# Title: A STUDY Of FACTORS AFFECTING THE ADOPTION OF E-FILING in IT PROFESSIONALS AT HYDERABAD

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## ABSTRACT

This paper aims to study the variables that affect the adoption of the e-filing of income tax return by the IT professional. E-filing has been considered one of the significant tax filing methods due to its advantages in terms of convenience, efficiency, and time savings. This research focuses on variables like ease of use, security, availability of internet, technical knowledge, government policy, trust in online applications, and awareness.

Primary data was collected from 100 IT professionals through a structured questionnaire, while secondary data was collected from journals and articles. The data was analyzed using descriptive analysis and One-Sample t-test. It was found out that ease of use, trust in online applications, government support, and training program significantly influence the adoption of the e-filing method. Security, internet, and awareness also affect e-filing.

In conclusion, IT professionals have a positive attitude towards e-filing as it provides convenience and efficiency. Better cybersecurity, increased awareness, and training can enhance the adoption of the e-filing process.

**Keywords:** Technology Adoption for E-Taxes, Electronic Tax Compliance, E-Filing Trustworthiness, Technology Readiness, Cyber Security of Tax Filing, IT Professionals’ Tax Compliance".

## INTRODUCTION

Technological advancement has brought about changes to financial and administrative activities around the world. These include e-filing of income tax returns, which brings about efficiency, accuracy, and convenience. This research seeks to explore factors that lead to the adoption of e-filing of income tax returns by IT professionals.

While IT professionals have a lot of technical knowledge, there are many factors that determine their adoption of e-filing of income tax returns. According to Technology Acceptance Model (TAM), perceived usefulness and ease of use are among the factors that determine adoption. There are security and privacy issues, which are very significant, as IT professionals know about the dangers of using the internet.

There are other factors such as social influences, organizational support, availability of internet, and technological infrastructure that affect the adoption of e-filing of income tax returns. Further, government actions such as quicker refunds and procedures also promote adoption of the technology, while complexity of regulations and distrust may hinder it.

The present study takes on a quantitative method to identify the factors and barriers to adoption of e-filing of income tax returns by IT professionals.

### Statement of the Problem

Researches on the adoption of e-filing by Indian IT professionals face certain gaps. Though studies have focused on demographic variables and technology readiness factors, the link between these variables and the organization support system has not been much researched. In addition, even though trust and risks have been extensively researched, there has been very little research on the impact of culture and legislation on these variables.

Moreover, psychological factors like motivation and cognitive biases have been overlooked when researching on the adoption of e-filing. Recent studies have concentrated on technology acceptance models without long-term analysis of the adoption process.

## OBJECTIVES OF THE STUDY

- To determine the motivation of switching to e-filing by IT professionals.
- To determine the satisfaction of IT professionals using e-filing.
- To know the preferences for the new system and the old system.

## HYPOTHESES:

H0: There is no significant difference in the level of satisfaction of e-filing among in it professionals.

H1: There is a significant difference in the level of satisfaction of e-filing among in it professionals.

## SCOPE OF THE STUDY:

"Factors That Influence the Adoption of E-Filing Systems for Filing Income Tax Returns by IT Professionals" is a study designed to uncover and analyze the factors that have an influence on the adoption of e-filing systems. These factors include such aspects as ease of use, benefits, security, and technical support. The goal of this study is to find out the motivation of IT professionals towards the use of e-filing systems.

**STUDY LIMITATIONS:**

- The limited number of respondents may fail to capture the perspectives of all IT professionals.
- Self-reporting technique may generate a response bias in the results.
- Technological changes happening rapidly may make the findings of this research less applicable over time.
- The researchers did not take into account geographical issues that may have an impact on the adoption of e-filing.
- Using online survey technique may result in exclusion of technologically challenged IT professionals from the research.
- Environmental factors such as government policy and economic factors were not investigated extensively in this research.
- Psychological factors that may cause resistance to adopting the e-filing system were not taken into consideration.

## REVIEW OF LITERATURE

- Sharma & Kaushik (2021): Based on Decomposed Theory of Planned Behavior (DTPB), the study reported that attitude, subjective norms, and perceived behavioral control significantly affected e-filing adoption by Indian IT professionals. Compatibility, complexity, and self-efficacy were determined as significant antecedents.
- Verma (2022): The study reported that trust in the e-filing system positively impacted adoption intention, whereas perceived risk had a negative impact. Perceived usefulness and ease of use acted as mediators.
- Patel (2023): The study found out that demographic variables, computer self-efficacy, and internet experience had significant influence on e-filing adoption. Self-efficacy and internet experience also mediated the relationship between demographic variables and adoption.
- Mishra (2024): In accordance with Innovation Diffusion Theory (IDT), the study found that relative advantage, compatibility, observability, and trialability significantly affected adoption, whereas complexity had a negative impact on adoption. Age, income, and computer literacy served as moderators.
- Reddy (2025): The study pointed out that perceived usefulness, trust in AI recommendation, and system reliability significantly impacted e-filing adoption. Digital literacy played as moderator role.
- Patel & Kumar (2026): Combining IDT and TRI, the research revealed that relative advantage, compatibility, optimism, and innovativeness had positive effects on e-filing adoption, while insecurity and complexity had negative effects. Age and professional experience were used as moderators.

## RESEARCH METHODOLOGY

The subject of research methodology teaches you how to tackle problems and make instantaneous decisions in the following ways. The concept of business research can be explained as being any form of research that adopts a particular methodology and whose aim is gathering the data necessary for solving management problems in the area of marketing.

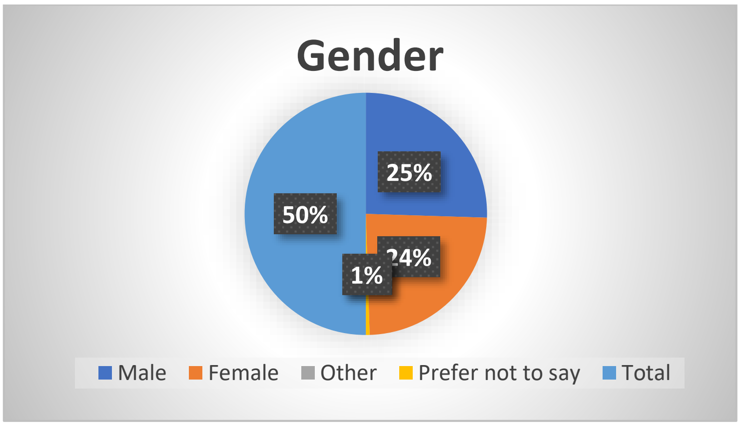
It tries to find the reason behind situations that have never been researched before, hence proving disputed facts while rejecting disputed facts at the same time.

## DATA ANALYSIS AND INTERPRETATION

Table No. 2.1 Calculation of Gender Frequency

| Gender | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Male | 51 | 51.0 | 51.0 | 51.0 |
| Female | 48 | 48.0 | 48.0 | 99.0 |
| Other | 0 | 0.0 | 0.0 | 99.0 |
| Prefer not to say | 1 | 1.0 | 1.0 | 100.0 |
| **Total** | **100** | **100.0** | **100.0** | |

Source: Complied Data



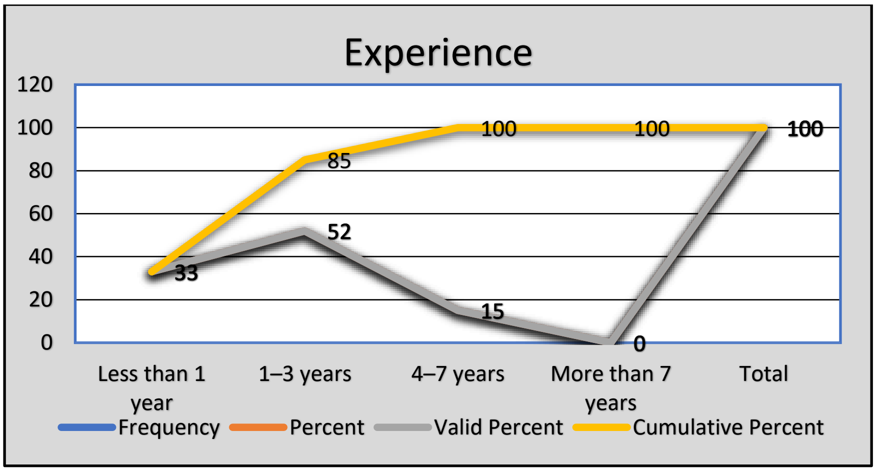

Graph No. 2.1 (a)

From the data presented on the table, it is seen that from 100 people, 51% were males, while 48% were females, which suggests that there was almost an equal gender distribution in the sample. Only 1% did not wish to mention their gender, while no one belonged to the category of “Other”. Thus, the sample can be viewed as having good gender representation, although a higher number of males was involved.

**Table No. 2.2 Calculation of Experience**

| IT Work Experience | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Less than 1 year | 33 | 33.0 | 33.0 | 33.0 |
| 1–3 years | 52 | 52.0 | 52.0 | 85.0 |
| 4–7 years | 15 | 15.0 | 15.0 | 100.0 |
| More than 7 years | 0 | 0.0 | 0.0 | 100.0 |
| **Total** | **100** | **100.0** | **100.0** | |

Source: Complied Data




Graph No. 2.2 (b)

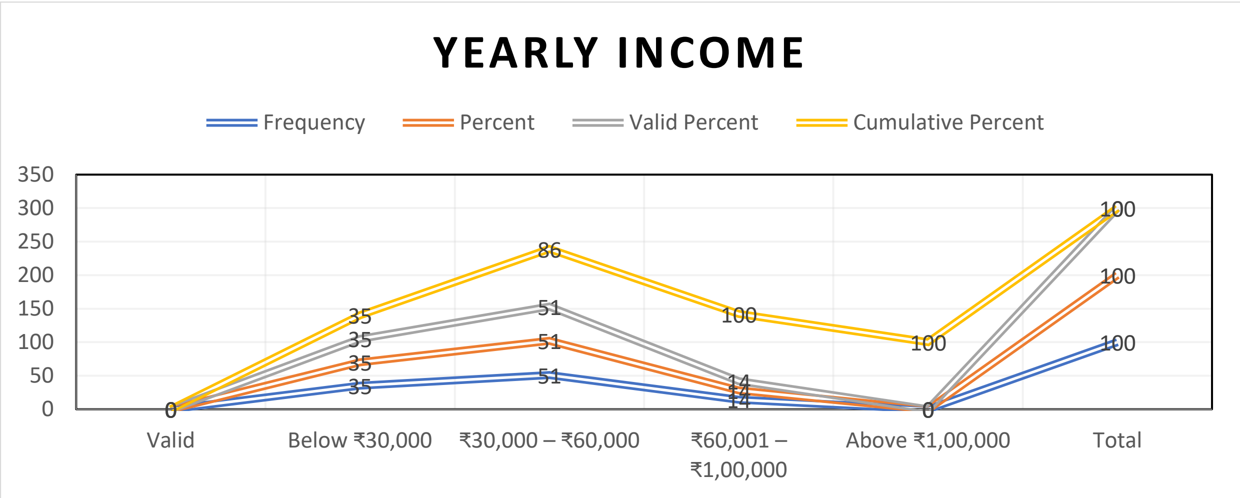
This figure presents the distribution of the respondents according to the experience they have in the IT industry. The respondents were categorized into four different groups namely: Less than 1 year, 1-3 years, 4-7 years, and More than 7 years.

Fifty-two percent of the respondents have an experience of 1-3 years in the field, while thirty-three percent of the respondents have less than 1 year of experience. This suggests that most of the respondents are young professionals in the IT industry. Fifteen percent of the respondents have experience of 4-7 years, but none of the respondents have more than 7 years of experience. The total percentage is 100%, which suggests that there are no missing responses. Generally, most of the respondents are young IT professionals, indicating that the findings of the study represent the views of the young professionals about e-filing system.

**Table No. 2.3 Calculation of Yearly Income**

| Monthly Income (in Rupees) | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| **Valid** | | | | |
| Below ₹30,000 | 35 | 35.0 | 35.0 | 35.0 |
| ₹30,000 – ₹60,000 | 51 | 51.0 | 51.0 | 86.0 |
| ₹60,001 – ₹1,00,000 | 14 | 14.0 | 14.0 | 100.0 |
| Above ₹1,00,000 | 0 | 0.0 | 0.0 | 100.0 |
| **Total** | **100** | **100.0** | **100.0** | |

Source: Complied Data




Graph No. 2.3 (c)

Monthly income analysis reveals that the majority of the respondents fall under the middle-income category. The large percentage of respondents (51%) earns from ₹30,000 to ₹60,000 per month.

Moreover, 35% of the respondents earn below ₹30,000 per month, while 14% earn from ₹60,001 to ₹1,00,000 per month. No respondents earn more than ₹1,00,000 per month.

In total, the results reveal that the respondents comprise mainly of middle-class IT professionals.

**Table No. 2.4 Calculation of Descriptive statistics**

| Descriptive Statistics | | | | | |
|---|---|---|---|---|---|
| | Number of observations | Minimum | Maximum | Mean | Std. Deviation |
| Ease of use influences my adoption of e-filing | 100 | 1 | 4 | 3.19 | 0.72 |
| I find e-filing systems easy to understand | 100 | 1 | 4 | 2.46 | 0.73 |
| Security and privacy concerns affect my usage of e-filing | 100 | 1 | 4 | 2.79 | 0.90 |
| Internet connectivity affects my use of e-filing | 100 | 1 | 4 | 2.91 | 0.92 |
| Technical skills influence my adoption of e-filing | 100 | 1 | 4 | 2.44 | 1.12 |
| Government support encourages me to use e-filing | 100 | 1 | 4 | 2.92 | 0.84 |
| I prefer e-filing over manual filing methods | 100 | 1 | 4 | 3.13 | 0.75 |
| Time-saving is a major reason for using e-filing | 100 | 1 | 4 | 2.68 | 0.75 |
| Lack of awareness is a barrier to adopting e-filing | 100 | 1 | 4 | 2.49 | 0.75 |
| Training programs increase my willingness to use e-filing | 100 | 1 | 4 | 3.14 | 1.06 |
| I trust online platforms for filing financial/tax-related information | 100 | 1 | 4 | 3.22 | 1.19 |
| Valid N (listwise) | 100 | | | | |

Descriptive statistics were performed based on the answers of 100 participants who took part in the survey in order to determine the factors that affect the adoption of e-filing system. According to the results, the two strongest factors are easiness of use (Mean = 3.19, SD = 0.72) and willingness to use the system rather than traditional ways (Mean = 3.13, SD = 0.75). Government support (Mean = 2.92, SD = 0.84), access to the internet (Mean = 2.91, SD = 0.92) and security issues (Mean = 2.79, SD = 0.90) were found to have a positive effect on adoption of e-filing. Awareness of the system scored an average of 2.46 (SD = 0.73), while technical skills scored the lowest (Mean = 2.44, SD = 1.12).

Table No. 2.5 Calculation of one sample t-Test

| One-Sample t-Test | | | | | | |
|---|---|---|---|---|---|---|
| | Test value = 0 | | | | | |
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Ease of use influences adoption | 44.3 | 99 | 0 | 3.19 | 3.05 | 3.33 |
| E-filing systems easy to understand | 33.7 | 99 | 0 | 2.46 | 2.31 | 2.61 |
| Security concerns affect usage | 31.35 | 99 | 0 | 2.79 | 2.61 | 2.97 |
| Internet connectivity affects use | 31.98 | 99 | 0 | 2.91 | 2.73 | 3.09 |
| Technical skills influence adoption | 25.96 | 99 | 0 | 2.44 | 2.25 | 2.63 |
| Government support encourages use | 35.18 | 99 | 0 | 2.92 | 2.76 | 3.08 |
| Prefer e-filing over manual filing | 41.18 | 99 | 0 | 3.13 | 2.98 | 3.28 |
| Time-saving is a major reason | 29.45 | 99 | 0 | 2.68 | 2.5 | 2.86 |
| Lack of awareness is a barrier | 33.2 | 99 | 0 | 2.49 | 2.34 | 2.64 |
| Training programs increase willingness | 35.68 | 99 | 0 | 3.14 | 2.97 | 3.31 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Trust online platforms | 31.57 | 99 | 0 | 3.22 | 3.02 | 3.42 |
| Overall satisfaction with e-filing | 37.65 | 99 | 0 | 3.05 | 2.89 | 3.21 |

The outcome from the One-Sample t-Test shows that all the factors are statistically significant at 1%. All the mean values obtained are positive and indicate the good attitude of the people towards e-filing. The most influential factors affecting the adoption process include trust in online systems, ease of use, preference to e-filing compared to normal filing, and training. Security issues, access to the Internet, IT skills, and awareness are the other factors that affect the process of e-filing adoption.

## FINDINGS

As per gender, 59.6% are men and 40.4% are women, showing more representation among men. The mean score of most questions lies between 2.5 and 2.8 in the five point scale, implying the neutral to moderately favorable perception towards the e-filing system.

In terms of years of work experience, most respondents have 5 years (21.2%) and 6 years (16.3%). Thus, mid-career individuals are highly represented in this sample. Moreover, more experienced respondents are less represented but add to the diversity of the sample.

As for income level, the respondents' income varies between different middle-income levels such as ₹600,000, ₹1,000,000, and ₹1,200,000 per year. Mean security-related scores were quite low, showing the fear of disclosing financial information on the Internet due to their insecurity.

Respondents agree that the new tax regime will help economic development, creation of jobs, and the improvement of trade regulations. If standard deviations are close to 1, then there is moderate variation. Additionally, IT professionals' technological literacy helps in adopting e-filing systems because of the reduction of the difficulty of using digital platform.

## CONCLUSION

Adoption of e-filing by IT professionals depends on certain factors. The ease of use and availability of e-filing services constitute important factors as IT professionals desire convenience and ease while adopting an electronic method. Other factors that encourage the adoption of e-filing include knowledge about the advantages of e-filing, which include time-saving and efficiency in the process.

Security and privacy concerns make up essential factors as individuals want security of their financial data. Initiatives taken by the government, simpler process, and incentives all contribute to the use of e-filing. Moreover, good experience and referrals from professional associations will help in adoption of e-filing services.

This information can prove helpful for policy makers and service providers in developing suitable policies for e-filing adoption.

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