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Custom Officers' Readiness for Sales and Service Tax Implementation in Malaysia: An Organisational Readiness for Change Perspective*

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Abstract

This study examines the factors influencing custom officers' readiness for the Sales and Service Tax (SST) implementation in Malaysia. Specifically, this study examines the factors stipulated in the Theory of Organisational Readiness namely, change valence, task knowledge, and resource availability on the customs officers' readiness in terms of change commitment and change efficacy for SST 2.0 implementation. This study utilizes the questionnaire survey distributed to employees of the Royal Malaysian Customs Department (RMCD) that have undergone a significant change of tax regime from Goods and Service Tax (GST) to SST 2.0. The results show that all three factors significantly and positively influence the customs officers' readiness in terms of change commitment and change efficacy for SST 2.0 implementation in Malaysia. The findings in this study indicate that to ensure smooth SST 2.0 implementation, it is important for the customs department to give attention to the perception of the officers and provide the necessary resources. The findings of this study could assist RMCD and other custom agencies to take into account factors that influence readiness for change which indirectly affect job responsibility and performance of the organization.

Keywords: Readiness, Change Valence, Task Knowledge, Resource Availability

JEL Classification Code: M20, M49, H20

1. Introduction

Tax contributes the highest supply of revenue and the most dependable source of government funding in Malaysia. In 2015, the total tax revenue from the indirect taxes was RM15.7 billion which equal 56.2% of the overall tax collection (Suffian et al., 2017). On 1 September 2018, the renewed sales and service tax also referred to as SST 2.0, administered by the RMCD came into effect. The SST 2.0 system replaced the previous goods and services tax (GST) which was charged at 6% of the sales price since April 2015.

The SST is a single-degree tax system. Under this system, the sales ad valorem tax can be charged upon goods that might be manufactured and sold by individuals who are taxable in Malaysia. Taxable items that are imported into Malaysia will also be subjected to the SST. Under the SST 2.0, the authorities will impose a tax of 5% to 10% on the sale of goods and 6% on services. Previously, under the GST regime, a total of 11,197 goods was imposed a 6% GST. In comparison, only 5,612 goods are subjected to a 10% sales tax and as many as 793 items might be hit with a 5% sales tax. Therefore, the authorities will acquire only RM21 billion yearly under the SST 2.0 as compared to RM44 billion that could have been collected from the GST. The transition from GST to SST 2.0 in a relatively short time frame of three months would require efficient and effective planning on the part of all parties involved. In other words, this change in the indirect tax landscape requires a comprehensive review of the processes and procedures to ensure compliance with the new legislation. RMCD who is the lead agency for collecting SST 2.0 tax collection needs to deploy adequate resources to ensure a smooth transition and implementation process.

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Arguably, the most critical aspect for the successful reintroduction of the SST (i.e. SST 2.0) is the organizational readiness in terms of the customs officers' readiness when the new tax system is enforced (Weiner et al., 2008). Readiness on the part of the RMCD includes new investments in hardware and human capital development (Zhou et al., 2013). The staff needs to be retrained and prepared to enforce the SST 2.0 under the new SST Act. This entails a tremendous amount of preparation, not only in mobilizing existing personnel but also in recruiting and selecting additional staff, training and educating them, and placing them in the appropriate chain of command (Le et al., 2021). Since any change, generally, requires a new mind-set, teething problems are bound to occur in the early stages of implementing the SST 2.0. At the same time, knowledge and expertise for the SST 2.0 implementation need to be spread out from the top management to all staff in each division (Mansor & Ilias, 2013). The department should also provide adequate consultation on relevant SST issues for the respective industry's needs.

This study examines the factors influencing custom officers' readiness for the Sales and Service Tax (SST) implementation in Malaysia based on the Theory of Organisational Change. The findings from this study provide an understanding of RMCD and other custom agencies on the factors that need to be focused on to enhance the efficient implementation of SST 2.0. The next section, Section 2 presents the literature review. This is followed by Section 3 that provides the research methodology and then the findings and discussion in Section 4. The final section, Section 5 concludes this study.

2. Literature Review

A key determinant of implementation success and a mediator of the effectiveness of implementation interventions is thought to be organizational readiness (Armenakis et al., 1993; Holt et al., 2010; Dizon, 2021). Organizational readiness to change refers to the psychological and behavioral preparedness of the organizational members tasked with the implementation of a new practice, policy, or technology (Weiner, 2009). When organizational readiness is high, members are more likely to initiate change, exercise greater effort, display greater persistence, and demonstrate more cooperative behavior, which results in greater effective implementation of the proposed change (Weiner et al., 2008; Nguyen et al., 2019). Organizations are increasingly required to improve their ability to develop employees' support or acceptance for change initiatives (Meyers et al., 2012). Individual and organizational readiness is essential when an organization introduces a new framework in its business (Sanusi et al., 2017). Numerous issues would emerge following the implementation of a new system or framework (Maswadeh & Hanandeh, 2020; Dizon, 2021). Employee attitude is, therefore, important in adopting a new system. Acquiring understanding and knowledge of its significance is vital to ensure successful adoption of the new system. Employees' readiness for exchange can be defined as how the individual personnel keeps positive perspectives about the need for the organization to change. They have to believe that the changes would possibly have positive implications for them and their employer (Armenakis et al., 1993).

To ensure that the reforms of the new tax regime achieve the target, the behavior and mindset of employees must be prepared first. Therefore, this study determines which attributes measure the readiness for change among the officers of the RMCD. The employees' behavior and perception must be positive, and they ought to be prepared to accept the changes and believe that the transformation will have advantageous implications for themselves and the corporation. Consequently, the organization should understand the individual readiness factors related to the acceptance or rejection of the organizational change (Muhammad et al., 2019). Notwithstanding the extensive studies on organizational readiness and behavior, such study is very limited in the tax administration context. To date, only a few studies are available on tax employees' perceptions of the tax collection process (James et al., 2009) and tax administration efficiency (Shagaria & Saad, 2014).

This study engages the Theory of Organisational Readiness for Change to underpin the study. An employee in an organization needs to change and share his belief to create other changes in the organization (Weiner, 2009). The effectiveness of a new system is high if an employee cooperates to initiate the needed change, provide great effort and show persistent cooperative behavior. Change can be defined as the way people talk about an event where an expected occurrence appears to become something else. That something else is seen as a result or outcome of the change (Choi & Ruona, 2010). Change is required due to economic variations, globalization of markets, and market, technological, political, and social factors. An organization should strive to develop and implement change initiatives as it improves its business activities. The Theory of Organisational Readiness for Change was based on the social cognitive theory and the self-efficacy theory (Gist & Mitchell, 1992) and consists of multi-level and multi-faceted constructs. The theory comprises two collective affective states, which are change commitment and change efficacy, and three factors of change, which are change valence, task knowledge, and resource availability (Weiner, 2009).

The readiness for change theory stated that organizational readiness consists of change commitment and change efficacy (Weiner, 2009). Change commitment refers to an intention to implement a change that is shared across members of an organization and an obligation to accept

the change. It reflects the organizational members' shared resolve to implement a change. Based on the theory of organizational readiness, one of the factors of change commitment is change valence. Change valence refers to how the organization members value the particular change (Weiner, 2009). If the organization believes that the change is effective and beneficial, the change is valuable. The more the organizational members value the change, for example, greater change valence, the more likely they will support, engage and accept the change and, hence, will be more prepared to execute the change, consistent with previous studies (Phillips, 2017; Ismail et al., 2018). Therefore, the following hypothesis is formed:

H1a: *Change valence significantly and positively influences the change commitment of custom officers' readiness of SST 2.0.*

Prior studies had remarked that support from employees is very important to determine the success or failure of change implementation (Vakola, 2014). Employees' readiness for change can be described as the extent to which the individual employees hold positive views about the need for the organization to change. They must believe that the changes are likely to have positive implications for them and the organization (Armenakis et al., 1993).

In the theory of organizational readiness, change valence is the factor that makes a change desirable. In the context of both individual and organizational change, change efficacy can be understood as the factor that explains how the capability and desire for change will be shown into actual change (Weiner, 2009). This is consistent with a study that has provided the definition of self-efficacy, which suggested that it was not only the desire for change and the ability to bring about change but also the prediction on the execution of the actual change. Self-efficacy must be possessed by individuals as a precondition of effecting change (Bandura, 1997). The more the organizational members value the change, the more likely they will support, participate and accept the change and, hence, will be readier to implement the change. Therefore, the following hypothesis is formed:

H1b: *Change valence significantly and positively influences the change efficacy of custom officers' readiness of SST 2.0.*

Another factor of change commitment in Weiner's theory of organizational readiness is task knowledge. Task knowledge refers to information that is required by the organizational members for the change. In other words, members of the organization must possess appropriate and enough knowledge regarding the change. In the context of this study, higher task knowledge means having more information and knowledge (Oh & Ki, 2020) about the SST 2.0 implementation. Principally, it is denoting the knowledge of the customs officers on understanding the law and regulations and their familiarity with the new system. The importance of being knowledgeable of the new tax regime is to ensure its successful implementation. Similar findings on the importance of having sufficient knowledge for better commitment and the successful transition were found by Ismail et al. (2018). Hence, the following hypothesis is developed:

H2a: *Task knowledge significantly and positively influences the change commitment of custom officers' readiness of SST 2.0.*

Besides, a study asserted that thorough knowledge in employee change readiness will lead the change executor to understand the best way to approach the change and the best mode to implement the change (Soumyaja et al., 2015). Having a better judgment on individual change readiness perception preceding any change implementation is important (Susanto, 2008). Therefore, the following hypothesis was formed:

H2b: *Task knowledge significantly and positively influences the change efficacy of custom officers' readiness of SST 2.0.*

The third factor of change in the theory of organizational readiness is resource availability. The availability of resources in the organization to support the change is known as resource availability (Weiner, 2009). The resources include people, financial and other resources such as technological ability, skills, training, and experience. Relevant resources necessary for the transition from GST to SST 2.0 include updated system, staff, and financial resources. Weiner (2009) had strongly emphasized the need for enough resources to ensure a smooth transition. Few studies had also discovered that having adequate resources is vital for the successful transition to a new situation (Phillips, 2017; Ismail et al., 2018). The greater the availability of those resources, the more likely the organization will be dedicated and be equipped to embark on the change. Therefore, the following hypothesis is proposed:

H3a: *Resource availability significantly and positively influences the change commitment of custom officers' readiness of SST 2.0.*

Individual attitudes about the desirability of the change appear to matter about how practical it might be to enact the change in terms of resource availability in consequences of the change. In this case, the management needs to consider

the resource availability of the employees involved in the change and provide appropriate resources to empower their positive participation in the change (Ismail et al., 2018). The top management should also pay more attention to ensuring that the resources required to support the change are adequate and appropriate for all stages of the change implementation. Weiner (2009) established that organizational readiness for change increases when individuals within an organization believe that the change demands can be met when adequate resources are available. Thus, the following hypothesis is proposed:

H3b: *Resource availability significantly and positively influences the change efficacy of custom officers' readiness of SST 2.0.*

3. Research Design

3.1. Sample Selection

The target respondents for this study are the customs officers of the RMCD who are based at its headquarters (HQ). Only one criterion is used to select the sampling element, which is, the respondents must currently be working as customs officers in any division of the RMCD. Customs officers are targeted because they have more experience with and understanding of the SST which was implemented many years ago before it was replaced by the GST. Thus, they may provide more precise information through the survey instrument. The levels of customs officers selected to participate in this study were top management, middle management, and support staff who possessed knowledge, skills, and experience in SST implementation as they would be able to provide reliable information needed for this study.

3.2. Research Instrument

The research instrument in this study is the questionnaire. The questionnaire for this study is adapted from a study (Shea et al., 2014) with some modifications to suit the context of this study. The questionnaire comprised five sections. Section A requests the respondents to provide their demographic information such as gender, age, educational level, position in the organization, years of working in the current workplace, and the number of SST training attended. Section B requests the respondents to respond on their organizational readiness for the SST 2.0 implementation. This section is further divided into two parts. Part 1 measures change commitment and Part 2 measures change efficacy. There are 5 questions for each part. These parts use a 5-point Likert scale ranging from '1' as 'strongly disagree' to '5' as 'strongly agree'.

Section C requests the respondents to respond on the extent to which they value the SST 2.0 implementation. There are 7 questions in this part. Section D examines the Customs officers' knowledge on SST 2.0 implementation. There are 4 questions in this section. Similar to Section B, Section C and D use a 5-point Likert scale. The final part, Section E, examined the resources to support the SST 2.0 implementation. There are 7 questions in this part that use the same Likert scale as in the previous sections.

3.3. Data Collection Procedure

Before the data collection, a letter was sent to the Human Resource Department of the RMCD requesting approval to conduct this study in the organization. The distribution of the questionnaires was done online by using Google form and electronic mail and through the direct, face-to-face approach. Online distribution is easy, fast, cheap, and can cover a wide area. A cover letter explaining the purpose and objective of the study as well as assuring the respondents that all information provided would be treated as confidential was attached to the questionnaires distributed. It was estimated that it would take a respondent about 10 to 15 minutes to complete the questionnaire. For the online distribution, the link to the address for the Google online survey was distributed through the *Whatsapp* application and electronic mail to make it easier for the respondents to answer the questionnaire. As the data had to be collected within two weeks, emails were sent to the respondents who still had to give their feedback after the first week, to remind them of the opportunity to participate in the survey. The slow response from the online distribution suggested that switching the data collection procedure to a different mode would be a more effective means of improving the response. Therefore, a direct face-to-face distribution was also used. Out of 120 questionnaires distributed, 86 respondents answered the survey resulting in a response rate of 71.2%.

4. Results

4.1. Descriptive Statistics and Normality Test

4.1.1. Change Commitment

Table 1 presents the details of the descriptive statistics and normality test for all constructs of change commitment. The results show a low overall mean score of 3.57 for the dependent variable. This implies that the respondents are closer to having a neutral perception of the SST 2.0 implementation. The majority of the respondents seem to have a neutral perception towards all of the constructs for change commitment. The highest mean score for change commitment is 3.70 with a maximum score of 5. The highest mean score is still below 4 probably due to many respondents feeling that they are not fully prepared for the SST 2.0 implementation.

Table 1: Descriptive Statistics and Normality Test on Change Commitment

List of Construct and Measures	N	Minimum	Maximum	Mean	SD
Skewness = −0.300 Kurtosis = −0.111 1. Committed to implementing SST 2.0	86	1	5	3.70	1.085
2. Determined to implement SST 2.0	86	1	5	3.65	0.991
3. Motivated to implement SST 2.0	86	1	5	3.51	1.015
4. Do whatever to implement SST 2.0	86	1	5	3.57	0.952
5. Want to implement the change	86	1	5	3.44	0.989
Valid N (listwise)	86				
TOTAL				3.57	

Table 2: Descriptive Statistics and Normality Test on Change Efficacy

List of Construct and Measures	N	Minimum	Maximum	Mean	SD
Skewness = −0.267 Kurtosis = −0.434 1. Confident to coordinate tasks	86	1	5	3.64	0.919
2. Confident of organization support	86	1	5	3.73	0.938
3. Confident of supporting each other	86	1	5	3.83	0.897
4. Confident can keep track of progress	86	2	5	3.72	0.890
5. Confident can handle challenges	86	1	5	3.73	0.846
Valid N (listwise)	86				
TOTAL				3.73	

4.1.2. Change Efficacy

Table 2 presents the descriptive statistics as well as the normality test using skewness and kurtosis score for the change efficacy variable. For the descriptive analysis, the results show a low mean score of 3.73 for all the measures. This indicates that most of the respondents perceived themselves as neutral towards the SST 2.0 implementation. The lowest mean score is for 'confidence to keep track of progress in implementing the change' with a score of 3.72 where the maximum value is 5. Hence, most respondents seem to have a neutral perception that they can keep track of the progress of the changes. The highest mean score is 3.83 contributed by the measure of 'confident of supporting each other in SST 2.0 implementation' with a maximum value of 5 and a minimum value of 1. This shows that most of the respondents agree that they are confident to support each other in the SST 2.0 implementation. In this table, $N = 86$ indicates that there is no missing value for change efficacy.

4.1.3. Change Valence

Table 3 presents the descriptive analysis and the normality test of the change valence variable. For the descriptive analysis, the results show that the mean score is 3.03 indicating that the respondents have very low change valence. The lowest mean score is shared by two constructs that are 'believe the implementation of SST 2.0 will be better for tax collection' and 'SST 2.0 implementation is a good idea' with a score of 2.78 and a maximum value of 5. It indicates that most of the respondents disagree that the implementation of SST 2.0 will be better for tax collection and also they think that the implementation of SST 2.0 is not a good idea for now. The highest mean score of 3.55 is for the measure of 'believe the implementation of SST 2.0 will be successful' which implies that most of the respondents value the successful implementation of SST 2.0. Here again, N is 86 indicating that there is no missing value in the sample.

4.1.4. Task Knowledge

Table 4 presents the descriptive analysis and normality test for task knowledge. The results show that the overall mean score is 3.75 which indicates that most of the respondents have low task knowledge.

The measure with the lowest mean score of 3.33 is 'have a sufficient understanding of SST 2.0' where most of the respondents seem to have a neutral perception that they have enough understanding of SST 2.0. While the highest mean score of 4.07 is for the measure of construct on 'whether or not the respondents' are aware of the SST 2.0 implementation where most of the respondents agree that they are aware of it.

Table 3: Descriptive Statistics and Normality Test on Change Valence

List of Construct and Measures	N	Minimum	Maximum	Mean	SD
Skewness = 0.272 Kurtosis = −0.305 1. SST 2.0 implementation benefits the public	86	1	5	3.20	1.072
2. Necessary to implement SST 2.0	86	1	5	3.01	1.101
3. Implementation of SST 2.0 will be successful	86	1	5	3.55	1.025
4. Better for tax collection	86	1	5	2.78	1.192
5. SST 2.0 implementation is a good idea	86	1	5	2.78	1.182
6. SST 2.0 implementation is timely	86	1	5	2.92	1.150
7. Value the SST 2.0 implementation	86	1	5	2.99	1.023
Valid N (listwise)	86				
TOTAL				3.03	

Table 4: Descriptive Statistics and Normality Test on Task Knowledge

List of Construct and Measures	N	Min	Max	Mean	SD
Skewness = −0.101 Kurtosis = −0.627 1. Aware of SST 2.0 implementation.	86	1	5	4.07	0.823
2. Resources needed to implement SST 2.0	86	1	5	3.87	0.930
3. Know what to do to implement SST 2.0	86	1	5	3.83	0.884
4. Know how much time it will take to implement SST 2.0	86	1	5	3.66	0.953
5. Have a sufficient understanding of SST 2.0	86	1	5	3.33	1.079
Valid N (listwise)	86				
TOTAL				3.75	

4.1.5. Resource Availability

Table 5 presents the descriptive analysis and normality test for resource availability. The results of the descriptive analysis show that the mean score is 3.56 which indicates that most of the respondents have a neutral perception of having the resources to support the SST 2.0 implementation. The measure with the lowest mean score of 3.19 is the 'time needed to implement SST 2.0' where most of the respondents are neutral towards the time needed to implement SST 2.0. Meanwhile, the highest mean score of 3.99 is for the measure of 'there is a system needed to implement SST 2.0' where most of the respondents agree that the systems are needed to implement the SST 2.0 smoothly. There is no missing value in the sample for resource availability since $N = 86$.

4.2. Multiple Regression Assumptions

Before conducting the regression analysis, it is essential to test the multicollinearity of the variables to ensure that the regression results would not be affected. The results of the analysis show the correlation coefficient matrices as well as the significance value of the variables in this study. Since there are two different dependent variables (DVs) in this study, the results also show the values for both DVs. The results show that, for DV1 (change commitment), the Pearson's correlation coefficient, r, values are between 0.602 to 0.817, where the value for the associations between DV1 and DV2 is 0.817, DV1 and IV1 is 0.696, DV1 with IV2 is 0.602, and DV1 with IV3 is 0.602. As for DV2, the value for the associations between DV2 and IV1 is 0.568, DV2 with IV2 is 0.632, and DV2 with IV3 is 0.639, More importantly, the r values for the associations between IV1 with IV2 is 0.506, IV1 with IV3 is 0.522 and IV2 with IV3 is 0.742. These results imply that there is no multicollinearity because there are no pair of independent variables with a correlation coefficient value that is greater than 0.8 or less than −0.8.

In the multiple regression analysis, this study predicts the outcome of one or more variables from one more other variables to create the direction of the causality. The multiple regression model in this study consists of two dependent variables, namely change commitment and change efficacy, whereas the independent variables are change valence, task knowledge, and resource availability. The multiple regressions were conducted based on the following two models:

Table 5: Descriptive Statistics and Normality Test on Resource Availability

List of Construct and Measures	N	Min	Max	Mean	SD
Skewness = −0.113 Kurtosis = −0.641 1. System needed to implement SST 2.0	86	1	5	3.99	0.988
2. Expertise needed to implement SST 2.0	86	2	5	3.93	0.905
3. Time needed to implement SST 2.0	86	1	5	3.19	1.173
4. Skills needed to implement SST 2.0	86	1	5	3.20	1.061
5. Adequate training needed	86	1	5	3.36	1.105
6. Specific guideline needed	86	1	5	3.71	1.072
Valid N (listwise)	86				
TOTAL				3.56	

$$Y_1 = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \text{ .....(Model 1)}$$

$$Y_2 = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \text{ .....(Model 2)}$$

Where;

Change Commitment = α_0 + β_1 Change Valence
+ β_2 Task Knowledge
+ β_3 Resource Availability
+ ε ..... (Model 1)

Change Efficacy = α_0 + β_1 Change Valence
+ β_2 Task Knowledge
+ β_3 Resource Availability
+ ε.....(Model 2)

α_0 indicates the estimated average value of Y (in this situation, Y_1 is change commitment and Y_2 is change efficacy) when the values of X_1 to X_3 (in this situation, change valence, task knowledge, and resource availability) are zero.

β_1 indicates the estimated change in the average value of the respondents' change commitment/change efficacy as a result of a one-unit change in the change valence value.

β_2 indicates the estimated change in the average value of respondents' change commitment/change efficacy as a result of a one-unit change in the task knowledge value.

β_3 indicates the estimated change in the average value of respondents' change commitment/change efficacy as a result of a one-unit change in the resource availability value.

As depicted in Table 6, the R^2 result for change commitment (Model 1) is 0.582, indicating that 58.2% of the variation in the change commitment score can be explained through the variations in change valence, task knowledge, and resource availability. Based on the F value, $F(3,82)$ = 38.109, the model is significant, and this suggests that at least one of the independent variables has a significant relationship with change commitment as the dependent variable. It is shown that as the p-value of change valence is 0.00 (p-value < 0.001), it positively and significantly influences change commitment. Task knowledge has a p-value = 0.037 (p-value < 0.05) indicating that the variable affects change commitment at a 5% significance level (α = 0.05). However, resource availability's significance value is 0.097 which indicates that the variable is not significant as the value is higher than 0.05 (p > 0.05).

Table 6 also presents the results for Model 2 (change efficacy); the R^2 results of this regression is 0.517, indicating that 51.7% of the variation in the change efficacy score can be explained through the variations in change valence, task knowledge, and resource availability. The F-test value [F (3,82) = 29.283] shows that the model is significant, and this suggests that at least one of the independent variables has a significant relationship with change efficacy as the dependent variable. The p-values of change valence (p-value = 0.003), task knowledge (p-value = 0.020) and resource availability (p-value = 0.017) are all less than 0.05 indicating that all the variables affect change efficacy at a 5% significance level (α = 0.05). All factors, therefore, significantly influence change efficacy.

From the results of the multiple regression analyses, the models for this study can be rewritten as follows:

Change Commitment = 3.537 + 0.315 Change Valence
+ 0.232 Task Knowledge
+ 0.155 Resource
Availability …….. (Model 1)

Change Efficacy = 4.935 + 0.169 Change Valence
+ 0.281 Task Knowledge
+ 0.228 Resource
Availability …….....….(Model 2)

Table 6: Multiple Regression Analyses

Change Commitment			
Variables	**Unstandardized coefficient Beta**	***t*-value**	**Significance**
Constant	3.537	2.335	0.022
Change Valence	0.315	5.717	0.000
Task Knowledge	0.232	1.995	0.049
Resource Availability	0.155	1.680	0.097
R square = 0.582, Adjusted *R* square = 0.567			
F value = 38.109			
Significance = 0.000			
Change Efficacy			
Variables	**Unstandardized coefficient Beta**	***t*-value**	**Significance**
Constant	4.935	3.203	0.002
Change Valence	0.169	3.012	0.003
Task Knowledge	0.281	2.375	0.020
Resource Availability	0.228	2.433	0.017
R square = 0.517, Adjusted *R* square = 0.500			
F value = 29.283			
Significance = 0.000			

To determine and identify the linear relationships' strength between the dependent variables and the independent variables, the correlation coefficients derived from the Pearson's correlation coefficient matrix were analyzed again. The *r*-value can be interpreted to show the strength of the relationships. The results of the regression analysis (Model 1) for change valence (IV1) in the table indicate that it significantly influences change commitment (DV1) since the *p*-value is 0.000 which is less than 0.05 ($p < 0.05$). The correlation coefficient ($r = 0.696$) suggests that there is a positive moderate relationship between change valence and change commitment. Change valence also significantly influences change efficacy (DV2) since the *p*-value of the regression analysis (Model 2) is 0.003 which is less than 0.05 ($p < 0.05$). The correlation coefficient ($r = 0.568$) suggests that there is also a positive moderate relationship between change valence and change efficacy. Therefore, H1a and H1b are supported. These correlations indicate that the higher the change valence, the higher the change commitment and change efficacy, and that, in turn, will lead to greater readiness for the SST 2.0 implementation.

As for task knowledge (IV2), the results demonstrate that it significantly influences change commitment (DV1) since the *p*-value of the regression analysis (Model 1) is 0.049 which is below 0.05 ($p < 0.05$). The relationship between the variables is a positive moderate relationship as the coefficient of the correlation value is only 0.602. The results are also almost the same for the relationship between task knowledge and change efficacy (DV2) since the *p*-value of the regression analysis (Model 2) is 0.020, which is below 0.05 ($p < 0.05$), and the coefficient of correlation is 0.632 which, together, explain that there is a significant positive moderate relationship between the two variables. Therefore, H2a and H2b are supported. These correlations show that the higher the task knowledge, the higher the change commitment and change efficacy, and that, in turn, will lead to greater readiness for the SST 2.0 implementation.

Meanwhile, for the resource availability variable (IV3), the significance value for the regression analysis (Model 1) is 0.009 which indicates that the variable is significant as the value is below 0.05 ($p > 0.05$). The coefficient of correlation ($r = 0.602$) indicates that there exists, a positive moderate relationship between resource availability and change commitment. For the relationship between resource availability and change efficacy (DV2), the p-value of the regression analysis (Model 2) is 0.017 which indicates that the relationship is significant as the value is below 0.05 ($p < 0.05$). The coefficient of correlation ($r = 0.602$) indicates that there is also a positive moderate relationship between resource availability and change efficacy. Therefore, it can be concluded that H3a and H3b is supported.

5. Conclusion

This study aims to determine whether the three factors stipulated in the Theory of Organisational Readiness for Change have a positive influence on the customs officers' readiness for SST 2.0 implementation in Malaysia. The first objective factor is change valence. The results show that most of the respondents have a low change valence. The lowest mean score was related to the perception of whether or not SST 2.0 is better for tax collection and SST 2.0 implementation is positive due to the GST having been implemented only for three years and is now being replaced with the SST 2.0. The results further suggested that the more the customs officers value the SST 2.0 implementation, the higher would be their level of readiness for it. The findings in this study are in line with the findings of previous studies that showed the greater the employees of the organization value the change, the greater would they want to implement the change (Weiner, 2009). In other words, the more determined the employees are, the more they would want to get involved in the action of change implementation.

The second objective of this study is to examine the customs officers' knowledge about the SST 2.0 implementation. The main findings for task knowledge indicated that there are significant linear relationships between task knowledge and change commitment as well as between task knowledge and change efficacy. The results implied that having sufficient knowledge about SST 2.0, specifically in terms of awareness and resources needed to implement it, will lead to a higher level of readiness for its implementation. In other words, task knowledge supports the transition of the tax regime from GST to SST 2.0. The results are supported by findings of prior literature which found that the knowledge factor is important to ensure that the implementation of SST 2.0 goes smoothly.

The third objective of this study is to examine the effect of resource availability on the SST 2.0 implementation. The results implied that there is a significant relationship between resource availability and change commitment. This indicates that the management at RMCD needs to focus much on resource availability in identifying the commitment of the customs officers. It is believed that the agency has taken the necessary steps in ensuring that the officers are able to perform their tasks smoothly in the SST 2.0 implementation. The results also showed that there is a significant positive relationship between resource availability and change efficacy. Despite these outcomes, the third objective of this study may be considered as achieved since it was aimed at examining how resource availability affects the customs officers' readiness for the SST 2.0 implementation. Thus, it can be said that resource availability affects the officers' readiness for the SST 2.0 implementation.

This study has its limitations. The scope of this study is limited to only the customs officers who work in the RMCD HQ. Thus, the findings of this study may not be generalizable to the entire population of customs officers across the country. Furthermore, this study used a questionnaire that was designed to cover only three factors that influence readiness for change. There may be other variables that influence this readiness. Therefore, interviews and group discussions may be used in the future to get more information on the factors that influence the level of readiness. Other than those limitations, the number of respondents is also noticeably low. A high number of respondents might lead to more concrete findings.

In summary, the findings of this study provide a contribution to the literature on the issue of employee perceptions, commitment, and attitude towards the processes of organizational change. Though the RMCD has made aggressive planning for the transition from GST to the new SST 2.0, the findings from this study may offer a solution in the form of the factors that the department need to focus on, such as ensuring that the manpower expertise and training are adequate to enhance the efficient implementation of SST 2.0 and subsequently, improve the economy and raise consumers' well-being.

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