
WHISTLEBLOWING AND VOLUNTARY TAX COMPLIANCE: A STUDY OF BELLS UNIVERSITY OF TECHNOLOGY COMMUNITY, ADO-ODO OTA, NIGERIA.

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Abstract

The objective of this paper was to empirically examine the relationship between whistleblowing and voluntary tax compliance in Nigeria. The study used a survey research design in order to get the opinion of tax payers on the subject matter. For the paper, we administered copies of the questionnaire to tax payers within the Bells University of Technology, Ota Ogun State, Nigeria. The data collected from the field was analyzed using descriptive statistics and Ordinary least square regression analysis. The findings from the analysis revealed a positive and significant relationship between whistleblowing and voluntary tax compliance. The paper concluded that Nigerian tax payers are strongly influenced by the threat of punishment employed by the tax authority as well as other factors that are influential in encouraging their willingness to voluntarily comply with tax laws. It is recommended that Government should also ensure that taxpayers understand their tax obligations and find them easy to comply with. This may require that the government and revenue authorities should, at all times, act with integrity and in a manner that is perceived to be fair and reasonable.

Keywords: Tax Compliance; Whistle Blowing; Tax Avoidance; Tax Evasion; Morality.

1.1 Introduction

Ikein (2017) said it dawned on Nigeria's government at a significant time when its main income channel, oil, experienced a decline over the years owing to general declines in worldwide oil prices. With Nigeria's debt rates reaching record heights, governments are facing a growing need to effectively channel other sources of funds/revenue that are deemed a feasible source of taxation. Ofoegbu et al, (2016) argues that many countries worldwide are relying on taxation to satisfy their economic requirements. The tax offers a predictable and stable income stream to finance development goals (Egbunike et al, 2018). Gitaru (2017) believe that an effective and efficient tax scheme can help the state produce sufficient income to cover its projected spending, satisfy people's requirements, and engage efficiently in the global economy.

In recent years, tax authorities have turned their hands to a novel method for detecting tax evaders. The need to enhance voluntary tax adherence in Nigeria has led to numerous consecutive governments attempting to reform taxes. Suffice it to say that these reforms have failed to boost the anticipated rise in tax revenue over the years, and this has snowballed into an unarguable tax gap as disclosed in the country's share of income taxes in the country's complete income profile. Statistical proof indicates that the percentage of income taxes to total government revenue has been low (Ojong et al, 2016). This poor tax compliance behaviour often referred to as the "compliance puzzle" in the literature is a challenging country-wide experience, but is suspected to be more critical in developing economies.

Proposed models have attempted to determine the magnitude of tax compliance if correlated with the likelihood of detection and the degree of punishment and recognized tax rate, penalty and probability of detection as variables affecting the behaviour of taxpayers. In modelling tax compliance, the response implied by Allingham and Sandmo's model under the traditional compliance principle is fear of detection and retribution. However, this model is inadequate in explaining the motives and intentions for tax compliance (Huff, 2022; Erul, 2020; Kouroub & Oubdi, 2022; Buettner & Grimm, 2016). The argument is that tax compliance may be subdivided into compliance resulting from the enforcement or the influence of tax authorities and voluntary compliance. While the Allingham and Sandmo (1972) model provides justification for the proportion of total compliance reported by enforcements that may be specified as a function of the likelihood of penalty and detection, it does not provide explanations for what may inspire voluntary compliance, i.e. compliance with tax laws without being compelled by the tax authority to do so.

There are indications in Nigeria that the government institution at all levels is intertwined with a web of public distrust and declining public trust (Agbo & Nche, 2022; Ezeibe, et al, 2022). Abou Assi and Trent (2016) state that, on the one side, there is a large gap between the rhetoric of transparency and accountability and, on the other, a demonstrable commitment to values in political actors' actions. This leads to a logical question that interestingly expands the problem of compliance; what would lead people to act more honestly, provide accurate data, and willingly enhance the level of tax compliance?

One answer to this question is the existence of an intrinsic motivation to pay taxes, which has been sometimes called, "tax morale" (Owusu et al, 2022; Irawan & Khoirunurrofik, 2021). Tax morale has evolved as an instrumental component in understanding voluntary tax compliance. Moreover, the perception of government accountability by citizens is an instrumental factor that shapes the emergence and maintenance of tax morale, resulting in voluntary tax compliance. A critical challenge of tax administration in the 21st century is how to advance the frontiers of professionalism, accountability and awareness of the general public on the

imperatives and benefits of taxation in our personal and business lives which include: promoting economic activity; facilitating savings and investment; and generating strategic competitive advantage (Porter, 2015).

After a review of the literature, it has been noticed that researchers have not placed under scrutiny the effect of whistleblowing on voluntary tax compliance. Research on tax compliance has focused on economic factors such as tax audits and penalties in order to deter tax evasion. While many developed countries use tax-related whistleblowing programs, the direct effect of these mechanisms is usually negligible (approximately, 0.05% in the US, and even less than that in the UK). The small direct effect of whistleblowing programs on tax revenues, combined with the negative social externalities and the possibility of false reporting, raises a question about their overall effectiveness, especially in developing countries like Nigeria. This creates a need to examine the relationship between whistleblowing and voluntary tax compliance in Nigeria.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Taxation

Taxation is an instrument employed by the government for generating public funds (Gadenne, 2017). It is a required payment imposed by the government on the income, profit or wealth of individuals, groups of persons, and corporate organizations. According to Okwara and Amori (2017), a well-designed tax scheme can assist governments in developing nations prioritize their expenditure, creating stable institutions, and enhancing democratic accountability. The primary aim of a tax is to allow the public sector to finance its operations in order to attain the financial and social objectives of some nations. It may also be for the purpose of wealth redistribution to guarantee social justice (Moore et al, 2018).

Taxes can therefore be used as a tool for attaining both micro and macroeconomic goals, particularly in developing nations such as Nigeria. However, Babatunde et al. (2017) comment that the declining rate of tax revenue generation in developing nations makes it hard to use tax as a tool of fiscal policy to achieve economic development.

2.1.1.1 Taxation in Nigeria

Different types, forms and classes of taxes exist (Bemelmans-Videc et al, 2017) but the commonest classification in Nigeria is that the taxpayer is categorized as direct or indirect. The direct tax is a levy on personal, corporate income or property. Examples are Personal income tax, company income tax, petroleum profit tax, and capital gains tax. When the imposition is on the price of goods and services, then it is called an indirect tax. Indirect tax is payable on the consumption of products and services associated with import duties/tariffs, export duties, value-added tax and excise duties. In Nigeria, the government can emphasize any one of the tax forms depending on the objective it wants to pursue.

In Nigeria, different legislations that allow the government to tax its citizens and increase the tax revenue of the country exist. These legislations are the Personal Income Tax Amendment Act 2011, the Companies Income Tax Amendment Act 2007, and the Petroleum Profit Tax Amendment Act 2004. Others are the Capital Gains Tax Amendment Act 2004, the Value Added Tax Amendment Act 2007 and the Education Tax Amendment Act 2004. The agency of the federal government in charge of the administration and collection of these taxes, (except customs/excise duties) up to April 2007 was the Federal Board of Inland Revenue

(FBIR). In 2007, the board was scrapped and replaced by the Federal Inland Revenue Services (FIRS).

Every year, Nigeria reported a rise in tax revenue above the goal. Taxation recorded by the Federal Inland Revenue Service (FIRS) raised from N2.83 trillion to N4.71 trillion between 2010 and 2014. These statistics do not include taxes gathered by tax officials in the Local Government Revenue Committee (LGRC) State Board.

Payment of tax is a civic duty and an obligation imposed on her subjects and companies by the government to enable her to finance or run utilities and perform other social responsibilities. But the quantity of income that government generates from such taxes for its spending relies, among other variables, on taxpayers' readiness to willingly comply with tax legislation. Failure to comply with the tax regulations means that the taxpayer may commit an act of non-compliance. Tax non-compliance happens through the inability to file tax returns, and revenue misreporting (Mabe-Madisa, 2018).

Following the increasing cases of tax noncompliance, especially tax evasion and its consequences on the ability of the government to raise public revenue, the critical question that comes up is why some individuals pay their taxes and others rather evade taxes. This issue of tax evasion, avoidance and tax compliance has been a serious growing problem in almost all countries of the world (Alm, 2021).

According to Egbunike (2018), tax contributes a significant percent to Nigeria's gross domestic product (GDP). In addition, oil prices have fallen on the world oil market and this has an adverse impact on the country's income profile, as the nation has been a mono-product economy dependent on oil income since the 1970s. Tax remains the inexhaustible source of income and should be the focus of government, particularly in the age of world oil price volatility. Tax compliance has been a problem in many developing nations

Most of the previous research on tax compliance concentrated on economic factors such as tax audits and penalties to prevent tax evasion. However, this strategy has been criticized by scientists who think of the need to examine non-economic factors in order to fully comprehend the compliance behaviour of taxpayers. One of those non-economic factors that most tax compliance research has ignored is whistleblowing, a potential component that could explain the puzzle of tax compliance.

2.1.1.2 Voluntary Tax Compliance

The need to examine the problem of voluntary tax compliance as a subset of the wider body of information on tax compliance emerged, driven by the inadequacies of the prevalent tax compliance orthodoxies to capture the percentage of complete compliance not accounted for by economic models. Allingham and Sandmo (1972) in their proposal based on the economic perspective of tax compliance, which offered a significant foundation for enforcement approaches to guarantee compliance, asserted that the tax rate, punishment and probability of detection are factors affecting the behaviour of taxpayers. In modelling tax compliance, the answer implied by Allingham and Sandmo's model under the traditional compliance theory is fear of detection and punishment.

However, the model was criticized and several surveys showed the constraints of enforcement approaches (Graetz & Wilde 1985, Alm, McClelland & Schulze 1992, Frey & Feld 2002). Specifically, Bates (2017) presented that this concept of deterrence, however, only accounts for a small part of a much larger level of compliance. It has such bad explanatory authority because it assumes that the choice to comply is based exclusively on a

cost-benefit analysis in which individuals rationally weigh the advantages of non-compliance against the cost of detection and penalties. In this respect, Owusu et al (2022) shows that intrinsic motivation is also important in explaining compliance behaviour.

The opinion of Owusu et al. (2022) is suggestive as stated previously, that there is an unattended proportion of systematic compliance unexplained by enforcement mechanisms and the general deterrence theory and this creates the platform for examining voluntary compliance. In their contribution, Batrancea et al. (2019) submitted that compliance might be voluntary or enforced compliance. Voluntary compliance is made possible by the trust and cooperation ensuing between the tax authority and taxpayer and it is the willingness of the taxpayer on his own to comply with the tax authority's directives and regulations.

Voluntary tax compliance is also a tax scheme based on taxpayers complying with tax legislation without being forced to do so by the tax authority. Under this scheme, taxpayers are anticipated to report their revenue, calculate their tax liability, and submit a tax return (Reese-Jones, 2018). Lubian and Zarri (2011) claim that several empirical studies have shown that taxpayers are franker and can react more willingly in fulfilling their tax obligations than classic models of deterrence inspired by the approach to crime economics would predict. They further asserted that citizens might be motivated by a favourable moral approach towards taxation, so it may not be suitable to define compliance behaviour as a purely economic choice under uncertainty or merely a function of enforcement.

Researchers (Owusu, et al, 2022; Sigle et al, 2018) ascribed the voluntary compliance response to a set of inherent motivations or attitudes often referred to as tax morals. Tax morale emphasizes that inner motivations, social norms, personal beliefs, cognitive processes and a sense of moral obligation to pay taxes can help clarify the motive for voluntary tax compliance. Thus, positive morality may signal greater voluntary compliance, while adverse morality will signal lower voluntary compliance. Several studies have recognized the factors that can generate and retain tax morale and boost voluntary tax compliance. According to Alasfour et al. (2016), socio-demographic factors that are usually agreed to be critical determinants of conduct have also been noted to affect tax morale. Most theories about the impacts of socio-demographic variables on compliance conduct have been created by social psychologists. Tittle (1980) claims that women may show greater favourable tax morale that suggests greater voluntary compliance than men do. McCulloch et al. (2021) further claims that the reason might be that women are more risk-averse than men are.

According to Strielkowski and Čábelková (2015), religiosity; measured as church attendance and the perceived degree of religiosity may also play a role in tax morale and voluntary compliance as those who take their religion to the heart may find attempts at noncompliance have been "unrighteous". The finding of Horodnic (2018) also support this view as their results suggested a positive correlation between church attendance/religiosity and tax morale.

Kiow et al. (2017) asserted that if taxpayers perceive that the level of conversion from tax to public goods is small, taxpayers will feel that the government has not maintained its contractual obligation, as a consequence of which the tax morale will be adversely impacted, leading to a deterioration in voluntary compliance. Machogu and Amayi (2016) also presented that the delivery of quality service to taxpayers will reinforce their readiness to comply with tax laws and regulations voluntarily, thereby contributing to the general level of tax compliance. Castañeda (2021) asserted that the individual's perception of personalized inequity or equity could be rationalized and reflected in their tax morale and compliance behaviour.

2.1.2 Whistleblowing

Though there is no generally accepted definition of whistleblowing, it is usually described as the deliberate disclosure of information about illegal, immoral, or illegitimate practices by current or former organization members to persons or organizations that may be able to effect action (Carollo et al., 2020). The term "whistleblower" became popular in the early 1970s since it allowed to avoid existing expressions ("informer", "snitch", "denouncer") that all have more or less negative connotations. The struggle about words and definitions points to the profound ambiguity in the way whistleblowing is ethically perceived by the public. Essentially, this ambiguity can be attributed to the fact that social enforcement raises conflicts of loyalties which are often hard to resolve.

The social acceptance of whistleblowing relies on several factors. First, not every legal norm is supported by a corresponding social norm, and the intensity of the fundamental social norms may also differ. Broadly speaking, the weaker the fundamental social norm, the greater the social rejection of reporting behaviour. Second, whistleblowing always includes breaking down some ties of allegiance, but the power of these ties differs the greater the social expectation that some type of confidence should not be violated, the more pronounced the social rejection of whistleblowing (Koch, 2007). Third, the acceptance of whistleblowing hinges on the perceived motives of the whistleblower: The more selfish the motives, the lower the acceptance of whistleblowing

Inasius (2019) defines tax compliance as the degree to which a taxpayer complies with or fails to comply with their country's tax regulations. The aim of an effective tax administration in any nation is to guarantee voluntary tax compliance using any legal means that may also involve the use of sanctions. Jayawardane (2015) noted that one of the most important variables that can affect the compliance conduct of a taxpayer is the fairness of the tax scheme put in place. If taxpayers see the tax scheme as unfair, they may not be prepared to conform, thus participating in non-compliant behaviour. This again relies on the level of experience and understanding that the taxpayer has about the tax scheme.

2.2 Theoretical Review

The context of this research for tax compliance assessment is the theory of moral sentiments by Adam Smith in 1759. The Theory of Moral Sentiments (1759) by Adam Smith offered an overview of virtue-based ethics (prudence, patience, bravery, fairness, kindness, where Smith combined the virtues of temperance as well as courage into the virtue of self leadership) that could be utilised to all aspects of humanity - politics, ethical, socioeconomic, civic, and institutional. The Theory of Moral Sentiments uses moral motivation to effectively offset strong self-interest and generate concern for the wellbeing of others (Batson, 2017)

Moral theories or normative ethics theories are intended to assist us to figure out what activities are correct and incorrect. Popular normative theories include utilitarianism, categorical imperative, the morality of Aristotelian virtue, and so on. Morality is the inner incentive to act in accordance with one's sense of what is appropriate and correct to do in a specified scenario. Morality drives committing an offence like murder because they consider the taking of the life of another person to be immoral, regardless of its legality.

Empirical proof demonstrates that individuals are more prepared to comply with the law when they think that the law is consistent with their moral values. Whistleblowing provides a significant foundation for the avoidance of deviant types of behaviour such as tax evasion (Tittle, 1980). Religions socialize individuals in such a manner as to curb deviant views and behaviours as it gives adverse definitions of deviance. Moreover, religions often discourage

deviance and encourage anti-deviant attitudes through threats of eternal damnation, time spent in purgatory, and so on (Horodnic, 2018).

2.3 Empirical Review of Literature

Olaoye and Ekundayo (2018) examined the impacts of tax auditing on tax compliance in Ekiti State, Nigeria. Results showed that tax precision and current returns have not substantially affected tax compliance, that tax law has an impact on tax compliance, and that tax procedure has no impact on tax compliance during the study period.

Aladejebi (2018) examined the level of tax compliance among small and medium-sized enterprise (SME) owners in Nigeria. Findings showed that female SME owners are more tax-compliant than their masculine counterparts.

Nyor, Jonathan and Mustapha (2018) examine the determinants of voluntary tax compliance in Kaduna State Nigeria taking self-assessment, income tax rates and penalties as given by PITA 2011, in order to determine whether the Act has substantially influenced voluntary tax compliance in the State. The research shows that the amended provisions of PITA 2011 on self-assessment, income tax rates and penalties are capable of improving voluntary tax compliance, but a bad understanding of tax legislation, a volatile economy and administrative bottlenecks have impacted the power of the Act.

Eiya, Ilaboya and Okoye (2016) empirically examine Nigeria's impact of religiosity on tax compliance. From analysis, we found no significant difference in the tax compliance behaviour of Christians and Muslims in Nigeria. The article found that religious beliefs alone do not play an important part in making taxpayers responsible for tax compliance. However, Nigerian taxpayers are not heavily affected by the tax authority's threat of penalty but by other factors that are more influential in promoting their readiness to comply willingly with tax legislation.

Modugu, Eragbhe and Izedonmi (2012) examined the link between public accountability and voluntary tax compliance. The findings were in the affirmative suggesting that the perception of public accountability by people is an instrumental factor that shapes the development and maintenance of tax morality resulting in voluntary tax compliance.

Anyaduba, Eragbhe and Kennedy (2012) examine the impacts of deterrent tax policies on tax compliance in Nigeria. It has been noted that the current deterrent tax policies in Nigeria are insufficient and have not helped to encourage tax compliance in the nation. It was also found that fostering voluntary compliance and improving the morale of taxpayers will improve tax compliance.

Atawodi and Ojeka (2012) assess and rank the factors that cause SMEs to fail to comply with tax obligations. It was discovered that high tax levels and complicated filing processes are the most important factors causing SMEs to fail to comply. Other variables, such as numerous taxation and the absence of adequate enlightenment, only influence tax compliance among the SMEs surveyed to a lower extent.

According to Rotberg and Gisselquist (2009), there seems to be a correlation between the perception of governance accountability score and income tax revenue efficiency, for example, Nigeria had a 2.5 percent income tax ratio and a good governance score of 49.6 percent; South Africa had 14.4 and 69.4 percent, while Uganda had 3.8 and 57.9 percent respectively in 2006. Individuals in a specified state generally and willingly recognize and trust their government to meet the tax burden, in specific, if the government and/or country

provide them with circumstances that improve and safeguard their human dignity, triggering their morality and respect for moral norms.

Tansey (1995) argues that for the citizens to have a sense of obligation to the state there must be a rational relationship between the citizens and the state. Tyler (1998) in his opinion submitted that this obligation is a basic requirement of the relationship between the citizens and the state suggesting that citizens are not an unwilling element, but a conscious and voluntary partner in such a relationship. Thus, for citizens to demonstrate support for the government, the state must have been seen to play its part. In this regard, Azeez (2009) notes that political obligation, therefore, is a function of the extent to which the state can better the lots of its citizens. If governments are perceived as accountable, more people will pay their taxes “voluntarily”, which lowers the need for coercion and generally reduces the costs of tax collection. Conversely, if people do not see their governments as accountable, there is an increased likelihood that state demands for (new or higher) taxes will be met with protest and violence that is costly and might even jeopardize the position of those in power.

According to Everest-Phillip and Sandall (2009), the public perception of government accountability can affect tax morale and tacit, voluntary compliance. Both authors argued that the government can fulfil its obligations to the people by paying taxes. Therefore, it follows that how the government goes about fulfilling these commitments should matter to taxpayers because they provide the financing for their sustenance. As a consequence, governance affairs can affect taxpayers' tax morale either positively or negatively. The tax function creates a relational vertical contract between the government and taxpayers which Lassen (2003) defined as the expectation of requisite public goods in exchange for taxes paid as the terms of that vertical contract. According to the argument of quid pro quo, complying with tax law provisions depends in part, on whether the political goods provided by the government are sufficient in return for the taxes they are paying. Levi (1988) claims that if it is considered by taxpayers that the level of conversion from tax to public goods is small then taxpayers will feel that the state has not maintained its contractual obligation, as a consequence of which the tax morale will be adversely impacted, resulting in a deterioration of voluntary compliance.

In light of the extant literature, the following hypothesis is stated for the purpose of the study.

H₀: Voluntary tax compliance is not significantly influenced by whistleblowing in Nigeria.

H₁: Voluntary tax compliance is significantly influenced by whistleblowing in Nigeria.

2.4 Gaps in The Study

After a review of the literature, it has been noticed that researchers have not placed under scrutiny the effect of whistleblowing on voluntary tax compliance. Research on tax compliance has focused on economic factors such as tax audits and penalties in order to deter tax evasion. While many developed countries use tax-related whistleblowing programs, the direct effect of these mechanisms is usually negligible (approximately, 0.05% in the US, and even less than that in the UK). The small direct effect of whistleblowing programs on tax revenues, combined with the negative social externalities and the possibility of false reporting, raises a question about their overall effectiveness, especially in developing countries like Nigeria.

3.0 Methodology

A survey research design was used in this study. This research strategy was considered necessary because of its ability to view comprehensively and in detail the major questions raised in the study. The research design was adopted in order to get the opinion of taxpayers

on tax compliance. The area covered was the Bells University of Technology community which served as the population of the study. The respondents that were selected are only those that filed tax returns. A sample of fifty respondents was selected based on those who file tax returns and were willing to participate in the study. The questionnaire was designed with questions to cover the variables of the study. All of the questions are closed questions with multi-statements designed on a Likert scale of five points.

The study also made some necessary assumptions; that the scores collected are normally distributed and that scores for each of the statements are independent of one another. The data collected was analyzed using descriptive statistics, and the Ordinary least square (OLS) regression technique which was adopted due to its cherished properties of unbiasedness, efficiency and consistency. Also, to test for reliability, Cronbach alpha was applied. The data was estimated with the aid of a computer software Statistical Package for Social Sciences. The model specification is as follows:

$$\text{Tax Compliance} = F(\text{Whistleblowing}) \dots\dots\dots (i)$$

The apriori expectation for this study is that whistleblowing is expected to have a positive effect on tax compliance.

4.0 Data Analysis

In conducting this research, a total of fifty (50) copies of the questionnaire were administered. A summary of the results from the analysis is presented in the tables below:

Table 1

Cronbach Reliability Test

Cronbach alpha	No of items
.816	10

Source: SPSS output

Table 1 evaluates the measurement scales and the items that form the scales. The Cronbach coefficient for this research work has a value of 82% which depicts that the scales and the items of the research instrument have internal consistency.

Table 2
Demographic Statistics

	Frequency	percentage
Gender		
Male	33	66%
Female	17	34%
Age		
18-30	19	38%
31-40	22	44%
41-50	9	18%
Religion		
Christian	28	56%
Islam	22	44%
Education		
B.Sc.	26	52%
M.Sc.	17	34%
PhD.	7	14%
Income Level		
Low Level	13	26%
Middle Level	28	56%
High Level	9	18%

Source: SPSS output

Hypothesis

H₀: Voluntary tax compliance is not significantly influenced by whistleblowing.

H₁: Voluntary tax compliance is significantly influenced by whistleblowing.

Table 4.1.1a: Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	X ^{1b} (Whistleblowing)	.	Enter

a. Dependent Variable: y (Voluntary Tax Compliance)

b. All requested variables entered.

Table 4.1.1b: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 ^a	.737	.701	1.63946

a. Predictors: (Constant), x^2 (Whistleblowing)

Table 4.1.1c: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.221	.581		17.604	.000
	X^1 (Whistleblowing)	.428	.035	.563	12.192	.000

a. Dependent Variable: y (Voluntary Tax Compliance)

The second hypothesis is to examine the relationship between employee reward and organizational effectiveness. Table 4.2.2b reveals that the R-Square is 0.737 (73.7%), while the adjusted R-square is 0.701 (70%). This implies that 73.7% of the total variation in the dependent variable y (voluntary tax compliance) can be explained by the explanatory variable x^2 . The coefficient of x^2 (whistleblowing) is 0.563, while the p-value is .000. This means x^2 (whistleblowing) is positively signed and statistically significant at a 5% level of significance. By implication, an increase in whistleblowing will lead to an increase in voluntary tax compliance. Therefore, the null hypothesis that posits that there is no relationship between whistleblowing and voluntary tax compliance is rejected. These findings are in tandem with the findings of Modugu, Eragbhe and Izedonmi (2012) study which expressed that the perception of public accountability by people is an instrumental factor that shapes the development and maintenance of tax morality resulting in voluntary tax compliance. These findings imply that there is a need to promote the culture of whistleblowing in Nigeria, which would bring about an increase in voluntary tax compliance by citizens of Nigeria.

5.0 Conclusions and Recommendations

This study has made effort to provide empirical evidence that there is a positive and significant relationship between whistleblowing and voluntary tax compliance in Nigeria. The findings of the study have several implications for policies and practices currently employed by the authorities in Nigeria. These findings appear to be consistent with OECD's (2004) prescription on ways developing countries can increase their revenue base through taxation. This provides a growing response to compliance behaviour so as to make it easier for those who want to comply to do so and apply enforcement to those who do not. Therefore, this study recommends that;

- i. The Government should also ensure that taxpayers understand their tax obligations and find them easy to comply with. This may require that the government and revenue authorities

- should, at all times, act with integrity and in a manner that is perceived to be fair and reasonable.
- ii. The government should make tax compliance friendlier to increase the level of tax compliance.
 - iii. The government should embark on Tax education for SME owners as some of them are not aware of their Tax obligations to the government
 - iv. Improve incentives for voluntary tax compliance

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