DETERMINANTS OF INTENTION TO USE ONLINE MONTHLY TAX DEDUCTION (e-MTD) SYSTEM: A STUDY ON MICRO AND SMALL ENTERPRISES

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ABSTRAK

Lembaga Hasil Dalam Negeri Malaysia (LHDNM) telah meneroka beberapa inisiatif teknologi untuk meningkatkan penyampaian perkhidmatan atas talian kepada pembayar cukai. Perkhidmatan atas talian ini termasuk sistem bayaran cukai secara atas talian, penghantaran borang cukai secara atas talian, dan sistem taksiran dan pembayaran duti setem. Sistem atas talian Potongan Cukai Bulanan (e-PCB) adalah salah satu perkhidmatan yang disediakan oleh LHDNM untuk membantu organisasi, terutama syarikat perusahaan mikro dan kecil, mengemukakan bayaran potongan cukai bulanan bagi pekerja mereka. Walau bagaimanapun, kadar penggunaan perkhidmatan ini oleh majikan masih dianggap rendah. Punca penggunaan yang rendah ini masih belum dikenalpasti. Setakat ini tidak ada kajian khusus dilakukan untuk mengatasi permasalahan ini. Oleh itu, kajian ini dilakukan untuk mengenal pasti factor-faktor yang memberi kesan kepada niat perusahaan mikro dan kecil untuk menggunakan e-PCB.

Model kajian ini dibangunkan berdasarkan kepada teori *Diffusion of Innovation* (DOI). Tiga faktor yang digunakan dalam kajian ini ialah kelebihan relatif (*relative advantage),* kesesuaian *(compatibility),* dan kesukaran (*complexity)* terhadap niat (*intention*) perusahaan mikro dan kecil untuk menggunakan e-PCB. Ketiga-tiga faktor ini dipilih kerana sering ditemukan penting dalam kajian-kajian terdahulu.

Data primer bagi kajian ini dikumpul menggunakan soal selidik yang telah diedarkan kepada 470 perusahaan mikro dan kecil di Petaling Jaya melalui surat dan lawatan. Sejumlah 106 soal selidik telah dikembalikan dan disiapkan. Kadar maklumbalas

adalah 23%. Selepas proses pembersihan data, hanya 72 data layak untuk digunakan dalam analisis akhir.

Hasil analisis menunjukkan bahawa niat perusahaan mikro dan kecil untuk menggunakan e-PCB dipengaruhi oleh faktor kelebihan relatif dan kesukaran sistem e-PCB. Sebaliknya, faktor kesesuaian tidak mempengaruhi niat untuk menggunakan e-PCB. Analisis ini juga mendapati bahawa perusahaan kecil adalah lebih cenderung untuk menggunakan e-PCB berbanding dengan perusahaan mikro.

Hasil kajian ini boleh digunakan oleh LHDNM untuk memahami tingkah laku pengguna sasaran e-PCB iaitu perusahaan mikro dan kecil. Dengan memahami faktor-faktor ini, LHDNM boleh merancang strategi yang tepat untuk menggalakkan penggunaan e-PCB di kalangan pengguna yang akan memberi manfaat melalui penjimatan masa dan kos. Ia juga boleh digunakan oleh agensi-agensi kerajaan yang lain yang menyediakan perkhidmatan atas talian kepada majikan. Selain itu, kajian ini akan menjadi tambahan kepada kajian semasa berkaitan dengan niat untuk menggunakan teknologi dari perspektif sesebuah organisasi.

ABSTRACT

Inland Revenue Board of Malaysia (IRBM) had ventured in a number of technology initiatives to increase its online services to taxpayers. These online services include online tax payment, online tax submission, and stamp duty assessment and payment system. Monthly Tax Deduction Online System (e-MTD) is one of the services provided by IRBM to help organisation, especially micro and small enterprises, to submit Monthly Tax Deduction (MTD) for their employees. However, the usage rate of this service by the employer is still low. The reasons for the low usage are yet to be known. To-date, there are no specific studies done to overcome this problem. This study is, therefore, carried out to identify the factors that affect the intention of micro and small enterprises to use the e-MTD.

The research model is developed based on the Diffusion of Innovation (DOI) theory. Three factors, namely, relative advantage, compatibility, and complexity are hypothesised to affect the micro and small enterprises' intention to use e-MTD. These factors are selected because they were consistently found significant in prior studies of technology innovations.

Data were gathered via survey questionnaires distributed to a total 470 micro and small enterprises within Petaling Jaya district, both using mail and direct visit. A total of 106 questionnaires were completed and returned. Hence the response rate is 23%. After data cleaning process, only 72 data were eligible to be used for final analysis.

Findings of the study show that micro and small enterprises' intention to use e-MTD is significantly affected by relative advantage and complexity. On the other hand, compatibility has no significant effect on the intention to use e-MTD. The result also reveals that small enterprises are more likely to use e-MTD compared to micro enterprises.

The findings of this study could be used by IRBM to understand the behaviour of the targeted user of e-MTD, namely micro and small enterprises. By understanding the factors, IRBM can plan the right strategy to promote the e-MTD by the users which in return will be beneficial in time and cost savings. It can also be useful to other government agencies that provide online services to employers. This study adds to current literature on intention to use technology from the organisation perspective.

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LIST OF ABBREVIATIONS

DOI	-	Diffusion of Innovation
e-MTD	-	Monthly Tax Deduction Online System
e-PCB	-	*Sistem Atas Talian Potongan Cukai Bulanan*
IRBM	-	Inland Revenue Board of Malaysia
IT	-	Information Technology
ITA	-	Income Tax Act
KLPC	-	Kuala Lumpur Payment Centre
LHDNM	-	*Lembaga Hasil Dalam Negeri Malaysia*
MTD	-	Monthly Tax Deduction

CHAPTER 1 INTRODUCTION

1.1 Background of the Study

The rise of technology in Malaysia has encouraged the development of electronic services (e-services) offered by either the government agencies or private companies. The establishment of e-procurement, Internet banking facilities, and other payment portals are examples of extensive e-services in Malaysia. To cope with the emerging technology, Inland Revenue Board of Malaysia (IRBM), as Malaysia's income tax administrator, has introduced e-services, such as *e-Filing* and *e-Bayaran*, for the convenience of the public they serve. e-*Filing*, for instance, enables taxpayers to file their return form electronically. *e-Bayaran*, in contrast, provides alternative payment channel for taxpayers to pay their income taxes online. Both systems are to facilitate taxpayers to fulfil their tax obligation hassle free, thereby leading to tax compliance and increasing the tax collection amount. These e-services have provided simpler and faster taxation services and greater tax administrative efficiency. An increase in tax collection amount will contribute to the increment in the Government's revenue that is used to provide better facilities for educational purposes, better infrastructure (e.g., road maintenance and public facilities), and better health services in government hospitals.

Other than the two taxpayers' responsibilities mentioned above (filing tax return form and making tax payment), another important task for taxpayers is to submit a monthly tax deduction (MTD). This is a specific responsibility by businesses when they hire people to work for them. The most appropriate term to be used in this relationship is 'employer' for the business and 'employee' for the people that work

for the business. According to the Income Tax (Deduction from remuneration) 1994, “employee” in relation to employment means where the relationship of master and servant subsists, the servant; and where the relationship does not subsist, the holder of the appointment or the office which constitutes the employment. Meanwhile, “employer” in relation to an employment, refers to where the relationship of master and servant subsists, the master; and where the relationship does not subsist, the person who pays or is responsible for paying any remuneration to the employee who has employment, notwithstanding that person and the employee may be the same person acting and different capacities.

In relation to the MTD, employers are responsible to compute each employee’s MTD, make the deduction computed from each employee’s pay, remit the total amount, and submit deduction details to IRBM. This process will take place every month and must be completed before or on the 15th of next month from the salary payment takes place.

In submitting the MTD every month, every employer has to submit CP39 form, which is the name list of the employee with their details, such as identification card (IC) number and income tax file number, to the IRBM. Along with the form is the MTD amount for each employee. This form will be presented together with the payment either cash or cash equivalent instruments, like cheque, bank draft, or postal order. The MTD is only considered complete when the two elements (data and payment) are submitted together.

Traditionally, MTD is submitted over the counter at the IRBM's payment centres which are situated at only three places in Malaysia, namely, Kuala Lumpur, Kuching, and Kota Kinabalu. In 2015, the record showed that there were 1,271,060 employers submitted their CP39 manual forms over the counters every month. The limited number of counters at these payment centres has subsequently resulted to long queue and congestion at the payment centres and this occurs every month. As a short-term solution to this problem, each form will only be acknowledged as received at the counter without verifying the data. The data will be keyed-in and verified at the back-office, days after the receiving date, resulting to delay being accounted in each employee's income tax account.

For distant employers, such as from Johor or Kedah, they would normally mail the form along with the payment cheque (or any cash equivalent instrument). However, this mode allows its own risk. The method may result in late submission due to delay in postage which is beyond the IRBM's or employers' control. As the ITA 1967 has regulated, a compound of RM200 (minimum) to a maximum RM2,000 will be imposed for every late submission. This problem occurs every month and has become a burden to the employer.

1.2 Problem Statement

The payment of MTD using an online instrument in Malaysia is still low compared to the MTD collection every year (Table 1). In 2011, for instance, the online payment made for the MTD is only 6.01%. As reported in Table 1, the figures are substantially low compared to the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) requirements for government agencies to

incorporate electronic payment services of 50% in 2013 and 90% in 2015 (Revenue Collection Department, 2012).

Table 1. *MTD Collection using Electronic Payment*

ITEM / YEAR	2015	2014	2013	2012	2011
MTD Collection (RM Million)	20,684.00	19,773.34	18,379.24	15,649.81	13,227.53
Electronic Payment (RM Million)	3,815.04	3,919.37	2,457.37	1,674.80	793.76
Percentage	18.44%	19.82%	13.37%	10.71%	6.01%

Source: Revenue Collection Department

Despite plentiful initiatives done by IRBM to promote and encourage the MTD online payments (e.g., opening an information counter at the Kuala Lumpur Payment Centre (KLPC) and asking the MTD audit team at the IRBM branches to educate taxpayers during audit visit), however, it has not shown much improvement. Several employers mentioned that they are using the current practice (i.e., manual forms) and are not planning to change it. In addition, they raised their concern that changing the system will create chaos in their MTD process and making them unable to meet with the MTD submission's obligation and will therefore be penalised by IRBM. They are also worried that their staff would take longer time to learn and be competent with the online system which would result to increase in cost.

The current practice by IRBM, which is processing the manual forms as explained in the preceding section, has resulted to wastage in human resource, time, and money. Specifically, several staff are needed to occupy the payment's counter every month where the same staff can do other back office works, such as doing tax collection or audit works. In addition, each CP39 form requires valuable time to be manually

keyed-in into the MTD system. There is also a higher risk of doing mistakes during the key-in process which will affect the taxpayer's account and this commonly takes more time to rectify.

The right solution to encourage employers to change from their existing manual practice to online MTD system is, however, yet to be found. IRBM needs to investigate factors that may influence the employers' intention to use the online MTD system, a free system that helps their businesses to save time, human resource, and cost in long run. To-date, none of the existing studies have been done to resolve this issue. The present study is carried out to address this gap. Specifically, the influential factors are seen from the technological context as suggested by the Diffusion of Innovations (DOI) theory (Rogers, 1962).

1.3 Research Questions

The research questions of this study are:

(a) What are the factors that may affect micro and small enterprises' intention to use e-MTD system?

(b) Do micro and small companies differ in their intention to use the e-MTD system?

1.4 Research Objectives

In achieving the above research questions (refer to section 1.3), the following research objectives are as below:

(a) To determine the factors that may affect micro and small enterprises' intention to use e-MTD system.

(b) To determine whether there is a significant different between the micro and small enterprises' intention to use the e-MTD system.

1.5 Significance of the Study

The findings of this study benefit IRBM in two ways. First, this study will provide information to better understand factors that may affect micro and small enterprises decision to use e-MTD system. These factors can be used to promote e-MTD system to micro and small enterprises in Malaysia. The right type of promotion and the system's benefits will make the promotion more efficient and effective.

Secondly, the result of this study can assist IRBM in finding ways, approaches, and improvement to encourage taxpayers to use e-services provided by the IRBM to expedite tax administration process. This would help reduce the crowd at the IRBM's service counters and more tax officers can be utilised in assisting and educating taxpayers on other tax matters.

1.6 Scope and Limitation of the Study

The population of this study is micro and small enterprises, particularly in service sector, that are still making MTD payment via CP39 manual forms submitted over the KLPC counter. This sector is chosen because of its simple pay scheme, which commonly consists of basic salary, allowances, overtime, and bonus. Although these pay scheme also appear at other sectors, the calculation is however more complex. In

manufacturing sector, for instance, there are several allowances for one operating staff. This company may pay up to 30 types of allowances to its employees. These allowances are calculated by taking into consideration, for example, their attendance, productivity for the day, and the level of seniority. Hence, it is complex to calculate MTD for employees in this sector. In addition, a manufacturing company would normally purchase payroll system from information technology (IT) vendor to handle its payroll matter.

e-MTD uses MTD Calculator that features a simple and general MTD calculation sheet. It is not tailored to a specific industry or company. Since service sector offers the simplest pay scheme, it is more suitable to be used as a basis for this study.

Medium enterprise (defined as an enterprise with sales turnover of RM3 million to RM20 million, and full-time employees from 30 to 75) is excluded from this study. With more than 30 full-time employees, this type of business will usually acquire a computerised payroll system to occupy their human resource administrative needs.

This study is limited to micro and small enterprises located in Petaling Jaya area only. This is due to the fact that in 2015 alone, the IRBM Petaling Jaya branch handles more than 45,000 employer active files. This is the highest number of employer active files handled by an IRBM branch in Malaysia.

1.7 Organisation of the Thesis

There are six chapters that are covered in this study. Chapter one presents the background of the study, problem statement, research questions and objectives, significance of the study, and scope and limitation of the study.

Chapter two reviews literature on MTD and e-MTD in Malaysia. Prior studies on MTD, e-MTD, and Diffusion of Innovation (DOI), benefits of the e-MTD, and micro and small enterprises in Malaysia are also discussed in this chapter.

Research model and the hypotheses are covered in Chapter three, discussing in detail each of the variables, namely, relative advantage, compatibility, complexity, and intention to use.

Research methodology is covered in Chapter four. This includes research design, population and sample, unit of analysis, key informant, data collection procedure, survey instrument, operational definitions and measures, and technique of data analysis.

Chapter five presents the study's findings. Specifically, this chapter explains survey response rate, data screening, company's demographic profile, and model testing. Model testing covers both measurement and structural model. Lastly, conclusion and recommendation for further research are discussed in Chapter six.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

Chapter two presents the overview of MTD and e-MTD in Malaysia, benefits of e-MTD system to both employer and IRBM, and prior studies that have been carried out on MTD and e-MTD system. This chapter also explains the DOI theory and micro and small enterprises in Malaysia.

2.2 Overview of MTD in Malaysia

MTD is a tax deduction from employees' monthly salary. It is calculated and paid to the IRBM every month by the employer. This deduction has been implemented in 1995 in accordance to the Rules of the Income Tax (Deduction from Remuneration) 1994, aimed at reducing employees' burden to pay taxes. MTD only applies to salaried income group or in tax law term, gains or profits from an employment as per subsection 13(1)(b), Income Tax Act 1967. The employment income can be in terms of monetary item, such as salary and bonus, and non-monetary items, like benefit in kind and valuation of living accommodation. These monetary and non-monetary elements will be calculated together to come out with correct MTD.

Although the scope of MTD is specifically for employment income only, this tax payment has a significant role in tax collection of the country. In 2015, the MTD collection was RM20,684 million which contributed to 17.06% from total IRBM's tax collection for the same year. In 2013 and 2014, the MTD collections were RM18,379.24 million (14.25%) and RM19,773.34 million (14.79%), respectively.

The percentages exceeded the percentages in 2011 and 2012 which were 12.07% and 12.53%, respectively. Table 2 details the MTD collections for a period of 5 years, covering from 2011 to 2015.

Table 2. *MTD Collection*

ITEM / YEAR	2015	2014	2013	2012	2011
MTD Collection (RM Millions)	20,684.00	19,773.34	18,379.24	15,649.81	13,227.53
Total Collection (RM Millions)	121,236.00	133,700.11	128,932.69	124,891.95	109,610.00
Percentage	17.06%	14.79%	14.25%	12.53%	12.07%

Source: IRBM Annual Reports (2011 until 2015)

Employers may choose to derive the MTD value either by using the MTD schedule or the MTD Formula. The MTD Formula can be retrieved from the MTD Calculator, a payroll system provided by the vendor or by a self-developed payroll system. Of the two methods, employers are suggested to calculate the MTD using the MTD Formula than the MTD schedule. This is because the calculation based on the MTD Formula is more precise as it calculates MTD based on the actual income and all tax reliefs claimed by taxpayers. In contrast, the calculation based on MTD schedule captures income group and few tax reliefs only, namely, employee's marital status, employee's provident fund (EPF), and number of children under 18 years old.

In 2014, MTD final tax was introduced in Malaysia. In this MTD final tax, taxpayers, who fulfil certain criteria, may elect not to furnish a return to IRBM. Hence, the amount of MTD deductions made for an assessment year is accepted as the actual tax for the year. To be implemented in 2015, the need to use the MTD

calculation formula is crucial because it is more accurate up to cents compared to the MTD schedule that is rounded to nearest ringgit. Hence, micro and small enterprises need to shift from using MTD tabular to e-MTD, as the best solution. This will help to ensure that the IRBM's initiatives towards MTD Final Tax for salary income group earners is successful.

2.3 Overview of MTD Online System in Malaysia

As the main contributor of the nation's income, IRBM has a number of IT initiatives to enhance its services to the public. E-services, such as e-filing (online tax filing system), e-Bayaran (online tax payment), e-Daftar (online tax file registration), and STAMPS (electronic stamp duty assessment and payment system), are among which that cater different types of services by the IRBM. For e-services to employers, IRBM introduced e-MTD and e-Data MTD in 2009 and 2010, respectively.

e-Data MTD and e-MTD are online monthly tax deduction applications that serve businesses or companies (hence, employers) to fulfil their responsibilities to submit MTD data and make their payment without the need to come to the IRBM's counters. With these applications, all the necessary processes can be done online. Furthermore, it is free hence it does not incur any additional cost to the employer.

The two applications differ only in term of the targeted types of employer. e-Data MTD is specifically designed for companies with computerised payroll system. These companies usually have many employees and will normally acquire a computerised payroll system from open market to accommodate their needs to manage their payroll. Commonly, the computerised payroll system already has a

built-in application to calculate MTD and can generate data with the prescribed format by IRBM. Hence, e-Data MTD system functions only come into picture when the employer wants to send the data, with the prescribed format, to IRBM and remit the MTD payment.

In contrast, e-MTD is designed for companies without a computerised payroll system. When it comes to the payroll system, micro and small enterprises usually do it manually. They do not have any computerised payroll system to perform all related payroll jobs mainly because it is costly to acquire. Also, with a small number of employees, operating payroll manually is normally sufficient.

Nevertheless, problem arises when it comes to the calculation of MTD. Employers are usually incompetent in doing this. e-MTD, therefore, enables employers to do all the necessary processes: calculating employees' MTD, submitting the data to IRBM, and remitting the payment to IRBM. The system is also free, hence, the employer would not incur any cost.

2.4 Benefits of the e-MTD System

The e-MTD system benefits both employer and IRBM. These benefits are explained in detail below:

2.4.1 Benefits to Employer

Employers, without a computerised payroll system, shall get a number of benefits by implementing the e-MTD system. These include improving data accuracy submitted to IRBM, improving operations efficiency, making application process faster,

reducing administrative costs in preparing the necessary MTD documentation, and reducing operation cost involved in submitting the MTD documents to IRBM.

2.4.2 Benefits to IRBM

The implementation of e-MTD system can also benefits IRBM. Some of these benefits include improving the accuracy of data that have been uploaded into the IRBM system, reducing the handling costs of the manual MTD forms at the counter, reducing the handling costs of cheque, money order, or other kind of monetary instruments, saving time and human resources to manually key-in and upload the MTD data into the IRBM system, and improving service delivery.

2.5 Prior Studies of MTD and e-MTD System

Based on the literature review, it is found that limited studies were carried out in the past on either MTD or e-MTD system. Hence, this study is the first attempt to advance the knowledge on the factors affecting the micro and small enterprises' intention to use the e-MTD system. Ibrahim and Pope (2011) suggested that MTD is one of the critical success factors for the viability of pre-filled income tax return system in Malaysia. MTD acts as an accurate withholding system for employment income. Ibrahim and Pope also mentioned that it is doubtful that employers and employees are aware of the online software being provided by IRBM.

2.6 Prior Studies of Intention to Use Technology

There are numbers of studies done on the intention or behavioural acceptance of innovation or technology. Several studies have suggested theories including the Diffusion of Innovation (Rogers, 1962) and Technology Acceptance Model (TAM)

(Davis, 1989). Later studies have then constructed new theories, such as TAM2 (Venkatesh & Davis, 2000) and the unified theory of acceptance and use of technology (UTAUT) (Venkatesh, Morris, Davis, & Davis, 2003). The present study, however, follows the DOI theory and focuses on the organisations' intention to use a technology (in this study, e-MTD). TAM and UTAUT models, however, are more on the individual basis, hence, are not considered in this study.

Initially, a search was conducted for studies of the behavioural intention to use technology by earliest 2010. However, most of the studies used individual as a unit of analysis. There were limited studies that focused on organisation and were unfortunately irrelevant or unable to retrieve. The search was then expanded to cover studies from 2000 onwards. Appendix 1 lists the related studies.

Among the most popular subjects covered by the studies are e-commerce (see, for example, Aghaunor & Fotoh, 2006) and Internet adoption (see, for example, Teo & Pian, 2003). Other technology innovations include 3G Mobile (see, for example, Kuo & Yen, 2009) and computer technology (see, for example, Khristiano, Kalnadi, & Lestari, 2015).

The rise of technology has offered unprecedented opportunities for Government around the globe to improve its services to public. With e-Government, a number of technology innovations, often called e-services, have been introduced to better serve the public. Some of the e-services have been covered in researches, such as e-procurement (Teo, Lin, & Lai, 2009), innovative mental health practice (Massatti,

Sweeney, Panzano, & Roth, 2008), and online tax payment (Anuar & Othman, 2009).

Technology in the world today has now spread to almost every aspect of our life. Any new system or technology introduced can either be related to an individual or an organisation. Example of studies on technology that focused on an individual is by Anuar and Othman (2009) where they studied tax payer's intention on tax online payment, while Kuo and Yen (2009) studied students understanding of the behavioural intention to use 3G mobile value-added services.

There are also studies on behavioural intention to use technology use organisation as a unit of analysis. Teo et al. (2009), for instance, studied adoption of e-procurement by companies in Singapore. Aghaunor and Fotoh (2006) surveyed banks in Nigeria on e-commerce. Other studies include Teo and Pian (2003) (who focused on the level of Internet adoption by firms in Singapore), and Gumussoy, Calisir, and Bayram (2007) (who emphasised on the manufacturing organisations' behavioural intention to use Enterprise Resource Planning system).

In the past, studies have found different determinants of the intention or behavioural factors towards technology acceptance or adoption. Three most common determinants found in prior studies are perceived usefulness or relative advantage, perceived ease of use or complexity, and compatibility. These three factors were covered in the studies by Aghaunor and Fotoh (2006), Gumussoy et al. (2007), Karahanna, Agarwal and Angst (2006), Mndzebele (2013), and Oliveira, Thomas and Espadanal (2014). Other factors found relevant to technology innovations

include top management support (Teo et al., 2009; Teo & Pian, 2003), perceived cost (Kuo & Yen, 2009), and subjective norms (Gumussoy et al., 2007; Khristiano, Kalnadi, & Lestari, 2015).

Nonetheless, there are no studies that have been done specifically on MTD online system by organisation to tax authority. The present study is the first attempt to study this type of technology. Most prior studies on tax online systems were either on tax payment online system (see, for example, Anuar & Othman, 2009) or tax filing online system (see, for example, Azleen, Norazah & Mohd, 2008; Fu, Farn, & Chow, 2006; Hung, Chang, & Yu, 2006).

2.7 Diffusion of Innovations (DOI) Theory

Innovation needs to go through certain process before it is being adopted by social system. There are also channels to communicate this innovation over time. These channels could be in term of mass media, like radio and newspaper, or interpersonal-interactive, such as face-to-face communication. These were all suggested by the DOI theory (Rogers, 1962).

The process of adopting an innovation requires five stages: knowledge, persuasion, decision, implementation, and confirmation. At knowledge stage, awareness is created among potential adopters. Potential adopters include individuals, informal groups, or organisations. Persuasion stage refers to whether the potential adopters have favourable or unfavourable attitude towards innovation. The potential adopters will make decision either to adopt or reject the innovation. Potential adopters, at the implementation stage, will be fully implementing the innovation. Lastly, the adopters

will decide whether to continue using the innovation based on the experience of using the innovation (confirmation stage).

Every potential adopter does not necessarily become the adopter. They may have unfavourable attitude during the persuasion stage, or decide not to adopt during the decision stage, or decide to stop using the innovation in confirmation stage because of unpleasant experience in initial implementation.

DOI theory suggests that relative advantage, compatibility, complexity, trialability and observability are the five elements that contribute to adoption of innovation. Relative advantage is the extent to which an innovation is perceived as useful or contributes relevant benefit. Compatibility is the extent to which an innovation is perceived by the potential adopters as being consistent with their values, past experiences, and needs. Complexity is the extent to which an innovation is perceived ease of use and easy to understand. Trialability is the extent to which an innovation may be experimented with on a limited basis. Observability is the extent to which the results of an innovation are visible to others. An innovation will be adopted more rapidly when relative advantage, compatibility, trialability, and observability are greater and when the level of complexity is lesser.

Tornatzky and Klein (1982) reported ten characteristics of innovation which prior studies normally studied, namely, compatibility, relative advantage, complexity, implementation cost, communicability, divisibility, profitability, social approval, trialability, and observability. Of the ten characteristics, only three were consistently

found to explain innovation adoption and use. These three characteristics are relative advantage, compatibility, and complexity.

Later studies that discovered relative advantage, compatibility, and complexity to influence innovation adoption and use by organisations are Alam, Khatibi, Ahmad, and Ismail (2007), Mndzebele (2013), Oliveira et al. (2014), Ramdani and Kawalek (2007), and Tan, Chong, Lin, and Eze (2009). Alam et al. (2007), for instance, discovered relative advantage, compatibility, and complexity to influence the adoption of e-commerce; Mndzebele (2013) on adoption of e-commerce in hotel industry; Oliveira et al. (2014) on cloud computing adoption; Ramdani and Kawalek on enterprise systems adoption, and Tan et al. (2009) in Internet-based ICT adoption.

2.8 Small and Medium Enterprises (SMEs) in Malaysia

Small and medium enterprises (SMEs) are crucial to the economic growth process and play an important role in the country's overall production network. SMEs are often regarded as important innovators in the economy (Kitching & Blackburn, 1998). SMEs provide a strong foundation for the growth of new industries as well as strengthening existing ones, for Malaysia's future development.

The common definition for SME was first introduced by the National SME Development Council (NSDC) on 9th June 2005. Bank Negara Malaysia, as the Secretariat of NSDC, had on 13th September 2005 issued the circular on Definitions for Small and Medium Enterprises, for adoption by all Ministries and Agencies involved in SME development programmes as well as financial institutions. However, due to many developments in the economy since 2005, such as price

inflation, structural changes, and change in business trends, the definition had been reviewed. During the NSDC's 14th Meeting on 11th July 2013, a new definition for SMEs in Malaysia was endorsed, which is chaired by the Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, with members from key ministries and government agencies.

According to Circular on New Definition of SMEs released by Development Finance and Enterprise Department, National Bank of Malaysia, effective from 1st January 2014, SMEs definition has been simplified under two categories, namely, manufacturing - sales turnover not exceeding RM50 million or full-time employees not exceeding 200; and services and other sectors - sales turnover not exceeding RM20 million or full-time employees not exceeding 75. Details are as shown in Table 3.

Table 3. *Definition of SMEs*

Category	Micro	Small	Medium
Manufacturing	Sales turnover of less than RM300,000 OR Full-time employees less than 5	Sales turnover from RM300,000 to less than RM15 million OR full-time employees from 5 to less than 75	Sales turnover from RM15 million to not exceeding RM50 million OR full-time employees from 75 to not exceeding 200
Services & other Sectors		Sales turnover from RM300,000 to less than RM3 million OR Full-time employees from 5 to less than 30	Sales turnover from RM3 million to not exceeding RM20 million OR Full-time employees from 30 to not exceeding 75

A business will be deemed as an SME if it meets either one of the two specified criteria; sales turnover or full-time employees whichever is lower. The present study, however, focuses on both micro and small enterprises only. The justification behind this selection was explained in section 1.6 of Chapter 1.

2.9 Summary of the Chapter

This chapter explained the functions of MTD in helping salaried income group in Malaysia to pay income tax. MTD has significantly played a major role in annual tax collection for years. A review on MTD system in Malaysia had also been carried out.

IRBM has taken proactive steps in improving the MTD system in Malaysia by introducing two MTD online systems, namely, e-MTD and e-Data MTD. These systems will, to a greater extent, benefit both employers and IRBM.

Prior studies of MTD were unable to be highlighted in this area as no studies on MTD are found thus far. DOI theory was used as a theoretical foundation of this study. The theory suggests five factors that were commonly tested in prior innovation studies, namely, relative advantage, compatibility, complexity, trialability, and observability.

This chapter also explained about the SMEs in Malaysia and why service sector was chosen for this study. It is agreed that the number of small enterprises has risen in the last few years. The collective amount contributed by this sector was truly significant that the government had paid a great attention.

CHAPTER 3 RESEARCH MODEL AND HYPOTHESES

3.1 Introduction

Chapter three covers research model and hypotheses of this study. Specifically, this chapter discusses each of the independent and dependent variables in detail.

3.2 Research Model

The research model of this study is presented in Figure 1. The factors affecting the micro and small enterprises' intention to use e-MTD system are derived from the DOI theory. Specifically, the enterprises' intention to use the e-MTD system is being influenced by relative advantage, complexity, and compatibility of the system.

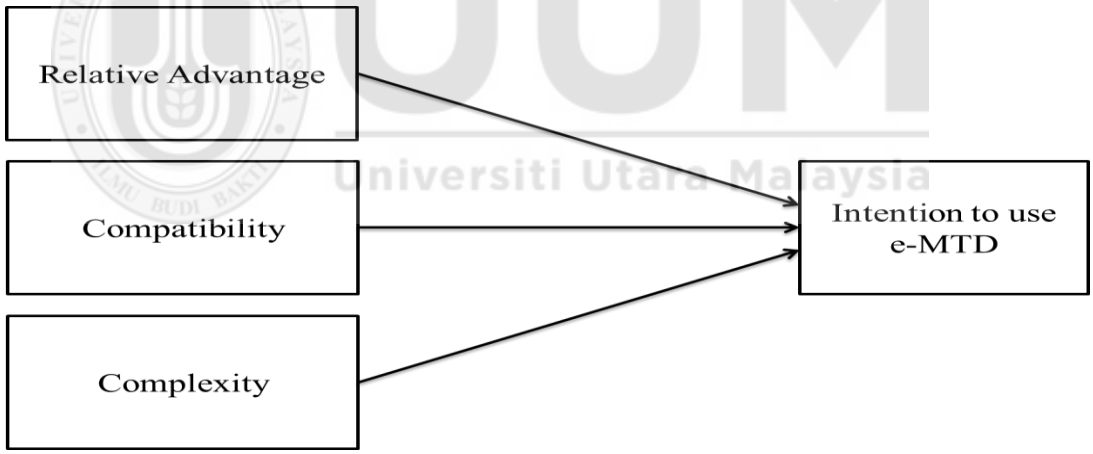

Figure 1. *The Research Model*

As discussed in section 2.7, DOI theory suggests that there are five factors that contribute to adoption of innovation. Tornatzky and Klein (1982), however, reported that of the five factors, only relative advantage, compatibility, and complexity were consistently found significant in prior studies. Tornazky and Fleicher (as cited by

Mndzebele, 2013) also concluded that these three constructs are the ones that influence an organisation's decision to use or ignore innovation. In addition, trialability and observability are not widely used in IT innovation studies (Oliveira et al., 2014).

3.3 Relative Advantage

Relative advantage is a degree of superiority and attractiveness to customers over similar existing products. Product can also be a system, innovation, or infrastructure. In other words, relative advantage can be defined as how an innovation can give advantage over the existing one. According to Rogers (2003), relative advantage will result in increased efficiency, economic benefits, and enhanced status.

Relative advantage can also be seen as how individual expects a system could be useful to them or perceived usefulness. Perceived usefulness means a degree to which an individual believes that using a particular system would enhance his or her job performance (David, 1989).

In this study, relative advantage refers to the degree to which a taxpayer believes that using the e-MTD system to submit and pay monthly tax deduction would give benefits to both micro and small enterprise's productivity, efficiency, and income. Based on the above discussions, the following hypothesis is posited:

H1 : Relative advantage has a positive effect on the micro and small enterprises' intention to use e-MTD system.

3.4 Compatibility

In a survey carried out by Zhu, Dong, Xu, et al. (2006) on companies in European countries (covering France, Spain, Italy, Finland, and UK), they discovered that these companies, even in multiple industries, are more driven to adapt and extend the use of e-business when it is compatible with their business processes and value. In their study, compatibility was found as a stronger driver compared to relative advantage. Other studies (Alam et al., 2007; Pearson & Grandon, 2005; Premkumar, 2003; Premkumar & Roberts, 1999; Tan et al., 2009; Thong, 1999) also provided a strong evidence that organisations are more likely to adopt and use technology or innovation that is compatible with the organisations' existing IT infrastructure, business processes, and value systems.

Chan et al. (2004) define compatibility as a degree to which a service is perceived as consistent with users' existing values, beliefs, habits, and experiences. It is critical in the process of innovation adaption to conform to user's lifestyle (Rogers, 2003). In Malaysia, there are researches that have shown that compatibility is a significant antecedent in determining consumers' attitude towards Internet banking adoption (Ndubisi & Sinti, 2006).

In this study, compatibility refers to the degree to which the e-MTD system is consistent with the organisation's existing system and in par with its belief and vision. According to Rogers (2013), for an organisation, when an innovation is compatible with their practices and values they are more likely to adopt it. Therefore, the following hypothesis is tested:

H2 : Compatibility has a positive effect on the micro and small enterprises' intention to use e-MTD system.

3.5 Complexity

Complexity generally refers to the degree of difficulty to use. Davis (1989) defined complexity as perceived ease of use, that is, the degree to which an individual believes that using a particular system would be effortless. Complexity, as defined by Cheung, Ulichney, MacNamara, and Iyengar (2000), is the degree to which an innovation can be considered relatively difficult to understand and use.

Following Davis (1989), the present study operationalised complexity as the degree to which micro and small enterprises would consider that using the e-MTD system would be zero or minimum effort. Hence, it is expected that when taxpayers believe that the e-MTD system is easy to use, they will intend to use the system. The following hypothesis is, therefore, proposed:

H3 : Complexity has a negative effect on the micro and small enterprises' intention to use e-MTD system.

3.6 Intention to Use e-MTD System

The dependant variable of the study is the organisation's intention to use e-MTD system. All the variables mentioned above (relative advantage, compatibility, and complexity) should reflect the organisation's intention to use the e-MTD system for their MTD submission. Intention is used rather than behavioural as argued by Agarwal and Prasad (1999) that in a survey-based research, analysis of intention is

more appropriate than actual usage. This is because intentions may actually predict the actual usage of the technology.

3.7 Summary of the Chapter

The research model of the study and its hypotheses were covered in this chapter. As elaborated in para 3.2, the DOI theory was used as a foundation to develop the research model. The chapter also explained the operational definition of each variable (independent and dependent) covered in the study.

CHAPTER 4 RESEARCH METHODOLOGY

4.1 Introduction

This chapter covers the processes involved in gathering data of this study. Specifically, there are eight sub-topics discussed in this chapter, namely, research design, population and sample, unit of analysis, key informants, data collection procedure, survey instrument, operational definitions and measures, technique of data analysis. Each of these sub-topics are discussed in detail in this chapter.

4.2 Research Design

The aim of this study is to understand the factors that influence the intention of micro and small enterprises to use e-MTD. Data were gathered via survey instrument or questionnaire. Multi-questions with Likert scale were used for each factor (see sections 3.3, 3.4, 3.5, and 3.6 for details of the factors).

4.3 Population and Sample of the Study

The population of this study is micro and small enterprises in service sector that are still paying the MTD through payment's counter at KLPC. The rationale for choosing this sector was explained in section 1.6 of Chapter 1.

The targeted enterprises are the ones that are located within the Petaling Jaya district. IRBM's Petaling Jaya Branch (PJB) handles the highest number of employer files in Malaysia, approximately more than 45,000 active employer files in a year. Most of the employers in PJB region are companies in service sectors with less than 30 full-

time employees. Most of them involve in professional services, such as accounting, law, architects, and ITs that are high-paid service sector. The employees usually earn good income that make them eligible for income tax. Thus, selecting both micro and small enterprises in PJB region is expected to be the best sample to represent this study.

The micro and small enterprises are defined based on the number of full-time employees rather than the turnover (see section 2.8 for detailed definition of the SME). This is because the MTD's method used by the organisation will be affected by how many employees they employ rather than the turnover. Turnover is a reflection of the organisation's performance that do not really affect the organisation's intention related to MTD.

4.4 Unit of Analysis

Unit of analysis of this study is organisation, specifically micro and small enterprises in service industry.

4.5 Key Informants

The key informants of this study are the employees (e.g., manager, executive) of the micro and small enterprises in service industry who have knowledge about MTD or are handling MTD for the organisation and have access to the e-MTD system for the organisation. It is important for the key informants to understand the process of calculating and submitting the MTD data and payment to the IRBM. It would be easier and more relevant for them to relate to the benefits that are offered by the e-MTD system when responding to the questionnaire.

4.6 Data Collection Procedure

The questionnaire was pretested before distributing them to selected respondents (micro and small enterprises). The aim of doing the pretesting is to ensure that the questionnaire is fairly understood (Ismail, Jogeran, & Noor, 2012). A sample of the questionnaire is presented in Appendix 2.

Two stages of pretesting were conducted. First, it was done to 26 students of Master of Science (International Accounting), Universiti Utara Malaysia (UUM). Second, the surveys were distributed to 15 IRBM's staff who involved directly with the MTD application. In particular, the second stage involved staffs from Employer Audit Unit, Collection Unit (individual), and Hasil Care Unit (customer service). The results of the pretesting showed good results in certainty and responses.

Based on Krejcie and Morgan's (1970) table, a sample of 400 samples is adequate for distribution. As low response rate is always a concern for survey data collection, a larger number of questionnaires (i.e., 440 questionnaires) was, therefore, distributed through mail. The 440 respondents were randomly selected from a list of employers that fit the required population. Along with the questionnaire, the e-MTD's flyer was enclosed. The flyer explained in brief about the features and the benefits of e-MTD. A sample of the flyer is shown in Appendix 3.

Seventy-six (76) questionnaires were returned after 4 to 6 weeks of distribution. To increase responses, 30 questionnaires were distributed directly to the respondents, with the same criteria. Direct visits were also performed to the organisations at few

business centres in Petaling Jaya area. This was done within a week. Overall, data collection took approximately 8 weeks to complete.

4.7 Survey Instrument

There are four main sections in the questionnaire, namely, relative advantage, compatibility, complexity, and intention to use the e-MTD system. These sections represent the variables in the research framework of this study. The final section covers demographic profile of the organisation and the respondent.

The questionnaires were distributed to all organisations that fulfil the SME conditions regardless of its ownership (Bumiputera or non-Bumiputera). To increase the response rate, the questionnaires were prepared in both Malay and English versions. A sample of the questionnaire and the e-MTD's flyer (attached with the questionnaire) are presented in Appendix 2 and 3, respectively.

The first section of the questionnaire covers questions related to relative advantage. In this section, the respondents are required to state their perceptions on the benefits that could be offered by the e-MTD system to their organisation. Second is related to compatibility where the respondents need to indicate the degree to which the e-MTD system is perceived by their organisation as being consistent with its existing values, beliefs, and experiences. Third section is on complexity. The respondents need to specify their perceptions on the degree to which the e-MTD system is perceived by their organisation as relatively easy to understand and use.

In the fourth section, the respondents are asked to indicate whether their organisations intent to use the e-MTD system in the future. The last section covers

the demographic section, to find out more about the organisations to which the respondents represent.

4.8 Operational Definitions and Measures

Each of the items in this study are adapted from existing literature (refer to Table 4). Five-point Likert-scale, ranging from strongly disagree (1) to strongly agree (5), is used for the factors affecting the organisations' intention to use e-MTD system.

Table 4. *Operationalisation and Measurement of Variables*

Construct	Operational Definition	Item	Source
Relative advantage (RA)	The degree the organisation believes that using *e-MTD* system would give benefits to its productivity, efficiency, and income (Rogers, 2003).	1. Using e-MTD would improve data accuracy.	Teo et al. (2009)
		2. Using e-MTD would improve operations efficiency.	Teo et al. (2009)
		3. Using e-MTD would make application process faster.	Teo et al. (2009)
		4. Using e-MTD would reduce administrative costs.	Teo et al. (2009)
		5. Using e-MTD would reduce operations costs.	Teo et al. (2009)
Compatibility (CMP)	How the organisation observes the degree of compatibility of e-MTD system with their existing beliefs, practices, technology infrastructure and strategy (Chan et al., 2004).	1. e-MTD system would fit well our organisational beliefs and practices.	Aghaunor & Fotoh (2006)
		2. e-MTD system fit well our existing technology infrastructure.	Aghaunor & Fotoh (2006)
		3. Our organisation has a positive attitude towards the e-MTD system.	Aghaunor & Fotoh (2006)
		4. e-MTD system would be consistent with our business strategy.	Teo & Pian (2003)
		5. Our organisation has enough technical knowledge to use e-MTD.	Massatti, Sweeney, Panzano, & Roth (2007)
Complexity (CPX)	The degree organisation perceived an innovation to be easy to apply, flexible, understandable and require minimum staff training to handle it (Davis, 1989).	1. Learning to operate the e-MTD system is easy for our organisation.	Karahanna et al. (2006)
		2. Our organisation finds it easy to get the e-MTD system to do what we want it to do.	Karahanna et al. (2006)
		3. Our organisation finds the e-MTD system easy to use.	Karahanna et al. (2006)
		4. Our organisation finds the e-MTD system to be flexible to interact with.	Karahanna et al. (2006)
		5. Our interaction with the e-MTD system is clear and understandable.	Karahanna et al. (2006)
		6. It is easy for our staff to become skilful at using the e-MTD system.	Karahanna et al. (2006)
Intention to use e-MTD	User intention to use e-MTD system in the future (Agarwal & Prasad, 1999).	1. Our organisation plans to use e-MTD system in the future.	Kuo & Yen (2009)
		2. If possible, our organisation will try to use the e-MTD system.	Kuo & Yen (2009)
		3. Our organisation will try to use the e-MTD system if necessary in work.	Kuo & Yen (2009)

4.9 Technique of Data Analysis

SmartPLS (version 2) was used for data analysis. This software has a graphical user interface for variance-based structural equation modelling (SEM) using the partial least squares (PLS) method. The software can be used in empirical research to analyse collected data (from surveys) and to test the hypothesised relationship. PLS is chosen because it requires minimal demand on the residual distribution, measurement scales, and sample size (Ang, Ramayah, & Amin, 2015).

The analysis follows two stages: measurement model (examining the relationship between the construct and its items) and structural model (examining the relationship between the construct).

4.10 Summary of the Chapter

This chapter covered research methodology of this study. Discussions involved research design, population and sample of the study, unit of analysis, key informants, data collection procedure, survey instrument, operational definitions of each variable and its measures, and technique of data analysis. Explanation or justification for the methodology used were discussed here.

CHAPTER 5 RESULTS AND DISCUSSION

5.1 Introduction

This chapter covers the results or outcome from the analysis. These include survey response rate, data screening, company's demographic profile, and model testing. The testing covers both measurement and structural model.

5.2 Survey Response Rate

A total number of 470 were distributed to the respondents, of which 440 were via mail. Of the 440, seven questionnaires were undelivered and, hence, returned. Thirty questionnaires, on the other hand, were personally administered at the respondents' premises.

Out of the distributed questionnaires, 106 responses were received. The response rate is, therefore, 23%.

5.3 Data Screening

Prior to data analysis, the data were screened to inspect and correct errors. The screening involves verifying data, checking for missing values, and examining the patterns of responses.

5.3.1 Data Verification

All data were received in a form of printed survey. The first step taken was transferring these manual data to electronic data. This was done by keying-in the data

from manual forms to excel format. This action was taken to make it easier to massage the data for data analysis purpose.

All data were double checked after they were keyed-in. The purpose was to ensure that the data were free from errors that may affect the outcome of data analysis.

The data were then checked whether they were within the right population. Twenty-two (22) responses were taken out because they were out of the research population: 10 with more than 30 employees while 12 were in the manufacturing sector. The remaining responses were, therefore, 90.

5.3.2 Checking for Missing Values

After verifying the data, each response was checked for missing values. Hair et al. (2010) suggested that variables with more than 50% of missing values should be deleted from the dataset. In the present study, none of the responses however contain missing values. Hence, all cases are considered for analysis.

5.3.3 Patterns of Responses

In examining the patterns of responses, standard deviation for variant in measures was calculated. Any respondents with standard deviation below than .3 were removed. This was done to remove the unengaged responses from the dataset to have a filtered dataset for analysis. From the process, twelve respondents with standard deviations of less than .3 were identified and, hence, removed. The final data to be analysed was, therefore, 72 respondents.

5.4 Demographic Profile

This section presents the company's demographic profile, which include legal form, year of establishment, number of full-time employees, and turnover. Respondent's position is also presented here.

5.4.1 Legal Form

Detail of the company's legal form is presented in Table 5. Most of the companies are Sdn Bhd (69.44%). Only 30.56% of them are under the partnership or sole trader.

Table 5. *Legal Form*

Legal Form	No.	%
Company (Sdn Bhd)	50	69.44
Partnership/sole trader	22	30.56
Total	72	100

5.4.2 Year of Establishment

Detail of the organisation's year of establishment is presented in Table 6. Most of the organisations were established from year 2000 and above (94.45%). Only 4 organisations (5.55%) were established prior to 2000.

Table 6. *Year of Establishment*

Year of Establishment	No.	%
Before 2000	4	5.55
2000 – 2002	14	19.45
2003 - 2005	16	22.22
2006 – 2008	14	19.45
2009 - 2011	14	19.45
2012 – 2014	10	13.88
Total	72	100

5.4.3 Number of Full-Time Employees

Detail of the organisation's number of full-time employees is presented in Table 7. More than half of the organisations have employees of less than 15 (58.33%). Almost one-third of them (30.56%) have more than 20 full-time employees.

Table 7. *Number of Full-Time Employees*

Number of Employees	No.	%
0-4 employees	8	11.11
5-9 employees	24	33.34
10-14 employees	10	13.88
15-19 employees	8	11.11
20-24 employees	8	11.11
25-29 employees	14	19.45
Total	72	100.00

5.4.4 Respondents' Job Position

Table 6 presents the respondents' job position in the organisations. More than half of the respondents are managers (52.77%) while 27.78% of them are owners/ directors/ partners of the organisations. Only 19.45% of them are at the executive level.

Table 8. *Respondents' Position*

Position	No.	%
Owner/ Director/ Partner	20	27.78
Manager	38	52.77
Executive	14	19.45
Total	72	100

5.5 Model Testing

As mentioned in section 4.9, data analysis involves testing the measurement model and the structural model. Measurement model assesses the relationship between the construct and its items. In contrast, structural model assesses the relationship between the constructs. Each of these testing is discussed in detail in sections 5.6.1 (measurement model) and 5.6.2 (structural model).

5.6.1 Testing the Measurement Model

Testing the measurement model involves examining the convergent validity and discriminant validity.

5.6.1.1 Convergent Validity

Convergent validity refers to the degree to which two measures of constructs that should theoretically be related are in fact related. Convergent validity, along with discriminant validity, is a subtype of construct validity. Cunningham, Preacher, and Banaji (2001) define convergent validity as the extent to which different measures that are designed to tap the same construct correlate with each other.

Convergent validity is assessed by examining the item reliability, internal consistency reliability, and average variance extracted (AVE).

Item reliability is a standardised loading of an item on its construct (Igbaria, Guimaraes, & Davis, 1995). Following the rule-of-thumb of Cronbach's alpha, values above .70 are considered as the minimal threshold. Hair, Anderson, Babin and Black (2010) suggested that an item of less than .50 should be considered for exclusion. Following Hair et al. (2010), one item (i.e., CMP5) with loading's value of less than .50 was, therefore, removed. In addition, RA1 was also removed due to its low AVE. Data, with CMP5 and RA1 being excluded, were then re-analysed. Subsequently, all the loadings' values were more than the recommended threshold value (see Table 9 for the comparison of loadings values before and after the elimination).

Table 9. *Loadings*

Item	Loadings (Before)	Loadings (After)
CMP1	.488[b]	.771
CMP2	.436[b]	.588
CMP3	.758	.875
CMP4	.205[b]	.516
CMP5	.080[a]	-
CPX1	.838	.837
CPX2	.850	.850
CPX3	.849	.848
CPX4	.896	.896
CPX5	.856	.857
CPX6	.848	.848
INT1	.832	.826
INT2	.810	.825
INT3	.832	.825
RA1	.545[a]	-
RA2	.714	.645
RA3	.644	.639
RA4	.781	.830
RA5	.766	.832

Note: [a]Excluded items [b]Remained in the dataset due to improved AVE after items with weak loading were removed.

Internal consistency reliability is a measure of how well the items on the test measure the same construct. Hair et al. (2010) suggested that a composite reliability of more than .70 is considered adequate. In the present study, the composite reliabilities of all constructs are above .70 as suggested by Hair et al. (2010) (see Table 10 for details).

Table 10. *Composite Reliability*

Construct	Composite Reliability
Compatibility (CMP)	.79
Complexity (CPX)	.94
Intention to use e-MTD system (INT)	.87
Relative advantage (RA)	.83

AVE, average variance shared between a construct and its items, is commonly used to assess convergent validity. According to Hair et al. (2010), an AVE for each construct should be at least .50. As shown in Table 11, the AVE values for all the constructs in the present study are more than the .50 as suggested by Hair et al. (2010).

Table 11. *AVE*

Construct	AVE
CMP	.50
CPX	.73
INT	.68
RA	.55

5.6.1.2 Discriminant Validity

Discriminant validity is a test on which constructs that should have no relationship do, in fact, not have any relationship. Zhu and Kraemer (2006) postulated that the items should measure their own constructs, rather than another construct. Following Fornell and Larcker (1981), discriminant validity is assessed at construct level (see Table 12).

Table 12. *Discriminant Validity*

	CMP	CPX	INT	RA
CMP	**.702**			
CPX	.701	**.856**		
INT	.277	.459	**.826**	
RA	.376	.350	.442	**.742**

Note. Numbers on diagonal (given in bold) are square roots of AVE.

As shown in Table 12, the square roots of AVE for each construct were greater than the correlations between them, hence, suggesting discriminant validity.

5.6.2 Testing the Structural Model

Testing the structural model involves assessing the statistical significance of path coefficients and the amount of variance explained in dependent variables. Chin (2010) suggested that bootstrap samples from 200-1,000 tend to provide reasonable standard error estimates. Following Chin, the statistical significance of path coefficients in this study was assessed using a bootstrap procedure with 1,000 resamples.

5.6.2.1 Path Coefficient and Hypotheses Testing

The hypotheses were tested by examining the path of the structural model, the *p* values, and the values of the path coefficient (β) (see Table 13).

Table 13. *Hypotheses Testing*

Hypothesis		Path	*p*-value	Supported/Not Supported
H1	RA → INT	2.533	.011	Supported*
H2	CMP → INT	.596	.551	Not supported
H3	CPX → INT	2.316	.021	Supported*

*Found significant

Of the three hypotheses, two were supported (H1 and H3). Specifically, relative advantage and complexity affected micro and small enterprises' intention to use e-MTD. Nonetheless, the relationship between compatibility and intention to use e-MTD is not supported.

5.6.2.2 Amount of Variance Explained

The model explained 32% of variance in the intention to use e-MTD (see Table 14). The amount of variance explained of more than .10 is considered as meaningful by Falk and Miller (1992).

Table 14. *AVE*

Dependent Variable	R^2
Intention to use e-MTD system	.32

5.7 Do Micro and Small Companies Differ in terms of their Intention to Use e-MTD System?

The Mann-Whitney U test was carried out to identify whether there is any significant different between micro and small enterprises in terms of their intention to use the e-MTD system. The Mann-Whitney U test is the non-parametric alternative test to the independent sample t-test. This test is used to compare differences between two

independent groups when the dependent variable is either ordinal or continuous. The result of the test is presented in Table 15.

Table 15. *Mann-Whitney U Test*

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Average intention to use is the same across categories of Company size	Independent-samples Mann-Whitney U Test	.032	Reject the null hypothesis

Asymptotic significances are displayed. The significance level is 0.05.

The result suggests that there is a significant different between micro and small companies in terms of their intention to use the e-MTD system (p = .032).

5.8 Summary of the Chapter

This chapter covered the processes taken to verify and analyse the data. Firstly, the process of data screening was discussed starting from how the data were verified, checked for missing value, and checked for patterns of responses. Then, data were presented based on the demographic profile from legal form, year of establishment, number of full-time employees, and respondents' job position in the organisations.

The testing of the data was also discussed here. The testing involved measurement and structural model. All the outcome of the entire testing had been presented in this chapter. Discussion on each of the results will be done in the next chapter.

CHAPTER 6 CONCLUSION AND RECOMMENDATION

6.1 Introduction

This chapter discusses the findings of the study. First, the chapter explains the results of the hypotheses testing, focusing specifically on the influence of relative advantage, compatibility, and complexity to the intention to use e-MTD by the organisations. Second, the chapter reports whether small and micro enterprises differ in their intention to use e-MTD. Then, the chapter covers the implications of the study, followed by the limitations of the study and suggestions for further research. The conclusions are provided at the end of the chapter.

6.2 Factors Affecting Micro and Small Enterprises' Intention to Use e-MTD System

6.2.1 Relative Advantage

From the result explained in the previous chapter, relative advantage was found to have a significant positive relationship with the small and micro enterprises' intention to use e-MTD system. The finding indicates that the more relative advantage the organisations perceived to have from the e-MTD, the more likely that the e-MTD system will be used.

The finding is consistent with previous studies, such as by Gumussoy et al. (2007), who found perceived usefulness as one of the determinants of behavioural intention to use Enterprise Resource Planning (ERP) among organisations. Another study by

Teo et al. (2009) discovered that perceived indirect benefits is significant and positively influencing companies to adopt e-procurement.

As an organisation, they run a business. Any system that could give benefits to the organisation is always welcome. The finding shows that employers strongly believe that the e-MTD system has its capability and strength in providing benefits to their organisations. The advantages are in terms of data accuracy, efficiency, and reduction in cost.

e-MTD was introduced with the aim of helping organisations to submit MTD with less hassles compared to manual submission. Using the system, the organisation can save a lot of time. The system will calculate MTD for each employee, summarise them, and submit them via Internet. Without the need to be presence at KLPC, the organisation saves delivery time and human resource. On the other hand, payment via online also reduces the cost of issuing cheques.

6.2.2 Compatibility

In contrast to the relative advantage, compatibility was however found not to be significant to the organisation's intention to use the e-MTD system. As mentioned in earlier chapter (see section 1.2), the organisations are not willing to change their method to online system. This is mainly because they are afraid that changing the system will create chaos in their current MTD practice. This may have resulted in being penalised as they are unable to submit MTD within the stipulated time.

Most of the organisations are also unsure whether this system is compatible with their existing IT infrastructures. The questions arise as to whether e-MTD requires

any additional software or hardware to be operated and whether their staff have adequate knowledge in handling the system upon implementation. These are some of the questions and possible feedback that IRBM needs to tackle in advance to promote e-MTD to the organisations.

Indeed, most organisations do not aware that e-MTD is using a web-based system. Hence, no additional software should be installed. All that is required is an Internet access which most of businesses nowadays have them. This should be clarified to the organisations during promotion.

There is a mixed finding on the importance of compatibility in prior studies. Aghanour and Fotoh (2006), for instance, found compatibility as the second least factors affecting e-commerce adoption by banks. Similarly, Karahanna et al. (2006) discovered that compatibility of technology with preferred work styles, existing work practices, prior experiences, and values supports the acceptance of technology by banks. On the other hand, compatibility was found not to be significant to the level of Internet adoption in Teo and Pian (2003). Gumussoy et al. (2007), in their study of behavioural intention to use ERP system by organisation, also found compatibility as not importance.

6.2.3 Complexity

Similar to relative advantage, complexity was also found to be significant to the organisation's intention to use the e-MTD system. The finding indicates that the more complex the system is, the less likely would the system be implemented. For organisations, their concern is more on whether the new system will be easy for use.

It is important that the system is easily learnt and can be adopted as easy as possible. Any delay would cost them valuable time and money.

Previous studies have also consistently found complexity as a significant factor to the intention or behavioural usage of technology. Aghaunor and Fotoh (2006), for instance, found complexity as the most key factor that affects the adoption of e-commerce among banks in Nigeria. A study by Khristiano et al. (2015) discovered that the SME's intention to use computer technology is significantly influenced by complexity.

6.3 Do Micro and Small Companies Differ in terms on Their Intention to Use the e-MTD System?

The result presented in Table 15 (see section 5.7) suggests that there is a significant different between micro and small enterprises in terms of their intention to use e-MTD system (*p* value = .032). Hence, the organisation size does play a significant role in influencing them to use e-MTD.

Micro enterprises are normally at a start-up phase, hence, are not having high turnover. Consequently, the organisations are unable to hire employees with higher salaries compared to employees at larger enterprises. The salaries paid to the employees are commonly small. Employees with smaller amount of salaries would not be commonly eligible for income tax, hence, no deduction shall be made for MTD. In other words, the MTD submission is unnecessary. In Malaysia, the lowest eligible amount to be taxed (in 2015) is approximately RM33,600.00 a year or RM2,800.00 a month.

Compared to micro, smaller enterprises are able to pay higher salaries to its employees which are adequate for them to be eligible for income tax. Accordingly, these organisations need to submit MTD to IRBM every month. This result showed that IRBM is currently taking the right action in targeting smaller enterprises for using e-MTD.

Similar finding was reported by Teo et al. (2009) in their study of e-procurement adoption by companies in Singapore. One possible explanation to this finding is that larger firms have more resources, hence, they may encounter a greater need to stay at the technological forefront than firms with smaller operational scale.

6.4 Implications of the Study

6.4.1 Implications to Theory

At present, specific studies on e-MTD are yet to be found. This study, therefore, adds to literature on that field.

6.4.2 Implications for Practice

One of the reasons the study is carried out is to help IRBM to improve its e-services to public. This study focuses specifically on the e-MTD system which is established to better serve the employers. The result suggests that the e-MTD system is perceived by the organisations as beneficial to them, however, there are still concerns on its compatibility with their existing systems. It is, therefore, suggested that the e-MTD system should be promoted more on its features and its system compatibility. This is to attract more organisations or employers to start using e-MTD system as their MTD calculation and submission tools. This would possibly help IRBM to

reduce crowd at the KLPC counter which will save resources, such as human, time, and cost.

IRBM is not the only government's body or agency that deals with organisations. Other agencies dealing with organisations (specifically related to employee's matter) include the Employee Provident Funds (EPF), the Royal Malaysian Customs Department (RMCD), and the National Higher Education Fund Corporation (PTPTN). These agencies have also introduced their specific electronic systems for the employers to improve their services. The study's finding may, therefore, be used to assist these agencies to understand, to create a good electronic system, and to properly promote to the respective organisations.

6.5 Limitations of the Study and Suggestions for Further Research

This study was limited to micro and small enterprises in Petaling Jaya area only. The result cannot be, therefore, generalised to other population in the country.

In the future, the research can be broadened to include medium and large enterprises. In addition, further study may also cover another IRBM's e-services to employers, such as e-Data MTD, and on different sector, such as manufacturing.

6.6 Conclusions

There are two objectives of this study. First, to determine factors affecting micro and small enterprises' intention to use e-MTD system. Second, to determine whether there is a significant different between micro and small enterprises' intention to use the e-MTD system.

The primary data, via survey questionnaires, were gathered from micro and small enterprises in service sector located in Petaling Jaya. A total of 470 questionnaires were sent to the respondents and 106 were returned. The response rate was 23%.

The findings suggested that relative advantage and complexity were importance for micro and small enterprises in deciding to use e-MTD system. The more benefits they perceive that they will get from the system, the more likely that they will be using the system. In addition, the organisations are more likely to use the system if the system is less complex.

Nonetheless, compatibility resulted to be insignificant to micro and small enterprises' intention to use e-MTD system. As the targets of the study were micro and small enterprises that are still using manual MTD submission, most of them therefore are unsure whether the e-MTD system is compatible with their existing system. In addition, small enterprises were found to be more likely to use e-MTD compared to micro enterprises.

The findings derived from this study may be used to assist IRBM, the tax authority, to understand the lack of use of the e-MTD system. By understanding the factors that may affect the enterprises' intention to use e-MTD system, IRBM can make appropriate actions to ensure that the targeted users will be using the system in the future. One of the possible ways that can be done by the IRBM is to promote the system aggressively to its potential users.

Besides giving the tax authority the right suggestions to promote the e-MTD system, the finding may be useful to assist them to gain valuable knowledge on how to

promote other e-services to the public. In addition, other government agencies, such as the Employee Provident Funds (EPF), the Royal Malaysian Customs Department (RMCD), and the National Higher Education Fund Corporation (PTPTN), will also benefit from this study. In the literature aspect, this study has added a new literature in MTD and technology intention for organisations.

Future research can be done by changing the focus of the study to medium and large enterprises, and organisations in manufacturing sector. Different area (in both urban and rural), other than Petaling Jaya, can also be tested.

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APPENDICES

Appendix 1. Prior Studies of Technology Innovations

No.	Study	Country	Type of IT Studied	Data Collection	Key Informant	Unit of analysis	Organisation	Theoretical framework	IV	Key Findings
1.	Teo, Lin, & Lai (2009)	Singapore	E-procurement	Survey	Executive responsible for e-procurement	Organisation	Companies	Technology Organisation Environment (TOE)	- Perceived direct benefits - Perceived indirect benefits - Perceived costs - firm size - top management support - information sharing culture - business partner influence - industry type	Firm size, top management support, perceived indirect benefits and business partner influence are positively and significantly associated with the adoption of e-procurement
2.	Aghaunor and Fotoh (2006)	Nigeria	e-commerce	Survey & Semi-structured interview	e-Commerce consultant	Organisation	Banks	DOI	- Perceived Benefits (PB) - Perceived Compatibility (PCM) - Perceived Complexity (PCX) - Top Management Support (MS) - Organisational Competence (OC) - IT Compatibility	All but one was confirmed. The rank of the factors affecting adoption of e-commerce, in descending order of impacts. i. PCX ii. PB iii. OC iv. PCM v. SI

									(ITC) - Government e-Readiness (GR) - Market forces e-Readiness (MR) - Supporting industries e-Readiness (SI)	vi. MS vii. MR viii. ITC ix. GR.
3.	Teo and Pian (2003)	Singapore	Level of Internet adoption (LIA)	Survey	- IT Managers - Top Executive	Organisation	Firms with websites and/or email addresses. Selected from 'Singapore 100' & 'SME 500' lists.	Contingency Factors	- Business technology strategy (BTS) - Technology compatibility (TC) - Top management support (TMS) - Competitive advantage (CA)	- BTS positively associated with LIA - TC and TMS no significant with LIA - LIA have positive relationship to CA
4.	Massatti, Sweeney, Panzano & Roth (2008)	United States	De-adoption of Innovative Mental Health Practice (IMHP)	Interview Follow-up survey	- Internal/ External decision maker - Administrative staff - Employee involved during the planning & implementation process - CCOE staff	Organisation	Organisation that de-adopt IMHP	Innovation Diffusion Adoption Research Project	- Qualitative Research	- Lack of financial resources - External agents do not support the effort - Problem related to attracting & retaining staff - IMHP does not fit well with employee knowledge and skills - IMHP neither easy to implement nor seen as permanent part of organisation.
5.	Karahanna, Agarwal and Angst (2006)	United States of America	Usage and Acceptance of Technology	Survey	- High-net-worth wealth management group	Organisation	Wealth Advisory Regional Bank in	- Dimension of compatibility - TAM	- Compatibility of technology with preferred work style, existing work	- All four distinct constructs were supported.

					- Commercial lending group		Northern Regions		practices, prior experience & value.	
6.	Kuo & Yen (2009)	Taiwan	3G mobile added-value services	Survey	Undergraduates and Graduates students	Individual	Not Applicable	TAM	- Perceived Usefulness (PU) - Perceived Ease of Use (PEOU) - Perceived Cost (PC) - Perceived Innovativeness (PI)	- Consumer usage rate remains low - Increased PI will directly enhanced the PEOU - PU enhanced when consumer have higher PEOU - PEOU has the strongest effects on consumer attitude. - Most important factor is attitude, followed by PEOU, PC and PU.
7.	Gumussoy, Calisir & Bayram (2007)	Turkey	Behavioural intention to use ERP system	Survey	Potential ERP system users	Organisation	Manufacturing Organisation	TAM	- Perceived Usefulness - Perceived Ease of Use - Attitude Towards Use - Compatibility - Subjective Norms - Experience - Gender	Subjective Norms, Perceived Usefulness and Education Level are determinants of behavioural intention to use system.
8.	Engebretsen (2005)	Uganda	EpiHandy	Qualitative and Quantitative	Adult living in the area	Organisation	1) Uganda PROMISE EBF, Mbale, 2) Uganda Iganga/Mayu	TAM UTAUT	- Performance Expectancy - Social Influence - Facilitating Conditions	The conclusion was that the technology was well accepted and the intention to use and acceptance of

							ge DSS site, and 3) South Africa PROMISE EBF		- Gender - Age - Experience - Mandate - Access to Technology in Childhood - Numbers of Error in Technology	using was high even when the number of errors in the technology was high.
9.	Khristiano, Kalnadi & Lestari (2015)	Indonesia	Behaviour intention to use Computer Technology	Survey	Owner	Organisation	SME Appreal Wholesale Store	UTAUT	- Performance Expectancy - Effort Expectancy - Social Influence - Facilitating Condition	- Intention to use (ITU) significantly influence by EE and SI. - Behaviour intention was significantly influenced by ITU and FC.
10.	Anuar and Othman (2009)	Malaysia	Taxpayer acceptance of online tax payment system (e-Bayaran)	Online Survey	Targeted taxpayer	Individual	Not Applicable	TAM	- Perceived Usefulness - Perceived Ease of Use - Subjective Norms - Self Efficacy - Perceived Credibility - Amount of Information	- Perceived usefulness, subjective norms and self-efficacy are significant towards intention to use e-Bayaran. - Subjective norms are the strongest predictor.
11.	Mndzebele (2013)	South Africa	Adoption of e-Commerce in hotel industry	Survey	Hotel Manager	Organisation	Hotels in South Africa	DOI	- Relative advantage - Compatibility - Complexity	- Complexity and compatibility has positive relationship with the extent of e-Commerce adoption. - Relative advantage does not correlate with e-Commerce

										adoption.
12.	Oliveira, Thomas & Espadanal (2014)	Portugal	Determinants of cloud computing adoption (CCA)	Survey	Chief Information Officer, directors and senior Information System managers.	Organisation	Manufacturing and service companies	DOI & TOE	- Relative advantage (RA) - Complexity (CPX) - Compatibility (CMP) - Technology (TE) - Organisational (OG) - Environment (EV)	- RA and CMP have positive influence with CCA. - TE & OG are predictor of CCA

Appendix 2. Questionnaire

QUESTIONNAIRE
SOAL SELIDIK

DETERMINANTS OF INTENTION TO USE ONLINE MONTHLY TAX

Dear participant,

This questionnaire is designed to study about the intention to use online monthly tax deduction system (e-MTD) among micro and small enterprises in Malaysia. Your participant is highly appreciated.

This study is conducted as a partial fulfilment for my Master of Science (International Accounting). The information you provide for the purpose of this study will be kept **STRICTLY CONFIDENTIAL** and for the academic purpose only.

Your input is highly valued. Thank you very much for your time and cooperation.

Yours sincerely,

_____

Peserta yang dihormati,

Soal selidik ini direka untuk mengkaji tentang kecenderungan untuk menggunakan sistem potongan cukai bulanan secara atas talian (e-PCB) di kalangan perusahaan kecil di Malaysia. Penyertaan anda adalah amat diharapkan.

Kajian ini dilakukan sebagai memenuhi sebahagian daripada keperluan Sarjana Sains (Perakaunan Antarabangsa). Maklumat yang anda berikan untuk tujuan kajian ini akan **DIRAHSIAKAN** dan untuk tujuan akademik sahaja.

Maklumbalas anda amatlah dihargai. Terima kasih atas kerjasama yang diberikan.

Yang ikhlas,

Khairul Asyraf Bin Zainal Abidin

Master of Science (International Accounting)

Universiti Utara Malaysia

Section A: Relative Advantage of e-MTD

Bahagian A: Kelebihan Relatif e-PCB

In this section, please indicate your organisation's perception on the benefits that could be offered by the e-MTD system.

Dalam bahagian ini, nyatakan persepsi organisasi anda mengenai manfaat yang boleh diberikan oleh sistem e-PCB.

Using the scale below, please indicate your level of agreement with each of the following statements by circling the number that best reflects your organisation's opinion.

Dengan menggunakan skala seperti di bawah, sila nyatakan tahap persetujuan terhadap kenyataan-kenyataan yang diberikan dengan membulatkan pada nombor yang sesuai menurut pandangan organisasi anda.

1	2	3	4	5
Strongly Disagree *Sangat Tidak Setuju*				Strongly Agree *Sangat Setuju*

A1.	Using the e-MTD system would improve data accuracy. *Menggunakan sistem e-MTD akan meningkatkan ketepatan data.*	1	2	3	4	5
A2.	Using the e-MTD system would improve operations efficiency. *Menggunakan sistem e-MTD akan meningkatkan keberkesanan operasi.*	1	2	3	4	5
A3.	Using the e-MTD system would make application process faster. *Menggunakan sistem e-MTD akan mempercepatkan proses aplikasi.*	1	2	3	4	5
A4.	Using the e-MTD system would reduce administrative costs. *Menggunakan sistem e-PCB akan mengurangkan kos pentadbiran.*	1	2	3	4	5
A5.	Using the e-MTD system would reduce operations costs. *Menggunakan sistem e-PCB akan mengurangkan kos operasi.*	1	2	3	4	5

Section B: Compatibility of e-MTD

Bahagian B: Kesesuaian e-PCB

In this section, please indicate the degree to which the e-MTD system is perceived by your organisation as being consistent with your organisation's existing values, beliefs, and experiences.

Dalam bahagian ini, nyatakan persepsi organisasi anda ke atas kesesuaian sistem e-MTD dengan nilai-nilai, kepercayaan, dan pengalaman sedia ada organisasi anda.

Using the scale below, please indicate your level of agreement with each of the following statements by circling the number that best reflects your organisation's opinion.

Dengan menggunakan skala seperti di bawah, sila nyatakan tahap persetujuan terhadap kenyataan-kenyataan yang diberikan dengan membulatkan pada nombor yang sesuai menurut pandangan organisasi anda.

1	2	3	4	5
Strongly Disagree *Sangat Tidak Setuju*				Strongly Agree *Sangat Setuju*

B1.	The e-MTD system would fit well our organisational beliefs and practices. *Sistem e-PCB akan bersesuaian dengan kepercayaan dan amalan organisasi kami.*	1	2	3	4	5
B2.	The e-MTD system would fit well our existing technology infrastructure. *Sistem e-PCB akan bersesuaian dengan infrastruktur teknologi kami yang sedia ada.*	1	2	3	4	5
B3.	Our organisation has a positive attitude towards e-MTD system. *Organisasi kami mempunyai sikap yang positif terhadap sistem e-PCB.*	1	2	3	4	5
B4.	The e-MTD system would be consistent with our business strategy. *Sistem e-PCB akan selaras dengan strategi perniagaan kami.*	1	2	3	4	5
B5.	Our organisation has enough technical knowledge to implement e-MTD system. *Organisasi kami mempunyai pengetahuan teknikal yang mencukupi untuk melaksanakan sistem e-PCB.*	1	2	3	4	5

Section C: Complexity of e-MTD

Bahagian C: Kesukaran e-PCB

In this section, please indicate the degree to which the e-MTD system is perceived by your organisation as relatively easy to understand and use.

Dalam bahagian ini, nyatakan persepsi organisasi anda ke atas kesukaran sistem e-MTD untuk difahami dan digunakan.

Using the scale below, please indicate your level of agreement with each of the following statements by circling the number that best reflects your organisation's opinion.

Dengan menggunakan skala seperti di bawah, sila nyatakan tahap persetujuan terhadap kenyataan-kenyataan yang diberikan dengan membulatkan pada nombor yang sesuai menurut pandangan organisasi anda.

1	2	3	4	5
Strongly Disagree *Sangat Tidak Setuju*				Strongly Agree *Sangat Setuju*

C1.	Learning to operate the e-MTD system is easy for our organisation. *Belajar untuk mengendalikan sistem e-PCB adalah mudah bagi organisasi kami.*	1	2	3	4	5
C2.	Our organisation finds it easy to get the e-MTD system to do what we want it to do. *Organisasi kami mendapati adalah mudah bagi sistem e-PCB melakukan apa yang kami mahu ia lakukan.*	1	2	3	4	5
C3.	Our organisation finds the e-MTD system easy to use. *Organisasi kami mendapati sistem e-PCB mudah untuk digunakan.*	1	2	3	4	5

C4.	Our organisation finds the e-MTD system to be flexible to interact with. *Organisasi kami mendapati sistem e-PCB adalah fleksibel untuk berinteraksi.*	1	2	3	4	5
C5.	Our interaction with the e-MTD system is clear and understandable. *Interaksi kami dengan sistem e-PCB adalah jelas dan mudah difahami.*	1	2	3	4	5
C5.	It is easy for our staffs to become skilful at using the e-MTD system. *Ia adalah mudah untuk kakitangan organisasi kami untuk mahir menggunakan sistem e-PCB.*	1	2	3	4	5

Section D: Intention to Use e-MTD

Bahagian D: Kecenderungan untuk Menggunakan e-PCB

In this section, please indicate your organisation's intention to use the e-MTD system in the future.

Dalam bahagian ini, nyatakan niat organisasi anda untuk menggunakan sistem e-MTD pada masa hadapan.

Using the scale below, please indicate your level of agreement with each of the following statements by circling the number that best reflects your organisation's opinion.

Dengan menggunakan skala seperti di bawah, sila nyatakan tahap persetujuan terhadap kenyataan-kenyataan yang diberikan dengan membulatkan pada nombor yang sesuai menurut pandangan organisasi anda.

1	2	3	4	5
Strongly Disagree *Sangat Tidak Setuju*				Strongly Agree *Sangat Setuju*

D1.	Our organisation plans to use the e-MTD system in the future. *Organisasi kami merancang untuk menggunakan sistem e-PCB pada masa hadapan.*	1	2	3	4	5
D2.	If possible, our organisation will try to use the e-MTD system. *Jika boleh, organisasi kami akan cuba menggunakan sistem e-PCB.*	1	2	3	4	5
D3.	Our organisation will try to use the e-MTD system if necessary in work. *Organisasi kami akan cuba menggunakan sistem e-PCB sekiranya perlu dalam kerja.*	1	2	3	4	5

Section E: Organisation Details

Bahagian E: Maklumat Organisasi

In this section, we ask you about your organisation.
Dalam bahagian ini, kami ingin mengetahui dengan lebih lanjut mengenai organisasi anda.

E1. In what year was your organisation established? _____

Pada tahun berapakah organisasi anda ditubuhkan?

E2. What is the legal form of your organisation?

Apakah jenis perniagaan anda?

☐ Company (Sdn Bhd)

Syarikat

☐ Partnership/sole trader

Perkongsian/Perniagaan tunggal

E3. Which type of industrial sectors is your organisation involved in?

Apakah teras perniagaan organisasi anda?

☐ Manufacturing

Pengilangan

☐ Services and other sectors

Servis dan sektor-sektor lain

E4. Approximately, how many full-time employees in your organisation?

Berapakah anggaran bilangan pekerja sepenuh masa yang terdapat di dalam organisasi anda?

☐ 0 – 4 employees

0 – 4 pekerja

☐ 5 – 9 employees

5 – 9 pekerja

☐ 10 – 14 employees

10 – 14 pekerja

☐ 15 – 19 employees

15 – 19 pekerja

☐ 20 – 24 employees

20 – 24 pekerja

☐ 25 – 29 employees

25 – 29 pekerja

☐ More than 30 employees

Lebih daripada 30 pekerja

E5. Approximately, what was your organisation sales turnover for the last accounting period?

Berapakah anggaran hasil jualan organisasi anda bagi tahun kewangan terakhir?

☐ RM0 – RM299,999

RM0 – RM299,999

☐ RM300,000 – RM1,199,999

☐ RM2,100,000 – RM2,999,999

RM2,100,000 – RM2,999,999

☐ More than RM3,000,000

RM300,000 – RM1,199,999 *Lebih daripada RM3,000,000*

☐ RM1,200,000 – RM2,099,999

RM1,200,000 – RM2,099,999

E6. What is your present job position in your organisation?

Apakah jawatan anda sekarang?

☐ Owner/Director/Partner

Pemilik/Pengarah/Rakan kongsi

☐ Manager

Pengurus

☐ Executive

Eksekutif

☐ Non-executive

Pegawai sokongan

☐ Others (*please specify:* ……...)

Lain-lain

THANK YOU VERY MUCH FOR YOUR VALUABLE TIME AND SUPPORT.

TERIMA KASIH ATAS MASA DAN SOKONGAN ANDA.

Appendix 3. e-MTD Flyer

e-PCB

Sistem Penggajian Berkomputer yang amat mudah dilaksanakan untuk semua majikan

KELEBIHAN e-PCB
(Potongan Cukai Bulanan)

1. Jimat masa dan kos pentadbiran.
2. Mesra pengguna.
3. Pengiraan PCB yang mudah, cepat dan tepat.
4. Pengiraan PCB secara automatik pada bulan seterusnya (Sekiranya tiada perubahan).
5. Boleh diakses (melalui kemudahan internet) pada bila-bila masa dan di mana jua.

6. Keselamatan maklumat dan sistem adalah terjamin.
7. Tiada risiko kehilangan data pekerja dan pembayaran.
8. Pembukuan kepada lejar pekerja lebih cepat.
9. Pembayaran PCB boleh dibuat melalui 'e-Bayaran' (FPX) tanpa kos.
10. Menyimpan serta menyemak maklumat pekerja dan pengesahan bayaran.

* PCB - Potongan Cukai Bulanan

LHDN MALAYSIA

HASiL Teman Kecerianan Anda

1-800-88-5436 (LHDN)

Layari : www.hasil.gov.my

Klik HASiL dan Pilih e-PCB