Scenario Planning: Enhancing Employee Engagement in Tax Institutions

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ABSTRACT

This research explores the intersection of employee engagement and scenario planning within tax institutions, emphasizing the importance of a motivated workforce for enhancing organizational effectiveness. The study employs a mixed-methods approach, integrating qualitative and quantitative data collection techniques, including surveys and semi-structured interviews, to assess current levels of employee engagement and the factors influencing them among approximately 360 employees from various tax institutions across Indonesia. The findings reveal that work-life balance contributes significantly to employee disengagement. By implementing scenario planning, tax institutions can proactively address these challenges, fostering a culture of adaptability and resilience. The research identifies key drivers of engagement and develops actionable recommendations for enhancing employee engagement through targeted strategies, such as improving work-life balance and creating a supportive organizational culture. Ultimately, this study aims to develop actionable recommendations for enhancing employee engagement through targeted strategies, contributing to improved organizational performance and employee satisfaction. The implications of this study extend to public administration, offering valuable insights for policy and practice in the realm of employee engagement within the public sector.

| KEYWORDS | *Employee engagement, Scenario planning, TAIDA, Work-life balance* |

INTRODUCTION

In recent years, the landscape of public sector organizations, particularly tax institutions, has undergone significant transformations influenced by globalization, technological advancements, and changing societal expectations (Grossi & Argento, 2022). These factors have necessitated a reevaluation of traditional management practices, particularly in the realm of employee engagement. Employee engagement is increasingly recognized as a critical component of organizational effectiveness, influencing productivity, job satisfaction, and overall institutional performance (Boccoli et al., 2023; Kişi, 2023). Despite the importance of employee engagement, tax institutions face challenges in maintaining a motivated workforce. Based on the

survey of the preliminary research, it was found that factors such as bureaucratic structures, high workloads, and limited opportunities for professional development can lead to disengagement employees. In this context, the implementation of innovative strategies is essential for the development of a more engaged and committed workforce.

The research objectives of this study are threefold. First, the study aims to understand employee needs and expectations in developing effective employee engagement strategies within tax institutions (Ramadhani, 2022; Sabbatho et al., 2020). By assessing these needs and expectations, the research will provide insights that can enhance current engagement efforts and foster a more engaged workforce (Mansor et al., 2023). Second, the research seeks to explore the applicability of scenario planning as a strategic tool (Chermack, 2020; Nathania, 2024). This objective will involve examining various scenarios that could impact employee engagement and determining how scenario planning can be integrated into existing organizational practices (IJISRT, 2024). Lastly, the study aims to develop a set of recommendations for tax institutions to enhance employee engagement through scenario planning, thereby contributing to improved organizational performance and employee satisfaction (Ramadhani, 2022; Mansor et al., 2023).

The literature on employee engagement underscores its significance in cultivating a positive organizational culture and improving service delivery. According to Pincus, (2023) Employee engagement refers to the emotional commitment and involvement an employee has towards their organization and its goals. It is characterized by enthusiasm, dedication, and a willingness to contribute to organizational success. Employee engagement, as defined by Gallup, refers to the emotional commitment an employee has towards their organization, which influences their willingness to learn and perform effectively. This concept encompasses physical, cognitive, and emotional dimensions (Gallup, 2024). Furthermore, Kişi, (2023) highlight the correlation between employee engagement and various organizational outcomes, including organizational culture, perceived support, and work-life balance. To effectively enhance employee engagement in tax institutions, it is crucial to implement targeted strategies that address the specific challenges identified.

Gallup, (2024) categorizes employees into three distinct groups based on their levels of engagement within the workplace. The first group is comprised of engaged employees, who are characterized by their passion and commitment to their work. These individuals not only fulfill their job responsibilities but also actively contribute to driving organizational success through their enthusiasm and initiative. In contrast, the second group includes not engaged employees. These individuals meet the basic requirements of their roles but lack the enthusiasm and drive that characterize their engaged counterparts. While they perform their duties adequately,

their lack of motivation may prevent them from contributing to the organization's overall success. Finally, the third group consists of actively disengaged employees. These individuals are not only unhappy in their roles but may also undermine the efforts of the organization. Their dissatisfaction can have a detrimental impact on team morale and productivity, making it crucial for organizations to address the needs and concerns of this group to cultivate a healthier work environment.

Scenario planning represents a strategic approach that involves the construction of narratives or stories that explore various possibilities for the future (Aminullah, 2015). This methodology is characterized by its focus on potential outcomes that are inherently unpredictable, rather than offering definitive predictions. Through the development of these scenarios, organizations and individuals can better understand the complexities and uncertainties that may influence future events. By articulating a range of plausible futures, scenario planning facilitates informed decision-making and enhances the capacity to navigate the unpredictable nature of the future landscape (Beach & Clark, 2015). Considering various plausible future scenarios, tax institutions can identify potential changes in workforce dynamics, technological integration, and public expectations. This proactive approach not only helps mitigate risks but also cultivate a culture of adaptability and resilience among employees (Heuser et al., 2022).

This research seeks to bridge the gap between theoretical frameworks and practical applications by exploring the intersection of employee engagement and scenario planning within tax institutions. By addressing the delineated research objectives, this study aims to contribute significant insights that can inform both policy and practice in the field of public administration. The enhancement of employee engagement through strategic initiatives, such as scenario planning, not only has the potential to improve the operational efficiency of tax institutions but also cultivates a more motivated and committed workforce.

This study aims to: (1) identify the key factors influencing employee engagement within tax institutions, with particular emphasis on work-life balance as a critical determinant; (2) develop and evaluate scenario planning frameworks using the TAIDA methodology to address engagement challenges proactively; and (3) formulate evidence-based recommendations for enhancing employee engagement through strategic interventions. The benefits of this research extend to multiple stakeholders. For tax institutions, the findings provide actionable strategies to enhance organizational performance, reduce employee turnover, and improve service delivery. For employees, the recommended interventions promise improved job satisfaction, better work-life balance, and enhanced professional development opportunities. For the broader public sector, this study offers a replicable framework for addressing employee engagement challenges in governmental

organizations, contributing to more effective public administration and ultimately benefiting society through improved public services and organizational accountability.

RESEARCH METHOD

This study employed a mixed-methods approach, integrating both qualitative and quantitative research methodologies to explore the role of scenario planning in enhancing employee engagement within tax institutions. This approach allowed for a nuanced understanding of employee perspectives and the organizational context, capturing both statistical data and personal insights.

A stratified sampling technique was used to ensure a representative sample of employees from various tax institutions. Data collection took place over three months, from November 2024 to January 2025, at 10 locations across Indonesia. The sample consisted of approximately 360 employees, representing a diverse range of roles, experiences, and demographics within the organizational hierarchy.

Data collection techniques included surveys and interviews. A structured questionnaire gathered quantitative data on employee engagement, including factors such as workload, professional development opportunities, and organizational culture. Semi-structured interviews were conducted with key stakeholders, including management and human resources personnel, to provide qualitative insights into engagement strategies and the potential of scenario planning as a tool for enhancement. Voluntary sampling selected participants with relevant expertise.

Quantitative data from surveys were analyzed using Microsoft Excel, while interview transcripts underwent thematic analysis to identify recurring themes related to employee engagement and scenario planning using TAIDA analysis. According to Lindgren and Baldhood as described by Ferryanto et al. (2025), TAIDA analysis involves five steps: Tracking changes impacting key issues, Analyzing best and worst-case scenarios, Imaging desired future visions, Deciding on development strategies, and Acting by implementing the integrated strategy.

RESULT AND DISCUSSION

The research study involved a comprehensive analysis of employee engagement levels across various tax institutions in Indonesia, utilizing a mixed-methods approach that combined quantitative surveys and qualitative interviews. The sample consisted of 360 employees.

The survey results revealed (Table 1) that the overall employee engagement score averaged at 65%, indicating a moderate level of engagement among employees, suggesting a moderate level of engagement that warrants further investigation into the underlying causes and potential areas for improvement. This

result can also be interpreted to mean that the level of employee engagement among staff in tax institutions is currently considered to be quite good. Employees in tax institutions regard the aspect of employee engagement as crucial in supporting the successful execution of their duties. Consequently, employees with a high level of engagement tend to be more proactive, possess a strong sense of ownership towards the organization, and are better equipped to face job-related challenges.

Table 1. Distribution of respondents by category of employee engagement

Category of employee engagement	Total (n)	Percentage (%)
Low (<60)	23	6,4
Moderate (60-80)	235	65,3
High (>80)	102	28,3
Min - Max	30,56 – 100,00	
Mean ± SD	73,13 ± 13,19	

In order to ascertain the requirements of employees that could potentially augment their engagement, the researcher solicited employees to identify the factors that the organization could cultivate. In light of the responses received, the organization may regard work-life balance as a vital component for enhancing employee engagement. This is in line with the findings of Björk-Fant et al., (2023), which indicate a significant positive association between work-life balance and employee engagement across European welfare states. This suggests that an improved work-life balance contributes to higher levels of employee engagement. Prioritizing work-life balance can lead to a more motivated workforce, ultimately enhancing overall productivity and reducing turnover rates. The following key factors were identified as significantly influencing engagement levels, which can be seen in Figure 1. However, in the execution of work-life balance initiatives within an organization or company, a comprehensive planning process is still requisite, accompanied by a strategy that aligns appropriately with the objectives via scenario planning.

Figure 1. Factors influencing employee engagement based on employee needs

The first stage is tracking, it is needed with the aim of finding trends, driving factors, and things that make things uncertain, through identification of trends and issues faced by employees and organizations, to understand problems in depth, describe changes, identify opportunities and challenges, and recognize existing

strengths and weaknesses as a consideration in creating scenarios. The tax institution has an interest in maintaining the organizational commitment of the employees involved in the process of adjusting to business changes. This has become critical as business processes change, employees are not only required to meet increased tax revenue targets, but must also be able to adapt to new systems and technologies quickly and effectively. On the other hand, adapting to these changes in business processes often adds to work stress, which can affect work-life balance. This imbalance has the potential to lower employee engagement. Therefore, a proper strategy is needed to support employees in the face of these changes. In connection with this, the focal issue in this study is "how does the work-life balance strategy improve employee engagement of tax institutions?" The process of identifying the focal issue was carried out through interviews with the sources, which resulted in two driving forces that were assessed as capable of having the greatest potential influence on the conditions of implementation of work-life balance in the taxation institution in the future, namely:

1. Organizational challenges in implementing work-life balance
2. Challenges of employee engagement in tax institutions

After the tracking phase is carried out, the next step is the analysis phase to identify driving forces or driving factors through understanding the trends and issues identified in (Figure 1) and developing scenario logic that will be the basis for the systematic creation and development of scenario models. Based on the results of the analysis, work-life balance variables have a significant positive influence on employee engagement. Furthermore, scenario logic at this stage will be developed, analyzing the potential consequences that may occur as a result of the existence of challenges and opportunities through the application of variables that show significant effects and identification results of the driving force by crossing the two driving forces that is, organizational challenges in implementing work-life balance and employee engagement challenges in the taxation institution that will generate four quadrants that determine the scenarios that can be considered (Figure 2).
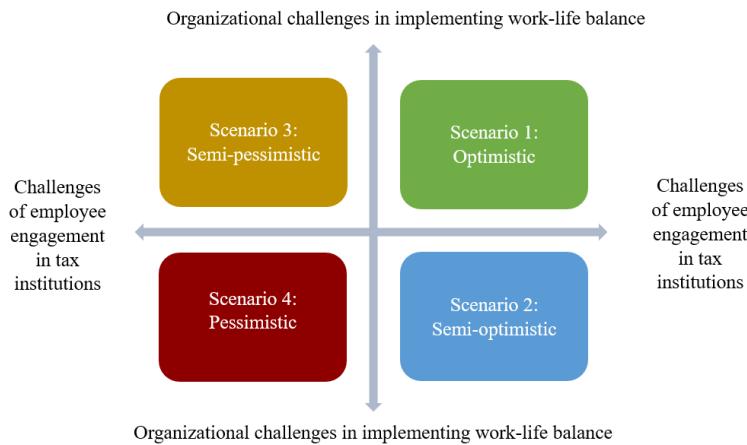
Figure 2. Scenario matrix of taxation institutions

Stage imaging is the process of depicting an organization's sustainability vision that is used to visualize the long-term goals of the taxation institution as well as the strategic steps required to achieve them. The tax institution has the vision to be a trusted and superior institution in optimizing tax revenue to support national development. In order to support this vision, the taxation institution has a great responsibility in ensuring the stability of state receipts, optimizing tax compliance, and promoting efficiency of taxation administration. It is important for institutions to create a work environment that allows all employees to work productively, efficiently and innovatively. Work-life balance is a fundamental element that affects job satisfaction and employee engagement.

A decision-making process that aims to identify development and strategies in the face of challenges to realize the vision and objectives of the organization that have been formulated at the imaging stage. The results of the interview provide the conclusion of the institution choosing scenario I as the best scenario to apply. Institutions need to propose more concrete measures related to the chosen scenario so that both parties have a positive sense of execution to support the achievement of the company's objectives.

The acting stage is a conclusive step in scenario planning, it is an important phase after a careful planning and decision-making process, in which strategies are implemented to improve employee engagement through the following steps: 1) it is important to determine the leadership capable of facilitating the work-life balance by identifying the individual needs of the officer. 2) provide socialization associated with the stick and carrot approach. 3) create a mutually trusting environment to be able to carry out a work-life balance program that can encourage collaboration between employees, so that they feel comfortable to share ideas and collaborate effectively. 4) conduct regular surveys and interviews to measure changes in the level of involvement of officials following the application of the approach. 5) make improvements to the approach based on the results of the initial evaluation. 6)

integrate the strategy that has been refined into the organization's regular work system. These measures, it is expected that employee engagement will increase significantly, creating a more positive and productive work culture.

CONCLUSION

The findings of the research indicate that work-life balance, the principal requirement for personnel within taxation institutions. Additionally, the analysis of the scenario planning pertaining to augmented employee engagement within taxation institutions reveals that four distinct scenarios may arise in relation to taxation initiatives, as delineated by the planning scenario matrix, which includes optimistic, semi-optimistic, semi-pessimistic, and pessimistic conditions. It can be inferred that the prevailing circumstances within taxation institutions are inclined towards an optimistic scenario; specifically, regarding organizational dynamics, wherein the tax institution facilitates conditions that promote employee engagement, thereby leading to the formulation of strategies that concentrate on optimistic scenarios. This approach is characterized by the implementation of a "stick and carrot" approach, emphasizing positive incentives. While the imposition of penalties may be deemed necessary, the predominant focus of this approach is directed towards educational initiatives and corrective measures. Suggestions for further research are that further research can be done in the form of explorations on the possible use of other variables such as workload, motivation, leadership style, or other relevant variables. In addition, in the process of preparing scenarios, you can use other methods such as analytical hierarchy process.

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