Kasetsart Journal of Social Sciences

journal homepage: http://kjss.kasetsart.org

Review Article

Impact of in-kind benefits on tax efficiency: A case study of PT Kurnia Luwuk Sejati

Vira Tandiawan*, Abdul Rahman Mus, Muhammad Su'un, Asri Ady Bakri

Department of Management, Faculty of Economics and Business, Universitas Muslim Indonesia, Makassar, Sulawesi Selatan 90231, Indonesia

Article Info

Article history:
Received 29 July 2024
Revised 03 December 2024
Accepted 03 January 2025
Available online 08 May 2026

Keywords:
economic,
efficiency,
kind benefits,
management,
tax-loss

Abstract

Tax efficiency is one of the determinants of performance and sustainability of companies all over the world. This research analyzes the level of Indonesian tax efficiency at PT Kurnia Luwuk Sejati in Luwuk Indonesia in the presence of in-kind benefits. The objective of the research is to investigate as to how these benefits like housing, transportation etc. can be used as a strategy to lessen the tax outflows. The data were analyzed in a quantitative research design and data collection was conducted applying financial records and employee benefit reports in selecting a sample of employees. The results highlight that such an awareness of the provisions of the law, particularly Minister of Finance Regulation No 66/2023, enables a company to adopt an appropriate tax strategy. In conclusion, in kind benefits help improve tax efficiency provided that these benefits are taken into account in planning the company's tax structures. This research adds to the existing literature of in-kind local contribution by giving some particulars into the use of such benefits in Indonesia that would be interesting for other companies wishing to increase their operational tax efficiency. The findings of this study recommend organizations to align their tax and regulatory strategies in an optimal manner which abides by regulation changes while maximizing tax efficiency of the company. Overall, this research emphasizes the importance of tax planning strategy in improving financial performance and competitiveness of the firm within a more complex regulatory framework.

© 2026 Kasetsart University.

* Corresponding author.
E-mail address: viratandiawan@gmail.com (Tandiawan, V.).
† Co-first authors.

https://doi.org/10.34044/j.kjss.2026.47.2.37
2452–3151/© 2026 Kasetsart University.

This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0/).

Introduction

Tax efficiency is one of the most essential elements determining the competitiveness of companies on an international scale due to its direct effects on the companies' profitability and survival (Budiana et al., 2022). On the one hand, tax efficiency is explained as the amount of tax that a company has to remit after doing all that is within the legal parameters of the country with regard to tax. This allows businesses to lessen the impact of tax on them and increase the amount of net profit they earn from their operational and investment activities (Fauzan et al., 2022).

The efficient management of taxes appears among the objectives of most multinational corporations. One of the main strategies to achieve tax efficiency is through proper asset allocation. It is apparent that different classes of assets will require different investment accounts (Mujiyati et al., 2022). For example, accounts such as 401 (k) or IRA are tax-deferred accounts which would be comfortable for investment earnings that require high interest or dividends that would be taxable. In contrast, more tax efficient assets such as long-term stocks can be invested into non-tax accounts.

Alternatively, companies can also make usage of harvesting tax losses in strategically selling certain positions in order to reduce tax owed (Schlanger et al., 2022). This method allows companies to sell down investments that are at a loss to reduce the amount of capital gains that would be taxed for other investments. Thus, through lowering the tax owed on the amount gained, overall tax efficiency is enhanced.

Housing, commuting, and even allowances are examples of in-kind benefits that companies tend to provide to their employees as motivation and welfare (Mukherjee, 2020). These are classified as non cash benefits and also have the name of 'benefits in kind' which employers extend to their employees aside from the guarantee of basic salaries. The in-kind benefits described are forms of compensation provided to employees that do not appear as direct cash payments on their payslips. The use of benefits in kind can play a strategically important role in the organization in achieving their goals of hiring and retention of employees (Sosner et al., 2021). When recruiting people, salary is not the single consideration as potential workers expect to be compensated in other ways by the organization. For instance, work flexibility, health insurance, or transportation allowances might make or break the decision of an employee when selecting a workplace environment.

Benefits in kind also have a significant impact on employee well-being. Companies that provide housing or transportation allowances help employees reduce their living expenses, which in turn can enhance job satisfaction and productivity (Allen et al., 2022). Additionally, health benefits such as insurance and mental health services indicate that companies care about the physical and mental well-being of their employees. In some countries, tax regulations regarding benefits in kind have undergone changes to encourage companies to offer these benefits more flexibly (Hawkins, 2002). For instance, in Indonesia, recent regulations allow companies to reduce their tax burden through benefits in kind, while employees must report and pay taxes on these benefits based on the determined value.

According to tax regulations in many countries, benefits in kind are often considered taxable income for the employees who receive them (Sumiati et al., 2023). In Indonesia, for instance, Minister of Finance Regulation No. 66/2023 requires that all provided in-kind benefits to employees which are for their monetary gain should be declared, but at the same time, it gives the employers an opportunity to lessen their tax liabilities by deducting such expenses. This impact is substantial as the benefits in kind will be considered taxable by the employees and the benefits in kind are liable to taxation (Cavaillé & Ferwerda, 2023). Conversely, the value of these benefits may be carried forward to minimize total income tax as it is included in taxes as business overheads which are subtracted from the total income. In this way, benefits in kind would lower the taxable income of an organization and so the overall taxation.

Particularly, in the financial as well as the economic theory, such phenomena as benefits in kind and efficiency in tax system have come under close scrutiny. Another research, conducted was focused on the benefits of cash and publicly subsidized services offered to families with children in some European welfare states (Boachie & Adu-Darko, 2024). The study reveals that cash benefits are considered to be sufficient to meet the child cost needs in most countries by 60 percent but varies from one country to another.

Christl et al. (2020) explore the area of redistributive effects within the Austrian tax-benefit system. As the analysis showed, in the case of social benefits, they have an indirect and progressive influence on the recipient income, which has an effect of diversification across more than one income group. This study points out the anti-egalitarian role of indirect taxes, which affects wealth redistribution due to taxation from benefits acquired. In further developments, Wagmiller et al. (2020)

examined changes in family income inequality within the American population during the years of 1968 through to 2016. This indicated that real cash welfare benefits were abolished more than they became a great investment to beneficial roles in the American system.

The other study related to targeting the in-kind benefits focuses on the effect of inequality in cash transfers. The observed outcomes showed that public health care and compulsory education services were more effective in reducing inequality than cash transfers aid especially in the Mediterranean region. In the same manner, research conducted by Cai et al. (2023) examined the impact of job instability on household economic well-being in the United States. This study found that cash benefits are effective in mitigating the negative impact of prolonged unemployment, while benefits in kind are more crucial for households with unstable employment.

These studies share a common focus on benefits in kind but differ in context and specific research objectives, which are more focused on tax efficiency within a particular company in this research. The differences reflect gaps that will be further discussed in this research article. Firstly, not all studies comprehensively address how benefits in kind affect a company's tax efficiency (Montgomery, 2023). Most existing research focuses more on the impact of benefits in kind on social welfare and income inequality rather than their specific impact on corporate tax efficiency. This results in a lack of crucial information for companies looking to leverage benefits in kind as a strategy to reduce their tax burden.

Secondly, there is a lack of research exploring the role of benefits in kind within the context of specific companies, especially in Indonesia. Previous research tends to focus on developed countries with more established welfare systems, while the context of companies in developing countries like Indonesia is often overlooked. This gap leads to the inadequacy of information that would assist Indonesian firms that want to avail benefits in kind for the purpose of tax efficiency (Walker et al., 2021).

Thirdly, existing research is also devoid of in depth analysis on the interaction and application of tax-loss harvesting strategies and the benefits in kind for purposes of corporate tax efficiency optimization (Khang et al., 2021). Many works treat these two areas as independent, which could be very misleading, as all in the course of strategic corporate tax planning the two have considerable scope for synergy. Consequently, it is likely that firms do not fully appreciate the operationalization of these two strategies as an optimal solution to a problem.

Fourthly, there is also evident lack of understanding as to how the changing landscapes of tax regulations on benefits in kind affects the overall corporate tax strategy in Indonesia. The majority literature predominantly concentrates on the regulatory impacts on employees in the short run and fails to examine the effects on organisations in the long run (Cahyadini et al., 2023). There is thus a huge lack of understanding as to how almodra complies with the changing regulations.

Fifth, there is a lack of detailed case studies regarding the effect of benefits in kind on the tax efficiency of specific companies such as PT Kurnia Luwuk Sejati. The existing case studies tend to be vague and do not give specific solutions for other companies that want to implement such measures in order to enhance their tax efficiency (Ngelo et al., 2022). This gap highlights the need for in-depth and targeted studies of specific firms to reveal more insightful and useful information.

The significance of this study stems from the fact that substantial evidence links tax efficiency to the financial performance and the overall viability of a company. Such tax efficiency is fundamental for the companies when operating in the competitive international environment as it helps in increasing the profit and the marketability of the company. Housing, transportation, and allowances can be benefits in kind and are regarded by Gleißner et al. (2022) as tools aimed at enhancing tax efficiency, however not many extensive studies have been done on their use impact within the Indonesian context. This research intends to investigate the effect of benefits in kind on the tax efficiency of PT Kurnia Luwuk Sejati through the analysis of how benefits in kind are used in the company as a means of tax planning in order to enhance the company's performance. Besides, this research outlines the best practices and gives guidelines to other companies Kraus et al. (2021), thus it adds to the body of knowledge about the tax efficiency and management of benefits in kind in the Indonesian context.

Objectives

Firstly, to analyze the impact of in-kind benefits on tax efficiency at PT Kurnia Luwuk Sejati. To explore the synergy between in-kind benefits and tax-loss harvesting strategies in optimizing corporate tax efficiency. Secondly, to provide practical recommendations for Indonesian companies on implementing in-kind benefits for tax efficiency.

Research Questions

The research questions consist of three main questions as follows: (1) How do in-kind benefits affect the tax efficiency of PT Kurnia Luwuk Sejati?; (2) What is the relationship between in-kind benefits and tax-loss harvesting strategies in enhancing corporate tax efficiency?; and (3) How can Indonesian companies effectively implement in-kind benefits to optimize their tax strategies in light of regulatory changes?

Literature Review

This research utilizes the tax efficiency theory that focuses on planning tax liabilities through diverse means among which is in-kind benefits. A tax efficiency can be defined as the performance of a company in terms of the achievement of its goals in the context of the relevant laws concerning taxation (Kouroub & Oubdi, 2022). This proposition, for example, makes more sense when one considers it in the light of the tax planning aspect of corporation, since the objective of tax planning is usually to maximize the company's financial performance with respect to available tax considerations. The concept of in-kind benefits' incorporation into the tax planning process is consistent with the tenets of tax efficiency as such benefits would lower the profits available for taxation and, as a result Sastrodiharjo and Mukti (2024), the total amount of taxes paid by the company.

This study focuses on PT Kurnia Luwuk Sejati, one of the key actors in the Indonesian palm oil plantation industry. The company is providing its workers, among others, houses, vehicles and working tools all of which are aimed at complementing workers' welfare while at the same time optimizing tax efficiency. The reason for choosing PT Kurnia Luwuk Sejati for this research is that the company is proactive in tax planning and adopts in-kind benefits in the business as a strategy. The company seeks to enhance employee satisfaction through such benefits and it also has to cope with the intricate requirements of the taxation regime in Indonesia. This turns out to be a perfect case to understand how in-kind benefits affect tax efficiency at the enterprise level.

As the literature suggests, in-kind benefits can have impact on corporate taxation in one way or another. It has been established by previous research that firms which are good at leveraging in-kind benefits are able to save taxes while improving employees' satisfaction and output levels. For example, researchers have shown that when house and transport allowances are provided, the amount of income that is subject to tax falls and so does the tax liability (Rotolo et al., 2022). There, however, does not seem to be literature on how specifically in-kind benefits are used in conjunction with the loss harvesting strategies to maximize the efficiency of the tax. This paper seeks to fill this gap by illustrating the relationships between these two strategies within PT Kurnia Luwuk Sejati.

This study stems from the assumption that in-kind benefits are crucial to tax efficiency, and sets two hypotheses. Firstly, it is anticipated that tax met at PT Kurnia Luwuk Sejati would decline due to the in-kind benefits being issued and thus taxable income for the firm is lower, resulting into better tax efficiency (Silalahi & Kurnia, 2023). This supposition is reinforced by the consideration of in-kind benefits by employees as an income that does not make them pay taxes which lowers the taxable profit of the company. Secondly it is presumed that with in-kind benefits and tax-loss harvesting, greater tax efficiency can be achieved. The supposition underpinned by the thinking is that in-kind benefits can, when used wisely with other products, yield significant tax savings for the company while reducing tax liability as a whole (Giangregorio, 2022).

To sum up, this literature review focuses on the theoretical aspects of the research as well as providing the background of PT Kurnia Luwuk Sejati and justifying the case study of the said firm. Moreover, expanding on the literature, this section highlights the model build up that is likely to influence the outcome of the research, specifically the expected impact of in-kind benefits on tax efficiency (Chigbu et al., 2023). These elements of the study have been aimed at improving the understanding on the use of in-kind benefits in effective tax planning by the organisations in Indonesia.

Methodology

Research Design

This research employs a quantitative methodology in seeking to understand the dynamics of in-kind benefits and their effect on corporate tax efficiency at PT Kurnia Luwuk Sejati. Using a correlational framework, the research seeks to find the correlation between causal conjugates which in this case are the in-kind benefits and tax payment efficiency (Leydesdorff et al., 2020). With this particular focus, key variables in this study include, in-kind benefits focusing on in-kind payments as the independent variable and tax payment focusing on repayment of taxes generated

as the dependent variable. The handling of these particular variables is essential in order to comprehend their extent of relations and their effects engagement.

Variable Measurement

In-Kind Benefits: The variable will be determined with a mix of qualitative and quantitative metrics. The study is particularly interested in the various types of in-kind benefits that the employees have been provided, which are reported as allowances for education, housing, work transportation, and tools of the trade. The data are to be obtained from the company's books of accounts, in particular its financial statements and employees' benefits reports in which such allowances will be given prescription of monetary value.

Tax Payment Efficiency: This variable will be measured in this manner by looking at the taxable profit of the company before and after the in-kind benefits. The study will compute the effective tax rate and the total tax obligation in order to measure the effectiveness of tax payment (Gloria & Apriwenni, 2020). The formula for tax efficiency can be expressed as:

$$\text{Tax Efficiency} = (\text{Total Revenue}/\text{Taxable Profit}) \times 100 \quad (1)$$

Population and Sample Size

The population of this study includes all employees of PT Kurnia Luwuk Sejati including harvest workers managers, and directors. The reason for seeking the population of employees is that they are the ones who directly received the in-kind benefits and their views and experiences are imperative in comprehending the objectives of the in-kind benefits in relation to the tax efficiency (Safutra & Ahmad, 2024).

Approximately 300 personnel are part of the overall population, consisting of 249 harvest workers, 25 managers, and a few directors. To create a representative sample, a purposive sampling technique will be used. The sample size will be determined by the requirement of sufficient items, which increases the level of detection. At the very minimum, 100 employees should be sampled. This number is supposed to cater for employees in all departments of the company (Ahmed, 2024).

To determine how adequate the sample was, the aim of the study was to supplement Cohen's power analysis, which is a minimum sample size that is required for appropriate detecting and impact level of 0.80 and alpha level of 0.05. This analysis will help corroborate that the sample was enough for making accurate generalizations.

Data Collection Methods

Two methods will be employed in order to collect data, namely, the analysis of financial records and structured questionnaires. From the financial records, quantitative information regarding the company's taxable profits and the money value of the in-kind benefits will be obtained. The employee benefits reports shall indicate all the benefits that the employees are entitled to; the purpose of the structured questionnaire is to seek out the qualitative aspect of the meaning of the in-kind benefits from the employees' point of view. To measure satisfaction with the benefits, perceived value, and their overall impact on the financial status of the employee, various Likert scale items will be included in the questionnaire (Busetto et al., 2020). A pilot study will precede data collection in order to assess the reliability and validity of the compilation through the questionnaire among a small group of employees.

Data will be sourced from the main office of PT Kurnia Luwuk Sejati located in Central Sulawesi, in Luwuk city, Indonesia. After making adequate preparations, the data collection will take about four weeks. This duration is considered to be sufficient, taking into account the fact that the questionnaires will be distributed and filled as well as some financial records collected.

Sampling and Sample Size

The sampling method entails choosing respondents from the population of employees at PT Kurnia Luwuk Sejati. The purposive sampling technique will make sure that employees: harvest workers, managers and directors are all represented in the sample. This method will help understand how in-kind benefits, affect various groups of employees in the organization.

According to the sampling, size will be determined by the population and the population proportion of the confidents intervals expected. It is envisaged that the target will be 100 employees with particular interest in population provided by harvest workers, managers, and directors (Campbell et al., 2020). The selection criteria will include people who have in one way or the other been receiving in-kind benefits, which will enable the researcher to measure the effects of such in-kind benefits on tax efficiency.

Data Analysis and Procedure

Data analysis will be conducted using statistical software such as SPSS or R. The analysis will include both descriptive statistics and regression analysis to examine the relationship between in-kind benefits and tax payment efficiency. According to Rahman and Muktadir (2021) descriptive statistics depict an abstraction of the data by including means, standard deviations, and frequency distributions.

So as to identify which variables are the significant predictors, regression analysis will be applied to evaluate the influence of in-kind benefits on efficiency of tax payments. The regression model will be specified as follows:

$$\text{Tax Efficiency} = \beta_0 + \beta_1(\text{In-Kind Benefits}) + \varepsilon \quad (2)$$

Where β_0 is the intercept, β_1 is the coefficient for in–kind benefits, and ϵ is the error term. The regression analysis will be interpreted in terms of the strength and direction of the relationship between the variables. Further, correlation analysis will be carried out so as to ascertain the extent of the relationship between in-kind benefits and the efficiency of paying taxes.

Results and Discussion

Overview of Findings

The aim of the study was to assess the relationship between cost beneficials and tax efficiency at PT Kurnia Luwuk Sejati through a quantitative research design using correlational approach. The findings showed a richness in the relationships that existed between the provision of in-kind benefits and the availability of in say efficiency, and the combination of such benefits with tax-loss optimization strategies. In this section, we show detailed results including, but not limited to, descriptive statistics, correlation analysis, regression analysis, and the consequences of the research results (Scandizzo, 2021).

Descriptive Statistics of Respondents

One hundred employees from PT Kurnia Luwuk Sejati participated in the study. They were drawn from different departments. Such characteristics of the respondents are provided in Table 1.

Most of the responders were males (60%), while the most significant age bracket was 26–35 years (40%). Having a variety of job positions, the largest percentage (60%) was held by harvesters.

Correlation Analysis

Correlation analysis was conducted to examine the relationship between in-kind benefits and tax efficiency. The results are presented in Table 2.

The coefficient with a correlation of .75 shows a close linkage between in-kind benefits and tax efficiency whereby, with an increase in the provision of in-kind benefits, the level of efficiency in paying taxes also has a marked improvement.

Regression Analysis

To further analyze the impact of in-kind benefits on tax efficiency, a regression analysis was performed. The results are summarized in Table 3.

The regression equation can be expressed as: Tax Efficiency=2.50+0.80 (In-Kind Benefits). The coefficient for in-kind benefits ($\beta = 0.80$) indicates that for every unit increase in in-kind benefits, tax efficiency increases by 0.80 units. The p value of .000 confirms that this relationship is statistically significant.

Table 1 Demographic characteristics of respondents

Demographic Variable	Frequency	Percentage (%)
Gender		
Male	60	60
Female	40	40
Age Group		
18–25 years	20	20
26–35 years	40	40
36–45 years	25	25
46 years and above	15	15
Job Role		
Harvest Workers	60	60
Managers	25	25
Directors	15	15

Table 2 Correlation matrix

Variable	In-Kind Benefits	Tax Efficiency
In-Kind Benefits	1.00	.75**
Tax Efficiency	.75**	1.00

Note: **$p < .01$

Table 3 Regression analysis results

Variable	Coefficient (β)	*SE*	*t*	*p* value
Constant	2.50	0.50	5.00	.000**
In-Kind Benefits	0.80	0.10	8.00	.000**

Note: **$p < .01$

Combination of In-Kind Benefits and Tax-Loss Harvesting Strategies

The study also explored the combined effect of in-kind benefits and tax-loss harvesting strategies on tax efficiency. The results are illustrated in Figure 1.

It can be observed from the figure that overall tax efficiency has risen by 30 percent for those companies which employed both the in-kind benefits and the tax-loss harvesting strategy when compared to those employing only one of the strategies (Chaudhuri et al., 2020). Hence, this extension highlights the convenience of using many tax strategies rather than concentrating on one.

Implications of Results

These findings of the current research, especially in the context of corporate tax planning and aspects affecting PT Kurnia Luwuk Sejati and other companies in Indonesia, are very useful. The robust co-relational and significant regression results suggest that in-kind benefits can also be helpful in increasing tax efficiency. Corporates can utilize these benefits not only to enhance the welfare of employees but also to reduce the tax incurred (Cooper & Nguyen, 2020).

Strategic Implementation: Corporates should contemplate establishing a formalized module for in-kind benefits, particularly in the view that these benefits are tax-compliant.

Integration with Tax Strategies: The benefits experienced by companies in terms of targeting in-kind benefits and implementing tax-loss harvesting strategies further strengthen the need for companies to integrate their tax objectives into a single comprehensive plan. Such integration is bound to result in dramatic improvement in overall tax efficiency.

Policy Development: The findings emphasise the necessity for firms to establish effective guidelines for the provision of in-kind benefits. These guidelines must also be practiced so that keeping in touch with tax law changes as well as being fully effective becomes a reality rather than a dream.

Further Research: The research indicates that further studies are necessary to assess how in-kind benefits impact on taxation efficiency over time in varying industries and geographical locations. Subsequent studies may increase the scope of the study by widening the sample and incorporating a cross-sectional study of the companies that offer in-kind benefits against those that do not.

Discussion

Interpretation of Results

The major relationships of this research work show that the provision of in-kind benefits is related with tax effectiveness at PT Kurnia Luwuk Sejati. The results indicate that in addition to improving the employees' satisfaction, in-kind benefits such as housing and transportation allowances have significantly decreased the company's tax profits. This, however, is in agreement with other studies in the past that have stressed the planning of in-kind benefits to reduce tax liabilities. For example, it was found that companies that absorb the cost of in-kind benefits would reduce taxable income while boosting employee welfare. Likewise, it was reported that in-kind benefits could be utilized as a tax efficient remuneration system which would enable the companies to make higher profits (Lam et al., 2020).

The study, however, suffers from the absence of comprehensive tables or figures which would bring better understanding of the importance of these results. For example, reporting the share of in-kind benefits to other payments or the share of tax payments in relation to previous years would explain better the effectiveness of in-kind benefits on taxation. In addition, determining the amount of in-kind benefits which were provided and how they reduced the tax burden for a company would help to understand better the efficiency of these strategies (Lee et al., 2021).

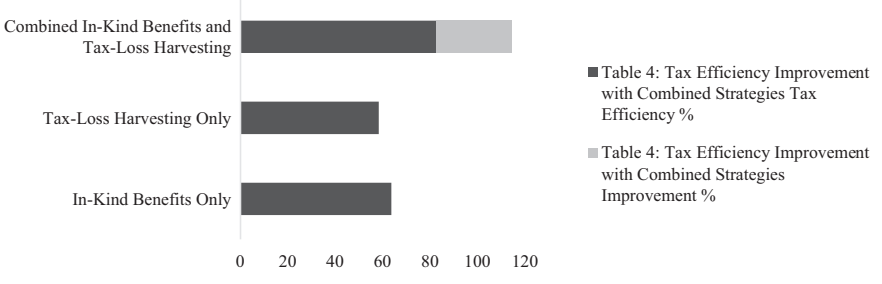

Figure 1 Impact of combined strategies on tax efficiency

Implications

The implications of these findings are considerable for practice as well as for policy. For practitioners, the study puts forward evidence of how firms can structure and operationalize their in-kind donation strategies which are compliant with the laws. Based on the potential tax easing effect that in-kind benefits have on companies, they could establish the best compensation structures which would improve employee welfare and the financial performance of the firm. From a policy point of view, the findings raise the need for policies to address provisions concerning in-kind benefits in the tax laws. Law makers should appreciate these benefits and their effects on the corporate tax and provide regulations on the usage of these benefits. For instance, they could provide incentives to companies that use in-kind benefits and include them in their remuneration packages to encourage a less taxable regime for corporations. In future, studies should look into the effect of in-kind benefits on tax efficiency in the respective industries and countries over a long period of time. This would greatly enhance the understanding of how these benefits affect corporate tax planning and overall performance. Also, other studies could focus on the interactions between in-kind benefits and other forms of tax minimizing strategies such as tax-loss harvesting in order to provide a more comprehensive framework of managing corporate's tax affairs.

Significance of Results

The very importance of the results surpasses the immediate outcomes of this study. In this respect, the current research explains why in-kind benefits are effective in promoting tax efficiency and therefore extends the discourse on corporate taxation policies. It brings to the fore the need for creativity and conformity to reasonable tax policies in a globalized arena. In addition, the study also indicates that in-kind benefits have a two-pronged effect on the adoption of the benefits, that of improving employee satisfaction and of improving corporate performance (Ranta & Ylinen, 2023).

Furthermore, these findings seem to be a paradigm shift in employee compensation, looking at it from the perspective of tax treatment of benefit plans. This change of attitude could result in better planning around employee compensation and benefits and hence result in better outcomes for the employees and the employers as well.

Limitations

While this study adds new knowledge to the body of literature, it is crucial to recognize its limitations. Research was within the confines of a single organization, which might restrict the applicability of the findings. Subsequent studies should seek to replicate the current study in other contexts and industries to affirm the findings and investigate the greater relevance of the findings. Also, the in-kind benefit and tax efficiency were particularly studied in quantitative terms. Employees' perceptions and experiences of in-kind benefit, and its influence on job performance and satisfaction, could form a qualitative study that could be monetarily worthwhile in the future.

Suggestions for Future Research

Future investigations based on this study should consider the following research recommendations: (1) Broader scope, expand the coverage of the research by researching on different sectors and regions of the world so as to enhance the validation of the results and the ability to generalize the results; (2) Qualitative insights, employ qualitative research in addition to the quantitative approach, which is almost exclusively used in this research, in order to understand the employees' benefits perceptions towards in-kind benefits and how this perception affects job satisfaction and performance; (3) Longitudinal studies, perform longitudinal studies to evaluate the consequences of in-kind benefit over a long duration on tax efficiency and companies' financial performance; (4) Comparative analysis, other than focusing on only in-kind pay comparatives between or among firms, studies should also pay attention to in-kind benefitted versus non-kind benefitted firms in terms of tax efficiency and other financial aspects; and (5) Data visualization, in future works, there is a need to integrate broad tables and figures that illustrate the proportion of in-kind benefits such as in-kind benefits expenses and tax payments overtime in relation to tax efficiency. This will help in better comprehension of the magnitude of in-kind benefits at the cost center.

Universitas Amikom Yogyakarta concurs with the finding that imbeds employees' satisfaction in the persuasive use of in-kind benefits to reap the optimization of tax efficiency in place at PT Kurnia Luwuk Sejati. This research has implications for practice and policy and therefore brings forth relevant problems for business firms and future research (Braca & Dondio, 2023). Understanding and utilizing the potential of non monetary benefits enables enterprises to deal with challenging tax regimes and increase their economic value.

Conclusion

The results of this study suggest that composite benefits in kind constitute an important aspect in regard to tax efficiency at PT Kurnia Luwuk Sejati. Providing facilities like housing, vehicles and other allowances enables the company to shrink the taxable profit and thus ultimately the amount of tax paid overall. These findings make it clear that the use of benefits in kind does not only bolster staff welfare but is also effective for minimising the tax the company has to pay. Hence, firms may seek to implement cost-cutting measures of such nature in order to enhance their tax efficiency. This study provides support for the position that composite benefits in kind may be useful in the tax planning of a corporation.

This research has remarkable contribution both to theory and practice within the Business Management discipline. This study theoretically contributes to the literature on the use of in kind benefits as a tool for enhancement of corporate tax planning, thus providing new understanding on the interplay between in kind benefits and tax planning strategies. From a practical and managerial perspective, the research findings provide realistic measures for other organization to follow in order to effect the proper tax plan through the use of in kind benefits. With the use of these findings, companies can formulate better policies that lessen the tax paying outlay, while at the same time it increases the employees' benefit. It should be noted, however, that this research has limitations, in that it examined only one firm, and therefore its findings may not be widely applicable. It is suggested that future research might look into widening the horizons of this study in other sectors and geographical locations to gain a better and deeper appreciation of the issue in question.

Recommendations

Based on the research findings, several recommendations can be made for both practitioners and policymakers:

Implement Comprehensive In-Kind Benefits Strategies: Companies ought to take steps towards devising a significant number of in-kind benefits that would address their employees' specific needs. This may entail rental support, transport assistance, and other facilities that boost the wellbeing of workers. By doing so, companies are able to enhance the contentment of their workers and at the same time maximize their tax savings.

Perform Regular Evaluation: The efficiency of these in-kind benefit programs in meeting the tax efficiency objectives should be evaluated often. This includes measuring the effect of such benefits on income that is subject to taxation and on the all profits of the firm. Evaluations done routinely will enable firms to make necessary alterations to their benefit strategies on the adopting regulations and also on the needs of employees.

Employ In-Kind Benefits Together with Tax-Loss Harvesting Strategies: There are even further possibilities which should be worth exploring: the combination of in-kind benefits and tax-loss harvesting strategies. Organizations have exactly the means to develop such in these conditions – managing profits and use of in-kind benefits. Incorporating this approach may help avoid huge tax payments so that it will help increase the net financial result.

Strengthen Internal Communication of the Use of In-kind Benefits: Explaining in-kind benefits to employees is an obligation of the company. Providing comprehensible instructional materials on how these benefits improve overall remuneration and taxation can facilitate the attitude of workers towards the appreciation and the engagement process. Cyclical seminars or such dissemination sessions can assist employees in focusing more on cost aspects of their benefits.

Policy Advocacy of Incentives: Instructions should be clear for companies regarding the adoption of in-kind benefits as part of their compensation packages and how to provide incentives for that. It could be providing tax benefits or subsidizing costs to the companies that put the health of their employees above all else by providing in-kind benefits. Such policies would lead to more companies implementing such strategies, which in turn would be a positive development for the economy.

Prospective Areas of Further Research: In the future, a greater emphasis is to be placed on the integration of the research on in-kind benefits and tax costs in different sectors and countries. A time series analysis would also enable the researcher to understand the long term effects of in-kind benefits on the business taxation approach and even on how employees perceive satisfaction of their work. Also, how organizations that spend resources on in-kind benefits compare to other organizations in similar business operation but do not spend resources on this strategy, would be of interest.

Stake Non-Financial Benefits Qualitative Research Methods: Future research should employ a qualitative approach that seeks to understand how employees view these non-financial benefits, and how they perceive their value.

Employees' understanding of the effectiveness of such benefits may contribute to a richer understanding of these benefits and also assist in better design and implementation of such benefits in future.

Conflict of Interest

The authors declare that there is no conflict of interest.

References

Ahmed, S. K. (2024). How to choose the right sampling technique and determine the appropriate sample size for research. *Oral Oncology Reports*, *12*, 100662. https://doi.org/10.1016/j.oor.2024.100662

Allen, E. J., Allen, J. C., Raghavan, S., & Solomon, D. H. (2022). On the tax efficiency of startup firms. *Review of Accounting Studies*, *28*(4), 1887–1928. https://doi.org/10.1007/s11142-022-09677-1

Boachie, C., & Adu-Darko, E. (2024). The effect of financial inclusion on economic growth: The role of human capital development. *Cogent Social Sciences*, *10*(1), 1–18. https://doi.org/10.1080/23311886.2024.2346118

Braca, A., & Dondio, P. (2023). Developing persuasive systems for marketing: The interplay of persuasion techniques, customer traits, and persuasive message design. *Italian Journal of Marketing*, *2023*, 369–412. https://doi.org/10.1007/s43039-023-00077-0

Budiana, K., Sucherly, S., Krisna, N. L., & Sari, D. (2022). A proposed framework for the roles of digital marketing distribution and co-creation in Increasing non-tax state revenue in Indonesia. *Journal of Distribution Science*, *20*(6), 99–108. https://doi.org/10.15722/jds.20.06.202206.99

Busetto, L., Wick, W., & Gumbinger, C. (2020). How to use and assess qualitative research methods. *Neurological Research and Practice*, *2*(1), 1–14. https://doi.org/10.1186/s42466-020-00059-z

Cahyadini, A., Hutagalung, J. I. G., & Muttaqin, Z. (2023). The urgency of reforming Indonesia's tax Law in the face of economic digitalization. *Cogent Social Sciences*, *9*(2), 1–15. https://doi.org/10.1080/23311886.2023.2285242

Cai, J. Y., Wimer, C., Berger, L., & Maury, M. (2023). Intra-year employment instability and economic well-being among urban households: Mitigating effects of the social safety net. *Children and Youth Services Review*, *148*, 106855. https://doi.org/10.1016/j.childyouth.2023.106855

Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D., & Walker, K. (2020). Purposive sampling: Complex or simple? Research case examples. *Journal of Research in Nursing*, *25*(8), 652–661. https://doi.org/10.1177/1744987120927206

Cavaillé, C., & Ferwerda, J. (2023). How distributional conflict over in-kind benefits generates support for far-right parties. *The Journal of Politics*, *85*(1), 19–33. https://doi.org/10.1086/720643

Chaudhuri, S. E., Burnham, T. C., & Lo, A. W. (2020). An empirical evaluation of tax-loss-harvesting alpha. *Financial Analysts Journal*, *76*(3), 99–108. https://doi.org/10.1080/0015198x.2020.1760064

Chigbu, U. E., Atiku, S. O., & Du Plessis, C. C. (2023). The science of literature reviews: Searching, Identifying, selecting, and Synthesising. *Publications*, *11*(1), 2. https://doi.org/10.3390/publications11010002

Christl, M., Köppl–Turyna, M., Lorenz, H., & Kucsera, D. (2020). Redistribution within the tax-benefits system in Austria. *Economic Analysis and Policy*, *68*, 250–264. https://doi.org/10.1016/j.eap.2020.09.011

Cooper, M., & Nguyen, Q. T. (2020). Multinational enterprises and corporate tax planning: A review of literature and suggestions for a future research agenda. *International Business Review*, *29*(3), 101692. https://doi.org/10.1016/j.ibusrev.2020.101692

Fauzan, F., Ibrahim, M., & Jahja, A. S. (2022). A scholarly examination of tax compliance: A bibliometric analysis (1960–2021). *Journal of Indonesian Economy and Business*, *37*(1), 52–72. https://doi.org/10.22146/jieb.v37i1.2718

Giangregorio, L. (2022). Welfare type and income inequality: An income source decomposition including in-kind benefits and cash-transfers entitlement. *International Tax and Public Finance*, *31*(2), 367–403. https://doi.org/10.1007/s10797-022-09772-8

Gleißner, W., Günther, T., & Walkshäusl, C. (2022). Financial sustainability: Measurement and empirical evidence. *Journal of Business Economics*, *92*(3), 467–516. https://doi.org/10.1007/s11573-022-01081-0

Gloria, N., & Apriwenni, P. (2020). Effective tax rate and factors that influence it. *Accounting Journal*, *9*(2), 17–31. https://doi.org/10.46806/ja.v9i2.759

Hawkins, R. R. (2002). Popular substitution effects: Excess burden estimates for general sales taxes. *National Tax Journal*, *55*(4), 755–770. https://doi.org/10.17310/ntj.2002.4.06

Khang, K., Paradise, T., & Dickson, J. (2021). Tax-loss harvesting: An individual Investor's perspective. *Financial Analysts Journal*, *77*(4), 128–150. https://doi.org/10.1080/0015198x.2021.1963187

Kouroub, S., & Oubdi, L. (2022). Tax planning: Theory and modelling. *Journal of Applied Business Taxation and Economics Research*, *1*(6), 594–613. https://doi.org/10.54408/jabter.v1i6.100

Kraus, S., Durst, S., Ferreira, J. J., Veiga, P., Kailer, N., & Weinmann, A. (2021). Digital transformation in business and management research: An overview of the current status quo. *International Journal of Information Management*, *63*, 102466. https://doi.org/10.1016/j.ijinfomgt.2021.102466

Lam, K. Y., Kee, D. M. H., Kumar, A. C., Jain, A., Pandey, R., Singh, A., Chua, C. R., Chia, J. W., Arenas, V. T., Lopez, C. A., & Restrepo, C. A. P. (2020). How does job satisfaction affect the job performance of employees? *Asia Pacific Journal of Management and Education*, *3*(2), 22–32. https://doi.org/10.32535/apjme.v3i2.844

Lee, K. J., Tilling, K. M., Cornish, R. P., Little, R. J. A., Bell, M. L., Goetghebeur, E., Hogan, J. W., & Carpenter, J. R. (2021). Framework for the treatment and reporting of missing data in observational studies: The treatment and reporting of missing data in observational studies framework. *Journal of Clinical Epidemiology*, *134*, 79–88. https://doi.org/10.1016/j.jclinepi.2021.01.008

Leydesdorff, L., Ràfols, I., & Milojević, S. (2020). Bridging the divide between qualitative and quantitative science studies. *Quantitative Science Studies*, *1*(3), 918–926. https://doi.org/10.1162/qss_e_00061

Montgomery, D. P. (2023). "This study is not without its limitations": Acknowledging limitations and recommending future research in applied linguistics research articles. *Journal of English for Academic Purposes*, *65*, 101291. https://doi.org/10.1016/j.jeap.2023.101291

Mujiyati, M., Aris, M. A., & Zulfikar, Z. (2022). Tax amnesty and company value: Testing tax avoidance as an intervening variable. *Investment Management and Financial Innovations*, *19*(3), 176–188. https://doi.org/10.21511/imfi.19(3).2022.15

Mukherjee, S. (2020). Goods and services tax efficiency across Indian states: Panel stochastic frontier analysis. *Indian Economic Review*, *55*(2), 225–251. https://doi.org/10.1007/s41775-020-00097-z

Ngelo, A. A., Permatasari, Y., Harymawan, I., Anridho, N., & Kamarudin, K. A. (2022). Corporate tax avoidance and investment efficiency: Evidence from the enforcement of tax Amnesty in Indonesia. *Economies*, *10*(10), 251. https://doi.org/10.3390/economies10100251

Rahman, A., & Muktadir, M. (2021). SPSS: An imperative quantitative data analysis tool for social science research. *International Journal of Research and Innovation in Social Science*, *5*(10), 300–302. https://doi.org/10.47772/ijriss.2021.51012

Ranta, M., & Ylinen, M. (2023). Employee benefits and company performance: Evidence from a high-dimensional machine learning model. *Management Accounting Research*, *64*, 100876. https://doi.org/10.1016/j.mar.2023.100876

Rotolo, D., Camerani, R., Grassano, N., & Martin, B. R. (2022). Why do firms publish? A systematic literature review and a conceptual framework. *Research Policy*, *51*(10), 104606. https://doi.org/10.1016/j.respol.2022.104606

Safutra, N. I., & Ahmad, A. (2024). Analysis of mental workload of palm oil plantation employees using Subjective Workload Assessment Technique (SWAT) and work sampling. *Al-azhar Indonesia Journal Science and Technology Series*, *9*(2), 191. https://doi.org/10.36722/sst.v9i2.1842

Sastrodiharjo, I., & Mukti, A. H. (2024). Exploring the intricacies of tax planning: A novel insight from the Indonesian context. *Cogent Business & Management*, *11*(1), 1–15. https://doi.org/10.1080/23311975.2024.2348709

Scandizzo, P. L. (2021). Impact and cost–benefit analysis: A unifying approach. *Journal of Economic Structures*, *10*(1), 1–13. https://doi.org/10.1186/s40008-021-00240-w

Schlanger, T., O'Connor, B., & Ahluwalia, H. (2022). A holistic approach to creating high income portfolios that are Risk–Return efficient and tax aware. *Journal of Portfolio Management*, *49*(1), 198–212. https://doi.org/10.3905/jpm.2022.49.1.198

Silalahi, H., & Kurnia, N. B. (2023). Fringe Benefits in Tax Law: Matching principle and tax Justice perspective. *Ilomata International Journal of Tax and Accounting*, *4*(4), 684–702. https://doi.org/10.52728/ijtc.v4i4.870

Sosner, N., Liberman, J., & Liu, S. (2021). Integration of income and estate tax planning. *The Journal of Wealth Management*, *24*(1), 78–104. https://doi.org/10.3905/jwm.2021.1.134

Sumiati, S., Widyastuti, U., Mardi, M., & Respati, D. K. (2023). Analysis of financial and non-financial factors that influence tax aggressiveness in registered companies on the Indonesia Stock Exchange year of 2016–2019. *Quality – Access to Success*, *24*(193), 1–9. https://doi.org/10.47750/QAS/24.193.01

Wagmiller, R. L., Lee, K. S., & Su, J. H. (2020). The role of welfare in family income inequality: 1968–2016. *Children and Youth Services Review*, *119*, 105615. https://doi.org/10.1016/j.childyouth.2020.105615

Walker, C. C., Druckman, A., & Jackson, T. (2021). Welfare systems without economic growth: A review of the challenges and next steps for the field. *Ecological Economics*, *186*, 107066. https://doi.org/10.1016/j.ecolecon.2021.107066