DETERMINANTS OF TRANSPARENCY IN INLAND REVENUE BOARD OF MALAYSIA

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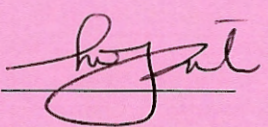*(has presented his/her research paper of the following title)*

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ABSTRACT

Tax administration transparency is an essential feature of democratic governance. The moral essence of transparency lies in the fact that people have a right to information, which in turn allows them to assess the relevance of the procedures and the decisions made by the government. A transparent tax administration is very important in managing a nation's revenues within a legally-approved tax system in order to enhance public confidence. There are extensive studies on tax administration globally; however there are very limited studies on tax administration transparency in Malaysia. This study looks into the determinants of transparency in Inland Revenue Board of Malaysia (IRBM) as the direct tax administrator of the country and includes autonomy, information and communication technology (ICT), culture and external publication as the factors determining transparency. This study is supported by theory of transparency which assumes that information, once set free from the state that creates it, will produce an informed and engaged public and as well will hold officials accountable. The data was collected through survey questionnaires and analysed using multiple regression analysis and other statistical techniques. A total of 375 questionnaires were distributed that yielded 185 usable questionnaires. The results reveal that there is a positive and significant relationship between autonomy, ICT, and culture with transparency of IRBM. However external publication is found as having a positive but insignificant relationship with transparency of IRBM. This study concludes with the theoretical implications and practical recommendations for IRBM as the direct tax administrator to look into the autonomy status, implementation of ICT and organizational culture in order to achieve a satisfactory level of transparency locally and internationally. This study also highlights several limitations and suggests future studies in this area.

Keywords: transparency, autonomy, ICT, culture, external publication

ABSTRAK

Ketelusan di dalam pentadbiran percukaian adalah ciri penting sebuah sistem pentadbiran demokratik. Intipati kepada ketelusan adalah hak orang awam untuk mendapat maklumat yang boleh ditaksir bagi menilai prosedur dan keputusan yang dibuat oleh pentadbir. Pentadbiran percukaian yang telus mengikut peruntukan perundangan percukaian yang diluluskan adalah sangat penting dalam mengurus hasil negara dan meningkatkan keyakinan orang awam. Banyak kajian telah dibuat di peringkat antarabangsa berkaitan pentadbiran percukaian, namun kajian berkaitan ketelusan pentadbiran percukaian khususnya di Malaysia sangat terhad. Justeru itu, kajian ini dilaksanakan bagi melihat autonomi, teknologi maklumat dan informasi, budaya dan terbitan umum sebagai faktor-faktor yang menyumbang kepada ketelusan Lembaga Hasil Dalam Negeri Malaysia (LHDNM) sebagai pentadbir cukai langsung negara. Kajian ini disokong oleh teori ketelusan yang menyatakan maklumat yang telah disebar oleh penerbitnya akan menjadi informasi yang perlu dipertanggungjawab oleh pihak yang berkaitan. Data kajian dikumpul secara soal selidik dan dianalisa melalui analisis regrasi berganda dan teknik-teknik statistik lain. Sebanyak 375 borang soal selidik telah diedar dan sebanyak 185 borang soal selidik yang dikembalikan sesuai digunapakai untuk kajian. Hasil kajian mendapati terdapat hubungan yang positif dan signifikan di antara autonomi, teknologi maklumat dan informasi serta budaya ke atas ketelusan LHDNM. Manakala terbitan umum menunjukkan hubungan yang positif tetapi tidak signifikan terhadap ketelusan LHDNM. Kajian ini dirumus dengan menyatakan implikasi secara teori dan cadangan yang praktikal kepada LHDNM sebagai pentadbir cukai langsung untuk menilai status autonomi, pelaksanaan sistem teknologi maklumat dan informasi dan budaya organisasi dalam mencapai tahap ketelusan yang memuaskan di peringkat negara dan antarabangsa. Kajian ini juga menggariskan limitasi dan cadangan untuk kajian seterusnya di masa depan.

Kata kunci: ketelusan, autonomi, teknologi maklumat dan informasi, budaya, terbitan umum

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DTCs	Double Tax Conventions
DV	Dependent Variable
IBFC	International Business and Financial Centre (Labuan)
ICT	Information and Communication Technology
IMF	International Monetary Fund
IRBM	Inland Revenue Board of Malaysia
IRS	Inland Revenue Service (United State)
IV	Independent Variable
LHDNM	Lembaga Hasil Dalam Negeri Malaysia
MCE	Malaysia Certificate of Education
OECD	Organisation for Economic Co-Operation and Development
POA	Performance Outcome Areas
RM	Ringgit Malaysia
SARAs	Semi-Autonomous Revenue Agencies
SD	Standard Deviation
SPM	Sijil Pelajaran Malaysia
SPSS	Statistical Packages of Social Sciences
STPM	Sijil Tinggi Pelajaran Malaysia
TADAT	Tax Administration Diagnostic Assessment Tool
UUM	Universiti Utara Malaysia
VIF	Variance Inflation Factor

CHAPTER ONE

INTRODUCTION

1.1   Background of the Study

Transparency is broadly canvassed as a key to better governance. It is supposed to make governments less corrupt, more efficient, more democratic and more legitimate (Hood & Heald, 2006). Interest in transparency is growing globally since the 1990s when several international organizations recommended that governments should adopt responsible practices and provide information about their activities (European Union, 2011). Roberts (2006) describes how transparency has spread around the world in the past decades and even authoritarian state like China is now embracing it.

Governmental transparency refers to the capacity to find out what is happening inside the government (Piotrowski & Van Ryzin, 2007). The public officials should be open to public scrutiny and citizens should be well involved and informed. Greater transparency in the public sector is vital to enhance public confidence and trust in the government agencies (A.Hassan, 2013).

Transparency requires a prime change in political and bureaucratic culture, away from traditional practices of caution and confidentiality and towards a more open approach to communication with the public. This revolution of values and culture provides the utmost challenge to public information policy (Mulgan, 2012).

Emerging trend in technology has improved the Information and Communication Technology (ICT) and enhance the overall transparency of organizations (Zimmerman & Finger, 2005). The introduction of ICTs, by which includes the hardware, software, storage technology, internet and other digital communication technologies, commonly contributes to both private and public sector organizations to an enhancement in transparency (Brücher et al., 2003).

In the context of tax administration, scholars and other stakeholders in the United States have long argued that the tax administrator, the Internal Revenue Service (IRS), should strive to conduct its activities as transparent as possible. Tax administration transparency is an essential feature of democratic governance. Openness regarding tax rules, agency interpretations, decision making processes and enforcement practices provide the public with knowledge of the tax laws and policies (Blank, 2016). The Department of Taxation and Finance in New York State for example comes out with external publication of informational document that addresses a particular topic of interest to taxpayers.

The states of affairs of Malaysian government transparency have been secured by numerous worldwide studies in their rankings (Abu Bakar et al., 2011). The studies steered by independent non-governmental organizations specify that Malaysia needs to put severe effort in enlightening its transparency level (Abu Bakar & Ismail, 2011). Public information are not always readily accessible (Barraclough & Phua, 2007; Yaakob et al., 2009). The International Budget Partnership, an independent body, carried out a study called '2008 Open Budget Index' which resulted in Malaysia being ranked at 53rd place out of 85 countries being evaluated. This implies that Malaysia

has been providing minimal information on the central government's budget and financial activities during the course of the budget year (Carlitz et al., 2009). This makes it quite difficult for citizens to hold the government accountable for its management of the public's money. Nevertheless Abu Bakar and Ismail (2011) conclude that there is a seemingly encouraging trend in Malaysian public sector toward greater transparency.

Saad (2012) found that due to the lack of information disclosed by the Inland Revenue Board of Malaysia (IRBM), many Malaysian taxpayers were not happy with government spending of tax revenue. Taxpayers alleged if the transparency of information has taken place, their views on IRBM's credibility may have been improved. Being aware of these issues should prompt IRBM to be more transparent especially in keeping the taxpayers update on the related information. Alfonso (2015) suggested that there is evidence that citizens are more willing to pay higher taxes when fiscal institutions are more transparent. There is reason to believe that improving transparency could improve tax compliance while facilitating citizen engagement in political discussions of taxation and public spending (OECD, 2010).

The above statements have motivated this study to look into the determinants of transparency in IRBM.

1.2　Problem Statement

A transparent tax administration is very important in managing a nation's revenues within a legally-approved tax system, so the country may benefit economically and socially (Lemgruber & Shelton, 2014). OECD Global Forum in Implementing the Internationally Agreed Tax Standard in 2009 has come out with a progress report which includes Malaysia as one of the jurisdictions surveyed. The forum which promotes the implementation of internationally agreed standards on transparency and exchange of information for tax purposes reported that Malaysia (represented by IRBM) is not committed to the internationally agreed tax standard of transparency and exchange of information (OECD, 2010). At the time of the survey in the year 2009, only ten of Malaysia's seventy one Double Tax Conventions (DTCs) have fully achieved the international standard. Moreover Malaysia's tax administrator only had the power to access information from Labuan International Business and Financial Centre (Labuan IBFC) pursuant to any request made under a DTC. In 2012, Malaysia revised its law to provide its tax administrator with more access power (OECD, 2012). This indicated that the factor of autonomy might be the cause for IRBM not being able to be more transparent and meets the international standard.

IRBM has undergone an assessment during the period of July 27 to August 12, 2015 as part of the pilot phase in the development of the Tax Administration Diagnostic Assessment Tool (TADAT) conducted by the International Monetary Fund (IMF). TADAT is a tool designed to provide an objective assessment of the health of key components of the tax administration system, the extent of reform required and the relative priorities for attention. The TADAT framework revolves around nine Performance Outcome Areas (POA) and twenty eight high level indicators critical to

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tax administration performance. The twenty eight indicators are disaggregated further into forty seven measurement dimensions which are used to arrive at each indicator score. A four-point 'ABCD' scale is used to measure each dimension and indicator (Lindseth et al., 2015).

Under POA 9 (Accountability and Transparency), IRBM scores D which is the lowest scale for measurement of the dimension for level of public confidence in the tax administration (see Figure 1.1). Besides that, TADAT Performance Assessment also reported that IRBM failed to constantly publish reports on performance against standards as set in the client charter and only performed the perception survey on selected segment of tax payer without covering all key taxpayer segments. Furthermore, the surveys are not conducted by an independent third party (Lindseth et al., 2015).

The low grades and weaknesses show that IRBM has problems regarding external publications, internal culture towards transparency, and lack of ICT utilization to demonstrate its transparency.
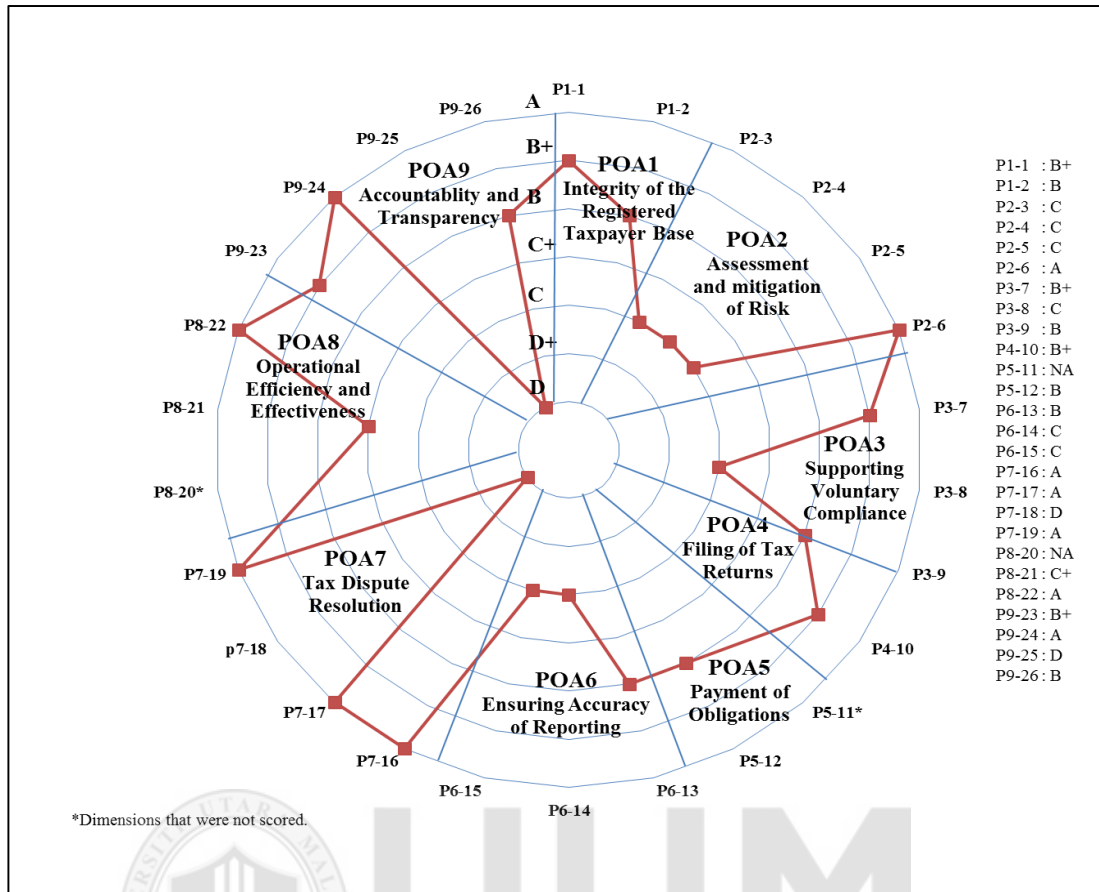
Figure: 1.1
Malaysia: Distribution of Performance Scores
Source: Lindseth et al., 2015

Based on the report by Lindseth et al. (2015), the IRBM as Malaysia's direct tax administrator is facing the issue of transparency. Hence, this study will examine the determinants of transparency in IRBM. The present study will evaluate autonomy, ICT, culture and external publication as the factors determining transparency in IRBM.

1.3 Research Questions

The study addressed the following research question:

Are there any significant relationships between autonomy, ICT, culture and external publication with IRBM transparency?

1.4 Research Objectives

This research aims to examine the significant relationships between autonomy, ICT, culture and external publication with IRBM transparency.

1.5 Scope and Limitation of the Study

This research is aimed to examine the determinants of transparency in IRBM from the perspective of their employees. The targeted respondents in this study are tax officers of various ranking attached at three IRBM branches in the State of Selangor namely the Shah Alam Branch, Petaling Jaya Branch and Klang Branch. Selangor is Malaysia's most developed and progressive state and is the most populous state with 5.46 million population (Department of Statistics Malaysia, 2010). Tax officers in the three branches represent the population of the study as the tax administration practises in the three branches are standardized with the other branches of IRBM throughout Malaysia.

1.6 Definition of Key Terms

The Inland Revenue Board of Malaysia is the primary agency under Malaysia's Ministry of Finance and is responsible for collecting and administering direct taxes across the country. As a tax collection agency, IRBM practices a pragmatic tax administration towards achieving sustainable growth, in addition to providing excellent service to its customers. In the year 2016, IRBM has 38 assessment branches, 17

investigation branches and 40 revenue service centres all around the country with 11,535 employees in total (IRBM, Annual Report 2016).

1.7 Significant of the Study

1.7.1 Theoretical Significance

There are extensive studies on tax administration; however there are very limited studies on tax administration transparency in Malaysia. This study looks into the determinants of transparency of direct tax administration in Malaysia and includes autonomy, ICT, culture and external publication as the factors determining transparency. The current study will contribute to the literature of tax administration transparency and the possible factors that determine tax administration transparency.

1.7.2 Practical Significance

The outcomes of the research will provide the detailed understanding of the factors that affect tax administration transparency. Consequently the current research will give the picture on how IRBM as the direct tax administrator in Malaysia needs to strategize and take further action to become a more transparent tax administrator.

1.8 Organization of the Thesis

This research examines the determinants of transparency in IRBM. This thesis is divided into five chapters. Chapter one describe the introduction under which the following is covered; background of the study, problem statement, research questions and objectives, significance and scope of the study. Chapter two contains the relevant literature reviews in the area of tax administration transparency. It also discussed the empirical studies and the relationship between tax administration transparency and the

selected variables. Chapter three presented the conceptual framework, hypotheses development, research design, survey method, data collection method, population and sample size, data analysis, questionnaire design, variables measurement and pilot test. Chapter four features the data analysis, interpretation, discussion and findings of the study. Chapter five, the final chapter includes the summary, conclusions and recommendations as well as suggestions for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature related to tax administration transparency. It begins by discussing the relationship between the dependent variable (IRBM transparency) and factors that influence IRBM transparency from the tax employee's perspective.

This study evolves four independent variables which are autonomy, ICT, culture and external publication as determinants of transparency in IRBM. Various studies and researches have been conducted by many scholars around the world on tax administration transparency. For instances, Stiglitz (1999) studies on the involvement of participants in the policy making and concluded that expanding the circle of involved participants in policy making strengthens tax administration transparency and improves decision-making quality by providing tax authorities with different perspectives. Romero and Araujo (2015) examines theoretically and empirically the determinants of levels of transparency in local tax authority in Spain based on the agency and legitimacy theories. Saad (2012) highlights on how transparency in term of information sharing between the tax authority and the community at large influence the perception on the fairness of income tax system in Malaysia. However all the four independent variables being discuss in this research are hardly been studied in the context of direct taxes in Malaysia.

The Performance Assessment Reports on Malaysia provides an assessment baseline of the country's tax administration system performance (Lindseth et al., 2015). Using the Tax Administration Diagnostic Assessment Tool (TADAT), the report addresses that

the issue of transparency should be at attention. Examining the potential factors related to tax administration transparency from the tax employee's point of view will contribute theoretically and practically to improve the tax administration in Malaysia. It is essential to understand and find out how autonomy, ICT, culture and external publication affect transparency of tax administration specifically the IRBM transparency.

2.2   Underpinning Theory

Transparency literally refers to the state of being tranquilly observable throughout. It involve the process of developing phenomenon of ascending trust, being visible to the people and generating public opinion. The theory of transparency has existed for decades. In general, this theory can be a part of democratic or non-democratic regime to administer better governance (Shrivastava, 2015).

Transparency theory's started from a classic simplistic model of linear communication that posits a simple process of transmission from a source to an intended audience via the medium of a message. The theory assumes that information, once set free from the state that creates it, will produce an informed, engaged public that will hold officials accountable (Schramm, 1955).

Nevertheless, Fenster (2015) in his literature assimilated the assumptions embedded in the classic transparency theory and suggested an alternative approach that would allow a more flexible and sensitive means to define transparency. Fenster (2015) highlighted the influences of autonomy in determining the level of transparency and the important of free flow of information among public agencies and private individuals to increases

the quality of governance. The timeliness and comprehensibility of disclosures of information by way of internal and external publicizing are essential for a government to be held accountable by an informed public.

Shrivastava (2015) interpreted transparency theory as the 'right to know' and emphasise on the important of information technology such as electronic governance or e-Governance to ensure better transparency and services to the public. In this new age of transparency, Information Communication and Technology (ICT) is one of the medium in the transparency theory that disseminates information through an efficient, speedy and transparent process to the public and other agencies, and performs government administration activities.

In analysing the evolution of theory on transparency, Bernstein (2016) summarized that culture, rather than monitoring, observation, or disclosure, is what eventually creates the conditions for the observed to be transparent to the observer (Bennis, Goleman, & O'Toole, 2008). As such it is vital to build culture of transparency (Spear & Bowen, 1999).

For the purpose of this study, transparency theory is the underpinning theory to explain transparency in tax administration. As mentioned before, transparency theory posits on the process of transmission from a source through a medium to reach to the targeted receiver. This study will look into autonomy, ICT, culture and external publication as the mediums to determine the IRBM transparency.

2.3 Tax Administration Transparency

Transparency is a complex concept, reflected by some prominent scholars to be more often invoked than defined, and more often preached than practised (Hood & Heald, 2006). Schnackenberg and Tomlinson (2014) defined transparency as the perceived quality of deliberately shared information from a sender and transparency functions in a way that it is easy to see what actions are implemented. The moral essence of transparency lies in the fact that people have a right to information, which in turn allows them to assess the relevance of the procedures and the decisions made by public organisations (Mabillard & Pasquier, 2016).

The International Monetary Fund (IMF) has set out four principles that define transparency anticipated from a government (IMF, 2001). First is clarity on the structure and functions of government, responsibilities within government and associations between government and the rest of the economy. Second is public availability of ample information on public sector, published at indicated times. Third is public accessibility of information on how budgets are prepared and performed, and the last principles is financial data with accepted quality standards and subjected to independent audit scrutiny.

The literature suggests that increase in transparency is viewed as a way of promoting trust and cooperation between government and its citizens which end up in the result of good governance (Rawlins, 2008; Saleheen, 2013; Afonso, 2015). Nevertheless some scholars urge caution, citing the negative aspects of transparency, such as violation of privacy, direct cost of revelation, and disclosure of sensitive information

(Prat, 2006). Chambers (2004) reminds us that although publicity is an important principle in deliberative democracy, secrecy rather than publicity is often what is needed to ensure a high quality of deliberation.

OECD (2013) states that a fair, transparent and credible tax administration promotes states building by encouraging governments to be more accountable to their citizens. According to Hildreth (2005), tax transparency is a responsibility shared by the tax administrator and the taxpayer and comprises an open and participatory policy process and clear and tractable tax rules. He concluded that tax transparency refers to the symmetry of information between tax administrators and taxpayers and reduces principle-agent problems and minimizes transaction costs in the economy.

Chittenden and Foster (2008) agrees that transparency in tax administration relates to the understanding of how much tax is collected and how it funds government activities. Gray (2001) carried out a study on Madagascar and Tanzania tax administration and summarized that transparency in tax administration should be treated in its various dimensions as a tool for improving taxpayer compliance. It will in return enhance the role of tax systems in supporting macroeconomic stability and extending provision of public services. Blank (2016) proposes that in tax transparency, the public should have access not only to ex ante tax administration actions where the tax administrator grants taxpayers' requests, but also to those actions where the tax administrator denies such requests, a concept which is defines as dual tax transparency.

Transparency does not only developed in democratic but also authoritarian states (Rodan, 2004), and not only in adversarial but also consensus political cultures

(Erkkilä, 2012). Demands for transparency arise in develop and developing countries with strong media and independent organization (Welch, 2012) as well as in highly educated and information-savvy or low-educated population (Bannister & Connolly, 2011).

2.4 Autonomy and Tax Administration Transparency

Autonomy has a broad meaning but it is best described as the degree to which an agency or department is able to operate independently, in terms of legal form and status, funding and budget, management of financial and human resources, and administrative practices (IMF,2016). Historically, tax administration roles have been within the ministry of finance of a country, and at present, many countries have chosen to give the tax administration body an autonomous status within a broad umbrella of the ministry of finance (Araki, 2012).

Study on the Latin America and Anglophone Africa found that tax function is set to be relatively autonomous of the civil service and Ministry of Finance in the hope of improving performance by reducing political interference, increasing flexibility and improving wages and working conditions (OECD, 2010). This has been exemplified by the creation of semi-autonomous revenue agencies (SARAs) in at least 14 African countries and 10 countries in Latin America (Fjeldstad and Moore, 2009). SARAs are tax administrations that have greater than usual autonomy along several organizational design dimensions, including legal character, financing, governance, personnel policy, procurement policy, and accountability relationships (World Bank, 2005).

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According to OECD (2011), among the 16 countries in East and Southeast Asia, 7 countries' tax administration bodies are located within the finance ministry as either an internal or subordinate department, and 9 countries' tax administration bodies including Malaysia are semi-autonomous, with various degrees of affiliation with the ministry of finance.

Rahman (2009) claims that autonomy increases transparency of the tax administration. Similarly, Crandall (2010) posited that autonomy of government collection agencies can lead to better performance by reducing problems towards effective and efficient tax administration, while maintaining appropriate transparency. It is in line with Mikesell (2003) who argued that autonomy of tax administration made it easier for taxpayers to know types of taxes the government levied upon them. Both Rahman (2009) and Crandall (2010) summarized that the more autonomous, the better the tax administrator deals with transparency.

However, Baer et al. (2002) observed that the creation of SARAs can easily lead to the neglect of linkages with the broader public administration and prevent optimize information sharing which will reduce the level of transparency. The autonomy facilitates short-term improvements in performance but failed to focus on other areas of administration (Durand and Thorp, 1998). Torjesen and Geirgammaelseter (2004) proposed that management in public organizations are easily trapped in the tension between autonomy and transparency. The public quest for transparency easily entraps the autonomous management in the pressure between internal and external constraints.

Based on the mixed findings in above discussion, it could be concluded that autonomy does play an important roles in determining the tax administration transparency, hence it should be included in this study.

2.5   ICT and Tax Administration Transparency

Transparency has been mediated through the mass media for some time but currently the new media, especially the internet and other computerized systems, play a major role in mediating government transparency. Computer-mediated transparency refers to the ability to look clearly through the windows of an institution through the use of computerized systems where these new forms of mediated transparency worth definite attention (Meijer, 2009). Berendsen (2007) describes the use of information systems in government agency and shows that digitization creates a virtual kind of transparency. Økland et al. (2010) suggest that transparency may be enhanced by innovative use of information and communication technology especially in the complexity of modern organizations.

The use of ICT increases innovation, productivity, and efficient practices and improves the overall performance of the public sector (James, 2013). Furthermore, it enhances service delivery and increases administration efficiency (Edmead et al., 2013). Findings proved that public agrees that ICT can restore confidence and trust as well as transparency in government agencies (James, 2013; Edmead et al., 2013; Machupa et al., 2011). Similarly, Machupa et al. (2011) claimed that computers facilitate service delivery, customer satisfaction, information accessibility, efficient and effective administrative gain as well as transparency of information sharing among various units of the government.

In order to be transparent, governments need to disclose information on the internet about their decisions and operations and allow free access to this information (Ganapati & Reddick, 2012). In this respect, Pina et al. (2010) studied the relationship between internet access and transparency and found that the percentage of users with broadband contribute to the access of information disclose on the internet. Prior to the study, Debreceny et al. (2002) in their literature stated that internet access is related to the transparency of financial disclosure, but other researchers, such as Caba-Pérez et al. (2008), have found no significant relationship between these parameters.

According to Mahmoud (2012), ICT empowered technologies promised to change the economy of the country when employed properly in tax administration. Jacobs et al.(2013) explained that to succeed in the modern world, tax administrations must have well-designed integrated tax information systems with legal provisions embedded in the tax legislation to enable the tax administration to operate effectively alongside economic, business, and social environments fully engaged and immersed in modern technology. Tax administrations all around the world redesign their basic business processes to implement electronic receipt, processing, and delivery methods while facilitating the increased use of the internet for transmission of information and access to tax forms by taxpayers and at the same time enjoys decreased costs from higher accuracy and greater compliance through electronic processing of tax returns (Jacobs et al, 2013). Canares (2016) argues that the use of ICT will resulted in more transparent and accountable revenue generation systems that will benefit both government and taxpayers. The impacts of ICT can be seen in a number of ways, including transparency in assessment and other processes (Chatama, 2013). However Zimmermann and Finger (2005) highlighted that the introduction of ICT if not counter-balanced by any control

mechanisms could heavily decreases the power of the local administration against businesses and other administrations.

While there is limited study on the impact of ICT on tax administration transparency, the findings observed in the public sector administration provides the basis for the current study to empirically analyse the relationship between ICT and tax administration transparency.

2.6   Culture and Tax Administration Transparency

According to Hofstede (2001), administrative cultures are considered as patterns of behaviour acquired and transmitted by human groups in the public sector where such patterns underline cultural values, beliefs, and principles, resulting in shared understandings, and legitimize the function of their acts. Howlett (2004) classified administrative cultures according to whether problems are solved proactively or reactively, or whether the government–society relationship is based on consensus or on imposition.

Mulgan (2012) explained about 'push model' of transparency which requires a major change in political and bureaucratic culture, away from traditional practices of caution and confidentiality and towards a more confident and open approach to communication with the public. The necessary cultural change would be facilitated by both politicians and public servants becoming convinced of the positive value of government transparency, not only to the wider public but also to governments themselves in the discharge of their duties. This change of values and culture provides the greatest challenge to public information policy.

Transparency is one of the aspect in the tax system's quality that influence compliance of the taxpayer and has been proven by earlier research which showed that tax collector culture and organizational culture has an impact on many changes in tax organization including the transparency level (Chuenjit, 2014). Rodriguez et al. (2015) carried out a comparative analysis of two administrative cultures namely the Anglo-Saxon and the Southern European. The findings lead them to believe that the administrative culture of a country could be an influencing factor in the commitment of the local government body to information transparency. Likewise, Igbeng et.al. (2015) in their study found that culture adapted by the tax administrator is interrelated to transparency of the organization and directly influence the compliance level of the taxpayers. Thus, administrative culture influences the role of government, its relationship with citizens, and the emphasis placed on accountability and transparency (Navarro & Rodríguez, 2011).

Keeping in view the effect of culture on tax administration transparency, it is important to examine the relationship between culture of a tax administration and its transparency.

2.7   External Publication and Tax Administration Transparency

According to Abiola and Asiweh (2012), information enables citizens to understand that payment of tax is a civic responsibility and not just a matter of give and take. Roberts (1994) investigated the impact of information dissemination on taxpayers' fairness perceptions when changes in tax laws were introduced. Using an experimental approach, the researcher demonstrated how public service announcements will improve fairness perceptions on the income tax system. In addition, the study suggested that the cognitive public service announcement is significantly more effective than the affective

approach in influencing fairness perceptions. Information dissemination in this context includes external publication which comes in many forms in order to deliver the necessary information to the public especially the taxpayer.

Hildreth (2005) explained that tax transparency entails an open policy making process with the goal to minimize the secrecy of decision-making. In line with that, Saad (2012) mentioned about the importance of full disclosure of information from tax authority to public to avoid negative perceptions due to inadequate information being disclosed to them. Saad (2012) also suggested that public advertisement on how the tax money was spent could be a helpful mechanism and recommended that IRBM as the tax administration body could use the website and annual report as external publication medium since no detailed information on government spending was reported in these two publicly available medium. This is important to enhance transparency and positive fairness perceptions and consequently compliance behaviour.

Blank (2016) observed the external publication in the view of *ex ante* tax administration, which largely occurs in the form of advance tax rulings issued by the tax authority. Based on his study on the United States Inland Revenue Service (IRS), he postulated that the information should be publicly accessible for the purpose of transparency and sociological legitimacy of the IRS. The external publication of tax rulings transparently reflect the IRS's interpretation of the tax law, whereas public disclosure of *ex post* tax enforcement is more likely to result in wasteful aggressive tax planning.

However, there may be a need to prevent premature disclosure in order to avoid tax-induced transactions (Hildreth, 2005). Broad public disclosure measures pose several potential threats to the tax authority's ability to enforce the tax law effectively and tax transparency empowers the public to monitor the tax authority, deterring the agency from pursuing misguided policies or engaging in corruption (Blank, 2011).

With the expectations to highlight the importance of external publication for the means of transparency, it is therefore necessary to analyse the relationship between external publication and tax administration transparency.

2.8   Chapter Summary

Chapter two reviews the related literature of autonomy, ICT, culture and external publication and their impact on tax administration transparency specifically transparency in IRBM. The reviews of preceding study contribute to further understanding of the current study. Thus, this present study is going to add knowledge in recognizing the determinants of transparency in IRBM.

CHAPTER THREE

METHODOLOGY

3.1   Introduction

This chapter explains the methods and procedures the study used to develop its data.
The chapter comprises of conceptual framework, hypotheses development, research
design, survey method, data collection method, population and sample size, data
analysis, questionnaire design, pilot test and chapter summary.

3.2   Conceptual Framework

This research looks into the relationships between IRBM transparency and autonomy,
ICT, culture and external publication from the perspective of employees of IRBM. In
this research, autonomy, ICT, culture and external publication are studied as
independent variables while IRBM transparency is the dependent variable. The
relationships between the variables are shown in Figure 3.1.
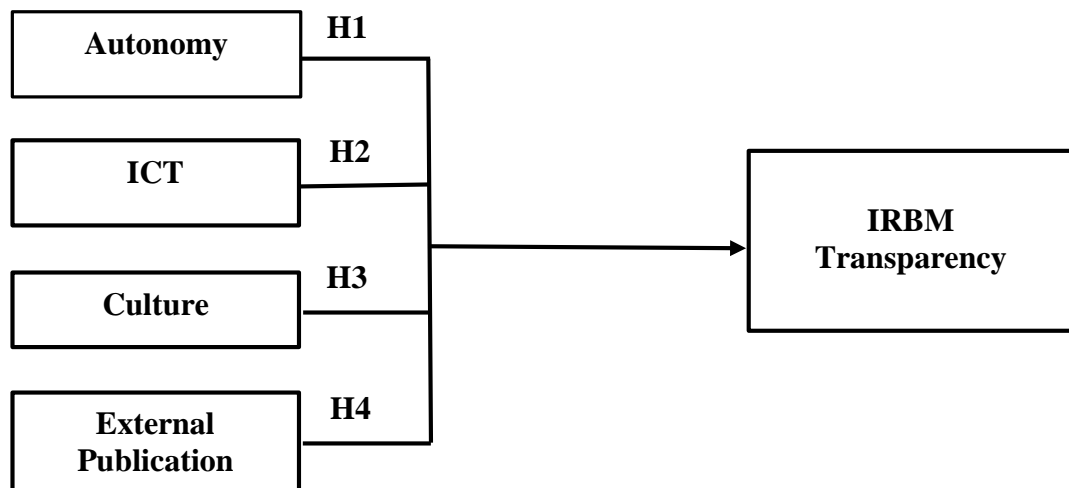
Figure 3.1
Research Model for the Relationship between Variables

3.3   Research Design

Research design is a blueprint in conducting a study with maximum control on the factors that would interfere with the validity of the findings (Burns and Grove, 2003). Referring to the problem statement and research objectives, this study has adopted an approach of quantitative research. According to Gall et al., (2003) quantitative research is suitable to the study which involve a large sample size that require a distribution of structural survey instruments like questionnaire.

A questionnaire was designed comprising of 30 questions. All questions were duly adapted and modified from previous studies by Park & Blenkinsopp (2011); Abiola & Asiweh (2012); Verscheure (2007); Upadhyaya (2011); Mansor & Tayib (2010) and Piotrowski (2007).

3.3.1   Survey Method

In achieving the objectives and in line with the research methodology, the data used in this study is primary data which is gathered through a survey. According to Sekaran (2000), when the study involves a large number of respondents, survey based method, in the form of questionnaire, is the most convenient medium of instrument. The questionnaires were distributed with a cover letter to enable better co-operation from the respondents. For the purpose of this study, the questionnaires are administrated by the researcher. The nature and design of the questionnaire was based on the studies that have been carried out previously.

3.3.2 Data Collection Method

Primary data was collected using a questionnaire distributed to 375 tax employees in branches of IRBM in the state of Selangor. The data gathered was based on the opinions of respondents on the 4 independent variables in determining the IRBM transparency using a five-point Likert scale that ranged from 1 (strongly disagree) to 5 (strongly agree). Cover letter is attached together with the questionnaire to explain the purpose of this study and to seek the respondent's cooperation in answering according to the instruction given. Two weeks period of time is allocated for the respondents to return the completed questionnaire to the researcher. The final sample of the study consists of 185 respondents.

3.3.3 Population, Sample Size and Sampling Technique

The population of the study is tax employees working with the Inland Revenue Board of Malaysia. In the year 2016, there were 11,535 employees attached to the branches, departments and head quarter of IRBM (Department of Human Resource, IRBM, 2016).

Ideally, samples are selected to represent the population of interest (Tabachnick & Fidell, 2007). For the purpose of this study, samples are selected from three IRBM branches in the State of Selangor namely the Shah Alam Branch, Petaling Jaya Branch and Klang Branch.   According to the table suggested by Krejcie and Morgan (1970) and Sekaran (2000), the ideal sample size for the population of 11,535 is 375. On the other option, Hair et al. (2006), proposed one proper and accurate selection of sample size for generalization intention of 15 to 20 for each variable. Hence, for this study the selected data should be at least 100 respondents (20 respondents for each 5 variables).

The type of sampling technique used is simple random sampling. This sampling procedure is ideal for the sample size of more than a few hundred. It removes bias from selection procedure and should result in representative samples (Gravetter and Forzano, 2011). The response rate is discussed in the next chapter.

3.4 Research Hypotheses

3.4.1 Dependent Variable

Sekaran and Bougie (2016) explains that dependent variable is the variable of primary interest to the researcher. The researcher's goal is to understand and describe the dependent variable, or to explain its variability, or predict it. Through the analysis of the dependent variable, it is probable to find answer or solutions to the problem.

The dependent variable in this study is IRBM transparency. As explained before, IRBM is responsible for the direct tax administration in Malaysia. Akintoye and Tashie (2013) specified that tax administration consists of all the strategies and principles adopted by the government in order to plan, impose, collect and account for taxes, as well as to coordinate and monitor staff who are charged with the responsibility for taxation.

OECD (2001) highlights that it is very important for a good tax administration to consistently maintain policies and procedures that are transparent and that conform to domestic tax laws and international tax treaties and norms. Consistency in transparency also implies ensuring that the rights and obligations of taxpayers and complaint procedures are outlined and communicated through guides, forms and external

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publication. Transparent and appropriate controls over the recruitment, promotion and dismissal of tax officials contribute to the integrity of a tax administration.

There are many definitions of transparency but most of them place the role of information accessibility at their core. For instance, Holzner and Holzner (2006) and Piotrowski (2007) defined transparency as the open flow of information. Oliver (2004) suggests that transparency in an organization is not only about what is communicated externally, but about what is right on the inside and introduces the concept of 'new transparency' to describe the trend for organizations to face more active demands for disclosure of information.

Studies on Malaysia's public sector's transparency suggest that public information are not always readily available (Barraclough & Phua, 2007; Yaakob et al., 2009) and in many instances, are not accessible (Siddiquee, 2010). However, according to Abu Bakar and Ismail (2011), there is a seemingly encouraging trend in Malaysia's public sector's transparency but still needs a rigorous effort to improve it.

Bauhr and Grimes (2012) in their study stated that most argument linked transparency to better practices in government operations build on the logic of principal-agent theory where transparency increases the likelihood of detecting malfeasance and will thereby deter the abuse of public power. On the other hand, some scholars urge caution, citing the negative aspects of transparency, such as violation of privacy, direct cost of disclosure, and revelation of sensitive information (Prat, 2006). Chambers (2004) highlights that secrecy rather than publicity is often what is needed to ensure a high quality of deliberation.

This study intend to examine tax administration transparency in Malaysia since there is very limited study in the area. It is hope that this study might help IRBM as Malaysia's tax administrator to consistently maintain policies and procedures that are transparent.

3.4.2   Independent Variables

Sekaran and Bougie (2016) explains that an independent variable is one that influences the dependent variable in either a positive or negative way. That is, when the independent variable is present, the dependent variable is also presents, and with each unit of increase in the independent variable, there is an increase or decrease in the dependent variable. In this study, the researcher intent to look into the direction and significance in relationship between the independent variables and the dependent variable.

3.4.2.1 Autonomy and Tax Administration Transparency

Autonomy shields tax administrations from political interference in day-to-day operations and provides them the flexibility in policy decision making in order to be able to respond to the fast changing challenges they face (Araki & Claus, 2014). According to Fjeldstad and Rakner (2003), political interferences which automatically come in the forms of directives, contribute to poor standard of services in tax administration. They empirically observed that where politics dominates over law, legal provision for organization autonomy of revenue authorities have limited importance especially when political elites do not respect them.

The creation of semi-autonomous revenue agencies (SARAs) provides tax administrations with greater than usual autonomy along several organizational design dimensions, including legal character, financing, governance, personnel policy, procurement policy, and accountability relationships (World Bank, 2005). Autonomy increases transparency of a tax administration (Rahman, 2009). This is also supported by Crandall (2010) who suggests that autonomy of government collection agencies can lead to better performance while maintaining appropriate transparency. These views are in line with Mikesell (2003) who argued that autonomy of a tax administration made it easier for taxpayers to know the types of taxes the government levied upon them. The more autonomous, the better tax administrators deal with transparency (Rahman, 2009; Crandall, 2010).

On the other hand, Durand and Thorp (1998) claim that autonomy facilitates short-term improvements in performance but failed to focus on other areas of administration. Torjesen and Geirgammaelseter (2004) propose that management in public organizations are easily trapped in the tension between autonomy and transparency.

Based on previous literatures discussed above, it was found that there is a positive direction of relationship between autonomy and transparency of a tax administration. Therefore it is suggested that there is a need to study the direction in relationship between autonomy and IRBM transparency. It is hypothesised that:

H1: There is a positive relationship between autonomy and IRBM transparency.

3.4.2.2 Information and Communication Technology and Tax Administration Transparency

The introduction of ICT, which includes hardware, software, storage technology, internet and other digital communication technologies generally contributes in both private and public sector organizations to an improvement in many critical domains including transparency (Brücher et al., 2003). ICTs enhance the overall transparency, enable optimization of organizational structures that is less hierarchy, less bureaucracy, and more flexibility which help to improve the ability of civil servants to respond to specific duties such as the duty of information and the principle of publicity of administrative activities (Zimmermann & Finger, 2005).

According to Bird (2010), computerization and appropriate use of modern information technology are important, but these improvements must be carefully integrated into the tax administration. ICT is one of an important aspect for tax administrations and the costs as a percent of total expenditures are relatively low in some countries such as Indonesia, the Kyrgyz Republic and Malaysia (Araki & Claus, 2014).

Mahmoud (2012) emphasizes that ICT empowered technologies promised to change the economy of the country when employed properly in tax administration. Jacobs et al. (2013) explains that to succeed in the modern world, tax administrations must have well-designed integrated tax information systems with legal provisions embedded in the tax legislation to enable the tax administrations to operate effectively alongside economic, business, and social environments fully engaged and immersed in modern technology. Canares (2016) argues that the use of ICT will result in more transparent and accountable revenue generation systems that will benefit both government and

taxpayers. The impacts of ICT can be seen in a number of ways, including transparency in assessment and other processes (Chatama, 2013). However Zimmermann and Finger (2005) highlighted that the introduction of ICT if not counter-balanced by any control mechanisms could heavily decreases the power of the local administration against businesses and other administrations.

In conclusion, the above discussion highlighted on how ICT influences transparency of tax administration. On that basis, this study intended to look into the direction in relationship between ICT and IRBM transparency. It is hypothesised that:

H2: There is a positive relationship between ICT and IRBM transparency.

3.4.2.3 Culture and Tax Administration Transparency

Culture is broadly understood as a set of basic assumptions about how the world is and ought to be, where a group of people share their perceptions, thoughts, feelings, and to some degree, their explicit behaviour (Schein, 1996). Administrative cultures can be classified according to whether problems are solved proactively or reactively, or whether the government–society relationship is based on consensus or on imposition (Howlett, 2004).

Previous researches proved that tax collector culture and organizational culture has an impact on many changes in tax organization including the transparency level (Chuenjit, 2014). However, earlier research by Kopits and Craig (1998) highlight that the cost of transforming a culture of secrecy into one of transparency might be significantly large. Mansor and Tayib (2010) suggest that determining the culture which is appropriate for all organisations is an impossible task because the characteristics of the organisation,

its external environment, and situational constraints dictate different values, beliefs and behaviours. Nevertheless, all organisations including those in the public sector, should guide their institutions toward development of a strong commitment to organisational values that enhance organisational performance. Thus, tax administrators should determine their existing culture to find ways for improving tax administration performance.

The style of administrative culture influences the role of government, its relationship with citizens, and the emphasis placed on accountability and transparency (Navarro & Rodríguez, 2011). Further to that, Rodriguez et al. (2013) findings lead them to believe that the administrative culture of a country could be an influencing factor in the commitment of the local government body to information transparency. Likewise, Igbeng et al. (2015) in their study find that culture adapted by the tax administrator is interrelated to transparency of the organization and directly influence the compliance level of the taxpayers.

Most of previous literature discussed above supported that culture does influenced tax administration transparency. Therefore, there is a need to study the direction in relationship between culture and IRBM transparency. Based on the above discussion, it is hypothesised that:

H3: There is a positive relationship between culture and IRBM transparency.

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3.4.2.4 External Publication and Tax Administration Transparency

Government openness relates to the information that the government releases and to what extent government makes the information available, as well as the extent to which citizens can demand and receive information not published proactively (Bauhr & Grimes, 2012). According to Roberts (2006), access to information depends on well-organized records and a professional civil service. Responding to citizen requests for external publication of information requires well worked-out routines for saving documents and making them accessible for the public, which can be costly in terms of monetary and human resources (Grigorescu 2003; Fenster 2006;Neuman & Calland 2007; Roberts 2006).

Saad (2012) mentioned about the importance of full disclosure of information from tax authority to public to avoid negative perceptions due to inadequate information being disclosed to them. Saad (2012) also suggested that public advertisement on how the tax money was spent could be a helpful mechanism and recommended that tax administration could use the website and annual report as external publication medium.

Blank (2016) observed the external publication in the view of *ex ante* tax administration, which largely occurs in the form of advance tax rulings issued by the taxing authority. Based on his study on the United States' Inland Revenue Service (IRS), he postulated that the information should be publicly accessible for the means of transparency and sociological legitimacy of the IRS. The external publication of tax rulings transparently reflect the IRS's interpretation of the tax law, whereas public disclosure of *ex post* tax enforcement is more likely to result in wasteful aggressive tax planning.

However, Hildreth (2005) indicated that there may be a need to prevent premature disclosure in order to avoid tax-induced transactions. Broad public disclosure measures pose several potential threats to the taxing authority's ability to enforce the tax law effectively. Tax transparency empowers the public to monitor the taxing authority, deterring the agency from pursuing misguided policies or engaging in malfeasance or corruption (Blank, 2011).

On the basis of the above discussion, this study hypothesizes that:

H4: There is a positive relationship between external publication and IRBM transparency.

According to Sekaran and Bougie (2016), a hypothesis can be defined as a logically speculated relationship between two or more variable expressed in the form of a testable statement. Table 3.1 provides the summary of the hypotheses developed in this study based on the four independent variables which includes autonomy, ICT, culture and external publication and their relationship with the dependent variable, IRBM transparency.

Table 3.1
Summary of the Hypotheses Developed in this Study

No	Independent Variable	The Hypotheses
1	Autonomy	There is a positive relationship between autonomy and IRBM transparency.
2	Information and Communication Technology	There is a positive relationship between ICT and IRBM transparency.
3	Culture	There is a positive relationship between culture and IRBM transparency.
4	External Publication	There is a positive relationship between external publication and IRBM transparency.

3.5   Data Analysis

The data collected in this study was analysed using Statistical Package for the Social Science (SPSS) version 23.0 software. The analysis was used to determine the relationship between variables. It includes the descriptive analysis, reliability and validity test, factor analysis, normality test, correlation analysis and multiple regression analysis.

3.5.1   Descriptive Analysis

Descriptive analysis was conducted to provide a summary of the information collected from the respondents. It transformed raw data into a set of information in describing a set of factors in a situation. Descriptive analysis presented the mean score, standard deviation, minimum value and maximum value of the data collected. According to Hair

et al. (2006), the spread or variability of the sample values from the mean will be explained by the standard deviation.

3.5.2 Reliability Test

Reliability test using Cronbach's Alpha was performed to ensure the construct is free from error and provide consistent result. Cronbach's Alpha can be explained as a correlation coefficient that range from 0 to 1. The closer the coefficient to 1 is the better result. According to Sekaran (2000), the reliability of a measure provides a consistent measurement across time and across several items in the instrument.

3.5.3 Validity Test

The validity of research construct will be tested using construct validity. The general concept of validity was defined as the degree to which a test measures what it claims, or senses, to be measuring (Brown, 1996). Factor analysis technique was used to get the estimation of construct validity.

3.5.4 Normality Test

Normality tests are used to ensure collected data has been distributed normally. Skewness and kurtosis test is conducted to ensure the data is normally distributed. Result will be presented in the form of histogram, bell shape curve and p-p plot.

3.5.5 Correlation Analysis

This analysis was used as a statistical technique in examining two variables correlation to each other. In this study, Pearson correlation is used to access the linear relationship between two variables to find if two variable correlate between them.

3.5.6 Multiple Regression Analysis

Multiple regression analysis was used in this study to analyse the influence of the independent variables on dependent variable in the present study. Hence multiple regression is used to get the best set of variables that gave meaning to the dependant variable. These analyses will help to determine whether the autonomy, ICT, culture and external publication are the determinants of the IRBM transparency.

3.6 Questionnaire Design

This study aims to identify the factors that contribute to IRBM transparency. To collect complete data, a questionnaire was developed. The questionnaire has two sections to be filled by the respondents who are the officials working with the Inland Revenue Board branches in the state of Selangor, Malaysia. The measures used were adapted from previous studies and amended to suit the present study. These measurements are explained accordingly to the following sections:

SECTION A

To identify the profile of the respondents in this study, nominal measures have been used. Questions have been asked about the age, gender, marital status, education level, position, income level and years of experience.

SECTION B

This section includes the questions that are related to the dependent and independent variables. There are 5 questions for the dependent variables and 18 questions for the

independent variables. Likert Scale of five points (1= strongly disagree, 2= disagree, 3=neutral, 4= agree, 5= strongly agree) was used.

Table 3.2
Measurement of IRBM Transparency

Variable	Items/Statement
IRBM Transparency	The Inland Revenue Board of Malaysia (IRBM)'s tax collection processes are implemented transparently.
	The entire tax collection processes are transparently disclosed.
	The tax employees of IRBM can clearly see into the progress and situations of the tax administrations tasks.
	The task of the tax administration are transparently done.
	The IRBM discloses sufficient information to the tax payers on its performance.

Adapted from Park and Blenkinsopp (2011)

Table 3.3
Measurement of Autonomy

Variable	Items/Statement
Autonomy	The Board of Inland Revenue has autonomy in recruitment and dismissal of staff.
	The IRBM has autonomy in its budget preparation and implementation.
	In my opinion our tax administrative structure has adequate autonomy.
	The Board of Inland Revenue takes most of the decisions itself after consulting the Ministry of Finance.

Adapted from Abiola and Asiweh (2012) and Verscheure (2007)

Table 3.4
Measurement of Information and Communication Technology

Variable	Items/Statement
Information and Communication Technology	The IRBM provides me with useful ICT trainings in the daily working procedures.
	The IRBM provides online facility on my desk.
	The IRBM regularly maintained our ICT infrastructures (digital devices, internet facility).
	The IRBM ensures that our organizational website is well maintained and updated.

Adapted from Upadhyaya (2011)

Table 3.5
Measurement of Culture

Variable	Items/Statement
Culture	People in IRBM seem to share a lot of themselves.
	IRBM is a very formalised and structured place.
	Bureaucratic procedures generally govern what people do in IRBM.
	People in IRBM are willing to stand up and take risk.

Adapted from Mansor and Tayib (2010)

Table 3.6
Measurement of External Publication

Variable	Items/Statement
External Publication	It is easy for the tax payers to get any document they want from the IRBM.
	The tax payers have the right to know about everything the IRBM does.
	Public access to records is crucial to the functioning of a good tax authority.
	Tax payer's request for IRBM documents is not a distraction for the IRBM employees.
	The IRBM involves the tax payers to help them identify the information they need.
	The IRBM provides information that is relevant to the tax payers.

Adapted from Piotrowski (2007).

3.7   Pilot Test

A pilot study is carried out with 30 respondents among tax officials in Shah Alam Branch, Selangor. The purpose of this pilot study is mainly to test the instrument used within a small group of respondents before the final questionnaire is distributed to the targeted population. Pilot test is concerned with the stability and consistency of the measurement. It helps to determine how consistently it measures a specific perception. This test is performed to ensure that the variables provide a consistent results and were error-free. One of the method to test for the reliability is through Cronbach's Alpha. Cronbach's Alpha can be explained as a correlation coefficient that ranges from 0 to 1. Coefficient which is closer to 1 indicated a best result whereas the result which is below than 0.6, indicates a lower reliability. The results of the pilot test is presented below:

Table 3.7

Pilot Study Reliability Test Result (N=30)

Variables	No. of Item	Cronbach's Alpha
IRBM Transparency	5	0.853
Autonomy	4	0.877
ICT	4	0.841
Culture	4	0.715
External Publication	6	0.810

According to Maslach, Jackson and Leiter (1996), the reliability analysis result will be accepted provided that the Cronbach's Alpha coefficient range is between 0.6 and 1.0. The analysis as shown in Table 3.7 portrayed that the reliability Cronbach's Alpha for all the variables are acceptable as they range from 0.715 to 0.877. They indicate that the questions are consistent and reliable in capturing the information from the respondent.

3.8   Chapter Summary

Chapter three presents the proposed research framework for the current research. The hypotheses developed is based on the extensive literature. This chapter also provide the research design, survey method, data collection method, population, sample size and sampling technique, data analysis, questionnaire design, pilot test and chapter summary.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1   Introduction

The purpose of this study is to examine the relationship between autonomy, ICT, culture, external publication and transparency in IRBM. This chapter explains the result of the study. The chapter begins by describing the descriptive statistic of the respondents and descriptive statistic of the dependent and independent variables. Then, it presents the reliability test, validity test, normality test and multicollinearity test. Lastly the main part of the results is the result of hypothesis testing which includes correlation and regression analyses to determine the relationship between variables (autonomy, ICT, culture and external publication) to IRBM transparency. The chapter ended with a summary of the findings.

4.2   Response Rate

A total of 375 questionnaires were distributed to the tax employees. Only 200 questionnaires were returned. 15 questionnaires were incomplete and as a result, rejected for analysis. Table 4.1 shows that out of 200 returned questionnaires, only 185 representing 49.3% were finally considered for the analysis, while a total of fifteen representing 4% incomplete questionnaires were rejected. The 185 out of 375 questionnaires were sufficient and a valid rate for the analysis because a rate of 30% and above can be considered as valid and acceptable in a cross-section study (Sekaran, 2000). The 185 responses exceed the rules of thumb for selection of sample size for generalization. Hair et al. (2006), proposed one proper and accurate selection of sample size for generalization intention of 15 to 20 for each variable. Hence, for this study the selected data should be at least 100 respondents (20 respondents for each 5 variables).

Table 4.1
Response Rate

Questionnaire	Frequency	Percentage
Total questionnaires distributed	375	100%
Returned	200	53.3%
Not Returned	175	46.6%
Incomplete	15	4.0%
Complete	185	49.3%

4.3   Demographic Profile of the Respondents

Descriptive statistics is used to describe the data collected and to develop the respondents' profile. 15.1% of the respondents are between the ages of 20-30 years; 49.2% are between the ages of 31-40 years; 27% are of the age group, 41-50 years and 8.6% of the respondents represent the age group of 51-60 years. There are 40.5% male respondents; and 59.5% of the respondents are female. In addition, among the respondents, 13.5% are single; 82.7% are married and 3.8% holds others marital status. In terms of education background, 76.8% have bachelor's degree or professional qualification, master's degree or doctorate, 13.5%; diploma, 5.9%; STPM or certificate, 3.2% and SPM or MCE or lower grade, 0.5%. 25.9% of the respondents belong to management and professional group; 67.6% are working as technical officer; 5.9% represents the supporting group and 0.5% are from others group. Looking from the monthly income level, 2.2% earn less than RM3000; 27 % earn between RM3000 to RM6000; 37.8% belong to income group of RM6001 to RM9000; 16.8% earn between RM9001 to RM12000 and 16.2% earn more than RM12000. Regarding working experience, 1.6% have less than 1 year experience; 12.4% have experience of 2 to 4 years; another 12.4% of the total respondents have been working between 5 to 7 years

and the highest percentage of 73.5% have more than 7 years working experience. Table

4.2 represents the full detail of the respondent profile.

Table 4.2
Demographic Profile of the Respondent

	Frequency (n=185)	Percentage (%)
Age		
20-30	29	15.1
31-40	91	49.2
41-50	50	27.0
51-60	15	8.6
Gender		
Male	75	40.5
Female	110	59.5
Marital Status		
Married	153	82.7
Single	25	13.5
Others	7	3.8
Education Level		
SPM/MCE and below	1	0.5
STPM/Certificate	6	3.2
Diploma	11	5.9
Degree/Professional Qualification	142	76.8
Masters/Doctorate (PhD)	25	13.5
Position		
Management and Professional Group	48	25.9
Technical Officer (Assessment/Collection/Cust.Service)	125	67.6
Supporting Group	11	5.9
Others	1	0.5
Income Level (per month)		
Less than RM3,000.00	4	2.2
RM3,001.00-RM6,000.00	50	27.0
RM6,001.00-RM9,000.00	70	37.8
RM9,001.00-RM12,000.00	31	16.8
More than RM12,000.00	30	16.2
Years of Experience with the Tax Administration		
One year or less	3	1.6
2-4 years	23	12.4
5-7 years	23	12.4
more than 7 years	136	73.5

4.4 Descriptive Statistic for the Independent and Dependent Variables

In this section the mean and standard deviation score of the variables are discussed. Five variables, namely IRBM transparency, autonomy, ICT, culture and external publication are measured by using a five-point Likert scale.

Table 4.3
Descriptive Statistics

Variables	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Transparency	185	4.1697	.56217	-.694	.179	.791	.355
Autonomy	185	3.9014	.66915	-.397	.179	-.078	.355
ICT	185	4.0068	.73833	-.631	.179	.438	.355
Culture	185	3.6959	.52107	-.615	.179	1.537	.355
External	185	3.6586	.62052	-.122	.179	.130	.355
Valid N	185						

Note : Skewness <=+1>= -1, Kurtosis<=+1>= -1

As shown in Table 4.3, IRBM transparency, autonomy, ICT, culture, and external publication have a mean score of 4.1697, 3.9014, 4.0068, 3.6959 and 3.6586 respectively. Correspondingly, the standard deviation is 0.56217 for IRBM transparency, 0.66915 for autonomy, 0.73833 for ICT, 0.52107 for culture and 0.62052 for external publication. The results shown that IRBM transparency has the highest mean score of 4.1697 above the other variables. The skewness values are within ± 1. Hence the distributions are fairy symmetrical. The kurtosis values too are within ± 1 except for culture which stated at 1.54. Hence the distributions of all the variables are fairly distributed normally and there were no case-wise outliers.

4.5   Reliability Test

Reliability analysis is carried out to test the reliability of the items measuring each variable. The reliability of the items depends on its stability and consistency in measuring the concepts of the study (Sekaran & Bougie,2016). Reliability is measured from Cronbach's Alpha coefficient value. If the coefficient value is high, it indicates higher reliability and vice versa. As a rule of thumb, the coefficient value of 0.7 and above reflects higher reliability (Sekaran & Bougie 2016; Hair et al. 2010).

Table 4.4 shows that Cronbach's Alpha of IRBM transparency, autonomy, ICT and external publication are in the range of 0.763–0.871. This result showed that the respondent's answers regarding the items of the four constructs are highly consistent. However, the coefficient value for culture is slightly lower at 0.590 with the correlation range between 0.282 and 0.470. Nevertheless, according to Maslach, Jackson and Leiter (1986) the reliability analysis result will be accepted provided that the Cronbach's Alpha coefficient range is between 0.6 and 1.0. Furthermore, Hinton et al.,(2004) mentioned that an alpha score between 0.5 to 0.75 is generally accepted as indicating a moderately reliable scale. Thus, all variables were accepted for the study and none of the items were dropped in the test.

Table 4.4
Summary of Reliability Analysis (n=185)

Variables	No. of Item	Cronbach's Alpha
IRBM Transparency	5	0.871
Autonomy	4	0.763
ICT	4	0.857
Culture	4	0.590
External Publication	6	0.772

4.6 Validity Test

Validity test is performed to check the suitability of the data in terms of correlation in the matrices on each constructs (Hair et al., 2010). Construct validity refer to the ability of an item to accurately measure what is supposed to be measured. For the purpose of the present research, several efforts have been taken into account during the process of developing the questionnaire. All of the items used to develop measures of IRBM transparency, autonomy, ICT, culture and external publication were taken from various sources in the literature which have been used repeatedly by various researchers as previously mentioned. However, to further confirm the construct validity of the items, factor analysis is carried out.

4.6.1 Factor Analysis

Pallant (2007) explained that factor analysis is one of the statistical methods to determine the variability among specific factors, and also to minimise a large number of related factors to a more manageable number. By using principal axis

factor analysis with varimax rotation, the analysis was conducted to extract all the five variables which are IRBM transparency, autonomy, ICT, culture and external publication.

As presented in Table 4.5, the data matrix examination indicates that the factor analysis application on all five variables is fit since the Kaiser-Meyer-Olkin (KMO) value for IRBM transparency, autonomy, ICT, culture and external publication are between 0.623 to 0.822 with percentage of Variance Explained ranging between 45.12% to 64.75%. The value of KMO that is higher than 0.50 is acceptable (Hair et al. 2010). In this case no items needs to be eliminated due to low factor loading. The value of KMO for each items under each variables is fit with the model since it is found that all the items exceed the value of 0.50.

Table 4.5
Factor Analysis (n=185)

Variables	No. of Item	No. of Factors	KMO	Variance Explained (%)
IRBM Transparency	5	1	0.822	64.75
Autonomy	4	1	0.735	59.14
ICT	4	1	0.797	61.19
Culture	4	1	0.623	45.12
External Publication	6	1	0.757	47.41

4.7   Normality Test

The normality test was done to analyse the tabulation of the independent variables and the dependent variable to ensure that all data are normally distributed and reliable (Garson, 2012). Base on the statistical method, the skewness and kurtosis analysis are among the statistical measures used in examining the normality of data (Pallant, 2007). According to Meyers, Gamst and Guarino (2006), the values of skewness and kurtosis should not exceed $\pm$ 1. Hair et al. (2006) stated that values of skewness that are outside the range of +1 to -1 imply a significantly skewed distribution. Table 4.6 indicated that in this study, the skewness and kurtosis values of all variables are within the +1 to -1 limit.

Table 4.6
Skewness and Kurtosis Values

Variable	Statistics			
	Mean	SD	Skewness	Kurtosis
Transparency	4.170	0.562	-0.694	0.791
Autonomy	3.901	0.669	-0.397	-0.078
ICT	4.007	0.738	-0.631	0.438
Culture	3.696	0.521	-0.615	0.537
External	3.659	0.621	-0.122	0.130

As part of the procedure for regression analysis, the probability plot was used in checking the normality of the data distribution. Data that has achieved normal distribution on a normal probability plot will align the plots in a straight line (Coakes & Steed, 2009) as shown in Figure 4.1. Also, confirmed by visual inspection of the histogram of the same data shown in Figure 4.2.

Figure 4.1
Normal P-P Plot of Regression Standardized Residual

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: IRBM Transparency
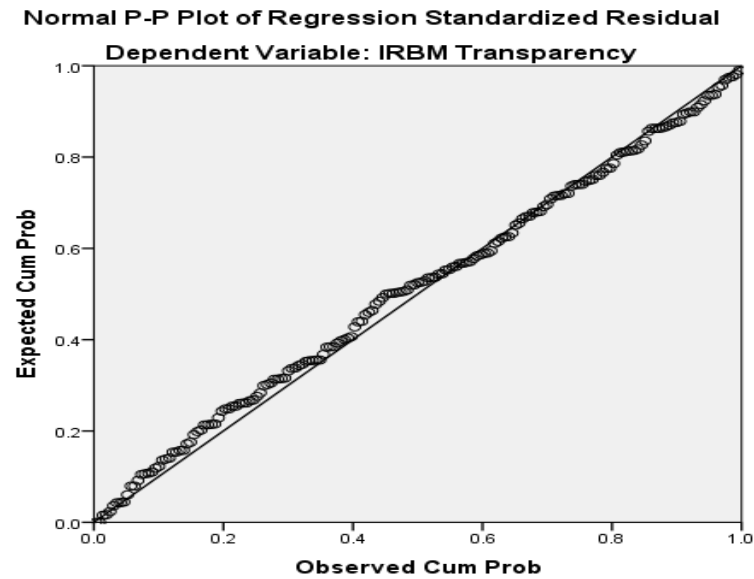
Figure 4.1 illustrated the graph of Normal Probability Plot. It advocates that the plot
is close to a straight line.

Figure 4.2
Histogram of Dependent Variable

Histogram
Dependent Variable: IRBM Transparency

Mean = 2.60E-16
Std. Dev. = 0.989
N = 185
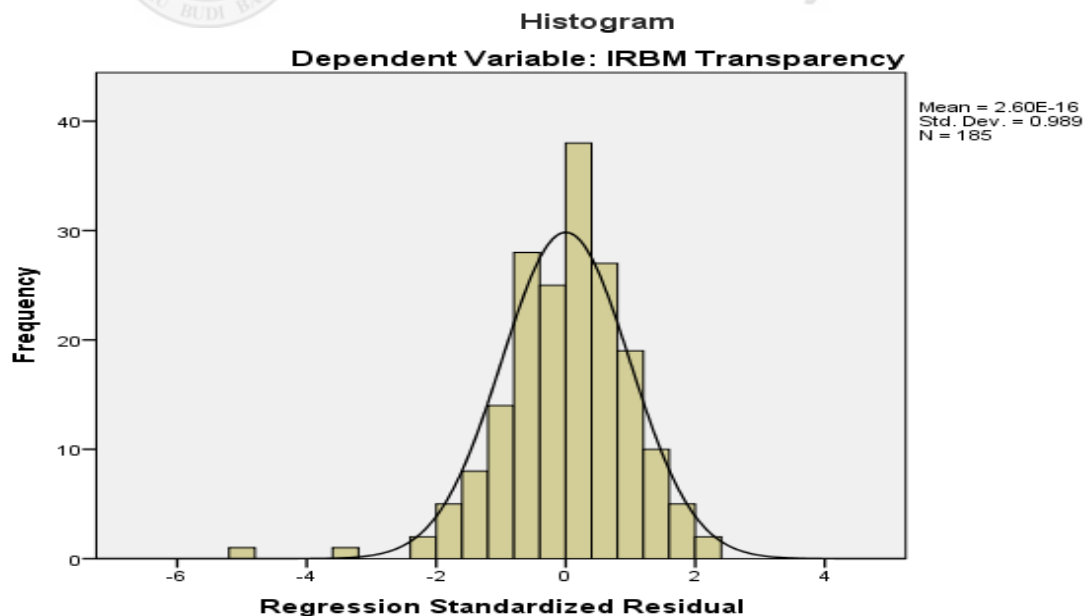
Figure 4.2 shows the normal plot of regression standardized residuals for independent
variables are relatively normal distributions.

4.8   Multicollinearity

The degree of the relationship between two or more variables is being indicated by the term multicollinearity. Multicollinearity exists when independent variables are strongly correlated with each other (Pallant, 2007). An extreme case of multicollinearity exists when two or more variables are perfectly interrelated which is also known as singularity (Mayer, 1999). In examining for any multicollinearity effects, the variance inflation factor (VIF) is used in the present study. As explained by Hair, Sarstedt, Ringle, and Mena (2012); and Sekaran and Bougie (2013), to determine whether or not this effect occurs, the average points for the tolerance value must be greater than 0.10 and the VIF value should not exceed 10. In this study, the VIF value of the variables are 1.472 for autonomy, 1.549 for ICT, 1.320 for culture and 1.160 for external publication. Respectively, the tolerance values range between 0.645 to 0.862. The values indicate that the tolerance value is substantially greater than 0.10 and the VIF is less than 10. Thus, it can be concluded that there is no multicollinearity among the variables of this study. The details of Variance Inflation Factor for the independent's variables are provided in Table 4.6.

Table 4.7
Variance Inflation Factors of the Independent Variables

Variables	Tolerance	VIF
Autonomy	.679	1.472
ICT	.645	1.549
Culture	.758	1.320
External Publication	.862	1.160

4.9   Correlation Analysis

Correlation analysis is meant to define the direction and strength of the linear relationship between two variables (Pallant, 2007). In order to examine the relationship that exist among the variables in this study, Pearson's correlation is used to investigate the relationship between dependent and independent variables. As presented in Table 4.8, the result of the correlation analysis conducted on the four independent variables indicated that they are positively correlated with IRBM transparency.

According to Piaw (2012), a correlation coefficient of .10, .30 and .50 is referred to as low, medium and high coefficient respectively. Based on the result presented in Table 4.8, a positive relationship exists between autonomy and IRBM transparency with a correlation coefficient of .597 and p-value equal to .000 at 1% level of significance. ICT and IRBM transparency are related positively with a correlation coefficient of .505 and p-value equal to .000 at 1% level of significance. The statistical results also confirmed that there is a positive relationship between culture and IRBM transparency by having a correlation coefficient of .548 and p-value equal to .000 at 1% level of significance. Hence, the three variables namely autonomy, ICT and culture have a high coefficient relationship with IRBM transparency. Nevertheless, the results in Table 4.8 shows that external publication and IRBM transparency carried a positive relationship but having a medium correlation coefficient of .298 and p-value equal to .000 at 1% level of significance. Overall, the result of the correlation analysis suggests that there is a fair degree of linear relationships among the variables of the study.

Table 4.8
Correlation between Variables.

	IRBM Transparency	Autonomy	ICT	Culture	External Publication
IRBM Transparency	1				
Autonomy	.597**	1			
ICT	.505**	.519**	1		
Culture	.548**	.391**	.449**	1	
External Publication	.298**	.317**	.312**	.250**	1

**. Correlation is significant at the 0.01 level (2-tailed).

4.10   Multiple Regression Analysis

To test the association between IRBM transparency, autonomy, ICT, culture and external publication, multiple regression analysis was utilized in this study. The main purpose of multiple regression is to identify the strength of the effect that the independent variables have on a dependent variable. R-square (R^2) is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination, or the coefficient of multiple determinations for multiple regression (Sekaran & Bougie,2013). The results from the regression analysis of IRBM transparency upon autonomy, ICT, culture and external publication are presented in Table 4.9. With an R-square of 49% and an adjusted R-square of 48%, it reflects that the determinants of IRBM transparency under study only explained 48% of factors that determined IRBM transparency. The result likewise explained the degree to which IRBM transparency is being influenced by the determining factors.

Table 4.9
Summary of Standard Regression Model

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701[a]	.492	.481	.40515

a. Predictors: (Constant), Autonomy, ICT, Culture, External Publication
b. Dependent Variable: IRBM Transparency

On the other hand, the coefficient analysis results as reflected in Table 4.10 indicated that, the p-values for autonomy, ICT and culture are less than 0.05. Hence, IRBM transparency depends on autonomy, ICT and culture while external publication was not significant. Pallant (2007) stated that if the p-value is less than 0.05, the variable is making a significant unique contribution to the prediction of the dependent variable. A p-value which is greater than 0.05 is concluded as not making a significant contribution to the prediction of the dependent variable. In conclusion, the higher are the perceived autonomy, culture and ICT, the higher is the perceived IRBM transparency.

Table 4.10
Coefficients of Standard Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig-value
	B	Std error	Beta		
(Constant)	1.026	.259		3.955	.000
Autonomy	.317	.054	.377	5.852	.000
ICT	.114	.050	.149	2.258	.025
Culture	.346	.066	.321	5.255	.000
External Publication	.047	.052	.052	.910	.364

*p < 0.01, **p < 0.05

4.11   Summary

This chapter discusses the data analysis performed in this study. The outcome of the data analysis was extensively discussed. The descriptive statistics method was utilised in order to analyse the demographic information of the respondents as well as the overall mean and standard deviation of each of the variables in this study. The hypothesis was tested with the purposed to answer the research questions to fulfil the research objective. Correlation analysis was used to examine the relationship between variables and regression analysis was used to investigate the significances of the independent variables to the dependent variable.

From regression analysis, IRBM transparency depends on autonomy, ICT and culture. The higher were the perceived autonomy, culture and ICT scores, the higher was the perceived IRBM transparency score. While external publication is seen having insignificant relationship with IRBM transparency.

Table 4.11
Hypothesis Summary

Hypothesis	Relationship	Findings
H1	There is a positive relationship between autonomy and IRBM transparency.	Supported
H2	There is a positive relationship between ICT and IRBM transparency.	Supported
H3	There is a positive relationship between culture and IRBM transparency.	Supported
H4	There is a positive relationship between external publication and IRBM transparency.	Not Supported

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1   Introduction

The present study attempted to examine the relationship between autonomy, ICT, culture, external publication and IRBM transparency. Chapter five provides the summary of the empirical results based on the research objectives and research questions. Additionally the significance of the study, it's theoretical and practical implication are presented. Finally the recommendations for future study are offered and followed by the conclusion of the study.

5.2   Objective 1: Autonomy and IRBM Transparency

Autonomy is the first predictor variable measured in the present study and is hypothesized to have a positive relationship with IRBM transparency. The result of the study shows that there is a positive and significant relationship between autonomy and IRBM transparency supporting the hypothesis developed. Similarly, Rahman (2009) explained that autonomy increases transparency of a tax administration. This is also supported by Crandall (2010) who suggests that autonomy of government collection agencies can lead to better performance while maintaining appropriate transparency. It is also in line with Mikesell (2003) who argued that autonomy of a tax administration made it easier for taxpayers to know the types of taxes the government levied upon them. The more autonomous, the better tax administrators deal with transparency (Rahman, 2009; Crandall, 2010).

5.3   Objective 2: Information and Communication Technology (ICT) and IRBM Transparency

The descriptive statistics of the responses given by the mean score on ICT provide strong evidence which indicates that ICT has a positive and significant influence on IRBM transparency. This result is similar to finding of Zimmermann and Finger (2005) that stated ICTs enhance the overall transparency and help to improve the ability of civil servants to respond to specific duties such as the duty of information and the principle of publicity of administrative activities. The result of this study supported the hypothesis that there is a positive relationship between ICT and IRBM transparency. It is also supported by prior empirical studies of Bird (2010), Mahmoud (2012), Jacobs et al. (2013) and Araki and Claus (2014) which indicated that there is a positively significant relationship between ICT and tax administration transparency.

5.4   Objective 3: Culture and IRBM Transparency

Culture is hypothesized to have a positive relationship with IRBM transparency. Under this hypothesis, the extent of influences of culture on IRBM transparency is being explored. The result obtained supported the hypothesis which is in line with the finding of Chuenjit (2014) which proved that tax collector culture has an impact on many changes in tax organization including the transparency level. Likewise, Igbeng et al. (2015) in their study find that culture adapted by the tax administrator is interrelated to transparency of the organization and directly influence the compliance level of the taxpayers. The evidence from the present study suggests that culture among the tax officials play a significant role in the level of IRBM transparency.

5.5   Objective 4: External Publication and IRBM Transparency

The present study hypothesized that there is a positive relationship between external publication and IRBM transparency. However, the regression analysis obtained in this study reflected that external publication is not significantly related to IRBM transparency. This shows that effort by making external publications available and accessible does not contribute significantly to the transparency level of the IRBM. This study is in contradiction to previous research which found a significant relationship between external publication and tax administration transparency. On the other hand, the finding is in line with Blank (2016) which postulated that information should be publicly accessible for the means of transparency and sociological legitimacy of the tax administrator but not necessarily significant because some public disclosure of *ex post* tax enforcement is more likely to result in wasteful aggressive tax planning. Hildreth (2005) indicated that broad public disclosure measures pose several potential threats to the taxing authority's ability to enforce the tax law effectively.

5.6   Theoretical Implication of the Study

From the discussion above, the findings of this study have a significant contribution theoretically to the body of literature. This study has a substantial effort in identifying the determinants of the IRBM transparency. Findings show that autonomy, ICT and culture have a positive and significant relationships with IRBM transparency, whereas external publication is found as having a positive but insignificant relationship with IRBM transparency.

The present study therefore adjoin to the current literature available on the tax administration transparency in the perspective of Malaysia. The results also provide an

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additional outlook in understanding tax administration transparency and its determinants. Generally, the findings of this study are of importance to academics, professionals and researchers as well as all concerns stakeholders.

5.7   Practical Implication of the Study

The study practically contributes to benefit all the stakeholders concerned with taxation. The findings of this study are valuable to IRBM as the direct tax administrator in Malaysia. This study provides additional confirmation on exploring the relationships between IRBM transparency and autonomy, ICT, culture and external publication from the tax employee's perspective. As such, this study recommends that IRBM looks into the autonomy level, implementation of ICT and organizational culture in order to achieve a satisfactory level of transparency locally and internationally. In general, this study provides a great assistance to the authorities concerned to utilize the outcomes to revise, review and to constitute tax laws and policies by taking into consideration the implication and effect on tax administration transparency.

5.8   Limitation and Recommendation for Future Research

This study is associated with some limitations. Firstly, the study was conducted in the IRBM branches located in the state of Selangor, hence it provides geographical limitation. The finding cannot be generalised extensively in Malaysia as so in the future, researchers may consider other states of the country in order to have an in-depth understanding of the issues. Moreover the study only look into the data of IRBM as the direct tax administrator without involving the other tax administrator in Malaysia

namely the Royal Customs of Malaysia, the Land Office, the District Municipal and few more government agencies and department handling various kind of taxes.

Another limitation to be highlighted is the number of independent variables being examined i.e., autonomy, ICT, culture and external publication. It is recommended that future researches take into consideration other variables so that a more comprehensive understanding can be obtained on the factors that related to tax administration transparency in Malaysia.

5.9   Conclusion

As a conclusion, this study has provided empirical evidence about the factors that determine IRBM transparency. More importantly, this study has met the research objectives as mentioned in Chapter One despite some of the limitations. The results of the research provide sustenance for all hypotheses developed in this study. The results reveal that autonomy, ICT and culture are positively and significantly related to IRBM transparency. Also, this study reveals that external publication is insignificantly related to IRBM transparency. Therefore, the IRBM as the direct tax administrator in Malaysia needs to strategize and take further action to become a more transparent tax administrator.

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A SURVEY ON THE DETERMINANTS OF IRBM TRANSPARENCY

Dear respondents:

I am a postgraduate student of Universiti Utara Malaysia and currently conducting a research for my Masters of Science (International Accounting) programme. I thank you for your participation in this survey which attempt to examine the determinants of IRBM transparency from the tax employee's point of view. This questionnaire is purely for academic research purpose. Any information provided will be treated strictly confidential. Data collected from this survey will be reported in the aggregate. As such your responses will not be identified with you personally.

Thank you so much for your cooperation in completing this questionnaire.

Yours Sincerely,

Prof. Madya Dr.Muzainah binti Mansor	Nor Aizarina binti Mat Isa
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SECTION A

DEMOGRAPHIC BACKGROUND

Instruction: please tick [✓] in the correct response where appropriate.

1. **Age [group]**
   [   ] 20-30
   [   ] 31-40
   [   ] 41-50
   [   ] 51-60

2. **Gender**
   [   ] Male
   [   ] Female

3. **Marital Status**
   [   ] Married
   [   ] Single
   [   ] Others

4. **Education Level**
   [   ] SPM/MCE and below
   [   ] STPM/MCE/Certificate
   [   ] Diploma
   [   ] Degree/ Professional Qualification
   [   ] Masters/Doctorate (PhD)

5. **Position**
   [   ] Management and Professional Group
   [   ] Technical Officer (Assessment/Collection/Customer Service)
   [   ] Supporting Group
   [   ] Others

6. **Income Level (Per Month)**
   [   ] Less than RM3,000.00
   [   ] RM3,001.00-RM6,000.00
   [   ] RM6,001.00-RM9,000.00
   [   ] RM9,001.00-RM12,000.00
   [   ] More than RM12,000.00

7. **Year of Experience with the Tax Administration**
   [   ] One year or less
   [   ] 2-4 years
   [   ] 5-7 years
   [   ] more than 7 years

SECTION B

Please indicate the extent to which you agree or disagree to each of the statement below. Kindly tick [✓] in the appropriate box that represents your response.

1	2	3	4	5
Strongly Disagree [SD]	**Disagree [D]**	**Not Sure [NS]**	**Agree [A]**	**Strongly Agree [SA]**

		1 SD	2 D	3 NS	4 A	5 SA
1.	The Inland Revenue Board of Malaysia (IRBM)'s tax collection processes are implemented transparently.					
2.	The entire tax collection processes are transparently disclosed.					
3.	The tax employees of IRBM can clearly see into the progress and situations of the tax administration tasks.					
4.	The task of the tax administration are transparently done.					
5.	The IRBM discloses sufficient information to the tax payers on its performance.					
6.	The Board of Inland Revenue has autonomy in recruitment and dismissal of staff.					
7.	The IRBM has autonomy in its budget preparation and implementation.					

1	2	3	4	5
Strongly Disagree [SD]	**Disagree [D]**	**Not Sure [NS]**	**Agree [A]**	**Strongly Agree [SA]**

		1 SD	2 D	3 NS	4 A	5 SA
8.	In my opinion our tax administrative structure has adequate autonomy.					
9.	The Board of Inland Revenue takes most of the decisions itself after consulting the Ministry of Finance.					
10.	The IRBM provides me with useful ICT trainings in the daily working procedures.					
11.	The IRBM provides online facility on my desk.					
12.	The IRBM regularly maintained our ICT infrastructures (digital devices, internet facility).					
13.	The IRBM ensures that our organizational website is well maintained and updated.					
14.	People in IRBM seem to share a lot of themselves.					
15.	IRBM is a very formalised and structured place.					
16.	Bureaucratic procedures generally govern what people do in IRBM.					

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1	2	3	4	5
Strongly Disagree [SD]	Disagree [D]	Not Sure [NS]	Agree [A]	Strongly Agree [SA]

		1 SD	2 D	3 NS	4 A	5 SA
17.	People in IRBM are willing to stand up and take risk.					
18.	It is easy for the tax payers to get any document they want from the IRBM.					
19.	The tax payers have the right to know about everything the IRBM does.					
20.	Public access to records is crucial to the functioning of a good tax authority.					
21.	Tax payer's request for IRBM documents is not a distraction for the IRBM employees.					
22.	The IRBM involves the tax payers to help them identify the information they need.					
23.	The IRBM provides information that is relevant to the tax payers.					

-END OF QUESTIONS-
THANK YOU

APPENDIX B

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size.
S is sample size.

Demographic Profile

Frequency Table

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	28	15,1	15,1	15,1
	31-40	91	49,2	49,2	64,3
	41-50	50	27,0	27,0	91,4
	51-60	16	8,6	8,6	100,0
	Total	185	100,0	100,0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	110	59,5	59,5	59,5
	Male	75	40,5	40,5	100,0
	Total	185	100,0	100,0	

Marital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	153	82,7	82,7	82,7
	Others	7	3,8	3,8	86,5
	Single	25	13,5	13,5	100,0
	Total	185	100,0	100,0	

Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mgt & Prof	49	26,5	26,5	26,5
	Support	11	5,9	5,9	32,4
	Technical	125	67,6	67,6	100,0
	Total	185	100,0	100,0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree/ Professional Qualification	142	76,8	76,8	76,8
	Degree/ Professional Qualification, Masters/Doctorate (PhD)	1	,5	,5	77,3
	Diploma	11	5,9	5,9	83,2
	Masters/Doctorate (PhD)	25	13,5	13,5	96,8
	SPM/MCE and under	1	,5	,5	97,3
	STPM/MCE/Certificate	5	2,7	2,7	100,0
	Total	185	100,0	100,0	

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM3,000.00	4	2,2	2,2	2,2
	More than RM12,000.00	30	16,2	16,2	18,4
	RM3,000.00-RM6,000.00	50	27,0	27,0	45,4
	RM6,001.00-RM9,000.00	70	37,8	37,8	83,2
	RM9,001.00-RM12,000.00	31	16,8	16,8	100,0
	Total	185	100,0	100,0	

Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-4 years	23	12,4	12,4	12,4
	5-7 years	23	12,4	12,4	24,9
	more than 7 years	136	73,5	73,5	98,4
	One year or less	3	1,6	1,6	100,0
	Total	185	100,0	100,0	