Exploring the Relationship between Relational Capital and Property Tax Reassessment Performance via Process Innovation and the Potential Moderating Role of Council Size: A Conditional Mediation Model

*Asma Senawi[1], Atasya Osmadi[2], Siti Fairuz Che Pin[1] and Nor Azalina Yusnita Abdul Rahman[1]

Published: 31 December 2025

To cite this article: Asma Senawi, Atasya Osmadi, Siti Fairuz Che Pin and Nor Azalina Yusnita Abdul Rahman (2025). Exploring the relationship between relational capital and property tax reassessment performance via process innovation and the potential moderating role of council size: A conditional mediation model. *Journal of Construction in Developing Countries*, 30(Supp. 2): 239–263. https://doi.org/10.21315/jcdc.2025.30.s2.11

To link to this article: https://doi.org/10.21315/jcdc.2025.30.s2.11

Abstract: This article explores the intricate interplay between relational capital (RC) and property tax reassessment performance (PTRP) via process innovation (INN) and whether this depends on the potential moderating role of council size (CS) in the context of local authority administration. Drawing on resource-based view (RBV) theory and the property tax administration literature, this study proposes a novel conceptual framework to elucidate the mechanisms through which RC influences property tax reassessment outcomes. Using survey data collected from 154 local authorities officials, this study employed conditional mediation (CoMe) analysis techniques in SmartPLS 4 to examine the conditional indirect effects of RC on PTRP, mediated by INN and moderated by CS. The findings highlight the pivotal role of RC in fostering INN, which in turn enhances the effectiveness of property tax reassessment procedures. The results show that INN has a mediating effect on the relationship between RC and PTRP. However, this effect is only significant if the potential moderating role of CS applies to the average total revenue indicator. This is not the case for the total number of employees indicator. These insights contribute to a deeper understanding of the nuanced dynamics shaping the effectiveness of local authorities' operations and offer practical implications for policymakers and practitioners seeking to optimise property tax administration processes.

Keywords: Property tax, Relational capital, Process innovation, Council size, Conditional mediation

INTRODUCTION

A pioneering study of property tax reassessment reveals groundbreaking insights into the relationship between relational capital (RC), process innovation (INN) and the influential role of council size (CS). As Malaysia's urban population has grown from 72.28% in 2012 to 78.21% in 2022 (O'Neill, 2024), these findings are crucial for adapting tax reassessment strategies in rapidly urbanising contexts. This urbanisation has heightened the demand

[1]Department of Built Environment Studies and Technologies, Faculty of Built Environment, Universiti Teknologi MARA (UiTM), 32610 Seri Iskandar, Perak, MALAYSIA
[2]School of Housing, Building and Planning, Universiti Sains Malaysia, 11800 USM, Pulau Pinang, MALAYSIA
*Corresponding author: asma5126@uitm.edu.my

for essential public services such as housing, healthcare and education. To meet this demand, local authorities need a stable financial base, which relies heavily on property tax revenues. Property tax is considered the most stable source of revenue for local governments (Carroll and Goodman, 2011; Zhang et al., 2015) and is crucial for promoting urban growth, especially in developing countries like Malaysia (Awasthi, Nagarajan and Deininger, 2021).

The Local Government Act, 1976 (Act 171) refers to property tax as a "rate" and gives local authorities the power to levy rates within their boundaries, subject to the state government's approval under Section 127 of the Act. Mohd, Ayub and Mohd Anuar (2018) claimed that property tax collection accounts for more than 60% of the total revenue of local authorities. According to Department of Statistics Malaysia (2023), a total of MYR5.77 billion (USD1.23 billion) in property taxes was collected by West Malaysian local authorities in 2021, which is equivalent to 0.003% of Malaysia's gross domestic product in that year.

To ensure fair and correct property tax levies, local authorities should prioritise property tax reassessment. According to the International Association of Assessing Officers (2013), property tax reassessment is defined as a complete reappraisal of real property after assessment for one or more years on valuations, established in some prior years. In Malaysia, a revaluation of all properties is carried out every five years or within a longer period specified by the state government (Section 137, Act 171). Despite this requirement, recent research indicates that only two local authorities in Malaysia have conducted revaluations, highlighting inconsistencies in implementation (Senawi and Osmadi, 2024). These variances are attributed to factors such as organisational dynamics, innovation and the RC of local authorities.

The performance of an organisation is often measured by its resources, which aligns with the resource-based view (RBV) theory. This theory posits that organisations have unique, valuable, rare and inimitable resources that contribute to their success. Recently, most studies have focused on understanding the empirical implications of dynamic capabilities as a new approach to RBV theory (Hernandez, Guarana and Halgin, 2016), particularly on how a company's resources and capabilities can affect its innovation and performance (Moscare-Balanquit, 2021).

The RC is the network of relationships and social connections that an organisation has as part of its resources (Ramírez and Tejada, 2019). It has gained significant attention for its potential impact on organisational performance. In local authorities, RC can play a crucial role in facilitating collaboration, information exchange and innovation among stakeholders involved in property tax reassessment. Research has shown that RC has a significant positive impact on reassessment performance, more so than

other forms of intellectual capital like human and structural capital (Senawi and Osmadi, 2022). However, the impact of RC remains to be verified (Rico and Cabrer-Borrás, 2020) and research on it is still immature, particularly in public sector organisations (Ramírez, Tejada and Sánchez, 2022).

INN, characterised by the implementation of new methods, techniques, or approaches to improve existing processes (Wang and Ahmed, 2004), is another key determinant of organisational performance. Extensive data show that INN like systems, models and new working methods contributes to property tax reassessment success (Awasthi, Le and You, 2020; Massawe, 2020; Mishra, Mishra and Panda, 2022). However, there is a lack of a theoretical framework developed for innovation in the public sector (Buchheim, Krieger and Arndt, 2020). Even though previous research associates intangible resources with local government performance (Fazlagic and Szczepankiewicz, 2018; Barrutia and Echebarria, 2022; Ramírez, Tejada and Sánchez, 2022), elements of INN have not been considered and most research has been conducted mainly in industrialised countries.

In addition, the CS, which relates to organisational dynamics must be considered as it can influence the activities among municipalities. Local authorities in Malaysia are categorised into city councils, municipal councils and district councils (Act 171). Even INN has to have an impact on property tax reassessment performance (PTRP), but this can vary depending on the size of the local authorities. Positive associations between firm size and firm performance have been demonstrated (Battisti et al., 2015; Zulkifli, Shukor and Rahman, 2017; Ahmad and Erçek, 2020), but these studies were mainly conducted in the private sector. While various studies indicate some variance in the council's size in property tax revenue, information and communications technology infrastructure and knowledge management tools, researchers have not analysed their moderating effects (Salleh and Ahmad, 2006; Pawi et al., 2011; Daud et al., 2013).

Despite the importance of RC and INN in the context of property tax reassessment, the precise nature of their relationship and the potential moderating effects of CS remain relatively under-explored. This article seeks to address this gap by examining how RC influences PTRP through the mediating mechanism of INN and whether CS moderates this relationship.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Relational Capital, Process Innovation and Property Tax Reassessment Performance

Other scholars have interpreted RC as external capital (Kamaruddin and Abeysekera, 2021), including customer capital, which is considered part of RC (Zeglat and Zigan, 2014). In the private sector, RC refers to the value that a recurring set of relationships between employees can generate (Liu et al., 2020), while in the public sector literature it is defined more as a combination of values, relationships and actions (Rossi, Citro and Bisogno, 2016).

In property tax reassessment, a closer relationship between stakeholders, governments and taxpayers is needed for the revaluation process to succeed. Previous research has shown that RC significantly influences organisational performance (Kamaluddin and Bakar, 2019; Mohd Yusoff et al., 2019; Masoomzadeh et al., 2020). These findings in the literature have proven that RC is also a significant contributor to property tax reassessment, as RC refers to building relationships with the public to educate them on the importance of this activity that returns the benefit to them (Slack and Bird, 2014; Prabhakar, 2016; Massawe, 2020; Mishra, Mishra and Panda, 2022). Recent research on property tax has shown that RC is the only dimension of intellectual capital other than human and structural capital that has a significant positive impact on reassessment performance (Senawi and Osmadi, 2022).

In addition, as RC refers to the value derived from relationships and networks within and between organisations, it can promote INN, leading to improved performance in property tax reassessment. Innovation can manifest in diverse forms (De Vries, Bekkers and Tummers, 2016; Buchheim, Krieger and Arndt, 2020) and is generally interpreted as a signal for the growth of a public organisation to address social and administrative challenges (Damanpour and Schneider, 2009). In property tax reassessment, INN proved to be present during the valuation process of all rateable properties. The development of systems and models to facilitate assessment brings INN to property tax reassessment to circumvent the high costs and reduce the lags in the valuation list (Bahl and Martinez-Vazquez, 2007; Massawe, 2020). Extensive data shows that INN like systems, models and new working methods contribute to property tax reassessment success (Awasthi, Le and You, 2020; Massawe, 2020; Mishra, Mishra and Panda, 2022). Another study states that the mass valuation technique is likely to have a positive impact on the reassessment process (Carroll and Goodman, 2011).

Obeidat et al. (2017) highlight that RC can enhance innovation performance by fostering relationships between the organisation and stakeholders. Well-documented and robust evidence supports the concept of a positive impact

between RC and INN in many fields (Wendra et al., 2019; Beltramino, Garcia-Perez-de-Lema and Valdez-Juarez, 2022; Hanifah et al., 2022). Moreover, a body of work related to INN has found that it changes the relationships between organisational members and thus affects rules, roles, procedures and structures (Damanpour and Gopalakrishnan, 2001). Innovation can have a positive impact on the organisation and lead to social, competitive and financial success (Chaudhuri et al., 2024). Therefore, a positive direct influence is expected between RC, INN and PTRP and the hypotheses are presented below:

H_1: Relational capital positively affects property tax reassessment performance.

H_2: Relational capital positively affects process innovation.

H_3: Process innovation positively affects property tax reassessment performance.

Process Innovation as a Mediator in the Relationship Between Relational Capital and Property Tax Reassessment Performance

A mediating variable is simply an intervening variable (Garson, 2016). The mediation effect of INN describes a situation in which an INN activity has a positive mediating effect on the relationship between RC and organisational performance (McDowell et al., 2018). Mediation is present if the analysis shows a significant indirect effect on this relationship. An intervention generally leads to a relationship that is already consistent, so it is first necessary to hypothesise the direct relationship as described in the above section.

As clearly described in the section above, building good relationships with stakeholders can stimulate employees to innovate and thus improve the organisation's performance. Numerous studies have confirmed a significant mediating effect of innovation between RC and organisational performance (Masoomzadeh et al., 2020; Wang et al., 2021; Campos et al., 2022). The creation of strong relationships with stakeholders is a good customer capital activity carried out by actors and leads to more intensive technological innovation activities in the development of innovative new products in small and medium-sized enterprises (SMEs) (Ekayani et al., 2023). Further support comes from Ryu, Baek and Yoon (2021), who point out that technological innovation capabilities must not be built independently but need to cooperate with external partners to increase their international performance in SMEs. The same is true for PTRP, which needs support from other parties to improve its innovation. Therefore, one could hypothesise that:

H_4: Process innovation positively mediates the relationship between relational capital and property tax reassessment performance.

Council Size as a Moderator in the Relationship Between Process Innovation and Property Tax Reassessment Performance

Local authorities are subordinate to the local government and represent all of Malaysia's councils. Local authorities in Malaysia are categorised into city councils, municipal councils and district councils (Act 171). Various research has addressed the characteristics of local authorities in terms of CS (Asatryan, Baskaran and Heinemann, 2017; Barrutia and Echebarria, 2022; Ramírez, Tejada and Sánchez, 2022). Findings in the literature suggest that governance structure and municipality level/category contribute to PTRP (Eom, Bae and Kim, 2017; Kim, Chung and Eom, 2020) and property tax arrears (Razak, Ramli and Palil, 2017). However, the results related to reassessment practices in New York State were found to be statistically insignificant by city or town but had a significant impact on the institutional structure related to assessor characteristics. Although the municipal level does not play a role among cities and towns in New York State, the institutional setting of the municipality indicates a difference in the implementation of property tax reassessment. Thus, the extensive evidence in the literature indicates that local authority characteristics (level/type/size) may influence organisational performance in property tax practices.

A moderator variable is usually referred to as a contingent variable that alters the relationship between the independent and dependent variables (Ramayah et al., 2018). In this research, the moderating effect of CS was when the CS intensified or weakened the impact of INN on PTRP. Research on property tax performance has shown that larger local authorities (city and municipal councils) generate higher revenues than small local authorities (district councils) (Pawi et al., 2011). Further confirmation is provided by Šebová and Petríková (2015), who confirmed the influence of the municipality's size on its economic performance. Smaller municipalities have more efficiency problems with and insufficient funds for asset reproduction.

In another context, Farooq, Vij and Kaur (2021) pointed out that firm size (based on the number of employees) moderates the relationship between innovation and firm performance. This aligns with a study by García-Zamora, González-Benito and Muñoz-Gallego (2013), which states that large organisations have more resources, capabilities and collaborative environments, which has a positive impact on innovation efforts, or leads to more assertive innovation and therefore business success. The study, therefore, suggests that a positive relationship between INN and PTRP is stronger for large councils with a larger number of employees than for smaller councils. The hypothesis is as follows:

H_5: The positive relationship between process innovation and property tax reassessment performance would be stronger for large councils than small councils (based on the number of employees).

In addition, companies with higher annual revenues can usually focus more on innovative marketing strategies and creativity, which leads to better financial and non-financial results (Cheah, Leong and Fernando, 2023). Cheah, Leong and Fernando's (2023) findings suggest a significant moderating effect of company size (based on revenue) on the relationship between social innovation and organisational performance. The study therefore suggests that a positive relationship between INN and PTRP is stronger for large councils, which have higher revenues, than for smaller councils. Specifically, the hypothesis is as follows:

H_6: The positive relationship between process innovation and property tax reassessment performance would be stronger for large councils than small councils (based on total average revenues).

Conditional Mediation Effects of the Overall Research Model

Conditional mediation (CoMe) analysis integrated mediation and moderation analyses to examine and test hypotheses about how mediated relationships vary as a function of context, boundaries, or individual differences (Cheah et al., 2022). The hypotheses on direct effects (H_1, H_2 and H_3), indirect (mediating) effects (H_4) and moderating effects (H_5 and H_6) showed that mediated moderation is present. The research model shown in Figure 1 was further developed in the study. As the model had one independent variable with two moderators, two hypotheses for CoMe effects were formulated. The details of the hypotheses are as follows:

H_7: The positive indirect effect of relational capital on property tax reassessment performance via process innovation increases as council size (based on the number of employees) increases.

H_8: The positive indirect effect of relational capital on property tax reassessment performance via process innovation increases as council size (based on total average revenues) increases.

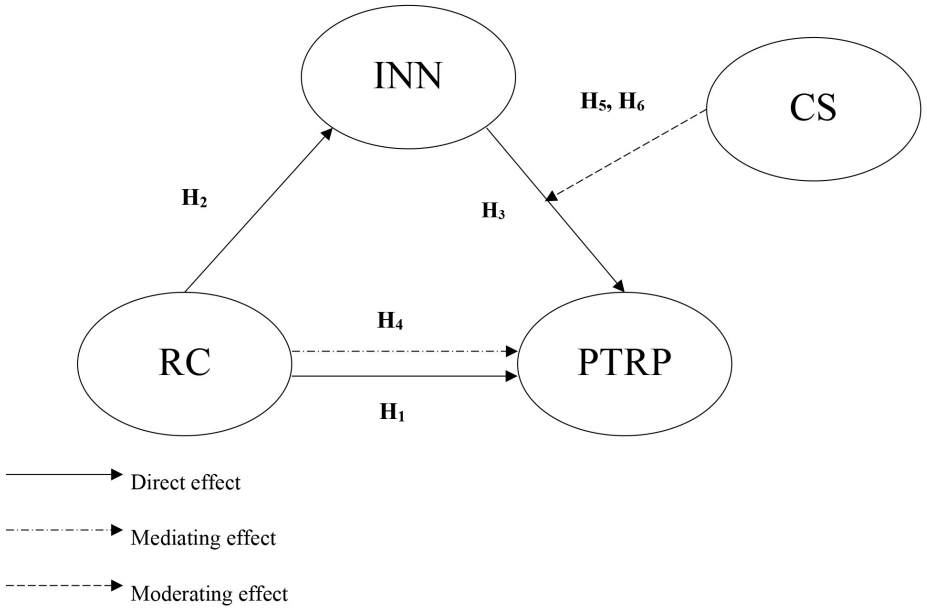

Figure 1. Research model

METHODOLOGY

Sample and Data Collection

The study opted for a survey strategy, as this is often used in exploratory and descriptive research to collect data about people, events or situations (Bougie and Sekaran, 2019). The sampling design used for this study was non-probability sampling, as there was no sampling frame for the target respondents. A purposive sampling technique was adopted because it was necessary to obtain information from a specific target group based on their expertise on the topic under study (Bougie and Sekaran, 2019). This type of sampling is also used in research related to property assessment, which requires a professional expert in the valuation field to answer such a survey (Atilola et al., 2019).

The target population was the valuation officers of grades W29 to JUSA C attached to West Malaysian local authorities, which combine support, management and professional staff who acknowledge having a high judgement on property tax matters. The W29 officers are the lowest grade positioned as the head of the valuation and property management department in West Malaysian local authorities, whereas JUSA C officers are the highest (Kuala

Lumpur City Hall, 2024; Pengkalan Hulu District Council, 2024). Due to different legislation and time constraints, the compiled data only reflected Peninsular Malaysia, excluding Sabah, Sarawak and the Federal Territory of Labuan. The exclusion of East Malaysia will slightly limit the research in geographical aspects.

Data collection was primarily conducted via a self-administered questionnaire, followed by an electronic questionnaire. Mail questionnaires were used for those respondents who could not be contacted in person or electronically. Subsequently, the authors pre-tested the questionnaire using the expert judgement of academicians and practitioners in real estate and social science research. The process continued with cognitive interviews with six target respondents to establish the validity and reliability of the questionnaire. The authors arrived at the final version of the questionnaire using the pre-testing feedback to add and subtract items.

The final survey was distributed among 282 target respondents in West Malaysian local authorities and only 157 were returned for analysis. However, only 155 questionnaires were usable due to duplicate responses and outliers. The samples comprised 79 female (51%) and 76 male (49%) respondents, thus, representing the genders almost equally. The statistics based on their years of service were obtained using five categories: < 5 years (n = 30, 19%), 5 years to 10 years (n = 38, 25%), 10 years to 15 years (n = 39, 25%), 15 years to 20 years (n = *18*, 12%) and > 20 years (n = 30, 19%). Most respondents were in grades W29 to W36 (n = 118, 76%). Meanwhile, 37 (24%) of the respondents were in grades W41 to JUSA C.

Measurement

The RC was measured using the indicator developed by previous research in a public organisation by Fazlagic and Szczepankiewicz (2018). Conversely, indicators for INN were formulated from research related to INN in the public sector developed by Walker (2014) and De Vries, Bekkers and Tummers (2016). Originally, the total items were 18 and 5 for RC and INN, respectively, hence, they were reduced to 12 and 4 after the process of expert judgement and cognitive interview. The measurement of PTRP was newly developed based on various sources such as Local Government Act, 1976 and other studies (Mehta and Giertz, 1996; Cornia and Walters, 2005; Eom, Bae and Kim, 2017; Asongu, Adegboye and Nnanna, 2021), which consisted of 2 dimensions with 10 items. The result from exploratory factor analysis (EFA) further changed the PTRP construct to three dimensions with nine items. The questionnaire also involved eight items for the demographic profile section.

The RC and INN constructs used reflective indicators, as most recent literature suggests (Shahid et al., 2020; Rahman et al., 2022; Singla, Shrivas and Sharma, 2022; Yusof, Lai and Marisa, 2022). On the other hand, the dependent variable, PTRP, used the reflective-formative measurement model type. In this model, the lower-order constructs were reflectively measured constructs that do not share a common cause but rather form a general concept that fully mediates the influence of subsequent endogenous variables (Chin, 1998). The rationale for doing this is that the PTRP construct has three dimensions, namely, implementation, preparation and effectiveness.

The RC indicators are expressed by relations with the public, with other clients, with other public institutions, with suppliers and with universities and images (Fazlagic and Szczepankiewicz, 2018). Whereas, the INN indicators consist of the creation of new organisational forms, motivation and rewards for innovation, introduction to new methods and techniques and creation or use of technologies (Walker, 2014; De Vries, Bekkers and Tummers, 2016). The PTRP indicators involve implementation, preparation and effectiveness aspects, where implementation elements include the occurrence and frequency of reassessment (Eom, Bae and Kim, 2017) while the preparation elements involve the preparation and act compliance to conduct a reassessment (Act 171). The effectiveness aspect incorporates the uniformity of assessment, tax collection impact, cost and tax burden (Mehta and Giertz, 1996; Cornia and Walters, 2005; Eom, Bae and Kim, 2017; Asongu, Adegboye and Nnanna, 2021). In the questionnaire, the respondents were told to indicate their level of agreement with certain given statements to obtain feedback on the constructs of the research framework. Five-point and seven-point Likert-type scales from 1 (strongly disagree) to either 5 or 7 (strongly agree) were used to measure the constructs of the variables employed. This is because different Likert scales can be used to minimise bias in research.

Data Analysis

Partial least squares structural equation modelling (PLS-SEM) using SmartPLS v.4 (Ringle, Wende and Becker, 2022) was used to test the hypotheses developed in this study. The PROCESS analysis in SmartPLS v.4 was used to report structural model assessment due to computing the significance of the index of moderated mediation (the CoMe index). The PLS-SEM is a non-parametric approach that has become a standard tool for empirical studies and is widely used to analyse complex models that include moderation (Cheah et al., 2022) and finally, this technique is causally predictive, which achieves the best balance between explanation and prediction (Shmueli et al., 2019).

Since data were collected using a single source, first, the issue of common method bias (CMB) was tested by performing both procedural and statistical remedies. For the procedural remedy, the recommendations of Podsakoff,

MacKenzie and Podsakoff (2012) were followed, so the study adopted a single common-method-factor approach to controlling for CMB. First, the study selected four items developed by Fugate, Stank and Mentzer (2009) that were collected in the same survey but not included in the tested model. Finally, the method factor model was compared with the baseline model and found that the significant paths in the baseline model remained significant in the method factor model.

Next, the CMB was tested using a statistical remedy by following the suggestions of Kock and Lynn (2012) and Kock (2015) by testing the full collinearity. In this method, all the variables will be regressed against a common variable and if the variance inflation factor (VIF) is ≤ 3.3, then there is no bias from the single source data. The analysis yielded a VIF less than 3.3 (as shown in Table 1), so single source bias was not a serious issue with the data.

Table 1. Full collinearity testing

RC	INN	PTRP
1.355	1.585	1.540

RESULTS AND DISCUSSION

Measurement Model

First, the validity of the measures used in the study was tested for its convergence and discriminant validity. To test the convergent validity, the study looked at the average variance extracted (AVE) and for reliability, at composite reliability (CR). The AVEs were all above 0.5 and the CRs were all greater than 0.7 (as shown in Table 2), which indicated that the measures were valid and reliable (Ramayah et al., 2018; Hair et al., 2021). The loadings were also acceptable, where they should be ≥ 0.500 and resulted in only 3 loadings less than 0.708 (Hair et al., 2019).

Table 2. Measurement model for the first order constructs

First Order Constructs (Reflective)	Item	Loadings	AVE	CR
RC	RC1	0.717	0.577	0.942
	RC2	0.712		
	RC3	0.799		
	RC4	0.819		
	RC5	0.700		

(*Continued on next page*)

Table 2. *Continued*

First Order Constructs (Reflective)	Item	Loadings	AVE	CR
	RC6	0.742		
	RC7	0.832		
	RC8	0.799		
	RC9	0.697		
	RC10	0.706		
	RC11	0.823		
	RC12	0.745		
INN	INN1	0.860	0.788	0.937
	INN2	0.912		
	INN3	0.885		
	INN4	0.894		
PTRP (Implementation, IMP)	IMP1	0.874	0.718	0.884
	IMP2	0.874		
	IMP3	0.793		
PTRP (Preparation, PRE)	PRE1	0.845	0.760	0.863
	PRE2	0.897		
PTRP (Effectiveness, EFF)	EFF1	0.821	0.644	0.879
	EFF2	0.750		
	EFF3	0.794		
	EFF4	0.843		

For the formative second-order construct, Table 3 shows that the VIF values for PTRP implementation (IMP), preparation (PRE) and effectiveness (EFF) were all below the 3.33 threshold. The results, therefore, did not indicate a multicollinearity problem (Diamantopoulos and Siguaw, 2006). The two measurement models were recorded for the PTRP construct since it was a higher-order construct and the analysis used the disjoint two-stage approach. The selection for this approach was that this method shows a better parameter recovery of path compared to the (extended) repeated indicator approach (Sarstedt et al., 2019).

Table 3. Measurement model for the second order construct

Second Order Construct (Formative)	Item	Weight	VIF
PTRP (implementation)	IMP	0.417	1.080
PTRP (preparation)	PRE	0.433	1.344
PTRP (effectiveness)	EFF	0.495	1.350

As part of the validation procedure, it was also important to assess if the variables in the model were distinct. Thus, this study checked for discriminant validity using the more recent criterion suggested by Franke and Sarstedt (2019), which is the heterotrait-monotrait ratio of correlations (HTMT). Franke and Sarstedt (2019) suggested that the HTMT ratios should be lower than 0.90 and as shown in Table 4, all the HTMT ratios were lower than 0.90, suggesting the variables were distinct and this study did not have any issue with discriminant validity.

Table 4. Discriminant validity

Variable	1	2	3	4	5
Effectiveness					
Implementation	0.288				
INN	0.482	0.468			
Preparation	0.640	0.318	0.473		
RC	0.432	0.230	0.458	0.482	

Structural Model

To test the structural model, a bootstrap resample of 10,000 was run to report the percentile bootstrap to test the hypotheses generated (Becker et al., 2025) since the data were not multivariate normally distributed. First, the study looked at the R^2 values of the INN and they were 0.178, indicating that RC explained 17.8% of the variance in the INN. The R^2 value for PTRP was 0.358, indicating that RC and INN together explained 35.8% of the variance in PTRP.

The RC (β = 0.914, $p < 0.001$) was positively related to INN. The RC (β = 0.359, $p < 0.01$) and INN (β = 0.244, $p < 0.001$) were both positively related to PTRP. Thus, H_1, H_2 and H_3 were supported. Next, the study tested the mediation effect of INN on the RC→PTRP relationship and the results showed that INN (β = 0.223, p = 0.001) was significant and the confidence intervals (CIs) did not straddle a 0, thus, confirming that the mediation effect was indeed significant. Thus, H_4 was supported with the effect size of mediation (v^2) of the small indicator (as shown in Table 5).

Table 5. Hypotheses testing

Hypothesis	Relationship	Standard Beta	Standard Error	*t*-Value	*p*-Value	Biased Corrected Interval Lower Limit	Biased Corrected Interval Upper Limit	f^2/v^2
H^1	RC → PTRP	0.359	0.107	3.347	< 0.001	0.181	0.535	0.0750
H^2	RC → INN	0.914	0.161	5.658	< 0.001	0.646	1.175	0.2170
H^3	INN → PTRP	0.244	0.062	3.955	< 0.001	0.143	0.343	0.0870
H^4	RC → INN → PTRP	0.223	0.069	3.246	0.001	0.121	0.347	0.0497
H^5	CS_employees*INN → PTRP	−0.067	0.114	0.588	0.278	−0.252	0.123	0.002
H^6	CS_revenue*INN → PTRP	0.197	0.117	1.683	0.046	0.013	0.396	0.021

Note: A 95% CI with a bootstrapping of 10,000 was used.

Finally, this study tested the moderating effect of CS on the INN → PTRP relationship. The interaction effect CS_revenue*INN→PTRP (β = 0.197, $p < 0.05$) was significant at the 5% level, whereas the interaction effect CS_employees*INN→PTRP (β = −0.067, p = 0.278) was insignificant. It can be concluded that H_6 is accepted while H_5 is rejected.

To test for predictive power, the guidelines by Shmueli et al. (2019) was followed to run a PLS-Predict analysis with a 10-fold and 10-repetition analysis (as shown in Table 6). Based on their guidelines, all the errors in the PLS model (root mean square error, RMSE), where the majority was lower (PRE and EFF), than the errors given by the linear model (LM), as such, the conclusion is that this study's model has a moderate predictive power.

Table 6. PLS-Predict

Item	Q^2_predict	PLS RMSE	LM RMSE	PLS-LM
IMP	0.008	1.003	0.981	0.022
PRE	0.121	0.943	0.985	−0.042
EFF	0.101	0.955	0.990	−0.035

Since the model has a moderator (CS) that moderates the RC→INN→PTRP links, this leads to the emergence of a moderated mediation (Hayes, 2022). This indirect effect is dependent upon the value of the moderating variable, CS (CS_employees, CS_revenue). To assess this conditional process model, a formal test of moderated mediation called the index of moderated mediation (Cheah et al., 2022; Hayes, 2022) had to be carried out. The index represents the quantification of the linear association between the moderator and the indirect effect. As the CI for H_8 did not include zero (95% CI: 0.017 to 0.380), the hypothesis of moderated mediation was supported (see Table 7). However, this was not the case for the indirect effect of RC on PTRP through INN depended on levels of CS with the employee's indicator, thus, rejecting H_7. The step continued with the interaction plot of the conditional mediated effect for H_8. To illustrate the interaction plot, the lower bound and upper bound needed to be determined, as shown in Table 8.

Table 7. The percentile bootstrap CI results for CoMe Model B with categorical data

Hypothesis	Relationship	Standard Beta	Lower Percentile (5%)	Upper Percentile (95%)	Standard Error	*t*-Value
H^7	RC → INN → PTRP (moderated by CS_ employees)	−0.063	−0.244	0.109	0.106	−0.596
H^8	RC → INN → PTRP (moderated by CS_ revenue)	0.186	0.017	0.380	0.111	1.674

Table 8. Conditional mediated effect results for CoMe Model B with categorical data

Index of CoMe Dummy Variable	Standard Beta	Lower Percentile (5%)	Upper Percentile (95%)	Standard Error	*t*-Value	*p*-Value
H^8						
CS_Revenue (W)						
Low (0)	0.223	0.114	0.339	0.069	3.245	< 0.001
High (1)	0.408	0.220	0.648	0.131	3.123	< 0.001

The CoMe analysis with a categorical moderator concerns the comparison between the low value (0) and the high value (1). As can be seen in Table 8, the path coefficients of the CoMe effect for high CS_revenue (β = 0.408) were stronger than for low CS_revenue (β = 0.223) and the CoMe effect was significant because extremes of the CI were positive. Figure 2 depicts the result using the simple slope for the categorical moderator to support H_8.

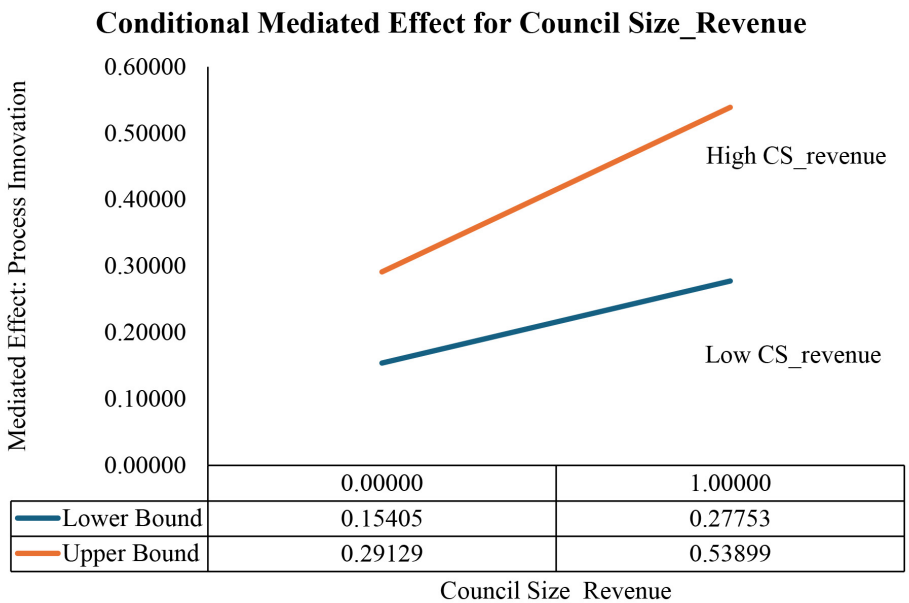

Figure 2. Moderated mediation plot for H_8

As shown in Table 5, there was a positive and significant relationship between RC and PTRP. This finding is in line with previous research, which asserted that collaboration with the public, stakeholders and other external parties is required in property tax reform (Slack and Bird, 2014; Massawe, 2020; Senawi and Osmadi, 2022). The RC has become an essential criterion for improving taxpayer education and public understanding in terms of accepting rising property tax bills. The situation will motivate local authorities to conduct property tax reassessments.

A significant result was also found in the mediating effects of INN on the relationship between RC and PTRP. This study's findings concur with Ryu, Baek and Yoon (2021), Wang et al. (2021) and Ekayani et al. (2023), who show that innovation mediates the relationship between RC and organisational performance. The conclusion is that INN has absorbed only part of the direct effect of RC. This finding indicates that INN has become a good antecedent of increasing RC and property tax reassessment in local authorities.

In addition, the moderating effect was tested and a significant moderating effect of CS (based on average total revenue) on the relationship between INN and PTRP was found. In other words, the relationship between INN and PTRP was stronger for large councils than for small councils. The councils with higher average total revenues performed better in INN and PTRP. As reported by Cheah, Leong and Fernando (2023), the size of the organisation (based on annual revenue) will change the relationship between innovation and organisational performance.

In contrast, the results of the study prove the assertion that a larger number of employees does not ultimately lead to an improvement in INN activities with regard to the implementation of property tax reassessment. This situation contrasts with the empirical evidence in the literature, which shows that the capacity of an organisation in terms of the number of employees moderates the relationship between organisational innovation and organisational performance (Farooq, Vij and Kaur, 2021; Kafetzopoulos, Gotzamani and Vouzas, 2021; Ozturk and Ozen, 2021). The influence of organisational size could have an impact on innovation and performance, but with a different indicator of organisational capacity, which here was clearly not based on the number of employees. This result is in line with previous reports on local authorities by Eom, Bae and Kim (2017) and Dhimitri (2018), which show that the size or level of councils has no influence on their efficiency.

Overall, the study's findings do not support the presence of CS (based on the number of employees) with the mediated effect of INN on the relationship between RC and PTRP. The inclusion of INN in the relationship between local authorities and collaboration improves reassessment and this effect is not dependent on the number of employees in each council. While the introduction of new methods and technologies has a significant impact on relationship building with regard to the implementation of property tax reassessment, it does not necessarily depend on the capacity of the council's staff. The implementation of property tax reassessment is a multi-faceted issue that is influenced by a combination of factors beyond the sheer number of employees. Although local authorities have a large number of staff, how these resources are deployed is critical. The quality of staff is more important than the quantity, as property tax reassessment requires specialised skills, particularly in the preparation of reassessment documents (Rahman et al., 2021). In addition, other factors such as financial constraints, legislative adjustments, public perception and socio-economic situation can disrupt the revaluation activities of a larger council with a higher number of staff.

On the other hand, relations with stakeholders improve the reassessment activities with the introduction of new methods and technologies and this depends on the average total revenue of the councils. The local authorities with higher total revenues can leverage their network with other parties,

including stakeholders, other public and private entities and universities, to be successful in property tax revaluation. With a strong financial background, they can hire private assessors from other agencies or develop new ideas by sharing knowledge with universities. This engagement will therefore benefit local authorities in implementing property tax reassessments.

CONCLUSION

To summarise, this study highlights the complex interplay between RC, INN, PTRP and the moderating role of CS. The findings emphasise the importance of fostering strong RC in local authorities to promote INN and improve the effectiveness of property tax reassessment. Furthermore, the size of the council emerges as an important factor influencing these relationships, highlighting the need for tailored strategies based on organisational context. By deepening the understanding of these dynamics, this study contributes to both theoretical knowledge and practical insights for policymakers and public administration practitioners.

However, the cross-sectional nature of the study and the limited data collection from West Malaysian authorities may lead to biased results. The study recommends that future research overcome its limitations by using longitudinal data and qualitative methods to examine how different cultural values influence RC and PTRP.

ACKNOWLEDGEMENTS

The authors would like to thank Universiti Teknologi MARA for the financial support under incentive Pembiayaan Yuran Penerbitan Artikel.

REFERENCES

Ahmad, B. and Erçek, M. (2020). Linking national business system and firm level innovation: A serial mediation analysis with intellectual capital and absorptive capacity. *European Journal of Innovation Management*, 23(5): 765–788. https://doi.org/10.1108/EJIM-01-2019-0016

Asatryan, Z., Baskaran, T. and Heinemann, F. (2017). The effect of direct democracy on the level and structure of local taxes. *Regional Science and Urban Economics*, 65: 38–55. https://doi.org/10.1016/j.regsciurbeco.2017.04.006

Asongu, S.A., Adegboye, A. and Nnanna, J. (2021). Promoting female economic inclusion for tax performance in Sub-Saharan Africa. *Economic Analysis and Policy*, 69: 159–170. https://doi.org/10.1016/j.eap.2020.11.010

Atilola, M.I., Ismail, A., Achu, K. and Bujang, A.A. (2019). An evaluation of factors causing variance in property assessment. *Planning Malaysia*, 17(9): 82–93. https://doi.org/10.21837/pmjournal.v17.i9.588

Awasthi, R., Le, T.M. and You, C. (2020). Determinants of property tax revenue: Lessons from empirical analysis. Policy Research Working Paper 9399. Washington DC: World Bank Group.

Awasthi, R., Nagarajan, M. and Deininger, K.W. (2021). Property taxation in India: Issues impacting revenue performance and suggestions for reform. *Land Use Policy*, 110: 104539. https://doi.org/10.1016/j.landusepol.2020.104539

Bahl, R. and Martinez-Vazquez, J. (2007). *The Property Tax in Developing Countries: Current Practice and Prospects. Lincoln Institute of Land Policy Working Paper*. Cambridge, MA: Lincoln Institute of Land Policy.

Barrutia, J.M. and Echebarria, C. (2022). Harnessing social interaction and intellectual capital in intergovernmental networks. *Journal of Intellectual Capital*, 23(3): 639–665. https://doi.org/10.1108/JIC-09-2019-0226

Battisti, G., Gallego, J., Rubalcaba, L. and Windrum, P. (2015). Open innovation in services: Knowledge sources, intellectual property rights and internationalization. *Economics of Innovation and New Technology*, 24(3): 223–247.

Becker, J.-M., Cheah, J.-H., Gholamzade, R., Ringle, C.M. and Sarstedt, M. (2025). PLS-SEM's most wanted guidance. *International Journal of Contemporary Hospitality Management*, 35(1): 321–346. https://doi.org/10.1108/IJCHM-04-2022-0474

Beltramino, N.S., Garcia-Perez-de-Lema, D. and Valdez-Juarez, L.E. (2022). The role of intellectual capital on process and products innovation. Empirical study in SMEs in an emerging country. *Journal of Intellectual Capital*, 23(4): 741–764. https://doi.org/10.1108/JIC-07-2020-0234

Bougie, R. and Sekaran, U. (2019). *Research Methods for Business: A Skill Building Approach*. 8th Ed. Hoboken, NJ: John Wiley & Sons, Inc.

Buchheim, L., Krieger, A. and Arndt, S. (2020). Innovation types in public sector organizations: A systematic review of the literature. *Management Review Quarterly*, 70(4): 509–533. https://doi.org/10.1007/s11301-019-00174-5

Campos, S., Dias, J.G., Teixeira, M.S. and Correia, R.J. (2022). The link between intellectual capital and business performance: A mediation chain approach. *Journal of Intellectual Capital*, 23(2): 401–419. https://doi.org/10.1108/JIC-12-2019-0302

Carroll, D.A. and Goodman, C.B. (2011). The effects of assessment quality on revenue volatility. *Public Budgeting and Finance*, 31(1): 76–94. https://doi.org/10.1111/j.1540-5850.2011.00975.x

Chaudhuri, R., Chatterjee, S., Mariani, M.M. and Wamba, S.F. (2024). Assessing the influence of emerging technologies on organizational data driven culture and innovation capabilities: A sustainability performance perspective. *Technological Forecasting and Social Change*, 200: 123165. https://doi.org/10.1016/j.techfore.2023.123165

Cheah, J., Leong, S.Y. and Fernando, Y. (2023). Innovation strategies and organisational performance: The moderating role of company size among small- and medium-sized companies. *Benchmarking: An International Journal*, 30(9): 2854–2868. https://doi.org/10.1108/BIJ-03-2021-0139

Cheah, J.-H., Nitzl, C., Roldán, J.L., Cepeda-Carrion, G. and Gudergan, S.P. (2022). A primer on the conditional mediation analysis in PLS-SEM. *Data Base for Advances in Information Systems*, 52(SI): 43–100. https://doi.org/10.1145/3505639.3505645

Chin, W.W. (1998). Issues and opinion on structural equation modeling. *MIS Quarterly*, 22(1): vii–xvi.

Cornia, G.C. and Walters, L.C. (2005). Full disclosure: Unanticipated improvements in property tax uniformity. *Public Budgeting and Finance*, 25(2): 106–123. https://doi.org/10.1111/j.0275-1100.2005.00363.x

Damanpour, F. and Gopalakrishnan, S. (2001). The dynamics of the adoption of product and process innovations in organizations. *Journal of Management Studies*, 38(1): 45–65. https://doi.org/10.1111/1467-6486.00227

Damanpour, F. and Schneider, M. (2009). Characteristics of innovation and innovation adoption in public organizations: Assessing the role of managers. *Journal of Public Administration Research and Theory*, 19(3): 495–522. https://doi.org/10.1093/jopart/mun021

Daud, D.Z., Kamarudin, N., Franzsen, R.C.D. and McCluskey, W.J. (2013). Property tax in Malaysia and South Africa: A question of assessment capacity and quality assurance. *Journal of Property Tax Assessment and Administration*, 10(4): 5–18. https://doi.org/10.63642/1357-1419.1151

De Vries, H., Bekkers, V. and Tummers, L. (2016). Innovation in the public sector: A systematic review and future research agenda. *Public Administration*, 94(1): 146–166. https://doi.org/10.1111/padm.12209

Department of Statistics Malaysia (2023). *Laporan Sosioekonomi Wilayah Persekutuan Kuala Lumpur 2022*. Putrajaya: Department of Statistics Malaysia.

Dhimitri, E. (2018). Analysis related to optimal size of municipality and efficiency - A literature review. *European Journal of Interdisciplinary Studies*, 4(1): 131–138. https://doi.org/10.26417/ejis.v4i1.p131-138

Diamantopoulos, A. and Siguaw, J.A. (2006). Formative versus reflective indicators in organizational measure development: A comparison and empirical illustration. *British Journal of Management*, 17(4): 263–282. https://doi.org/10.1111/j.1467-8551.2006.00500.x

Ekayani, N.N.S., Purbawangsa, I.B.A., Artini, L.G.S. and Rahyuda, H. (2023). The mediating effect of technology innovation on intellectual capital performance: Evidence from Indonesian SMEs. *Uncertain Supply Chain Management*, 11(4): 1821–1830. https://doi.org/10.5267/j.uscm.2023.6.009

Eom, T.H., Bae, H. and Kim, S. (2017). Moving beyond the influence of neighbors on policy diffusion: Local influences on decisions to conduct property tax reassessment in New York. *The American Review of Public Administration*, 47(5): 599–614. https://doi.org/10.1177/0275074017706754

Farooq, R., Vij, S. and Kaur, J. (2021). Innovation orientation and its relationship with business performance: Moderating role of firm size. *Measuring Business Excellence*, 25(3): 328–345. https://doi.org/10.1108/MBE-08-2020-0117

Fazlagic, J. and Szczepankiewicz, E.I. (2018). Intellectual capital statement model for counties in Poland. *Amfiteatru Economic*, 20(49): 732–752. https://doi.org/10.24818/EA/2018/49/732

Franke, G. and Sarstedt, M. (2019). Heuristics versus statistics in discriminant validity testing: A comparison of four procedures. *Internet Research*, 29(3): 430–447. https://doi.org/10.1108/IntR-12-2017-0515

Fugate, B.S., Stank, T.P. and Mentzer, J.T. (2009). Linking improved knowledge management to operational and organizational performance. *Journal of Operations Management*, 27(3): 247–264. https://doi.org/10.1016/j.jom.2008.09.003

García-Zamora, E., González-Benito, Ó. and Muñoz-Gallego, P.A. (2013). Organizational and environmental factors as moderators of the relationship between multidimensional innovation and performance. *Innovation*, 15(2): 224–244. https://doi.org/10.5172/impp.2013.15.2.224

Garson, G.D. (2016). *Partial Least Squares: Regression and Structural Equation Models*. Asheboro, NC: Statistical Associates Publishing.

Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., Danks, N.P. and Ray, S. (2021). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R*. Cham: Springer. https://doi.org/10.1007/978-3-030-80519-7

Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1): 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hanifah, H., Halim, N.A., Vafaei-Zadeh, A. and Nawaser, K. (2022). Effect of intellectual capital and entrepreneurial orientation on innovation performance of manufacturing SMEs: Mediating role of knowledge sharing. *Journal of Intellectual Capital*, 23(6): 1175–1198. https://doi.org/10.1108/JIC-06-2020-0186

Hayes, A.F. (2022). *Introduction to Mediation, Moderation and Conditional Process Analysis: A Regression-Based Approach*. 3rd Ed. New York: Guilford Publications.

Hernandez, M., Guarana, C.L. and Halgin, D.S. (2016). An empirical examination of the performance outcomes of stewardship behavior. *Academy of Management Proceedings*, 2016(1): 10495. https://doi.org/10.5465/ambpp.2016.10495abstract

International Association of Assessing Officers (2013). *Glossary for Property Appraisal and Assessment*. Kansas City, MO: International Association of Assessing Officers.

Kafetzopoulos, D., Gotzamani, K. and Vouzas, F. (2021). Management innovation, drivers and outcomes: The moderating role of organisational size. *International Journal of Innovation Management*, 25(2): 2150021. https://doi.org/10.1142/S1363919621500213

Kamaluddin, A. and Abu Bakar, S.Z.B. (2019). Intellectual capital in Malaysian non-profit organisations. *International Journal of Innovation, Creativity and Change*, 7(6): 96–113.

Kamaruddin, K. and Abeysekera, I. (2021). Intellectual capital and sustainable economic performance in the public sector: The context of the new public management in Malaysia. *Sustainability*, 13(14): 7885. https://doi.org/10.3390/su13147885

Kim, S., Chung, I.H. and Eom, T.H. (2020). Institutional differences and local government performance: Evidence from property tax assessment quality. *Public Performance and Management Review*, 43(2): 388–413. https://doi.org/10.1080/15309576.2019.1627223

Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of E-Collaboration*, 11(4): 1–10. https://doi.org/10.4018/ijec.2015100101

Kock, N. and Lynn, G.S. (2012). Lateral collinearity and misleading results in variance-based SEM: An illustration and recommendations. *Journal of the Association for Information Systems*, 13(7): 546–580. https://doi.org/10.17705/1jais.00302

Kuala Lumpur City Hall (2024). Profile of Valuation and Property Management Department of Kuala Lumpur City Hall. Available at: https://www.dbkl.gov.my/jabatan-penilaian-dan-pengurusan-harta [Accessed on 2 January 2024].

Liu, C.H., Gan, B., Luo, B.N. and Zhang, Y. (2020). Clarifying the effect of organization learning on service innovation: The mediating role of intellectual capital. *The International Journal of Human Resource Management*, 31(10): 1207–1234. https://doi.org/10.1080/09585192.2017.1396550

Masoomzadeh, A., Zakaria, W.N.W., Masrom, M. and Khademi, T. (2020). Intellectual capital as key asset in Iranian automotive industry. *Journal of Environmental Treatment Techniques*, 8(1): 429–439.

Massawe, H.T. (2020). Regulation of property tax in Tanzania: Legal and administrative challenges. *KAS African Law Study Library – Librairie Africaine d'Etudes Juridiques*, 7(3): 424–438. https://doi.org/10.5771/2363-6262-2020-3-424

McDowell, W.C., Peake, W.O., Coder, L. and Harris, M.L. (2018). Building small firm performance through intellectual capital development: Exploring innovation as the "black box". *Journal of Business Research*, 88: 321–327. https://doi.org/10.1016/j.jbusres.2018.01.025

Mehta, S. and Giertz, F. (1996). Measuring the performance of the property tax assessment process. *National Tax Journal*, 49(1): 73–85. https://doi.org/10.1086/ntj41789186

Mishra, S., Mishra, A.K. and Panda, P. (2022). What ails property tax in India? Issues and directions for reforms. *Journal of Public Affairs*, 22: e2299. https://doi.org/10.1002/pa.2299

Mohd, E., Ayub, Z.A. and Mohd Anuar, H. (2018). Regulatory barriers in collecting assessment rates arrears of local authorities in Malaysia. *The Journal of Social Sciences Research*, 4(Supp. 6): 1049–1055. https://doi.org/10.32861/jssr.spi6.1049.1055

Mohd Yusoff, Y., Omar, M.K., Kamarul Zaman, M.D. and Samad, S. (2019). Do all elements of green intellectual capital contribute toward business sustainability? Evidence from the Malaysian context using the Partial Least Squares method. *Journal of Cleaner Production*, 234: 626–637. https://doi.org/10.1016/j.jclepro.2019.06.153

Moscare-Balanquit, D.L. (2021). Examining the contribution of valuable and rare resources and capabilities to performance of micro enterprises. *International Review of Management and Marketing*, 11(3): 22–29. https://doi.org/10.32479/irmm.11285

O'Neill, A. (2024). Malaysia: Urbanization 2012 to 2022. Available at: https://www.statista.com/statistics/455880/urbanization-in-malaysia/ [Accessed on 9 January 2024].

Obeidat, B.Y., Tarhini, A., Masa'deh, R. and Aqqad, N.O. (2017). The impact of intellectual capital on innovation via the mediating role of knowledge management: A structural equation modelling approach. *International Journal of Knowledge Management Studies*, 8(3–4): 273–298. https://doi.org/10.1504/ijkms.2017.10007246

Ozturk, E. and Ozen, O. (2021). How management innovation affects product and process innovation in Turkey: The moderating role of industry and firm size. *European Management Review*, 18(3): 293–310. https://doi.org/10.1111/emre.12444

Pawi, S., Martin, D., Wan Yusoff, W. Z., Sipan, I. and Shafie, F. (2011). Property tax performance of local authorities in Malaysia. *Journal of Modern Accounting and Auditing*, 8(4): 461–471.

Pengkalan Hulu District Council (2024). Organisation chart of Pengkalan Hulu District Council. Available at: https://www.mdph.gov.my/ms/mdph/pengurusan/carta-organisasi [Accessed on 2 January 2024].

Podsakoff, P.M., MacKenzie, S.B. and Podsakoff, N.P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, 63(1): 539–569. https://doi.org/10.1146/annurev-psych-120710-100452

Prabhakar, R. (2016). How did the Welsh government manage to reform council tax in 2005? *Public Money and Management*, 36(6): 417–424. https://doi.org/10.1080/09540962.2016.1206750

Rahman, N.A.Y.A., Senawi, A., Saraf, M.H.M. and Pin, S.F.C. (2021). Investigation of impediment factors in property tax revaluation practices. *Planning Malaysia*, 19(16): 150–159. https://doi.org/10.21837/pm.v19i16.960

Rahman, S.A., Khan, G.M., AlAbri, S. and Taghizadeh, S.K. (2022). The role of intellectual capital on entrepreneurial opportunity recognition among SMEs in the Sultanate of Oman. *Journal of Intellectual Capital*, 23(4): 816–839. https://doi.org/10.1108/JIC-05-2020-0177

Ramayah, T., Cheah, J., Chuah, F., Ting, H. and Memon, M.A. (2018). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using SmartPLS 3.0: An Update Guide and Practical Guide to Statistical Analysis*. Kuala Lumpur: Pearson Malaysia Sdn Bhd.

Ramírez, Y. and Tejada, Á. (2019). Digital transparency and public accountability in Spanish universities in online media. *Journal of Intellectual Capital*, 20(5): 701–732. https://doi.org/10.1108/JIC-02-2019-0039

Ramírez, Y., Tejada, Á. and Sánchez, M.P. (2022). Determinants of online intellectual capital disclosure by Spanish local governments. *Journal of Intellectual Capital*, 23(2): 249–289. https://doi.org/10.1108/JIC-03-2020-0086

Raak, R.A., Ramli, R. and Palil, M.R. (2017). Hubungan antara faktor institusi dan tunggakan cukai taksiran pihak berkuasa tempatan (PBT) di Semenanjung Malaysia. *Asian Journal of Accounting and Governance*, 8(Spl): 153–163. https://doi.org/10.17576/ajag-2017-08si-14

Rico, P. and Cabrer-Borrás, B. (2020). Intangible capital and business productivity. *Economic Research-Ekonomska Istrazivanja*, 33(1): 3034–3048. https://doi.org/10.1080/1331677X.2019.1699139

Ringle, C.M., Wende, S. and Becker, J.M. (2022). SmartPLS 4. Boenningstedt: SmartPLS. Available at: https://www.smartpls.com/ [Accessed on 6 September 2024].

Rossi, F.M., Citro, F. and Bisogno, M. (2016). Intellectual capital in action: Evidence from Italian local governments. *Journal of Intellectual Capital*, 17(4): 696–713. https://doi.org/10.1108/JIC-01-2016-0011

Ryu, D., Baek, K.H. and Yoon, J. (2021). Open innovation with relational capital, technological innovation capital and international performance in SMEs. *Sustainability*, 13(6): 3418. https://doi.org/10.3390/su13063418

Salleh, K. and Ahmad, S.N.S. (2006). KM strategy for e-government: An exploratory study of local authorities in Malaysia. Paper presented at the Knowledge Management International Conference and Exhibition 2006 (KMICE 2006). Kuala Lumpur, 6–8 June.

Sarstedt, M., Hair, J.F., Cheah, J.-H., Becker, J.-M. and Ringle, C.M. (2019). How to specify, estimate and validate higher-order constructs in PLS-SEM. *Australasian Marketing Journal*, 27(3): 197–211. https://doi.org/10.1016/j.ausmj.2019.05.003

Šebová, M. and Petríková, D. (2015). Impact of municipality size on economic performance. Evidence from Slovakia. *Journal of Applied Economic Sciences*, 10(6): 885–896.

Senawi, A. and Osmadi, A. (2024). Property tax reassessment among local authorities: The implementation and its key challenges. *Journal of Financial Management of Property and Construction*, 29(1): 152–167. https://doi.org/10.1108/JFMPC-04-2022-0022

Senawi, A. and Osmadi, A. (2022). Intellectual capital and property tax reassessment performance of local authorities: The interrelationships analysis. *Frontiers in Psychology*, 13: 1060219. https://doi.org/10.3389/fpsyg.2022.1060219

Shahid, H.M., Waseem, R., Khan, H., Waseem, F., Hasheem, M.J. and Shi, Y. (2020). Process innovation as a moderator linking sustainable supply chain management with sustainable performance in the manufacturing sector of Pakistan. *Sustainability*, 12(6): 2303. https://doi.org/10.3390/su12062303

Shmueli, G., Sarstedt, M., Hair, J.F., Cheah, J.-H., Ting, H., Vaithilingam, S. and Ringle, C.M. (2019). Predictive model assessment in PLS-SEM: Guidelines for using PLSpredict. *European Journal of Marketing*, 53(11): 2322–2347. https://doi.org/10.1108/EJM-02-2019-0189

Singla, H.K., Shrivas, A. and Sharma, A. (2022). Identification of knowledge assets in construction projects and their impact on project performance. *Journal of Intellectual Capital*, 23(3): 558–587. https://doi.org/10.1108/JIC-04-2020-0135

Slack, E. and Bird, R. (2014). *The Political Economy of Property Tax Reform. OECD Working Papers on Fiscal Federalism, No. 18*. Paris: OECD Publishing. https://doi.org/https://doi.org/10.1787/5jz5pzvzv6r7-en

Walker, R.M. (2014). Internal and external antecedents of process innovation: A review and extension. *Public Management Review*, 16(1): 21–44. https://doi.org/10.1080/14719037.2013.771698

Wang, C.L. and Ahmed, P.K. (2004). Leveraging knowledge in the innovation and learning process at GKN. *International Journal of Technology Management*, 27(6–7): 674–688. https://doi.org/10.1504/IJTM.2004.004909

Wang, Z., Cai, S., Liang, H., Wang, N. and Xiang, E. (2021). Intellectual capital and firm performance: The mediating role of innovation speed and quality. *The International Journal of Human Resource Management*, 32(6): 1222–1250. https://doi.org/10.1080/09585192.2018.1511611

Wendra, W., Sule, E.T., Joeliaty, J. and Azis, Y. (2019). Exploring dynamic capabilities, intellectual capital and innovation performance relationship: Evidence from the garment manufacturing. *Business: Theory and Practice*, 20: 123–136. https://doi.org/10.3846/btp.2019.12

Yusof, N., Lai, K.S. and Marisa, A. (2022). Influences of client focus and company type on innovation and financial performance in the construction industry. *Construction Innovation*, 22(4): 749–767. https://doi.org/10.1108/CI-05-2020-0087

Zeglat, D. and Zigan, K. (2014). Intellectual capital and its impact on business performance: Evidences from the Jordanian hotel industry. *Tourism and Hospitality Research*, 13(2): 83–100. https://doi.org/10.1177/1467358413519468

Zhang, R., Du, Q., Geng, J., Liu, B. and Huang, Y. (2015). An improved spatial error model for the mass appraisal of commercial real estate based on spatial analysis: Shenzhen as a case study. *Habitat International*, 46: 196–205. https://doi.org/10.1016/j.habitatint.2014.12.001

Zulkifli, N.S., Shukor, Z.A. and Rahman, M.R.C.A. (2017). Intellectual capital efficiency and firm performance in Malaysia: The effect of government ownership. *Asian Journal of Accounting and Governance*, 8: 93–105. https://doi.org/10.17576/ajag-2017-08si-09