

Received: 28 November 2022 Accepted: 28 March 2023

DOI: <https://doi.org/10.33182/rr.v8i4.33>

Strategic planning and tax collection in a Peruvian municipality

Zenaida Incacutipa Jacinto¹, Julio Francisco Gárate Delgado², Melina Elizabeth Chávez Choque³, Renzo Alberto Taco Coayla⁴, Segundo Manuel Alvarado Contreras⁵, Rubens Houson Pérez-Mamani⁶

Abstract

The main objective was to determine the relationship between strategic planning and tax collection in a municipality of Tacna - Peru, period 2022; The type of research is basic, non-experimental design, correlational in scope, cross-sectional to collect the data, the sample of 81 workers, the technique was a survey and the instrument was the questionnaire. It was obtained that 64.2% of the personnel perceive the strategic planning process in the entity at a regular level, with the most highlighted dimension being "Implementation" and the one focused on reinforcing "Evaluation"; and 50.6% consider tax collection to be an adequate level, with "Auditing" being the dimension that obtained the best values and the one focused on improving is the "Collection Process". It is concluded that there is a direct relationship of a moderate level between strategic planning and tax collection, given the value of $R_{ho} = 0.499$ ($p = 0.000$); there is a direct and moderate relationship between the formulation, implementation and evaluation of strategic planning with tax collection in the entity.

Keywords: *Strategic planning, tax collection, municipality.*

Introduction

The measures adopted by the National Government to deal with the current pandemic has had a negative impact on families, since the various restrictions related to biosecurity measures have generated fewer options to generate income; And given this scenario, there have been scenarios of delinquency in financial institutions, low tax collection in municipalities, among others.

In the case of municipalities, through Law 27783 – Bases of Decentralization and Law 27972 – Organic of Municipalities, they have the competences for the creation and administration of the revenues from the taxes collected, which is one of their main sources of income, as well as the other transfers executed by the National Government, with which they execute works and comply with their current expenses specified in their plans; but the COVID-19 pandemic has significantly affected meeting the collection amounts projected for the period, putting at risk the provision of quality public services.

In this regard, COMEXPERÚ (2020) made a publication where it shows with figures the impact on tax collections of local governments in the country (see Figure 1), indicating that it decreased in 2020 by 17.9% of what was collected compared to 2019; and specifically points out that the municipalities of the department of Tacna are the hardest hit in the country, since they have only managed to raise 51% of the annual programmed goal, followed by Tumbes and Loreto with only 54%.

Figure 1

¹ Licenciada en Administración, Universidad Nacional Jorge Basadre Grohmann, Perú. Email: zenaida.epa@gmail.com. <https://orcid.org/0000-0003-2657-7521>

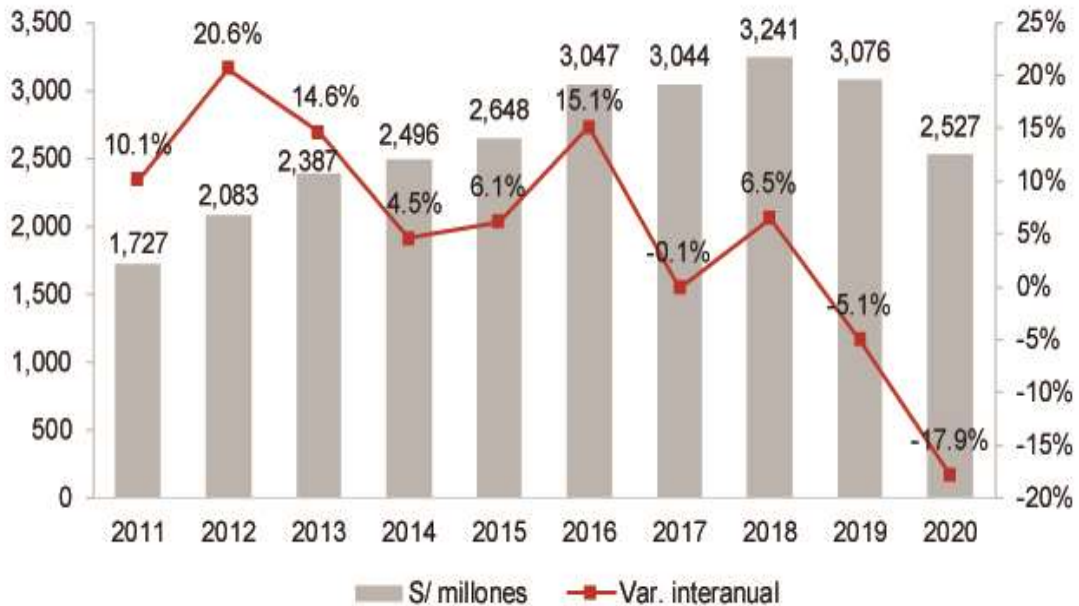
² Magíster en Dirección y Gestión de Empresas, Universidad Privada de Tacna, Perú. Email: jgarated@upt.pe. <https://orcid.org/0000-0002-4589-6969>

³ Doctor en Contabilidad, Universidad Nacional de Moquegua, Perú. Email: mchavez@unam.edu.pe. <https://orcid.org/0000-0002-3799-3494>

⁴ Magíster en Docencia Universitaria y Gestión Educativa, Universidad Privada de Tacna, Perú. Email: rentaco@upt.pe. <https://orcid.org/0000-0003-0014-7216>

⁵ Doctor en Ciencias de la Educación, Universidad Nacional Jorge Basadre Grohmann, Perú. Email: salvaradoc@unjbg.edu.pe. <https://orcid.org/0000-0001-9215-4178>

⁶ Doctor en Educación, Universidad Nacional Jorge Basadre Grohmann, Perú. Email: rperez@unjbg.edu.pe. <https://orcid.org/0000-0001-9279-2057>

Tax collection in local governments in Peru (2011 – 2020)

Note: COMEXPERÚ (2020)

Another aspect that is a problem in municipal management, is that although they have strategic plans, which are published in their institutional pages, it is perceived that the authorities and public officials do not frequently use it as a management break, and based on this they do not monitor their progress in compliance with the commitments assumed with the citizenship. not having indicators to evaluate the impact of the decisions taken on the use of public resources.

In the Alto de la Alianza District Municipality – Tacna (MDAA), what is expressed in the previous paragraphs is also presented in the entity, especially what concerns the significant reduction of municipal taxes, thereby affecting the fulfillment of the commitments assumed, and in parallel there is a strategic plan that has not been socialized with the staff, so that each management team has clarity of which strategic actions to prioritize to achieve management objectives; Therefore, if this situation continues, it puts at risk to comply with citizen expectations about management, in terms of providing a better public service.

Considering this, it is that this research raises the objective of determining the relationship between strategic planning and tax collection in said municipality for the period 2022; and the specific objectives are to analyze the relationship of the formulation, implementation and evaluation of strategic planning with tax collection. Being the general hypothesis, which states that there is a direct relationship between strategic planning and tax collection in the municipality analyzed.

On the theoretical bases related to the variable "Strategic planning", it is specified that it is a priority that the entities have their plans, where the path to follow in the medium and long term is detailed, referring to the strategies to be implemented to achieve the prioritized objectives and goals; in this regard Donnelly et al (2005) detail that it is a participatory process that allows the entity to specify its vision and institutional mission, the objectives to be achieved, the details of the key institutional

actions and each of the indicators that allow measuring and monitoring their implementation; Chiavenato (2000) describes that it is a set of phases that an entity follows to establish the strategies to be applied to achieve the prioritized goals, for which it must begin with a diagnostic analysis of the environment, detail the objectives, specify the strategies and resources to be used, and detail the indicators to make a constant feedback to the managers to adopt the pertinent corrective measures; and Martínez and Milla (2012) point out that for Planning requires that the institutional team is characterized by its honesty, creativity, analysis, flexibility and permanent innovation, and with respect to strategic planning, it implies identifying the vision of what is required to be in the long term, detailing the strategies that are required for it, being therefore a vital tool for making managerial decisions.

The CEPLAN is the governing body responsible for implementing the process to plan in the Peruvian state called the National Strategic Planning System – SINAPLAN, which is specified in the "Guide for institutional planning" - Directive No. 001-2017-CEPLAN / PCD, where the four stages of the strategic planning cycle are developed, as shown below:

Figure 2

CEPLAN - Cycle for the development of the strategic planning process



Note: CEPLAN Directive

Stoner et al (1996) describe main stages in the strategic planning process, which are considered as the dimensions for the analysis of this variable, we have:

- Formulation: It implies carrying out an institutional diagnosis (internal and external analysis), which allows establishing the priorities to be achieved by the management, the strategies considering the resources with which they are available or can be achieved.

- b) Implementation: It implies the implementation of what is proposed, prioritizing periodic monitoring through indicators.
- c) Evaluation: It involves analyzing the impact and results obtained with what has been implemented, which allows feedback to management.

On the theoretical bases related to the variable "Tax collection", tax policy in Peru is designed by the Ministry of Economy and Finance - MEF, which is defined mainly based on consumption and investment; In this regard, Villegas (2001) points out that tax policy is the regulatory and tax function that corresponds to the state, which is based mainly on an activity to collect taxes, to obtain resources that allow promoting equity and access to similar opportunities for citizens; Mazo and Ruiz (2008) also define that the collection of taxes from the mayor entity is a payment that the entity requests from the citizen of its jurisdiction, for providing a set of public services provided during a certain period and that have a legal basis that supports such collection.

For its analysis, the dimensions proposed by Moreyra (2018) in his research have been considered, which describe the characteristics of tax collection, from the perspective of the mayor staff, we have:

- a) Collection process: It is the set of stages and procedures applied by the public entity to collect its income; therefore, it is different means used by the mayor entity to provide that the citizen / taxpayer has the facilities to comply with their tax obligations, either by manual and / or mechanical means.
- b) Oversight: It involves monitoring that the citizen and the entities comply with the regulations of the competent authority, to apply the respective sanctions; therefore, controls are needed to avoid behaviors far from the legality on the part of the taxpayer, that is, to ensure that the regulations are complied with, promoting transparency.
- c) Audit: Involves monitoring the use of resources collected by the entity; Therefore, they are exams where techniques and methodologies are used that allow a detailed analysis of institutional actions, to verify if the decisions of the entity really boost the benefit to taxpayers.

MATERIAL AND METHODS

It has that the research type is the basic or pure, since with the results obtained its could contribute to knowledge; on the level it has to be correlational, since the behavior of the variables was analyzed and then related; as far as the design used is concerned, it is non-experimental, which implies that the variables were not deliberately altered at any time; the field data were collected by cross-section, this implies that it was done in a given time (Hernández et al., 2014).

Then, in the following table, the dimensions and indicators considered in the research are described, being the scale used the ordinal:

Table 1

Operationalization of variables

Variable	Conceptual Definition	Operational Definition	Dimension	Indicator	Item
Variable 1: Strategic planning	Participatory process that allows the entity to specify its vision and institutional mission, the objectives to be achieved, its various actions and the detaller of the indicators that allow to measure and monitor its implementation (Donnelly et al, 2005).	It is to trace the long-term route that the entity will follow to achieve its objectives of meeting citizen expectations.	- Formulation.	- Institutional diagnosis, vision, strategic objectives, strategic actions.	01, 02, 03, 04, 05
			- Implementation.	- Execution of activities, progress of compliance.	06, 07, 08, 09, 10
			- Evaluation.	- Analysis by indicators, monitoring, feedback.	11, 12, 13, 14, 15
Variable 2: Tax collection	It is a payment that the entity requests from the citizen of its jurisdiction, for providing a set of public services provided during a certain period and that have a legal basis that supports such collection (Mazo and Ruiz, 2008).	It is the set of strategies applied by the public entity to collect the respective regulated taxes.	- Collection process.	- Training, strategies, computer system.	01, 02, 03, 04, 05
			- Control.	- Inspections, debts, penalties.	06, 07, 08, 09, 10
			- Audit.	- Compliance, monitoring.	11, 12, 13, 14, 15

The study population is determined considering the number of places in the organic structure of the Alto de la Alianza District Municipality – Tacna, which in this case is 102 people. To specify the sample, the formula for finite populations was used, assuming as assumptions: N = 102 (Population), Z = 1.96 (Reliability), e = 5% (Error) and P = 50% (Probability), replacing a value of 81 workers, who were randomly selected.

With regard to the research technique that was used, it has to be the survey, which is applied to collect data that result from a sample of people, which serve to describe and analyze the results, which will later be generalized; In what the instrument implies, the questionnaire was used, which is a group of questions or reagents that are organized and coherent, which contributes to achieve the research objectives; specifically are: Questionnaire on strategic planning in the entity and questionnaire on tax collection promoted in the entity.

The questionnaires were validated using the criterion of Judgment of 03 Experts, whose average ratings were 96% for both instruments; Regarding reliability, a pilot test of 15 workers was used, with the value of Cronbach's Alpha of 0.906 in the case of the variable "Strategic planning" and 0.882 in the case of

the variable "Tax collection". The analysis of the questions of five answer options involved the use of the Likert Scale, whose values were: "Never" = value 1, "Almost never" = value 2, "Sometimes" = value 3, "Almost always" = value 4 and "Always" = value 5; which was input to identify the levels for the analysis of the variables and dimensions, which are: Inadequate = 1.00 – 2.33, regular = 2.34 – 3.66 and adequate = 3.67 – 5.00. SPSS v. 24.0 software was used for data analysis.

RESULTS

Regarding the variable "Strategic planning", it was found that 64.2% of the workers of the municipality perceive that it is of regular level, while 24.7% that it is of adequate level, and 11.1% that it is of inadequate level; This implies that most staff consider that the current management promotes compliance with each of the phases of planning, so that it becomes a tool to meet citizen requirements.

Table 2

Variable 1 – "Strategic planning"

Level	Worker	Percentage
Inadequate	9	11,1
Regular	52	64,2
Adequate	20	24,7
Total	81	100,0

Note: Questionnaire of "Strategic planning"

Regarding the descriptive behavior of the dimensions, the most prominent is "Implementation", followed by "Formulation", with the focus on reinforcing "Evaluation".

Table 3

Variable 1 – "Strategic planning" (by dimension)

Dimension	Worker	Percentage
Formulation	Inadequate	4,9
	Regular	64,2
	Adequate	30,9
Implementation	Inadequate	8,6
	Regular	59,3
	Adequate	32,1
Evaluation	Inadequate	12,3
	Regular	66,7
	Adequate	21,0

Note: Questionnaire of "Strategic planning"

Regarding the variable "Tax collection", it was found that 50.6% of municipal workers perceive that it is of an adequate level, while 45.7% that it is of a regular level, and 3.7% that it is of an inadequate level; This implies that most staff consider that management applies various strategies that have allowed it to improve its collection levels.

Table 4*Variable 2 – "Tax collection"*

Level	Worker	Percentage
Inadequate	3	3,7
Regular	37	45,7
Adequate	41	50,6
Total	81	100,0

Note: Questionnaire of "Tax collection"

From the analysis on the descriptive behavior of the dimensions, it is clear that the most prominent is the "Audit", followed by the "Audit", being the one focused on strengthening the "Collection Process".

Table 5*Variable 2 – "Tax collection" (by dimension)*

Dimension	Worker	Percentage
Collection process	Inadequate	4,9
	Regular	66,7
	Adequate	28,4
Control	Inadequate	3,7
	Regular	46,9
	Adequate	49,4
Audit	Inadequate	3,7
	Regular	49,4
	Adequate	46,9

Note: Questionnaire of "Tax collection"

Regarding the contrast of the general hypothesis: There is a direct relationship between strategic planning and tax collection in the MDAA - Tacna, 2022.

A value of $Rho = 0.499$ ($p = 0.000$) was found, since "p" is less than 5% significance, it is concluded that there is a direct and moderate relationship between strategic planning and tax collection in the MDAA.

Table 6*Testing the general hypothesis*

			Strategic planning	Tax collection
Spearman's Rho	Strategic planning	Rho	1,000	0,499
		P	.	0,000
		N	81	81
	Tax collection	Rho	0,499	1,000
		P	0,000	.
		N	81	81

Note: Both instruments

The specific hypothesis n° 01 is: There is a direct relationship between the formulation of strategic planning and tax collection in the MDAA – Tacna.

A value of Rho = 0.432 ($p = 0.000$) was obtained, since "p" is less than 5% significance, it is concluded that there is a direct and moderate relationship between the formulation of strategic planning and tax collection in the MDAA.

Table 7

Contrast of specific scenario No 01

			Formulation	Tax collection
Rho	Formulation	Rho	1,000	0,432
		p	.	0,000
		n	81	81
	Tax collection	Rho	0,432	1,000
		p	0,000	.
		n	81	81

Note: Both instruments

The specific hypothesis n° 02 is: There is a direct relationship between the implementation of strategic planning and tax collection in the MDAA – Tacna.

A value of Rho = 0.409 ($p = 0.000$) was obtained, given that "p" is less than 5% significance, it is concluded that there is a direct and moderate relationship between the implementation of strategic planning and tax collection in the MDAA

Table 8

Contrast of specific scenario No 02

			Implementation	Tax collection
Rho	Implementation	Rho	1,000	0,409
		p	.	0,000
		n	81	81
	Tax collection	Rho	0,409	1,000
		p	0,000	.
		n	81	81

Note: Both instruments

The specific hypothesis n° 03 is: There is a direct relationship between the evaluation of strategic planning and tax collection in the MDAA – Tacna.

A value of Rho = 0.411 ($p = 0.000$) was obtained, given that "p" is less than 5% significance, it is concluded that there is a direct and moderate relationship between the evaluation of strategic planning and tax collection in the MDAA

Table 9*Contrast of specific hypothesis No 03*

			Evaluation	Tax collection
Rho	Evaluation	Rho	1,000	0,411
		P	.	0,000
		N	81	81
	Tax collection	Rho	0,411	1,000
		P	0,000	.
		N	81	81

Note: Both instruments

DISCUSSION

The results found specify that there is a direct and moderate relationship between strategic planning and tax collection in the MDAA – Tacna, given that a value of $Rho = 0.499$ ($p = 0.000$) was found, which implies that an improvement in the planning process driven by municipal management would contribute to increasing its levels of tax collection. This is consistent with the findings of Urrutia and Santana (2016), who conclude that municipalities do not have tools to manage their resources, there are plans which are not fully applied or monitored; given that the focused dimension to improve is the "Evaluation" of the planned, where 66.7% of workers perceive that it is of regular level, And what must be reinforced is that the opinions of the population on the impact of the mayor's work must be collected.

It also coincides with the work of Moreyra (2018), who concludes that there is a direct and high relationship ($Rho = 0.831$) between strategic planning and collecting taxes in the municipality; given that it was obtained that there is a direct and moderate relationship between planning and the level of tax collection. He also agrees with Romero (2020), who concludes that the culture to pay taxes by knowing details of the regulations and how they are used, generates an increase in collection; since 50.6% of municipal workers perceive that tax collection strategies are adequate, the most prominent dimension being "Auditing". Finally, it agrees with the work of Ávalos Cuela (2018), who concludes that strategic planning is positively and moderately related ($Rho = 0.660$) to educational quality; Since it was obtained that planning is related in a positive and moderate way with the level of tax collection, which requires an educational and communicational strategy to the population so that they can trust and comply with their payments.

CONCLUSIONS

There is a direct and moderate-level relationship between strategic planning and tax collection in the MDAA - Tacna, 2022; since a value of $Rho = 0.499$ ($p = 0.000$) was found, which implies that an improvement in the execution of each of the stages of planning, would allow tax collection to increase; 64.2% perceive the planning process as regular, the most prominent dimension being "Implementation"; and 50.6% consider tax collection to be an adequate level, the most prominent dimension being "Auditing". There is a direct and moderate relationship between the formulation of strategic planning and tax collection in the MDAA - Tacna, since it found a value of $Rho = 0.432$ ($p = 0.000$); which implies that an improvement in the formulation of the plan would allow tax collection to increase. There is a direct and moderate relationship between the implementation of strategic planning

and tax collection in the MDAA - Tacna, since it found a value of $Rho = 0.409$ ($p = 0.000$); which implies that an improvement in the implementation of the plan would allow tax collection to increase. There is a direct and moderate relationship between the execution of strategic planning and tax collection in the MDAA - Tacna, given that a value of $Rho = 0.411$ ($p = 0.000$) was found; which implies that an improvement in the execution of the plan would allow tax collection to increase.

REFERENCES

1. Ávalos Cuela, R. (2018). *Strategic planning and quality of school management of public educational institutions of regular basic education in the province of Tacna, 2017*; [doctoral thesis] from the UNJBG; <http://repositorio.unjbg.edu.pe/handle/UNJBG/3566>
2. National Center for Strategic Planning – CEPLAN (2016). *Planning policies*. Directive No. 001-2017-CEPLAN/PCD <https://www.ceplan.gob.pe/>
3. Chiavenato, I. (2000). *Human resources management*. Editorial Internacional Thomson, S.A. Colombia.
4. COMEXPERÚ. (2020). *Municipal collection in Tacna, Tumbes and Loreto reached only 51%, 54% and 54% of its collection goal, respectively*; November, Weekly 1052; <https://www.comexperu.org.pe/articulo/recaudacion-municipal-en-tacna-tumbes-y-loreto-alcanzo-apeenas-un-51-54-y-54-de-su-meta-de-recaudacion-respectivamente>
5. Donnelly, J., Gibson, J., & Ivancevich, J. (2005). *Fundamentals of business management and administration*. McGraw-Hill Publishing. Spain.
6. Hernandez, R.; Fernández, C. & Baptista, M. (2014). *Research methodology*. Mexico: Editorial McGraw-Hill Educación. 6th edition.
7. López, A. (2009). *Local taxation guide*. Spain: Editorial El Derecho y el Quantor. 3rd Edition.
8. Martínez, D. & Milla, A. (2012). *The elaboration of the strategic plan and its implementation through the balanced scorecard*. Spain: Ediciones Díaz de Santos.
9. Moreyra, O. (2018). *Strategic plan and tax collection in the municipality of Magdalena del Mar – 2018*; [master's thesis] from César Vallejo University; <https://repositorio.ucv.edu.pe/handle/20.500.12692/21197>
10. Romero, T. (2020). *Tax culture as an instrument to optimize tax collection in medium-sized industrial companies in the city of Tacna, 2017*; UNJBG thesis; <http://tesis.unjbg.edu.pe/handle/UNJBG/4158>
11. Stoner, J., Freeman, R. & Gilbert, D. (1996). *Administration*. Pearson Publishing. Mexico. VI Edition.
12. Urrutia, J. & Santana, S. (2016). *Strategic planning and administrative management of the Municipal Decentralized Autonomous Governments (GADM) of Tungurahua*; thesis from the Technical University of Ambato (Ecuador); <http://repositorio.uta.edu.ec/handle/123456789/22999>
13. Villegas, H. (2001). *Course in finance, financial and tax law*. Ediciones Depalma; 7th edition; <http://www.ejuridicosalta.com.ar/files/libro9.pdf>