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DOES THE BUREACRACY WORKS WELL? A CASE OF TANGKAK DISTRICT COUNCIL

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Abstract

The term "bureaucracy" also refers to a system of administration and law enforcement. It is a set of legal rules enacted by an organization. This paper discusses the challenges faced by employees in the Tangkak District Council (TDC), in the state of Johor, Malaysia, when attempting to implement Weberian bureaucracy. The bureaucratic approach allows the organization to control its services or production while also granting the manager or administrator the authority to delegate and establish administrative principles. In this study, we use data from semi-structured interviews and observations. It contributes to the researcher's ability to obtain information and answers to study the issues. Based on the researcher's observations and the interviewees' responses, it is evident that bureaucracy features are present. Notwithstanding the undesirable effects came out while implementing the theory, namely overburdened daily tasks, a complex process of assignments and understaffed personnel to the tasks assigned, the Weberian Bureaucracy certainly helped the organization to be able storing the data for future reference and identify the factors which hinder the bureaucratic practices. We suggest for the job scope and portfolio requirements to be re-evaluated, to alter the personal selection criteria based on the candidate's qualifications and adherence to moral and ethical principles, and finally to utilise the up-to-date technology as a method to deliver better services to the public.

Keywords: administration, bureaucracy, district council, government, Weberian bureaucracy theory.

Introduction

A bureaucracy is an administrative, government, or social system with a hierarchical structure and complex rules and regulations which also refers to a system of administration and law enforcement. Max Weber's believed that bureaucracy was the most efficient method of establishing an organization and administration as everyone is treated equally in a bureaucratic organization, and the division of labour for each employee is clearly defined (Weber, 1947).

Various perspectives on bureaucracy but Max Weber sees it from a positive angle that is, bureaucratic organizations are more reasonable and efficient. The ideal type of bureaucracy requires a complex administrative system, the properties of the system such administration includes in terms of accuracy, speed, no ambiguity, have judgment, set aside interests, no disagreement, step savings, sustainability, and agreement (A. Rahman A.N., 2009). However, bureaucracy is an unavoidable notion, both in common language and even in organisational analysis, even if in the critical sense (Ang, 2016). Bureaucracy, in general, is connected with extremely undesirable characteristics of businesses, such as operational delays, adherence to opaque rules, extensive paperwork requests, and even innumerable obstacles in meeting users' or customers' requests (Serpa & Ferreira, 2019).

Studies on bureaucracy were extremely complex because it deals with a variety of issues, including institutional, human resources, systems and procedures developed and implemented by the bureaucracy,

and aspects of bureaucratic reform. Bureaucratic rules and regulations are helpful when applied successfully in an organization, however, they seem to be obstructive when unexpected situations occur. The enormous challenge that the bureaucracy faces is how they can carry out their duties and responsibilities efficiently and effectively because, at this time, people always view the bureaucracy as a service process that is very complicated, rich in structure but poor in function, a lot of corruption, collusion, and nepotism, and a lack of basic operational standards (Yusriadi et al., 2017). As a result, the bureaucracy bears responsibility for the consequences of such management.

Tangkak District Council (TDC) was selected in this study as the local authority organisation that carries out the management and administrative process in the Tangkak District Area. TDC was formed on 1 August 1976 in accordance with the Local Government Act 1976, by combining the Local Councils of Tangkak, Kebun Baru, Sagil, Bukit Kangkar, Sungai Mati, Serom, Bukit Gambir, Grisek, and Kundang Ulu. Tangkak District Council covers approximately 13,566 hectares and has approximately 70,400 residents and 17600 asset holders. Aside from Tangkak District Council territory, this Council's administration area includes 20 meters (40 chains) of roadside along Kampung Teratai, Durian Chondong, Kg. Baru Bekoh, and Bukit Asahan.

While the practice of bureaucratic management is the focus of discussion, it is important to see how the management process is practiced and how well the bureaucracy works. By only focusing on the characteristics of bureaucratic management practices by the Tangkak District Council without looking at other forms of management, this study also wants to look at its implications for the management system of public administration organizations. The selection of bureaucratic management practice as the focus of the study is because it is practiced by all complex organizations in the world.

Problem Statement

Bureaucracy is a very difficult issue in getting a business in government organisations such as licenses (Rasli et al., 2020). Rasli et al. have studied the aspect of assessing integrity as well as the challenges of implementing authority in government organisations from the perspective of society and government staff. His study highlights the community's perspective on the services obtained as well as the problems they feel, especially involving bureaucracy, integrity and challenges that local governments face.

Issues concerning bureaucracy also were discussed by Tan Sri Muhyiddin Yassin while holding the post of Prime Minister of Malaysia on 6 July 2020. He mentioned the constraints arising from the bureaucratic approach practised in the administration in tackling the COVID-19 pandemic. He believes that bureaucracy and administrative issues should not impede the country's economic recovery and added we must not let the red tape and bureaucracy stymie us.

According to Max Weber's Bureaucratic Theory, bureaucracy is the foundation for the systematic formation of any organisation and is intended to ensure efficiency and economic effectiveness. It is an excellent model for management and administration in bringing the power structure of an organisation into focus. With these observations, he lays down the basic principles of bureaucracy and emphasizes the division of labour, hierarchy, rules, and impersonal relationship. It is critical to understand the basic principles of bureaucracy to effectively apply them in an organization. Hence, this study was conducted to explore the principles of Weber Bureaucracy that will guarantee an efficient and effective work culture that has been practised in Tangkak District Council.

Although nowadays, words like "bureaucracy" and "authority" have a negative connotation, the bureaucratic approach allows the organisation to control its services or production while also granting the manager or administrator, the authority to delegate and establish administrative principles. The bureaucratic administration was the most efficient of organisations, and as an ideal, the more effective and efficient the organisation's standardised functioning will be. Indisputably, it is the established rules and procedures that enable all employees to work efficiently and consistently.

However, due to its many hierarchical layers, bureaucracy is characterised by a large amount of red tape, paperwork, many desks, a specific office culture, and slow communication. This is the system's most

serious flaw. It is also unfortunate that employees are often estranged from one another and from the organisation, making them less loyal. Bureaucracies are also heavily reliant on regulatory and policy compliance. This limits employees' ability to come up with innovative ideas, making them feel like a number rather than an individual. Later research (the human relations theory) revealed that employees value attention and want a say in decision-making.

Even Max Weber, widely regarded as the father of modern bureaucracy, was well aware of such issues, criticisms, and fears about bureaucracy. Bureaucracy is especially inevitable in organisations where legislation plays an important role in delivering a consistent output. However, management must overcome some challenges. Hence, this study is conducted to identify the factors that hinder the bureaucratic practices in the management of the Tangkak District Council and to identify the impact of these negative elements on bureaucratic practices at the Tangkak District Council.

Based on the background research, the purpose of this case study is to identify the bureaucratic concerns displayed, to explore the principles of Weber bureaucratic that guarantee an efficient and effective work culture has been practised in Tangkak District Council, to identify the factors that hinder bureaucratic practices at the Tangkak District Council and to identify the challenges faced by employees in the Tangkak District bureaucratic practices at the Tangkak District Council.

Literature Review

The name "bureaucracy" is formed from two words: "bureau" and "Kratos." The term "bureau" alludes to the office, and the Greek suffix "Kratos" refers to authority or control. Thus, the term "bureaucracy" refers to the power of the office (Hummel, 1998 & Wasim 2011). In general, bureaucracy is the process of organizing scattered transactions and actions according to rational and objective rules (Başaran, 2000).

The bureaucratic management theory, introduced by Max Weber stated that to manage an organisation efficiently, it is essential to have a clear line of authority along with proper rules, procedures and regulations for controlling each business operation. Government organisations majorly adopted Max Weber's bureaucracy theory. Weber gave the following six principles for managing an organisation effectively and efficiently, namely; authority hierarchy, formal rules and regulations, division of labour, career orientation, impersonality, and formal selection process.

Factors Which Hinder Bureaucratic Practices

According to Mori (2017), management can be hindered by a bureaucratic structure in the following ways:

- i. Bureaucracy inhibits an individual's creative potential (Hamel, 2006). The bureaucratic organisations leave little room for enthusiasm, creativity, and self-direction, which limits the implementation of new management approaches. The employees are treated as though they cannot be trusted or will not work diligently unless pushed.
- ii. Bureaucracy is detrimental to organisational effectiveness. Due to alterations in modern organisations' aims, methods, culture, structure, and operating environment, it appears challenging to establish creative management methods due to lack of adaptability and dynamism. Bureaucracy erodes employee morale and dedication by pitting individuals within an organisation against one another and misdirecting their energy into conflict or competition instead of mission accomplishment (Hamel, 2012).
- iii. It is a restriction of New Public Management. This is because bureaucrats are typically involved in the planning and management of the administrative reform process. It promotes the separation of functions into separate agencies, the replacement of traditional hierarchies with flatter, more flexible and responsive structures, and the decentralisation of management authority within public agencies, giving top management the freedom to manage with clear accountability (Larbi, 2003). However, without adequate communication and involvement of employees in the process of new public management, its worth is difficult to discern, and new management techniques cannot be implemented.
- iv. Bureaucracy hinders the concentration on organisational objectives. Most individuals tend to focus on their respective areas and comply as best they can to the rules and procedures in

place. The employees lack a sense of belonging in their organisation, and the vast majority of them are unaware of their organization's vision and objective, working instead to impress their managers (Chand, 2015). This inhibits management innovation since employees are not concerned with their contribution to the organization's overall objectives and value. In many instances, their primary concern is proper adherence to the rules and processes, and they do not perceive a need to work harder or adjust because the emphasis is narrow.

Challenges In Implementing Bureaucracy

The bureaucracy in Malaysia has not averted popular criticism for its inefficiency, corruption, and failure to protect public interests, despite its commendable roles in directing the socio-economic development process. The media, civil society organisations, the intelligentsia, and the political opposition have skilfully leveraged the main scandals to highlight the growing public concern about the poor performance and lack of responsibility and responsiveness of the bureaucracy. This has supplied the fuel for the "clean and efficient" movement, which began in the early 1980s, and a succession of following measures to promote proper values and ethics among public officials. Numerous laws and regulations have been drafted, important reforms have been implemented in numerous administrative domains, and a comprehensive training and bureaucratic reorientation programme have been implemented. Despite this, current data reveals that corruption and other irregularities continue to plague the public sector. Though generally favourable, the performance of several reforms in public service and the institutional procedures put in place to address ethical issues has manifestly fallen short of expectations (Mori, 2017).

Research Methods

This study uses a qualitative methodology to address the questions "how" and "what." It examines a phenomenon argued by existing theory by testing and applying it in a case of an organization. In other words, this study is both descriptive and analytical, exploring the extent to which Weber's theory of bureaucracy is applied or otherwise in the case of the Tangkak District Council. Data gathering strategies are concentrated on interviews and observations in addition to library research based on books, journal articles, seminar proceedings, and newspaper clippings.

The research design for this study's interview is a semi-structured interview. This strategy provides the participants with greater freedom and diversity to elaborate, as well as the chance to learn more from them. In terms of sampling, the purposive sampling is used. The strategic nature of this sort of sampling necessitates a lot of work to achieve a suitable fit between the study's goals and the sample size (Bryman, 2004). Inclusion criteria of informants are based on staff serving in the district council. The researchers also managed to interview the staff. About five informants are interviewed. They are very close to one another. The data are evaluated using a theme analysis, which involves transcription, coding, analysis, interpretation, and confirmation (Sarantakos, 1998).

Finding and analysis

This section presents the findings of the study based on feedback obtained from interviews and observations conducted in the Tangkak District Council. The study explores the extent to which Weberian bureaucracy is put into practice, as well as the factors that hinder the approach. Personal information of individual interviewees is kept confidential.

Opinion On Bureaucratic Approach

When asked about the characteristics of bureaucracy, some informants perceived this bureaucratic approach with a hierarchy of authority, a source of command, a top-down system, and giving and receiving orders. One of the responses is as follow:

"In this department there are instructions from the head of the department. There are also from other departments and follow the organization chart of the council."

Documentation is also a theme often mentioned by informants. One informant related the documentation with the keeping and recording of memos, minutes of meetings and correspondence. Another informant emphasized the need for proper documentation as to help individuals to recall the details of the works. To

him, without proper documentation, continuous development was hard to be achieved. Another informant looked the documentation process with the filing process for the purpose of more systematic arrangement and organization. Here are some of their sayings:

"Bureaucracy that I understand... things that involve... complicated work, like e-kasih, you have to fill in a form when you want to register and then fill it in the computer".

"All I know is that bureaucracy is something related to filling, that there are rules to be followed. by the system"

Regulations are another subject that informants frequently touch on. Among them is the existing condition of work, namely working hours. Examples include using the thumbprint method to sign in and out and wearing appropriately when working at the front counter. For staff who have a reasonable reason to leave early on a working day, it is necessary to fill in the prescribed application form. This is one of the regulations that is stipulated in the Local Government Officials (Conduct and Discipline) General Regulations 1988. The response is shared here:

"Among the rules we have to follow are working hours, so it's compulsory to be fingerprinted on the machine according to working hours .. all clothes again when working at the front counter."

However, the existence of this hierarchical structure has also given different connotations especially to employees at the lower management level, they feel inferior. Ideas are not required for them to develop the organization, only the department heads and higher officers have the authority to make choices and decision. Here is her response:

"It feels like we are bound by the rules... again when we are subordinates, we have to follow the boss and if we want to give ideas when the boss asks because we don't want to show off"

Factors Hindered Bureaucratic Practices In Tangkak District Council

When the informants were asked about the reasons why bureaucratic practices are difficult to implement in the Tangkak District Council, many agreed and in addition have diverse responses. The specialization of work and the division of tasks as argued by Weber to ensure that the work carried out effectively is affected when the District Council faces with the shortage of staff. One informant further explained that the shortage could cause an increased workload for staff which later on affects the quality of services.

In addition, the neat and orderly distribution of responsibilities is also affected if it is not managed well by the head of the department. As a result, the implementation of services will suffer from a lack of equity and severity in task supervision. Task distribution is an area related to the firmness and fairness of department leaders. There are also employees who are assigned tasks outside of their proper expertise and field. The response is as follows:

"Follow the boss too because like the boss of this department does distribute tasks fairly and there are only three of us and we really need to know everything... but if there are employees in other departments who are forced to work outside of their duties. You can say each boss' attitude is strict and some are not strict"

Talking about leadership issues, one informant shared about the attitude of his head of department who was too compliant with the standards in overseeing his subordinate staff. In this regard, Merton (1987) used to criticize this kind of environment that exists in organizations to the extent it inhibits individual freedom and creativity in organizations. For example, a strict discretion which does not allow staff to pick up children at school at certain times is seen as excessive.

Talking about this leadership issue, one informant shared about the attitude of his head department who was too tied with the standards in overseeing his subordinates. In this regard, Merton (1987) criticized the rigid behavior that exists in organizations that hinders individual freedom and creativity in organizations.

For example, a strict discretion which does not allow staff to pick up children at school at certain times is seen as excessive. This is a classic example that exists in most workplaces in Malaysia. For researchers it is not a big issue, however it needs to be handled well and harmoniously.

"This rule is important but according to the perceived situation. But here there is a practice of flexible working hours according to the number of working hours... so it is easy to take care of children in school"

The process and nature of documentation is also mentioned as a cause of the increased workload. For example, the *e-kasih* application requires the review and scrutiny of several important documents such as copies of identity cards, salary slips, health reports and more. Despite the fact that the work was done digitally, document verification is still necessary. This work that seems to be done twice is actually out of the question, just to make sure that one job is fair, transparent and error free. Here are the responses:

"Various information needs to be collected and kept as evidence for the e-kasih. For example, you have to make sure that if you want to apply for. The documents must be completed before the next process can be carried out."

"It takes a long time too... like every month we have to collect data on tourists who come to Tangkak district... it is always difficult to get information because we have to call to remind them... if there is no cooperation, it is difficult to prepare for the tourism activities"

One of the crucial traits of bureaucracy listed by Weber is bureaucratic rationalisation (Godoi et al. 2017). In the case of the Tangkak District Council, based on the results of interviews, informants found few practices appear to be contrary to the principle of the bureaucratic rationalization. Firstly, the decisions are made inconsistent with the practice and the precedent, caused by external and personal factors. Second, the existence of factionalism in the department which then triggers biased decisions. Third, the officer's exaggerated personality, which eventually has an impact on the workplace and workflow. Here are some of their responses:

"We have to filter everything that comes in first, but for this decision, there are also personal issues involved because sometimes when we work, let say if the staff is sick or has a personal problem, they are being heard, I'm too have the problem, but the treatment is different"

Recommendation and Conclusion

In light of the findings above, few fundamental suggestions are highlighted to address some of the issues. The first is to increase the recruitment of staff. This issue is not new to Malaysia's public sector and the Tangkak District Council in particular, is not an exception. However, this fundamental problem should not be taken lightly. Insufficient staff is not a small matter. It is impossible for a culture of high performance and quality service to be achieved if the organization faces this kind of problem. It is a basic thing that needs to be met but it appears to be taken for granted. Second is staff recruitment aspect. This process should be carried out transparently and openly to guarantee that the staff appointed are right and qualified. If such things do not take place, such an unproductive culture will develop, leading to laziness and negligence, which then create a detrimental effect on the employee performance and the organization's reputation. Third, technology for data processing and storage. Storage of documents and data at the Tangkak District Council is still at an elementary stage. Demands for e-governance, Industrial Relations 4.0, high-capacity filing systems (such as the use of Google Drive or Cloud) need to be applied and imposed as fast as possible as to guarantee smoother, integrated and effective service delivery.

Future Study

Some study limitations were discovered, and these can be considered for further research. The lack of the participants is one among them. A more varied viewpoint in terms of age, gender, and other factors will enable the study to produce more thorough and in-depth findings. Second is in terms of research method. The results of existing qualitative studies can be strengthened and supplemented with quantitative investigations, particularly in terms of how the organization perceive the success of Weber's bureaucratic approach.

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Author Contribution

TM AmirulHakimi & Muhammad Azamuddin – Writing & Data Collection, Ahmad Faiz – Conceptualization & Supervision, Anie Farahida – Review, Editing & Corresponding Author.

Conflict of Interest

Author declares no conflict of interest.

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APOSTASY: PERSONAL RIGHTS GUARANTEED?

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Abstract

Apostasy is conversion from Islam to other religion and recognised as a right under the Universal Declaration of Human Rights where the rights to alter one's faith or belief is guaranteed. However, the law relating to apostasy seems to be very strict to Muslims in Malaysia who want to alter their faith from Islam. Past studies indicated that the law in Malaysia is unfavourable for apostate to achieve their intention in renouncing from Islam although the Federal Constitution of Malaysia provides freedom for citizens to profess their preferential religion. This paper aims to explore the law relating to apostasy and its implementation against apostate who intending to renounce from Islam. This study employed a qualitative research design of a doctrinal nature using both primary and secondary data such as legislation, cases, articles and other relevant documents. It was found that despite the freedom to profess favourable religion, once a Muslim, the journey to achieve apostasy is challenging and the inconsistent rules and regulations in the States in Malaysia does not give sufficient avenue for apostate to renounce from Islam since the freedom under the Federal Constitution is not absolute.

Keywords: *apostasy, riddah, Muslim, freedom of religion, Universal Declaration of Human Rights, Federal Constitution*

Introduction

Apostasy is recognised as a right under Article 18 of the Universal Declaration of Human Rights (UDHR) 1948 which stipulates that everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance. Article 18 of the UDHR indicates freedom of religion is unlimited and the international human rights law allows no restrictions on a person's religious belief where man has the right to change his religion or belief and to manifest his religion or belief in any possible means (Sulaiman et. al., 2020). The Federal Constitution of Malaysia guaranteed the rights to freedom of religion in Article 11(1). This right to freedom of religion is also guaranteed in Qur'an in verse 256 of Sura al-Baqara: "There is no compulsion in religion". However, past studies and reported cases shown that there is no total freedom of religion in Malaysia as stated in the Federal Constitution (Khareng et al., 2014; Ghani et. al., 2017; Sulaiman et al., 2020).

A person can be a Muslim either by birth or by conversion from another religion to Islam by a simple recitation of the profession of faith (shahada) in the presence of two witnesses, "There is no God but God, and Muhammad is the Prophet of God" (Hermansen, 2014). The Qur'an criticises those who renounce Islam or intend to renounce after their conversion to Islam by saying, "... and whoever of you turns back from his religion, then he dies while an unbeliever, these it is whose works shall go for nothing in this world and the hereafter, and they are the inmates of the fire; therein they shall abide" (2:217). Renunciation from Islam or known as 'apostasy' or *riddah* (in Arabic) means "turning away from Islam" or "severing the ties with Islam" which can be materialised by expression of unbelief, specified as words implying unbelief, deed implying unbelief or, according to Shafi'ite doctrine, the mere intention on unbelief (Peters

& De Vries, 1976). Renunciation from Islam is fall within the jurisdiction of the syariah courts in Malaysia by virtue of the Article 74 and List II of the Ninth Schedule to the Federal Constitution. Article 121(1A) of the Federal Constitution provides that the civil courts have no say in matters that fall within the syariah court's jurisdiction. The authority and jurisdiction of the syariah courts were limited and delineated by the state legislature.

Nasir and Ismail (2016) found that there six States such as Selangor, Wilayah Persekutuan, Kedah, Perlis, Johor and Sarawak which did not have provisions in their syariah law relating to offences for renunciation from Islam. The non-existence of law on apostasy in the syariah matters might portray that apostasy is not an offence. The same author (Nasir and Ismail, 2016) further found that the States which have a law on apostasy varies on the types of offences such as contempt of religion of Islam (Sabah Syariah Criminal Offences Enactment 1995, section 55); words or action importing apostacy (Perak Crimes (Syariah) Enactment 1992, section 13); attempt to leave the religion of Islam (Pahang Syariah Criminal Offences Enactment 2013) and similar provisions also exists in States of Kelantan, Terengganu, Melaka, Negeri Sembilan and Sabah. The loophole on the law on apostasy indirectly allow intended apostate to renounce from Islam, however, it is not true.

Conversion from one religion to another does not seem to be much of a problem for non-Muslim, but a Muslim will be having difficulty to renounce his faith from Islam (Sulaiman et al., 2020). The famous case of *Lina Joy v. Majlis Agama Islam Wilayah & Anor* (2007) is one of the examples of a Muslim who renounce her religion from Islam to Christian. In this case, Lina Joy, a born ethnic Malay Muslim married a Christian. The Law Reform (Marriage and Divorce) Act 1976 prohibit Muslims from solemnizing or registering marriage under the civil law. Her application for civil marriage registration was denied since her identity card designated her as Muslim, which labelling of faith cannot be removed unless she obtained an order from the syariah court stating that she had become an apostate. Lina Joy referred her case to civil courts but failed. The Federal Court of Malaysia refused to recognised Lina Joy's conversion from Islam to Christianity. In another case of *Wong Chun Chiak @ Kenny Abdullah v. Majlis Agama Islam Wilayah Persekutuan*, the plaintiff, Kenny, is a converted Muslim who applied to renounce from Islam to Christian because he wanted to marry a non-Muslim. The Syariah Court of Wilayah Persekutuan reject his application and decided that Kenny's notice of application to renounce Islam was in contravention of the court's procedure. The proper procedure is via summons and statement of claim as stipulated by section 7 of the Syariah Court Civil Procedure (Federal Territories) Act 1998 (Shiddeq, 2015). Hence, an apostate who intends to renounce from Islam must refer to the respective syariah law. Past cases referred to syariah courts shown that apostates have difficulty in renouncing from Islam. This paper aims to explore the law relating to apostasy and its implementation against apostate who intends to renounce from Islam.

Methods

This paper adopted a qualitative research design of a doctrinal nature where it involved the study of a specified issue or problem. The study is based on analysing both primary and secondary data such as legislation, cases including existing literature to enable the researchers to critically analyse the meanings of the legislation and decided cases by the courts. Primary sources include, but not limited to the Law Reform (Marriage and Divorce) Act 1976, Syariah Court Civil Procedure (Federal Territories) Act 1998 and other secondary legislation pertaining syariah laws. Secondary sources for this study include reference to books, articles, online journal, newspapers and other relevant documents.

Results and Discussion

In Malaysia, apostasy is considered as a criminal offence. The *actus reus* is the act of leaving Islam by doing something which is against Islam such as embrace other religion. The element of *mens rea* is the intention which is hard to be seen but the act done such as applying to court to renounce Islam is the illustration of the mind. Since it is a criminal offence, those who wanted to leave Islam will be reluctant to follow the procedures laid down by the enactment of the States. Apostasy is a criminal offence in Pahang by virtue of section 185 of The Administration of the Religion of Islam and, The Malay Custom of Pahang Enactment 1982 which provides sanction of fine and imprisonment for apostasy unlike some States such as Kelantan, Malacca and Perlis which provides sanction for attempted apostasy. The inconsistency of punishment was due to the Article 74 and List II of the Ninth Schedule to the Federal Constitution which

give the authority to the States on matters regarding religion.

This study only referred to two categories of apostate, firstly a born Muslim by ethnicity and the other is a converted Muslim who wanted to renounce Islam. For the first category, this study analysed the case of *Lina Joy v. Majlis Agama Islam Wilayah & Anor* (2007) and found that the decision by the court has led Lina Joy to run away and forced into hiding. Her application to change the status of religion in her identity card failed because of her failure to submit an order from the Syariah Court showing that she is an apostate. One issue arisen as to why she did not obtain the declaration of apostasy from the Syariah Court. Nelson & Shah (2018) argued that there exists policy-based lacuna on the law where the legal view that Lina Joy should complete forms is administratively reasonable. The authors also stressed that the court did not reject the possibility of a Muslim's renunciation of Islam but suggested that any person seeking to leave the religion must follow the relevant procedures.

For the second category regarding a converted Muslim who wanted to renounce Islam, the problems to renounce is more prevalent. In a study done by Yaakub (2000) on the issue of apostasy, the problem of apostasy comes from the person himself (intrinsic) and sometimes from external sources (extrinsic). Such situation if ever arise in the state of Sabah, for example, an apostate can be detained at an Islamic Education Centre (*Pusat Bimbingan Islam*) for a period of not more than thirty-six months for the purpose of educating that person and he will be asked to repent according to the Syariah laws (Nasri & Shiddeq, 2016). This proven that it is not easy to renounce from Islam since there are certain procedures that have to be adhered to by an intended apostate.

The procedure for application to declaration renunciation from Islam in provided under the Syariah Civil Procedure Enactment and the States' Islamic Administration Enactment. Again, the rules and regulations differ from one state to another. This study referred to the procedure to declare apostasy in Negeri Sembilan particularly section 119 of the Administration of the Religion of Islam (Negeri Sembilan) Enactment 2003 which provides as follows:

- (1) A Muslim shall not renounce the Religion of Islam or be deemed to have renounce the Religion of Islam until and unless he has obtained a declaration to that effect from the Syariah High Court.
- (2) An application for a declaration under subsection (1) shall be made *ex parte* to the Syariah High Court Judge in open court by the person intending to renounce the Religion of Islam.
- (3) An application under subsection (2) shall specify the grounds on which the applicant intends to renounce the Religion of Islam and shall be supported by an affidavit specifying all facts supporting the grounds for the application.
- (4) After receiving an application under subsection (2), the Syariah High Court Judge hearing the application shall –
 - (a) advise the person to repent, and if the Judge is satisfied that the person has repented in accordance with *Hukum Syarak*, shall record the repentance of the person; or
 - (b) if the person refuses to repent, before making any order against the person, adjourn the hearing of the application for a period of 90 days and at the same time require the applicant to undergo a counselling session for the purpose of advising him to reconsider the Religion of Islam as his religion.
- (5) If at any time the person required to undergo counselling has repented, the officer who is responsible for him shall prepare a report as soon as possible and bring him before the Syariah High Court.
- (6) If the Judge is satisfied that the person brought before him in accordance with subsection (5) has repented according to *Hukum Syarak*, the Judge shall record the person's repentance.
- (7) If after the expiry of the period of 90 days specified in paragraph (4)(b), the person still refuses to repent, the officer who is responsible for him shall prepare a report as soon as possible and bring him before the Syariah High Court.
- (8) If, after receiving a report under subsection (7), the Court is of the opinion that there is still hope that the person may repent, the Court may adjourn the hearing of the application under subsection (2) and at the same time order the person to undergo further counselling session for a period not exceeding one year.

(9) If after an order under subsection (8) has been made the person repents, subsections (5) and (6) shall apply.

(10) If after the expiry of the period ordered under subsection (8) the person still refuses to repent, the person who is responsible for him shall prepare a report as soon as possible and bring him before the Syariah High Court and the Court may make a decision to declare that the person has renounced the Religion of Islam.

(11) Before the Court declares that the person has renounced the Religion of Islam, the Court shall make an order relating to the following matters:

- (a) the dissolution of marriage;
- (b) the division of *harta sepencarian* (joint property);
- (c) right of *perwalian* (next-of-kin);
- (d) right to property; and
- (e) *hadhanah* (custodian of children).

As can be summarised from above, the aforesaid section 119 requires a potential apostate to submit an *ex parte* application to the Syariah High Court specifying the reasons for his intended renunciation supported by an affidavit. The Syariah High Court will only make an order for the application for renunciation from Islam after the applicant fulfill certain requirements including to repent and undergo a counselling session. Thus, the above example of section 119 on the procedure to renounce from Islam is tedious and takes a longer time, thus, individuals take the issue of apostasy in their own hand and apostate without going through the proper procedure.

Despite the rights to freedom of religion under the UDHR and Federal Constitution, the law relating to apostasy in Malaysia in within the ambit of religion, hence, any matters concerning religion and in particular relating to 'faith' in Islam should be referred to Syariah Courts and States' Islamic administration authority. Apostasy or renunciation from Islam should not be within the purview of basic rights but it should be dealt with under the doctrine of religion (Zainal & Jamal, 2013). The Federal Constitution guaranteed the freedom of religion in Malaysia but such right is not absolute since there are other provisions in the constitution which restrict the freedom. Article 11(1) of the Federal Constitution provides that every person has the right to profess and practice his religion, and subject to Clause (4), to propagate it. Article 11(4) further provides that the state law in respect of the Federal Territories of Kuala Lumpur, Labuan and Putrajaya, federal law may control or restrict the propagation of any religious doctrine or belief among person professing the religion of Islam. Thus, regardless of the rights to freedom of religion is guaranteed, it is not true for the Muslim. Article 11(4) of the Federal Constitution clearly mention the restriction for those professing the religion of Islam. Nonetheless, there are States as discussed above which give avenues for Muslim to renounce from Islam but through a proper procedure.

Conclusion

It was found that despite the freedom to profess favourable religion, once a Muslim, the journey to achieve apostasy is challenging and the inconsistent rules and regulation in the States in Malaysia does not give sufficient avenue for apostate to renounce from Islam since the freedom under the Federal Constitution is not absolute.

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Author Contribution

N Shariffuddin – conceptualization, data curation; HM Padil – supervision, writing; SA Samad – review, editing.

Conflict of Interest

Authors declare no conflict of interest.

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BEHAVIOURAL FACTORS AS DETERMINANTS OF TAX COMPLIANCE IN THE COVID-19 ERA

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Abstract

The term "tax compliance" refers to the process of submitting tax returns and paying taxes in conformity with tax laws. There is uncertainty regarding whether taxpayers will continue to appropriately fulfil their tax obligations in light of the current COVID-19 scenario, particularly during stressful times. Therefore, this study explores the behavioural factors influencing tax compliance among individual taxpayers during a pandemic. There has been discussion of underlying theories that could explain the behavioural aspects of tax compliance. This paper is a conceptual paper. Data will be collected using quantitative data from selected individual taxpayers in Malaysia. A questionnaire survey will be used to collect data from Malaysian taxpayers in order to assess their behaviour towards tax compliance after a crisis. Based on the review of past studies, it was found that attitude, subjective norms, perceived behavioural controls, and moral obligation are the determinant factors of voluntary tax compliance behaviour. Results from this study could have helped tax authorities better understand taxpayer behaviour and develop the appropriate strategies to increase taxpayer compliance with tax laws.

Keywords: Behavioural factor, Tax compliance, Crisis, Tax evasion, Theory of Planned Behaviour

Introduction

Taxes have accounted for more than half of the nation's overall income since 2011. One of the main priorities of tax authorities and the government is to enhance voluntary tax compliance (Inland Revenue Board of Malaysia, 2017), which may directly improve tax collection. Tax compliance is crucial for economic, social, and environmental goals, which can be essential for enhancing public welfare and expenditures (Rodriguez & Santos, 2021). The current global economic climate significantly raises the importance of tax compliance in public spending (Ritsatos, 2014), as taxes can be used as a useful instrument to encourage an equitable and long-term recovery from economic downturns (Rodriguez & Santos, 2021). The four responsibilities that taxpayers must fulfil are outlined by the Organisation for Economic Co-operation and Development (2004). These duties are to register in the tax system, file a tax return form, disclose full and accurate information, and make a tax payment. Taxpayers are therefore regarded as non-compliant if they fail to fulfil these responsibilities.

Malaysia's tax-to-GDP ratio demonstrates a downward trend in terms of tax revenue collection. Table 1 shows that the tax-to-GDP ratio fell from 13.6% in 2016 to 12.9% in 2017. The largest fall in tax-to-GDP ratio by one percentage point was from 2019 to 2020 (The World Bank, 2021). This is still below the average tax-to-GDP ratio for the OECD, which is 33.5% (OECD, 2021). Taxes are typically collected between 10% and 20% of GDP in low-income countries. In comparison, the average in high-income countries is closer to 40% (Besley & Persson, 2014). Malaysia is therefore a low-income country. It so highlights the need for the tax authorities to promote greater voluntary tax compliance in order to raise tax revenue. Many countries still have a long way to go before achieving the required levels of tax compliance (Rodriguez & Santos, 2021).

Furthermore, Malaysia and other nations around the world have experienced a decline in economic and financial stability as a result of the COVID-19 issue. The coronavirus pandemic has had a considerable influence on the global economy, which has led to lower personal consumption, more new borrowing, and fewer state spending on activities that promote development (Ajmal et al., 2021). Tax compliance

also declines during periods of severe economic distress, which has a detrimental impact on national tax collections (Rodriguez & Santos, 2021). People are forced by the problem the pandemic causes to weigh their own interests against the needs of society (Lachapelle et al., 2021). They may not want to pay income tax because of their unstable financial situation or job loss. As a consequence, they might have a tendency to evade paying taxes, which could fuel the spread of illicit money flows.

Table 1. Tax-to-GDP ratio in Malaysia

Year	Tax revenue as % of GDP
2016	13.6
2017	12.9
2018	12
2019	11.9
2020	10.9

Source: The World Bank

The seriousness of the COVID-19 crisis warrants an investigation into the behavioural factors of individual taxpayers towards tax compliance. In recent decades, there has been a sharp increase in the amount of literature on tax evasion or noncompliance. Several research reviews on the prevalent issue of tax evasion and avoidance have recently been conducted (Shuid et al., 2022; Khelil & Khlif, 2022). This study offers distinctive aspects as the objective of this study is to investigate the behavioural factors of taxpayers impacting tax compliance in reaction to the COVID-19 pandemic.

There are two reasons why this study is important. First, this review focuses on tax compliance in light of the numerous economic problems that governments are facing during COVID-19. Second, this review will look at whether the crisis may have had an impact on people's behaviour on paying their taxes.

The novelty of this study is in its review of contemporary literature that addresses the four behavioural factors under the Theory of Planned Behaviour that determine tax compliance in a crisis situation, particularly during the COVID-19 outbreak. The government might use the study's conclusions to further enhance the current tax system and promote voluntary tax compliance. This is crucial for the government to do in order to prevent substantial losses in taxation, especially in the event of a crisis.

The rest of this paper is structured as follows. The second section briefly reviews and summarises the relevant literature dealing with tax compliance, the Theory of Planned Behaviour, and the behavioural factors of taxpayers. The third section describes the prospective research method used in this study. Finally, the fourth section presents the conclusion.

Tax Compliance

Taxes are one of the main sources of income for the government to fund its expenditure. It is the responsibility of every chargeable person who earns income accruing in or derived from Malaysia to pay the income tax liability. According to James and Alley (2002), tax compliance is the desire of taxpayers to comply in accordance with the word and spirit of the tax regulation without the use of prosecution and penalties. The aim of tax compliance is to uphold the standards of tax legislation while minimising risk of raising tax revenue (Syed & Kalirajan, 2000). When it comes to tax compliance, there are two key issues to think about: whether the taxpayer is paying the tax that has been assessed and if the amount has been appropriately calculated given the characteristics of the taxpayer in question (Syed & Kalirajan, 2000). To the extent possible, it is preferable if tax compliance can be attained voluntarily (James & Alley 2002).

According to James and Alley (2002) and OECD (2004), there are two main approaches to tax compliance: the economic approach and the behavioural approach. If the economic approach is aggressively implemented, which is typically related to penalties and enforcement, it may reduce individual taxpayers' willingness to cooperate with their perceived unfair tax system. Furthermore, this approach's implementation costs are substantial. However, governments must also take a behavioural

approach that focuses on the psychology and sociology of taxpayers (OECD, 2004) in order to deal with budget shortfalls and comprehend how taxpayers perceive tax evasion or tax noncompliance (Yee et al., 2017).

The emergence of pandemic COVID-19 had a significant impact on the economy. Most of the public funds have been used to cater to health development. It also affected the taxation activities, where there was a decreasing pattern of tax reporting during the early pandemic phase in Indonesia (Bulutoding et al., 2020). In their study, Lachapelle et al. (2021) noted that citizens had a difficult time fulfilling their tax-paying obligations, which were intended to fund the advancement of health. Although the taxpayer is more eager to contribute to efforts to revive the economy during a crisis, their ability to repay additional taxes is still relatively small.

Theory of Planned Behaviour

The economic approach by Allingham and Sandmo (1972) was mostly employed to study tax compliance behaviour. This theory is concerned with the enforcement factors that will have an impact on tax compliance, including tax audits, the likelihood of being discovered, fines and penalties, as well as the level of tax rates. This approach makes the assumption that most rational people should either overstate expenses not subject to corroborating evidence or understate revenue not subject to source. This is because it is highly improbable that such tax cheating will be discovered and sanctioned. This assumption should be challenged, nevertheless, because some taxpayers continue to file returns even though there is little chance that they will be audited or a small amount of the fine and penalty will be imposed. As a result, behavioural theories started to become quite important in figuring out how people behave when it comes to tax compliance. The theory of reasoned action and the theory of planned behaviour are two common behavioural theories which are frequently employed to investigate individual behaviour towards tax compliance (Bobek & Hatfield, 2003; Alleyne & Harris, 2017; Shahroni et al. 2022).

The Theory of Reasoned Action (TRA) asserts that attitudes and subjective norms have an impact on a person's behavioural intentions to engage in a behaviour (Fishbein & Ajzen, 1975). According to this theory, people are more likely to engage in a behaviour if they perceive it to be positive and believe that other members of their interest groups will do the same. The Theory of Planned Behavior (TPB) is an expansion of TRA by inclusion of perceived behavioural control. Ajzen (1991) argues that three factors: attitudes, subjective norms (perceived social pressure), and perceived behavioural control, can be used to explain why a person intends to engage in a particular behaviour. TPB suggests that the behaviour is not a natural outcome of any particular situation. Due to perceived behavioural control, each behaviour reflects intentions and expectations. The argument concludes by stating that a person's behavioural intentions should influence their actual behaviour. Individual beliefs combine to generate attitudes, subjective norms, and perceived behavioural control, all of which influence people's intentions to behave in a particular pattern. Moral obligation is a further key factor that Beck and Ajzen (1991) add to the TPB.

The theory of planned behaviour (TPB) is used in this study to evaluate the behavioural influences on taxpayers' desire to comply with tax laws. This theory takes into account attitudes, subjective norms, perceived behavioural control, and moral obligation as determinant factors that may affect tax compliance. A taxpayer's intention to comply with the tax laws should be stronger if they have a positive attitude, perceive positive social pressure toward tax compliance, have greater perceived behavioural control, and a greater sense of moral obligation. As a result, it is likely that tax compliance will improve.

Behavioural Factors Based On Theory of Planned Behaviour

Behavioural Factors on Tax Compliance in Malaysia Prior to COVID-19

There are many previous research studies on the behavioural factors that affect tax compliance in Malaysia prior to the COVID-19 pandemic. It was discovered by Chen Loo et al. (2009) and Saad (2010) that Malaysian taxpayers who had a more positive attitude toward the tax regulations would be more compliant. The more positive a person's attitudes are toward paying taxes, the more likely it is

that they will do so. This affects more salaried and wage-earner taxpayers compared to self-employed taxpayers (Chen Loo et al., 2009). Prior literature also shows that a perception of fairness could influence tax compliance behaviour. If the tax authorities treat the taxpayers properly during the taxation process, the taxpayers will adhere to the tax laws (Faizal & Palil, 2015). Trust in the government and tax officials is another factor that affects tax compliance, according to Chong and Arunachalam (2018). If tax authorities were perceived as effective in administering taxes, taxpayers would fulfil their tax obligations. Additionally, subjective norms were also shown to be important determinants of tax compliance behaviour. The more motivated a taxpayer is to follow the tax rules set forth by his or her reference group, the more likely compliance will be (Saad, 2010).

Nevertheless, Saad (2010) found that horizontal fairness is found to have a negative effect on tax compliance. This implies that taxpayers are less inclined to comply with tax laws if they believe the system is unfair. People contend that they shouldn't be taxed equally based only on their income, without taking into account their financial commitments and the welfare of society. Other studies, on the other hand, found no significant link between determinant factors in the Theory of Planned Behaviour with tax compliance; moral obligation and tax compliance (Chong & Arunachalam, 2018), and perceived behavioural control and tax compliance (Saad, 2010).

Attitudes Towards Tax Compliance

Attitude can be defined as an evaluation by an individual of their favorability or unfavorability towards attitude objects (Ajzen, 1991). In the context of tax compliance, attitudes have been measured from a variety of perspectives, including perceived fairness, concern for guilt, and the possibility of financial benefit (Bobek & Hatfield, 2003; Alleyne & Harris, 2017; Yee et al., 2017). Nevertheless, this study will focus on perceived fairness as it is considered the key indicator for attitude.

Many previous studies have proven that a perception of fairness has a positive relationship with a taxpayer's compliance attitude (Bobek & Hatfield, 2003; Alleyne & Harris, 2017; Yee et al. 2017). In order to measure the fairness of tax compliance, Faizal et al. (2017) specify the fairness into three major components: procedures, distribution, and punishment. They discovered that taxpayers will only comply with tax payment requirements if they are treated fairly and have high faith in the authority body and its systems and procedures. Fair punishment and fair distribution are not as important in motivating taxpayers to pay their taxes as the sense of fairness they receive is. This shows the importance of mutual trust between taxpayers and tax authorities, stressing that trust between both parties increases tax compliance levels. Similarly, Yee et al. (2017) show that tax fairness influences taxpayers' attitude towards tax morality. Individual taxpayers tend to fulfil their tax obligations only when they believe the tax system is fair. When the taxpayers are certain that their money will be handled honestly for the benefit of the nation's economic prosperity, they are more cooperative and eager to pay taxes.

In addition, Hassan et al. (2021) found that if the taxpayers believe that the money will be used wisely and exchanged for better service, they are willing to comply with any tax regulations, which eventually leads to high tax compliance. Taxpayers are more likely to be tax compliant if the tax administration system is perceived to be capable of increasing government effectiveness and accountability (Nkundabanyanga et al., 2017). Alleyne and Harris (2017) discovered that perceived fairness is the most important factor influencing tax evasion or noncompliance. The taxpayers believe if too much money goes to ministers' pockets, they will tend to circumvent paying tax. If taxpayers perceive unfairness in the taxation system or the allocation of money, they tend to justify that tax evasion or tax non-compliance is an ethical activity (Salé et al., 2021).

The COVID-19 pandemic's effects have sparked an interest in learning more about taxpayers' attitudes towards tax compliance. The perception of tax fairness and the attitude of Indonesian taxpayers affected tax compliance during the COVID-19 pandemic (Sadjiarto et al., 2021). There was a generational difference in how tax compliance was perceived as an equitable exchange of goods and services. Millennials and Baby Boomers are more positive and confident that the taxes they pay will be put to good use, which leads to greater tax compliance. Generation Z, however, is more selective about the

benefits they receive for obeying the rules. Unless they receive something in return, they won't be prepared to pay their taxes. It is difficult for Generation X to trust the government with their money because they belong to a cohort that experienced a recession when they were young. This will lead to lower tax compliance by Generation X.

Based on a survey of American citizens conducted in October 2020, it was discovered that universalists who strongly support spending on health, education, or the environment have more favourable attitudes toward progressive taxes than communitarians. This demonstrates how attitude influences tax compliance amid a crisis. Surprisingly, prior to the pandemic, communitarian viewpoint holders who supported spending on law enforcement, the military, or border security did not support progressive taxes. However, as a result of serious personal exposure to illness or job loss as a result of the pandemic, they are likely to change their minds and support the tax (Klemm & Mauro, 2022). Taxpayers attempted to preserve trust in the government's ability to create budgetary measures that would be helpful in restoring their economy's capability during the COVID-19 pandemic. Government communication can encourage taxpayers to remain devoted and sustain their long-term relationship by taking proactive steps during the downturn (Mangoting et al., 2021).

Subjective Norms

Subjective norms are influenced by other individuals or groups when performing certain behaviours (Ajzen, 1991), as well as how eager the individual is to conform to this other individual or group (Bobek & Hatfield, 2003). The perception of subjective norms is found to have a significant relationship to tax compliance (Mohamad Dzulkifli & Md Daud, 2021) and seems to be a particularly strong predictor of the propensity for tax evasion (Owusu et al., 2020). The following groups are ranked by Salman and Sarjono (2013) as key individuals that can persuade a taxpayer to comply with tax regulation: other taxpayers, tax consultants, and friends. This is understandable given that other taxpayers are subject to the same rights and duties under the current tax system. A tax consultant can help taxpayers complete and submit tax return forms accurately to the tax authority.

The taxpayer's compliance behaviour is influenced by the opinions of people who are regarded as significant to the taxpayer (Owusu et al. 2020; Mohamad Dzulkifli & Md Daud, 2021). They acknowledge to some extent that their fear of losing the respect of influential individuals will prevent them from acting in non-compliant ways (Mohamad Dzulkifli & Md Daud, 2021). However, taxpayers who take into account the views of important others in their lives, such as family members or friends, are more likely to engage in tax evasion when they believe that these important others would support such illegal behaviour (Owusu et al. 2020).

Individual taxpayers are more likely to support progressive taxation if they have close personal relationships with those who have suffered serious sickness or loss of employment as a result of the COVID-19 crisis. This shows how, during a crisis, subjective norms positively affect taxpayers' behaviour in terms of paying their taxes (Klemm & Mauro, 2022).

Perceived Behavioural Control

Perceived behavioural control refers to a person's perceptions of the availability or lack of resources and opportunities (e.g., time, money, expertise), as well as the barriers that prevent them from engaging in the particular behaviour under consideration (Ajzen, 1991; Bobek & Hatfield, 2003). The web tracking system may put obstacles in the way of engaging in tax evasion, so taxpayers generally feel anxious about being found out and punished. As a result, tax compliance may be improved if taxpayers perceive difficulty in engaging in tax evasion (low perceived behavioural control) (Alleyne & Harris 2017).

Interestingly, Klemm and Mauro (2022) discovered that some individual taxpayers who have suffered major illness or job loss brought on by the COVID-19 crisis are more motivated to accept progressive taxation. A greater emphasis on redistributive policies is presently demanded by those affected by the pandemic. The barriers (i.e., the crisis) may motivate them to enhance voluntary tax compliance, which might help the government to use tax revenue for their welfare during the crisis. Another barrier to

regulating taxpayer behaviour may be tax complexity. However, Shahroni et al.'s (2022) study conducted in Malaysia during COVID-19 indicated that tax complexity had a positive and significant impact on tax compliance behaviour. Taxpayers who find tax law complicated frequently hire professionals to prepare their tax returns because they intend to comply, which leads to higher tax compliance.

Moral Obligation

Ajzen (1991) explains that moral obligation is a responsibility that one considers they may be under in view of their opinions of right and wrong. Riahi-Belkaoui (2004) found that in his study, countries that have high moral norms showed higher tax compliance and the taxpayers perceived the tax liability as a wilful obligation and citizenship duty rather than as a burden. People who pay taxes may be discouraged from participating in tax evasion if they have guilty consciences and strong religious convictions. They thought that trying to avoid paying taxes was wrong (Alleyne & Harris, 2017; Owusu et al. 2020). Taxpayers who feel a sense of obligation to the government will react differently to tax evasion activities than people who do not (Owusu et al. 2020).

Taxpayers' moral obligations were discovered by Shahroni et al. (2022) to have a positive and significant impact on taxpayers' tax compliance behaviour during the COVID-19 crisis. This indicates that taxpayers with a higher sense of moral obligations will contribute to higher levels of tax compliance. Taxpayers who feel a greater sense of responsibility have a tendency to abide by the tax laws because they think that paying taxes will benefit them more in the long run. The strong commitment of individuals to comply with the tax regulations is based on self-motivation, particularly the moral obligation of taxpayers as well as the belief that paying income tax is an important contribution for economies that experienced a reduction in tax collections during the COVID-19 pandemic (Mangoting et al., 2021). The existence of fiscal policies can maintain commitments that can sustain better tax compliance.

In this COVID-19 pandemic, the taxpayer must always be mindful of their corporate social responsibility (CSR) when determining how to fulfil their tax liabilities. In light of CSR, failing to pay taxes will result in a negative externality. This is because taxes are a requirement under the social contract, which requires that taxpayers pay both individually and collectively. Although the individual pays taxes as an individual, he also pays taxes as a part of a group. As a result, even if he does not use a particular service, he may be taxed for it because he belongs to a group that does (Abumere, 2021).

Prospective Research Methodology

The research will be conducted using a quantitative approach. The study will make use of a survey questionnaire created by Alleyne and Harris (2017) to investigate the behavioural factors of taxpayers towards intended tax compliance after a pandemic. There will be 19 statements in the survey. This survey questionnaire will use a seven-point Likert scale to indicate how much respondents agree or disagree with each statement. It will range from 1 "Strongly Disagree" to 7 "Strongly Agree". The survey questionnaire will be broken down into five sections, which focus on demographics, attitudes, subjective norms, perceived behavioural control, and moral obligations. The questionnaire in the Google Form will be distributed to potential respondents through email, Facebook, and WhatsApp.

The target population consisted of individual taxpayers in Malaysia. The sample size for this study will be determined based on Green's (1991) method. Memon et al. (2020) posited that Green's rule of thumb has been used in many recent studies. Green (1991) stated $N \geq 50 + 8m$ where m is the total number of independent variables. Thus, this study needs a minimum of 82 respondents, considering the four independent variables. Therefore, a total of 120 respondents will be needed for this study. This study will use a simple random sampling technique in which individuals who earn a minimum of RM34,000 per year will be selected.

Conclusion

Higher tax compliance leads to higher tax collection, which is important to ensure that the country has enough funds to support public expenditures. A number of studies have proven that behavioural factors

do influence the level of individual tax compliance. Since the pandemic has erupted, it has affected not only the economy but tax collection as well. Tax compliance has subsided during the early stages of the pandemic outbreak, especially from Generation X. However, this pandemic also has a positive impact on individual behaviour towards tax compliance. Taxpayers are motivated to do voluntary tax compliance to help the government revive the economy. From the reviews, it can be concluded that the determinant factors towards voluntary tax compliance among individual taxpayers are attitude, subjective norms, perceived behavioural controls, and moral obligation.

This study represents a simple narrative review and gives no empirical results. Therefore, data can be collected using a questionnaire survey from selected individual taxpayers in Malaysia. The findings from the study may assist the tax authorities to understand the taxpayer's behaviour and undertake relevant action to increase voluntary taxpayer compliance while upholding the tax laws. Furthermore, this will assist the government to curb the flow of dirty money through tax evasion in order to achieve the 2030 Agenda Sustainable Development Goal (SDG). Future research should look into whether there is a difference in behavioural factors affecting tax compliance before, during, and after the pandemic.

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Author Contribution

SH Shuid - conceptualization, investigation, resources, writing-original draft, writing-review & editing; N Ismail - investigation, writing-original draft; J Abdul Jabar - investigation, writing-original draft; Azis S - writing-original draft

Conflict of Interest

Authors declares no conflict of interest

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INDIVIDUAL TAXATION SUBJECT IN NON-ACCOUNTING CURRICULUM: PERCEPTION OF POTENTIAL TAXPAYERS

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Abstract

Individual Taxation subject is one of the subjects compulsory to be taken by accounting students in tertiary education. Occasionally, this subject also needs to be enrolled by non-accounting students either as compulsory subject or elective subject. However, only few non-accounting courses that choose Individual Taxation subject to be included in its curriculum despite these students will become potential taxpayers in the future. Based on the empirical findings from prior researches, it is suggested that tax education is vital for the taxpayers. It can increase the level of tax understanding among taxpayers, therefore, will lead to higher tax compliance rate and subsequently increase the government's revenues. Thus, it is very important that taxpayers are well acquainted with knowledge relating to tax principles and policies under the Malaysian taxation legislation. The purpose of this study are to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties. By using online survey, the questionnaires were distributed among Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch. The study found that majority of the students agreed that Individual Taxation subject is important at tertiary level. The study also found that majority of the students believed that Individual Taxation subject was relevant to all faculties, either to be offered as compulsory subject or elective subject. This finding implied that tax education has become important among non-accounting students as it would facilitate them later in computing income tax liability when they become liable later. Hence, there is a need to introduce Individual Taxation subject as formal learning at tertiary level. Therefore, it is suggested that educators should include taxation subject in course learning curriculum as basis to disseminate tax knowledge to students so that they will become a good and responsible citizens towards tax administrations especially under self assessment system.

Keywords: tax education, individual taxation, non-accounting students

Introduction

Individual Taxation subject is important to be learned by all individuals as it will enrich tax knowledge among people, assist individuals to have a better understanding on fundamental of tax principles and policies under Malaysian taxation legislation and facilitate individuals in computing tax under self assessment system.

Currently, Individual Taxation subject is one of the subjects compulsory to be taken by accounting students in tertiary education. Generally, this subject comprise of several important topics relating to individual taxpayers comprise of:

- i) Basis of Malaysian taxation
- ii) Tax administrations
- iii) Resident status for an individual
- iv) Employment income
- v) Business income
- vi) Partnership
- vii) Capital allowances for plant and machinery, industrial building allowances & agricultural allowances
- viii) Other incomes, reliefs and rebates.

Occasionally, this subject also needs to be enrolled by non-accounting students either as compulsory subject or elective subject. However, only few non-accounting courses that choose Individual Taxation subject to be included in its curriculum despite these students will become potential taxpayers in the future (Bahari & Ling, 2009).

Based on research by Mahat and Ling (2011), it is crucial to introduce formal tax education for all, especially at tertiary levels. Tax education is necessary to ensure that Malaysian's fresh graduates have adequate basic tax knowledge to comply with the tax requirements imposed on them, particularly as future salaried individuals (Amin et. al, 2022). It is also can be used as basis to develop students to become a good and responsible citizens especially under self assessment system (Mustapha et. al, 2021).

Self-assessment system has been introduced in Malaysia since year of assessment 2001. The system was imposed first to companies from the year of assessment 2001, while for individuals (employees, sole proprietors and partners in a partnership), it was imposed since year of assessment 2004. The main objectives of introducing self-assessment system were to facilitate Inland Revenue Board to collect tax efficiently and to promote voluntary tax compliance among people.

Under self-assessment system, taxpayers are responsible to compute their own chargeable income and income tax liability as well as paying the correct amount of tax within stipulated date. The system places greater responsibility on the taxpayers to assess their tax debt or refund. In other word, the responsibility towards tax computation by the tax authority has been shifted to the taxpayers (Okello, 2014).

Based on the empirical findings from prior researches, it is suggested that tax education is vital for the taxpayers. It can increase the level of tax understanding among taxpayers, therefore, will lead to higher tax compliance rate (Susyanti & Askandar, 2019; Hassan et. al, 2022). Increase in tax compliance level will subsequently increase the government's revenues. As a result, the revenues can be used to develop the countries and support the welfare of the society (Hassan et. al, 2017). It is therefore very important that taxpayers are well acquainted with knowledge relating to tax principles and policies under the Malaysian taxation legislation.

Study by Ling & Mahat (2011) and Amin et. al (2022) highlighted that integrating opinions from university students regards to tax education is believed to be appropriate and highly relevant in the era of self assessment system as to increase tax compliance in Malaysia. Therefore, current study is conducted to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties.

Methods

This research adopted a questionnaire by Mahat & Ling (2011) with minor modification in order to collect data. All of the questions were purposely designed to study the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties.

The data collection method was carried out by using online survey. The questionnaires were distributed among Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch.

Of the 112 questionnaires distributed, 72 questionnaires were returned, yielding a response rate of 64.3% All 72 questionnaires were completed and were further analysed.

Result and Discussion

The findings for this study are based on survey questionnaires from Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled

Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch. The results of the survey are summarized according to i) students' demographics, ii) the importance of Individual Taxation subject at tertiary level and iii) the relevancy of introducing Individual Taxation subject at all faculties.

i. Students' demographics

Table 1: Respondent Background

		Frequency	%
Gender	Male	13	18.06
	Female	59	81.94
Age	20 - 29	69	95.83
	30 - 39	3	4.17
Part	4	16	22.22
	5	27	37.50
	6	29	40.28
Race	Malay	68	94.12
	Others	4	5.88
Marital status	Single	70	97.22
	Married	2	2.78

The demographic profiles of the students participated in this study are illustrated in Table 1. Out of the 72 students, 81.94 percent (N=59) were female students while 18.06 percent (N=13) were male students. The percentage of students aged 20 – 29 years old were 95.83 percent (N=69) while 4.17 percent (N=3) were aged 30 – 39 years old. The students were heavily drawn from Part 6 with 40.28 percent (N=29) followed by Part 5, 37.50 percent (N=27) and Part 4, 22.22 percent (N=16). This study also divided the sample according to the race in Malaysia. The largest portion of students were from Malay with 94.12 percent (N=68), and followed by others, 5.88 percent (N=4). In terms of marital status, 97.22 percent students (N=70) were single and 2.78 percent students (N=2) were married.

ii) The importance of Individual Taxation subject at tertiary level

The students were asked to rate the importance of Individual Taxation Subject at tertiary level based on five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree). Based on the mean score provided in Table 2, the study found that majority of the students agreed that Individual Taxation subject is important at tertiary level, amid, it should be introduced at tertiary level. They also agreed that by learning Individual Taxation subject, it would help them to compute their own tax liability correctly when they start working later.

Table 2: The Importance of Individual Taxation Subject at Tertiary Level

	Mean score
Learning about Individual Taxation subject is appropriate at tertiary level.	4.19
Learning Individual Taxation subject would help me to compute my tax liability correctly when I start working.	4.25
Individual Taxation subject is not important and shall not be introduced at tertiary level. #	2.04

iii) The relevancy of introducing Individual Taxation subject at all faculties.

Based on percentage in Figure 1, the study found that majority of the students (80.9%) thought that Individual Taxation subject was relevant to all faculties, with 50.9% of them proposed that Individual Taxation subject should be offered as elective subject in all faculties while 49.1% of them proposed that Individual Taxation subject to be made compulsory to all faculties.

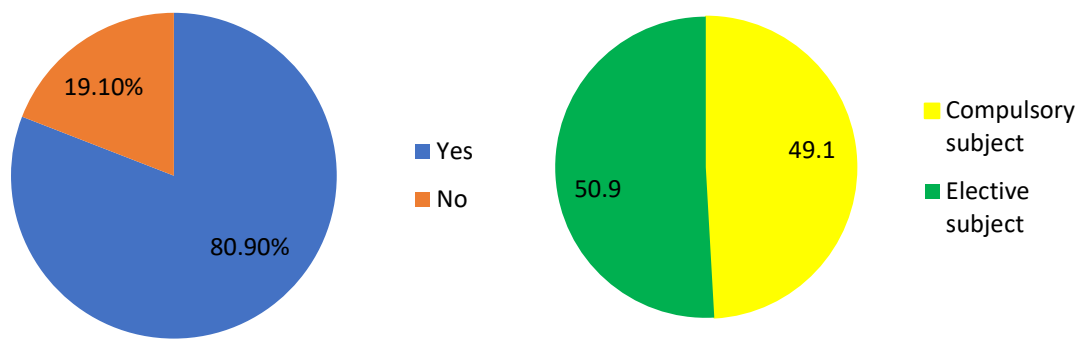


Figure 1: The Relevancy of Introducing Individual Taxation Subject at All Faculties

Conclusion

The purpose of this study are to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties. The study found that majority of the students agreed that Individual Taxation subject is important at tertiary level. The study also found that majority of the students believed that Individual Taxation subject was relevant to all faculties, either to be offered as compulsory subject or elective subject.

This finding implied that tax education has become important among non-accounting students as it would facilitate them later in computing income tax liability when they become liable later. Hence, there is a need to introduce Individual Taxation subject as formal learning at tertiary level. Therefore, it is suggested that educators should include taxation subject in course learning curriculum as basis to disseminate tax knowledge to students so that they will become a good and responsible citizens towards tax administrations especially under self assessment system.

This study, however, has limitations due to a small sample size, therefore the results cannot be generalised. Future study should incorporate perspectives from non-accounting students enrolled in Individual Taxation subject at other Malaysian institutions.

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Author Contribution

Ida Haryanti binti Mohd Noor – Writing.

Conflict of Interest

Author declares no conflict of interest.

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ANALYSIS OF CORPORATE INTEGRITY PRACTICES: EVIDENCE FROM MALAYSIAN COMPANIES

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Abstract

The recent rise in corruption and other integrity concerns has prompted the Malaysian government's interest in developing a good integrity evaluation instrument. Malaysian Institute of Integrity (IIM) together with a group of researchers introduced Integrity Assessment Tool (IAT) Self-Assessment Questionnaire in 2010. This tool was designed to systematically measure and evaluate the process of incorporating integrity and ethics in the workplace. Thus, using the same assessment questionnaire, this study will analyse the practice of corporate integrity in the selected Malaysian companies. This study employed content analysis to examine the prominent practices embraced by fourteen selected Malaysian companies. Based on the analysis, it was found that the top three practices are legal compliance, vision and ethical communications. This finding could help anti-corruption institutions and management to develop better strategies to incorporate and evaluate integrity and ethics.

Keywords: Corporate integrity practice, integrity assessment, corruption, legitimacy theory

Introduction

Corruption in Malaysia is not a new issue, but it has worsened in recent years, as evidenced by incidents involving multinational firms and a decline in the International Transparency Index. According to the Corruption Perception Index (CPI) 2021, Malaysia is now experiencing its second consecutive year of deterioration, having dropped five points to rank 62, down from 57 in 2020. (see Table 1). This statistic explicitly prove that integrity compliance of Malaysian public and private companies is considered low. The establishment of the National Integrity Plan (NIP), Malaysia Anti-Corruption Commission (MACC) and Malaysian Institute of Integrity (IIM) are among the actions taken by the government to curb integrity issues. In an effort to become a developed nation by 2025, the Malaysian government is consistently enhancing the plans for combating integrity offences (Muhammad & Gani, 2020; Siddiquee & Zafarullah, 2020). In addition, the Prime Minister emphasised the need of upholding integrity and ethics as a central theme of the RMK-12's address.

Table 1. Corruption Perception Index 2021

Year	Points	Rank
2019	53	51
2020	51	57
2021	48	62

Source: International Transparency 2021

Corruption is a well-known universal issue which requires long term measures. Thus, a systematic plan with preventive measures to address poor integrity compliance and enhance fraud detection is needed (Md Som, Zainal, Mohamed & Ali, 2019). Besides, the practice of integrity within the company is also crucial to ensure individuals understand what to do to incorporate integrity and ethics in their workplace (Said & Omar, 2014). With the aim to cater for that needs, the Integrity Assessment Tool (IAT) Self-

Assessment Questionnaire has been created to systematically measure and evaluate the process of incorporating integrity and ethics in the workplace (Zainal, Som & Mohamed, 2017). Hence, current study offers an analysis of corporate integrity practices which is measured according to the response attained in the IAT survey.

This study seeks to make two important contributions. First, it enriches the burgeoning literature on corporate integrity practices and governance specifically from the Malaysian context. Second, this study increases the understanding of the dimensions of integrity assessment tool. The analysis offers anti-corruption institutions and management to develop better strategies in incorporating and evaluating integrity practices at workplace.

This paper is organised as follows. The second section provides a discussion on the dimensions of integrity assessment tools which is used as a measurement of integrity practices analysis. The third section presents the data and methodological approach used in this study. The fourth section describes result and discussions. Lastly, the fifth section concludes the paper and outlines avenues for the future research.

Literature Review

Definition of integrity

The word integrity originates from the Latin word 'integer' which literally means the state of being untouched, fresh, unimpaired, virgin, whole and complete (Bauman, 2013). Armstrong (2005) describes integrity as honesty and trustworthiness during the discharge of official duties, serving without practising corruption or abusing office facilities. Huberts (2018) clarifies integrity as a manifestation that must be in accordance or harmony with moral values, norms and rules. Moving to the global complex business environment, integrity is not emphasised on an individual but also on the whole institute of business. Such situations led to the emergence of the corporate integrity concept. Md.Som et.al (2019) associate the 'untouched' definition of integrity to a willingness of a company to be consistent and maintain ethics when the actual result is not favourable to what has been expected.

Integrity Initiatives by The Malaysian Government

Due to the increase in corporate integrity issues which are mainly related to fraud such as asset misappropriation, corruption and bribery (PWC Report, 2021), the Malaysian government has enhanced its efforts to promote integrity. The promotion is not only covering the enforcement plan but also the comprehensive assessment and evaluation. From the corporate business perspective, this is a crucial step to make sure the whole company members know how to embrace and integrate those assessments into integrity practices. Therefore, after several discussions with a group of Malaysian academics, the Integrity Institute of Malaysia (IIM) subsequently refined the scale of the original tool to reflect the local context with the development of the Corporate Integrity Assessment Questionnaire (CIAQ), which was later known as the Integrity Assessment Tool (IAT) Self-assessment Questionnaire.

Integrity Assessment Tool (IAT) has been developed from the adaptation of the Global Ethics and Integrity Benchmark introduced by Joan Elise Dubinsky and Alan Richter from the United States of America in 2008. This tool consists of twelve dimensions which have been emphasised for aiding organisations in evaluating and measuring formal and transparent commitment to ethics and integrity in the workplace. Despite the difference in conditions and attitudes, this tool has been identified as having high applicability (Dubinsky & Richter, 2008). To date, this tool has been widely used to describe corporate integrity systems, practices or for comparison purposes from the Malaysian perspective (Johari, Alam & Said, 2020; Zainal et al., 2017; Rosli, Aziz, Mohd & Said, 2015). The IAT dimension of IAT can be referred to the Figure 1 below.



Figure 1: Dimension of Integrity Assessment Tool (IAT)
Source: Dubensky and Richter (2008)

The descriptions of each dimension are as follows;

1. Vision and goals - this dimension focuses on identifying whether the company properly defines and integrates core values and principles in its operations. This is important to show the commitment to carry out ethical and moral conduct in their daily activities.
2. Leadership – this dimension covers the responsibilities of the company's leaders to ensure the promotion of ethics and integrity is conducted immensely. Such responsibility is used to evaluate leadership's commitment to supporting ethics and integrity initiatives as it holds "Tone from The Top" principle.
3. Infrastructure – this dimension explores the structure of companies that facilitate the process of achieving good integrity compliance.
4. Legal compliance, policies and rules – this dimension addresses how the company establishes a framework that includes the laws, policies and guidance with the purpose of ensuring the enhancement of integrity and ethics compliance.
5. Organisational culture – this dimension emphasises the overall company's culture that promotes integrity and ethical conduct in its mission, vision, strategies and structures. The culture must demonstrate trust, respect and goodwill within the company.
6. Disciplinary and reward measures – this dimension explains the incentive and punishment which will be an enforcement tool to promote integrity and at the same time, deter any integrity violation.
7. Measurement, research and assessment – this dimension evaluates whether the research is conducted before the integrity evaluation and assessment.
8. Confidential advice and support – this dimension elaborate the provision of any confidential, neutral, professional and independent ethical advice and support to all involved parties such as employees, managers, executives and other stakeholders.
9. Ethics training and education - this dimension assess the level of awareness, training and education provided by a company to ensure the employees are provided with sufficient development to increase their understanding of integrity enhancement.
10. Ethics communication – this dimension explains how ethics and integrity will be communicated to express and promote ethics internally and externally.
11. Whistleblowing – this dimension explores the effort of a company to encourage its employees to speak up and make reports for any unethical behaviour initiated by internal or external parties to the entity. It also assesses the provision of protection for the whistleblower.
12. Accountability – this dimension is considered a mechanism to ensure the company and its employees faithfully perform their duties to all the stakeholders.

Methodology

This study utilised quantitative method to analyse corporate integrity practices in Malaysian companies. The content analysis was used to identify the most practised and implemented dimensions within the selected companies.

Sampling and data collection

The data for this study was collected based on the reports of Malaysian companies' Integrity Assessment Tool (IAT) Self-Assessment which were prepared by a research institute in Malaysia. The reports consist of the response of fourteen companies which were voluntarily involved in the assessment. The result from the survey was presented in the form of a percentage which indicates the level of the dimensions evaluation.

Data analysis

The data was analysed based on descriptive analysis. The total percentage of each dimension will be divided by fourteen to get the mean values. For this study, the mean values of the dimensions are used to get the basis for the corporate integrity practices analysis.

Findings and discussion

Fourteen companies involved were categorised under four types of company, which are government-link company (GLC), government agency, state agency and private company. The classification of all companies was described in Table 2.

Table 2. Classification of the companies

Types of company	Quantity
Government-link company	5
Government agency	5
State agency	3
Private company	1

Table 2 showed that GLCs and government agencies were actively involved in the assessment compared to state agencies and private companies. The main reason for this finding was the enforcement imposed on all the companies associated with the government. Latif et al. (2020) highlighted the role of government as the enforcement mechanism for any adoption of a new system or principle. The reliance on government financial support can also justify the higher involvement of GLCs, government agencies and state agencies in evaluating the corporate integrity system.

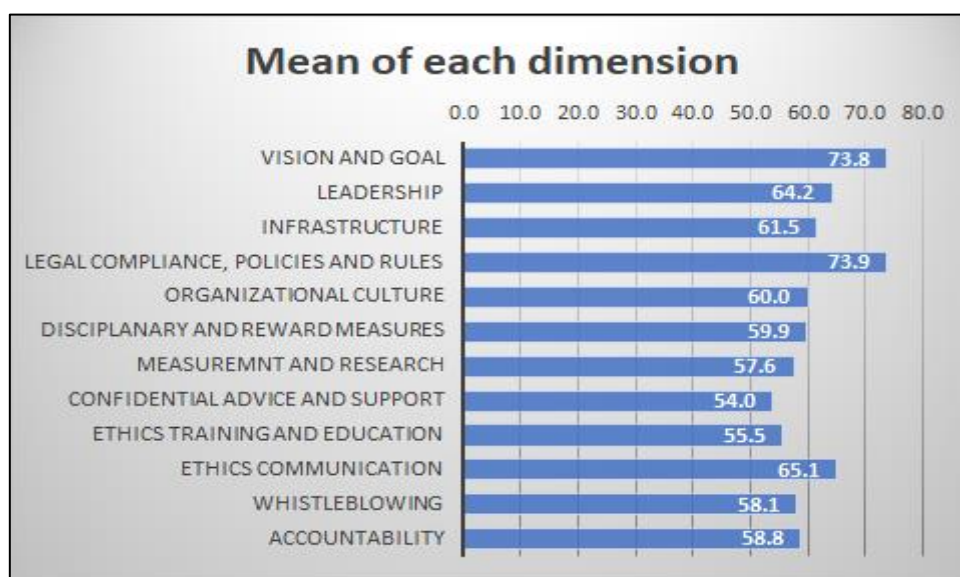


Figure 2: Mean score of dimensions

Figure 2 showed that legal compliance, policies and rules (73.9%), vision and goal (73.8%) and ethics communication (65.1%) were the top three scores of the corporate integrity dimension. This finding presented that the companies have established a framework that provides clear guidelines for ethical behaviour which also deals with external legal frameworks. The high score of vision and goal showed that the companies have properly defined their core values to integrate into daily business operations. Besides that, all the companies have satisfactory communication and expression of ethical and integrity plans. The companies were perceived as capable of promoting integrity internally and externally. The highest score of legal compliance, policies and rules depicts the priority given to that dimension is to avoid any potential lawsuit and financial liability (Ali, Lodhia & Narayan, 2020). Apart from that, integrity compliance is a good indicator of reputation that sustain survival in the business.

On the other hand, confidential advice and support (54%), ethics training and education (55.5%) and measurement and research (57.6%) scored the lowest score. Low confidential, neutral and lack of professional support provided to the eligible stakeholders leads to this problem. In addition, the provisions of integrity training and education seem insufficient due to the minimum establishment of ethics-related training and skill-building throughout the employees' life cycle. The companies did not properly conduct research prior to the establishment of integrity strategies as well as not fully support the creation of ethics and integrity culture. The low score of these three dimensions can be justified due to the high establishment cost. Training delivery and research are usually extremely expensive and time-consuming processes. Most businesses are reluctant to engage in such endeavours for this reason.

Conclusion and Recommendations

Integrity is a prominent factor of sustainability. Therefore, encouraging integrity compliance has become companies' core objective. By establishing the integrity assessment tool (IAT), the process of integrated ethics into the workplace can be appropriately evaluated. The assessment is also useful for identifying any dimensions' loopholes that require further improvement. Result obtained from the IAT report has agreed that most Malaysian companies prioritised legal compliance, vision and mission and ethics communication to incorporate integrity and ethics into practices. Nevertheless, the inevitable obstacles such as limited financial resources, expertise and time constraints deter the achievement of sufficient training and education, research as well as confidential support.

Further study could extend the analysis of the integrity dimension based on industries such as automotive, services, banking, and property. Heterogeneity of those industries may lead to the different level of dimension assessment.

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Author Contribution

J Abdul Jabar - conceptualization, investigation, writing-original draft, final editing; ES Kasim – data collection, writing review and editing; N Md Zin- data collection, writing review and editing; N Ismail- writing-original draft, editing graphic, AH Dol- writing-original draft, R Abdul Razak- writing-original draft

Conflict of Interest

Authors declares no conflict of interest.

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DETERMINANTS OF CREATIVE ACCOUNTING PRACTICE IN MALAYSIA

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Abstract

Whether being pushed to the edge or for self-interest, the financial report has been creatively presented to show outstanding performance and make the stakeholders happy. To an extreme extent, creativity becomes fraudulent. Past studies have shown that several factors contribute to the practice of creative accounting. However, studies focusing on individual and organizational aspects are still lacking. This study investigated the relationship between individual factors, that is, the accountant characteristic and organizational factors that are the company's corporate governance with creative accounting. The variable tested in this study is age, working experience, and education as individual factors, while corporate governance is the organizational factor. A final of 42 respondents consists of accountants that are members of the Malaysian Institute of Accountants (MIA). Data were gathered from a questionnaire adapted from previous studies. From the responses of 42 members of MIA, it was found that none of the individual factors that were tested had a significant relationship with creative accounting practice. This could indicate that the practice is committed by any person regardless of age, experience, and education level. However, corporate governance showed a significant relationship with the practice. This means that corporate governance is a determinant factor of creative accounting practice in Malaysia. Good governance and excellent internal control could curb the practice of creative accounting. This study is primarily significant to the users of financial reporting, especially the investors, in determining the credibility and reliability of the company's financial report. These findings show that effective internal control as a result of good governance is essential in ensuring a healthy financial report of a company.

Keywords: *Creative accounting practice, corporate governance, age, working experience, education background.*

Introduction

Creative accounting can be defined as the use of accounting techniques aggressively to show a 'beautiful' performance of companies in their financial reporting (Bhasin, 2016). Those companies will adjust their performance in the report by using creative accounting as much as possible to achieve the targeted result. The purpose of doing creative accounting can either be to present an impressive financial performance to other stakeholders or for self-compensation to the insiders (Umobong and Ironkwe, 2017). The Star newspaper did an impromptu survey on the awareness of people on corporate fraud in August 2016 in Kuala Lumpur. This was to identify to what extent they know about this issue. The survey was to correlate it with the situation being reported by the newspaper, where auditors find it tough to unmask corporate fraud. It was reported that more than 90% of individuals interviewed (23 out of 25) did not honestly know or want to comment about fraud. This showed that potential or current financial reporting users did not know what happened in the corporation.

Due to the rise of creative accounting practices that lead to earnings management worldwide, many efforts have been taken to restore confidence in the quality of financial reporting and the accounting profession. One of the efforts is to introduce international standards in financial reporting (Okoro and Okoye, 2016). Even though some countries have accounting standards in financial reporting, International Financial Reporting Standards (IFRS) increase the likelihood of boosting reporting transparency. This will result in a greater understanding of stakeholders in the financial results and reduce the usage of creative accounting practices. In addition, IFRS also facilitates cross-country comparability of the companies in the same

industry (Okoro and Okoye, 2016). When this feature is included, it will be easier for the users to detect if any manipulation has taken place in the respective company as they can now compare the performances easily. However, this standard is not far away from criticism and potential problems.

The level of creative accounting used differs in some countries based on the law and regulations. As in some small advancing countries like Greek, the creative accounting practice is considered at an acceptable level (Baralexis, 2004). Safta et al. (2020) studied the creative accounting practices in Romanian companies and indicated that 84% of their respondent involved creative accounting in their financial reports. Creative accounting practice has been seen as aggressive accounting rather than fraud (Sahiti and Aliu, 2017). This is because fraud is defined as the intentional misstatement which would cause the reader to alter their judgment and decision. However, creative accounting is not breaking the law and working within the regulatory system. Yadav (2014) states that creative accounting cannot be considered fraudulent, but as it takes the benefits of loopholes in the accounting standards, it can lead to illegal acts. Creative accounting practice shows that it impacts the reliability of financial reporting (Ismael, 2017). The techniques of creative accounting will affect the information produced in financial reporting and thus will reduce the quality of reliability of the report. It may also affect the company's share price and asset value (Gabar, 2015). Therefore, it can be concluded that this practice affects the reliability of financial reporting, and there is always a negative effect on the quality of financial reporting (Khamangy and Sadeegy, 2015; Alomery and Alameen, 2014).

However, creative accounting practice does not show any sign of declining either in Malaysia or worldwide. This might be due to the companies' benefits from using creative accounting. Some literature also mentioned that managers still use creative accounting to manage and prepare financial reporting because of some countries' loopholes in accounting regulations (Akpanuko and Umoren, 2018). The loopholes discussed include the regulatory flexibility, absence of law, the scope of managerial judgment and estimation of discretionary areas, the timing of transactions, the use of artificial trade and reclassification, and the presentation of financial members. Previous literature found that common individual factors that usually lead to creative accounting are the urge to get higher salaries and bonuses and to gain self-satisfaction (Catalina, 2017). Organizational factors have also been found to be the determinants of the creative accounting practice. Competition is one of the determinants of organizational factors (Remenaric et al., 2018; Catalina, 2017). However, other less discussed and tested determinants may also affect the practice of creative accounting, such as the characteristics of the accountants and corporate governance. Accountants' characteristics (based on age, education background, and working experience in the field) seem to have a positive relationship with creative accounting practice. The result showed that those accountants with a shorter experience in the area considered creative accounting a legal act (Marin and Mihaela, 2015). Ali (2016) found that corporate governance positively correlated with creative accounting practice. The underpinning theories for this study are agency theory and legitimacy theory. These theories relate to the function of accountants that must serve the company's owners (investors and shareholders) and society. Due to the gap in the earlier literature, this study would like to study the relationship between accountants' characteristics and corporate governance with creative accounting practice.

According to Marin & Mihaela (2015), accountants of younger ages ranging from 30-40 years old consider the usage of creative accounting as a legal act. However, this significantly contradicts the perception of more senior accountants over 40. The reason for this relationship is that most younger accountants see creativity as one of the qualities of professional accountants. While this quality can add value to the company, they are working with it either in the short term or in the long run (Marin & Mihaela, 2015). However, the age of the accountant is also considered to not correlate with the perception of creative accounting. This is because, nevertheless, the age of accountants does not affect their behavior of accountants. As many other characteristics can contribute to this matter, age is not one of them (Clemenceau, 2014). From the literature discussed above, hypothesis 1 is constructed as follows:

H1: There is a significant relationship between the age of accountants and creative accounting practice.

Accountants with less working experience will tend to see the usage of creative accounting as something legal and are intended to use it more commonly in preparing financial reporting (Marin & Mihaela, 2015,

Kirschenheiter and Melumad, 2002). This happened due to several reasons. Firstly, less experienced accountants do not know much about the company they are working with. Thus, it will be hard for them to align their interests with the company's interests. As a result, they tend to use creative accounting to manipulate the financial reporting as a company with sound financial performance or more profitable will reflect on the efficiency of the management, which in return be compensated for their performance. Secondly, it is related to the training they have attended. Junior staffs typically attend training that develops their skills and knowledge on the job instead of building loyalty and trust towards the company. Therefore, less experienced accountants tend to use and consider creative accounting practice more often in preparing financial reporting than more experienced accountants. Thus, hypothesis 2 is constructed as follows:

H2: There is a significant relationship between the working experience of accountants and creative accounting practice.

Gabriels and Van De Wiele (2005) found a different perception of creative accounting between accounting and non-accounting students. People with an accounting background (accounting as the primary course) are more aware of the possible consequences of creative accounting practice compared to those not from the accounting background (e.g., business course, statistics, engineering, etc.). In addition, people with an accounting background think that creative accounting practice is the responsibility of the accountants. This means accountants tend to use creative accounting more often compared to non-accountant (Gabriels and Van De Wiele, 2005). Hence, hypothesis 3 is constructed as follows:

H3: There is a significant relationship between the educational background of accountants and creative accounting practice.

A few corporate governance factors have been studied concerning creative accounting: involvement of outside directors, internal control mechanisms, product and market conditions, audit standards, goodwill of the firm, and capital market techniques (Yadav, 2014). Some of these factors showed a positive relationship with creative accounting. It means that the presence of these factors can lead to the existence of creative accounting practices in a company. The most vital factor in this research is the involvement of outside directors. The result shows that if outside directors of the company own a large block of stocks, then the manager practices less creative accounting. In addition, creative accounting practice will be reduced if the company involves more directors in its decision-making. Thus, hypothesis 4 is as below.

H4: There is a significant relationship between corporate governance and creative accounting practice.

Methods

The method for collecting data for this research is through questionnaires. Questionnaires were from questionnaires used by Gabriels and Van De Wiele (2005), Salome et al. (2012), Yadav (2014), Marin and Frumusanu (2015), and Rabin (2005). This study used simple random sampling in selecting the respondent. The target respondent is accountants registered with the Malaysia Institute of Accountants (MIA), consistent with the studies of Yadav (2014), Shahid and Ali (2016), and Rabin (2005). Questionnaires were distributed to the respondent via email.

The questionnaire is divided into three sections. The first section is the demographic profile of the respondents. The demographic profile is also the data needed for individual characteristics. There are three questions for the individual profile: age, education background, and working experience. The scale used is nominal. The second section of the questionnaire is on the dependent variable, the level of creative accounting practice in Malaysia. Thus, it is categorical and uses an interval scale. The last section of the questionnaire is on the organizational factor, which is corporate governance. There are 18 items used in measuring this variable. A final 43 useable and complete responses were analyzed. The data were analyzed using SPSS statistical program. Descriptive analysis was carried out to understand the qualitative information collected. Further, reliability, validity, and correlation analysis were performed to ensure that the data fit, and the results were reliable. Standard multiple linear regression analyses are used to test the hypotheses developed for this study.

Result and Discussion

For this study, multiple regression is used in analyzing the result. Multiple regression establishes a relationship between a dependent variable and one or more independent variables using the best fit straight line. The model fitting is as follows:

$$\hat{y} = \beta_0 - \beta_1x_1 + \beta_2x_2 - \beta_3x_3 + \beta_4x_4$$

Where: Y = Level of Creative Accounting Practice

x1 = Age of Accountants

x2 = Working Experience of Accountants

x3 = Education Background of Accountants

x4 = Corporate Governance

The results for hypotheses testing are presented in Table 1 below:

Table 1: Regression analysis

	Beta	Sig	Adjusted R Square
Age	-.214	.137	-.025
Working experience	.282	.095	-.015
Education background	-.243	.402	-.016
Corporate governance	.256	.031	-.516

Table 1 shows a result of regression analysis on the relationship between the age of accountants and creative accounting practice. From the result above, the p-value shows a result of .137 (> .05), indicating no significant relationship between these variables. This means that there is not enough evidence to say that age of an accountant would affect the practice of creative accounting. Therefore, hypothesis 1 is rejected. The result contradicts the study by Marin and Mihaela (2015) that found the age of an accountant has a strong relationship with creative accounting practice. However, the findings of this study are consistent with the result of Clemenceau (2014) that age does not matter in determining the creative accounting practiced by the accountant. Differences in the cultural and economic setting could contribute to differences in the result of this study and other studies. The Adjusted R Square value is 0.25. This indicates that there is no relationship between the age of the accountants and creative accounting practice.

The statistical test result determines the relationship between the working experience of accountants and creative accounting practice. The p-value shows a result of .095 (> 0.05). The result shows no significant relationship between the tested independent and dependent variables. In conclusion, the working experience of an accountant does not determine the practice of creative accounting. Hence, hypothesis 2 is rejected. This result is non-consistent with the results of Marin and Mihaela (2015) and Kirschenheiter and Melumad (2002), which found a positive relationship between the variables. In the same table, the result of Adjusted R Square shows only a 0.15 relationship. Thus, we can conclude that there is no significant relationship between variables.

Table 1 shows a statistical result on the relationship between the educational background of accountants and creative accounting practice. The study hypothesizes there was a significant relationship between variables. However, the p-value indicates no relationship as the value is .402, which is more significant than .05. Therefore, hypothesis 3 is rejected. The Adjusted R Square scores are 0.16, which explains a fragile relationship between these variables. It means that the educational background of accountants won't affect the practice of creative accounting. Perhaps due to a majority of the respondent having almost the same education and qualification background, this variable did not show any relationship with the practice of creative accounting.

Results for hypothesis 4 show that internal control has a substantial relationship with creative accounting practice, which means if there is excellent internal control in a company, it might affect the practice of creative accounting in a company. As the variable satisfied the assumption of linear relationship, hypothesis 4 is accepted. The result is supported by a study by Yadav (2015) that shows internal control might determine the practice used. This can be seen from the p-value (Sig.) in the table above. A P-value

lower than .05 indicates a significant relationship between independent and dependent variables. The Adjusted R square result, as shown in table 1, stated a score of 0.516. This explains that 51.6% of corporate governance factors may affect a company's creative accounting practice.

Conclusion

This study has found no significant relationship between the individual factors of accountants and creative accounting practice. The factors discussed in this study are age, working experience, and education background of accountants. As there is no significant relationship between the variables, we cannot assume that an accountant's characteristics may affect creative accounting practices. There are no specific characteristics that may influence the practice. Another independent variable of the study is the organizational factor which specifies corporate governance as the factor being tested. For this factor, factor analysis has been done before running a regression analysis to determine the relationship result with the dependent variable. The purpose of doing factor analysis is to ensure that the elements within the same scope are being grouped and to make it easier to run the regression analysis. The research shows that corporate governance significantly relates to creative accounting practice. Therefore, hypothesis 4 is accepted in that there is a relationship between corporate governance and creative accounting practice. This is consistent with the study of Yadav (2015) and Rabin (2005).

The findings of this study may provide additional evidence to the literature proving that different individual factors such as the characteristic of accountants (age, working experience, and education background) may not affect the creative accounting practice. Another contribution of this study is that it will help the users of financial reporting better understand the problem of creative accounting that may affect the company's reporting. Next, this study will also help to increase the effectiveness of management in a company. This refers to the organizational factor that significantly relates to the practice. However, there are some limitations to this study. Firstly, the number of respondents was small compared to the sample size needed. Even though the number of respondents was consistent with the prior research, it still showed a big gap from the actual sample size (Respondents: 42; Sample size: 338). Future research on the relationship of a broader corporate governance characteristic with creative accounting practices could shed more light on formulating a more robust corporate governance framework.

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Author Contribution

Faros Faizdnor Roslan: Conceptualization, Project administration, Writing – original draft, Methodology, Formal analysis, Data curation, Validation. Norhayati Alias: Writing – Review & Editing, Visualization, Validation. Raziah Bi Mohamed Sadique: Writing – Review & Editing, Visualization, Validation

Conflict of Interest

The authors declare no conflict of interest.

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BIG DATA ANALYTICS COMPETENCIES FOR IR4.0 READY ACCOUNTING GRADUATES

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Abstract

The Industrial Revolution 4.0 is often characterised by data transformation involving a huge amount of unstructured data, also known as Big Data. More advanced analytics techniques are needed to uncover hidden patterns and unknown correlations from the diverse and large datasets known as Big Data Analytics (BDA). BDA is evolving and its impact on the accounting profession is growing. Consequently, accounting graduates need to be competent to understand and utilise BDA. However, studies that examine specific BDA competencies, i.e., knowledge and skills related to BDA needed by accounting graduates are still sparse. Hence, this paper aims to explore the competencies of BDA required for accounting graduates from the perspective of educators. A qualitative approach by using semi-structured interviews was conducted involving eleven participants who were lecturers from three public universities and two private universities in northern, central and southern Malaysia. Our study suggest that accounting graduates need to possess basic BDA knowledge in order for them to handle big data in their future profession. In addition, they also must be competent in mathematical, statistical, machine learning, analytical and data mining skills. By acquiring these competencies, accounting graduates are expected to perform their tasks more effectively in the IR4.0 era.

Keywords: Industrial Revolution 4.0, Big Data Analytics, Accounting Graduates, Private and Public University

Introduction

The Industrial Revolution 4.0 (IR4.0) is expected to change how we live, work, and communicate that eventually leads to changing business models and employment trends. Nowadays, organizations depend on sophisticated business processes and analytics in order to be competitive in the global market (Abbasi et al., 2016). This development is characterized by the huge amount of data produced commonly referred to as Big Data (Abbasi et al., 2016; Verschiedence, 2014). Big Data represents a high volume of data with different data types accumulating at a rapid velocity (McAfee & Brynjolfsson, 2012; Provost & Fawcett, 2013; Verschiedence, 2014; Molina, 2019). Big Data is not just “extra” data but it is massive, mixed and very unstructured. The daily amount of data produced by various business activities is expected to be growing at an exponential rate (Verschiedence, 2014). Nowadays companies need to leverage on voluminous structured, unstructured and semi-structured data to find their unique patterns on the different behavior of customers (Kaplan, 2016). Big Data reshapes organizations' operations in its technology, business process and how data is being analysed, hence the use of Big Data Analytics (BDA).

BDA is defined as the analysis of massive amounts of data using mathematical and statistical approaches that enable firms to detect patterns, identify anomalies, and generate valuable knowledge (Muhammad, R.N et al., 2020). From the accounting profession perspective, BDA opens an opportunity for accounting professionals in shaping their role in the near future (Gamage & Pandula, 2016). With BDA, accountants should be able to use it to increase operating efficiencies, assess risks and identify advantages and weaknesses through analysis. The importance of BDA is highlighted by various accounting education providers in recent years. For instance, the Association to Advance Collegiate School of Business (AACSB) requires BDA as part of an accounting program in which graduates need skills in creating, sharing, evaluating and interpreting data (Schneider et al., Mesa 2019). In the current digital era, the accounting and finance professionals are required to handle technical and non-technical skills but the qualified candidates are still insufficient (Krumwiede, 2016).

The presence of Big Data will likely require more significant changes than ever before and expects an increase in both analytical skills and database skills being added to the accounting curriculum. Not only is Big Data changing how accounting education will be performed, but it will also have an impact on who will analyse the data, given one of the characteristics of Big Data tools is self-service (Gantz & Reinsel, 2012; Lycett, 2013). Krahel and Titera (2015) believe that Big Data will result in more analyses being done by accountants rather than data analysts. According to Tarmidi, Ahmad and Roni (2018) local public universities need to equip the students with at least basic knowledge and technical skills in managing and operating data mining systems. Hence, relevant educational content-related information and a better teaching assessment is needed (Daniel, 2015). However, Yoon et al. (2015) suggest that there will not be enough trained accounting analysts to audit all the available data. In this way, BDA is expected to be used in academic since learning analytics can improve the quality of education and optimize the curriculum (Strang, 2016) among other benefits of data-driven decision making (Hargitai et al., 2021; Muhammad et al., 2020; Sedkaoui et al., 2019; Tasnim et al., 2020).

In Malaysia, the Ministry of Higher Education is still preparing all graduates to embrace IR4.0 (Brahim & Dahlan, 2019) including future accountants. Researchers predict that IR 4.0 will necessitate profound changes in major aspects of education in the content, style of delivery or pedagogy, and the structure of education (Lase, 2019). The unique responsibility of universities lies in training the specialists who will shape the digital transformation in the future as well as those high-skilled graduates who will work in a digitally transformed society (Jorgensen, 2019). Within the accounting field, the accountants must have the ability to leverage on BDA for the purpose of increasing operating efficiencies, assessing risks and identifying advantages and weaknesses in businesses. Rezaee and Wang (2019) suggest that BDA and forensic accounting could be integrated into the existing curriculum as it can improve forensic accounting education and practice. Similarly, in the auditing field, knowledge and skills in BDA would enable auditors to perform “continuous auditing” to look for ways to improve the cost-benefit ratio of internal audit functions (Capriotti, 2014). As such, accounting educators need to equip accounting graduates with BDA competencies, i.e., BDA knowledge and skills, that are required to change the traditional accounting role towards more technologically competent accountants (Gamage & Pandula, 2016; CGMA, 2013).

The incorporation of BDA in education is critical since it allows for all higher education institutions to be relevant, creating values, and remain competitive (Brahim & Dahlan, 2019). Content and delivery changes in accounting education are necessary to ensure graduates have a workplace with relevant knowledge and need to keep up to date with global accreditation standards and professional qualifications (Al-Htaybat et al., 2018) especially in BDA. The CGMA report (2013) has listed the five broad characteristics of future finance leaders, i.e., ability to identify which data points are useful in understanding what drives the business, clear sense of what customers care most with ideas on how to track this, ability to embrace new forms of data with relative ways to incorporate into decision-making, comfortable with uncertainty including the reality that Big Data may not provide definitive answers, and ability to explore new ways to interpret data to better inform management.

While there have been many calls for modifications in accounting education over the past 30 years in

response to changes in the financial environment and technology (Albrecht & Sack, 2000; McKinney et al., 2017), not many changes have been observed in practice. However, before any modification is made to the accounting curriculum to be in line with the development of Big Data Analytics, education providers need to have clear insights on the specific competencies needed to embrace Big data. More specifically, the nature of competencies in terms of knowledge and skills of BDA needed by the accounting graduates must be addressed first. Hence, the main purpose of this research is to generate insights into the BDA competencies in terms of knowledge and skills required by accounting graduates within selected universities in Malaysia.

Methods

This study used the qualitative methodology of research in addressing the research questions. Qualitative research is “any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification” (Strauss & Corbin, 1998; p:11). According to Denzin and Lincoln (2000), qualitative research is considered as a naturalist paradigm since rich data is derived from a natural setting obtained using a flexible research design, rigorous methods of analysis and interpretations. In this study, the research issues were addressed using semi-structured interviews that have been conducted through face-to-face and online platforms. Apart from that, this study also reviewed relevant documents, specifically the course outline of various accounting programmes offered by the selected universities. For the semi-structured interviews, 11 lecturers from three public universities located in northern, central and southern Malaysia participated; and three lecturers from two private universities located in the central region of Malaysia were also involved. Notably, the selection of the lecturers was made based on purposive sampling strategy. Using this strategy, only those who were expected to have sufficient knowledge and teaching experience in accounting and BDA were chosen.

Typically, the participants were permanent staff at the academic department such as the lecturer, faculty dean, and program coordinator. Prior appointments were made with the relevant interviewees. The interview meeting schedule was pre-arranged at the inception of the study while all appointments were made through ad hoc basis, as and when deemed appropriate. At the start of each interview, participants were promised confidentiality to facilitate candid responses. An interview protocol was used as a guideline during the interview. It contained information on the background of the interviewee, the particulars of the meeting that took place, brief objectives of the interview, interview questions and a closing remark. However, interviewees were allowed to develop their own explanations, and cues were taken from these for subsequent discussions and probes. The interviews lasted on average of one hour to one and a half hours per session. The data was recorded and subsequently transcribed.

This study utilised the thematic approach in analysing the findings. Hence, the presentation of the findings was made according to several themes which include familiarizing with the data, generating initial codes, searching for themes, reviewing potential themes, defining and naming themes and producing the report. More specifically, the data analysis process involves a six-step process which consist of (1) organize and manage data; (2) review and explore data, (3) re-read and examine data; form initial codes; establish themes or patterns and place coded data in themes, (4) refine the codes, (5) report findings and (6) interpret findings, analyze and synthesize findings by linking to insights and literature.

Findings and Discussion

Findings of the study indicate that future accounting graduates need to gain BDA knowledge and skills in order to perform tasks more effectively. From the knowledge perspective the findings suggest that accounting graduates need to master two types of knowledge. Firstly, there is a need for accounting graduates to have knowledge on BDA but only at a foundation level. Secondly, these graduates also need to possess basic knowledge on software that can be used to analyse Big Data. Learning the software will enable them to process the data that will allow them to predict and prescribe business decisions. For example, a participant (IV1) noted that:

“Business Analytics mines data and drives future business planning as it converts big data into actionable intelligence. It helps to answer, “What happens next?” (predictive) and “What should we do?”

(prescriptive).”

In addition, it is important for future accountants to be open to learning, reskilling and upskilling in a dynamic business environment where Big Data is utilised. Accounting graduates can use software that is already familiar to them to analyse Big Data, such as Microsoft Excel. Basic software knowledge will help them understand and generate meaningful patterns from the vast amount of data to be handled in their day-to-day job.

A participant (IV2) commented:

“We do not only teach basic (Microsoft) Excel but we also teach them at the advanced level. For example, students will do data analytics using (Microsoft) Excel. They will learn how to create a system, how to create a dashboard, and present the data. That is how we integrate our subject with the needs of industry”

This finding suggests that even though specific softwares such as Microsoft Power BI and Tableau are available for BDA, more advanced analytics can be performed by accounting graduates using software already taught within the current accounting curriculum. Therefore, the accounting graduates can still analyse Big Data using softwares that they are familiar with, yet powerful enough to handle Big Data such as Microsoft Excel.

Having basic BDA and software knowledge is sufficient for accounting graduates without the need for them to have advanced understanding of BDA. These findings could be attributable to the fact that it is important for future employees to demonstrate hybrid talent that are able to manage end-to-end processes particularly in a Big Data environment. These findings are consistent with Vasarhelyi et al. (2015) who noted that future accounting graduates would also benefit from exposure to emerging BDA to enhance their future career development. This is further supported by a participant (IV10) who stated that:

“If they have this knowledge, what I can see is that they have a future not only to just work in the accounting field but it could enhance the quality to provide them a better job decision”

Our findings show that Big Data had significant impacts on the skills needed by future accountants. It is important for the accounting graduates to be able to capture data analytics capabilities. This study suggested that various skills are needed for accounting graduates to adapt in the Big Data environment. The multidisciplinary skills that are required include mathematical, statistical, machine learning, analytical and data mining skills. Apart from these skills, another important skill that is needed by accounting graduates is their creativity skill. Such creativity skill will help accountants to offer solutions in a more creative way with the aim to facilitate businesses in formulating their strategies. Our findings support prior studies such as Ghasemaghahi and Calic (2020) which noted that the combination of creativity and BDA may be more conducive to the development of new strategies for firms to compete.

This study suggests that competencies in Big Data Analytics can improve the graduates' quality for better employment. However, our findings indicate that existing accounting knowledge and skills taught are still relevant. As noted by a participant (IV5):

“The new skills are not replacing what they are currently taught but serves to enhance the knowledge and skills that they have now.”

These findings are consistent with prior studies (e.g., Gamage, 2016; Ahadiat & Martin, 2015; PwC, 2015). Accounting graduates also must have the skills set to extract value from Big Data through advanced analytics (PwC, 2015). Accounting programs are faced with the challenge of training students that are more marketable than ever before. No longer will teaching the traditional subjects be sufficient to make students qualified for the scarce positions that are available. Accounting students' education should take a much broader approach and go beyond conceptual and technical accounting knowledge (Ahadiat & Martin, 2015). According to Gamage (2016), accounting and professionals should not focus only on accounting information systems but also on information storage, data management and analyzing the data

pattern. The incorporation of BDA within the existing accounting curriculum is viewed as timely considering the need for accountants to stay relevant in the business and finance landscape. As pointed out by Gamage (2016), there is an increasing demand for software engineers and data scientists within the accounting professions. Failure to keep abreast with Big Data development may lead accountants to miss employment opportunities. These findings are consistent with (Jorgensen, 2019) whereby the unique responsibility of universities lies in training the specialists who will shape the digital transformation in the future as well as those high-skilled graduates who will work in a digitally transformed society. These skills enable them to transform traditional business operations into contemporary data-driven insights such as real time, valuable, and how genuine the data.

Conclusion

This study aimed to generate insights into the Big Data Analytics competencies in terms of BDA knowledge and skills required by accounting graduates. Our findings indicate that future accountants need to have basic knowledge on BDA for them to adapt to employment in the digital era. They also need to have several critical skills including mathematical, statistical, machine learning, analytical and data mining skills. This research has broad practical implications. Firstly, it aims to fill the gap in the current literature on the incorporation of BDA within existing accounting courses. Given that the use of BDA is evolving and its impact on the accounting profession is growing, BDA competencies, i.e., knowledge and skills, required by accounting graduates should not be overlooked. Secondly, this study highlights the need for education providers to embark on the incorporation of BDA within accounting courses if they have not done so. Such efforts will ensure that the accounting profession will remain relevant in the future.

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Author Contribution

NI Mohamed Sufian – conceptualization, data collection and analyse, Writing - original draft, Writing – review and editing; ES Kasim – supervision, Writing - original draft, Writing – review and editing; N Md Zin – supervision, Writing - original draft, Writing – review and editing; N Md Noor; WA Wan Nasrudin – data collection and analyse, Writing - original draft, Writing – review and editing.

Conflict of Interest

Author declares no conflict of interest.

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PERCEPTION OF NON-ACCOUNTING STUDENTS IN UiTM NEGERI SEMBILAN ON ACCOUNTING INFORMATION SYSTEMS COURSE

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Abstract

In this new technological era, knowledge in multidisciplinary courses will provide students with opportunities to learn beyond their main course. Understanding the core course thoroughly is crucial. Enrolling students in other courses will provide them with broader perspectives and experience, boosting their capacity to combine skill sets and expertise and resulting in immediate future career success. AIS615 is an accounting information system course offered to non-accounting students from the Faculty of Computer and Mathematical Sciences to enable students to improve their job marketability after graduation. Considering AIS615 is an accounting subject, students who are not majoring in accounting will find it challenging because it is not their main course, which could result in a conflicting perception. The importance of the student's perception of the course has been proven to impact student achievement significantly. It also offers essential information for educators to use in enhancing future learning approaches. Thus, the aims of this study is to investigate the perceptions of non-accounting students enrolled in an AIS615 course at UiTM Negeri Sembilan, considering that the students are not pure accounting students. The respondents for this study are students enrolled in the AIS615 course, which includes students in Parts 3, 4, 5, and 6. The data for this study is collected using an online questionnaire. In this study, the perception of the AIS course was measured using three components: interest, usefulness, and challenge. The results show that students thought the AIS615 course was interesting, useful, and challenging. It demonstrates that students are willing to take on the challenges of a course that is both interesting and useful in the future.

Keywords: accounting information system, non-accounting students, interesting, usefulness, challenging

Introduction

Nowadays, the use of information technology in all aspects of life has given life a new dimension. Information technology is used in almost every part of life. It contributes significantly to business (Ibrahim et al., 2020), education (Ratheeswari, 2018), social activities (Petrova, & Vasichkina, 2021), and many others. Similarly, to be competitive, accounting activities rely on highly competent information technology, namely Accounting Information System (AIS). AIS is a system that collects, records, stores, processes, and reports financial events for decision-making (Soudani, 2012; Abdelraheem et al., 2021). AIS improves the accuracy of financial statements and reporting (Salehi, Rostami, & Mogadam, 2010). This justifies why most businesses nowadays use AIS. It can improve accounting information quality in relevance, reliability, understandability, consistency, and comparability (Abdelraheem et al., 2021) and positively impact organizational performance (Soudani, 2012; Grande et al., 2011). Furthermore, an effective AIS implementation can assist businesses in increasing productivity and competitiveness, providing accurate information and timely decision-making to improve business sustainability (Lutfi et al., 2022; Ibrahim et al., 2020). With the growing demand for AIS, educational reformers face a new challenge in developing a specific curriculum to ensure that graduates are comprehensively marketable (Weisenfeld et al., 2020; Al Mallak et al., 2020). Recognizing the importance of learning information technology, the AIS course, one of which is AIS615, was first offered to students from the Faculty of Accountancy at University Teknologi Mara (UiTM), and it is now offered to non-accounting students from the Faculty of Computer and Mathematical Sciences (FSKM) starting in 2019.

As AIS learning has become increasingly crucial for accounting and non-accounting students, this course provides virtual "real-life" experiences to aid student learning and skills that meet current market demand (Bahari et al., 2022; Widjaja, & Matitaputty, 2018). In AIS615, students will be exposed to problem-based learning (PBL), where they will be given real-life business activities scenarios. This activity has improved student performance, attitude, characteristics, and knowledge (Bahari et al., 2022). Through the PBL cases, students can recognize the business's flaws and consider solutions. Aside from that, students are required to learn SQL Accounting software as part of the syllabus and assessment. Students will be required to use the accounting software to record all the specified transactions, bank reconciliation statements, and a full-year financial report, just like in an actual accounting event.

Accounting students are required to learn the AIS615 course. On the other hand, students from FSKM have the choice of enrolling in AIS615 or Big Data. Both fields will undoubtedly provide students with interesting knowledge that will prepare them for the job market. Therefore, AIS will seek to produce multidisciplinary students in addition to their fields, making them more marketable once they graduate. Students who are not accounting majors will find accounting courses complex and challenging as it is not their core course (Bakar et al., 2020), which may lead to a contradictory perspective. There is no doubt about the significance of students' perceptions of their coursework because it significantly impacts how well they perform (Knight et al., 2021). Furthermore, students' perceptions may provide educators with important information for improving future learning approaches (Amir et al., 2020). However, because AIS615 was only introduced to non-accounting students in 2019, there is a lack of prior research that examines non-accounting students' perceptions of AIS courses.

Thus, this study aims to investigate the perceptions of non-accounting students enrolled in an AIS615 course at UiTM Negeri Sembilan while considering that the students are not purely accounting students. The respondents for this study are students enrolled in the AIS615 subject, comprising students in Parts 3, 4, 5, and 6. An online questionnaire is used to collect data for this study. In this study, the perception of the AIS course was measured using three components: interest, usefulness, and challenge.

Students' perceptions of the course in which they enrolled are essential in determining the demand and marketability of programs offered by higher education institutions. The institution may want to justify the relevance of each course provided. Thus, successful course delivery increases students' positive perceptions and interests (Lois et al., 2017). Prior research has revealed that students have mixed perceptions about how interesting, useful, and challenging accounting courses are. Engaging describes a feeling of excitement and holding the attention or curiosity of a learning course from the standpoint of learning. Usefulness denotes something valuable that serves a practical purpose, whereas challenges mean a course's difficulty level. In recent years, much research has been devoted to understanding the students' perception of online or distance learning, especially since the pandemic. Studies on students' perceptions of accounting courses, particularly accounting information systems, are still scarce.

Studies by Knight et al. (2021), Goh and Scerri (2016), Hossain et al. (2008), and Krishnan et al. (1999) found a positive perception of accounting course learning. The study by Knight et al. (2021) aims to understand better non-accounting students' perceptions of their obligation to learn accounting before they begin the course. Their interviews revealed that the non-accounting students had a generally positive perception of the accounting function and were interested in the new topic. On the other hand, according to Hossain et al. (2008), non-accounting students find the managerial accounting course interesting because it provides real-world application. Krishnan et al. (1999) studied students' perceptions and expectations of introductory finance courses. They found that accounting courses are challenging but also interesting and useful, with most students stating that they would not take the accounting course if it were not required. Goh and Scerri (2016) found that hospitality students demonstrated positive perceptions were more common than negative perceptions toward accounting courses and perceived the course as interesting, fun, and useful for their careers. Geiger and Ogilby (2000) discovered that accounting students have a positive perception of introductory accounting courses than do non-accounting students at the beginning of the semester. However, by the end of the semester, both groups of students had a positive

perception of the introductory accounting course, indicating that the factors of individual instructors influenced the students' perception.

Furthermore, students welcome the course's challenges when they see the value added to their degrees (Krishnan et al.,1999). Students are willing to brave the course's difficulty as it broadens their knowledge and increases their value in the job market. Tickell et al. (2012) discovered that accounting students are more interested in learning challenging accounting topics than non-accounting students. However, non-accounting student becomes more interested in enrolling in accounting courses once they realize how essential accounting concepts are to their future careers. Thus, it explains that non-accounting students are willing to take on the challenges of the course when they recognize their potential career in accounting. On the other hand, according to Goh and Scerri (2016), perception difficulties, such as the challenges and complexities of accounting courses, can be reduced if the learning process is regarded as enjoyable and fun, and the learning environment involves helpful instructors and peers.

Methods

Sample and measurement

Respondents for this study are students from FSKM UiTM Seremban Campus who are enrolled in the AIS615 course, which consists of Parts 3, 4, 5, and 6. The questions concern the course's level of interest, usefulness, and challenge to understand better the perceptions of non-accounting students of the AIS course. An online questionnaire is used to collect primary data for this study. The questionnaire was distributed to the respondents through a google form within one week. The survey instrument was adapted from Krishnan et al. (1999), which Tickell et al. (2012) used in their study. The question has two sections: (1) Respondent Profile and (2) Perception. This study measures perceptions by three factors: interesting, useful, and challenging. Six items were used to assess interesting elements, while four and two items were used to determine useful and challenging aspects. The responses to the perceptions were recorded using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Data collected were analyzed using IBM SPSS Statistics 28. Descriptive statistics computed the maximum, minimum, mean, and standard deviation of this study's variables and indicators. The correlation analysis was then conducted to examine the relationships among the variables.

Result and Discussion

The results are divided into two sections: descriptive analysis and correlation analysis. Respondents were given a set of questionnaires to answer to achieve the research objective, which required them to provide their perceptions of their thoughts regarding their interest in the AIS course, how useful the AIS course is to them, and how challenging the AIS course is to them. The demographic information for the survey is shown in Table 1.

Table 1. Demographic Information

Participant Characteristics	Sub-Profile	Frequency	Percentage
Gender	Male	18	13.6
	Female	114	86.4
Part	3	40	30.2%
	4	34	25.6%
	5	30	23%
	6	28	21.2%
Accounting Basic Knowledge	Yes	113	85.6%
	No	19	14.4%

A total of 132 students participated in this study. Table 1 indicates that many participants are females (86.4%). There are 40 students in Part 3, 34 in Part 4, 30 in Part 5, and the remaining in Part 6. Most participants (85.6%) have no basic knowledge of accounting courses. Understanding the students without basic accounting knowledge studying accounting will help improve how the course is conducted.

Descriptive statistics of variables

Descriptive statistics of the data collected are presented below.

Table 2: Descriptive statistical analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Interesting	132	3	5	3.75	.439
Useful	132	2	5	3.91	.636
Challenging	132	3	5	4.23	.616
Valid N (listwise)	132				

The data were normally distributed and showed appropriate levels of reliability as tested through Cronbach’s alpha (0.733). Table 2 indicates that the mean for interesting, useful, and challenging are all above the average scale. All variables scored in the affirmative (1=Strongly disagree, 5=strongly agree, with three at the midpoint) with a mean value greater than 3. In Table 2, the results reveal that, among the three perception elements, challenging has the highest mean score of 4.23, followed by useful with a mean of 3.91 and interesting with a mean of 3.758. The findings suggest that students perceive AIS615 as an interesting, useful, and challenging course.

Correlation Analysis

Correlation analysis was carried out on the data to determine if there is any relationship between the variable and the strength of the relationship. The result is presented in Table 3.

Table 3: The results of correlation analysis

	Interesting	Useful	Challenging
Interesting	-	0.209*	.325*
Useful	0.209	-	0.269*
Challenging	0.325*	0.269*	-

Correlation analysis was conducted to determine the strength and direction of the relationship between perception variables. The association was investigated using the Pearson correlation coefficient. As presented in Table 3, a low correlation is observed for all the relationships between perception variables. The results show that the correlations between interesting and challenging are significant at 0.325 ($p < 0.05$), followed by useful and challenging at 0.269 ($p < 0.05$). Meanwhile, the correlation between useful and interesting is insignificant, with the correlation value at 0.209.

The result shows that interesting and challenging are significantly correlated, supporting the finding of Goh and Scerri (2016). It discovered that students perceive that challenging course can be compensated for if it is interesting. In other words, perceived difficulties such as the complexity and challenges of complicated AIS can be reduced if the course is interesting and enjoyable. The syllabus chapters focused on the importance of having a sound business accounting system and internal control, fraud, and systems security. Students are exposed to the threats faced by the modern information system, internal control, and information security that are crucial for organizations, allowing them to think critically about the issues presented. Simultaneously, students will be more interested to learn how to respond to information attacks and control processes in the organization. Significantly, the course aids students in looking at problems from different perspectives and developing solutions, which will be extremely useful when entering the

professional world.

The results also reveal that useful and challenging are significantly related and support the study by Tickell et al. (2012). Thus, it explains that the non-accounting students are willing to brave the course's difficulty as it broadens their knowledge and increases their value in the job market. Assessments for this course are divided into three types: test, PBL, and SQL Software assessment. Students observed that the assessments were useful and unique. They are exposed to various assessments requiring them to manage their time well to complete all the assessments quickly. In PBL, students learn to identify and solve problems that arise in business activities during business cycles, which will be useful to them in the future. As part of the SQL Software assessment, students are exposed to the preparation of a complete set of accounts for organizations. Despite the difficulties the students had in completing the accounts using software due to a lack of accounting knowledge, this assessment will help them manage their businesses and make better business risk assessments.

Conclusion

The AIS course provides valuable knowledge for non-accounting students taking the subject as part of their program curriculum. Learning a variety of other courses, rather than just the courses specifically designed for their Mathematical Management program, helps to improve the ability to blend skill sets and knowledge that can be directly translated into future career success. From the study findings, students perceived the AIS course as useful, engaging, and challenging. This result supports the other studies (Knight et al., 2021; Tickell et al., 2012; Goh & Scerri, 2016; Krishnan et al., 1999) that students are eager to take on the challenges of a course that is both interesting and useful in the future. Students who complete the AIS course have a broader opportunity of finding work in the accounting and business fields. This is advantageous to students because AIS provides graduates with added value when they enter the challenging professional world. The AIS syllabus, which includes a variety of assessment types, enables students to solve problems that arise during business activities and make more informed decisions about any issues that arise. Finally, students perceive AIS as a course that improves their knowledge and skills. In conclusion, students perceive AIS as a course that enhances their knowledge, skills, and readiness to face the rapidly changing and ever-evolving job landscape. A further study on the different perceptions between accounting and non-accounting students would add more knowledge and understanding to the lecturers/instructors.

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Author Contribution

Amariah Hanum Husin: Conceptualization, Project administration, Writing – original draft. Salwa Muda: Methodology, Validation, Formal analysis, Data curation, Supervision. Raziah Bi Mohamed Sadique: Writing – Review & Editing, Visualization. Siti Mariam Abd Halim: Writing- Original Draft, Resources. Musliha Musman: Investigation, Resources, Writing – Original draft.

Conflict of Interest

The author declares no conflict of interest.

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STUDENTS' CHALLENGES IN ONLINE ASSESSMENT: A MEAN RANKING ANALYSIS

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Abstract

The COVID-19 pandemic era has been distinguished by the rapid conversion of courses to the online format and the use of online assessment systems. All educators around the world have encountered difficulties as a result of the sudden adoption of distance education learning methods. Based on student perceptions of the online exams, which were transferred compulsorily during the epidemic process, this study identifies factors of online assessment challenges that students faced. Additionally, accounting has been perceived by non-accounting students as a difficult subject and a "high-risk" course, with significant failure rates even during normal examination system. As such, a survey on non-accounting students' perceptions of challenges on online assessments has been prepared and administered to students after they have completed the exam. The data is analyzed with the use of a mean ranking analysis. The results of the survey indicate that time constraint is the most students' challenges with the online exam system.

Keywords: Online assessment, Online Distance Learning (ODL), Accounting, Non-accounting students

Introduction

The COVID-19 pandemic has affected Malaysia's teaching and learning process from the school level to the level of higher education institutions. The government implements policies moving from conventional classrooms to online classrooms through its Ministry of Higher Education. This unanticipated transition has brought several obstacles, as generating precise course plan designs, audio, and video content, and technical support equipment are all required when creating online course content for a distance learning environment. Universiti Teknologi MARA (UiTM) officially uses open and long-distance learning modes or Online Distance Learning (ODL) entirely from March 2020 until the semester ends in February 2022. Since the government announced the endemic phase starting in April 2022, UiTM moving to implement hybrid learning that combines face-to-face and online learning starting in March 2022 semester. Not only are the teaching and learning processes implemented virtually or online, and even evaluation processes such as quizzes, tests, written assignments, and oral presentations, as well as final exams, are also run long distance and online. The traditional teaching and learning methods are still not able to be fully implemented since the COVID-19 cases still affect our lives.

Various issues are challenging to the University to ensure the course of the evaluation and examination process conducted are equal to or higher than the conventional quality of the examination. Among them, to ensure that assessment and examination questions provided achieve the uniform standard and blueprint/schedule specifications of tests that have been set. Other than that, the issue of leakage of exam questions, plagiarism, mediums, or online exam platforms is used as well as identifying the student's internet access level. The University provides several pieces of training to lecturers and the approach of academic administrators in mitigating risks related to assessment concerns and exams. For example, in plagiarism issues, students must sign an integrity pledge before sitting for the exam. As such, this study perceives the challenges students face when they sit for long-distance exams and on an online platform, particularly for courses such as accounting that require students to understand concepts applications and involve meticulous calculations, and problem-solving, and require high cognitive skills. Moreover, nowadays students who major in other courses still need to register for accounting courses to graduate. There are significant differences in accounting anxiety among students of major in accounting and non-

accounting (Sibarani *et al.*, 2020). Thus, it is critical to examine students' perspectives as online exams become a critical assessment approach in online learning. This study was conducted to identify the challenges of non-accounting students in sitting on online accounting courses examinations.

Literature Review

Accounting has been perceived by non-accounting students as a difficult subject that turns them off (Saudagaran, 1996) and "high-risk" course, with significant failure rates (Lloyd & Abbey, 2009). Accordingly, it is highly improbable that students who are not majoring in accounting will take accounting if it is not a requirement for their degree (Lois, *et al.*, 2017). Accounting is already a challenging subject for non-accounting students in a normal classroom environment. As a result of the interruptions caused by COVID-19, the move in the accounting course toward completely executed virtual learning and assessment has been accelerated (Reyneke *et al.*, 2021). Consequently, students' difficulties with online technologies and the use of numbers and mathematical formulas in accounting courses were cited as obstacles to their engagement in online learning of accounting (Ali *et al.*, 2020). Technically, this condition makes the course more difficult for non-accounting students, which raises their anxiety levels.

The effects of anxiety were observed in education as students in all levels of higher education reported that anxiety connected to examinations was the most common source of anxiety they experienced (Furr *et al.*, 2001). To make matters more challenging, the current outbreak of the COVID-19 virus has prompted a dramatic shift to online learning, placing new demands on traditional modes of lessons (Sharma, 2020; Kaup *et al.*, 2020). The decision to administer exams through online added another layer to the anxiety that the students were already experiencing. (Joshi *et al.*, 2020). As such students need to have adequate knowledge of information technology and the ability to manage their time effectively in order to be able to meet the assessment requirements of the new approach (Al-Maqbali & Raja Hussain, 2022). It is part of the most challenging factors in an online assessment. Indeed, Arora *et al* (2021) study showed that students are reporting more anxiety due to online examination in comparison to anxiety generated by the coronavirus.

Unsurprisingly, recent studies have indicated that a large number of students do not have the necessary IT abilities, despite the fact that these skills are critical for ensuring that students can effectively manage their learning in an online environment (Adedoyin & Soykan, 2020). Those students encounter challenges as a result of their lack of familiarity with online tools and limited access to technology (Akhter, 2022). Another hurdle that emerged in online assessment environments was the inability of learners to properly manage their time (Mishra *et al.*, 2020), which resulted in learners submitting their work late or not able to complete exam questions.

When it comes to evaluating students in the context of online assessments, cheating has been a persistent and intimidating problem for educators for such a long time. In particular, impersonation and plagiarism were the most significant concerns faced by online assessment environments (Peytcheva-Forsyth *et al.*, 2018). Students admitted that they struggled to preserve their own sense of self-discipline (Mok *et al.*, 2021). The likelihood of cheating has increased as a result of students' easiness of accessibility to social media platforms where they might gain the most advantages of it (Akhter, 2022).

Research Methodology

Participants

In July 2021, 150 students from the Faculty of Administrative Science and Policy Studies (FSPPP) Universiti Teknologi MARA participated in a survey. The programme chosen for diploma level is Diploma in Public Administration (AM110) and for degree level is Bachelor of Administrative Science (Hons) (AM228). The two programmes were chosen because this programme is also offered for part-time students. Participants were representing 31% (98 out of 318) of full-time students and 72% (52 out of 72) of part-time students who enrol in Cost and Management Accounting course (course code ACC116 for Diploma level and ACC416 for Degree level). Both courses' content is almost similar and the difference is due to the difficulty level between diploma and degree.

Procedure and survey design

The Google Forms was used to distribute the survey to the potential respondents. Each challenges statements must be rated by respondents on a scale from 1 to 5. Scales ranging from 1 for “Not challenging” to 5 for “Extremely challenging”. Ethical consent from the participants to use their responses for this study was established prior to distributing the survey. The statistical analysis of the survey was analysed using IBM SPSS Statistics 28.

Result and Discussion

The demographic data of the respondents is shown in the table below:

Table 1 Demographic data of respondents

		N	%
Age	Below 20	50	33.30%
	21 to 30	78	52.00%
	31 to 40	19	12.70%
	Above 40	3	2.00%
Gender	Female	116	77.30%
	Male	34	22.70%
Study mode	Full time	98	65.30%
	Part time	52	34.70%
Programme level	Degree	72	48.00%
	Diploma	78	52.00%
Skill in technology	Advance	22	14.70%
	Medium	125	83.30%
	Poor	3	2.00%
Location during Online Distance Learning (ODL)	City	64	42.70%
	Near city	50	33.30%
	Rural area (village)	22	14.70%
	Small town	14	9.30%
Internet	Mobile data	71	47.30%
	Wifi	79	52.70%
Coverage (internet)	Excellent	24	16.00%
	Good	77	51.30%
	Fair	42	28.00%
	Poor	7	4.70%
Signal Strength	Poor	2	1.30%
	Stable	102	68.00%
	Unstable	46	30.70%
Sufficiency of data (internet)	Not sufficient	27	18.00%
	Sufficient	123	82.00%
Device used	Both smartphone and laptop/desktop	83	55.30%
	Desktop	2	1.30%
	Laptop	43	28.70%
	Smartphone	22	14.70%

Most respondents are female students (77.3%) and aged between 21 years to 30 years (52%). While, the respondents represent 65% of full-time students with ratio for programme level diploma and degree level of 52:48. Skill in technology indicates that 83.3% were medium proficiency. While locations of the respondents represent 42.7% in city and 33.3% near city. 52.7% students using wifi internet with majority of respondents consider their internet were good coverage and the internet strength were stable. 82% satisfy with the data and most of them (55.3%) using smartphone and computer during online assessments.

Table 2 Reliability test Cronbach Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.857	.859	10

Table 2 shows the reliability test of the survey, the Cronbach's alpha is 0.857, which indicates a high level of internal consistency for the scale with this specific sample.

The following table is the score of mean value and standard deviation of the survey:

Table 3 Mean and Standard Deviation score of students' challenge on online assessment

	Mean	Std. Deviation (SD)	N
Time management	3.77	1.149	150
Submit my answer on time	3.69	1.216	150
Internet connection	3.48	1.241	150
Surrounding/Environment	3.46	1.174	150
Understanding online assessment instructions	3.33	1.150	150
Understanding the format of the assessment	3.21	1.133	150
Technical skill	3.17	1.045	150
A friend requested the solution during an online exam	2.85	1.387	150
Prevent me from asking a friend for help during exam	2.70	1.289	150
Technophobia (fear, dislike, or avoidance of new technology)	2.45	1.213	150

The result shows an acceptable SD value since all variables are below 2 SD. The challenges with the highest score will be discussed first, followed by those with the lowest score. The time management mean score of 3.77 out of 5 (75%) is a major challenge for students to be followed by submitting an examination answer within the prescribed time of mean = 3.69 (74%). The result can be explained that, compared to conventional examinations in the examination hall, students may be more vigilant with time due to the exam atmosphere with other students. Unlike online assessments, students must rely on their own self-discipline. In addition, students need to pay attention to both the instructions being given and the process of putting their responses into the format that is being specified by the lecturer, such as in Microsoft Word or Pdf. The difficulty of submitting an examination response on time is closely related to time management. This is consistent with Mishra *et al.* (2020) who indicated that students unable to manage their time during online assessment.

The next challenge for the students' on online assessment is related to the internet connection (mean = 3.48) and is followed by surrounding/environmental challenges when sitting for the exam (mean = 3.46). Although descriptive statistics of demographic respondents indicate that the majority of students are satisfied with internet access and data, they imply that internet coverage remains one of the greatest obstacles in online assessment. Next, the fifth-highest score on the online assessment that students struggle with is comprehension of the instructions (mean = 3.33) and followed by understanding the format of the assessment (mean = 3.21). Accounting courses incorporate theory and computations, as well as the preparation of reports in formats such as financial statements, therefore online assessments are likely to be quite complex depending on the type and medium of exam questions. So, perhaps this becomes one of the factors the students feel the examination instructions are quite difficult to understand than the conventional examinations, whose instructions and formats are always consistent. This finding is consistent with Ali *et al.*, (2020). The challenges related to IT such as technical skill (mean = 3.17) and

technophobia (mean = 2.45) were rank least challenging which is opposite to Adedoyin & Soykan (2020) who found that large number of students do not have the necessary IT abilities. While the challenges connected to academic integrity, such as if a friend asked for a solution during an assessment and preventing themselves from asking a friend during an assessment, have mean values of 2.85 and 2.70, respectively.

Conclusion

Students' biggest challenge in taking online and distant assessments for accounting courses as predicted is time management issues. The fact that generation z and millennials make up the majority of students (> 85%) clearly shows that technical and technological challenges rank among the lowest. However, despite the challenge, there are many advantages of students in sitting on online and long-range exams, such as Open-Book and relatively flexible in terms of location, not subject to other examinations rules such as proper attire, exam slip and so on. The limitation of the study was that the participants were only represented by students from the Faculty of Administrative Science and Policy and used basic statistical analysis. Thus, for future research, using more advance statistical analysis may give an insight view of challenges in online assessment in accounting courses.

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Author Contribution

This paper is solely prepared by one author only.

Conflict of Interest

The author declares no conflict of interest

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