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Knowledge Transfer Effectiveness of Industry- University Alliances: Tax Awareness vs Accounting Students

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Abstract

There is growing interest in knowledge transfer between higher education institutions (HEIs) and industry by policymakers at all levels of government, from regional to international, which has resulted in a range of initiatives. Failure to embrace the culture of proper knowledge transfer is a major obstacle student development, particularly due to inadequate levels of tax awareness in the handling of tax matters. The outcome has been that of social and economic instability in the country. Given this environment, in-depth knowledge of tax management is a must today's economic growth. Enhancing community through competitive and sustainable economy is listed as first thrust area of rural development in Malaysia. The government is seriously concern on this issue in the education planning towards achieving sustainable communities.. It is therefore important to understand how the awareness on taxation among accounting students facilitate the industry player (IRBM) to empower a sustainable, competitive and prosperous communities. Knowledge-transfer between industry and university in exposing the roles of IRBM to university accounting students is highly referred in understanding tax responsibility, yet the inclusion of awareness, knowledge, skill, attitude and behaviour relatively none. Exploratory sequential quantitative method research design will be employed, which include questionnaire that is expected to serve as a tool to significantly expose the accounting students to the roles of IRBM. The effectiveness of knowledge-transfer between industry and university towards tax awareness to accounting students underpins sustainable decision making, which has a significant impact towards supporting Malaysia to become a developed country by 2025 and high income nation

Keywords: Knowledge Transfer, Tax Awareness, Accounting Students, Industry-university Alliance, IRBM

Introduction

The awareness of knowledge transfer issues has attracted great interest amongst academic researchers and policy makers since many years. Anatan (2015) stated on her study that knowledge has become the most important source of competitive advantage, this led to the important role of universities as producers of knowledge. The growing phenomenon shows

that many policies are established to promote the transfer of knowledge through university and industry alliance based on the motivation and the resources available.

In another study setting, Schofield (2011) constructed knowledge transfer from university to industry is supported by national governments as part of their innovation, national growth and competitiveness agenda. There is growing interest in knowledge transfer between higher education institutions (HEIs) and industry by policymakers at all levels of government, from regional to international, which has resulted in a range of initiatives (Lockett et al., 2008). To draw attention to a taxation issue, in their research among public universities in Malaysia, Barieyah and Lai (2009) documented that in most universities, tax subjects are included mostly in accounting or accounting-related fields. The findings of their study indicate that more than 60% of accounting undergraduates surveyed have no or little tax knowledge (Abdul Halim et al., 2015).

Problem Statement

A conceptual and empirical discussion between two opposing ideas concerned with the positive and negative consequences has been sparked by one of the many important issues in the literature on knowledge transfer however they are focusing on general knowledge transfer. The inconsistent results so far show that there are still many variables to be considered in explaining the effectiveness of knowledge transfer between university-industry alliance performance (Anatan, 2013).

According to Bekkers (2008), results suggest that the industrial activities of firms do not significantly explain differences in importance of a wide variety of channels through which knowledge between university and industry might be transferred. However, since taxation is one of the important agenda for the country, therefore it is important to identify the effectiveness of industry-university knowledge transfer specifically on the awareness of accounting students towards taxation.

Research Question

1. Does the industry-university knowledge transfer significantly affect the awareness on taxation among accounting students?
2. Does the industry-university knowledge transfer significantly expose the accounting students to the roles of Inland Revenue Board of Malaysia (IRBM) (which is a body for tax collection in this country).

Objectives

1. This research focuses on the effectiveness of knowledge-transfer between industry and university towards tax awareness to accounting students.
2. To identify the effectiveness of knowledge-transfer between industry and university in exposing the roles of Inland Revenue Board of Malaysia (IRBM) (which a body for tax collection in this country) to accounting students.

Driving towards Knowledge Transfer

According to Esther et. al (2019), knowledge transfer practices are then defined as the activities that facilitate what is needed to bring knowledge into use in another organizations context, such as, teaching and educating, the management of interactions and sharing data and technology. There is growing interest in knowledge transfer between higher education institutions (HEIs) and industry by policymakers at all levels of government, from regional to

international, which has resulted in a range of initiatives (Anatan.L,2015).Similar to the initiative taken for collaboration, which is anticipated to support Malaysia's efforts to build its human capital Malaysia, PETRONAS has teamed up with 15 local universities under its Collaboration with Higher Education Strategic Initiatives (CHES) programme to catalyse industry-academia knowledge sharing in technical areas aligned with PETRONAS' sustainability goals (Media Press Release, 2021).

Geuna and Muscio (2009) said that there are many articles devoted to various aspects of university–industry relationships. The literature has moved from being a niche strand to a dynamic field, with contributions from scholars in science and innovation studies (the original domain), sociology, business studies, economics, history, etc. The claim is additionally backed by Lockett (2008), mentioned that it was evident from the study that many relationships existed which facilitated knowledge transfer it could be worthwhile exploring the social and human capital that is required and accumulated by engaging in these activities.

Apart from that, Wang and Lu (2007), in their writing mentioned that the development of university-industry knowledge transfer activities embodies a number of institutional and organizational trends as well as government efforts in building up and enhancing firm competitiveness based on effective knowledge creation. The discussion on university's contribution, beside teaching and research in economic development through the transfer of knowledge from university to industry has received great attention in strategic management literature (Anatan, 2013).The success of the collaboration between industries and academics is demonstrated by Tunku Abdul Rahman University's initiative, under programme "UTAR FICT shakes hands with six new industrial partners to develop digital skills." (2021) has produced fruitful results.

Despite growing attention, concerns about information transfer between universities and industry have emerged, this study may concentrate on taxation-related issues to university accounting students. As supported by Palil (2010), mentioned in his study that knowledge about taxation is assumed to be important for preference and attitudes towards taxation. The research done by Eriksen and Fallan demonstrated the importance of tax knowledge in a tax system, especially in a Self-Assessment System (SAS).Therefore,in this paper, we aim to analyse how the importance of knowledge transfer channel can be explained by the collaborations between university (UiTM Cawangan Melaka) and Lembaga Hasil Dalam Negeri (Melaka).

Methodology

The survey method is the main research design for this study to achieve the objectives as it believes that surveys are appropriate for research questions about self-perceptions and behaviours (Neuman, 2003). Data will be collected through google form survey questionnaires that will be distributed to 80 accounting students of the Faculty of Accountancy at Univeriti Teknologi MARA (UiTM), Melaka campus that is Bachelor in Accountancy and Diploma in Accountancy. These students will be selected by their Head of the Study Centre to represent the faculty in the program known as Hasil My Tax Buddy (HYTB) that will be organised by the Inland Revenue Department Malaysia (IRBM), Melaka branch collaborate with UiTM with the purpose of enhancing knowledge transfer through industry and university. The survey forms will be organised to include questions related to the tax knowledge and it will be distributed before the program starts (pre-survey) and also after the program completed (post-survey). Basically, these accounting students already have tax

knowledge especially related to personal income tax as taxation courses are offered in their curriculum and graduation package.

Students need to give their response related to their tax knowledge before and after the HYTB program conducted. HYTB is a program comprising of professional talk on the function of IRBM, the awareness of tax system, tax information on personal income tax and the technical parts in filing income tax. This talk will be conducted and delivered by the IRBM officer. The program will be followed by the outdoor game activities on which students will be divided into 10 groups comprising of ten members for each group. There are 9 games to be completed and for every check point, they will be given questions related to personal income tax. Score will be given for the completion of the games and students need to answer all the questions at the end of the check point number 10. The questions for these games are designed based on the tax knowledge and information given earlier during the morning session talk. This simulation base question is a medium to be used in evaluating the students' tax awareness on filing income tax after they receive information during the morning session.

Rather than receiving information and knowledge through a formal lecture conducted by lecturer in the classroom at the university, students will be redirected to receive knowledge through informal medium that is through industry knowledge transfer. As knowledge transfer can be formal and informal, this study will evaluate on the effectiveness of knowledge transfer from the industry towards tax awareness of accounting students. Therefore, the survey instrument that will be used to evaluate the effectiveness of this program to the accounting students will consist of three parts. Part I consists of demographic background such as faculty and the current semester of students at the university. Part II consists of the evaluation on students' knowledge related to the content of the program which will be constructed with the intention to identify students' knowledge specifically on the awareness and knowledge of Malaysian taxation system, the understandability of the tax knowledge that will be delivered during the program and the capability in applying the tax knowledge in their job. For each of the statements, a 5-point Likert scale ranging from "1" (strongly disagree) to "5" (strongly agree) will be used. These instruments will be distributed as a pre-survey of the study. Part III consists of statements measuring the effectiveness of the content of the program towards students' tax knowledge, the improvement on the understandability of the content delivered and the capability of students in applying the tax knowledge in their job. For each of the statements, a 5-point Likert scale ranging from "1" (strongly not satisfied) to "5" (strongly satisfied) will be used. These instruments will be distributed as a post-survey of the study once the program completed. Finally, for part IV, students need to evaluate whether the collaboration between industry and university in sharing and delivering information related to tax awareness will give them more benefit in exposing, enhancing and understanding of their tax knowledge.

Theoretical and Practical Contributions

This paper will contribute several theoretical and practical contributions in the field of tax awareness among university accounting students. Tax awareness is to diagnose the attitude taxpayer as well as to understand the meaning, function and purpose of the payment of taxes. Therefore, firstly, our findings will elevate the tax awareness, particularly among university accounting students as well as to lead towards tax well-being communities. This is

in line with the Rural Development Policy (DPLB) 2030 to promote rational attitudes for the happiness and well-being of society.

Secondly, this paper means to improve the level of tax knowledge, skills and awareness among university accounting students with respect to ability to meet current and ongoing tax obligations in order to make the right tax decisions. This is very essential because the decision university accounting students make today can have lasting effects on our community's well-being. By improving the ability, capability and desire of university accounting students to take charge of their tax destinies, stronger communities are fostered to create a brighter future for all and not just a few.

Finally, the paper will be giving emphasis on the university accounting students in Malaysia to promote tax awareness for wellbeing of communities, particularly those economic activities that potentially be highly beneficial to a range of households. Improving tax awareness among university accounting students requires a systematic, sustained and coordinated approach that focuses on engendering long-term behavioural change. Therefore, this paper is a key to empowering university accounting students with better tax awareness are able to use their existing tax knowledge and skills to take appropriate actions involving tax planning and activities that could lead towards good tax behaviour.

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