

Guilt-Minimisation, Religiosity and Tax Non-Compliance Intention: A Study of Small and Medium Enterprise Owners in Malaysia

Nor Zuhairatun Md Radzi

Kulliyyah of Islamic Finance, Management Sciences & Hospitality, Universiti Islam
Antarabangsa Sultan Abdul Halim Mu'adzam Shah, Malaysia
Email: norzuhairatun@unishams.edu.my

Zaimah Zainol Ariffin

Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia, Malaysia
Email: zaimah@uum.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARAFMS/v14-i3/22032> DOI:10.6007/IJARAFMS/v14-i3/22032

Published Online: 20 August 2024

Abstract

The importance of small and medium enterprises (SMEs) as the backbone in contributing to national income in Malaysia is undoubted. Despite its importance, their tax non-compliance behaviour has not been given enough attention, particularly on their owners. The Inland Revenue Board of Malaysia (IRBM) had reported statistical evidences pertaining to tax non-compliance among SMEs' owners. This issue should not be seen solely from the economic approach, but it should also be considered from the non-economic view. Therefore, this study empirically investigates the influence of guilt-minimisation of SMEs' owners on their tax non-compliance intention as well as to test the moderating effect of religiosity. Employing survey design, questionnaires were randomly distributed to 580 SME owners in Malaysia, with 72.8 percent response rate. The data collected were analysed by using PLS-SEM statistical tool. Findings reveal that denial of injury, denial of victim and condemn the condemner positively influence tax non-compliance intention, whereas religiosity negatively influences tax non-compliance intention. Findings also indicate that the positive relationship between denial of victim and appeal to higher loyalties with tax non-compliance intention became weaker for SME owners with higher religiosity. This study is expected to provide meaningful contributions to the government and tax authorities at enhancing the tax administration and increasing taxpayers' level of compliance. Suggestions for future researchers are also highlighted.

Keywords: Guilt-Minimisation, Tax Non-Compliance Intention, Religiosity, Sme Owners, Theory of Neutralisation.

Introduction

SMEs have been known as the backbone of Malaysia and are important in generating national income. As released by the Small and Medium Enterprise Corporation Malaysia (known as SME Corp.) on August 2023, based on the source from Department of Statistics, Malaysia (DOSM), there were a total of 1,173,601 SMEs registered in Malaysia in 2022. During 2018 to 2019, SMEs steady performance highlighted their importance in the national economy by contribution around 38 to 39 percent to the Malaysia's Gross Domestic Product (GDP). However, in 2020, the COVID-19 pandemic severely impacted SMEs, causing their contribution to GDP to decline and brought their GDP contribution down from 38.9 percent in 2019 to 38.2 percent in 2020 and 37.4 percent in 2021, reflecting widespread disruptions across all sectors. Looking at SMEs leading to a gradual recovery in 2021 and growth in 2022, which they contributed 38.4 percent to the GDP, the growth is expected to be increased in an effort to achieve more GDP in coming years. Additionally, with such a huge increasing number of SMEs registered in Malaysia, shows that SMEs could highly contribute to the national income if they comply with the tax regulations.

However, based on the data provided by the IRBM, the audited cases resolved for SMEs in 2016 was 541,798 compared to 529,010 in 2015, indicating an increase of 2.4 percent. Despite the small increase, it may be considered as an indicator of a problem of tax non-compliance behaviour. Due to the SMEs' significant contribution to the Malaysia's economy, coupled with the fact that they represent the majority of business taxpayers, it is expected that more income taxes should be collected from this group of taxpayers. Nevertheless, the collection of national tax revenue is directly affected by the taxpayers' level of compliance. Tax authorities, academicians and non-governmental organisations all over the world are concerned about the serious problem of tax non-compliance among SME owners (Newman, Mwandambira, Charity & Ongayi, 2018). Zakaria, Ahmad and Noor (2013), believe that tax non-compliance has been a worldwide phenomenon and has triggered such a huge loss of revenue to governments around the world. Surprisingly, a briefing paper presented by Murphy (2011), on the worldwide tax evasion cost reveals that out of 145 countries included in a survey, Malaysia was 44th worldwide and 11th in Asia. According to Ching (2013), tax non-compliance problems may cause shortfalls to a country's tax revenue and could be categorised as a white-collar crime.

The issue should not be seen solely from the economic approach, but it should also be considered from the non-economic view. One of the psychological elements, which explain techniques in minimising individuals' guilt feelings, is also found to be an important influence in explaining behaviour of individuals. Thurman, John and Riggs (1984), argue that the reason for a high tax non-compliance is not solely influenced by the threat of economic deterrence factors or the low taxpayers' moral obligation but also by the guilt feelings. They argue that guilt feelings, one of the non-economic factors from a psychological perspective, may influence taxpayers to be honest in tax reporting. It is believed that taxpayers tend to use some techniques to minimise or neutralise their guilt feelings in dealing with tax matters. However, studies on these techniques have been ignored in explaining tax non-compliance behaviour. Thurman et al. (1984) believe that there is no logical reason as to why the use of these guilt minimising strategies could not be applied to adult deviant behaviours such as tax non-compliance since these techniques have been applied on juvenile and criminal behaviour. Furthermore, neutralisation theory can shed light on tax non-compliance

behaviour understanding (Cheng, Li, Zai & Smyth, 2014). Thus, it is beneficial to determine if these techniques can be applied to the determination of the tax non-compliance intention of SME owners.

Besides that, religiosity is also found to be one of the moral forces to motivate taxpayers to pay taxes (Mohd Ali, 2013; Stack & Kposowa, 2006; Torgler, 2006). Religiosity is believed to explain the compliance behaviour of taxpayers since it may discourage negative attitudes and inspire positive attitudes of an individual (Eiya, Ilaboya & Okoye, 2016). Mohd Ali (2013), claims that religiosity should be further investigated in explaining the behaviour of taxpayers since individuals' religious values are likely to continuously inhibit negative attitudes and to encourage positive attitudes effectively. Thus, this may acknowledge the intrinsic factors of an individual in explaining the intention of taxpayers' non-compliance behaviour. Despite producing inconsistent results of religiosity affecting compliance behaviour, many of the prior studies highlight that religiosity plays an important role in inhibiting the intention of non-complying with tax requirements (Muslichah, 2015). Mohd Ali and Mohdali and Pope (2014), suggest that future tax compliance studies which include religiosity as one of the contributing factors should include more self-employed taxpayers to improve the generalisation of findings to the Malaysian population since the chances of self-employed taxpayers to engage in tax non-compliance is higher than salaried taxpayers. However, despite its importance in explaining taxpayers' behaviour, the role of religiosity as a moderator has not been widely discussed and brought to attention in discussing the SME owners' tax behaviour. Religiosity is expected to strengthen, weaken or alter the relationship between selected factors and the tax non-compliance intention among SME owners.

Given the gap of knowledge as discussed above, together with the importance of the contribution of SMEs and the need to restrain tax non-compliance, there appear considerable opportunities for further study. Besides examining whether techniques used to minimise guilt feelings of SME owners would influence their tax non-compliance intention, this study also examines the influence of religiosity as regards to tax non-compliance intention as well as examines if religiosity moderates the relationship between guilt-minimisation and SME owners' tax non-compliance intention.

Theory of Neutralisation

Theory of Neutralisation is developed by Sykes and Matza (1957), with the original intention to explain juvenile crime in the United State of America. Later, the application of the theory has been expanded to adult criminal and social psychological studies. Sykes and Matza have taken a challenge in arguing for the rational choice concept, which according to the concept, actions of individuals are based on cost-benefit analysis (Boudon, 2009). For instance, individuals would be more likely to prefer a certain action or behaviour if they perceive that the benefits gained from taking the action exceeds its cost (e.g. punishment). Sykes and Matza argue that intrinsic values of individuals should also be taken into consideration in discussing individuals' deviant behaviour in the area of criminology and social psychology, especially when engaging in a behaviour which is beyond an individual's control. Believing that individuals are aware of their moral obligation, they are expected to obey the laws and the norms of the society. They will not normally engage in immoral behaviours; however, if they perform such behaviour, they will have their reasons in justifying the behaviour. Sykes and Matza further explain that individuals who engage in deviant behaviour will always find ways

in neutralising or justifying their guilt feelings towards that behaviour. Various techniques are used to support the behaviour, and as a result, be seen as an acceptable behaviour. Justifications which are acceptable to the individuals are used to neutralise or justify the immoral behaviour to make them feel better (Sykes & Matza, 1957). Besides that, Yang, Sun and Shen (2022), believe that neutralisation technique play an essential role than anger towards indirect revenge behaviour and difficult to be controlled since the technique is inside an avenger's mind.

With regard to tax evasion, Theory of Neutralisation has been applied by (Thurman et al., 1984). Taxpayers' level of compliance was found to increase when the level of guilt feelings among taxpayers was enhanced. Once they feel guilty, taxpayers would be less likely to manipulate or omit the amount that they should declare in their tax returns. Thurman et al. also claim that since taxpayers have to deal with tax matters only once a year, they may have fewer opportunities to use neutralisation techniques in non-complying with tax requirements. However, the techniques will still be practiced by taxpayers if they view that tax authorities are being inefficient or dishonest in managing taxpayers' money.

Theory of Neutralisation has been used in social psychological studies in determining the influence of guilt minimising techniques on the intention to engage in deviant behaviours (for example Barlow et al., 2013; Belinda & Hidayat, 2018; Benson, 1985; Cheng, Li, Zai & Smyth, 2014; Harris & Dumas, 2009; Hinduja, 2007; Koay, 2018; Kvalnes, 2014; Kvalnes, 2019; Li, Cheng & Dalian, 2013; Sharma, 2020; Silic, Barlow & Back, 2017; Siponen & Vance, 2010; Thurman et al., 1984; Welch, Xu, Bjarnason, Petee, O'Donnell & Magro, 2005; Yang, Sun & Shen, 2022; Zhou, Li & Zhang, 2022). Due to the universality of the techniques, future studies have been suggested to adopt the neutralisation techniques not only in criminal behaviour studies, but also in other deviant behaviour studies. Even though the suggestion dates back to 1957 by Sykes and Matza and 1984 by Thurman et al., the idea was not fully grabbed, especially in the area of taxation. The use of Theory of Neutralisation in investigating tax non-compliance is still limited. Thus, it is beneficial to determine if these techniques are related to tax non-compliance intention among SME owners. Additionally, it has been demonstrated that adults use the neutralisation techniques in justifying their non-compliance behaviours. The techniques are used not only to maintain a positive image but also to avoid from being punished. The five techniques or strategies of guilt minimisation known as techniques of neutralisation introduced by Sykes and Matza (1957) are: (1) denial of responsibility, (2) denial of injury, (3) denial of victim, (4) condemn the condemner, and (5) appeal to higher loyalties.

Denial of responsibility occurs when an individual tries to relieve a blame or responsibility or shift it to external parties or circumstances which are accidental and beyond their control (Sykes & Matza, 1957; Thurman et al., 1984). The individual always sees laws as vague, ambiguous and complex, thus justifying that he or she lacks the knowledge and understanding of the laws (Welch et al., 2005). Blaming higher-level officials also could be a technique of denial of responsibility (Welch et al., 2005). Denial responsibility technique is found to have a positive correlation with intention of non-compliance in Harrington's (1996), study as well as consistent with a study on consumer purchase intention by (Koay, 2018). Sharma (2020), in his study in understanding students' cyberslacking behaviour also finds that denial of responsibility is positively influence student's intention to use technology in class for non-class related activities. Since this technique is used by individuals to shift blame or

responsibility to external parties or circumstances which are accidental and beyond their control, the Theory of Neutralisation suggests that the higher the use of denial of responsibility technique, the higher the non-compliance level, thus, the following hypothesis is proposed:

H₁: Denial of responsibility positively influences the tax non-compliance intention of SME owners.

Denial of injury occurs when an individual claims that others are not being hurt or injured by his or her behaviour. More importantly is that since everyone else performs the same behaviour, it is not wrong for him or her to act the same way (Sykes & Matza, 1957; Thurman et al., 1984; Welch et al., 2005). Individuals may justify that they are not hurting others because it is only a technical violation, thus the behaviour cannot be considered criminal (Benson, 1985). The use of denial of injury technique is found to be positively related to non-compliance intention in a study conducted by Li et al (2013), on internet abuse in the workplace. This is consistent with Hinduja (2007), who conducts a study among students from a university in the Midwest region of the USA. The latter finds a positive significant relationship between the use of denial of injury technique and online software piracy experience. The study also reveals that the denial of injury technique has been used at least once by the respondents. Harris and Dumas (2009), in their study on online consumer behaviour reveal that this technique has become the second popular neutralisation technique applied by consumers. In addition, the study finds that denial of injury is used after the behaviour has been performed. Hinduja (2007), finds that students who use piracy items mostly use denial of injury technique to justify their behaviour after they have performed that behaviour. Denial of injury in Sharma's (2020), found to be positively associated with student's intention to engage in cyberslacking behaviour. A study conducted by Zhou, Li and Zhang (2022), also find that denial of injury technique has positively significant relationship with user's intention of misrepresenting of personal information in internet platform. With regard to the Theory of Neutralisation, it suggests that the higher the use of denial of injury technique, the higher the non-compliance level (Sykes & Matza, 1957; Thurman et al., 1984) and individuals using this technique will not deny their non-compliance action, as they believe that no harm will be done and no one will get hurt by such action (Silic et al., 2017). Thus, the following hypothesis is proposed:

H₂: Denial of injury positively influences the tax non-compliance intention of SME owners.

Denial of victim happens when an individual claims that his behaviour is a self-defense and believes that the victim of the deviant behaviour deserves the injury (Sykes & Matza, 1957; Thurman et al., 1984). For instance, in a case of employee theft, the employee believes that his action is worthwhile for the way he is being treated by the employer, whom he considers a wrongdoer (Welch et al., 2005). The use of denial of victim in a study by Li et al. (2013) is found to have a positive significant relationship with internet abuse intention in the workplace. This is in line with Koay (2018), who also finds a positive significant relationship between the use of denial of victim and intention to purchase counterfeit luxury items. Yang et al (2022), find that denial of victim technique also used by customers to justify their revenge behaviours regarding their perceptions about service failures and vendors. A study by Harris and Dumas (2009), conducted at investigating the effect of neutralisation

techniques on online consumer misbehaviour finds that the technique of denial of victim is mostly used to justify actions before an event. The Theory of Neutralisation suggests that the higher the use of denial of victim technique, the higher the non-compliance level (Sykes & Matza, 1957; Thurman et al., 1984). Thus, the following hypothesis is proposed:

H₃: Denial of victim positively influences the tax non-compliance intention of SME owners.

Condemn the condemner occurs when individuals blame the law and policymakers for being unjust to them. They thus refuse to obey the laws and regulations (Sykes & Matza, 1957; Thurman et al., 1984). In the case of tax matters for example, taxpayers tend not to comply with the regulations if they believe that tax revenue is inefficiently managed and spent by the authorities (Thurman et al., 1984). A study by Li et al (2013), finds a positive significant relationship between the use of condemn the condemner technique and internet abuse intention in the workplace. The Theory of Neutralisation suggests that the use of this technique is significant in explaining non-compliance behaviour where the higher individuals using this technique, the higher the tendency to engage in non-compliance behaviour. Thus, the following hypothesis is proposed:

H₄: Condemn the condemner positively influences the tax non-compliance intention of SME owners.

Appeal to higher loyalties happens when individuals claim that they are sacrificing for other people (Sykes & Matza, 1957; Thurman et al., 1984). Individuals claim that they behave in a such a way because morality is more important than legality. To them, morality is the most important value when it comes to taking care of others, for example, their employees and society (Welch et al., 2005). A study by Li et al (2013), that tests the appeal to higher loyalties technique on internet abuse in the workplace finds the technique to have a positive relationship with internet abuse intention in the workplace. Hinduja (2007), also finds the use of the technique to be positively associated with online software piracy experience. In addition, the study finds that appeal to higher loyalties technique has been used at least once in justifying the use of pirated software. The study also finds that most students who use piracy items use appeal to higher loyalties to justify their behaviour after performing that behaviour. On the contrary, a study by Harris and Dumas (2009), in investigating the effect of the use of neutralisation techniques on online consumer misbehaviour finds that appeal to higher loyalties technique is mostly applied by individuals to justify actions before an event. Besides that, Sharma (2020), also finds that appeal to higher loyalties is positively influence student's intention to use technology in class for non-class related activities. Appeal to higher loyalties technique in Yang et al (2022), also found to be used by customers to justify their revenge behaviours. With reference to the Theory of Neutraliation which suggests that individuals tend to appeal that that they are sacrificing themselves in satisfying the needs of their groups, friends and families (McGregor, 2008; Sykes & Matza, 1957; Thurman et al., 1984). Thus, the following hypothesis is proposed:

H₅: Appeal to higher loyalties positively influences the tax non-compliance intention of SME owners.

Theory of Religious Commitment

Drawing from Glock (1959, 1962) where the discussion was merely on the religious situation during his time and within the American society, Finney (1978) then developed the Theory of Religious Commitment, which is based on the following five factors: (1) belief or ideological, (2) practice or ritualistic, (3) feeling or experiential, (4) intellectual or knowledge, and (5) devotion or consequential, which relates to the irreligious influence towards the above four factors. Worthington (1988) then developed the Religious Commitment Inventory (RCI) on theories of religious value. Initially, the measurement of RCI was based on 62 items. Later, Worthington et al (2003), modified it to suit with major religions around the world, known as Religious Commitment Inventory-10 (RCI-10) which comprised of 10 items and the samples were taken from major religions around the world, drawn from religious, non-religious and anti-religious groups.

The main element in RCI is religious commitment, defined as “the degree to which a person adheres to his or her religious values, beliefs, and practices and uses them in daily living” (Worthington et al., 2003). Worthington et al (2003), hypothesise that highly religious committed individuals (including Christians, Buddhists, Muslims, Hindus and non-religious group) are positively influenced by their religion. Religious commitment looks at how individuals are internally committed to their religion. Religious commitment has been explained and practiced in daily lives, and the commitment is not only towards beliefs in traditional religious faiths but also towards individuals’ membership, participation and experience of a religious organisation (Worthington et al., 2003).

According to Benk et al (2016), and Eiya et al (2016), religiosity can be discussed from two different approaches: (1) religious affiliation and (2) religious commitment. Religious affiliation can be observed from one’s attendance or from whether one is an active member of a religious organisation, such as church. It reflects the self-identification of an individual’s religion, for instance being a Muslim, Christian, Buddhist or believer of other religions (Benk et al., 2016; Eiya et al., 2016). On the other hand, religious commitments are unobservable since they refer to beliefs of being religious and how individuals acquire absolute guidance and practice it in their daily lives (Benk et al., 2016; Eiya et al., 2016).

Mohd Ali (2013), use RCI-10 in examining the religiosity influence on taxpayers’ compliance behaviour and finds a significant positive (negative) relationship between religiosity and tax compliance (tax non-compliance) behaviour. This has been supported by (Benk et al., 2016; Hanifah and Yudianto, 2019; Mohdali and Pope, 2014; Muslichah, 2015; Nagac, 2016; Nazaruddin, 2019; and Richardson, 2008). A study conducted by Sutrisno and Dularif (2020), found a negative relationship between religiosity level and tax evasion, which explain that the higher the spirituality level of the taxpayers, the lower the attempt to engage in tax evasion. This is supported by Khalila and Sidani's (2020), study which shows that the higher the Muslims’ religiosity level, the lower the tax evasion attitudes emanating from self-interest. However, findings are contrary with Christian respondents where findings suggest that attitude convergence with increased religiosity only to a certain level after which attitudes tend to diverge again. Study also found that tax evasion attitudes emanating from self-interest as well as from perceptions of injustices in the tax system seem not affected by the level of religiosity. A cross-cultural study carries out by Mohdali et al (2017), finds a positive (negative) significant correlation between religiosity and tax compliance (non-compliance)

behaviour in Turkey, for both voluntary and enforced scenarios. However, the Malaysian study shows that religiosity is only significant under the voluntary scenario, but when being enforced, religiosity will not have any influence on taxpayers' compliance behaviour. This is supported by Budiarto, Yennisa and Widyaningrum (2018), Eiya et al (2016), Illahi and Sumarni, (2021), McKerchar, Bloomquist and Pope (2013), and Welch et al (2005), where studies find that religious value is not the influencing factor in increasing tax compliance level since religiosity is not able to explain tax compliance behaviour.

All in all, religiosity as a factor that influences non-compliance behaviour is not well supported. Although some studies find that religiosity is important in inhibiting cheating and non-compliance behaviour, others show insignificant results. With regard to the Theory of Religious Commitment, it suggests that the tendency of SME owners to engage in tax non-compliance is expected to be higher if they are of low religiosity. Additionally, religiosity is expected to be able to curb the tax non-compliance intention since criminology studies also find that religious values are able to restrict the level of rule-breakings (Torgler & Schneider, 2007). Thus, the following hypothesis is proposed:

H₆: Religiosity negatively influences the tax non-compliance intention of SME owners.

Undoubtedly, religiosity has been regarded as one of the influential elements of individuals in breaking a law. Several studies have taken a challenge to explain the role of religiosity as a moderator in influencing the impact of selected determinants on tax compliance behaviour. For example, Palil, Akhir and Ahmad (2013), study reveals that religiosity significantly moderates the influence of tax education and knowledge in explaining tax compliance. The study stresses that religiosity is important in influencing the level of tax compliance and it believes that non-compliance behaviour should be avoided since the value of moral and ethics may distinguish between sinful and non-sinful acts. In Eiya et al (2016), study, religiosity is found to moderate the relationship between education of taxpayers and tax compliance behaviour among Nigerian taxpayers. A study by Bobek and Hatfield (2003), extends the work of Reckers, Sanders and Roark (1994), indicate that moral obligation, as a moderator, significantly explains tax compliance behaviour. Lubian and Zarri (2011), also find that taxes are paid on the basis of people's inclination towards moral obligations. Lau, Choe and Tan (2013), reveals that intrinsic religiosity could explain the relationship between money ethics and tax evasion but extrinsic religiosity orientation could not explain the relationship between money ethics and tax evasion.

The above discussion shows that religiosity has been examined to find out if it could explain tax compliance behaviour in Malaysia and other countries, particularly if it can act as a moderator in explaining the relationship between some selected determinants and tax compliance behaviour. These studies are without their limitations, and some suggestions have been put forward. First, there is a suggestion from Abdul-Razak and Adafula (2013), to incorporate religious elements in exploring tax compliance. This may be worth to explore due to the absence of research in analysing religious denominations of respondents. Second, Sower and Sower (2004), argue that religiosity may be used as a moderator in testing the relationship between each of cultural and individual values and the ethical intention and behaviour of individuals. Third, Riahi-Belkaoui (2004), suggests exploring the issue of religiosity in having a clear picture of tax compliance problem. Finally, Stack and Kposowa

(2006), recommend to include adults as a sample in religiosity studies because the findings on deviant behaviour would be stronger if adults are used instead of students.

Following the review of previous studies, mixed findings are found. Some studies provide evidence of a weak relationship between the determinants and the dependent variable in an attempt to explain the influence of some selected variables on the tax non-compliance intention. Thus, this study intends to take the challenge by testing religiosity as a moderator variable in explaining the tax non-compliance intention among SME owners. This is consistent with Baron and Kenny (1986), suggestion to introduce moderator variable(s) if the relationship of a predictor and a criterion variable is weak or inconsistent. They believe that a moderator may strengthen, weaken or alter the relationship between a predictor and a criterion variable. Moreover, as per the knowledge of the researcher, a limited studies in Malaysia have found to investigate the impact of religiosity as a moderator in explaining the relationship between some selected determinants and tax non-compliance among SMEs owners. Thus, the following hypotheses are proposed:

H_{1a}: The positive relationship between denial of responsibility and the tax non-compliance intention is stronger when SME owners' religiosity is low.

H_{2a}: The positive relationship between denial of injury and the tax non-compliance intention is stronger when SME owners' religiosity is low.

H_{3a}: The positive relationship between denial of victim and the tax non-compliance intention is stronger when SME owners' religiosity is low.

H_{4a}: The positive relationship between condemn the condemner and the tax non-compliance intention is stronger when SME owners' religiosity is low.

H_{5a}: The positive relationship between appeal to higher loyalties and the tax non-compliance intention is stronger when SME owners' religiosity is low.

Methodology

Figure 1 illustrates the research model of this study. The variables incorporated in the model are relevant in explaining Malaysian SME owners' tax non-compliance intention.

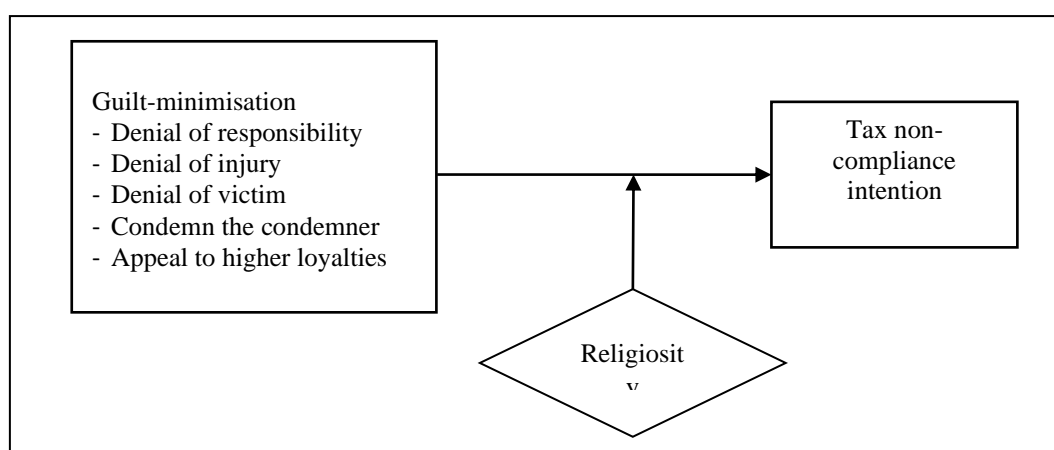


Figure 1 Research Model

Due to the unavailability of a complete list of SME taxpayers in Malaysia, firms are randomly selected from the list of firms registered under the National SME Development Council (NSDC). With the assistance of computer application to select respondents, 580 SME owners

are randomly selected from the identified list of SMEs and distributed throughout Peninsular Malaysia. Out of this, the researcher manages to collect 450, however, 28 of the questionnaires are discarded because they are partially completed, leaving 422 usable questionnaires or 72.8 percent response rate.

The model consists of 7 constructs with 37 items, are developed as reflective measurement models since the items for each construct are mutually interchangeable. Hypothetical scenarios comprise of 6 items are used to measure tax non-compliance intention, adopted and modified by Hamid (2013), and Saad (2011), which are based on Beck and Ajzen (1991) and guidelines suggested by (Ajzen, 2006). As for guilt-minimisation, it adopts and modifies the instruments used by (Thurman et al., 1984; Hinduja, 2007; and Siponen and Vance, 2010). With regard to religiosity, the RCI-10 measurement developed by Worthington et al. (2003) solely concerned with the application of religious faith in guiding taxpayers in all aspects of life is adopted and modified in this study to measure religiosity.

Findings

The data collected were analysed by using PLS-SEM statistical tool. The reliability and validity of the model as suggested by Hair, Hult, Ringle and Marko (2017), is achieved and illustrated in Table 1.

Table 1

Results Summary for Composite Reliability and Average Variance Extracted

Construct	Composite Reliability	AVE
Tax Non-compliance Intention (Int)	0.933	0.700
Denial of Responsibility (DenRes)	0.950	0.792
Denial of Injury (DenInj)	0.969	0.913
Denial of Victim (DenVic)	0.947	0.816
Condemn the Condemner (ConCon)	0.951	0.794
Appeal to Higher Loyalties (AppHLoy)	0.932	0.775
Religiosity (Relig)	0.949	0.701

Following the rule of thumb of Hair et al. (2017) and Gold, Malhotra and Segars (2001), the requirement of discriminant validity, referring to Fornell-Larcker criterion and Heterotrait-Monotrait ratio of correlation (HTMT) criterion as illustrated in Table 2 and 3 is achieved.

Table 2

Fornell-Lacker Criterion

	AppHLoy (1)	ConCon (2)	DenInj (3)	DenRes (4)	DenVic (5)	Int (6)	Relig (7)
(1)	0.880						
(2)	0.289	0.891					
(3)	0.459	0.333	0.956				
(4)	0.346	0.329	0.341	0.890			
(5)	0.358	0.443	0.542	0.219	0.903		
(6)	0.239	0.378	0.357	0.058	0.349	0.837	
(7)	0.006	-0.059	0.066	0.088	0.050	-0.152	0.837

Table 3

HTMT Criterion

	AppHLoy (1)	ConCon (2)	DenInj (3)	DenRes (4)	DenVic (5)	Int (6)	Relig (7)
(1)							
(2)	0.315						
(3)	0.486	0.353					
(4)	0.378	0.358	0.361				
(5)	0.371	0.477	0.579	0.234			
(6)	0.246	0.400	0.380	0.062	0.374		
(7)	0.063	0.053	0.084	0.076	0.083	0.131	

The R-square value of the direct effect model is 0.255 which indicates that denial of responsibility, denial of injury, denial of victim, condemn the condemner, appeal to higher loyalties and religiosity can explain 25.50 percent of the variance of the tax non-compliance intention. However, the R-square after the interaction effects of religiosity as a moderator is 0.284 which indicates that denial of responsibility, denial of injury, denial of victim, condemn the condemner, appeal to higher loyalties and religiosity collectively explain 28.40 percent of the variance in the tax non-compliance intention. Table 4 shows the analysis results of the structural model.

Table 4

Path Coefficient of the Model

Hypothesis & Relationship	Beta Value	Sample Mean	Std. Error	t-value	p-value	Decision
H ₁ DenRes -> Int	-0.145	-0.131	0.073	1.979**	0.024	Not supported
H ₂ DenInj -> Int	0.231	0.226	0.055	4.232*	0.000	Supported
H ₃ DenVic -> Int	0.122	0.123	0.051	2.381*	0.009	Supported
H ₄ ConCon -> Int	0.268	0.261	0.057	4.713*	0.000	Supported
H ₅ AppHLoy -> Int	0.063	0.062	0.052	1.227	0.110	Not supported
H ₆ Relig -> Int	-0.145	-0.156	0.068	2.120**	0.017	Supported
H _{1a} DenRes*Relig -> Int	0.043	0.030	0.067	0.645	0.260	Not supported
H _{2a} DenInj*Relig -> Int	-0.005	0.002	0.059	0.080	0.468	Not supported
H _{3a} DenVic*Relig -> Int	-0.109	-0.099	0.052	2.094**	0.018	Supported
H _{4a} ConCon*Relig -> Int	0.123	0.124	0.060	2.049**	0.020	Not supported
H _{5a} AppHLoy*Relig -> Int	-0.104	-0.108	0.060	1.733**	0.042	Supported

* significant at 0.01 (one-tailed)

** significant at 0.05 (one-tailed)

Discussion

First, findings revealed that denial of responsibility has a significant negative influence on the tax non-compliance intention of SME owners in Malaysia, which indicates that, the more taxpayers keep neutralising that their act of such behaviour is not their fault, the lower the intention of non-compliance with tax requirements. The finding is contradict with the Theory of Neutralisation and is also not consistent with prior studies by (Harrington, 1996; and Koay, 2018; Li et al., 2013; and Silic et al. 2017). The inconsistency in results may arise from the differences in non-compliance actions. The above-mentioned studies are related to computer

and internet abuse, purchasing counterfeit luxury goods, intention to violate information technology security policies and students' cyberslacking, which are different from taxation compliance behaviour. Additionally, the inconsistency in results may arise because individuals are able to learn and more likely to perform non-compliance actions when their referent others, who they perceive as their role models, support such actions. This gives them the opportunity to engage in non-compliance actions (Robinson and O'Leary-Kelly, 1998).

Second, denial of injury is positively and significantly determining the tax non-compliance intention, which imply that by using the denial of injury technique, SME owners do not deny their actions, but they are confident that no one will get hurt or be harmed by their actions. The result supports the Theory of Neutralisation (Sykes & Matza, 1957) as well as supports prior studies by (Harris and Dumas, 2009; Li et al., 2013; Sharma, 2020; Silic et al., 2017; and Zhou et al., 2022). One explanation for this finding is that SME owners typically think and claim that their actions of either overstating their expenses or understating their income will not harm or pose any danger to the country and other individuals. Therefore, they feel that there is no reason for them to feel guilty. This is also supported by Sykes and Matza (1957), who argue that individuals believe that their actions are victimless and may cause little or no harm to others.

Third, denial of victim and tax non-compliance intention relationship is found positively significant, which shows that SME owners believe that the IRBM deserves all the negative consequences. The finding is in line with the Theory of Neutralisation and also support by prior studies of Koay (2018), Cheng et al. (2014), Li et al. (2013) and Yang et al. (2022). A plausible reason for this finding relates to taxpayers' perception of government spending. SME owners engaging in non-compliance actions justify such actions because they believe that the government has been wasting the tax revenues collected from the taxpayers by spending the money unwisely. The taxpayers feel that they are being betrayed and this would arouse their tax non-compliance intention as a form of revenge (Koay, 2018; Palil, 2010). According to Cheng et al (2014), by applying the denial of victim technique, individuals justify their non-compliance action by rationalising that the victim deserves whatever happens to them.

Fourth, the survey findings suggest that condemn the condemner is positively significant in determining the tax non-compliance intention, which indicates that SME owners believe that the complexity of tax laws set by the IRBM do encourage them to engage in non-compliance actions. The result supports the Theory of Neutralisation as well as in agreement with that of Li et al. (2013), Silic et al. (2017), Sykes and Matza (1957) and Thurman et al. (1984) who find that the tendency of using the technique is higher if individuals believe that the law and policymakers should not be obeyed due to their unfair treatment. The taxpayers perceive that their behaviour is not wrong since everybody is doing the same thing. by prior studies. The use of the condemn the condemner technique by SME owners can be explained by the fact that the tax laws and requirements are complex. This study believes that SME owners have to face a lot of difficulties in dealing with tax matters. As argued by Saad (2011), the complexity of the tax system is likely greater for self-employed taxpayers who have to face a lot of tax calculations compared to salaried taxpayers, as the latter has no other income to declare. Another possible explanation is that the SME owners believe that the government should not solely put the blame on them since there are loopholes in the policies set up by

the tax authority. Thus, because of this consideration, it is not surprising to find that SME owners believe that they are allowed to manipulate their income and expenses in their tax returns. This is supported by Torgler and Schneider (2007) who argue that taxpayers are more likely to voluntarily comply if the government's actions are trustworthy.

Fifth, findings suggest that appeal to higher loyalties has insignificant relationship with the tax non-compliance intention which is not consistent with the Theory of Neutralisation. Having said that, interestingly, the finding of this study is consistent with those of Silic et al. (2017) and Koay (2018), which show that non-compliance behaviour are not affected by the technique of appeal to higher loyalties. A possible explanation for the inconsistent findings may be due to the difference in the characteristics of the respondents and the nature of the studies. Previous studies mostly focus on individuals' actions towards internet abuse, online software piracy and information system security policy, which are different from the current study focusing on the SME owners' tax non-compliance intention. Moreover, the inconsistencies are possibly because of the different tax laws and culture among countries.

Sixth, findings suggest that religiosity is negatively significant in influencing tax non-compliance intention among SME owners. This demonstrates that religiosity is an important factor to be taken into consideration in making tax decisions. The findings support the Theory of Religious Commitment, under which there are five factors, namely belief or ideological, practice or ritualistic, feeling or experiential, intellectual or knowledge, and devotion or consequential. According to Finney (1978), these factors explain that highly religious committed individuals are those who are positively influenced by their religion. The findings of Benk et al (2016), Hanifah and Yudianto (2019), Mohd Ali (2013), Mohdali et al (2017), Mohdali and Pope (2014), Muslichah (2015), Nagac (2016), Nazaruddin (2019), and Richardson (2008), appear to be supported by the finding of this study. This is consistent with Dewanta and Machmuddah (2019) where the tendency of an individual who have higher level of religiosity to instill religious values in tax administration matter is higher and may lead in avoiding things that are forbidden by religion.

With regards to religiosity as the moderator, it only moderates two of the relationships – those related to denial of victim and appeal to higher loyalties. It provides evidence that the denial of victim and the tax non-compliance intention relationship are significantly moderated by religiosity, which indicates that the presence of religiosity has changed the direction of the relationship between denial of victim and tax non-compliance intention from positive to negative. It shows that denial of victim technique in justifying the tax non-compliance intention are less likely to be used by SME owners who have high religious values. Therefore, the finding points out that in the presence of high religiosity, an increase in the use of denial of victim technique to minimise guilt will discourage SME owners' tax non-compliance intention.

As for appeal to higher loyalties, finding shows that the insignificant relationship between appeal to higher loyalties and tax non-compliance intention previously found in the direct model is significantly moderated by religiosity. It indicates that the presence of religiosity has changed the direction of the relationship between appeal to higher loyalties and tax non-compliance intention from positive to negative, which shows that appeal to higher loyalties technique in justifying the tax non-compliance intention are less likely to be used by SME

owners who have high religious values. Therefore, this shows that in the presence of religiosity, an increase in the use of appeal to higher loyalties technique to minimise guilt will discourage the tax non-compliance intention of SME owners.

According to Ansar et al (2018), a high level of religiosity could inhibit illegal behaviour through guilt feelings, especially in the case of tax evasions (Ansar et al., 2018). This is supported by Grasmick and Bursik Jr (1990), who believe that religiosity could discourage deviant behaviours in that an individual will feel ashamed when disobeying religious teachings. In fact, religiosity deters individuals from engaging in tax non-compliance behaviour rather than acts as a threat of punishment. This is in line with the work of Mohd Ali et al (2017), which discovers that the willingness to comply with voluntary tax in Malaysia can be found among highly religious taxpayers. Rodriguez-Justicia and Theilen (2018), find that taxpayers with high tax morale are found in countries with better tax services, fairer tax systems and more transparent institutions. Furthermore, according to Vitell (2009), and Kashif et al (2017), besides helping develop a moral identity and provide a way of life, religion could also act as an intermediary of socialisation and provide the strength and courage to the believers to stand up for their beliefs despite facing their consequences.

Another explanation for the above finding is that the high level of religiosity of a taxpayer could be associated with a high patriotism or pride towards his or her country, therefore discouraging tax non-compliance (Nazaruddin, 2019). This is supported by Margolis (1997), who finds that religiosity explains the beliefs related to the right behaviour, where the right behaviour is comprised of two elements: "Right behavior in the sense of proper performance or rituals honoring what is sacred in the society and hence serving also to bind the society together; and right behavior in the secular sense of what is fair and just".

However, findings suggest that SME owners' religiosity does not significantly moderate the relationship between each of denial of responsibility, denial of injury and condemn the condemner and the tax non-compliance intention. This indicates that Malaysian SME owners' religiosity does not affect the influence of the above-mentioned determinants (denial of responsibility, denial of injury and condemn the condemner) on the tax non-compliance intention. The direct effects of the above-mentioned techniques on the tax non-compliance intention are significant, but in the presence of religiosity as a moderator, the relationships become insignificant. This explains that the religious values of SME owners have no effects in influencing the three techniques of neutralisation on the tax non-compliance intention. This is due to SME owners may have given more considerations on the religious perspective although they have to deal with the complexity of tax matters. Thus, the religiosity of SME owners does not have any impact on the relationships between each of denial of responsibility, denial of injury and condemn the condemner and the tax non-compliance intention.

Conclusion

Tax non-compliance has been investigated and debated for decades. Although attempts have been made by various researchers, voluntary tax behaviour issues have yet to be resolved. There is still a need to further investigate and find ways to solve the issue. Thus, this study provides empirical evidence of Theory of Neutralisation and Theory of Religious Commitment to explain SME owners' tax non-compliance intention. As a result, hypothetical scenarios are

formulated to provide answers to achieve the research objective. However, this study is also subject to several limitations. The constructs determining the tax non-compliance that have been incorporated in this study are not all-inclusive. Other influencing constructs or techniques may be relevant but not incorporated in the theoretical framework of this study since the development of other neutralisation techniques in tax non-compliance studies is still at an infant stage. Next, future research should also consider the mixed-method approach in enhancing the understanding of tax non-compliance by providing complementary explanations since the use of mixed-method is limited and should be managed cautiously since respondents will feel uncomfortable due to the anonymity issue. Although this study encounters some limitations, it offers evidence of the guilt-minimisation as well as the moderating effects of religiosity in explaining and enhancing the understanding of SME owners' tax non-compliance behaviour. Therefore, this study is expected to provide meaningful contributions to the government and tax authorities at enhancing the tax administration and increasing taxpayers' level of compliance.

References

- Abdul-Razak, A., and Adafula, C. J. (2013). Evaluating taxpayers' attitude and its influence on tax compliance decisions in Tamale, Ghana. *Journal of Accounting and Taxation*, 5(3), 48–57.
- Ajzen, I. (2006). *Constructing a TPB Questionnaire: Conceptual and Methodological Consideration*. <http://people.umass.edu/~ajzen/pdf/tpb.measurement.pdf>
- Ansar, R., Mahdi, S. A. R., & Susi, W. (2018). The relationship of money ethics on tax evasion with intrinsic religiosity, extrinsic religiosity, and materialism as moderating variables (Case on private taxpayers listed in KPP Pratama Ternate). *Accountability*, 7(2), 33–47.
- Barlow, J. B., Warkentin, M., Ormond, D., & Dennis, A. R. (2013). Don't make excuses! Discouraging neutralization to reduce IT policy violation. *Computers & Security*, 39, 145–159.
- Baron, R. M. & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–1182.
- Beck, L. & Ajzen, I. (1991). Predicting dishonest actions using the Theory of Planned Behaviour. *Journal of Research in Personality*, 25, 285–301.
- Belinda, M. Y., & Hidayat, H. (2018). Academic cheating behavior reviewed from neutralization of cheating behavior and gender of the accounting students at Universities in Batam. *Journal of Applied Managerial Accounting*, 2(2), 154–161.
- Benk, S., Budak, T., Yuzba, B. & Mohdali, R. (2016). The impact of religiosity on tax compliance among Turkish self-employed taxpayers. *Religions*, 7(37), 1–10.
- Benson, M. L. (1985). Denying the guilty mind: accounting for involvement in a white collar crime. *Criminology*, 23(3), 583–607.
- Bobek, D. D., & Hatfield, R. C. (2003). An investigation of the Theory of Planned Behavior and the role of moral obligation in tax compliance. *Behavioural Research in Accounting*, 15, 13–38.
- Boudon, R. (2009). Rational Choice Theory. In B. S. Turner (Ed.), *Social Theory* (pp. 179–195). Blackwell Publishing Ltd.
- Budiarto, D. S., Yennisa & Widyaningrum, R. (2018). Does religiosity improve tax compliance? An empirical research based from gender. *Jurnal Dinamika Akuntansi*, 10(1), 82–90.

- Cheng, L., Li, W., Zai, Q. & Smyth, R. (2014). Understanding personal use of the Internet at work: An integrated model of neutralization techniques and general deterrence theory. *Computers in Human Behaviour*, 38, 220–228.
- Ching, S. P. (2013). *Determinants of tax non-compliance in Malaysia*. MBA Research Project, Universiti Tunku Abdul Rahman.
- Dewanta, M. A. & Machmuddah, Z. (2019). Gender, religiosity, love of money, and ethical perception of tax evasion. *Jurnal Dinamika Akuntansi Dan Bisnis*, 6(1), 71–84.
- Eiya, O., Ilaboya, O.J. & Okoye, A. F. (2016). Religiosity and tax compliance: Empirical evidence from Nigeria. *Igbinedion University Journal of Accounting*, 1, 27–41.
- Finney, J. M. (1978). A Theory of Religious Commitment. *Sociological Analysis*, 39(1), 19–35.
- Glock, C. Y. (1959). The religious revival in America. In J. Zahl (Ed.), *Religion in the Face of America*. University of California.
- Glock, C. Y. (1962). On the Study of Religious Commitment. In *Religious Education: Research Supplement* (pp. 98–110). The Religious Education Association.
- Gold, A. H., Malhotra, A. and Segars, A. H. (2001). Knowledge management: An organizational capabilities perspective. *Journal of Management Information Systems*, 18(1), 185–214.
- Grasmick, H. G. & Bursik Jr, R. J. (1990). Conscience, significant others, and rational choice: Extending the deterrence model. *Law and Society Review*, 24(3), 837–861.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C. M. and Marko, S. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (2nd Ed.). Sage Publication.
- Hamid, S. A. (2013). *Tax compliance behaviour of tax agents: A comparative study of Malaysia and New Zealand*. PhD Thesis, University of Canterbury, New Zealand.
- Hanifah, H., & Yudianto, I. (2019). The influence of religiosity, nationalism and tax corruption perception on tax compliance. *Journal of Accounting, Auditing and Business*, 2(1), 17–24.
- Harrington, S. J. (1996). The effect of codes of ethics and personal denial of responsibility on computer abuse judgments and intentions. *MIS Quarterly*, 20(3), 257–278.
- Harris, L. C., & Dumas, A. (2009). Online consumer misbehaviour: An application of neutralization theory. *Marketing Theory*, 9(4), 379–402.
- Hinduja, S. (2007). Neutralization theory and online software piracy: An empirical analysis. *Ethics and Information Technology*, 9(3), 187–204.
- Illahi, I., & Sumarni, N. (2021). The effect of religiosity on tax evasion behavior with gender as a moderating variable. *Journal of Islamic Finance and Accounting*, 4(2), 108–117.
- Inland Revenue Board of Malaysia (2017). Annual Report 2016. Kuala Lumpur: The Inland Revenue Board of Malaysia. <http://www.hasil.org.my>.
- Kashif, M., Zarkada, A., & Thurasamy, R. (2017). The moderating effect of religiosity on ethical behavioural intentions An application of the extended theory of planned behaviour to Pakistani bank employees. *Personnel Review*, 46(2), 429–448.
- Khalila, S. & Sidani, Y. (2020). The influence of religiosity on tax evasion attitudes in Lebanon. *Journal of International Accounting, Auditing and Taxation*, 40, 1–14.
- Koay, K. Y. (2018). Understanding consumers' purchase intention towards counterfeit luxury goods: An integrated model of neutralisation techniques and perceived risk theory. *Asia Pacific Journal of Marketing and Logistics*, 30(2), 495–516.
- Kvalnes, O. (2014). Honesty in projects. *International Journal of Managing Projects in Business*, 7(4), 590–600.
- Kvalnes, O. (2019). *Moral reasoning at work: Rethinking ethics in organizations* (2nd Ed.). Springer.

- Lau, T. C., Choe, K. L., & Tan, L. P. (2013). The moderating effect of religiosity in the relationship between money ethics and tax evasion. *Asian Social Science*, 9(11), 213–220.
- Li, W., Cheng, L., & Dalian, L. (2013). Effects of neutralization techniques and rational choice theory on internet abuse in the workplace. *PACIS*. <https://pdfs.semanticscholar.org/4eff/5875bd7e65031e515e5f173a9b6974cc50e5.pdf>
- Lubian, D. & Zarri, L. (2011). Happiness and tax morale: An empirical analysis. *Journal of Economic Behavior & Organization*. <https://doi.org/10.1016/j.jebo.2011.03.009>
- Margolis, H. (1997). Religion as paradigm. *Journal of Institutional and Theoretical Economics*, 153, 242–252.
- McGregor, S. L. (2008). Conceptualizing immoral and unethical consumption using neutralization theory. *Family and Consumer Sciences Research Journal*, 36(3), 261–276.
- McKerchar, M., Bloomquist, K. and Pope, J. (2013). Indicators of tax morale: An exploratory study. *EJournal of Tax Research*, 11(1), 5–22.
- Mohd Ali, N. R. (2013). *The influence of religiosity on tax compliance in Malaysia*. PhD Thesis, Curtin University.
- Mohdali, R., & Pope, J. (2014). The influence of religiosity on taxpayers' compliance attitudes: Empirical evidence from a mixed-methods study in Malaysia. *Accounting Research Journal*, 27(1), 71–91.
- Mohdali, R., Benk, S., Budak, T., Mohdlsa, K. and Yussof, S. H. (2017). A cross-cultural study of religiosity and tax compliance attitudes in Malaysia and Turkey. *EJournal of Tax Research*, 15(3), 490–505.
- Murphy, R. (2011). *The cost of tax abuse: A briefing paper on the cost of tax evasion worldwide*. The Tax Justice Network.
- Muslichah. (2015). The effect of tax simplification on taxpayers' compliance behavior: Religiosity as moderating variable. *Jurnal Keuangan Dan Perbankan*, 19(1), 98–108.
- Nagac, K. (2016). *Religiosity and tax compliance*. <https://doi.org/http://dx.doi.org/10.2139/ssrn.2715508>
- Nazaruddin, I. (2019). The role of religiosity and patriotism in improving taxpayer compliance. *Journal of Accounting and Investment*, 20(1), 115–129.
- Newman, W., Mwandambira N., Charity, M., & Ongayi, W. (2018). Literature review on the impact of tax knowledge on tax compliance among small medium enterprises in a developing country. *International Journal of Entrepreneurship*, 22(4), 1–15.
- Pail, S. (2015). SMEs are important economic agents for Malaysia's growth. *Borneo Post Online*. <http://www.theborneopost.com/2015/11/02/smes-are-important-economic-agents-for-malaysias-growth/>
- Palil, M. R., Akhir, M. R. M., & Ahmad, W. F. W. (2013). The perception of tax payers on tax knowledge and tax education with level of tax compliance: A study the influences of religiosity. *ASEAN Journal of Economics, Management and Accounting*, 1(1), 118–129.
- Palil, M. R. (2010). *Tax knowledge and tax compliance determinants in self assessment system in Malaysia*. The University of Birmingham.
- Reckers, P. M. J., Sanders, D. L., & Roark, S. J. (1994). The influence of ethical attitudes on taxpayer compliance. *National Tax Journal*, 47(4), 825–836.
- Riahi-Belkaoui, A. (2004). Relationship between tax compliance internationally and selected determinants of tax morale. *Journal of International Accounting, Auditing and Taxation*, 13(2), 135–143.
- Richardson, G. (2008). The relationship between culture and tax evasion across countries:

- Additional evidence and extensions. *Journal of International Accounting, Auditing and Taxation*, 17(2), 67–78.
- Robinson, S. L., & O’Leary-Kelly, A. M. (1998). Monkey see, monkey do: The influence of work groups on the antisocial behavior of employees. *Academy of Management Journal*, 41(6), 658–672.
- Rodriguez-Justicia, D. & Theilen, B. (2018). Education and tax morale. *Journal of Economic Psychology*, 64, 18–48.
- Saad, N. (2011). *Fairness perceptions and compliance behaviour: Taxpayer’s judgements in self-assessment environments*. PhD Thesis, University of Canterbury, New Zealand.
- Sharma, S. (2020). I want it my way: Using consumerism and neutralization theory to understand students’ cyberslacking behavior. *International Journal of Information Management*, 53, 1–12.
- Silic, M., Barlow, J. B. & Back, A. (2017). A new perspective on neutralization and deterrence: Predicting shadow IT usage. *Information & Management*, 54(8), 1023–1037.
- Siponen, M. & Vance, A. (2010). Neutralization: New insights into the problems of employee information systems security policy violations. *MIS Quarterly*, 34(3), 487–502.
- Sower, V. E., & Sower, J. . (2004). Moderator variables in cultural values and business ethics research: important to external validity. *Southwest Business and Economics Journal*, 13, 1–18.
- Stack, S., & Kposowa, A. J. (2006). The effect of religiosity on tax fraud acceptability: A cross national analysis. *Journal for Scientific Study of Religion*, 45(3), 325–351.
- Sutrisno, T. & Dularif, M. (2020). National culture as a moderator between social norms, religiosity, and tax evasion: Meta-analysis study. *Cogent Business & Management*, 7(1), 1–19.
- Sykes, G. M., & Matza, D. (1957). Techniques of neutralization: A theory of delinquency. *American Sociological Review*, 22(6), 664–670.
- Thurman, Q. C., John, C. S. & Riggs, L. (1984). Neutralization and Tax Evasion: How effective would a moral appeal be in improving compliance to tax laws? *Law & Policy*, 6(3), 309–327.
- Torgler, B. & Schneider, F. G. (2006). What Shapes Attitudes Toward Paying Taxes? Evidence from Multicultural European Countries. In *Working Paper Series*.
- Torgler, B. & Schneider, F. G. (2007). What shapes attitudes toward paying taxes? Evidence from multicultural European countries. *Social Science Quarterly*, 88(2), 443–470.
- Torgler, B. (2006). The importance of faith: Tax morale and religiosity. *Journal of Economic Behavior and Organization*, 61(1), 81–109.
- Vitell, S. J. (2009). The role of religiosity in business and consumer ethics: A review of the literature. *Journal of Business Ethics*, 90(2), 155–167.
- Welch, M. R., Xu, Y., Bjarnason, T., Petee, T., O’Donnell, P. & Magro, P. (2005). “But everybody does it...”: The effects of perceptions, moral pressure and informal sanctions on tax cheating. *Sociological Spectrum*, 25(1), 21–25.
- Worthington, E. L., Jr., Nathaniel, G. W, Terry, L. H., Jennifer, S. R., Michael, E. M., Jack, W. B., Michelle, M. S., James, T. B., Kevin, H. Bursley, & Lynn, O. (2003). The Religious Commitment Inventory-10: Development, refinement, and validation of a brief scale for research and counseling. *Journal of Counseling Psychology*, 50, 84–96.
- Worthington, E. L., J. (1988). Understanding the values of religious clients: A model and its application to counseling. *Journal of Counseling Psychology*, 35(2), 166–174.
- Yang, C., Sun, Y. & Shen, X. (2022). Beyond anger: A neutralization perspective of customer

revenge. *Journal of Business Research*, 146, 363–374.

Zakaria, M., Ahmad, J. H., & Noor, M. W. (2013). Tax evasion: A financial crime rationalized? *Scientific Research Journal*, 1(2), 1–4.

Zhou, C., Li, K. & Zhang, X. (2022). Why do I take deviant disclosure behavior on internet platforms? An explanation based on the neutralization theory. *Information Processing and Management*, 59, 1–20.