax Compliance | 0,609 | 0,640 | 0,436 |

Source: Data processed by the author, 2025

The Q-square prediction value for tax compliance is above 0, indicating that the model has predictive relevance.

Table 4. Hypothesis Test Results

| Hypothesis | Prediction | Impact | Path Coef | T- Statistic | P- Value | Conclusion |
|------------|------------|--------------------------------------------------------------------------------------|--------------|-----------------|-------------|--------------|
| 1. | + | Strategic Management Accounting -> Tax Compliance | 0,22 | 2,462 | 0,014 | Accepted |
| 2. | + | Tax awareness -> Tax compliance | 0,45 1 | 7,928 | 0,000 | Accepted |
| 3. | + | Organizational Performance * Strategic Management Accounting -> Tax Compliance | 0,10 5 | 1,224 | 0,221 | Not accepted |

| Hypothesis | Prediction | Impact | Path Coef | T-Statistic | P-Value | Conclusion |
|------------|------------|--------------------------------------------------------------|------------|-------------|---------|--------------|
| 4. | + | Organizational performance * Tax awareness -> Tax Compliance | -0,18 1 | 2,839 | 0,005 | Not accepted |

Source: Data processed by the author, 2025

Hypothesis Testing Results and Interpretation

The hypothesis test indicates that Strategic Management Accounting (SMA) has a positive and significant impact on Tax Compliance.

Because the t-statistic (2.462) exceeds the critical t-table (1.96), and the p-value (0.014) is below the 0.05 significance threshold, Hypothesis H1 is supported. This implies a direct relationship: improving the quality of SMA implementation will increase taxpayer compliance, and vice versa.

This finding provides strong support for Stakeholder Theory, which emphasizes the importance of organizations meeting the expectations of all stakeholders, including tax authorities. Through the increased transparency and accountability facilitated by SMA, organizations intrinsically improve their tax compliance. Furthermore, these results align with the Resource-Based View (RBV), which identifies SMA as a strategic capability. This capability improves the efficiency of internal resource management—through methods such as Strategic Costing and Competitor Accounting—thus resulting in improved tax compliance.

The Effect of Tax Awareness on Tax Compliance

Hypothesis testing proves that Tax Awareness has a strong positive and significant effect on Tax Compliance.

- a) Path Coefficient: 0.451
- b) t-statistic: 7.928
- c) p-value: 0.000

Given that the t-statistic (7.928) is significantly greater than the t-table (1.96), and the p-value (0.000) is significant at the 0.05 level, Hypothesis H2 is confirmed. These results highlight a substantial positive correlation: the higher the level of tax awareness, the better the level of tax compliance.

This finding is highly consistent with the principles of Compliance Theory and the Theory of Planned Behavior. Both theories suggest that increased tax awareness will improve taxpayer attitudes and perceived control, ultimately increasing compliance intentions. Greater awareness fosters trust in the tax system, which actively encourages individuals and organizations to meet their fiscal obligations.

CLOSING

Conclusion

This study identified several key findings related to the impact of Strategic Management Accounting (SMA), Tax Awareness, and Organizational Performance on Tax Compliance:

1) The Effect of SMA on Tax Compliance:

Strategic Management Accounting (SMA) has a positive and significant impact on Tax Compliance. Utilizing SMA techniques (such as strategic costing and competitor accounting) improves internal efficiency, transparency, and accountability in financial reporting. This finding validates Stakeholder Theory and the Resource-Based View (RBV), which view SMA implementation as an essential strategic capability for strengthening business competitiveness and external fiscal responsibility.

2) The Effect of Tax Awareness on Tax Compliance:

Tax Awareness also demonstrates a strong positive and significant impact on Tax Compliance. Improved taxpayer understanding of obligations, payment experience, and particularly the use of digital tax technology, collectively increase voluntary compliance. It should be noted that the technology/digitalization dimension is a significant contributor, strengthening the positive relationship between awareness and compliance.

3) The Moderating Role of Organizational Performance:

Organizational performance as a moderating variable presents complex results. Although it was found not to significantly weaken the effect of high school on tax compliance, it was found that this variable significantly weakened the positive relationship between Tax Awareness and Tax Compliance.

These results suggest the challenges of achieving increased tax compliance, even in organizations with strong internal resources and performance.

4) Contribution of the Tax Awareness Model:

The expanded Tax Awareness Model—by explicitly incorporating the technology/digitalization dimension—proved to be more effective in explaining the variability in the effect of Tax Awareness on Tax Compliance than previous models. The inclusion of this dimension strengthens the argument that accelerating the digitalization of reporting and payment processes is key to simplifying bureaucracy, ultimately stimulating increased compliance.

Implications and Recommendations

This study provides contributions covering theoretical, practical, and regulatory aspects in efforts to improve tax compliance. (a) Theoretical Contribution: This study enriches the literature by developing a more comprehensive model of tax awareness and affirming the role of SMA as a legitimate strategy for improving compliance. (b) Practical Implication: Businesses are encouraged to actively improve tax literacy and maximize the adoption and utilization of digital technology in their tax administration. (c) Regulatory Implication: Regulators are recommended to accelerate the digitalization of the tax system,

strengthen tax education programs, and develop transparency regulations supported by technology-based law enforcement to achieve optimal tax compliance. This study acknowledges limitations, including the perception-based nature of the data, the diversity of business characteristics in the sample, and the inherent complexity of the analyzed model. Therefore, future research is recommended to: (a) Focus on more detailed stratification of business types. (b) Conduct iterative model development to strengthen and validate the analysis results in further studies.

Acknowledgements

This research was fully funded by the Directorate General of Research and Development (Ditjen Risbang), Ministry of Higher Education, Science, and Technology, through the Novice Lecturer Research Scheme (PDP) for Fiscal Year 2025. The authors express their deepest appreciation for the financial and administrative support provided.

REFERENCES

Ajzen, I. (2020). The theory of planned behavior: Frequently asked questions. *Human Behavior and Emerging Technologies*, 2(4), 314–324. <https://doi.org/10.1002/hbe2.195>

Ajzen, I., & Fishbein, M. (1969). The prediction of behavioral intentions in a choice situation. *Journal of Experimental Social Psychology*, 5(4), 400–416. [https://doi.org/10.1016/0022-1031\(69\)90033-X](https://doi.org/10.1016/0022-1031(69)90033-X)

Al-Maghrebi, M. S., Ahmad, R., & Palil, M. R. (2016). BUDGET TRANSPARENCY AND TAX AWARENESS TOWARDS TAX COMPLIANCE: A CONCEPTUAL APPROACH. *South East Asia Journal of Contemporary Business, Economics and Law*, 10(1).

Allingham, M. G., & Sandmo, A. (1972). *INCOME TAX EVASION: A THEORETICAL ANALYSIS*.

Anandito, L. (2015). Analisis Penyajian Dan Pengungkapan Solar Asset-Backed Securities (Sekuritas Beragun Aset) Pada Pelaporan Keuangan Perusahaan: Studi Pada Solarcity Corp. *Neliti.Com*.

Anwar Syadat, F., Kusyeni, R., & Fauziah, E. (2022). Analisis Efektivitas Edukasi Perpajakan bagi Generasi Milenial melalui Media Sosial Instagram dalam Rangka Meningkatkan Kesadaran Wajib Pajak (Studi Kasus di Kantor Wilayah Direktorat Jenderal Pajak Jawa Barat II) ARTICLE INFO ABSTRACT. *Jurnal Ilmiah Untuk Mewujudkan Masyarakat Madani*, 9(1), 70–81. <http://ojs.stiami.ac.id>

Bandiyono, A., & Augustine, Y. (2019). ORGANIZATIONAL PERFORMANCE AS A MEDIATION ON THE EFFECT OF LEVERS OF CONTROL AND LEARNING ORGANIZATION ON TAX COMPLIANCE. *International Journal of Business, Economics and Law*, 19.

Batrancea, L. M., Nichita, A., De Agostini, R., Batista Narcizo, F., Forte, D., de Paiva Neves Mamede, S., Roux-Cesar, A. M., Nedev, B., Vitek, L., Pántya, J., Salamzadeh, A.,

Nduka, E. K., Kudla, J., Kopyt, M., Pacheco, L., Maldonado, I., Isaga, N., Benk, S., & Budak, T. (2022). A self-employed taxpayer experimental study on trust, power, and tax compliance in eleven countries. *Financial Innovation*, 8(1). <https://doi.org/10.1186/s40854-022-00404-y>

Bui, H., & Krajcsák, Z. (2024). The impacts of corporate governance on firms' performance: from theories and approaches to empirical findings. *Journal of Financial Regulation and Compliance*, 32(1), 18–46. <https://doi.org/10.1108/JFRC-01-2023-0012>

Cadez, S., & Guilding, C. (2012). Strategy, strategic management accounting and performance: A configurational analysis. *Industrial Management and Data Systems*, 112(3), 484–501. <https://doi.org/10.1108/02635571211210086>

Darmayasa, I. N., Pariani, P. A. R., & Mandia, I. N. (2022). Moderasi Kesadaran Pajak Pada Moral Pajak, Pemeriksaan, Dan Sanksi Terhadap Kepatuhan UMKM. *Jurnal Pajak Dan Keuangan Negara (PKN)*, 3(2), 316–330. <https://doi.org/10.31092/jpkn.v3i2.1533>

García-Sánchez, I., Hussain, N., Khan, S. A., & Martínez-Ferrero, J. (2020). <scp>M</scp> anagerial entrenchment, corporate social responsibility, and earnings management. *Corporate Social Responsibility and Environmental Management*, 27(4), 1818–1833. <https://doi.org/10.1002/csr.1928>

Hadiansah, D., Ahmadi, E., Rahayu, Y. N., Tanjung, R., Dasmana. Ade, Kurniasih, N., Maulana, A., Rosmayati, S., Nasser, A. A., Firmansyah, E., Firdaus, E., Mawati, A. T., Mulyadi, D., Deswita, Aisyah, D. S., Hamrin, Marsanto, Ulfah, Sofyan, Y., ... Rachman, B. A. (2021). Membaca Perspektif Balanced Scorecard (BSC). In *Yayasan Azka Hafidz Maulana*. <http://ojs-steialamar.org/index.php/JAA/article/view/88>

Hamid, N. A., Ismail, I. S., Yunus, N., Jali, M. N., & Rosly, A. S. (2022). Taxpayer Perceptions of Tax Awareness, Tax Education, and Tax Complexity among Small and Medium Enterprises in Malaysia: A Quadrant Analysis Approach. *Universal Journal of Accounting and Finance*, 10(1), 231–242. <https://doi.org/10.13189/ujaf.2022.100124>

Hamid, S. A. (2013). *Tax Compliance Behaviour of Tax Agents: A Comparative Study of Malaysia and New Zealand*.

Heider, F. (1958). *The psychology of interpersonal relations*. John Wiley & Sons Inc. <https://doi.org/10.1037/10628-000>

Hutagalung, D., Augustine, Y., Dhaniel Hutagalung, & Yvone Augustine. (2023). The Effect Of Strategic Management Accounting, Tax Knowledge And Competitive Advantage On Tax Compliance Through Organizational Performance As Intervening Variables. In *International Journal Of Humanities Education And Social Sciences (IJHESS) E-ISSN* (Vol. 3, Issue 1). <https://doi.org/10.55227/ijhess.v3i1.658>

Khan, M. A., & Tjaraka, H. (2024). Tax justice and understanding: MSME compliance with Tax Regulation No. 55/2022 in Surabaya, Indonesia. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2396042>

Kirchler, E. (2017). *The Economic Psychology of Tax Behaviour*.

Kivits, R., & Sawang, S. (2021). Stakeholder Theory. In *Contributions to Management Science*. https://doi.org/10.1007/978-3-030-70428-5_1

Nurwanah, A., Sutrisno, T., Rosidi, R., & Roekhudin, R. (2018). Determinants of tax compliance: Theory of planned behavior and stakeholder theory perspective. *Problems and Perspectives in Management*, 16(4), 395–407. [https://doi.org/10.21511/ppm.16\(4\).2018.33](https://doi.org/10.21511/ppm.16(4).2018.33)

Ojra, J., Opute, A. P., & Alsolmi, M. M. (2021). Strategic management accounting and performance implications: a literature review and research agenda. *Future Business Journal*, 7(1). <https://doi.org/10.1186/s43093-021-00109-1>

Saad, N. (2014). Tax Knowledge, Tax Complexity and Tax Compliance: Taxpayers' View. *Procedia - Social and Behavioral Sciences*, 109, 1069–1075. <https://doi.org/10.1016/j.sbspro.2013.12.590>

Tefera, F. T., & Abebe, S. (2024). Impact of strategic planning on the performance of commercial banks: the case of public commercial banks in Eastern Hararghe, Ethiopia. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2336301>

Triono, H., Ratnawati, J., Sumaryati, A., & Mardjono, E. S. (2022). MEMBANGUN PEMAHAMAN PAJAK BAGI PELAKU USAHA MIKRO, KECIL DAN MENENGAH DI SEMARANG. *ABDI MAKARTI*, 1(2), 140. <https://doi.org/10.52353/abdimakarti.v1i2.359>