



E-Filing System Effectiveness: Malaysia perspective

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Abstract

E-filing is an initiative that is designed specifically to enable taxpayers to make tax payments quickly, easily and accurately. The existence of this app aims to encourage the public to leverage the use of technology while creating a user-friendly environment. The purpose of this study is to look at the effectiveness of the services, the latest achievements, the people's confidence and the quality of e-filing services. The study will be conducted using a quantitative method in which respondents are from taxpayers across Malaysia. This study focuses on developmental situations using e-filing system applications that have been developed. The analysis found that the use of this system has received a lot of positive attention among users where many users have given feedback to improve the system. In the future, the system will be improved to improve its effectiveness while being more user-friendly. It is recommended that the system implementers seek expert advice to make it better from time to time.

Keywords: E-filing, taxpayer, system, effectiveness.

Introduction

E-filing main objective is to raise awareness and facilitate taxpayers in declaring income electronically rather than filling in manual form. Based on simple, fast and secure principles, e-filing is developed for convenience usage of taxpayer. E-filing is commonly known for its easy access no matter where and where you are. Taxpayers can choose the right time for e-filing access to their tax matters. By doing this, taxpayers do not have to be pressured in filling out tax information and can reduce any errors in processing tax forms. This is where e-filing features, are designed to facilitate taxpayers in filling the tax burden.

E-Filing allows taxpayers to understand on how to fill in forms, submit forms, how to pay taxes and get information and assistance in fulfilling their responsibilities as a taxpayer. In line with the main goal of e-government which is to provide convenience to the people, Ibrahim & Chandra, (2015) explained that the advantage of E-Filing to the people is to overcome the process of filling and submitting a form of income tax manually that is perceived as rather complicated.

It is an annual routine for taxpayers to follow. Azmi & Lee Bee, (2010) explained that using E-Filing helps many people in their day-to-day business because the use of E-Filing makes it easy to formulate real income tax forms that can be transmitted through internet facilities wherever the taxpayer is on time. The use of E-Filing is also more accurate, as automatic data review and tax computation are more accurate

than manual methods. In addition, there is no data entry error as taxpayers will fill out their data and calculations are automatically done through a computer calculator calculation system.

Based on the Internal Review Board Malaysia (IRBM) record, it appears that the use of E-filing was introduced in 2005 targeting group of companies in Malaysia. Then in 2006 it was expanded to single taxpayers in declaring income fast, easy and secure. Gil-García & Pardo, (2005) explained that E-commerce is a benefit of information technology as well as the process of transforming our work to be more efficient and effective in information sharing, especially providing customer service whether internal or external that can benefit the people.

Benefits of E-filing

The use of the E-Filing system is secure as it is regulated with superior technological security features based on Public Key Infrastructure (PKI). PKI with digital signature ensures the confidentiality, validation and integrity of each taxpayer's data. In addition, without a Personal Identification Number and PIN number, one cannot access their tax account. In addition, having a password created by the taxpayer and being able to change it at any time at his own risk, this ensures that the data security is not being compromised.

This form of on-line application is also faster. Shorter form processing activity and this allows for a faster refund process. Acceptance of this electronic form is also guaranteed. A receipt will be received on-line immediately by the taxpayer when the process of filing via the digital form of a digitally signed income tax form is successful. Taxpayers can also print and keep this receipt.

This E-Filing application helps ease the burden that people have to bear, due to the fact that the manual payment process is very complicated and is also considered a waste of taxpayers due to having to wait too long.

Literature Review

Many studies and discussions have been carried out in particular in the private sector to measure the performance of the services offered. Most of the studies conducted focus on quality measurement for each service offered. In each study there will be new and existing models improved in measuring the level of service offered.

(Parasuraman, Zeithaml, & Malhotra, 2005; Zeithaml, Parasuraman, & Malhotra, 2002) and other researchers have developed a model of service quality measurement that is comprehensive in order to evaluate the performance of private sector services. Although there are many models developed to measure service performance by private organizations, it has received little attention as the main focus of consumers is on services offered by the government, especially in relation to online services.

The main goal of e-government is to meet the people's expectations in using the online facilities provided (Van Deursen, Van Dijk, & Ebbens, 2006). E-filing is an example of a well-known e-government in Malaysia offering online taxation activities. Every year allocation to improve the e-filing system is provided and supervision expenses are high, but e-filing is still unable to meet the people's expectations, leaving people more inclined to adopt traditional methods, for example, go it alone, or through agents in managing tax matters.

There are various reasons given that do not allow people to access the e-government directly offered. Seeing the scope of e-filing as the basis for issues to be addressed, one of the most frequently mentioned reasons for e-filing is:

- 1). People often report that problems in reporting income taxes using e-filing methods are not provided with the complete and necessary information, difficulty using e-filing at peak hours, relying more on taxpayers' support than the facilities provided on the web; and others.
- 2). E-filing which is a good example of e-government is seen as a tool used in more effective tax affairs. However, a major drawback to this is the limited and limited evaluation of e-government services (Jaeger & Thompson, 2003). These weaknesses require immediate solution and evaluation of e-filing is required. However, measuring the perception of quality and satisfaction of organizations with multiple services is complex (Jaeger & Bertot, 2010).
- 3). It is difficult for governments to determine sufficient measures to evaluate the efficiency and effectiveness of spending in their public services (Peters, Janssen, & van Engers, 2004).
- 4). There is a significant gap in the quality of e-filing and the quality of the e-filing service itself. Determining the success of e-filing is difficult because of its poor quality assessment method. Therefore, it is necessary to explore different assessment methods for the quality of public services in terms of e-government success (Rama Rao, Venkata Rao, Bhatnagar, & Satyanarayana, 2004).
- 5). Considering the yearly use of e-filing is encouraging but there is no one best way of assessing the weaknesses. This is because the lack of formal methods for monitoring and evaluating e-government initiatives has led to the slow development of e-government at the national level (Kunstelj & Vintar, 2004).
- 6). Awareness of monitoring, evaluating and benchmarking the entire e-filing model remains unclear. Even the user level also relies on manual methods instead of e-filing to be more secure. This gives the government (the Inland Revenue Board) difficulty in understanding the criteria needed to make a more comprehensive assessment of e-government in order to help make informed decisions (Kunstelj & Vintar, 2004; Lihua, 2005).
- 7). (Lihua, 2005) identifies e-government performance as a dependent variable that includes levels of service to the population and operational efficiency. They use five items to represent the level of service to the population: improved quality of production in service delivery; increased customer satisfaction; providing other means of accessing information collected, generated and disseminated by the government; and better communication with the public on public issues. Compared to other online services, e-tax filing systems are more complex, so they must be clear and easy to use by regular taxpayers (Connolly & Bannister, 2008).

Problem Statement

Attention to the field of e-government has increased in recent years. Despite the current developments, many areas in the field of e-government are yet to be explored. The governments of some countries have reached their desired level of e-service in providing their people and at the same time some countries have not reached the required level. Therefore, there is an urgent need to measure government initiatives

in the form of evaluating effectiveness. Problems in this study have been identified along with the following sources:

a) Slow progress in e-government acceptance in developing countries compared to developed and high e-government failure rates (35%) as well as 50% of projects initiated are not completed in developing countries (Heeks, 2003).

b) Highlights of the study indicate that effective measures for evaluating the quality of e-government services are lacking (Carbo & Williams, 2004). Recent approaches to monitoring, evaluating, and benchmarking e-government development do not have comprehensive e-government assessments. This needs to be further enhanced to provide policy makers with a better evaluation criteria in making their decisions (Kunstelj & Vintar, 2004).

c) In 2007, the EC-funded project consortium eGovRTD2020 "Road-mapping eGovernment Research: Visions and Measures towards Innovative Governments in 2020", published their findings and identified 13 most important research themes including trust in e-government, information quality, performance evaluation, e-government value assessment and e-government cyber infrastructure (Wimmer et al., 2007).

d) Trust in e-government services and confidence in the reliability of the service delivery medium is a key element in people's decision to use online service transactions (Barclay, 2008).

e) Apart from the above problems, existing studies on e-government are conducted in developed countries without confirming their usefulness in developing countries (Azab et al., 2009).

This means that existing models may not be applicable in developing countries such as India due to different implementation requirements and contexts. Therefore, there is a need to develop a framework that will evaluate the effectiveness of e-government services and consumer trust. Investigating people's feedback on e-government public service offerings is essential (Gil-Garcia & Martinez-Moyano, 2007; Verdegem & Verleye, 2009). This feedback needs to be done constantly and this is something that the Inland Revenue Board of Malaysia needs to look into.

Highlights of the study show that e-government evaluation has been conducted on several dimensions. Researchers think that web quality assessment is one of the key components of evaluating e-services but it can be considered as an indicator. Abdul Aziz & Idris, (2012) emphasized that the key issue and challenge in the context of e-services is service delivery, which is the process of providing services to the people in an efficient and easy manner.

Research Objectives

Therefore, the main goal is to identify the best framework for evaluating the effectiveness of e-filing services. To achieve this goal, the following objectives are set:

- a) To develop a framework for evaluating the effectiveness of e-filing services;
- b) To identify the effectiveness of the e-filing service evaluation framework in assessing the achievement and effectiveness and requirements of the new framework;

- c) To identify the dimensions that contribute to the evaluation of the effectiveness of e-filing services and people's trust;
- d) To evaluate the elements of people's trust in e-filing and the level of quality of service provided affects the use of e-filing.

Research questions

Review of e-filing studies, assessment of effectiveness, service quality, and public confidence reveals the existence of research gaps in e-filing evaluation from the consumer's perspective. After reading various articles, reports and research papers, many problems and questions have been raised.

- a. What best framework can evaluate the effectiveness of e-filing services?
- b. Is the effectiveness assessment framework for existing e-filing services proven to be effective and effective and why is the new framework needed?
- c. What are the dimensions that contribute to the evaluation of the effectiveness and trust of people in e-filing services?
- d. Do the elements of people's trust and quality of service affect their use of e-filing?

Limitation of the Study

Each study has several limitations, and it is important to present the limitations of this study to put the findings in the right perspective. Studies have considered evaluating e-government services where the interaction model is Government to Consumer (G2C). While Government to Government (G2G) and Government to Workers (G2E) are outside the scope of this study.

Data collection is only done by users of e-filing services in Malaysia due to its high level of usage, however, other e-services such as revenue collection, e-tenders, land records management services and online passport services offered can serve as the basis for research thesis but the limitation of getting data is the limit to continue the study.

For data collection, the limits to the validity of data are the main barriers to completing this study. As such, only Malaysian taxpayers who are considered as consumers using e-filing services are the main sources of research. IRBM management and support groups are not considered for data collection. Due to privacy issues, e-government officials are not allowed to discuss internal issues. Employees are also reluctant to disclose any negative aspects when answering the questions that they are asked.

Importance of Study

This systematic process of research led to the development of effective assessment models in evaluating e-filing services and people's confidence in e-filing. A clear goal in measuring e-government service capabilities is to contribute to a more effective e-government in its function but (Heeks & Bailur, 2007a; Y. Hu, Xiao, Pang, & Xie, 2005) found that theory development and testing in testing e-government capabilities are scarce, these areas and prospects remain largely unexplored (Esteves & Joseph, 2008).

Thus, further and detailed studies are needed towards enhancing e-government value by incorporating traditional and new modeling practices in measuring perceptions and perceptions that focus on providing a more effective conceptual model especially in evaluating the entire e-filing system.

The proposed MPKEK framework is comprehensive that covers various aspects for assessing the effectiveness of e-filing services and people's trust. The proposed framework has three quality structures, namely system quality, information quality, and service quality from the basic model (Delone & Mclean, 2014) and two strengthening structures, namely, "intent to use and consumer satisfaction" that represent the function of people's usefulness and satisfaction.

The MPKEK framework presented in this thesis can benefit the government in assessing e-filing in particular the level of effectiveness of the services offered and the confidence of the people as a whole. In addition, this framework is easy to understand and can be used by people who have management responsibilities for evaluating e-filing services and can even serve as a basis for better improvement.

Conclusion

This study develops the MPKEK framework to evaluate the effectiveness of e-filing services and it is believed that this study will play an important role in the planning and implementation of effective e-government services. This study is a new study and is capable of contributing the following to new knowledge in the field of e-filing through the development of the MPKEK framework.

The MPKEK framework will evaluate the effectiveness of e-filing services from the people's perspective. This study also helped establish the MPKEK Framework to evaluate the quality of e-filing services and people's confidence in assessing the effectiveness of the services provided.

Studies can identify important factors that influence the effectiveness of e-filing services as well as factors that shape people's trust. The decision will help the authorities to understand the key issues affecting people's needs and their satisfaction with the services offered through e-filing.

MPKEK's new framework is referred to as a comprehensive effectiveness assessment framework including technology dimensions (system quality, information quality, service quality, e-government service quality perceptions, and e-filing service perceptions) and people's behavior (consumer consumption). people's satisfaction, people's trust). It can be used as a checklist of what has been done and what will be implemented in future plans to provide quality service to the people. Finally, it can be used as a strengthening tool for the government to look holistically on all aspects of effective performance evaluation needed in the e-filing system.

The MPKEK framework was developed to evaluate the effectiveness of f-filing services in Malaysia as no such comprehensive framework has been developed for the Malaysian context. It will definitely assist the Malaysian Inland Revenue Board in evaluating the effectiveness of e-filing.

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