



Abstract

- Variation of field tax auditors of company taxpayers' (FTACs) productivity can be reduced by deploying the most productive officer to the field audit for the company, which, indirectly could enhance the audit coverage.
- Presently, the Inland Revenue Board of Malaysia (IRBM) has not yet implemented a systematic method in deploying officers to the field tax audit unit.
- Several variables were identified to be the determinants of the productivity of FTAC and classified into human capital talents, demographic characteristics, religiosity, motivation, job satisfaction and happiness.
- Data were analysed via the Multiple Regression analysis. The total population used for the study was 457 FTACs in Malaysia. A sample of 176 respondents was selected using purposive sampling techniques among FTACs within Klang Valley.
- The research findings revealed that job satisfaction as well as auditing experience in the current job assignment of more than six years are positively affects FTACs' productivity. However, FTACs who have older in age; science and applied science backgrounds; and served longer in IRBM tend to be less productive.

Problem Statement

To uncover the possible determinants of a tax auditor's productivity which can assist in the decision-making process of selecting the field audit team members. This would potentially benefits the IRBM in term of avoiding the unnecessary direct and indirect cost of the current "trial and error" method as practice in various branches in IRBM.

Research Questions

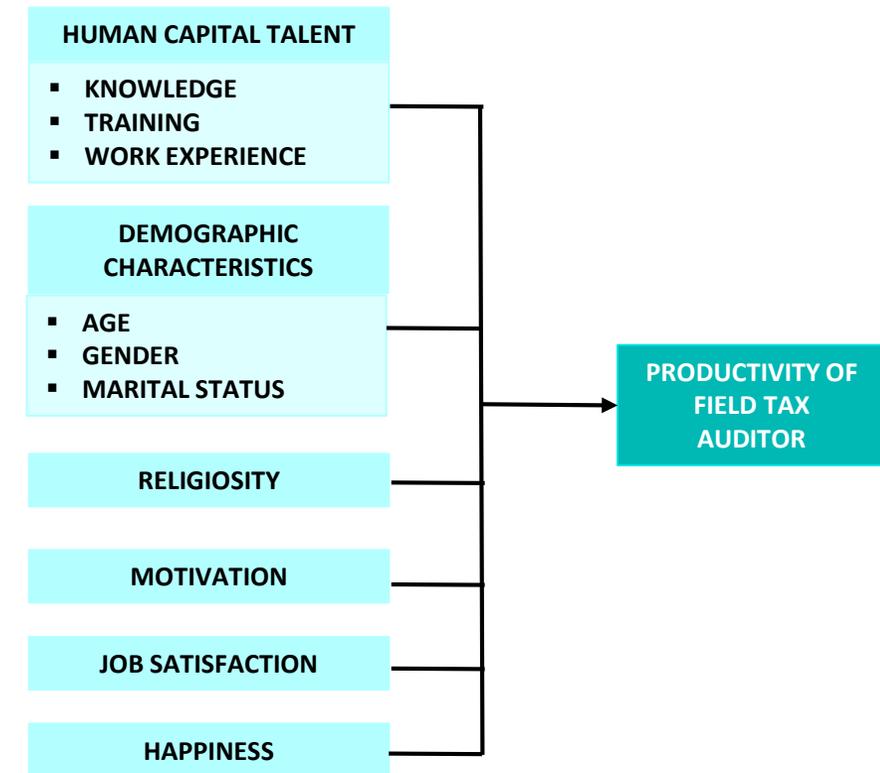
- What is the level of human capital talent (knowledge; training; and experience), religiosity, motivation, job satisfaction, happiness and productivity among field tax auditor in IRBM?
- Is there any significant difference in human capital talent (knowledge; training; and experience) and demographic (age, gender and marital status) with regards to productivity among field tax auditor in IRBM?
- What is the relationship between religiosity, motivation, job satisfaction, happiness and productivity among field tax auditor in IRBM?

Objectives

- To determine the level of human capital talent (knowledge; training; and experience), religiosity, motivation, job satisfaction, happiness and productivity among field tax auditor in IRBM.
- To determine the significant difference in human capital talent (knowledge; training; and experience) and demographic (age, gender and marital status) with regards to productivity among field tax auditor in IRBM.
- To determine the relationship between religiosity, motivation, job satisfaction, happiness and productivity among field tax auditor in IRBM.

Framework

Conceptual Framework
based on the Human Capital Theory (Becker, 1962)



Methodology

Model

$$\text{LOGDEP} = a + b_1\text{TAGAMA} + b_2\text{TMOTIVASI} + b_3\text{TPUAS} + b_4\text{TGEMBIRA} + b_5\text{UMUR} + b_6\text{JANTINA} + b_7\text{TARAFKAHWIN} + b_8\text{BIDANG} + b_9\text{PROF} + b_{10}\text{AFE} + b_{11}\text{EXPDLHDN} + b_{12}\text{EXPAUDLUAR} + b_{13}\text{EXPAUDLCO} + b_{14}\text{LULUSKURSUS1} + b_{15}\text{LULUSKURSUS2} + b_{16}\text{AUDLUAR} + \epsilon$$

Where,
 LOGDEP = Tax auditor’s productivity ; *a* = constant;
*b*₁TAGAMA = Religiosity; *b*₁TMOTIVASI = Motivation;
*b*₃TPUAS = Job satisfaction; *b*₄TGEMBIRA = Happiness;
*b*₅UMUR = Age; *b*₆JANTINA = Gender; *b*₇TARAFKAHWIN = Marital status; *b*₈BIDANG = Area of study; *b*₉PROF = Professional status; *b*₁₀AFE = Experience in Accounting firm; *b*₁₁EXPDLHDN = Experience in IRBM; *b*₁₂EXPAUDLUAR = Experience in field audit (any category); *b*₁₃EXPAUDLCO = Experience in field audit for company; *b*₁₄LULUSKURSUS1 = Pass introductory course; *b*₁₅LULUSKURSUS2 = Pass advanced course; *b*₁₆AUDLUAR = Outside course; ϵ : an error term.

- The relationship above will be estimated using **Simple Multiple Linear Regression Model**.
- The model is developed and run in the **SPSS statistical package**.

Findings

- From 256 questionnaires, 176 are (or 69%) are usable questionnaires.
- Demographic characteristics:**

AGE	GENDER	MARITAL STATUS
• 73% aged between 31 to 40 years old	• 60% are female officers	• 81% are married

- Human capital talents:**
 - KNOWLEDGE:** 76% holds bachelor’s degree, 76% have accounting/accounting related qualifications, 35% have accounting professional qualifications
 - EXPERIENCE:** 66% served in accounting firm prior joining IRBM, 67% served IRBM for 5 to 15 years, 74% served in field audit unit for 2 to 10 years, 66% experienced in field audit unit for company taxpayers
 - TRAINING:** 73% passed preliminary courses, 61% passed advanced course, 35% attend between 1 and 2 times, 8% had not attended any audit courses yet

Other construct variables

Variables	Cronbach’s Alpha (>0.700)	Correlation
Religiosity	0.718	Good/Satisfy
Motivation	0.798	Good/Satisfy
Job Satisfaction	0.806	Good/Satisfy
Happiness	0.710	Good/Satisfy

- Tax auditors with accounting background are expected to have initial edges over auditors from other fields. The result of lower productivity of tax auditors with science and applied science specialization is expected.
- Officers who have served in the field audit of company taxpayer for more than 6 years are more productive. Higher productivity is even more noticeable when an officer reached 10 years or more experience in the current job.
- Tax auditors who had passed IRBM’s advance course did not significantly demonstrate higher productivity level. The relevancy of audit module and passing the exam in the preliminary and advance course is questionable.

- Tax auditors aged more than 46 years old is not the best choice for task in field audit for company taxpayers.
- Religiosity does not have any impact on productivity.
- Motivation factor did not appear to significantly affect productivity of auditors.
- Job satisfaction has positive yet minimal impact on field tax auditors’ productivity. When they are very much satisfied with the job, it is difficult to improve it further. The field tax auditors’ productivity could not have any impact due to level of happiness as it is also already in the highest level.

Conclusion

- Job satisfaction has a positive impact on field tax auditors’ productivity
- The non-supportive results provide a good basis to relook into the current policies of IRBM on human resources development programs.
- There is a need to further investigate why passing of IRBM’s core courses did not help in enhancing field tax auditor’s productivity and why more audit courses failed to elevate the productivity.

Research Gap

- This research is a success to certain extent, considering it is a pioneering investigation into the productivity of field tax audit officers in IRBM.
- Further researches are necessary to investigate the productivity of the corporate field tax audit officers. For examples, why passing the IRBM’s core courses did not help in enhancing auditors’ productivity and why attending more audit courses failed to elevate the auditors’ productivity.