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EFFECTS OF RELIGIOSITY ON TAX COMPLIANCE AMONG SMALL AND MICRO-BUSINESSES IN MAKOLA SHOPPING MALL, ACCRA

BY

FELICIA MENLAH
(BACHELOR OF COMMERCE)

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DECLARATION

I hereby declare that this research is the result of my own work towards the Master of Science Degree in Accounting and Finance Programme and that, to the best of my knowledge, it contains no material previously published by another person except where due acknowledgement has been made, nor material which has been accepted for the award of any other degree elsewhere.

Felicia Menlah   ……………………   …………………..

(PG9395921)   Signature   Date

Certified by:

Dr. Joseph A. Agana   ……………………   …………………..

Supervisor   Signature   Date

Certified by:

Prof. K. O. Appiah   ……………………   …………………..

Head of Department   Signature   Date

DEDICATION

To my parents, Mr. Anthony Menlah and Mrs. Juliana Menlah and my siblings Charity and Gifty.

ACKNOWLEDGMENTS

ABSTRACT

The aim of this study is to examine the level and effect of religiosity on tax compliance among small and micro-business owners in the Makola Shopping Mall, Accra, Ghana. The cross-sectional approach was adopted in the study. Data were administered and obtained from 106 small and micro-business owners using questionnaires and analyzed using descriptive statistics and multiple regression analysis. Generally, the research showed that religiosity has a positive and significant effect on tax compliance. The key findings were that majority of the respondents are religious; actively committed and affiliated to their religion. The study's finding also showed that the more respondents were religiously committed and affiliated, the more they were likely to be tax compliant. Additionally, the results showed that individuals with high level of religious commitment are more tax compliant than those with low level of religious commitment. Given the positive relationship between religiosity and tax compliance, it is recommended that the Domestic Tax Revenue Division of the Ghana Revenue Authority should encourage religious institutions to continue to highlight their importance of tax compliance from the religious perspective. The policies and actions of the tax authorities should build continuous interest in tax compliance culture. The Ghana Revenue Authority should also put in place simple and conducive systems which will increase tax compliance amongst business owners.

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GDP   Gross Domestic Product

RA   Religious Affiliation

RC   Religious Commitment

SIT   Social Influence Theory

CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

Globally, in developed and developing nations, taxes are relevant sources of government revenue used in the provision of social services, public goods, financing economic activities, budget deficit, and infrastructure (Agbi, 2014). The use of taxes is also an important policy tool for redistribution of income (Nazaruddin, 2019). Averagely, in Europe, Asia and America, taxes constitute more than 25 percent of countries' gross domestic product (GDP) (Dabor, Kifordu & Abubakar, 2021). In Africa, tax contribution to GDP is averaged 16.6 percent and in the case of Ghana, after the introduction of the electronic transaction levy in May 2022, tax to GDP is now 13.7 percent compared to 11.3 percent in previous years (Ministry of Finance, 2022). Mohammad and Ali (2017) note that, the higher a countries' tax to GDP, the more the country can eprovide relevant infrastructural needs for its citizens. This means that tax compliance is a necessity to a nation's social and economic development.

According to Nurunnabi (2017), tax compliance is a taxpayer's desire to voluntarily complete a required tax return accurately in line with a nation's tax laws and regulatory framework. In the same vein, Benk, Tamer, Yuzba and Mohdali (2016) describe tax compliance to include accurate reporting of income earned, allowable subtraction from taxable income and the timely filing of tax returns. Byung and Sung (2018) argue that, when taxpayers observe tax system to be inequitable, they respond to the inequity by intentionally reducing their taxes or non-complying by illegal means. As a result of this, tax compliance is the foremost concern to policymakers, especially when it is more dependent on self-assessment. Therefore, to have an optimal and efficient tax system

which enhances tax compliance, policymakers need to understand the motivating factors that may influence behaviour of taxpayers to comply.

Apart from economists viewing tax compliance behaviour from the perspective of a rational choice theory towards maximizing outcomes, behavioural theorists have demonstrated that individuals are motivated to comply with payment of taxes through religiosity (Ameur & Tkiouat, 2016). According to Mohdali and Pope (2014), religiosity is the level of a person's devotion to the religion they profess, believe in, and practice as demonstrated by their behaviour. In effect, Nicholsen (2019) argues that religiosity emphasizes the attitudes and beliefs of a person to tax compliance. For instance, in Christianity, tithing or offerings are encouraged to inculcate the values of giving into individuals. These values are then applied to contributing to the payment of taxes in a country. Similarly, in Islamic teachings, sadaqah (meaning contribution) is also encouraged to nurture the values of giving which inculcates into persons the payment of taxes towards the development of a country (Nurunnabi, 2017). Therefore, it is argued from this study that religiosity influences taxpayers' tax compliance.

Previous studies have supported this assertion and showed that religiosity impacts tax compliance. For instance, Benk *et al.* (2016) in Turkey found a positive and significant impact between religiosity and tax compliance. Same was established in the works of Dabor *et al.* (2021), Mohdali *et al.* (2017) and Byung and Sung (2018) who all, found that individuals who are religious do not evade payment of taxes and there is an increasing morale of religious people to be tax compliant. Social influence theory, which explains why people are more likely to follow what they perceive to be the norm, is the basis of the study's underlying theoretical viewpoint about religiosity and tax

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compliance (Williams & Turner, 2022). One of the two primary types of social influence, compliance, for instance, explains when a person accedes to social pressure to avoid unfavourable outcomes like sanctions or rewards. The social influence may be through social institutions such as religion which influences behaviour, attitude, and values (Abodher, Ariffin & Saad, 2020). Similarly, Graafand (2017) notes that social influence may come from interactions with other people who we interact with as well as individual socialization.

According to Torgler (2006), while religion affects behaviour, compliance to payment of tax is a behavioural issue. This is so because the religious values and beliefs of people are expected to generally prevent individuals from having negative attitudes towards the payment of taxes (Damayanti, 2018). In the same vein, Zuhdi (2021) asserts that religion inculcates values into people which encourages them to voluntarily comply with payment of taxes. Ghana, with a population of about 30 million is highly religious with two main dominant religion, Christianity, and Islam, constituting about 90 percent of the total population (Ghana Statistical Service, 2022). These two religions have strong foundational teachings in 'giving' and 'morality'. Therefore, it is expected that religiosity can provide the basis for achieving high tax compliance among small businesses in Ghana. Considering the above, this study examines the influence of religiosity on tax compliance among small and micro business owners in the Makola shopping mall, Accra, Ghana.

1.1 Statement of the Problem

Ghana is known to be a country that is religious with almost 90 percent of the population being Christians and Muslims (Ghana Statistical Service, 2022). One of the fundamental principles of these two religions is the value of 'giving' (Nurunnabi, 2017).

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For instance, Christians mostly support the value of giving with the bible quotation in Mark 12:17 which indicate the assertion made by Jesus that, *"give what belongs to Caesar to Caesar, and what belongs to God to God"* and Jesus made this remark in relation to the payment of taxes. In Islam, Sadaqah which means "contribution" and supported by Qur'an 3:92 "By no means shall you attain righteousness unless you give freely of that which you love, and whatever you give,

Allah knows it well" also encouraged among Muslims as the significance of paying giving and payment of taxes.

Despite Ghanaians being religious and frequently making references to these teachings of 'giving', especially when it comes to tithing and offerings, The Ghana Revenue Authority (2019) continue to lament the notoriety of individuals and businesses in Ghana towards the evasion of taxes. This situation has created a gap between the religiosity of Ghanaians and their compliance towards payment of taxes.

Empirically, until studies by Torgler (2006) and Stack and Kposowa (2006) in tax compliance, religiosity had widely been left out as an important enigma that influences behaviour of individuals in tax compliance. This was because religion was only seen as an acceptance of God or other spiritual creatures which helped in choosing between what is good or bad, but not a tool that could encourage people to comply with the payment of taxes. However, these earlier studies have provided the foundation that for people to be tax compliant, there is the need for a concurrence with religion.

In the work of Torgler (2006), the nexus between religiosity and tax compliance was established using World Values Survey data in more than 30 countries. Even though there was a positive and significant correlation between religion and tax compliance,

the data was secondary in nature and was therefore unable to offer comprehensive primary information on the subject. In subsequent studies, while other researchers such as Ali, Fjeldstad and Sjursen (2013), Nsor-Ambala (2015), Eiya, Ilaboya and Okoye (2016) and Lutfl and Saeed (2022) have employed mainly primary data to ascertain the influence of religiosity on tax compliance, others such as Mohdali *et al.* (2017) have also adopted mixed methods in uncovering the nexus between religiosity and tax compliance. The gap is that these studies have been undertaking in other jurisdictions with less empirical works in Ghana.

One of the closest studies undertaking in Ghana, was by Nsor-Ambala (2015) where the focus of the research was on ethical orientations and tax compliance. This study failed to address the influence of tax compliance from the perspective of religion, which presents an empirical gap. Again, the differences in tax compliance and religious affiliations among Christians, Muslims and traditionalists have been ignored in Ghanaian academic literature. Finally, it is discovered that religiosity significantly improves taxpayer compliance behaviour in places outside of Ghana. However, this topic has been ignored given how infrequently studies on tax compliance and religiosity are conducted in Ghana's small and micro business sector. Because of this, it is anticipated that the current study added to knowledge of tax compliance, particularly in terms of people's level of religiosity.

This study will also help The Ghana Revenue Authority to consider policies that incorporate religion as a tool to increase and build continuous taxpayers interest in tax compliance.

1.2 Objectives of the Study

The study's main goal is to investigate the effect of religiosity on tax compliance among small and micro business owners in the Makola shopping mall, Accra, Ghana. The specific objectives of the research:

1. Examine the level of religiosity among small and micro business owners.

2. Analyse the extent to which small and micro business owners comply with tax laws; and

3. Investigate the effect of religiosity and tax compliance among small and micro business owners.

1.3 Research Questions

The following research questions guided the study:

1. What is the level of religiosity among small and micro business owners?

2. What is the extent to which small and micro business owners comply with tax laws?

3. What is the level of tax compliance among small and micro business owners?

1.4 Significance of the Study

This research is significant in contributing to the understanding of the level of religiosity among individuals who are into small and micro businesses. Similarly, it provides clarity on tax compliances among business owners of small and micro businesses. The study is also beneficial to tax authorities, such as the Ghana Revenue Authority in designing strategies and policies of tax compliance that incorporates religion as a tool in helping to encourage individual behaviour.

Academically, understanding tax compliance in studies have mainly employed economic models, but this research employs the social influence theory to show the changes or influences of behaviour from the religious perspective. The study also demonstrates the differences that exist in tax compliance among Christians, Muslims and Traditionalists, which form the three-core religions in Ghana. The research also contributes to academic research in Ghanaian literature by closing research gaps on religiosity and tax compliance.

1.5 Scope of the Study

The scope of this study focused on only small and micro business owners within the Makola shopping mall in the Accra metropolis. Basically, it focused on enterprises with less than 20 employees. Additionally, by tax compliance, the focus was on voluntary compliance towards payment of business sales taxes which are usually paid by business owners.

1.6 Brief Methodology

The research adopted the quantitative approach to collect numerical data in making statistical generalisations. Additionally, cross-sectional and survey designs were employed to undertake this study by collecting primary data using face-to-face approach from small and micro business owners and financial managers at a single point in time. A sample size of 106 was selected among a population of 154 small and micro business managers. The sample size was ascertained using a table of sample size determination provided by Krejcie and Morgan (1970). The simple random sampling technique of the probability sampling method was employed to select the sample size through the lottery approach. The study also adopted the questionnaire administration

method by using interview schedules and questionnaires as instruments to gather information from respondents. The IBM Statistical Package for Social Sciences version 25 was used to analyze the data that was collected from respondents. Descriptive statistical techniques like means, frequencies, and percentages were used in presenting the outcomes from the data analyzed. To determine the connection between religiosity and tax compliance, the multiple regression analysis was used.

1.7 Limitations of the Study

In this study, I employed only the quantitative approach to research. Additionally, Muslims and Christians formed the unit of analysis in the small and micro businesses. Each of these individuals may have different religious values and attitudes based on how they were nurtured. But this study did not look into how differences in religious values and attitudes affect their tax compliance. Add itionally, the study was also limited in scope to only owners of small and micro businesses in the Makola shopping mall, Accra.

1.8 Organisation of the Study

Five chapters were used to organize the research. The study's introduction was covered in chapter 1. Additionally, it outlined the problem statement, research objectives, research questions, study's significance, delimitation, and limitations. The study's second chapter reviewed the supporting theories. Conceptual studies were also reviewed as well as empirical literature of similar study from different perspectives and countries. A conceptual framework was also provided in chapter 2. The third chapter presented the methodologies applied in undertaken the research. It focused on research approach, study designs, population, sampling procedure, data processing and analysis.

Chapter four presented data and drew inferences from it. Chapter five summarised the study, provided conclusion and recommendations to the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section of the research reviews literature on *"religiosity and tax compliance."* The entire chapter of the research is presented in eight sections including the introductory part. Section 2.1 review concepts by explaining the meanings of religiosity and tax compliance. Section 2.2 addresses the underpinning theory of the research. Section 2.3 highlights the findings of other researchers in relation to the study. While section 2.4 presents the conceptual framework that guides the study, section 2.5 gives a summary of the chapter two.

2.1 Conceptual Review

According to Neuman (2011), the review of concepts in every research is important because it helps to understand the meanings of relevant variables and how it has been applied in a study. Although researchers may use same or similar variables in their work, their meanings and measures of construct may be different based on the researcher's perspective. For this purpose, it is important to explain the concepts used in the study to help readers understand the perspective of the researcher. In this section, two concepts are explained, that is, religiosity and tax compliance.

2.1.1 Religiosity

The concept of religiosity is deeply rooted in religion and religion is described as the belief of a person in a supernatural being or a person's faith in recognizing a controlling power by a supernatural (Dokmen, 2018). Similarly, Aliman, Ariffin and Hashim

(2018) describe religion as a sophisticated mixture of thought, feeling, and religious practice. In broader terms, religion is a social institution that deals in a specific belief in different sacred beings by a group of people. This therefore makes the explanation of religiosity complex because of its varied influence and forms of interpretation by individuals, such that its uniformity is extremely difficult. Regardless of its complexity, several authors have explained religiosity from different perspectives.

According to Abodher et al. (2020), religiosity is explained as the breadth of one's knowledge, the depth of one's gratitude for religion, the tenacity of a person's faith, the power of worship and the enforcement of regulations. Similar to this, Mohdali and Pope (2014) describe religiosity as the degree to which a person adheres to the religion they identify with, proclaim, and practice, as demonstrated by their actions or attitudes. This implies that affinity and commitment may serve as the foundation for religion. According to Benk, Mcgee and Yuzbasi (2015), religious commitment is the values and beliefs of the religious affiliation of individuals, whereas religious affiliation is the belief that an individual belongs to a religion, such as Christianity, Islam, Buddhism etc.

Religious commitment can be intrapersonal or interpersonal, as Iwuagwu (2018) demonstrated. Interpersonal religious commitment results from a person's affiliation with the religious group to which they belong, whereas intrapersonal religious commitment is derived from a person's own ideas and attitudes. Therefore, in determining religiosity, both intrapersonal and interpersonal religious commitment are important since they both influence one another. Mohdali *et al.* (2017) and Hare (2019) also describe religiosity as the belief or the level of belonging to a person's religion

which may be through internal or external religious orientations. By observing a person's attitude and behaviour, such as religious rites and worship, one might determine their external religious inclination.

To understand religiosity, Purnamasari and Amaliah (2015) divides it into five main dimensions. The first four dimensions are religious beliefs, practice, experience, and knowledge. The combination of these four dimensions translates into the behaviour of a person, which is the fifth dimension. According to Nicholsen (2019), in determining the religiosity of a person, several measures have been employed in academic research. These include the regularity of church attendance, being an active member of a religious faith, having faith in the church, and the significance of religion in people's life.

However, some scholars, like Benk et al. (2016), have also determined religiosity by religious commitment and affiliation. While a person's affiliation with a particular religion, whether they are Chrisian, Muslim, Buddhist, Hindu, or another determines their religious affiliation, religious commitment shows a person's loyalty to the principles and ideals of a religion (Nazaruddin, 2019). It is important to demonstrate how religion influences a person's personality in ways that go beyond their basic wants to receive rewards or to avoid punishment from others. As a result, Mohamad and Ali (2017) point out that in order to prevent self-punishment, a person must be tax compliant.

2.1.2 Tax Compliance

According to Ali *et al.* (2013), tax compliance is the ability of a person or taxpayer to adhere or not to the tax rules of a particular country. This means that in every country,

there may be different rules or policies of taxation which individuals or taxpayers are required to comply. Alshira'h, Abdul-Jabbar, and Samsudin, (2019) note that the taxation policies or rules allow countries to have efficient tax administration system which empowers taxpayers to comply with tax payments. Therefore, when a taxpayer complies with such tax rules or laws of a country, he or she is deemed to have complied. Whereas the non-adherence to a country's tax rules demonstrates tax non-compliance.

Nurunnabi (2017) also explained tax compliance as a taxpayer filing his or her required tax returns accurately and at regular times in accordance with a country's tax rules and regulations and systems. This explanation considers tax compliance as a fiscal issue. Beside this explanation, neo-classicals have also given a broader scale definition by seeing tax compliance beyond a fiscal issue to include the full implementation of tax laws which incorporates morality while creating a system of deterrence (Ameur & Tkiouat, 2016). Al-Ttaffi and AbdulJabbar (2015) note that the foundation of using deterrence creates a forceful persuasive approach by the application or adoption of tax penalties.

According to Ameur and Tkiouat (2016), neo-classicals sees taxpayers as people who have good moral understanding and avoid risks. These individuals tend to pursue utility maximization and so, they will evade payment of taxes when the utility exceeds costs. Thus, it is possible to ensure tax compliance in a moral way but, only with the application of tax penalties. This is because, the decision of the rational taxpayer on tax compliance is based on weighing the costs to be incurred if he or she evades tax and the cost to be incurred if he or she is caught evading taxes for which the result is punishment in the form of tax penalties or imprisonment (Benk, *et al.* 2015).

While tax compliance has been viewed from the economic approach, Sussman and Gifford (2013) also explain tax compliance within the perspective of social influence approach. According to the authors, the beliefs, opinions, emotions and attitudes or behaviour of individuals are influenced by people around them. Therefore, tax compliance is described as the ability of an individual to pay his or her taxes as a result of social influences shaping the attitude or behaviour of a taxpayer (Williams & Turner, 2022). This means that people will comply to pay their taxes if individuals within the same environment with similar beliefs and value systems also pay. These social influences from society compel taxpayers to fully disclose tax returns and comply with the payment of the taxes based on the laws of a country. It is therefore important to understand the theoretical position of the social influence.

2.2 Theoretical Review

The review of theories is important in every research because they guide the selection of relevant data and propose explanations to an observed phenomenon. The underpinning theory for the research is the social influence theory.

2.2.1 Social Influence Theory

When James Mill published *"The History of British India"* in the 1817, the social influence idea had its start. According to James Mill, people are driven to follow orders because they desire to accomplish their goals without being hindered (Williams & Turner, 2022). Buurhus Frederic Skinner modified the theory later in the 1920s to describe how rewards and punishment might affect a person's behaviour. During the 20th century, one key influencer in the development of social influence theory was

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Robert Cialdini. Since then, the social influence theory has been used in numerous studies by sociologists, anthropologists, economists, psychologists, and many other academic branches to explain how individuals are more likely to do what they see as the norm in society. It implies that individuals are predisposed to changing their behaviour in accordance with the people around them. These may include peers, social institutions, authority figures and even strangers around people.

According to the theory, people are influenced through individual socialization, interactions with other people and social institutions (Purnamasari & Amaliah, 2015). For instance, social institutions such as religion may influence the attitudes and behaviour of people through their values and beliefs. Similarly, Nazaruddin (2019) notes that the interaction with others at religious activities are also likely to impact on behaviour of people. Nevertheless, the way people's behaviour or attitude are influenced is to an extent based on their socialization process with social institutions and peers.

According to Lutfl and Saeed (2022), to be influenced socially, is to conform or comply. While compliance refers to a person yielding to the demands of others to avoid unpleasant consequences, such as rewards and penalties, conformity implies a person yielding to the wishes of the group to act. The social influence theory is governed by key principles, namely, automated behaviours, reciprocity, and commitment (Williams & Turner, 2022). Reciprocity is a fundamental human characteristic or cultural value that supports the principles of collaboration and sharing in social organisations. For example, an individual may reciprocate another good gesture simply because he or she also benefitted from a gesture from someone else.

On the other hand, the principle of automated behaviour shows that individual behaviours, ideas, and beliefs are automated. This means that what we do, say and believe, is a product of habit (Jayawardane & Low, 2016). In effect, all kinds of habits are internalized, almost an unconscious behaviour that is similar to an impulse response to a physical stimulus. Therefore, human beings will react inevitably and instinctively to social inducements and when they react, they show commitment to it. One of the social stimuli that people are most likely to react to is religion.

According to Aliman, Ariffin and Hashim (2018), religiosity is an important social stimulus which helps to control and influence behaviour. Nwidobie (2018) asserts that religiosity compels taxpayers to comply with tax laws. Similarly, Bin-Nashwan, Abdul and Aziz (2019) note that religiosity creates an internal value within an individual which prevents immoral or illegal behaviour. Hence, religiosity compels individuals to comply with payment of taxes because such internal values provide the moral constraints to differentiate good and bad behaviours and allow individuals to behave in an ethical manner.

Damayanti (2018) indicated that religious beliefs and characteristics can influence the behaviour of people such that the compliance of taxpayer's behaviour may be fostered by religiosity. As a result of the social influences and powerful tool of religiosity, studies across different countries have found that the behaviour of taxpayers is significantly impacted by religiosity. These studies include that of Torgler (2006), Ali *et al.* (2015), Eiya *et al.* (2016) and Benk *et al.* (2016). Hidayat, Utama, Nimran and Prasetya (2022) note that tax compliance though may be influenced by internal forces such as awareness, and personality traits, the external social influence from other people and religion presents a greater influence on individual behaviour.

The social influence theory is applied to this study to help explain how individuals affiliated or belonging to different religious groups can be influenced to conform in paying their taxes. The reason is that people are more likely to conform or to do an act, such as payment of taxes, when they follow the tenets or principles of their religious group. Religion is a social institution which has a higher influence on people's thoughts, feelings, and behaviours. This is because, individuals are unique and the degree to which they are open to social influence depends on how they are socialized in the way they speak, the ideas they hold to be true and the way they are likely to behave. Therefore, religious institutions have the potential to influence the decisions and morality of people, which in a way may also encourage or discourage their ability to pay taxes. For instance, if Christians, Muslims, and traditionalists are socialized to give to society, such followers of the religious sects or group will be influenced to pay their taxes.

2.3 Empirical Review

In this section of empirical literature review, evidence on the influence of religiosity and attitudes of individuals on tax compliance have been provided. Literature was reviewed across the world, thus from Africa, Europe, Asia, United States of America and specifically also on Ghana. The essence was to ascertain the position of literature across these countries on the subject matter. Different methodologies, data and research approaches were employed in the studies conducted on religiosity, attitudes and tax compliance.

2.3.1 Level of Religiosity

To begin with, Torgler (2006) examined religiosity as a factor that impact tax morale among individuals in Georgia State, USA. The quantitative approach was adopted for the study. Religiosity within the context of this research was measured by different variables such as frequency of church attendance and being an active member of a church. Again, the variable, religious education which measures the acquisition of religious human capital as a child and religious guidance, which measures the obligation to follow particular rules that define what is good and evil were used. Data from the World Values Survey of 1995 to 1997 which covers more than thirty countries at the individual level was used. Evidence from the study showed that religiosity raised tax morale of individuals. The study concluded that when people are religious, they are more likely to be motivated to comply with the payment of taxes.

In the case of South Korea, Byung and Sung (2018) assessed the effect of taxpayer's religiosity, religion on the perceptions of tax equity. The argument made was that most individuals who are religious do not evade tax and that there is an increasing level of tax morale of religious people to comply with payment of taxes. But in Korea, religiosity and tax equity had not been clearly researched and that was the essence of the authors' work. Religiosity was measured by two orientations, religious affiliation, and religious commitment. Religious affiliation entailed the self-identified association, such as Christian, Muslim or Buddhist and religious commitment is the degree to which individuals adhere to the values of their religion.

The perception of tax equity was categorized ordinally into five different levels from very low to very high. Panel data based on financial survey conducted by the Korean

Institute of Public Finance in 2017 was used. To determine the sample size, two-stage cluster sampling method was employed to select some number of households. The outcome of the study was that religiosity and religion did not significantly impact the perception of tax equity. Furthermore, income, assets, consumption, number of dependents, age, marital status, home ownership and residential location significantly determined the perception of tax equity. This implied that social and economic incentives were more important in ensuring tax equity or morale rather than religiosity.

2.3.2 Extent of Tax Compliance

In a study conducted by Ali, Fjeldstad and Sjursen (2013), the factors that determined attitude of citizens towards tax compliance in Tanzania, Kenya, Uganda, and South Africa was examined. The study employed a 2011/2012 Afro-barometer survey data in determining citizen's tax compliance. Evidence from the survey data showed that attitude of individuals towards tax compliance was positively related to countries providing certain public services. However, the relationship was different between countries. Citizens' knowledge on taxes and awareness was found to impact positively and significantly on tax compliance attitudes. Furthermore, the perception of individuals that their own ethnic groups are treated unfairly was negatively related to their compliance to paying taxes.

In another study, Nsor-Ambala (2015) assessed the relationship between individuals who had ethical orientation and compliance to tax in Ghana. The quantitative approach to research was employed though the survey design. Questionnaires were employed as data collection instrument and data was analysed using ordinary least square regression. Evidence from the survey revealed that individuals who were more ethical or has strong ethical orientations were more compliant to the payment of taxes.

Again, in Nigeria, a study was undertaking by Eiya, Ilaboya and Okoye (2016) to examine the influence of religiosity on compliance of tax among taxpayers. The study was theoretically governed by the moral and normative theories of ethics which defined right, and wrong actions based on morality. While religiosity was measured by the seriousness that an individual attached to practicing religion either being Christian or Muslim, tax compliance was also determined by the degree that a taxpayer complied or failed to comply with tax rules. Methodologically, the cross-sectional survey design was employed in the study to ascertain opinions of taxpayers on their compliance to paying taxes. Three stages using cluster sampling was used in covering taxpayers from areas such as Edo states, Lagos states and Abuja.

A sample of 500 taxpayers who filed their tax returns was used. Questionnaires, mostly based on Likert scale items was adopted as to assist gather data from respondents. Analysis of data in this study employed descriptive statistics, analysis of variance and ordinary least square regression. These analyses were done using the Statistical Package for Social Sciences version 21. The result revealed that a significant number of respondents were religious people. But there was no statistically significant difference in compliance to tax behaviour amongst Muslims and Christians in Nigeria. This implies that individuals' religious values do not influence their ability to comply with payment of tax. Similarly, taxpayers in Nigeria are also not influenced by threat of punishment used by tax authorities. Therefore, other extraneous factors exist to influence taxpayers on tax compliance.

2.3.3 Effect of Religiosity on Tax Compliance

In Turkey, Benk *et al.* (2016) also examined the effect of religiosity on tax compliance among self-employed taxpayers. By using the quantitative research approach through descriptive statistical analysis, the data showed that religion impacted positively and statistically on individuals' ability to voluntarily pay their taxes. Also, a positive and statistically significant impact was found between religiosity and enforced tax compliance.

A study was also conducted by Delfino (2016) to assess the relationship between religiosity and tax evasion among individuals within Bulgaria, Hungary, Poland and Romanian. The approach to analysing data was adopted from the European Value Survey (EVS) through the linear regression. The evidence from the study revealed that a negative and significant relationship existed between religiosity and tax evasion. This means that the more religious citizens were, the less their ability to evade tax. Implying that religion impacted well on tax compliance among residents in Europe.

Mohdali, Benk, Budak, MohdIsa and Yussof (2017) examined a cross-cultural study of religiosity and tax compliance attitudes in Malaysia and Turkey. The study was based on the fact that religion plays influential role in shaping the social and economic lifestyle of individuals. The study was guided by three research hypotheses. The first was that religiosity determines positively on tax compliance in both countries. Secondly, religiosity determines positively on voluntary tax compliance and third, religiosity is a positive determinant of enforced tax compliance.

The study used majority of individual taxpayers who were salaried workers and some few self-employed taxpayers. Self-administered survey questionnaire was employed,

and data was collected from 300 individuals in 17 companies in Malaysia. In Turkey, convenience sampling was used to sample 408 self-employed individuals. Interview schedules were also employed to collect data. Religiosity was measured by religious commitment where 10 items on a 5-point Likert scale was used (1= not at all true of me to 5 = totally true of me). Similar measurement scales were employed on voluntary and enforced tax compliance. Descriptive statistics such as means, frequencies, crosstabulations, regression, and t-test were employed in analysing data.

The findings were that religiosity was found to have significant effect on voluntary tax compliance on individual taxpayers in both countries. In terms of religiosity and enforced tax compliance, there was no significant difference for Malaysians but there was statistically significant difference among Turkish. The attitudes of people towards voluntary tax compliance also showed significant differences in both countries. This means that religious commitment arising from an individual's values and beliefs may be able to shape the compliance behaviour or attitude of taxpayers.

Similarly, in Malaysia, Mohdali (2018) through a mixed method study examined the effect of religiosity on taxpayers' compliance attitude. The study employed the exploratory sequential mixed methods research design and sampled 300 individual taxpayers in Malaysia through the survey method. This approach followed a face-toface interview conducted on 14 individual taxpayers who were self-employed. Multiple regression analysis was used to analyse data on the survey. The evidence from the study was that religiosity statistically impacted positively on the voluntary tax compliance of taxpayers but not on enforced tax compliance. This outcome was so probably due to the religious nature of Malaysians who always have strong religious values.

In New Zealand, Nicholsen (2019) explored the role that religiosity played in ensuring compliance to payment of taxes. The specific objective of the research was to explore how religiosity influence tax morale which, also tend to impact on tax compliance. The study was generally qualitative in nature and adopted the interpretivist approach. The exploratory research design was used where twenty in-depth interviews were undertaking. Individuals who owned small and medium businesses, religious leaders and accountants were chosen using the purposive sampling technique and then interviewed for the study.

The findings of the study revealed that religiosity affected the tax compliance of individuals. However, the perceived strength of the influence of religiosity on tax compliance was low compared to individuals being deducted their taxes from sources such as their salaries and civic duties. It was also found that intrapersonal religious commitments in a religion had the greatest impact on tax compliance.

Another study conducted in Ghana by Carsamer and Abbam (2020) also looked at how the suitability of religiosity influenced tax compliance among small and medium enterprises in Ghana. The study was largely quantitative and employed a sample size of 472 entrepreneurs. These entrepreneurs were given questionnaires to answer so that an insight into their perception on tax compliance and religiosity could be assessed. The evidence from the study revealed that Ghanaians being religious did not explain their tax compliance. This means that entrepreneurs may be religious and as a result give as required by religion, but the fact that they are religious did not mean that they were compliant in the payment of taxes to the government.

In Libya, Abodher, Ariffin and Saad (2020) analysed the influence of religious factors on tax non-compliance among self-employed people. This study was analysed from the perspective of Islamic religiosity on tax non-compliance. While tax non-compliance was measured by citizens failure to meet tax adherence, whether intentional or unintentional, thus, individuals' attitude toward tax payment, Islamic religiosity was also measured by individuals' religious commitment. The study employed the quantitative approach and used questionnaires to collect data from 312 self-employed individuals. Data collected was analysed using partial least squares regression. The evidence from the study was that Islamic perspective and Islamic religiosity had positive and statistically significant relationship with tax non-compliance among selfemployed Libyans.

Furthermore, Dabor, Kifordu and Abubakar (2021) have also examined the role of morality and religiosity in tax compliance behaviour among individuals in Nigeria. In this particular study, tax professionals, academics, business owners, religious leaders, accountants, and small and medium enterprises owners, who were from both the Christian and Muslim fraternity formed the population. Questionnaires were used as the data collection instrument and was distributed to 6000 individuals through the accidental and convenience sampling technique.

Data was analysed using multiple regression via Statistical Package and Service Solution. The findings of the study showed that there was a significant and positive relationship between religiosity and compliance to tax. Evidence also revealed that morality played an influential role tax compliance. Morality also played a positive

moderating effect between religiosity and tax compliance. There was also no significant difference in the responses based on age and sex of individuals. It was concluded in this study that in other for tax compliance to succeed, there is the need for a compliment between morality and religion in Nigeria.

In Yemen, Lutfl and Saeed (2022) examined the understanding of taxpayers' religiosity and tax knowledge motivations in complying with tax rules. The study was underpinned by the social influence theory which argues that individual attitudes, emotions and behaviours are influenced by societal values. In this study, the cross-sectional survey design was used along with self-administered survey where 287 individual taxpayers in Yemen were selected. The convenience sampling technique was used since the population unit was not available. In measuring tax compliance, hypothetical scenario cases on four elements, reporting, deduction, filing, and payment were used and individuals were to indicate their responses.

Furthermore, 10 items were used in measuring religiosity on a 5-point Likert scale ranging from 1 being totally true to 5 not at all true. Tax knowledge was also measured by income reported in the tax return and claimed expenses indicated by 1 as Yes, 2 as No and 3 as Do not know. Data was entered into SPSS and regression was employed as data analysis technique to measure the relationships among the various variables. The findings revealed that taxpayers' compliance was negatively related to religiosity. However, there was a positive relationship between tax knowledge and tax compliance. Their study concluded that religiosity did not play influential roles in tax compliance compared to that of tax knowledge.

Zuhdi (2022) also undertook similar studies by investigating the effect of tax simplification and religiosity on tax compliance behaviour. The research was conducted in Palembang, South Sumatera. The quantitative approach was utilized, and survey questionnaires were delivered to 107 taxpayers, out of which 75 responses were retrieved for the analysis. In concurrence with previous related studies, there was evidence that religious beliefs and tax compliance was significant. Religious beliefs moderated the relationship between tax simplification and compliant behaviour.

To conclude the empirical study, literature study by Hidayat, Utama, Nimran and Prasetya (2022) was reviewed. The study examined the effect of attitude and religiosity on tax compliance by focusing on the moderating use of electronic filing of taxes. The study was quantitative in nature and employed questionnaire administration as the primary method of collecting data. Data was collected from 529 companies who were largely private institutions in Jakarta. The study also used the structural equation modelling with the WarpPLS approach to analyse data. The result from the study showed that religiosity and attitudes influenced the intention of individuals and companies to comply with payment of taxes. Furthermore, the use of electronic filing of taxes was shown to moderate significantly on religiosity, attitude, and tax compliance intentions. This means that where there are electronic approaches to filing taxes, individuals are more likely to comply with tax payment if they are religious and have positive attitudes.

2.4 Conceptual Framework

Figure 1 displays the conceptual framework of the study.

Independent Variables
Religious Commitment
Religious Affiliation

Tax Compliance

Control Variables
Marital status
Age
Gender
Educational Level
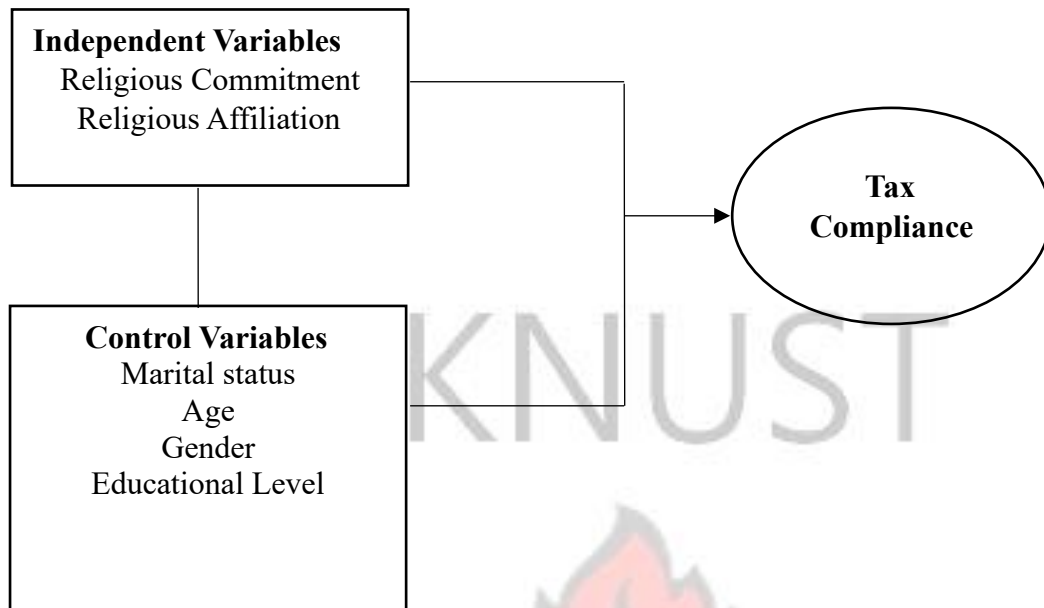
Figure 1: Conceptual framework of religiosity and tax compliance

Source: Author's Construct (2023)

From the conceptual framework, religiosity is explained by religious commitment and religious affiliation. While religious commitment may be measured by the beliefs and values of individual's association to a religion, religious affiliation is determined by the orientation of a person in the religion such as trust in religion, importance of religion, being an active member of a religion and the frequency of attending a religious gathering. It therefore suggests that religious commitment impacts tax compliance. Similarly, religious affiliation also influences the tax compliance of individuals. In this framework, religion, which is deemed a social institution influences individual behaviour both internally and externally. Individuals who are religious act morally by showing commitment towards their tax payment. This religious commitment and affiliation, influences people through social institutions, resonate within individuals the attitude or behaviour to pay the right amount of taxes and at the right time, leading to tax compliance.

2.5 Chapter Summary

The research employed the social influence theory as underpinning theoretical approach for the study. The concept of religiosity and tax compliance were explained to ascertain the operationalization of the concepts and their measures. The conceptual foundation for the study was also described in the chapter, which showed that the practice of religiosity impact individual behaviour towards tax compliance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter of the research, the research methods employed in carrying out the study is addressed. The research methods provided an approach and a plan to the study. According to Neuman (2011), a research method provides the procedural approach needed to be followed to arrive at reliable and valid solutions to problems. This chapter is organized into seven sections: the research approach, study design, population, sampling procedure, data collection methods and instruments, data analysis, ethical considerations, and chapter summary.

3.1 Research Design

The study employed the quantitative and qualitative approach, often referred to as the mixed method. Ofori and Dampson (2011) notes that, the quantitative approach involves the collection of numerical data in making statistical generalization. Furthermore, quantitative approach also helps to establish relationships among different variables. According to Smith (2015), quantitative approach views the relationship between theory and research as deductive. Quantitative approach ensures that there is an objective conception of social reality in research. The quantitative approach was adopted for this study because similar studies by Ali *et al.* (2013) and Eiya *et al.* (2016) on religiosity and tax compliance used the approach.

The study designs used in this research were the cross-sectional and survey designs of the quantitative approach. According to Creswell and Plano (2011), cross-sectional design encompasses the gathering of data at a single point in time but not in the form

of time series or panel. Neuman (2011) also notes that the use of cross section method is more appropriate in survey studies because it helps to measure responses at a single point in time. Using cross-sectional study design ensures that researchers are able to measure different variables at the same time. Creswell (2014) notes that in using crosssection method, cause-and-effect relationships can be reliably applied in the study to measure the influence of religiosity on tax compliance.

The study also used the survey design. Survey design helps researchers to collect data from respondents without any influence or biases. Surveys may be conducted via faceto-face, online or phone. This study employed the face-to-face approach because of the nature and characteristics of respondents as well as their busy schedules. The survey design was also used because it was secured and required minimal financing per each respondent compared to other forms of designs.

The research employed the primary means of gathering data. Primary data was gathered directly as first-hand information from respondents. The study used primary data because it is reliable and value free in addressing the research problem. Primary data was therefore gathered from respondents on religiosity and tax compliance.

3.2 Population of the Study

Neuman (2011) explains a study population to comprise objects, institutions, and persons with a common characteristic. According to Creswell (2014), the population of study is also described as the unit of analysis, and it is explained as the entity or individuals or groups of people under study or who are being studied. The sample was made up of entities identified as the unit of analysis. The entire population in the

Makola Shopping Mall stands at 623 and this include both small, medium and large enterprises. But for this research, the study population consisted of only small and micro businesses in the Makola Shopping Mall, Accra, which has a total population of 195 facilities, including pharmacies, salons, business centers, perfume shops, jewelry shops, stationery shops and many others (NMC Property Management, 2022).

The target population was therefore defined after the unit of analysis was determined. According to Creswell (2011), the target population is the number of persons to whom the researcher applies the findings. Defining the criteria that state who is included and who is excluded from the target audience is necessary for identifying the target population (Smith, 2015). Based on the nature of study, the target population comprised individuals responsible for managing the financial activities of the businesses in the shopping mall. These involved the financial managers and/or business owners because, they are involved in making decisions for complying with payment of taxes for the businesses.

3.3 Sampling and Sampling Technique

According to Creswell and Plano (2011), a sample is a selection of a unit or group of people from a population, for which the result from the unit is used in generalizing for the entire population. An excellent sample, as espoused by Neuman (2011), is one that perfectly captures the population and includes all of the key characteristics of the population. Based on the population, the estimated sample size using Yamane sample size distribution table at 5 percent margin of error was 131. The formula for determining sample size by Yamane is provided below:

$$n = N \ / \ 1 + N \ e^2$$

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where:

n   = required sample size N   = Population size e

= Level of precision or Significance level set at 0.05

Giving the sample size determining formula, the sample size is as follows:

$$n = 195 / 1 + 195 (0.05)^2$$

$$= 131$$

After identifying the sample size, the next methodological approach was to ascertain the sampling procedure for selecting the sample size.

The probability sampling method was used in this study. Every participant in the study who was chosen by the probability sampling approach had an equal chance of being chosen. In a quantitative inquiry, the probability sampling method is the best approach, according to Creswell (2014). The sample size was chosen using the probability sampling method of the simple random. A list of all the numbered shops in the mall was made and written on a piece of paper and put into a box. Afterwards, the lottery method was used to draw from the box, the shops or businesses needed for the study. This method was repeated until the sample size target was reached. However, due to some respondents misplacing the questionnaire, a response rate of 54.4 percent (106) was achieved.

3.4 Data and Data Collection

This section presented the data collection methods and instruments employed in the study. The focus was on describing the variables and its measurement, data collection methods and instruments.

3.4.1 Variable Description and Measurement

The description and measurement of the variables used in the study are defined as follows:

Religiosity: Religiosity is measured by two constructs, religious affiliation and religious commitment

Religious Commitment: This is measured by the beliefs and values of individual's association to a religion.

Religious Affiliation: This is measured by the sense of belongingness in a wing in the religion, not being ashamed of one's religious affiliation and frequency of attending a religious gathering.

Tax Compliance: Tax compliance measures the attitude of a person towards complying with tax rules and regulations, paying accurate tax returns, and filing tax returns timely.

3.4.2 Data Collection Instrument

The corresponding data collection instrument for questionnaire administration is questionnaire/interview schedule. Questionnaire is an instrument designed to gather information or data from respondents on a subject matter. Questionnaires/interview schedules were designed in the study to address the research problem. The questionnaire/interview schedule comprised twenty (20) items grouped into four sections. Items on the first section collected data on background information of respondents. The items included age, sex, educational level, and marital status.

Items on the second section addressed issues on religiosity of business owners and/or financial managers of small and micro businesses. The items were categorized into two,

namely, religious commitment and religious affiliation. Under religious commitment, items comprised how individuals adhere to the values and beliefs of their various religions whereas items under religious affiliation focused on the type of religion, and frequency of attending religious gathering. These items were measured on a five-point Likert scale from 1 to 5 where 1 represented least agreement to 5 being strong agreement. The third section of the questionnaire addressed issues on tax compliance. Some of the indicative items included the accuracy of amount of payment and regularity of timing of payment. The items were measured on a five-point scale from 1 to 5, where 1 represent least agreement to 5 being strong agreement.

3.4.3 Data Collection Procedure

The study used the questionnaire administration as the data collection method. In questionnaire administration, the researcher gathers data from respondents by employing questionnaire/interview schedule as data collection instruments. The questionnaire /interview schedule was used to gather data from finance managers and/or owners of small and micro businesses. The information gathered from this source centered on the research questions in order to help solve the study's main issue. Neuman (2011) asserts that administering a questionnaire/interview schedule aids the researcher in drawing statistical conclusions about the population. It also guarantees the study's neutrality and enhances objectivity.

In this study, every shop or office was treated as a single unit, where either the finance manager or business owner was required to answer the questionnaire/interview schedule. For instance, where the finance manager answered the questionnaire/

interview schedule, the business owner was not required to participate again in the study. Same applied to offices, where the business owners answered the questionnaire/interview schedule, the finance managers or officers were not allowed to participate in the study. This was so because, some small businesses did not have finance managers and were only managed by their owners, whereas, others also had employed the services of finance officers. Additionally, the business owners and/or finance managers or officers who had busy schedules were assisted by the researcher in answering the questions, where the researcher read out the question and the respondent provided answers for it to be ticked. Those who did not have busy schedules were giving the questionnaires to answer and the researcher returned at a later date to retrieve them.

3.4.4 Data Processing and Analysis

After the collection of data from respondents, the researcher numbered the entire questionnaire/interview schedule before entering data into the software. The relevance of the numbering was to help the researcher trace each questionnaire/interview schedule during the entering of data into the software. Questionnaires were then cleaned and inputted into Statistical Product for Service Solution (IBM SPSS) version 25 which was the quantitative software used in analysing data. Output of the data were generated in the form of frequencies, tables and percentages. The first research objective which examined the level of religiosity was analysed using descriptive analytical techniques such as tables, frequencies and means. Similarly, the second research objective which examined the level of tax compliance was analysed using descriptive statistics. The third objective investigated the effect of religiosity on tax compliance and data were

analysed using multiple regression analysis. The model specification for establishing the regression is presented below:

$$Y_i = \beta_0 + \beta_1 RC + \beta_2 RA + \epsilon_i$$

Where Y_i = Tax Compliance

β_i = The intercept

ϵ_i = Error term β_i,

= 1

β_0 = Constant

RC = Religious Commitment

RA = Religious Affiliation

3.5 Reliability and Validity

The consistency of a measure is reliability, but the amount to which the scores from a measure represent the variable they are supposed to assess is validity. Diagnostic tests were carried out to see if the regression model accurately fitted the regressors used. The skewness and Variance Inflation Factor test were used to test the normality and multicollinearity of data respectively. According to Tabachnick and Fidell (2001), a skewness of +/-1.96 is regarded as regularly or normally distributed whereas a VIF of more than 1 is acceptable in determining the multicollinearity of data. A 95 percent confidence level or 5 percent significance level was used to test the level of significance. The dependability of the data was also evaluated using the Cronbach alpha statistic. A Cronbach alpha of more than 0.70 implied an accurate point for determining the reliability of a test (Ofori & Dampson, 2011). Table 3.1 presents the results of the reliability and multicollinearity tests.

Table 3.1: Reliability Test of Religiosity and Tax Compliance

	Cronbach	No. of items	VIF
Religious Commitment	.807	6	1.219
Religious Affiliation	.761	5	1.554
Tax Compliance	.723	5	1.902

Source: Author's Computation (2023)

3.6 Ethical Consideration

The research participants were informed on the nature and rationale of the study after which they were to decide on participating or not. The respondents were told their right to withdraw at any given time. The researcher made it clear to the respondents that the research is independent with no direct or indirect association with implementing actors. The researcher adhered to the ethics of anonymity of information in research. No information gathered from respondents was made known to anyone. Additionally, it was not required for respondents to include their names on the survey interview schedule. Information collected from respondents were kept secure due to confidentiality. The researcher also ensured that responses could not be linked to the respondents during the analysis. The right to informed consent was adhered to by the researcher.

3.7 Chapter Summary

The methods utilized to conduct the research were summarized in the chapter. It also addressed the study's ethical concerns. The majority of this study's methodology was quantitative, and population respondents were chosen at random to participate in the study. The research employed survey and cross-sectional designs. The study approach

put a lot of effort into figuring out how to make the research findings practical. Results

from the field are provided and examined in the following chapter.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter of the study presented results obtained from the data collected on the topic "the effect of religiosity on tax compliance." The results were discussed to draw out inferences which were linked to the reviewed literature to concur or refute studies by other authors. The chapter was grouped into five parts including the introductory section. Section 4.1 presented data on the background characteristics of respondents. Section 4.2 presented and discussed results on the first research objective which examined the level of religiosity among small and micro-business owners. Section 4.3 also addressed issues on the level of tax compliance among small and micro-business owners. Section 4.4 analysed the relationship between religiosity and tax compliance.

4.1 Demographic Characteristics of Respondents

The background characteristics are relevant in helping to identify the features of the sampled population used in the survey. In determining the demographic characteristics, gender, age, marital status, and education were presented on Table 4.1.

Table 4.1: Demographic Characteristics of Respondents

Demographic Characteristic	Frequency	Total

Gender		
Male	50	47.2
Female	56	52.8
Total	106	100.0
Age		
20-29yrs	11	10.4
30-39yrs	41	38.7
40-49yrs	25	23.6
50-59yrs	17	16.0
60yrs and above	12	11.3
Total	106	100.0
Marital Status		
Single	19	18.0
Married	87	82.0
Total	106	100.0
Education Level		
No education	16	15.1
WASSCE	33	31.1
First Degree/Diploma	45	42.5
Masters	12	11.3
Total	106	100.0
Work Status		
Business Owner	80	75.0
Finance Manager/Officer	26	25.0
Total	106	100.0

Source: Field survey (2023)

From the result, males constituted 47.2 percent of respondents whereas females were 52.8 percent. It indicates that female representation was dominant in responses compared to the males. It also supports the assertions by the Ghana Statistical Service

(2022) that there are more females in small and micro businesses than males. The next background characteristic presented is the age range of respondents.

The result revealed that young individuals between the ages of 20 and 29yrs represented the least number of sampled respondents (10.4%) surveyed in the study, followed by business owners above age 60 (11.3%). This implies that we have fewer number of business owners who are young. The finding also showed that majority of business owners (38.7%) are within the ages of 30 and 39yrs. It is also an indication that more of the sampled population are within the active workforce who are expected to contribute towards the payment of taxes. In the next background characteristic, marital status is examined.

The data from the findings revealed that 82 percent of respondents are married while 18 percent are single. This implies that responses of married individuals were largely dominant in the study. The researcher also turned attention to presenting the educational levels of respondents.

The level of education of respondents was important in this study because education exposes people to understand the need for complying with payment of taxes as suggested by the social influence theory. The result on the educational level of respondents revealed that more of the respondents (42.5%) have higher level of education as they have obtained first degrees/diplomas. This level of education helps individuals to appreciate and understand the relevance of tax compliance.

Cumulatively, about 53.8 percent of respondents have higher educational levels, thus, both first and master's degree. None of the respondents had Basic Education Certificate

Examination (BECE). But a few of the respondents (15.1%) have no education at all. The lack of education of these respondents are likely to affect their ability to understand the relevance and compliances to the payment of taxes.

Lastly, the study revealed that 75 percent of respondents are owners of the businesses while 25 percent are financial managers. In the next section of the study, the level of religiosity among business owners/managers is presented.

4.1 Religiosity Among Small and Micro-Business Owners

This section of the study analysed the level of religiosity among small and microbusiness owners. Determining the religiosity of respondents was important as Torgler (2006) suggests that people who are religious are likely to be motivated to comply with the payment of taxes. In doing so, religiosity was determined by religious affiliation and religious commitment. The first part of this analysis addressed the religious affiliation of small and micro-business owners while the second part discussed religious commitment. To begin with, I found out the religion that respondents are affiliated with and the finding is displayed on Table 4.2.

Table 4.2: Religion of Affiliation

Affiliated Religion	Frequency	Percent
Christian	89	83.9
Muslim	17	16.1
Total	106	100.0

Source: Field survey (2023)

The data showed that all of the sampled respondents were affiliated to a particular religion. The findings revealed that 83.9 percent of respondents belonged to the Christianity religion whereas 16.1 percent were Muslims, which supports the claims by

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the Ghana Statistical Service (2022) that there are more Christians in Ghana than Muslims. After determining the religion that respondents were affiliated, their level of religious commitment was ascertained and Table 4 presents the results.

Table 4.3: Religious Commitment

Religious Commitment	Min	Max	Mean	SD
I am very committed to my religion	1	5	3.462	1.017
I believe in the practices of my religion	1	5	3.271	1.051
I make my religious contributions always	1	5	3.594	1.318
I have been nurtured with the values of my religion	1	5	4.206	1.619
I do not joke with the ethics of my religion	1	5	3.985	1.401
Overall mean			3.772	1.311

n=106

Source: Field survey (2023)

(1.0-1.18 – least agree; 1.81-2.6 – somehow agree; 2.61-3.4 – probably agree; 3.41-4.2 – mostly agree; 4.21-5.0 – strongest agreement)

To begin with, the study assessed the level of commitment of respondents towards their religion by demonstrating how committed they are to their religion. It was evident from the study that majority of respondents (Mean= 3.462; S. D= 1.017) are very committed to their religion. It demonstrates a good level of commitment among individuals towards their religion. This commitment is expected to help ensure that individuals become compliant towards the payment of taxes as suggested by Nicholsen (2019).

Additionally, the study also found out from respondents on their belief in the practices of their religion. The result was that majority of respondents (Mean= 3.271; S. D=

1.051) believe in the practices of their religion. The belief in the religious practices amongst individuals helps to shape the compliance behaviour and attitude of tax payers as demonstrated by Mohdali *et al.* (2017).

The study ascertained also the contribution that respondents make towards their religion. It was revealed that more of the respondents (Mean= 3.594; SD= 1.318) make their religious contributions always. The regular and frequent contributions or donations made by respondents demonstrates their commitment towards religion and just as people contribute to payment of tithings and sadaqah, it is expected to encourage the values of giving and paying taxes among small and micro-business owners as revealed by Nurunnabi (2017). The contributions of individuals also manifested into how people have been nurtured with the values of their religion. It was found that more of the sampled respondents (Mean= 4.206; S. D= 1.619) have been nurtured with the values of their religion and are therefore more likely to comply with tax payment.

More of the respondents also do not joke with the ethics of their religion (Mean= 3.985; S. D= 1.401). The ethical standards among individuals will help people to know that payment of taxes is a moral obligation on religious individuals as espoused by NsorAmbala (2015) and Eiya *et al.* (2016). Overall, the study was evident that more of the respondents (Mean= 3.772; S. D= 1.311) are religiously committed and this commitment is expected to encourage people to comply with payment of taxes as suggested by Abodher *et al.* (2020). Based on the disaggregation of data, business owners who are Muslims (Mean= 3.829; S. D= 1.192) are more religiously committed than Christians. This implies that on the basis of religious commitment, Muslims are more likely to comply with tax payment than Christians. In the next section, the level

of religious affiliation among respondents is examined and Table 5 displays the descriptive result.

Table 4.4: Religious Affiliation

Religious Affiliation	Min	Max	Mean	SD
I belong to a wing in my religion	1	5	3.941	1.168
I regularly attend all religious gatherings	1	5	4.140	0.881
I am not ashamed of my religious affiliation	1	5	3.581	1.243
I identify myself with my religion	1	5	3.793	1.021
Overall Mean			3.627	1.282

n=106

Source: Field survey (2023)

(1.0-1.18 – least agree; 1.81-2.6 – somehow agree; 2.61-3.4 – probably agree; 3.41-4.2 – mostly agree; 4.21-5.0 – strongest agreement)

To determine how respondents were religiously affiliated, their level of activeness in their religion was ascertained. The result showed that majority of respondents (Mean= 3.941; S. D= 1.168) belonged to a wing in their various religion. This level of belongingness makes respondents more involved in religious activities as Mohdali and Pope (2014) describe that the sense of belonging of individuals to their religion helps them identify with and proclaim their practice which is expected to translate into complying with payment of taxes.

To further ascertain respondents' level of affiliation, their regular attendance to religious gatherings was determined. The findings were that majority of respondents (Mean= 4.140; S. D= 0.881) regularly attend religious gatherings. It implies that more of the sampled respondents partake in religious activities frequently and this regular attendance to religious gatherings is expected to inculcate into the individuals the loyalty to their various religion as espoused by Benk *et al.* (2016).

Additionally, respondents were asked to assess the level of shame they feel towards their religious affiliation. Evidence from the research revealed that more of the sampled respondents (Mean= 3.581; S. D= 1.243) are not ashamed of their religious affiliation. This means that individuals are able to proclaim their religious faith and values wherever they find themselves. This creates a sense of identification a person has with his or her religion which are likely to help individuals comply with the payment of taxes as suggested by Nazaruddin (2019) and the social influence theory.

Again, the study found out how respondents identify themselves with their religion. The finding was that more of the respondents (Mean= 3.793; S. D= 1.021) identified themselves with their religion. When people are able to identify themselves with their religion, they tend to become active members of associations within their religion and this helps individuals regularly engage with one another within the religious sphere. These associations within the religious setting helps individuals relate well with one another and share thoughts together. This create a formidable socialization process among individuals which helps them put up good behaviours that are more likely to lead to compliance of tax payments as suggested by Purnamasari and Amaliah (2015).

Overall, evidence from the study showed that more of the respondents (Mean= 3.627; S. D= 1.282) had good affiliations towards their religion. This level of religious affiliation helps individuals to adopt the principles of their religion and that is expected to help them become tax compliant as provided by the social influence theory. Data disaggregation also revealed that Christians (Mean= 3.881; S. D= 1.033) had stronger religious affiliations compared to Muslims. This means that Christians are more likely to conform and become compliant to payment of taxes based on their religious

affiliations.

4.2 Tax Compliance Among Small and Micro-Business Owners

This section of the study addressed the second research objective which sought to ascertain the level of compliance of taxes among small and micro-business owners in their operational work. This is because, an individual's compliance to taxes will determine the efficiency in tax administration and revenues that the country can mobilise to undertake infrastructural activities, as noted by Alshira'h *et al.* (2019). It is also relevant in determining whether these business owners are tax compliant or not and Table 4.5 presents the findings.

Table 4.5: Tax Compliance

Tax Compliance	Min.	Max.	Mean	Std. dev
I submit my tax returns accurately and timely	1	5	3.672	1.150
I file my taxes voluntarily	1	5	3.820	0.989
I pay my tax obligation willfully without force	1	5	3.995	1.002
I declare all my revenues earned before filing my taxes	1	5	3.742	1.021
I adhere to the country's tax rules in filing my taxes	1	5	3.010	1.711
Overall Mean				
			3.541	1.131

Source: Field survey (2023)

(1.0-1.18 – least agree; 1.81-2.6 – somehow agree; 2.61-3.4 – probably agree; 3.41-4.2 – mostly agree; 4.21-5.0 – strongest agreement)

Evidence from the study revealed that overall (Overall mean= 3.541; S. D= 1.131) respondents are tax compliant as mean scores were above three. It indicates that most respondents file their taxes accurately, timely, voluntarily and declared all revenues earned before filing their taxes. The accurateness and regular payment of taxes by respondents indicate their compliance as described by Nurunnabi (2017). Additionally,

it is an indication of the efficient administration of tax systems in the country as many individuals are empowered to comply with tax payment.

Despite the general compliance of tax payments among individuals, the study revealed that more of the sampled respondents (Mean= 3.010; S. D= 1.711) failed to adhere to the country's tax rules before filing their returns. This may be as a result of most individuals having less knowledge on the practice of taxation. It is also indicative that although most people file their taxes accurately, voluntarily and timely, they are not aware or abreast with the rules of taxation in the country. This lack of knowledge on taxation rules may allow people to evade or under declare the revenues of their businesses, which has repercussions for the Ghana Revenue Authority not to meet their tax collection targets. Many may also be tax compliant because of the lay down procedures in tax payment by the Ghana Revenue Authority. Data disaggregation also revealed that business owners who are Muslims (Mean= 3.924; S. D= 1.108) are more compliant to tax payment compared to Christians (Mean= 3.511; S. D= 1.201).

4.3 Effect of Religiosity and Tax Compliance

This section of the study examined the effect of religiosity on tax compliance among small and micro-business owners. To do so, a multiple linear regression analysis was performed to establish the relationship that exist between religiosity and tax compliance. But first, the diagnostic tests of multicollinearity and normality of data were performed, and the result is presented on Table 4.6.

Table 4.6: Diagnostic Test of Religiosity and Tax Compliance

	Skewness	Std Err	Kurtosis	Std Err	No. of items
Religious Commitment	0.562	0.332	0.772	0.572	6
Religious Affiliation	0.559	0.332	0.895	0.572	5
Tax Compliance	0.671	0.332	0.351	0.572	5

Source: Author's Computation (2023)

The result of the skewness and kurtosis showed that the data is normally distributed since they all fall within (+/-1.96) at 5 percent level of significance. Since the data are normally distributed and internally consistent, the result for the correlation analysis is presented on Table 4.7, whereas the regression table is displayed on Table 4.8.

Table 4.7: Correlations

		Religious Commitment	Religious Affiliation	Tax Compliance
Religious Commitment	Pearson Correlation	1	.422[**]	.609[**]
	Sig. (2-tailed)		.000	.000
	N	106	106	106
Religious Affiliation	Pearson Correlation	.422[**]	1	.648[**]
	Sig. (2-tailed)	.000		.000
	N	106	106	106
Tax Compliance	Pearson Correlation	.609[**]	.648[**]	1
	Sig. (2-tailed)	.000	.000	
	N	106	106	106

**. Correlation is significant at the 0.01 level (2-tailed). Source: Field survey (2023)

Table 4.8: Regression Model of Tax Compliance and Religious Commitment

	Coeff. (B)	Std Err.	t	Sig

Constant	2.325	. .352	6.609	.000
Religious Commitment	.300	.066	4.531	.000
Male	-.149	.094	-1.585	.116
30-39 years	.304	.165	1.844	.068
40-49 years	.244	.173	1.410	.162
50-59 years	.203	.187	1.082	.282
60 & above years	.437	.200	2.189 .144	.031
Married	.018	.123	2.109	.886
B.E.C.E	.330	.156	2.945	.038
WASSCE	.401	.136	2.358	.004
1st Degree/Diploma	.440	.187		.021
F-Statistic	3.985			
Sig R	0.000b			
Square				
Adjusted R^2	0.305			
	0.228			

Dependent Variable: Tax Compliance

Source: Field survey (2023)

Age wise, it is realized that there is a positive and significant relationship between age 30 to 39 and tax compliance. Thus small business owners within the age of 30 to 39 years are more tax compliant than those in the other age group. On the other hand age 40 to 49 and 50 to 59 years shows a positive but insignificant relationship with tax compliant.

When it comes to gender of respondents, it is realized that there is a negative and statistically insignificant relationship between religious commitment and tax compliance. However the coefficient of -0.149 implies the female business owners are more tax compliant than the male business owners.

On marital status, it was realized that there is a positive but insignificant relationship between married small business owners and tax compliance. This implies marital status is not a predictor of tax compliance among small business owners.

Taking their Educational background into consideration, it is realized that it is a strong predictor of tax compliance among small business owners, since all the educational background categories are all significant. Thus it is realized that there is a positive and significant relationship between business owners with BECE, WASCE and 1st Degree/Diploma and tax compliance among small business owners. This implies having that there is an evidence of tax compliance among small business owners with some level of education.

The coefficient of religious commitment (B = 0.300; p-value= 0.000) shows that a positive and statistically significant relationship exist between religious commitment and tax compliance. This implies that the more business owners are religiously committed, the more they become tax compliant. This finding concurs with the works of Benk *et al.* (2016) who also found that religiosity influenced people's tax compliance in Turkey. The study also agreed with the work of Delfino (2016), Damayanti (2018) and the social influence theory which indicate that religious commitment is an important social stimulus that influence and compels taxpayers to comply with tax laws and payments.

Table 4.9: Regression Model of Tax Compliance and Religious Affiliation

	Coeff. (B)	Std Err.	t	Sig

Constant	1.833	.299	6.134	.000
Religious Affiliation	.464	.062	7.515 .382	.000
Male	.033	.086	1.244	.703
30-39 years	.180	.144	.653	.217
40-49 years	.099	.151	-.192	.515
50-59 years	-.032	.166	1.860 .811	.849
60 & above years	.325	.175	1.622	.066
Married	.087	.108	1.764	.419
B.E.C.E	.222	.137	1.392	.108
WASSCE	.213	.121		.081
1st Degree/Diploma	.227	.163		.167
F-Statistic	8.201			
Sig R	0.000b			
Square	0.474			
Adjusted R^2	0.416			

Dependent Variable: Tax Compliance

Source: Field survey (2023)

Age wise, it is realized that there is a positive and significant relationship between age 60 years and above and tax compliance. Thus small business owners within the age 60 years and above are more tax compliant than those in the other age group. On the other hand age 30 to 39, 40 to 49 and 50 to 59 years shows a positive but insignificant relationship with tax compliant. With gender, it was realized that there is a positive but insignificant relationship between religious affiliation and tax compliance.

Considering their educational background, it is realized that it is a strong predictor of tax compliance among small business owners, since all the educational background categories are all significant. Thus, it is realized that there is a positive and significant relationship between business owners with BECE, WASSCE and 1st Degree/Diploma and tax compliance among small business owners. This implies having that there is an evidence of tax compliance among small business owners with some level of education.

Additionally, the coefficient of religious affiliation (B = 0.464; p-value= 0.000) showed that religious affiliation is positively and statistically significant with tax compliance. This means that the religious affiliation of a business owner determines his or her ability to comply with the payment of taxes.

This result concurred with the work of Hidayat *et al.* (2022) and Zuhdi (2022) who all demonstrated that an individual's affiliation to religion influenced his or her ability to comply with tax payments. The result also agreed with the social influence theory as demonstrated by Lutfl and Saeed (2022) that affiliation of religion compels an individual to conform with payment of taxes.

The Social Influence theory asserts that religiosity plays a crucial role in encouraging tax compliance, which supports the findings that religiosity significantly affects tax compliance.

The study's findings confirm the theory, indicating that Ghanaians who embrace religiosity tend to adhere to religious teachings, influencing their tax compliance behaviour.
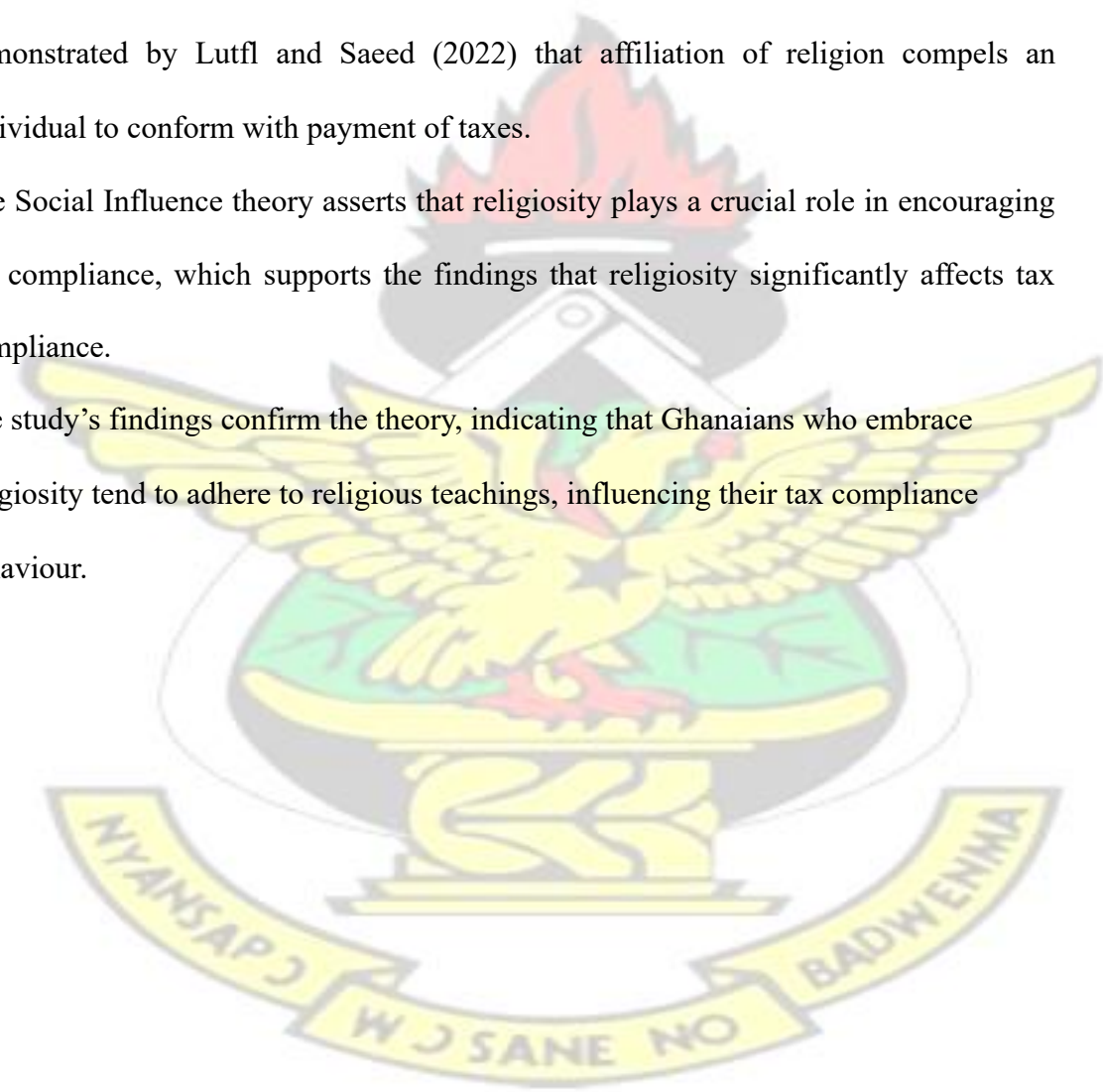
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

In this chapter of the study, the summary and key findings are presented. In addition, conclusions are drawn based on the summary of key findings from the analysis of data. Suggested recommendations are also provided in the study. The study is concluded by providing further areas of research based on the limitations and gaps in the study.

5.1 Summary of Findings

Religion plays an important role in the lives of many individuals due to its ability to influence people to comply with doing certain activities such as payment of taxes. As a result of the influence on individual lives, this study examined how religiosity impact small and micro-business owners' ability to comply with payment of taxes. The general objective of the study was to examine the effect of religiosity on tax compliance among small and micro-business owners in the Makola shopping mall, Accra, Ghana. The first specific objective of the study analysed the level of religiosity among small and microbusiness owners. The second research objective also examined the extent to which small and micro-business owners complied with payment of taxes. The last research objective investigated the relationship between religiosity and tax compliance.

The research employed the quantitative approach and used the cross-sectional and survey research designs. Data were collected from small and micro-business owners whose shops are in the Makola shopping mall, Accra. Quantitative primary data were gathered from a sample size of 106 respondents using questionnaires/interview schedules. Respondents were selected using the simple random sampling technique. After the retrieval of data collected, they were entered into the Statistical Product for Social Science SPSS) version 25 where output generated were in frequencies, tables,

means and percentages. The analysis of the first and second research objectives were done using descriptive statistics while multiple regression analysis was employed to establish the relationship between religiosity and tax compliance.

In the first research objective, more of the respondents (Mean= 3.941; S. D= 1.168) belonged to a wing in their religion. As a result of that, it was also established that most of them (Mean= 4.140; S. D= 0.881) regularly attended all religious gatherings. It was also evident that more of the respondents (Mean= 3.793; S. D= 1.021) could identify themselves with their religion. On the whole, more of the respondents were actively affiliated to their religion (Mean= 3.627; S. D= 1.282). When religious commitment among respondents was assessed, the finding revealed that, on average, more of the sampled respondents (Mean= 3.772; S. D= 1.311) were religiously committed. Additionally, it was showed that more of the respondents (Mean= 4.206; S. D= 1.619) have been nurtured with the values of their religion. While Muslims were religiously committed than Christians (Mean= 3.829; S. D= 1.192), Christians (Mean= 3.881; S. D= 1.033) had stronger religious affiliation compared to Muslims.

The key findings from the second research objective were that more of the respondents (Mean= 3.010; S. D= 1.711) failed to adhere to the country's tax rules before filing their taxes. Despite this finding, more of the sampled respondents (Mean= 3.995; S. D= 1.002) pay their tax obligation willfully without force. Additionally, more of the respondents (Mean= 3.820; S. D= 0.989) voluntarily file their taxes whereas most of them (mean= 3.742; S. D= 1.021) declared all their revenues earned before filing their taxes. Muslims (Mean= 3.924; S. D= 1.108) were also more tax compliant compared to Christians. Overall, it was found that more of the respondents (Mean= 3.541; S. D=

1.131) were tax compliant.

The last research objective of the study investigated the relationship between religiosity and tax compliance. The study's finding was that religious commitment positively and significantly impacted peoples' ability to be tax compliant (B = 0.300, p-value = 0.000). It was also found that a person's religious affiliation positively and significantly related tax compliance (B = 0.464, p-value = 0.000).

5.2 Conclusion

The study concludes that respondents are religiously committed and also demonstrates a sense of affiliation to their religion. These religious commitments were manifested in various forms, through their beliefs in religious practices and frequent contributions towards the growth of their religion. But most importantly, many of these respondents have been nurtured with the values of their religion. These nurtured values have inculcated in the people and caused them to be committed to everything they do as part of the religion they belong. Again, respondents also displayed a high level of religious affiliation. Due to their affiliation, they regularly attend religious gatherings and identified themselves with their religion.

It is also concluded that individuals are tax compliant, as they timeously and voluntarily file their taxes. The voluntary nature of people's payment of taxes is a positive news for revenue generation by government. But the problem is that most of them do not adhere to the tax rules of the country, which demonstrate a lack of understanding and the cumbersomeness of tax administration. Although people may voluntarily and timeously pay their taxes, their inability to adhere to the country's tax rules is an

indication that people may under-declare or over-declare their tax liabilities. Additionally, even when people are flouting certain taxation rules, they may not be in the know because of their lower knowledge in tax rules and this may have negative consequences for government's ability to raise revenue.

Notwithstanding the compliant nature of tax payment by both Christians and Muslims, the study also draws conclusion that religion plays an influential role in helping people to pay taxes. As many people become religiously committed, they tend to translate similar values and nature of commitment into paying taxes. This means that the more individuals are religiously committed, the better their chances of paying taxes. When people also feel that they are religiously affiliated, they also transmit same into complying with tax payment. Hence, the commitment and affiliation levels of Christians and Muslims are important in achieving the country's goal of raising higher revenues by government for national transformation.

In summary, the study was able to examine the level of religiosity among small and micro-business owners in the Makola shopping mall, Accra, Ghana which is demonstrated by the respondents commitment and sense of affiliation to their religion. The positive and significant relationship between religiosity and tax compliance also showed the extent to which small and micro-business owners in the Makola shopping mall, Accra, comply and the effect of religiosity on tax compliance.

5.3 Recommendations and Policy Implications

The findings and conclusion of the study has several implications for policies and on this basis, I make the following recommendations:

1. Given the positive relationship between religiosity and tax compliance, it is recommended that the Domestic Tax Revenue Division of the Ghana Revenue Authority should encourage various religious institutions to continue to highlight their importance of tax compliance from the religious perspective.

2. Even though the responsibility of tax compliance and obligations are placed on individual taxpayers, The Ghana Revenue Authority Should consider policies and actions that would build continuous taxpayers' interest in building tax compliance culture in the country.

3. There was evidence that when people are religiously committed, they become more tax compliant. The Ghana Revenue Authority should put in place conducive systems that will increase the willingness and compliance with tax laws.

4. The religious values of owners of small and micro businesses should be employed as a strategy to motivate them to increase and improve their willingness to being tax compliant with relevant taxation laws. The Ghana Revenue Authority should design policies that incorporates religion as a tool to increase tax compliance the country. And should also put in place simple and conducive systems which will increase tax compliance amongst business owners.

5. When people are religiously affiliated, they also become more tax compliant. The Domestic Tax Revenue Division of the Ghana Revenue Authority should

also collaborate with the leaders of the Muslim and Christian religious community to regularly undertake educational programmes on prompt tax payment during religious gatherings. This is because most of the individuals belong to a wing in their religion and regularly attend religious gatherings and so using the approach will help to achieve the required results.

5.4 Suggestions for Further Studies

In this study, I employed the quantitative approach to research. Additionally, Muslims and Christians formed the unit of analysis in the small and micro businesses. Each of these individuals may have different religious values and attitudes based on how they were nurtured. But this study did not investigate how differences in religious values and attitudes affect tax compliance. Additionally, evidence from the study seemed to reveal that tax knowledge may influence tax compliance, but the study did not look into it. Based on these gaps, I recommend that the mediating effect of attitudes or values of different religions in the relationship between religiosity and tax compliance should be studied. Further research should also be conducted on how tax knowledge affect tax compliance.

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APPENDIX

QUESTIONNAIRE/INTERVIEW SCHEDULE FOR RESPONDENTS
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING AND FINANCE

The Effect of Religiosity on Tax Compliance Among Small And Micro Business Owners in Makola Shopping Mall, Accra

Dear Respondent,

This research examines 'the effect of religiosity on tax compliance among small and micro businesses. The study is being used for academic purposes and therefore information given will be tested for with the highest degree of confidentiality. The questionnaire is divided into three sections. Questions may be answered by ticking [√] against the best that suits your opinion. Participation on the research is voluntary. Are you willing to participate in this study? [   ] Yes   [   ] No

SECTION A: BACKGROUND INFORMATION

1. Gender

   [   ] Male

   [   ] Female

2. Age range

   [   ] 20yrs-29yrs

   [   ] 30yrs-39yrs

   [   ] 40yrs-49yrs

   [   ] 50yrs-59yrs

   [   ] 60yrs and above

3. Marital status

   [   ] Single

   [   ] Married

4. Indicate your highest level of education or qualification:

   [   ] No education

   [   ] B.E.C.E

   [   ] WASSCE

   [   ] 1st Degree/Diploma

   [   ] Masters

5. Are you the business owner or manager?

   [   ] Business owner

   [   ] Manager

SECTION B: LEVEL OF RELIGIOSITY AMONG SMALL AND MICRO BUSINESS OWNERS

6. Which religion are you affiliated with?

   [   ] Christianity

   [   ] Islam

   [   ] Traditional

On the scale of 1 to 5, kindly indicate the extent to which you agree with the following statements on your level of religiosity with 1 being 'least agreement' to 5, strong agreement.

Religious Commitment	1	2	3	4	5
7. I am very committed to my religion					
8. I believe in the practices of my religion					
9. I make my religious contributions always					
10. I have been nurtured with the values of my religion					
11. I do not joke with the ethics of my religion					
Religious Affiliation					
12. I belong to a wing in my religion					
13. I regularly attend all religious gatherings					
14. I am not ashamed of my religious affiliation					
15. I identify myself with my religion					

SECTION C: TAX COMPLIANCE AMONG SMALL AND MICRO BUSINESS OWNERS

On the scale of 1 to 5, kindly indicate the extent to which you agree with the following statements on your level of tax compliance with 1 being 'least agreement' to 5, strong agreement.

Tax Compliance	1	2	3	4	5
16. I submit my tax returns accurately and timely					
17. I always file my taxes voluntarily					
18. I pay my tax obligation willfully without force					
19. I declare all my revenues earned before filing my taxes					
20. I adhere to the country's tax rules in filing my tax returns					

Thank you for your time!!!