

# Chapter 78

## Ensuring Continued Usage of an E-Government Service in Malaysia: The Role of Perceived Usefulness and User Satisfaction

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### ABSTRACT

*This chapter highlights the importance of continuance usage intention of a technology. Continuance intention is defined as one's intention to continue using or long-term usage intention of a technology. Although initial acceptance is important in identifying the success of an information system, continued usage is even more significant in ensuring the long-term viability of technology innovations and in enhancing the financial and quality performance of an organization. Therefore, this chapter aims to examine the continuance usage intention of e-filing system by taxpayers in Malaysia. The data were collected from 153 taxpayers in the northern region of Malaysia using survey method. The result shows a significant relationship between perceived usefulness and continuance usage intention. Surprisingly, perceived usefulness was found to be insignificantly related to satisfaction and satisfaction towards continuance usage intention. Implication of these findings to the Inland Revenue Board of Malaysia is also elaborated.*

### INTRODUCTION

Successful diffusion of information communications technology (ICT) has technologies triggered the usage of Internet, e-commerce, and eventu-

ally in electronic government (e-government) (Khanh, 2014). Vathanophas, Krittayaphongphun and Klomsiri (2008) explains that the speedy growth in the use of internet and the emergence of e-commerce have put a growing pressure on

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the government to cater for citizens need electronically. E-government represents a fundamental change in the whole public sector structure, values, culture and the ways conducting business by utilizing the potential of ICT as a tool in the government agency (Alshehri, Drew & Alfarraj, 2012). E-government is being deployed not only to provide citizen services but for public sector efficiency purposes, improving transparency and accountability in government functions and allowing for cost savings in government administration. ICTs are changing the way the government does business for the people (UNPAN, 2008). The increasing power of ICT has also provided the governments with the flexibility of providing services and information to citizens through multi-channel. Citizens have diverse needs and demands for services; therefore it is no longer sustainable for governments to utilize one preferred way of service provision over the other. It is now ever more essential that governments exploit all possible delivery channels in order to reach out to as many people as possible, no matter how poor, illiterate or isolated (UNPAN, 2012).

Guided by Vision 2020, Malaysia has embarked on an ambitious plan by launching the Multimedia Super Corridor (MSC) in August 1996. MSC is a government designated zone, designed to leapfrog Malaysia into information and knowledge era (Boon, Ramayah, Ping & Lo, 2013). Seven specific flagship applications were identified as the pioneering MSC projects, which includes e-government as one of the flagships (Muhammad Rais & Nazariah, 2003). The Vision of e-government is to transform administrative process and service delivery through the use of ICT and multimedia (Lean, Zailani, Ramayah and Fernando, 2009). The projects under the e-Government flagship have been started since ten years ago aimed at building a more effective and efficient way to communicate and transact with the citizens and industries. One of the projects under e-government flagship is Online Tax System or

e-Filing (Hussein, Mohamed, Ahlan, Mahmud & Aditiawarman (2010).

As such, the objective of this paper is to evaluate the role of perceived usefulness and user satisfaction in ensuring the continuance usage intention of e-government services in Malaysia focusing on e-filing system.

## **BACKGROUND**

E-Filing system in Malaysia was introduced in 2006 by the Malaysian Inland Revenue Board (IRBM) to the Malaysian taxpayers. E-Filing system as a whole integrates tax preparation, tax filing and tax payment, which serves as a major advantage over traditional manual procedure (Ambali, 2009). Under the e-filing system, taxpayers need to fill their tax returns electronically via internet. The submission via e-filing has shown a tremendous increase since its launching in 2006 particularly for individual taxpayers. The number of submission grew from 186,271 (2006) to 873,095 (2007) (Annual Report IRBM, 2007) to 1,171,105 (2008) to 1,466,507 (2009) (Annual Report IRBM, 2009) to 1,666,134 (Annual Report IRBM, 2010). This shows that 33% of the total registered individual taxpayers (5,040,782) have filed their income taxes via e-filing in 2010 (Annual Report IRBM, 2010). The number of submission increases further to 1, 800,000 (2011) and 2,100,000 (2012) (New Straits Times, 2012) (refer to Figure 1). Various advantages are highlighted that can be provided by e-filing system such as the IRBM improves the efficiency of the tax assessment method, by increasing tax collection and reducing computation errors. Secondly, it saves taxpayers' time as tax returns are sent electronically to the IRBM. Thirdly, cost effective as it reduces cost on printing, imaging, postal and storage since it is paperless. Finally, the tax calculation is more accurate due to automatic calculation and detection of mathematical errors and incomplete fields by the system (Hasmah, 2009).

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