

Cultivating Compliance: Unraveling the Interplay of Culture, trust, and religiosity in Algerian SME managers' Attitudes towards Tax Evasion

تعزير الامتثال: كشف تأثير الثقافة، الثقة والتدين على مواقف مسيري المشاريع الصغيرة والمتوسطة في الجزائر
اتجاه التهرب الضريبي

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Abstract:

This paper explores the impact of cultural dimensions along with the inclusion of religiosity and trust in the government, on SME managers' attitudes toward tax evasion. The study, specifically conducted in Algeria, aims to gain a better understanding of the impact. The findings from the multiple regression analysis indicate that the cultural dimensions examined do not adequately explain the main factors contributing to tax evasion. Specifically, no impact was found for power distance and masculinity, as well as trust in the tax authority. However, individualism, uncertainty avoidance, and religiosity were found to have a positive effect. This study offers valuable insights into the complex relationship between cultural factors and the attitudes of SME managers regarding tax evasion.

Key words: Tax Evasion, Cultural Dimensions, Religiosity; Trust, Small and Medium Enterprises.

ملخص:

تدرس هذه الورقة البحثية تأثير الأبعاد الثقافية، كما جاء بها هوفستد (1998)، بالإضافة إلى عامل التدين والثقة في الحكومة، على موقف مسيري المؤسسات الصغيرة والمتوسطة اتجاه التهرب الضريبي في الجزائر. حيث، أن الأدب المتعلق بالتهرب الضريبي يفتقر إلى الدراسات المتعلقة بتأثير المتغيرات الثقافية في هذه المؤسسات، خاصة دراستها في بلد واحد. وبالتالي، فإن هذه الدراسة تقدم إسهاما كبيرا من خلال إجراء دراسة داخل بلد محدد، الجزائر، مما يسمح بفهم أفضل للتأثير. وقد كشفت نتائج تحليل الانحدار المتعدد أن الأبعاد الثقافية المدروسة لا تفسر بشكل كاف العوامل الرئيسية للتهرب الضريبي، حيث لم يتم تسجيل أي تأثير لبعد مسافة السلطة والذكورة، بالإضافة إلى الثقة في مصلحة الضرائب، في حين تم تسجيل تأثير إيجابي لبعد الفردية، تجنب عدم اليقين، وعامل التدين. وعليه، توفر هذه الدراسة رؤية قيمة حول التفاعل المعقد بين العوامل الثقافية وموقف مسيري المؤسسات الصغيرة والمتوسطة اتجاه التهرب الضريبي.

الكلمات المفتاحية: التهرب الضريبي، الأبعاد الثقافية، التدين، الثقة، المؤسسات الصغيرة والمتوسطة.

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1. INTRODUCTION

Tax evasion is a worldwide phenomenon that has been the subject of numerous researchers for a long time (Sidani, Ghanem and Rawwas, 2014). It occurs as an intentional violation of tax law with the aim of minimizing tax liabilities (Richardson, 2008). Considering that income taxation represents a crucial source of revenue for governments in both developed and developing countries, which are used to fund their social and public services (Toumi, Bouraoui, & Khlif, 2022) Hence, tax evasion practices impose serious detrimental consequences, especially on the economic growth (Benkraiem et al., 2021).

The first studies on this subject generally focused on the economic deterrence models in explaining tax evasion behaviours (see e.g., Joulfaian, 2000; Hoopes et al., 2012). While numerous subsequent studies criticized the merely economic approach since it relies on explaining tax evasion with regard to its costs versus benefits (Sidani, Ghanem and Rawwas, 2014), and asserted that non-economic determinants are not different from economic ones and that they have a stronger impact on tax evasion (e.g., Riahi-Belkaoui, 2004; Richardson, 2006; Richardson, 2008). Therefore, recent studies are more oriented to look at the non-economic, psychological, and sociological determinants (Khalil & Sidani, 2020).

Our study draws on Hofstede (1980) cultural framework in trying to explore the impact of Hofstede's cultural factors on tax evasion behaviour. Hofstede (1980) defines culture as "the collective programming of the mind which distinguishes the members of one human group from another." Hence, It helps people in building their daily life decisions and thus may assist in influencing their attitude toward tax evasion (Richardson, 2008). Particularly, the study uses Hofstede (1980) four cultural dimensions², known as power distance, individualism, uncertainty avoidance, and masculinity. This study believes that it is interesting to discuss the SME managers' standpoint toward these dimensions in affecting their tax behavior.

Richardson (2008), in his research, calls to conduct research in countries individually to better understand the relationship between tax evasion and cultural dimensions. Hence, responding to his calls, we perform our investigation in Algeria, thus contributing to the literature in 4 ways. First, we use Hofstede's (1980) cultural framework for the first time in Algeria. Second, we respond to the call of Richardson (2008) by applying our research in an individual country. Third; we extend the model to other variables, religiosity; to our knowledge few studies have investigated the effect of religiosity on taxpayer's behavior especially in an Islamic country, and trust in the government, responding to the suggestion of Riahi-Belkaoui (2004) and Tsakumis, Curatola and Porcano (2007), who state that integrating legal, political, and religious variables into the model may build a comprehensive tax evasion model. Four, Government policymakers might find the results of our investigation useful in considering the possibility of tax evasion from cultural, legal, religious standpoints. And finally, we provide robust evidence about the effect of cultural variables on business managers' attitude towards tax evasion, knowing that the subject hasn't been discussed in Algeria before that.

2. Literature review and hypothesis

2.1 Tax evasion

Previous studies on tax evasion have provided experimental results about tax evasion factors at both individual and institutional levels, in addition to comparative studies between different countries, trying to suggest keys to diminish its detrimental consequences. Khalil & Sidani (2020) examined the role of people's religiosity in explaining their tax evasion behaviour with regard to their religious affiliation, they found that religion hold a positive impact on the relation between tax evasion behaviour stemming from self-interest and religious commitment. Feld & Frey (2007) highlighted the importance of reciprocal respect between taxpayers and the tax authorities to achieve a high level of tax compliance. Sidani, Ghanem & Rawwas (2014) investigated the impact of personal moral philosophy (idealism and relativism) on tax morale, showing that relativists evade paying taxes to maintain their interests. In contrast, idealists consider tax evasion inappropriate behavior. On the other hand, other researchers have studied the issue from an institutional perspective (e.g., Benkraiem, Uyar, Kilic, & Schneider 2021; Yamen, Allam, Bani-Mustafa, & Uyar 2018; Siglé, Goslinga, Speklé, van der Hel, & Veldhuizen 2018; Abdixhiku, Krasniqi, Pugh, & Hashi 2017). Abdixhiku, Krasniqi, Pugh, & Hashi (2017) revealed that in transition economies, tax burden, trust in the government and, Firm's size has a positive effect on business tax evasion. Siglé, Goslinga, Speklé, van der Hel, & Veldhuizen (2018) asserted that the government could achieve high tax returns if it worked on attaining its organizations' trust. They built their study depending on the Slippery Slope Framework of Kirchler, Hoelzl, and Wahl (2007). Likewise, countries' level studies on tax evasion have taken the interest of many scholars. We mention Riahi-Belkaoui (2004), who used different social contracts as determinants of tax morale, asserting that they could be significant determinants of tax compliance (tax non-compliance). Richardson (2006), on his part, expanded the work of Riahi-Belkaoui (2004) by adding other determinants previously studied by Jackson and Milliron (1986).

2.2 Tax evasion and cultural dimensions

Previous research on tax evasion at the international level, failed to examine the effect of culture on tax evasion's behaviour, they treat it as a black-box (Richardson, 2008). The study of Tsakumis, Curatola, and Porcano (2007) was one of the first to investigate the international impact of Hofstede (1980) cultural framework on tax evasion. The four dimensions of culture are: individualism, power distance, masculinity and, uncertainty avoidance.

Tsakumi, Curatola, and Porcano (2007) conducted a comparative study between 50 countries to investigate the impact of Hofstede (1980) cultural factors on tax evasion finding that countries with non-compliance tendencies exhibit high levels of uncertainty avoidance, high power distance, low individualism, and low masculinity. Richardson (2008) on his part has tried to expend the work of Takumi, Curatola, and Porcano (2007) by integrating legal and religious factors, and into a comprehensive international model of tax evasion, the analysis concludes that uncertainty avoidance and individualism positively contribute to tax evasion. Furthermore, the model also highlights the importance of legal enforcement, trust in the government, and religiosity as additional factors that influence tax evasion.

Consistence with these studies, (Toumi, Bouraoui, & Khelif, 2022) used Hofstede (1980) multicultural dimension to examine their effect on corporate tax avoidance, adding long-term orientation's dimension, they find that masculinity, long-term orientation and individualism are positively affecting corporate tax evasion. Many other studies have chosen to conduct research individually in their respective countries.

According to Richardson (2008), individualism, as defined by Hofstede (1980), it reflects the extent to which individuals within a group or society prioritize individual achievements over collective ones. Different studies offer varying explanations for the relationship between tax evasion and individualism rankings. Some argue that a high individualism ranking indicates a propensity for individuals to prioritize their firm's goal achievement at all cost, thereby increasing the likelihood of tax evasion (Bame-Aldred, Cullen, Martin, & Parboteeah, 2013). Moreover, Frijns, Hubers, Donghoon Kim, Roh, and Xu (2022) and Aren and Nayman Hamamci (2021) support this notion by confirming a positive correlation between individualism and the propensity of high risk-taking. In our study, we posit that business managers who embrace individualism as a guiding principle prioritize their own interests over society welfare, leading them to choose tax evasion as a means to maximize their profits.

H1: There is a positive effect of individualism on business managers' attitude towards tax evasion.

The power distance dimension pertains to the degree to which individuals within a society or organizations are willing to accept unequal distribution of power and hierarchical systems. (Richardson, 2008). According to Toumi, Bouraoui, and Khelif (2022), low power distance implies that the state treats its citizens equally, regardless of their socioeconomic status. In such conditions, everyone has equal opportunities and chances. Conversely, in high power distance conditions, the distribution of the tax burden may not be equitable, leading to a higher propensity for engaging in illegal tax practices (Yong, 2011). Based on the aforementioned explanation, it is hypothesized that business managers with a high-power distance orientation may perceive their privileged positions as granting them the ability to exploit loopholes or partake in illicit practices to reduce their tax liabilities. Therefore, we suppose:

H2: There is a positive effect of power distance on business managers' attitude towards tax evasion.

According to Richardson (2006), uncertainty avoidance defines the level of hesitation observed within a group. A society or organization characterized by high uncertainty avoidance follows a risk-averse approach, prioritizing the avoidance of ambiguity and showing a preference for established rules and regulations as a means to alleviate uncertainty. Conversely, in organizations with low uncertainty avoidance, there is a higher inclination towards risk-taking, and decision-making processes are more adaptable and flexible (Toumi, Bouraoui, & Khelif, 2022). Within the scope of our study, we propose that business managers exhibiting a high uncertainty avoidance orientation tend to strictly adhere to rules, thereby increasing the probability of tax compliance.

H3: There is a negative effect of uncertainty avoidance on business managers' attitude towards tax evasion.

According to Richardson (2006), a high level of masculinity indicates that individuals within a group or society prioritize the pursuit of material success. In contrast, low masculinity reflects a focus on vulnerable classes, relationships, and modesty. Husted (1999, 344) conducted a global study and found a positive correlation between high masculinity rankings and corruption, suggesting that individuals engage in illicit practices in their pursuit of material success. Similarly, according to Toumi et al. (2022), masculine societies tend to exhibit a greater inclination towards risk-taking. In line with these observations, therefore, we hypothesize that business managers with a high level of masculinity are more likely to prioritize maximizing their profit, potentially resulting in the engagement of tax evasion practices. Hence:

H4: There is a positive effect of masculinity on business managers' attitude towards tax evasion.

Recently, there has been increased attention given to the impact of trust in tax authorities on tax evasion. Previous investigations using national and international survey data have indicated that trust in tax authority has an influence on tax evasion behavior. A comprehensive study conducted by Richardson (2008) established that trust in tax authority plays a substantial role in mitigating tax evasion. Similarly, the research conducted by Benkraiem, Uyar, Merve, and Friedrich (2021) confirmed that a trustworthy government enhances taxpayers' motivation to comply with tax regulations, thereby mitigating tax evasion levels. Lumir, Besnik, Geoff, and Iraj (2016) further revealed that tax evasion tends to be higher in situations where trust in the government is low.

H5: There is a negative effect of trust in tax authority on business managers attitude towards tax evasion.

Religiosity is often discussed in the literature for its positive influence on individual behavior. As it refers to the degree of someone's adherence to his religious beliefs and his commitment to the moral and ethical principles that discourage unethical practices (Khalil & Sidani, 2020).

H6: There is a negative effect of religiosity on business managers attitude towards tax evasion

3. Research methodology

3.1 Data collection and variable definition

A self-administered survey was conducted using a questionnaire composed of various sections. The first part served to collect demographic information about gender, and income level. Where, the second part assessed the cultural dimensions using Hofstede (1980) scales which were modified to suit SME managers using a four-point Likert scale (1=strongly disagree to 4=strongly agree). The third part was about religiosity; in which we used statements from the research of (Khalil & Sidani, 2020) after changing them to match the Islamic religion. In addition to, Trust in the government was measured by the response to the survey question: "Does the tax authority work fairly". Finally, collecting data on tax evasion poses challenges for researchers due to its sensitive nature.

Consequently, many researchers opt to utilize indirect questions as a means to elicit more dependable responses. Hence, we assessed tax evasion by utilizing the EBRD's Business Environment and Enterprise Performance Survey (BEEPS) questionnaire, which offers reliable indicators relevant to our variables of interest. In this study, our focal question was as follows³: Q.58 (2002 survey) and Q.43a (2005 survey) – Acknowledging the challenges that many businesses confront in fully adhering to tax regulations, what percentage of total annual sales would you disclose for tax purposes? Participants were requested to provide a single response, expressed as a percentage, indicating their level of reporting. It is important to note that the survey does not directly address compliance matters.

Table (01) represent the definition, measurement and source of all the variables.

variables	definition	source
Tax evasion	The percentage of profits expected to be declared	BEEP (2005) Questionnaire
Uncertainty avoidance	Measured by response to survey question: “It is important that I have clear and detailed instructions so that I know what I have to do” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	(Rinuastuti, Hadiwidjojo, Rohman, & Khusniyah, 2014)
Power distance	Measured by response to survey question: “The manager should not establish relationships with his stuff” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	(Rinuastuti, Hadiwidjojo, Rohman, & Khusniyah, 2014)
Individualism	R_collectivism, measured by response to survey question: “People must sacrifice their personal interests for the sake of others” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	(Rinuastuti, Hadiwidjojo, Rohman, & Khusniyah, 2014)

Masculinity	measured by response to survey question:” Men's professional careers are often regarded as more important than women's” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	(Rinuastuti, Hadiwidjojo, Rohman, & Khusniyah, 2014)
Trust in tax authority	Measured by responseto survey question:” tax authority works fairly” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	Maarten, Sjoerd, Roland, Lisette van, Robbert (2018)
Religiosity	Measured by response to survey question:” I free my time to avoid missing my prayer” (1: strongly disagree, 2: disagree, 3: agree, 4: strongly agree)	(Khalil & Sidani, 2020)
Controlled variables		
Gender	Woman/Man	
Income level (Algerian Dinar)	Less than 30.000 From 30.000 to 50.000 From 50.000 to 100.000 More than 100.000	

Source: Made by researchers.

4. RESULTS AND DISCUSSION

Table 02 presents descriptive statistics for the primary variables used in the research. Table 03 displays the Pearson correlation matrix, and Table 04 presents the results of the multiple linear regression between tax evasion and the independent variables.

Table (02) descriptive statistics

	Mean	Std. Dev
TE	56,57	15,425
Gender	1,46	,504
Income level	34282,60	19481,80
PD	8,6739	2,14014
UNC AV	10,0000	1,69967
IND	14,1087	5,57864

MSC	9,5870	2,62108
TRUST	8,4130	2,13517
RLG	9,6739	4,51198

Scale 1–5 (1=strongly disagree and 4=strongly agree).

Source: Made by researchers based on spss 23 results

Based on the descriptive statistics presented in Table 2, the mean tax evasion rate philois 56.57 % (SD= 15,425). The averages of the independents' variables range between 14,1087 (SD= 5,57864) to 8,4130 (SD= 2,13517).

Table (03) Person correlation matrix

Variables	TXEV	GND	SRTP	PD	UNCAV	IND	MSC	TRUST	RLG
TAX EV	1,000	,198	,006	,139	,698	,657	,361	,069	-,749
GND		1,000	-,238	,347	-,052	,267	,449	,255	-,090
Income			1,000	-,245	,030	,012	-,330	,322	,030
PD				1,000	,055	,027	,411	-,082	,026
UNC AV					1,000	,570	,150	,043	-,617
IND						1,000	,271	,136	-,487
MSC							1,000	,071	-,128
TRUST								1,000	-,023
RLG									1,000

Source: Made by researchers based on SPSS 23 results

Table (04) multiple liner regression results

Variables	Cumulative		Simultaneous	
	R ² -change	F-change	β	p
Step1				
Gender	0.04	F (2,43) =0.94	.11	.766
Income			.03	.252
STEP2				
PD			.06	.526
UNC AVD	0.75	F (6,37) =18	.25	.044
IND			.23	.043
MSC			.20	.053
TRUST			-.04	.697
RLG			-.46	.000

Source: Made by the researchers, based on SPSS 23 results

Hofstede's cultural dimensions have been extensively examined for their reliability and validity in numerous independent cross-country studies. Various researchers, such as Hoppe (1990), Merritt (2000), and De Mooij (1998b), have successfully replicated and validated Hofstede's dimensions using diverse data sets from multiple countries and geographical regions. These studies, which encompassed alumni surveys, market research data, and accounting subgroups, consistently support

the applicability and directional differences of Hofstede's scores across countries. The findings indicate that while individual dimension scores may change, the fundamental reliability and validity of Hofstede's cultural dimensions remain robust across different nations.

For the religiosity variable, reliability was previously established by Sidani, Ghanem, and Rawwas (2014), who reported a Cronbach's alpha reliability of 0.904. Similarly, the trust in the government variable had a Cronbach's alpha reliability of 0.88 according to Maarten, Sjoerd, Roland, Lisette van, and Robbert (2018).

Given that tax evasion is a multifaceted issue, a hierarchical regression analysis was conducted to analyse the impact of Hofstede's cultural factors, trust and religiosity on tax evasion. The first step of the regression consisted of gender and income level, while the second step included Power distance, Individualism, Uncertainty Avoidance, Masculinity, Trust in tax authority, and Religiosity.

$$TE_i = \alpha + \beta_1 PD_i + \beta_2 UNC AV_i + \beta_3 IND_i + \beta_4 MASC_i + \beta_5 TRUST_i + \beta_6 RELG_i + \beta_i CONT_i + \epsilon$$

Index i refers to observations.

TE_i: Level of tax evasion.

PD_i: Power distance.

UNC AV_i: Uncertainty avoidance.

IND_i: Individualism.

MSC_i: Masculinity.

TRUST_i: Trust in the authority.

RLG_i: Religiosity.

CONT_i: Controlled variables (Gender and income level).

ϵ : The usual error term.

The overall regression model predicted approximately 75% of variance in TE ($R^2=.75$, $F(8,37) = 14.30$, $p < 0.05$). Gender and income level predicted approximately 5% of variance in TE. However, none of the control variables are significantly related to tax evasion.

After controlling for gender and income level, the variables in step two predicted approximately 71% of variance in TE. Among these variables, only uncertainty avoidance, individualism, and religiosity scores significantly predicted tax evasion (Table 03). Higher scores in Uncertainty Avoidance and Individualism, as well as lower Religiosity scores, were associated with greater tax evasion.

The findings indicate that business managers' attitudes towards tax evasion are influenced by various factors. However, it is evident that cultural dimensions do not explain the major determinants of tax evasion. Specifically, the study found no significant relationship between Power distance and Masculinity (as per Hofstede's cultural dimensions) and tax evasion, which is consistent with the results of Grant Richardson's study (2008).

The results further support hypothesis N1, indicating a positive relationship between business managers' attitude towards tax evasion and individualism ($B = 0.23$, $p = 0.043$, $p < 0.005$). These

findings align with previous research conducted by Feld, L.P., and Frey, B.S. (2007), suggesting that individuals who prioritize individualistic values tend to exhibit more leniency in decision-making processes. They often prioritize their own self-interests and personal gain over collective societal welfare, as evidenced in the study by Sidani, Ghanem, and Rawwas (2014). However, it is important to note that the literature on this subject remains inconclusive.

Contrary to our hypothesis of a negative relationship (H3), it was found that uncertainty avoidance had a positive effect on business managers' attitude toward tax evasion. These results are consistent with the results of previous researches conducted by Adams, C.A., and Webley, P. (2001), as well as Doerrenberg, P., and Duncan, D. (2014). One possible explanation is that individuals with a high tendency for uncertainty avoidance tend to perceive risks more acutely and actively seek ways to minimize uncertainty in their environment. They may view tax evasion as a means to reduce the uncertainty associated with tax obligations and potential financial burdens. Consequently, they are more likely to exhibit a favorable attitude towards tax evasion as a strategy to mitigate perceived risks. This inclination might stem from a lack of trust and confidence in the effectiveness and fairness of the tax system among individuals with high uncertainty avoidance. Their perception of inadequacies or uncertainties in the system could lead them to engage in tax evasion as a response. As a result, they may develop a more positive attitude towards tax evasion as a way to regain control over their financial situation and reduce their reliance on external circumstances.

Moreover, religiosity was found to significantly predict tax evasion ($B = -0.46$, $p < 0.0001$). Our results indicate that as the level of religiosity among business managers increases, the level of tax evasion decreases. This finding aligns with the belief that religious individuals, particularly those who follow Islamic teachings based on the Quran and Ahadith, are guided by principles that prohibit unethical practices. Therefore, when considering their behavior, several ethical questions arise regarding the issue of tax evasion. Among these questions, one of the most crucial is whether tax evasion can be considered ethical under certain circumstances (Jalili, 2012).

In summary, the regression analysis revealed that gender and income level accounted for a small portion of the variance in tax evasion. After controlling for these factors, Uncertainty Avoidance, Individualism, and Religiosity scores emerged as significant predictors of tax evasion. The findings suggest that cultural dimensions, particularly Power distance and Masculinity, do not play a significant role in explaining tax evasion behavior. However, Individualism and Uncertainty Avoidance show a positive association with tax evasion, while Religiosity demonstrates a negative association. These findings make a valuable contribution to the current tax evasion literature and emphasize the complex nature of business managers' attitudes towards tax evasion.

5. Conclusion

In this paper, we aim to investigate the impact of Hofstede's cultural variables on business managers' attitude towards tax evasion. However, it is apparent that these variables do not serve as the primary determinants of this phenomenon. The results did not indicate a significant impact of both power distance and masculinity on tax evasion. Conversely, religiosity emerged as a significant factor in explaining business managers' attitudes toward their tax liabilities. This finding aligns with

the inconclusive nature of the existing literature on this topic. It is intriguing to delve into the role of Islamic norms and rules to better understand Muslims' behaviour towards tax evasion, particularly considering the obligation of Muslims to pay zakat as an Islamic tax.

Although, the relationship between trust in tax authority and tax evasion has been confirmed in many previous researches, our results found no significant relationship between them. However, the separation between trust in the government and judicial system would be more specified and could reveal a different result, in addition to enhancing the model as it was done by (Benkraiem et al., 2021) discussing firms' level determinant of tax evasion.

This article contributes to the literature by expanding our understanding of the impact of Hofstede's cultural factors on the business managers' attitude towards tax evasion investigating it in an individual country. The results show that individualism has a significant effect on business managers' attitude towards tax evasion, as well as uncertainty avoidance. A possible explanation that could be inferred from the findings is that business managers with high uncertainty avoidance tendencies may perceive tax system as complex and feel uncomfortable complying to ambiguous rules and regulations. Hence, they prefer to practice tax evasion in order to maintain their control over their financial affairs. On the other hand, individualistic business managers have a greater willingness to evade paying taxes due to their desire to maximize their benefits.

The results help to better comprehend the impact of cultural values on tax behaviour and can be useful for the government, especially for policymakers and tax authorities, when designing tax policies and enforcement strategies, recognizing that individualistic managers with high uncertainty avoidance tendency are more prone to engage in tax evasion. On the other hand, the article provides valuable insights into the influence of religiosity on business managers' attitude towards tax evasion, contributing to the existing literature on the intersection of religion and ethical behavior in the context of taxation.

Moreover, further research might explore the moderating role of religiosity in explaining the relationship between business managers' attitude towards tax evasion and Hofstede's cultural variables. Also, a separation between trust in the government and judicial system might reveal important results that could be helpful for the government to mitigate tax evasion levels.

Finally, it is important to focus on simple tax laws that do not intimidate or confuse business managers, as well as to consider the principles of Islamic religion and align with them to encourage taxpayers' compliance.

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7. Citations¹:

¹ It is crucial to understand that tax evasion refers to the use of illegal practices to reduce tax liabilities, whereas tax avoidance involves the utilization of legal strategies, such as looking for loopholes in tax law, to achieve the same goal MALGORZATA NIESIOBĘDZKA (2014).

² There is a fifth dimension, short-term orientation (LTST), we excluded it from our study, as Hofstede (1988) argue that this cultural dimension is not universal because it relates to Asian countries

³The question numbers pertain to BEEPS 2002 and BEEPS 2005.