

ABSTRACT

Directorate General Tax (DGT) Indonesia as public institution plays crucial role to carry out and implement tax policies through tax collection, tax monitoring, and tax administrative activities in Indonesia. Its main duties and functions to formulate and implement policies of taxation; to collect, monitor, evaluate, and report taxation; and to provide technical guidance and supervision of taxation are important in order to support sound fiscal policy of Republic of Indonesia.

Despite its reach across the country with more than 32.000 employees and 570 tax service offices – known as *Kantor Pelayanan Pajak* – the challenges facing the organization somewhat is greater than the organization's ability to cope with. Internally, DGT have been mandated to achieve continuously growing tax collection target; while externally, negative public perception and general indifferences from many of its stakeholders put DGT into dilemmatic situation that could hinder DGT's ability to perform effectively and efficiently.

In the middle of such mounting challenges, the role of leadership and employees' identification with the dynamic of DGT become crucial issue that is interesting to be discussed. Leadership which emphasizes on strong vision to achieve demanding target while at the same time able to put employees' best interest is an approach that become central theme of this research. Servant leadership approach is selected as the starting point because it offers unique point-of-view which needs to be elaborated further. On the other hand, employees' organizational identification also an important aspect that needs to be discussed because an ability to measure the level of identification could give DGT an understanding on the psyche of its employees. This understanding could help the organization to make and implement right human resources policies which facilitate the growth of employees' performance.

The finding of this research confirms that there is positive relationship between servant leadership approach in the organization and employees' organizational identification toward service culture implemented to other stakeholders, especially public/taxpayers. The result also points out that characteristics of employees – represented by age, gender, job tenure, and job position – do not influence the way they perceive DGT's leadership and the way they identify themselves with the dynamic of the organization.