

Explanation of individual, social, intra-organizational and extra-organizational factors in the development and promotion of taxpayers' tax culture and their ranking from the point of view of experts

Leila Asgharpour¹ & Masoud Pourkiani^{2*}

Keywords: *Individual factors, socialization, intra-organizational, extra-organizational, tax culture*

Article Type: Research Article

Corresponding author's
Email:
m.pourkaini@yahoo.com

Abstract

Background and purpose: Efforts to create a progressive and strong tax culture in the country can have an important effect on reducing costs, increasing government revenues, and creating effective controls, the result of which is an increase in social justice and public welfare. Therefore, the current research aims to explain the individual, social, internal and external factors in the development and promotion of the tax culture of taxpayers and their ranking from the point of view of experts. **Methodology:** This research is applied and developmental in terms of purpose and terms of data collection, hypothesis testing, and conclusion; the research method is descriptive, survey, and correlational. For this purpose, a questionnaire was designed, and questions were asked using 21 variables identified in the literature, research background, and experts' opinions. The statistical population of this research is 30 experts. Both field and library methods and questionnaire tools were used to collect data. The validity of the questionnaires was calculated and confirmed by the experts using the content validity method. The reliability of the questionnaires was obtained using Cronbach's alpha test above 0.70 and was confirmed. The collected data were tested using a t-test and Friedman's SPSS software to test the research hypotheses. **Results:** The results showed that the factors related to the development and promotion of tax culture include individual factors, socialization, and internal and external factors. **Conclusion:** The final results of this research showed that each factor related to the development and promotion of tax culture is at a favorable level.

This article has been published as open access according to CC BY-NC 4.0.
All rights to publish this article belong to the author.



How to Cite:

Asgharpour, L., & Pourkiani, M. (2022). Explanation of individual, social, intra-organizational and extra-organizational factors in the development and promotion of taxpayers' tax culture and their ranking from the point of view of experts. *International Journal of Innovation in Management and Organizational Behavior*, 2(1), 64-75.

1. PhD Student, public administration, Kerman Branch, Islamic Azad University, Kerman, Iran.

2. *Corresponding Author: Assistant Professor, Department of Public Administration, Kerman Branch, Islamic Azad University, Kerman, Iran.

Introduction

Through socialization, society tries to teach its members the correct patterns of behavior and, more precisely, the social norms. What we do is the result of what we have been taught, and if there is a gap in our behavior, it means that we have either not been taught or have forgotten it. In any case, the tax culture is a mixture of attitudes, beliefs, beliefs, actions, and reactions that we find toward the tax system, and through it, we learn what to do with the tax system. We have a duty, and what role should we play? The financing of government expenses through tax revenues is one of the topics that has attracted the attention of statesmen in recent years in developing countries, including Iran (Mahboubi et al., 2011). Efforts to create a progressive and strong tax culture in the country can have an important effect on reducing costs, increasing government revenues, and creating effective controls, increasing social justice, and public welfare in such a way that the rate of development of the tax system of each country is considered as one of the main symbols of the comprehensive and balanced development of that country. The key role of culture is not limited to implementing tax laws. In all democratic societies, the level of growth and awareness of the laws and their consequences make the systems more and more fruitful. For this purpose, the policymakers of these types of societies believe in the direct relationship between culture and law (Salehi et al., 2014).

One of the most important concerns facing the tax system is the issue of improving the tax culture. It takes time to create and change the culture, and the country's tax system must plan to create a culture and institutionalize appropriate tax values and beliefs. The belief should be created in the society that every generation is obliged to cover the expenses of running the country during its lifetime. Resources and wealth that belong to future generations should be used for productive investment. In order to create this culture, the ground must be provided so that people can confidently enter the field of economic activities. Tax is one of the best and most powerful economic tools, with various functions regulating society's economy (Martik et al., 2008). The tax system has a prominent role in the country's economic development. Taxes are a source of government expenditure on the one hand and a complex tool to create tax justice on the other hand. Improving the tax system of any country requires investigating and analyzing many issues and finding appropriate solutions. The tax system must work so that people believe in it. In the last half-century, our country has gone through a history of ups and downs in terms of taxes. In all democratic societies, the growth rate and awareness of the laws and their consequences make the systems more fruitful. For this purpose, the policymakers of this type of society believe in the direct relationship between culture and law. Although it is impossible to predict a fixed standard for cultural growth in all societies, the thing common in all societies is the reaction and effectiveness of laws from the culture of each society. However, the ruling spirit of the laws cannot be separated from people's thinking about the law, and

customs and habits are also used in creating laws. However, it should be kept in mind that harmonizing people's attitudes about this particular word in dealing with important phenomena requires planning and foresight. Creating intellectual unity depends on specific social and political conditions, and sometimes it requires propaganda and pragmatic measures and the induction of culture among people. It requires education at low levels and growing people (Salehi et al., 2014). By creating a coherent tax system, the government's reliance on oil revenues will be reduced, and a considerable part of its current construction costs will be provided. Although it is impossible to predict a fixed criterion for cultural development in all societies (because there are many factors in the cultural influence of each society separately), but what is common in all societies is the reaction and influence of laws from the culture of each society. (Shams al-Dini and Shahraki, 2016). Although the ruling spirit of the laws cannot be separated from people's thinking about the law, customs and habits are usually used in creating laws. However, it should be kept in mind that harmonizing people's attitudes about this specific term requires planning and foresight in dealing with important phenomena. These are the people who move human societies. Suppose there are worthy, competent, and understanding people in a society. In that case, they develop a single motive; that society's all-around development will be very fast and in the direction of their common motives. Creating intellectual unity depends on specific social and political conditions, and sometimes it requires popular propaganda and actions and the instillation of culture among people. It requires training for low levels and growing people (Qayamati Arani, 2005).

All these materials show an accurate and important point that our tax culture is not good, and our society suffers from the weakness of tax culture. These ratios would grow more realistically if we had a strong culture and tax institution. Also, we were more committed to our tax behavior when opening a business unit, filing a tax file, submitting real tax returns on time, and paying the due tax. Therefore, research in the field of tax culture seems necessary, and its results are important for planning and explaining the strategy to improve the tax culture in the country and open the way for managers in this field. Considering that the study of tax culture in some countries has a relatively long history, it is a very new subject in our country. Although the decision-makers and officials of the tax organization mention it in their speeches and interviews, it has yet to be scientifically researched. In a tax system, paying attention to its culture as basic infrastructure and management is important and necessary. The best tax laws, facilities, methods, resources, and other facilities, regardless of the society's beliefs, values, norms, and the country's tax culture will be ineffective. Based on the research findings and especially the final native model presented, the factors related to the development and promotion of the tax culture of taxpayers are explained, and efforts are made to strengthen the factors that positively affect the development and promotion of the tax culture. Also, the effect of the factors that prevent

the development and promotion of tax culture should be neutralized or moderated; therefore, the result of the study is applicable.

In this article, we intend to answer the following questions:

- 1- What are the components of taxpayers' tax culture?
- 2- What factors are related to the development and improvement of the tax culture of taxpayers?
- 3- What is the ranking of the factors related to the development and improvement of the tax culture of taxpayers?
- 4- What is the status of the factors related to the development and promotion of the tax culture of taxpayers in the studied society?

Methodology

In terms of practical and developmental purpose, in terms of research method, this research is a case-survey description; in terms of approach, it is quantitative research; and in terms of research strategy, it is explanatory research. In terms of the data collection method, it is descriptive case-survey research. According to the criteria mentioned for the sample, the target population was selected by non-probability judgment sampling method, so the subjects, based on their expertise, 35 people were selected as experts. They have been used to explain and identify the factors related to the development and promotion of the tax culture of taxpayers and also to measure the validity of the local model. Based on this, both field and library methods have been used to collect data in this research. In such a way, the library method was used to compile the literature and the background of the research, and the field method was used to collect the data related to the research variables. In this research, questionnaires of factors related to the development and promotion of the tax culture of taxpayers and tax culture have been used. It is worth mentioning that the Delphi technique has been used in various stages of the research, including the design of the initial model, the design of indicators, the determination of related factors, the design of the final model, and the design of the questions of the research questionnaire.

Results

The sample size of experts in this research was determined to be 35 people, of which 25 are men, and 10 are women. Thirty people have a doctorate, five have a master's degree, and 25 are human resource specialists and university professors.

Question 1: What are the components of taxpayers' tax culture?

To investigate and answer the question, what are the components of the tax culture of taxpayers? First, using a t-test, the level of experts' agreement with each component of taxpayers' tax culture was investigated. Considering that the significance level of the test for all variables is less than 5%, the average scores of all the studied variables are higher

than the average in the studied population with a confidence of more than 95%. Therefore, according to the experts, the included variables are suitable for the theoretical model. It is necessary to explain that according to the scores range, the t-test value (average limit) has been considered 3 for all variables.

Table 1: The appropriateness of tax culture dimensions of taxpayers

Factors	Mean	T	Sig
Filing a case in the tax unit	4.6171	.61044	.000
Timely submission of tax returns	4.7905	.29523	.000
Timely payment of taxes	4.4857	.53225	.000

Therefore, the components of taxpayers' tax culture, from the point of view of experts, including filing a case in the taxing unit, submitting tax returns on time, and paying taxes on time.

Question 2: What are the factors related to the development and improvement of the tax culture of taxpayers?

In order to investigate and answer this question, what are the factors related to the development and improvement of tax culture of taxpayers? First of all, using the t-test, experts' agreement with each of the factors related to the development and improvement of taxpayers' tax culture was examined. Considering that the significance level of the test for all the variables is less than 5%, the average scores of all the studied variables are higher than the average in the studied population with more than 95% confidence, so it can be said that according to the experts, the included variables for theoretical models are suitable. It is necessary to explain that according to the range of scores, the value of the t-test (average limit) has been considered as 3 for all variables.

Table 2: The proportionality of the dimensions of the factors related to the development and improvement of the tax culture of taxpayers

Related factors	Mean	T	Sig
Individual factors	4.4498	.26608	.000
Political trust	4.4721	.37129	.000
Familiarity with the rules	4.6411	.29329	.000
Participation rate	4.6107	.49238	.000
Level of awareness	4.0150	.27573	.000
Attitude of taxpayers towards tax function	4.5657	.54121	.000
Socialization factors	4.6163	.35380	.000
Rule of law	4.5619	.48278	.000
Union colleagues	4.4952	.55053	.000
mass communication media	4.2095	.53067	.000
Commitment and adherence to religion	4.7143	.35409	.000
The tradition of taxation in the family	4.7035	.54623	.000
Internal factors	4.5500	.32224	.000
Simplifying the laws and rationalizing the procedures	4.7771	.35570	.000
Proper management of human resources	4.1384	.45264	.000
Increasing the justice and functioning of the tax	4.3071	.57868	.000

organization			
Knowledge and information of tax brokers	4.4952	.56227	.000
External factors	4.3167	.47348	.000
Informing people about the importance of paying taxes	4.5167	.47348	.000
Honesty and sense of responsibility of taxpayers	4.5810	.67322	.000
Educating people with tax laws	4.4685	.59283	.000
People's willingness to pay taxes	4.4085	.46951	.000

Therefore, it can be said that the dimensions of the factors related to the development and improvement of the tax culture of taxpayers from the point of view of experts include individual factors, socialization factors, intra-organizational factors, and extra-organizational factors.

Question 3: Examining the results of Friedman's rating test

In this section, using Friedman's rating test, the factors related to the development and improvement of the tax culture of taxpayers in the studied society have been ranked, the results of which are given below.

Ranking of factors related to the development and improvement of the tax culture of taxpayers in the studied society:

As can be seen in the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05). Therefore, the null hypothesis is rejected, and the claim of the same rank of the classes is not accepted, and it can be said that the internal organizational factors have the highest rank among the factors related to the development and improvement of the tax culture of taxpayers in the studied society. Socialization, extra-organizational, and individual factors are in the second, third, and fourth categories, respectively.

Table 3: Ranking of factors related to the development and improvement of the tax culture of taxpayers in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Individual factors	2/03	4	1125/097	3	0/0001
Socialization factors	2/91	2			
Internal factors	3/00	1			
External factors	2/07	3			

Ranking of the components of individual factors in the studied society:

According to the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05), the null hypothesis is rejected, and the claim of the same rank of the classes is not accepted. It can be said that the attitude of taxpayers towards the function of tax has the highest rank among the components of individual factors in the studied society, and the components of political trust, the level of participation, the level of awareness, familiarity with the laws are in the second to fifth categories, respectively.

Table 4: Ranking of individual components in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Political trust	3/29	2	665/055	4	0/0001
Familiarity with the rules	2/53	5			
Participation rate	3/18	3			
Level of awareness	2/58	4			
Attitude of taxpayers towards tax function	3/41	1			

Ranking of the components of socialization factors in the studied society:

As can be seen in the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05). Therefore, the null hypothesis is rejected, and the claim of the same rank of the classes is not accepted. It can be said that the union colleagues had the highest rank among the components of socialization factors in the studied society. The components of the media of mass communication, legalism, commitment and adherence to religion, and tradition of taxation in the family are in the second, third, and fourth categories, respectively.

Table 5: Ranking of socialization components in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Rule of law	3/36	3	2395/652	4	0/0001
Union colleagues	3/92	1			
mass communication media	3/37	2			
Commitment and adherence to religion	2/25	4			
The tradition of taxation in the family	2/10	5			

Ranking of the components of intra-organizational factors in the studied society:

As can be seen in the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05). Therefore, the null hypothesis is rejected, and the claim of the same class rank is not accepted, and it can be said that the knowledge and information of tax agents has the highest rank among the components of internal organizational factors in the studied society. The components of justice and functioning of the tax organization, correct management of human resources, simplification of legal texts and rationalization of collection procedures are in the second to fourth categories, respectively.

Table 6: Ranking of the components of internal organizational factors in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Simplifying the laws and rationalizing the procedures	1/55	4	2278/295	3	0/0001
Proper management of human resources	2/42	3			

Increasing the justice and functioning of the tax organization	3/01	2
Knowledge and information of tax brokers	3/02	1

Ranking of the components of extra-organizational factors in the studied society: As can be seen in the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05). Therefore, the null hypothesis is rejected, and the claim that the ranks of the classes are the same is not accepted. It can be said that the honesty and sense of responsibility of the taxpayers is the highest rank, and the willingness of the people to pay taxes and to inform the people of the importance of paying taxes is in the second rank.

Table 7: Ranking of the components of extra-organizational factors in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Informing people about the importance of paying taxes	2/53	2	43/833	3	0/0001
Honesty and sense of responsibility of taxpayers	2/55	1			
Educating people with tax laws	2/39	3			
People's willingness to pay taxes	2/53	2			

Ranking of tax culture components of taxpayers in the studied society

As can be seen in the table below, considering that the p-value of the test (0.0001) is smaller than the significance level (0.05). Therefore, the null hypothesis is rejected, and the claim of the same rank of the classes is not accepted, and it can be said that the timely submission of the tax return is the highest rank and the timely payment of tax and filing of the case in the tax unit is in the second and third ranks.

Table 8: Ranking of tax culture components of taxpayers in the studied society

Dimensions	Rank mean	Rank	Chi-square	Df	p
Filing a case in the tax unit	1/81	3	209/409	2	0/0001
Timely submission of tax returns	2/16	1			
Timely payment of taxes	2/03	2			

Findings and results related to the fourth research question

In the fourth research question, what is the status of the tax culture components of taxpayers? For this purpose, a one-sample t-test was used.

Table 9: Descriptive statistics of tax culture components of taxpayers

Components	N	Mean	Standard deviation	t	Sig
Tax culture of taxpayers	2220	4.67	0.35	158.28	0.0001
Filing a case in the tax unit	2220	4.62	0.51	102.82	0.0001
Timely submission of tax returns	2220	4.75	0.46	129.02	0.0001
Timely payment of taxes	2220	4.75	0.40	148.33	0.0001

The above table shows that each of the components of taxpayers' tax culture is at a more than satisfactory level.

Discussion and Conclusion

The experimental results showed that the dimensions of the factors related to the development and promotion of the tax culture of taxpayers are effective on the tax culture. This finding is comparable with the research results of Rezaei (2017). Rezaei (2016) stated that perceived usefulness, ease of use, and social norms positively and significantly affect perceived behavioral control, attitude, and mental norms. Also, perceived behavioral control, attitude, and mental norms positively and significantly affect the intention to file a tax file. Finally, it was found that the intention to file a tax file positively and significantly affects the behavior of filing a tax file. Also, Mashii and Mohammadnejad Aali Zami (2015) showed that one of the obstacles to the realization of income tax is culture tax. Based on this, the feeling of a positive attitude towards the job and the appropriateness of the working environment of tax agents, executive guarantee and respect for clients and protection of the dignity of agents, executive guarantee and respect for clients and protection and protection of the dignity of agents are among the factors influencing the tax culture. The tax culture should be based on voluntary compliance with transparent tax rules that are consistently and consistently applied. In most transitional economies, taxpayers need more knowledge due to the length of the economic plans or because these plans are not tangible. The main planners tried to avoid any contact of taxpayers with direct taxes and relied on indirect or hidden ways of collecting taxes. It is obvious that tax culture is largely influenced by public culture as well as ideological, political, economic, and social factors, and laws are also factors that affect tax culture in society.

Based on this and according to the results of each of the questions and the test of the research hypotheses, suggestions have been made which are mentioned below.

Political trust: The most important factor in tax payment and financial support of the government by taxpayers is that the taxpayers must reach a political trust towards the government and consider the government as their own in order to pay for it. Therefore, the formation and strengthening of political trust are effective factors in increasing the tax culture.

Familiarity with the laws: In order to familiarize the taxpayers with the tax laws, training courses on taxes and tax laws can be provided by tax experts for the taxpayers.

The amount of participation: The tax organization can hold annual appreciation meetings for good taxpayers during tax week or tax day, or trade union day and broadcast it through the national media and press. This way, people are encouraged to get to know each other more and participate better in taxation.

Level of awareness: Since the level of awareness of people regarding tax issues is done by the media, it is necessary for the organization to raise the level of awareness of taxpayers regarding taxes and their payment by using media and advertising tools.

Taxpayers' attitude towards the functioning of the tax: The tax organization should announce the cost and functioning of the tax to the taxpayers and final consumers in order to inform and enlighten the public opinion. In this way, taxpayers' attitudes toward the functioning of taxes will change.

Legalism: Increasing the spirit of legalism is also effective in increasing the tax culture. Nevertheless, the problem arises from the fact that in order to create a spirit of legalism in people, we need political, social, and cultural mechanisms and our social system must be transformed. By moving towards a democratic environment, this process can be accelerated.

Trade union partners: Since trade union partners have an effective role in paying taxes, the trustees of tax affairs and trade unions can make this process more productive by training their members.

Mass communication media: It is possible to familiarize people with tax laws and regulations through different media, preachers, and clerics, or through officials in different positions, experts, academics, and the educational system.

Commitment and adherence to religion: Commitment to religion plays an effective role in increasing tax culture. By taking help from taqlid authorities and religious scholars and holding meetings, and arranging religious lectures to create religious-tax beliefs, we can enrich the tax culture.

The tradition of taxation in the family: the formation of the tradition of taxation in the family requires great cultural work, and it can be approached by paying attention to the process of socialization and the formation of a modern social system.

Simplifying the texts of the laws and rationalizing the collection procedures: The tax organization should resolve the ambiguities in the tax law and the complexities of the tax system and revise the content of some laws.

Proper management of human resources: the tax organization can determine the performance of tax revenues by properly managing human resources in such a way that people are aware of the result of paying taxes.

Development of organizational culture: The tax organization should promote the organizational culture for its managers by holding specialized courses so that the tax culture can be improved by having a high organizational culture and its development.

Increasing the justice and functioning of the tax organization: by specifying how taxes are spent in society and increasing the trust of taxpayers in the tax officials, the organization's level of justice and functioning can be reached.

Knowledge and information of tax brokers: The tax affairs organization can increase the knowledge level of tax brokers by holding in-service pieces of training and upgrading the specialized level of tax brokers.

Informing the people about the importance of paying taxes: The tax affairs organization should use the mass media, universities, and guilds to discuss the importance of paying taxes and the benefit that the country will get for it. Obviously, with information, it is possible to raise people's awareness of the importance of paying taxes.

Honesty and sense of responsibility of taxpayers: encouraging and appreciating good taxpayers can help us to achieve a tax culture. It is necessary to take a different look at good taxpayers and use tax policies and tools to encourage them.

Educating people with tax laws: the tax organization can provide the ground for the self-declaration system to replace the overhead system by paying close attention to the collection of tax information. All people should acknowledge that if they want to provide false information, the tax authority can identify and punish it.

The tendency to pay taxes: The mechanization of tax affairs is considered to be one of the most important and influential factors in creating a tax culture. However, in the third millennium and the modern world, the tax system should be modern and up-to-date so that people do not have trouble paying taxes, and by increasing the level of awareness and responsibility of taxpayers, the willingness to pay taxes can be increased.

Ethics

This research observed ethical standards, including obtaining informed consent and ensuring privacy and confidentiality. Also, while completing the questionnaires while emphasizing completing all the questions, the participants were free to withdraw from the research at any time and provide individual information. They were assured that the information would remain confidential, which was strictly adhered to.

Acknowledgement

The cooperation of all participants in the research is thanked and appreciated.

Conflict of Interest

According to the authors, this article has no financial sponsor or conflict of interest.

References

- Ghamati Arani, H. (2005). Investigating the effective factors on the promotion of tax culture and collection from the point of view of the employees of the Tax Affairs Department of Aran and Bidgol. *Tehran, Higher Institute of Education and Research*.
- Mahboobi, F., Shahbazi Najaf, A. (2011). Tax culture in Iran. *Journal of cultural engineering*, 6(67-68). 55-67.

- Masihi, M., & Mohammad Nejad Alizamini, A. (2015). Factors affecting the tax culture from the perspective of taxpayers and tax experts VAT Office in Tehran. *Journal of Cultural Management*, 9(27), 29-45.
- Rezaei, N. (2017). Investigating the factors affecting the acceptance of tax file filing by taxpayers based on TAM and TPB models (case study: Kermanshah Provincial Tax Administration), *Islamic Azad University - Islamic Azad University Kermanshah Branch - Faculty of Literature and Humanities*.
- Salehi, M., Parvizifard, S., Ostovar, M. (2014). The Study of Cultural Factors' Effects on Tax Compliance in Iran. *J Tax Res*, 22(23).
- Shamsodini, M., & Shahraki, J. (2012). Investigating the effective factors of increasing tax revenues in Iran. *Financial Economics*, 6(20), 69-92.