The Effect of Optimism Bias and Perceived Risk on the Continuance Usage Intention of E-Government Service

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Abstract

Many previous studies have found a significant negative relationship between perceived risk and continuance usage behaviour of technology. Perceived risk is defined as the potential loss in the pursuit of the desired outcome of using an e-service or more accurately as the fear of losing information or being monitored on the internet. Consumers would always want to avoid mistakes in any risky decision making rather than maximizing utility, thus perceived risk can be considered as a powerful tool in explaining consumer's behaviour. In Malaysia's context, the E-Filing system which was introduced in 2006 serves as a major advantage over the traditional manual procedure. The adoption of the e-filing system in Malaysia has shown a tremendous increase since its introduction, particularly for individual taxpayers. Although many previous local studies have found a significant negative relationship between perceived risk and usage of e-filing system but the adoption of this system is increasing year by year. It explains that citizens acknowledge the risk of using the e-filing system but they are still willing to use the system. Indeed optimism bias may explain this phenomenon. As such the purpose of this paper is to investigate the effect of optimism bias and perceived risk on the continuance usage intention of e-filing system in Malaysia. The sample size comprises 731 taxpayers’ from the urban states of Peninsular Malaysia were collected using self-administered questionnaires to the individual salaried taxpayers and analyzed using Partial Least Squared (PLS). Based on the findings, the theoretical and practical implication of the study was also provided.

Keywords: E-Filing, Continuance Usage Intention, Optimism Bias, Perceived Risk

1.0 Introduction

The adoption of the e-filing system in Malaysia has shown a tremendous increase since its introduction in 2006 particularly for individual taxpayers which serves as a major advantage over a traditional manual procedure. Although many previous local studies have found a significant negative relationship between perceived risk and usage of e-filing system but the adoption of this system is increasing year by year. It explains that citizens acknowledge the risk of using the e-filing system but they are still willing to use the system. Indeed, optimism bias may explain this phenomenon. Optimism bias suggests that “although people identify situations as risky; they do not think they are as susceptible to the risks as the average person. Many people believe that their knowledge and abilities minimize their vulnerability to risk (Carter, Schaupp & Evans, 2008). Optimism bias has been explored in various fields earlier such as tourism industry (Rittichainuwat, Nelson & Rahmefitris, 2018), health industry (Zavareh, Hezaveh & Nordfjaern, 2018), financial forecast (Galanti & Vaubourg, 2017), project management (Prater, Kirytopoulos & Ma, 2016), adulthood (Lapsley & Hill, 2010). In the technology adoption field, several researchers found that despite the existence of perceived risk many people still
utilize the e-government services (Sichone, Milamo & Kimea, 2018; Fatima (2018); Kumar & Ravindran, 2012; McLeod, Pipin & Catania, 2009; Belanger & Carter, 2008). In Malaysia, earlier studies (Tan & Foo, 2012; Azmi & Bee, 2010; Ambali, 2009; Zakaria et al., 2009; Ramayah, Ramoo & Ibrahim, 2008; Ling, Obid & Meera, 2005; Lai, Obid & Meera, 2004) on e-filing system found a significant relationship between perceived risk and intention to use e-filing system which means that the higher the perceived risk, the lower the intention to adopt the e-filing system. However, the current situation shows that the number of taxpayers adopting the e-filing system is gradually increasing year by year regardless of the existence of perceived risk. The number of submissions grew year by year from 186,271 (2006) to 1,403,219 (2010) to 2,058,395 (2013) to 2,330,298 (2014) to 3,475,358 (2015) to 3,714,654 (2016) (Annual Report, 2016). Thus, optimism bias may have an effect on this phenomena, as regarded by Ambali (2009) based on his study that although electronic tax filing is gaining popularity among taxpayers but most people use the system to try to get the “feel” of submitting tax electronically with poor navigability and sense of uncertainty about the functionality, security and concern for their sensitive information, which may lead the users to “give up” the idea in despair. Further, recent studies (Majid & Firend, 2018; Aziz & Wahid, 2018) have found that security is the main concern of Malaysians when engaging in online shopping but a year before that Malaysian are coined as shopaholics with 7% online shoppers making a purchase almost daily and Malaysia was identified as a country with the highest penetration of online shoppers in the ASEAN region (Adria, 2018). So, the question that needs to be raised “are Malaysians optimistically bias on the risk of online transactions”? This is something that should be tackled carefully to avoid any vulnerability of taxpayers’ information online and to avoid taxpayers from “giving up” in submitting their online tax filing in the case of any security breach (Ambali, 2009). As such the purpose of this paper is to investigate the effect of perceived risk and optimism bias on the continuance usage intention of e-filing system in Malaysia.

2.0 Theoretical Background and The Research Model

Based on the valuation of the theoretical finding from previous works of literature along with the recommendations from previous researches, the research model as illustrated in Figure 1 were constructed to explore the relationship expected in this study. The theoretical framework proposed that there exist a direct relationship of optimism bias towards e-filing continuance usage intention and also the indirect effect of perceived risk towards continuance usage intention. The major area of this study is the continuance usage intention, whereby one’s intention to continue using or long term usage intention of a technology (Bhattarcherjee & Premkumar, 2004). Significantly, while there has been encouraging interest shown in determining continuance usage intention, however, very little effort is undertaken in determining the effect of optimism bias and perceived risk on the continuance usage intentions, particularly in e-government perspectives. Therefore, this study intends to fill the aforementioned gap. Fig.1 represents the theoretical model.
3.0 Literature Review

3.1 Optimism Bias

Optimism bias is defined as “systematic error in perception of an individual's standing relative to group averages, in which negative events are seen as less likely to occur to the individual than average compared with the group, and positive events as more likely to occur than average compared with the group” (Weinstein, 1980). Besides, it is also defined as “tendency for people to report that they are less likely than others to experience negative events and more likely than others in positive events” (Larsen & Shepperd, 2001). Carter et al. (2008) define it as “although people identify situations as risky; they do not think they are as susceptible to the risks as the average person. Many people believe that their knowledge and abilities minimize their vulnerability to risk”. In this study, optimism bias refers to one's belief that they are more competent than the average Internet user in using the e-services despite the risk, which will consequently lead to an increase in the usage of the services (Schaupp & Carter, 2010).

3.2 Perceived Risk

Perceived risk is defined as “the citizen's subjective expectation of suffering a loss in pursuit of the desired outcome (Warkentin, Gefen, Pavlou & Rose, 2002). Additionally perceived risk was also defined as “the potential loss in the pursuit of the desired outcome of using an e-service” (Featherman and Pavlou, 2003). Further, Kumar, Mukerji, Butt and Persaud (2007) defined perceived risk as “a fear of losing personal information and fear of being monitored on the internet”. They further elaborate that perceived risk is negatively related to adoption. People would always want to avoid mistakes in any risky decision making rather than maximizing utility, thus perceived risk can be considered as a powerful tool in explaining individual behaviour (Liao, Lin & Liu, 2010). Additionally, according to Al-adawi, Yousaflazai and Pallister (2005), since a lot of risks is involved in the online transaction, therefore perceived risk must be considered in explaining users' intention to use or continued use a website.

3.3 Continuance Usage Intention

Continuance usage intention is defined as one's intention to continue using or long term usage intention of a technology (Bhattacherjee, 2001). Research on IS continuance have been explored both at the organizational and individual level of analysis (Limayem, Hirt & Cheung, 2007), for example, Zmud (1982) found that for an organizational innovation to be successful the organizational member must accept and utilize it. The individual level of analysis, which is also the focus of the present study, assumes that IS continuance behaviour is the continued usage of IS
by adopters, which follows an initial acceptance decision (Kim, Chan & Chan, 2007). However, unlike initial acceptance decision, IS continuance depends on various factors that affect the individuals' decision to continue using a particular system (Limayem, Hirt & Chin, 2001).

### 4.0 Hypotheses Development

#### 4.1 Optimism Bias and Continuance Usage Intention

Styvén, Wallström, Engström and Sangarib (2014) had investigated the role of optimism bias on the intention of citizens to use e-government services and found a strong influence of optimism bias towards e-government adoption. Similarly, Schaupp and Carter (2010) and Carter et al. (2008) have investigated the role of optimism bias in e-file adoption among MBA and accounting students in the US and both surveys find that there is a significant impact of optimism bias towards usage intention. Further, Schaupp, Carter and McBride (2010) explore the impact of optimism bias on e-filing usage intention among real taxpayers in the US and found optimism bias has a significant positive impact on usage intention. Munyoka and Maharaj (2018) have studied the role of optimism bias in e-government use in two African countries and found that optimism bias had a positive and significant effect on user behaviour which describes that citizens who regarded themselves as more competent in using electronic systems compared to average users were more motivated and likely to use such systems. The results of this study are consistent with the study by Carlin (2015) on cybersecurity threats in the US. This could be due to users become skilled and acquainted with using e-government systems that they don’t regard themselves as vulnerable to cybersecurity threats. The explanation of this conclusion might be that taxpayers who are optimistically biased or underestimate their vulnerability to online risk are more likely to continue using the e-filing system.

Hence, based on the findings above the relevant hypotheses are put forward:

H1: There is a direct positive relationship between optimism bias and e-filing continuance usage intention

#### 4.2 Perceived Risk and Continuance Usage Intention

Fatima (2018) investigated the impact of perceived risk on the intention to use the e-filing system in Indonesia and found a significant negative relationship between the variables. Similarly, Sichone et al.,(2018), investigated the impact of perceived risk on the e-filing adoption in Tanzania and found a similar result. Kumar and Ravindran (2012) investigated the direct effect of perceived risk towards the continuance intention of mobile banking in India and found that perceived risk has a serious influence on continuance decision. Another study on the behavioural intention of online recruitment website reveals that perceived risk is an important factor that contributes to sustainable operation, customer loyalty and customer/business expansion (Huang, Pan & Hsieh, 2012). Karavasilis, Zafiropoulos and Vrana (2010), have explored the direct role of perceived risk on the continuance usage intention of an educational e-Governance website by teachers in Greece. The study found that perceived risk has a direct negative effect on continuance usage of
e-governance website. Justification for this result is the emphasis given on security and lower risk will motivate the teachers to continually use the website. Correspondingly, Al-adawi et al. (2005) reported that since a lot of risks is involved in online transactions, perceived risk must be considered in explaining user intention to use or continued use a website.

Therefore, based on the above research findings the following hypotheses are built:

H2: There is a direct negative relationship between perceived risk and e-filing continuance usage intention

5.0 Research Method

5.1 Data Collection Method

A total of 1400 questionnaires were distributed among the taxpayers in five urban states in the Peninsular Malaysia which is Penang, Perak, Selangor, Kuala Lumpur and Johor using self-administered questionnaire. A total of 939 questionnaires were returned and out of it, 731 were completed whereas the other 208 were incomplete. As such, the response rate was 52.2%. The questionnaire consists of 5 sections. The first section elicited the screening questions, the second section collected the demographic data, the third section measured optimism bias, section four measured the perceived risk and the last section measured continuance intention. The sample selected was taxpayers who had used the e-filing system before at least once as the measures required them to express their optimism bias, perceived risk and continuance intention based on their previous usage.

5.2 Sample Profile

The demographics of the respondents were derived from descriptive analysis (Table 1). The majority of the age group (19.4%) was in the category of 30-34 years old. Female (59.4%) outnumbered the males (40.6%). In terms of ethnicity, the majority of the respondents were Malays (72.4%), followed by Chinese (14.9%) and Indians (12.7%) which somewhat reflects the ethnic group distribution in Malaysia. About 36% of the total respondents are highly educated with a Master degree and followed by Bachelor degree (25.9%). The majority of the respondents (28.5%) are earning within RM3000-RM3999 per month with the majority (79.6%) are married respondents. Lastly, about 86.3% and 65.9% of the respondents claimed to have experience in computer usage and internet usage approximately 10 years and above respectively.
Table 6: Profile of respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24 years</td>
<td>5</td>
<td>0.7</td>
</tr>
<tr>
<td>25-29 years</td>
<td>85</td>
<td>11.6</td>
</tr>
<tr>
<td>30-34 years</td>
<td>142</td>
<td>19.4</td>
</tr>
<tr>
<td>35-39 years</td>
<td>134</td>
<td>18.3</td>
</tr>
<tr>
<td>40-44 years</td>
<td>105</td>
<td>14.4</td>
</tr>
<tr>
<td>45-49 years</td>
<td>112</td>
<td>15.3</td>
</tr>
<tr>
<td>50-54 years</td>
<td>108</td>
<td>14.8</td>
</tr>
<tr>
<td>55 years and above</td>
<td>40</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Gender

Male 297 40.6
Female 434 59.4

Ethnicity

Malay 529 72.4
Chinese 109 14.9
Indian 93 12.7

Education

Diploma/College 107 14.6
Bachelor Degree 189 25.9
Masters Degree 263 36.0
Doctoral Degree 82 11.2
Others 84 11.5

Income

RM2000 - RM2999 108 14.8
RM3000 - RM3999 208 28.5
RM4000 - RM4999 135 18.5
RM5000 - RM5999 76 10.4
RM6000 - RM6999 59 8.1
RM7000 – RM7999 56 7.7
RM8000 – RM8999 25 3.4
RM9000 – RM9999 25 3.4
RM10,000 and above 25 3.4

Marital Status

Single 140 19.2
Married 582 79.6
Others 9 1.2

Computer Usage

1-3 years 9 1.2
4-6 years 26 3.6
7-9 years 65 8.9
10 years and above 629 86.3

Internet Usage

1-3 years 27 3.7
4-6 years 94 12.9
7-9 years 128 17.5
10 years and above 482 65.9
6.0 Data Analysis

Smart Partial Least Squared (PLS) variance-based Structural Equation Modelling (SEM) was used to analyze the hypotheses generated. The two-step analytical procedure suggested by Anderson and Gerbing (1988) was adopted to analyze data whereby the measurement model was evaluated first and then followed by the structural model. Also following the suggestion of Chin (1998), the bootstrapping method (500 resample) was done to determine the significant level of loadings, weights and path coefficients. Fig. 2 shows the Research Model.

6.1 Measurement Model

Hair, Black, Babin and Anderson (2010) indicate that convergent validity is the degree to which the items that are indicators of a specific construct should converge or share a high proportion of variance in common. Accordingly, factor loadings and Average Variance Extracted (AVE) of more than 0.5 and Composite Reliability (CR) of 0.7 or above is deemed to be acceptable. As can be seen from Table 2, all loadings and AVE are above 0.5 and the composite reliability values are more than 0.7. Therefore, we can conclude that convergent validity has been established (Table 2).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Factor Loading</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuance Intention</td>
<td>CINT1</td>
<td>0.945</td>
<td>0.904</td>
<td>0.974</td>
</tr>
<tr>
<td></td>
<td>CINT2</td>
<td>0.959</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CINT3</td>
<td>0.946</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CINT4</td>
<td>0.954</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimism Bias</td>
<td>OPBIAS 1</td>
<td>0.914</td>
<td>0.812</td>
<td>0.945</td>
</tr>
<tr>
<td></td>
<td>OPBIAS 2</td>
<td>0.928</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OPBIAS 3</td>
<td>0.911</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OPBIAS 4</td>
<td>0.849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>PRISK 1</td>
<td>0.910</td>
<td>0.833</td>
<td>0.937</td>
</tr>
<tr>
<td></td>
<td>PRISK 2</td>
<td>0.931</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PRISK 3</td>
<td>0.897</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Next, we assessed the Discriminant Validity which is the extent to which a
Construct is truly distinct from other constructs (Hair et al., 2010). This can be established by the low correlations between all the measure of the interest and the measure of other constructs. To address discriminant validity, the square root of the AVE is compared against the correlations of the other constructs, when the AVE extracted is greater than its correlations with all the other constructs then discriminant validity has been established (Fornell & Larcker, 1981) (Table 3).

Table 2: Discriminant validity of constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continuance Intention</td>
<td>0.951</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Optimism Bias</td>
<td>0.434</td>
<td>0.901</td>
<td></td>
</tr>
<tr>
<td>3. Perceived Risk</td>
<td>-0.314</td>
<td>-0.191</td>
<td>0.913</td>
</tr>
</tbody>
</table>

Note: Diagonal represents the square root of Average Variance Extracted (AVE) while the other entries represent squared correlations

6.2 Structural Model

The structural model represents the relationship between constructs or latent variables that were hypothesized in the research model. The goodness of the theoretical model is established by the variance explained ($R^2$) of the endogenous constructs and the significance of all path estimates (Chin, 2010). Together the $R^2$ and the path coefficients indicate how well the data support the hypothesized model (Chin, 1998). Fig. 3 and Table 4, shows the significant path coefficient. Both Optimism Bias and Perceived Risk were found to be insignificantly related to Continuance Intention ($\beta = 0.017$, $\beta = -0.017$, respectively), thus rejecting H1 and H2 of this study.

![Figure 2: The statistical significant path coefficients](image)

Table 3: Summary of the structural model

<table>
<thead>
<tr>
<th>Path</th>
<th>Hypotheses</th>
<th>Path Coefficient</th>
<th>Standard Error</th>
<th>t- value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimism Bias - &gt;</td>
<td>H1</td>
<td>0.017</td>
<td>0.019</td>
<td>0.886</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Continuance Intention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Risk - &gt;</td>
<td>H2</td>
<td>-0.017</td>
<td>0.018</td>
<td>0.970</td>
<td>Not Supported</td>
</tr>
<tr>
<td>Continuance Intention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *** p < 0.01, ** p < 0.05,

Further, “blindfolding” procedure was also conducted to measure the degree of predictive relevance ($Q^2$) of the model fit. The $Q^2$ "represents a measure of how well-observed values are reconstructed by the model and its parameter estimates”
(Chin, 1998). Models with $Q^2$ greater than zero imply that the model has predictive relevance. Table 5 shows the result of the blindfolding results. Omission distance of 7 was utilized as Chin (1998) indicates that values between 5 and 10 are feasible (refer to table 5).

Table 4: Blindfolding results

<table>
<thead>
<tr>
<th>Construct</th>
<th>CV Red</th>
<th>CV Com</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuance Intention</td>
<td>0.218</td>
<td>0.813</td>
</tr>
</tbody>
</table>

7.0 Discussion

The purpose of this study was to test the effect of optimism bias and perceived risk towards continuance usage intention of e-government services in Malaysia, particularly on the e-filing system. The result of this study reveals an insignificant relationship of optimism bias and perceived risk towards continuance usage intention. According to the result of this study, optimism bias is insignificantly related to e-filing continuance usage intention, which means that optimism bias does not influence the intention to continually use the e-filing system. Optimism Bias is defined in this study as one's belief that they are more competent than the average internet user in using the e-service despite the risk, which will consequently lead to an increase in the usage of the services (Schaupp and Carter, 2010). The result of this study is congruent with the previous study on e-file adoption among taxpayers in the United States by Schaupp, Carter and Hobbs (2010) which reveals that optimism bias does not impact usage intentions. The insignificant result could be due to several reasons. Firstly, it could be due to the trust that the taxpayers have on the e-filing system. Previous studies on e-filing adoption have found that trust is one of the important contributors to e-filing adoption in Malaysia (Santhanamery & Ramayah, 2018; Mohamed, Ahlan, Mahmud, 2011). This could have negated the influence of optimism bias on the e-filing continuance usage intention.

Secondly, the study also found an insignificant result between perceived risk and continuance usage intention. This shows that the taxpayers in Malaysia have a lower or inefficient fear of risk in using the e-filing system due to the fact that the system provider is the government which may be considered as a trustworthy and committed service provider (Ambali, 2009) and therefore since the taxpayers perceived there is low or inefficient risk involved when engaging in e-filing system, the belief of optimism bias will not have any significant value towards the continuance usage intention. In line with this, Weinstein (1980) has stated that prior experiences of an event would more likely to influence the people's belief about their chances of experiencing an event whereby prior or experience increases the possibility of future experience. Based on that, the respondents in this study are the taxpayers who had used the e-filing system to file their income tax returns online at least once, which means that all the respondents have had prior experience in using the e-filing system. As such, the positive prior experiences that they had in filing their income tax returns may have eradicated the effect of optimism bias on the e-filing continuance usage intention as suggested by Eagley and Chaiken (1993) that the knowledge gained from past behaviour would help to shape the intention of a person. To support this justification, a previous local study in Malaysia has found a significant result between prior experience and intention to use whereby experienced
users will have a greater intention to use a particular system (Ramayah, Jantan, Noor, Ling and Razak, 2003). Therefore, it can be concluded that the higher trust, insignificant perceived risk and prior experience could have influenced the insignificant attitude of optimism bias towards e-filing continuance usage intention.

On the other hand, this study found that perceived risk did not have any significant relationship towards e-filing continuance usage intention. At a first glance, the result of this study is different from majority findings of the previous study, which demonstrate that perceived risk has a negative significant relationship towards continuance usage intention such as Kumar and Ravindran (2012) and intention to use such as Rouibah (2012), Tanakinjal, Deans and Gray (2010). This contradicts finding could be due to the nature of the service provider. Most, if not all, of the previous research, studied involved the e-commerce environment such as mobile banking, online payment system, mobile marketing, e-services and data exchanges. However, this study examines the service provided by the government, which may be considered as a trustable and committed service provider. In such a case, the fear of risk may be lower or inefficient as public users may not have any doubt in trusting federal and state government websites for providing information (Ambali, 2009). To support the justification given, one local study on the intention to adopt e-filing system also found a similar result. Hussein, Mohamed, Ahlan, Mahmud and Aditiawarman (2010) found a non-significant impact of perceived risk towards intention to use e-filing tax in Malaysia which was justified could be due to e-government websites were developed to provide the information and services to the citizens more effectively and efficiently, thus the citizens will use it without any doubt on its security features.

The implication of the findings can be divided into two; theoretical and practical. Theoretically, this study adds to the growing body of literature that focuses on the post-adoption environment which is continuance usage intention. Besides, this study also introduces Optimism Bias as an important predictor of e-government adoption. This study looks directly at the relationship between optimism bias and e-filing continuance usage intention. The importance of this relationship is, it helps to explain why taxpayers are willing to continually adapt e-filing despite the embedded risk related to an internet transaction. It also addresses the question of "is Malaysian optimistically bias on the risk of an online transaction?" as the number of e-filing users increasing year by year. Practically, this study affirmed that the effect of optimism bias does not exist with the current taxpayers. This shows that the taxpayers have a full trust on the government and the service provider or in other words they believe that the government possesses the knowledge, skills and ability to deliver reliable and secured Internet-based services. Therefore, the policymakers have to make sure that appropriate controls are implemented to ensure the privacy and confidentiality of the personal information sent by the taxpayers electronically are secured otherwise due to the nature of the e-filing system, the government cannot prevent the taxpayers from switching to the manual submission. However, the taxpayers also have to be cautious and verify on the implemented control by the service provider to ensure the privacy of their personal information before engaging in the electronic transaction (Ambali, 2009).
8.0 Limitation and Suggestion For Future Research

The study tested the effect of optimism bias and perceived risk on continuance usage intention of e-filing system among taxpayers in Malaysia. Despite the useful findings of this study, several limitations need to be acknowledged. Only respondents in the urban cities of Malaysia are concentrated and thus, it does not represent the whole of Malaysia. Hassan, Samah, Shaffril and D'Silva (2011) noted that communities in the urban area usually related to having a more positive attitude towards ICT usage compared to the rural community. As such, the generalization of the findings to the whole of Malaysia is limited. Secondly, based on the sample size, the majority of the respondents participated in this study are females who are more than half (59.4%). More than 73% of the total respondents were university graduates and postgraduates. These constraints may further lead to difficulties in generalizing the findings of this study to all levels of Malaysian taxpayers. Lastly, this study focused on testing the effect of optimism bias and perceived risk towards continuance usage intention and does not incorporate other important predictors such as attitude and satisfaction on the proposed model.

Therefore, this research can be done further in future by (1) extend the model by incorporating other important predictors based on the latest works of literature suggestions, (2) replicate the study to any other e-government services (3) test the mediating or moderating role of optimism bias in e-government services.

9.0 Conclusion

The main objective of this study is to provide a better understanding of the e-filing continuance usage intention among taxpayers in Malaysia. To achieve that, this study has proposed and verified two important variables. The study was conducted among the taxpayers in five main cities of Malaysia consisting of Penang, Perak, Selangor, Kuala Lumpur and Johor. Partial Least Squared (PLS) method was used to examine the statistical significance.

It was found that optimism bias and perceived risk are insignificantly related to continuance usage intention. The insignificant result could be due to the trust that the taxpayers have on the government as the service provider. As such, the government must ensure that the safety and security of the e-filing are upgraded and given due consideration from time to time. In the absence of adequate trust in the e-filing system, the possibility of taxpayers to revert to the manual way of submitting the income tax returns may occur, which will eventually lead to the failure of the system and heavy losses to the government.

Acknowledgement

The authors would not have been able to embark on this journey if not for the financial assistance from Universiti Teknologi MARA and we are especially grateful to them for giving us this golden opportunity.

References


