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The Impact of Incentive Alignment in Behavioral Acceptance

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ABSTRACT

The purpose of this paper is to highlight on the behavioral intention (BI) in technology application. The form of tax e-filing technology introduced in Malaysia particularly on corporate taxation is, however, not fully utilized, despite the enormous amount of budget allocated for this matter. As such, the present research is attempted to discover enrichment the model of acceptability in a situation where authority is involved in encouraging professionals (tax agents/preparers) to adopt the proposed system. Thus, the integration of the operant conditioning theory is expected to give a new outlook to the existing model. It is supposed to reveal the non-compliance behavior towards corporate tax e-filing acceptability among tax agents/preparers in Malaysia. Even though this Unified Theory of Acceptance and Use of Technology (UTAUT) model is accepted and integrated into many studies of various fields, their results revealed some inconsistencies when applied in different areas or situations. This paper is the first attempt in tax e-filing application which considered the element of incentive in BI. The empirical research findings would be of significance to record and enhance the UTAUT knowledge indirectly.

Keywords: Incentive Alignment, Partial Least Square, The Operant Conditioning Theory

JEL Classification: 031, 032, 033

1. INTRODUCTION

Technology without any incentive aligned to the acceptance could lead to a negative attitude toward the technology introduced (Ba et al., 2001). Incentive alignment does not mean organizational rewards for using a system only, but it could also be an individual's perception on job-fit and perceived value (PV) of technology adopted. The individual's perception of the perceived benefits of the technology to other work units instead, is lead to the perception of lack of incentive alignment and result in low acceptance of the technology (Ba et al., 2001). In a way, incentive alignment which is an important extrinsic reward could influence subjective norm, image, reduce anxiety as well as increase perceived enjoyment. This significant extrinsic reward is considered important drivers of intrinsic motivations (Deci et al., 1999; Ryan and Deci, 2000).

1.1. The Prominence of Incentive Alignment

The importance of incentive alignment is not limited to the system development, but also considered in other areas such as business

(Saxe, 2006; Ericson, 2011), construction (Ling et al., 2006; Rahman and Kumaraswamy, 2008), marine (Brandt and Svendsen, 2009) and healthcare (Teutsch and Berger, 2005; Safavi, 2006). No matter how difference is the area of study, yet the incentive alignment is not ignored as one of the elements to improve the performance or increase productivity. In fact, there is a significant relationship between incentive alignment and performance, productivity as well as in achieving an agreement between parties. The incentive alignment is indirectly increased or enhance appropriate delivery of services (Teutsch and Berger, 2005); improve performance (Safavi, 2006); increase productivity and assist in achieving goals as required (Rahman and Kumaraswamy, 2008). However, the trend of changes in incentives has not reflected the changes made in performance, i.e., the sharp changes in incentive policy have not necessarily force sharp trade-off in the market (Ericson, 2011).

Even though most of the time incentive is reflecting dollar or financial values, but there are also in other forms such as in

units of health (Teutsch and Berger, 2005), subsidies (Brandt and Svendsen, 2009) and equitable risk allocation (Rahman and Kumaraswamy, 2008). The importance of incentives alignment is arising as most of the companies and institutions believed of its capacity that could improve efficiency (Safavi, 2006; Brandt and Svendsen, 2009). As a matter of fact, there are models created in achieving this incentive alignment strategies such as traditional shared risk; pay-for-performance contracting; physician gainsharing; private-payer physician gainsharing; service-line gainsharing; and participating bond transactions (Safavi, 2006) for the healthcare department. In the construction side, there are contractual incentives and non-contractual incentives models (Rahman and Kumaraswamy, 2008). Regardless the model and area, the aim is to achieve the objectives and goals. For instance, the healthcare department hopes to achieve health in public health and healthcare; and marine with the aim to agree on perceiving profitability between fishermen and biologist regarding livestock's size. In the construction, the objective is to derive at designing procurement arrangements; selecting and mobilizing different project team's members, and adjusting the conditions of the contract that has equitable risk allocation for all related parties.

In business, long- or short-term incentives is useful in accomplishing a range of business objectives (Ericson, 2011) which indirectly encourage value-creating in business decisions. In fact, it is well accepted in a business environment where the specific result in a human endeavor is obtained with the allocation of incentives alignment to the goals (Saxe, 2006). The actual receipts compensation, i.e., normal salaries without any extra incentives given on a particular supplementary tasks or contracts is an unlikely success in generating additional to the aggregate total business income. However, it is achieved if the related parties were given incentives either regarding financial or nonfinancial values. Based on the arguments, the same situation is predicted in the case of e-filing, where lack of study is conducted to approve the role of incentive alignment in adopting e-filing and the intention-behavior to accept the system in completing return forms on behalf of clients. It is likely that, without any incentives alignment to the intention-behavior, even though e-filing is seemed to help in job performance; reduce effort in completing return forms; the benefits; and opinions by others on the usefulness of the system, tax agents/preparers would be reluctant to accept the tax e-filing system. Thus, balance or equitable incentive alignment between companies, tax agents/preparers and clients need to be achieved to increase productivity, profitability as well as in some potential clients.

Undeniable, the choice, behavioral option, accomplishment, rewards and punishment are also essential factors. Thus, the factors are considered as a value that one expect on any choice made either regarding benefit received or value in returned to be sacrificed. Objectively, this paper is designed to (1) identify the determinants of tax e-filing acceptability; and (2) examine how the incentive alignment is related to tax e-filing acceptability. In fact, the operant conditioning theory (OCT) that take into consideration all the factors mentioned above is explained accordingly in the following section. Then, the explanation will continue with methodology,

finding and discussion as well as the conclusion, limitation, and future research.

2. THE OCT

Expectancy theory is related to choice an individual made on the behavioral option. This means that one is motivated to a behavioral action when believed to achieve the desired outcome. However, it is not applicable all the time where there is a time where conditioning theory applies. This means that there is a time where one is a response to a behavioral where there is a stimulus. The behavioral is repeated when the stimuli give an effect on action taken (Skinner, 1969). In fact, the OCT stress that behavior is performed if it leads to desired consequences, even if it lead to undesired consequences (O'Donohue and Ferguson, 2001; Skinner, 1969). Therefore, the company could achieve its goals by linking the performance of specific behaviors to the accomplishment of specific outcomes via motivation. Also, the considerations are raised by conditioning that is with a balance between rewards, punishment, and timing (Teo et al., 2005; Jelavic and Salter, 2014). It could be that reinforcement is not the determinant of behavior change, but rather that the conditions created by the behavior modification intervention, i.e. structure, predictability feedback and the amount of time spent in the learner/teacher relationship is facilitated the formation of attached relationship which in turns facilitates behavior change (Skinner, 1969).

The OCT is further elaborated and tested into four tools, i.e., positive reinforcement, negative reinforcement, extinction and punishment (Weiss, 1990). These tools are motivated towards a high performance and prevent workers from engaging in other behavior which could obstruct from organizational effectiveness. Positive reinforcement gives workers' outcomes regarding monetary rewards, bonuses or job promotions as desired as functional organizational behaviors are performed. Negative reinforcement is taking into action by eliminating or removing undesired outcomes as soon as functional behavior is performed. However, the negative reinforcement is creating an unpleasant workplace, yet it is an alternative if unable to perform via positive reinforcement. Extinction involves limiting the dysfunctional of the performance by eliminating the causes of such behaviors. This is eliminating workers who break the rules and unethical as such behavior could affect others. Punishment is enforced to curve any dysfunctional practice or behavior which could be in the form of pay cuts, temporary suspensions, demotions or firing. There are cases where monetary rewards are the most effective kind of positive reinforcement. However, it is not necessarily yielding the same positive effects (Vredenburg, 2002; Haines et al., 2001; Hinze, 2002). The modification via operant reinforcement theory constantly demonstrated that behavior is explained and changed as well as predicted with the past and continues reinforcement given. This is basically recognized attention as a reinforcing event. Thus, behavior is a functioning of the environment in which the behavior occurs.

2.1. The Conceptual Framework

In a system development process, a software engineer who has responsibility for system characteristic and technology acceptance

with the feature of perceived usefulness, perceived ease of use and user satisfaction are not the only individual that need to be considered. There is also need to take into account the aspect of incentive alignment (Ba et al., 2001). This is because even though the first two dimensions are considered, but if employees find that the system features and capabilities of the system are not aligned with their interest and incentives, the acceptance among the employees is failed. Incentive alignment is one of the important aspects need to be considered in influencing behavioral intention (BI) (Ba et al., 2001). This is because if users find that the system features and capabilities of the system are not aligned with their interest and incentives, the acceptance of them could be failed.

Indirectly, the technology itself without any incentive aligned to the acceptance is lead to a negative attitude toward the technology introduced. In a way, incentive alignment that is an important extrinsic reward could influence subjective norm, image, reduce anxiety as well as increase perceived enjoyment. The extrinsic reward is considered important drivers of intrinsic motivations (Deci et al., 1999; Ryan and Deci, 2000). It is likely that, without any incentives alignment to the intention-behavior, even though tax e-filing seems to help in job performance; reduce effort in completing return forms; is benefited; and supported by others on the usefulness of the system, tax agents/preparers is reluctant to accept the tax e-filing system. Thus, performance expectancy (PE), effort expectancy (EE), social influence (SI) and PV are predicted to influence BI with the availability of incentive alignment (Figure 1) to the tax e-filing system offered to tax agents/preparers.

The dependent variable of this paper is the BI of accepting e-filing technology. BI is the degree to which the tax agents/preparers intend to use the technology of e-filing in preparing and submission of clients' return from (Davis, 1989; Venkatesh et al., 2003; Venkatesh and Bala, 2008). It is crucial to study on the

intention as employees and organization acceptance could improve technology efficiency and effectiveness (Anderson et al., 2006). The independent variables are PE, EE, SI, facilitating conditions (FC) and PV. In addition to the independent variables, the related moderating variable to the conceptual research framework is incentive alignment.

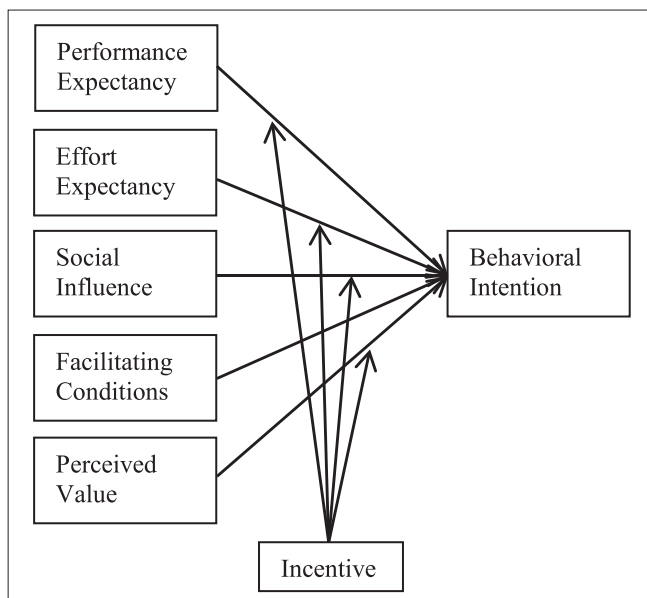
As for this paper, the unified theory of acceptance and use of technology model is modified and change to suit the situation of tax e-filing in Malaysia. Thus, most of the determinants are tested with the consideration of additional factor, i.e., PV. New moderator, on the other hand, is examined as the moderator, i.e. incentive alignment is expected to give a better explanation of this study. It is considered an essential pushing factor in choosing technology instead of manual system and yet to be empirically approved. The proposed hypotheses are as follows:

- H₁: PE has a positive influence on BI to accept tax e-filing in Malaysia.
- H_{1a}: The influence of PE on BI toward tax e-filing among tax agents/preparers will be moderated by incentive alignment.
- H₂: EE has a positive influence on BI to accept tax e-filing in Malaysia.
- H_{2a}: The effect of EE on BI toward tax e-filing among tax agents/preparers will be moderated by incentive alignment.
- H₃: SI has a positive influence on BI to accept tax e-filing in Malaysia.
- H_{3a}: The influence of SI on BI toward tax e-filing among tax agents/preparers will be moderated by incentive alignment.
- H₄: PV has a positive influence on BI to accept tax e-filing in Malaysia.
- H_{4a}: The influence of PV on BI toward tax e-filing among tax agents/preparers will be moderated by incentive alignment.

3. SAMPLING AND RESEARCH DESIGN

In total, there are 1,871 tax agents/preparers officially registered with Inland Revenue Board of Malaysia (IRBM) scattered in 15 different states in Malaysia. However, the sample size is limited to 714 with an additional 70% from the recommended size, i.e., 420 tax agents/preparers as according to the table suggested by Krejcie and Morgan (1970). After few reminders and screenings, there are 231 qualified respondents of registered tax agents/preparers. Tax agents/preparers are considered as the sample instead of the corporate taxpayers/clients. This is because freedom in choosing the medium of the transaction on tax filed to IRBM is fully given by the corporate taxpayers/clients to the tax agents/preparers. Indeed, the influence or factors from the point of view corporate taxpayers/clients are not considered. In fact, the tax professional is well known as highly knowledgeable (Lapointe and Rivard, 2005). This is evidenced by previous studies that acknowledge tax agents/preparers as an important third party in tax compliance settings who are equipped with technical knowledge as well as acquired with professional experience which enable them to communicate well with ordinary taxpayer (Lai et al., 2004; Burnett, 1998; Newsberry et al., 1993). Rogers (1995) also emphasizes on this matter and recognized that individual with a high level or better education level is tend to seek aggressively for new ideas.

Figure 1: The conceptual framework



Source: Adapted from UTAUT and TAM3 (Venkatesh et al., 2003, Venkatesh and Bala, 2008)”

The questionnaire distributed is a combination of structured and unstructured questions according to the section. It is divided into several sections (referred to as Section A, B, C, and D). Section A is a list of questions to know the intention and attitude of tax agents/preparers in accepting tax e-filing if given a chance or access. The following section is divided into parts. Those parts, i.e., Part I, Part II, Part III, Part IV and Part V are related to the determinants of tax e-filing. The questions listed give an idea of PE, EE, SI, FC as well as PV of tax e-filing among tax agents/preparers. Section C is a few questions to test on the moderator, i.e., incentive alignment. The purpose is to study the effect of the moderator on the determinants of tax e-filing whether there is any significant, non-significant or no effect at all on the BI to accept tax

e-filing. The last section is related to the demographic information of the respondents, such as age, race, education background, years of experience, the number of clients and location of tax agents/preparers' office.

The questionnaire that is designed using 7-point Likert scale, anchored by "strongly disagree" (1) to "strongly agree" (7) is sent via mail to respondents who are selected randomly using simple random sampling technique throughout Malaysia. The selection is made based on the list developed using SPSS software, which excluded the tax agents/preparers who have been participated in the Delphi and pilot test. All instruments are adapted from the literature and modified to suit with the tax e-filing BI in Malaysia. The questions are designed to cover the constructs that would determine the BI of tax agents/preparers to accept tax e-filing.

Table 1: Descriptive statistic of respondents (n=231)

Demography	Frequency (%)
Age (years)	
20-29	53 (22.9)
30-39	46 (19.9)
40-49	44 (19.0)
50-59	42 (18.2)
≥60	46 (19.9)
Race	
Malay	85 (36.8)
Chinese	135 (58.4)
Indian	9 (3.9)
Others	2 (0.9)
Gender	
Male	128 (55.4)
Female	103 (44.6)
Qualification	
Upper secondary	4 (1.7)
Certificate	7 (3.0)
Diploma	25 (10.8)
Bachelor	103 (44.6)
Master	11 (4.8)
Ph.D.	2 (0.9)
Professional	79 (34.2)
Location	
Perlis	2 (0.9)
Kedah	29 (12.6)
Pulau Pinang	20 (8.6)
Perak	17 (7.4)
Selangor	35 (15.1)
Kuala Lumpur	33 (14.3)
Negeri Sembilan	1 (0.4)
Melaka	12 (5.2)
Johor	27 (11.7)
Pahang	7 (3.0)
Terengganu	9 (3.9)
Kelantan	12 (5.2)
Sabah	21 (9.1)
Labuan	1 (0.4)
Sarawak	5 (2.2)
Experience (years)	
<3	79 (34.2)
3	59 (25.5)
4-7	93 (40.3)
Tax E-filing clients (clients)	
20 below	30 (13.0)
21-40	25 (10.8)
41-60	16 (6.9)
61-80	9 (3.9)
81-100	26 (11.3)
≥101	125 (54.1)

4. RESPONDENTS' PROFILE

The 231 qualified respondents consist of 128 male (55.4%) and 103 females (44.6%) as the details in Table 1. The ethnicity distribution of the respondents is Chinese, 135 respondents representing 58.4%, Malay representation is 36.8%, and the Indian and other races representation is 4.8%. The average age of the respondents is 42.9 years. Regarding education level, most of the respondents hold a professional qualification, bachelor degree, master degree and diploma holders with 34.2, 44.6, 4.8 and 10.8% respectively. Regarding application part, the majority of the respondents have 3 years of experience with e-filing

Table 2: The confirmatory factor analysis report summary for all construct (n=231)

Construct	Item	Factor loading	CA	CR	Average
PE (17 items)	PE 1	0.753	0.874	0.830	0.652
	PE 2	0.840			
	PE 3	0.935			
	PE 7	0.679			
EE (12 items)	EE 1	0.885	0.918	0.933	0.705
	EE 3	0.910			
	EE 4	0.869			
	EE 5	0.866			
	EE 6	0.901			
	EE 9	-E 912			
SI (9 items)	SI 7	0.864	0.937	0.812	0.840
	SI 8	0.978			
	SI 9	0.903			
FC (11 items)	FC 4	0.634	0.729	0.766	0.527
	FC 8	0.653			
	FC 10	0.867			
PV (8 items)	PV 1	0.818	0.818	0.889	0.728
	PV 2	0.941			
	PV 3	0.793			
BI (4 items)	BI 1	0.948	0.712	0.773	0.640
	BI 4	-1.40			
Incentive (8 items)	Incentive 2	0.898	0.923	0.806	0.768
	Incentive 3	0.979			
	Incentive 4	0.950			
	Incentive 7	0.637			

PE: Performance expectancy, EE: Effort expectancy, SI: Social influence, FC: Facilitating condition, PV: Perceived value, BI: Behavioral intention, CR: Construct reliabilities

(25.5%), 34.2% of the respondents with < 3 years of experience and 40.3% with 4-7 years of expertise in the tax e-filing. The majority of respondents who have experience with tax e-filing engaged with more than 100 clients per year (54.1%) or else with < 20 clients (13.0%). The respondents are from various places, i.e. Selangor (15.1%), Kuala Lumpur (14.3%), Kedah (12.6%), Johor (11.7%), Sabah (9.1%) and Pulau Pinang (8.6%). The other locations such as Perlis, Perak, Melaka, Pahang, Terengganu, Kelantan and Sarawak comprise of respondents <10%. The lowest representatives are from Negeri Sembilan and Labuan with one respondent only.

4.1. The Confirmatory Factor Analysis

The construct validity is achieved as the individual standardized factor loading (i.e., regression weight) is within the range of 0.5-0.7 for all the constructs as in Table 2. Even though BI construct left with two items to explain (i.e. originally four items), the construct is still supporting the content validity (Hair et al., 2010; Byrne, 2010). This is because as a whole, the model is over identified with a minimum of three items on the other six constructs (Byrne, 2010). It is the suggested number of items with a minimum of three and preferably of four (Hair et al., 2010), however, taking into account the whole model any construct with two measurement items is acceptable (Byrne, 2010; Awang, 2012).

Moreover, variance extracted measures are satisfied for all seven constructs where the reported average variance extracted (AVE) is 0.5 and above. The constructs are PE, EE, SI, FC, PV, BI and incentive alignment with the AVE values of 0.652, 0.705, 0.840, 0.527, 0.728, 0.640 and 0.768 respectively. In fact, all the constructs are also considered achieved the construct reliability (CR). This is because the constructs are above the minimum threshold of 0.6 (Awang, 2012). The CR range from 0.766 for the FC construct to 0.993 for the EE construct. Indeed, the supported evidence on the CR suggesting an adequate reliability.

Overall, the evidence supports the convergent validity of the measurement model. All loading estimates are above 0.5 (Hair et al., 2010), which indicates and ensures model fit or internal consistency. The AVE estimates also considered all as satisfactory and the same acceptance applied in the reliability estimates. In addition, the model fits relatively well. Therefore, all the items as listed are retained at this point as adequate evidence of convergent validity is supported and the cronbach alpha reported are all above 0.7 (i.e. between 0.712 and 0.937). The items that could not satisfy the threshold are deleted at the stage of factor analysis in ensuring the reliability and validity of the items tested is achieved.

4.2. The Structural Equation Modeling (SEM) and Partial Least Square (PLS)

The analysis is preceded via SEM and PLS approaches for direct and moderating effect on BI respectively. Besides testing the significance level, the model fitness, i.e., AVE and composite reliability (CR) is checked for its consistency of structural relationships with its theoretical expectations. Validation of the model also focused on the individual parameter estimates to

Table 3: Hypothesis testing result of behavioral intention (direct effect)

H	Relationship	Estimate	CR	p	R
H ₁	PE→BI	0.491	4.332	***	S
H ₂	EE→BI	0.651	5.397	***	S
H ₃	SI→BI	-0.178	-4.233	***	S
	FC→BI	-0.283	-0.926	0.354	NS
H ₄	PV→BI	-0.080	-0.610	0.542	NS
R ² =0.526					

***p<0.000, BI: Behavioral intention, PE: Performance expectancy, EE: Effort expectancy, SI: Social influence, FC: Facilitating condition, PV: Perceived value, S: Supported, NS: Not supported

Table 4: Hypothesis testing result of incentive alignment (moderating effect)

H	Fitness		Estimate	t value	R
	AVE	CR			
H _{1a}	0.6031	0.9602	-0.000	0.002	NS
H _{2a}	0.6215	0.9513	0.018	0.143	NS
H _{3a}	0.6896	0.9635	-0.067	0.989	NS
	0.5691	0.9401	0.058	0.547	NS
H _{4a}	0.7035	0.9659	0.093	0.803	NS
R ² =0.427					

***p<0.001, **p<0.05, *p<0.1, NS: Not significance, AVE: Average variance extracted

determine the statistically significant. Tables 3 and 4 indicate the standardized parameter estimates for all of the possible structural relationships including the non-hypotheses relationships. Relatively the new paths suggested if any, give an idea of model improvement or respecification for further research.

The hypothesis testing on the best model revealed few expected results, which supported the hypothesis developed in the paper. However, another two hypotheses are not supported. On the whole, there are positive relationships between PE and EE toward BI as reported in Table 3. Indeed, there is a solid ground to support hypotheses one (H₁) and two (H₂) where the estimate values are 0.491 and 0.651 with critical ratio of 4.332 and 5.397 respectively where both are significant at level p < 0.000. As for SI, the result reported a partial support for the hypothesis three (H₃) where there is a significance (p < 0.000) negative relationship toward BI. The estimated value is -0.178 with 4.233 standard errors below zero (0). The overall result on squared multiple correlations, i.e., R² of BI that successfully explained by the constructs is 0.526. Hence, it shows that 52.6% of the BI is explained by PE, EE, SI, FC as well as PV constructs.

The other two constructs which not supported the hypothesis are FC and PV. Both constructs has the highest correlation between them in the model that is 0.847 which could create multicollinearity or confounding problems (Awang, 2012; Hair et al., 2010), either one of the constructs could be eliminated (i.e., between construct covariance). In the case of FC, it seems that having no problem with other constructs regarding covariance which the range is between 0.401 and 0.590. The consideration of PV is focused on its covariance with EE that is estimated as high as 1.058. Relatively, FC and PV constructs estimated the low weight of -0.283 and -0.080 respectively, which means both are having the reverse effect on BI. In consideration of several possible alternatives for

improving the structural model, thus, there is a need for model respecification. Finally, the structural model retained the construct of PV with the other four constructs, i.e., PE, EE, SI and FC. This is mainly taking into account the effect of moderator that could change the direction of the constructs.

In considering the impact of incentive alignment on BI, PLS is applied into the best SEM model as in Figure 2. Therefore, all items in the five constructs are tested with the effect of incentive. However, the results revealed that none of the constructs, i.e., PE, EE, SI, facilitation condition and PV are successfully moderated by incentive in influencing the BI (Table 4). Regarding power explained, the moderating gives a decrement effect on the BI as the R² is 0.427 (Figure 2).

The four hypothesized relationships as illustrated in Table 4 with the effect of interaction are reported as not significance. This means that the influence of PE on BI toward tax e-filing among tax agents/preparers is not moderated by incentive alignment (H_{1a}). Besides that, the effect of EE on BI toward tax e-filing among tax agents/preparers is also not supported by incentive alignment (H_{2a}). In addition, the influence of SI on BI toward tax e-filing among tax agents/preparers is not affected by incentive alignment (H_{3a}). On top of that, the influence of PV on BI toward tax e-filing among tax agents/preparers is not moderated by the interactive effects, i.e. incentive alignment (H_{4a}). The details of AVE, CR, estimate and t- values as in the table below.

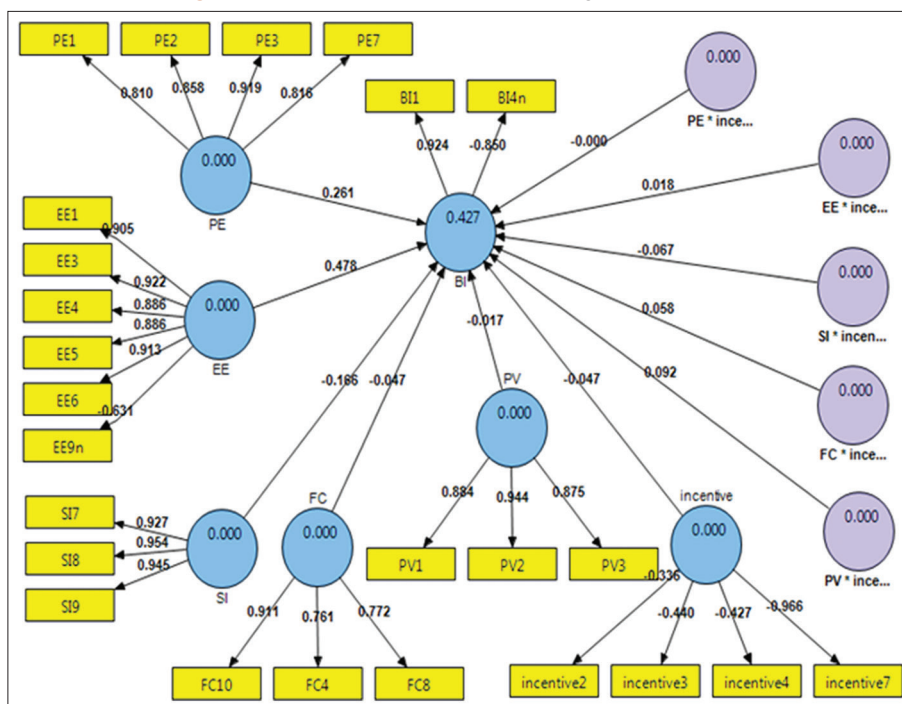
Relatively, the formative constructs are able to explain for 52.6% of the variance in the BI. The direct hypothesized relationship reported is significant on three out of the five relationships (Table 3). This simply means that only PE, EE, and SI could influence BI directly. Indeed, the moderating, i.e., incentive alignment does not play any role in supporting the relationship toward a better acceptance in the BI of tax e-filing among tax agents/preparers.

5. INCENTIVE ALIGNMENT IS MOSTLY DEPENDS ON THE GOAL TO ACHIEVE

Referring to this research finding, incentive alignment mostly depends on the goal to achieve. In fact, in the aspect of incentive attached to technology acceptance, it could be some form of intrinsic motivation in increasing or improving the intention to adopt the specific technology introduce. The acceptance level is failed without alignment of interest and incentives, even by a large system features and capabilities. Even in this research, it is assumed that incentive alignment is most probably influenced the PE, EE, SI and PV towards an improvement in BI to accept tax e-filing system. However, the element of incentives failed to support any of the constructs, which left the point to question the role of incentive in respect to tax e-filing among tax agents/preparers in Malaysia.

Generally, in obtaining a specific result, an alignment of incentives is set with the goal. There is also a time where the desired behavior is not rewarded which mostly depends on the plan to achieve. This is the case of tax e-filing, where the task is adequately accomplished even without any form of compensation or incentives. In reality, this is the accepted truth where in most cases, incentives have an only modest impact and do not have sustained effects and perhaps could be costly too. As for the reason, the critical issue is the desired result that vital to achieving, i.e. more fair payment, improved performance or affordability. Hence, an ultimate solution or governing objective needs to be developed, even if those reasons are aimed to be achieved. Incentive alignment seems not to be the appropriate tool to improve or increase the acceptance level in tax e-filing. On top of the appropriateness of incentive alignment, there is perhaps related to the issue of fair or right to grant incentives. Despite not supposed to receive an incentive on important programs, organization need to be loyal to communities and is expected to portrait as good corporate citizens. Hence, it is unlikely to demand incentive in ensuring the

Figure 2: Structural model of incentive alignment construct



government policies successfully implemented for the benefit of the society. The most effective incentives for a project are those that target a key area of competitive advantage for the company or offset a disadvantage for the community. In this particular research, neither the tax agents/preparers on behalf of the company nor corporate taxpayers expected gains or suffer from the existing non-technology system. Thus, incentive alignment plays no important roles, and it is supported by this research.

6. CONCLUSION AND RECOMMENDATIONS

Conclusively, the incentive alignment does not have any impact on behavioral acceptance particularly in the case of tax e-filing in Malaysia. The construct is failed to influence any of the direct relationships between PE, EE, SI, PV and BI towards tax e-filing acceptability. Indeed, it gives a decrement effect which simply means that incentive is not the main consideration in accepting any new technology application. Even with reward aligned to the task performance, tax agents/preparers are not willing to sacrifice their time to understand or learn the system. Hence, the determinants of tax e-filing acceptability are PE, EE and SI which are the essential element to be considered. Therefore, this could give a general idea to the policy makers, authority or any related parties before introducing any new technology application. Indirectly, could enhance the acceptability of the new technology once it is introduced without any rejections or arguments.

In this study, there are few limitations identified. First, the coverage of tax agents/preparers in Malaysia is limited to the registered tax agents/preparers as the non-registered is not recognized by the IRBM. The detail particulars are obtained from the website of IRBM in the year 2010 at the point of data collection period. Second, the open-ended questions failed to be reported due to no response given on this particular part. As for the results, the second objective is solely based on the response given to the structured questions. Therefore, it is suggested that another form of study, i.e. interview, qualitative or case study method of study is conducted in the future. Perhaps would be able to collect more data and achieve the desired level of sample size with the more impressive power of statistical tests.

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