

An Implementation of Social Norms Approach in Tax Morale Studies in Malaysia

Pelaksanaan Pendekatan Norma Sosial dalam Kajian Moral Cukai di Malaysia

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ABSTRACT

In response to recent calls on a topic that has garnered the significant interest of many researchers in various disciplines, the social norms approach is used to explain factors that motivate taxpayers to comply with tax laws. Several theories attempt to explain the factors that drive the tax morale of taxpayers. Still, a substantial body of research found that social norms theory could provide an explanation about why some taxpayers might comply with tax laws while others do not. However, studies found mixed findings and relationships, and it is still not clear what factors motivate tax morale. This paper aims to explain the implementation of the social norms approach from previous studies, mainly on the relationship between personal norms, descriptive norms, injunctive norms, subjective norms, and tax morale. This paper presents a review of studies from social norms theoretical lens. The findings reveal that the social norms theory provides a suitable theoretical

basis to explore tax morale. Indeed, all the factors until now identified as determinants of tax morale can be categorised as either internalised (personal norms) or externalised (descriptive norms, injunctive norms and subjective norms). The outcome calls for a more nuanced understanding of the effect of internal and external social norms dimensions on tax morale and how these norms emerged from the interactions with others and, consequently, affect tax morale. The significant contribution of this paper is that determining what drives tax morale can greatly assist governments in designing tax policies and their administration, particularly in developing countries where compliance rates are low. This is the first study that adopted the social norms theory to explain the factors that influence tax morale from four different norms taxonomies.

Kata Kunci:

Moral Cukai; Norma Sosial; Norma Peribadi; Norma deskriptif; Norm Injeksi; Norma Subjektif.

ABSTRAK

Sebagai tindak balas terkini ke atas topik yang telah menarik minat ramai penyelidik dalam pelbagai bidang, pendekatan norma sosial digunakan untuk menjelaskan faktor-faktor yang mendorong pembayar cukai untuk mematuhi undang-undang cukai. Sejumlah teori cuba menjelaskan faktor-faktor yang mendorong moral pembayar cukai, tetapi sejumlah besar kajian mendapati bahawa teori norma sosial dapat memberikan penjelasan tentang mengapa beberapa pembayar cukai mungkin mematuhi undang-undang cukai sementara yang lain tidak. Kajian mendapati penemuan dan hubungan yang bercampur-campur, dan masih belum jelas apakah faktor yang mendorong moral cukai. Tujuan kajian ini adalah untuk menjelaskan pelaksanaan pendekatan norma sosial dari kajian-kajian lepas terutamanya mengenai hubungan antara norma peribadi, norma deskriptif, norma perintah dan norma subjektif dan moral cukai. Kajian ini membentangkan tinjauan kajian dari lensa teori norma sosial. Hasil kajian menunjukkan bahawa teori norma sosial memberikan asas teori yang sesuai untuk meneroka moral cukai. Sememangnya, semua faktor yang sampai sekarang dikenal pasti sebagai penentu moral cukai dapat dikategorikan samaada faktor internalisasi (norma peribadi) atau eksternalisasi (norma deskriptif, norma injunksi dan norma subjektif). Kajian ini menyeru penyelidik kepada pemahaman yang jelas bukan sahaja dimensi-dimensi pengaruh norma sosial dalaman dan luaran terhadap moral cukai; tetapi juga bagaimana norma-norma ini muncul dari interaksi dengan orang lain dan akhirnya mempengaruhi moral cukai. Sumbangan utama kajian ini adalah menentukan faktor-faktor yang mendorong moral cukai dimana akan dapat membantu pihak kerajaan dalam merancang dasar cukai dan pentadbirannya, terutama di negara-negara membangun di mana kadar kepatuhan rendah. Ini adalah kajian awal yang pertama kali mengadaptasi teori norma sosial untuk menjelaskan faktor-faktor yang mempengaruhi moral cukai dari empat taksonomi norma yang berbeza.

INTRODUCTION

In recent years, the interest of many researchers in the issue of social norms has been flourishing and growing in multiple disciplines, including psychology, sociology, anthropology, philosophy, and behavioral economics (Legros & Cislighi, 2020; Van Kleef, Gelfand, & Jetten, 2019; & Chung & Rimal, 2016). Specifically, in the psychology discipline, social norms have proven to be a powerful influence on human judgement and behaviour (Van Kleef, Gelfand, & Jetten, 2019). It can determine the behaviours that are perceived to be more socially acceptable with an expected idea of how to behave in a particular situation and culture.

Social norms can substantially impact cognition and behaviour, including effects on perception, judgment, and decision making. Blay et al. (2016) discovered that social norms theory provides valuable insights by emphasising the ability of situational cues and information to generate common expectations for social norms. Furthermore, there is an increasing need and scope for the social norms approach as new norms will be crucial for improving communities (Hawkins et al., 2018). Given the rising prevalence role of social norms in enabling community functioning, it is essential to understand the mechanics of social norms (Van Kleef, Gelfand, & Jetten, 2019). This poses an area for future work to understand better how the elements of social norms affect people's behaviour.

The study of how social norms shape people's behaviour with tax regulations has caught the interest of tax academics. In the current tax compliance research, social norms are one of the most theoretical constructs that could guide individuals' taxpaying behaviour. Despite the experimental evidence demonstrating the importance of social norms on behaviour, a review of past studies indicates mixed but interesting findings. While some researchers found a positive association between the variables, other studies do not find any compliance effects on the role of social norms. Nevertheless, subjective norms and personal norms were significant in explaining taxpayers' attitudes towards voluntary tax compliance (Mohdali et al., 2015). Yucedogru (2016), in his study, has found that personal norms have positively influenced the tax morale of owner-managers of small companies.

On the other hand, descriptive norms had significantly influenced their tax compliance decisions (Shaharuddin, Tajuddin & Palil, 2018). On the contrary, injunctive and descriptive norms seem to have less impact in shaping taxpayers' attitudes towards tax compliance (Mohdali et al., 2015). Therefore, given these contradictory findings in the compliance literature, this study will examine the influence of social norms in tax compliance behaviour and how these insights may contribute to the tax administration and tax policy. However, to capture individual motivations for tax compliance, following Luttmer & Singhal (2014), this study will use the term tax morale.

Numerous studies exploring tax behaviour have shifted their focus from enforcement to voluntary compliance by measuring attitudes and social norms (Garcia et al., 2018; Eileen, 2017). It is a common strategy in the government to strengthen tax enforcement measures to increase tax compliance decisions. However, recent studies showed that reinforcing tax law action only contributed to unsuccessful results (Pacaldo & Ferrer, 2020). The results suggest that tax compliance decisions should include both economic and non-economic factors from psychological and sociological approaches (Lois, 2019; Jimenez & Iyer, 2016). Subsequent research has sought new means of understanding taxpayer behaviour, that is, by incorporating factors beyond strictly traditional economic methods to improve tax compliance. Therefore, considering the social norms approach should complement, not replace, other efforts to improve compliance.

Since tax compliance can be explained by tax morale (Torgler, 2007), improving tax behaviour could be done by understanding tax morale. OECD (2019) added that an increased focus on tax morale provides a route to increase voluntary compliance. Previous studies have shown that a higher level of tax morale would increase willingness and compliance to pay taxes (Atabay et al., 2017). The most recent study by Mitu (2020) has addressed that voluntary compliance is the most efficient and easiest way to collect tax revenue because taxpayers declare and pay tax on their initiatives. A novel aspect of that research highlighted that voluntary compliance, particularly with tax payment, is a form of social responsibility. From this perspective, a social responsibility framework suggests that every individual taxpayer has an obligation to pay tax for the benefit of society. The trend of the results illustrates that inducing social responsibility behaviours among taxpayers would increase the degree of voluntary tax compliance. In this respect, fundamental analysis of the factors contributing to voluntary tax compliance as a taxpayers' social responsibility is essential. Thus, insights into improving tax compliance are expected to contribute to a better understanding of tax morale.

There has been an increasing interest in tax morale studies in recent years, and undeniably, it has become a fundamental aspect of the tax system. Recent work by OECD (2019) regarded that tax morale has the potential to increase tax revenues in both short-term periods and long-term periods. Tax morale, generally defined as the intrinsic motivation to pay taxes. For this paper, tax morale is defined from both psychological and sociological or behavioural perspectives. This phenomenon explains the tax morale concept from a socio-psychological perspective by examining the underlying attitudes, norms and beliefs (Kondelaji et al., 2016). The measurement of tax morale is characterised by attitudes and perceptions towards willingness to pay tax voluntarily (OECD, 2019). A better understanding of factors that influence different tax morale is critical in explaining variations in tax compliance. More research is needed to explain the role of socio-psychological factors that affect the taxpayers' tax morale.

OECD (2019) has suggested that further research on the role of tax morale in developing countries is needed to identify how best to practically incorporate tax morale considerations into broader tax policy and administration in countries. This is the essential motivation for researchers to embark on a study on the determinants of tax morale from the Malaysian context by using an alternative approach which is social norms. As social norms approach is thriving and quest for innovative empirical approach (Van Kleef, Gelfand & Jetten, 2019) and it can be both the consequence and facilitator of social interactions (Hawkins et al., 2019), this study adopts the social norms theory as the underlying theory to explain factors that influence taxpayers in making tax compliance decisions.

The theory is beneficial for empirical research because it provides a role in motivating taxpayers from norm-based behaviour (Van Kleef, Gelfand, & Jetten, 2019). This research is the first step towards a more profound understanding of social norms from the Malaysian context. Since Malaysia has a variety of races and ethnicity, social norms theory will be useful in providing valuable insights into which norms shape taxpayers' morale and compliance. This study aims to explain the implementation of the social norms approach from previous studies, particularly on the relationship between personal norms, descriptive norms, injunctive norms and subjective norms and tax morale.

The paper is arranged as follows. The first section is started with an introduction to the role of social norms in affecting taxpayers' behaviour. The next sections briefly review the historical

development of social norms and elements of social norm theory. The subsequent section provides a discussion on the overall findings on the implementation of social norms constructs. Lastly, the paper concludes with some policy implications and suggestions for future studies.

CHRONOLOGY AND HISTORICAL DEVELOPMENT OF SOCIAL NORMS

A norm is basically a construct that is commonly used to describe and explain human behaviour. Norms have been conceptualised in a variety of ways in psychological phenomena. Dated back to 100 years ago, early definitions of social norms by Sumner (1906) had described those social norms as “folkways” (Chung & Rimal, 2016). They are referred to as traditional customs exhibited by a group because they were originally practical in meeting basic needs. Thirty years later, Sherif (1936) described norms as jointly negotiated rules for social behaviour, the “customs, traditions, standards, rules, values, fashions, and all other criteria of conduct that are standardised due to the contact of individuals”. After another 40 years, which was in the 1970s, Pepitone added norms as “by normative it means that such social behaviour is more characteristic of some sociocultural collective unit than of individuals observed at random”. Starting from the 1990s, norms vary to the extent to which they are injunctive, prescribing the valued social behaviour, versus descriptive, informing us about how others act in similar situations (Cialdini, Kallgreen & Reno, 1991; Cialdini, Reno & Kallgreen, 1990). The most influential work on social norms was contributed by Cialdini & Trost in 1998. With social influence goal-directed, they have contributed to a large body of knowledge on social norms, conformity and compliance.

The study of social norms spans several disciplines, including philosophy (Nichols, 2002), health science (Berkowitz, 2002), information technology (Loch, Straub & Kamel, 2003), gender studies (Butler, 2004), and communication (Smith et al., 2006) as cited by Legros & Cislighi (2019). In 2007, Bobek et al. proved that a primary determinant of tax compliance is social norms. Bobek et al. in (2011), (2013) & (2015) continued their tremendous work in providing more specificity about the effect on social norms. They have successfully developed such reliable and theoretically valid scales representing a comprehensive set of social norms constructs and followed by rigorous empirical evidence on the role of social norms in tax compliance. Immediately in 2016, Blay et al. (2016) extended and reviewed the usefulness of social norm theory, while Chung & Rimal (2016) reviewed social norms terminology, operationalisation and definitional purview across various disciplines. Finally, the most recent work justified that the dynamic nature of social norms has led to their emergence (Legros & Cislighi, 2020; Hawkins et al., 2019; Van Kleef et al., (2019) from new perspectives of norm development. Similar to this paper, research has distinguished between subjective norm or injunctive norms, descriptive norms and personal norms (Niemic, 2020).

ELEMENTS OF SOCIAL NORMS THEORY

Social norms are mainly referred to in the psychological approach. Social norms are the expected and accepted behaviours when people interact with others. Social norms are defined as “rules and standards that members of a group understand and guide and/or constrain social behaviour without the force of laws” (Cialdini & Trost, 1998, p. 152). In short, Mackie et al. (2015) defined social norms as what people in some groups believe to be expected in the group. Garcia (2018) specifically asserted that individuals accurately report their income when they believe that compliance is the norm or psychological contract. In this study, social norm refers to people’s willingness to pay tax voluntarily to fulfil their proper social obligation, and they believe this act is a norm.

Social norms concepts have been widely used in multiple disciplines and have grown in different directions in the literature of social norms (Legros & Cislighi, 2020; Chung & Rimal, 2016). The study of social norms spans several disciplines, including business management (Dannals & Miller, 2017; Morris et al. 2015; Boytsun, Deloof & Matthyseens, 2011), economics (Young, 2015; Burke & Young, 2011); health sciences (Bell & Cox, 2015; Reid, Cialdini & Aiken, 2010), communication science (Chung & Rimal, 2016); international development (Vaitla, 2017; Mackie et al., 2015) and social psychology (Anderson & Dunning, 2014; Cialdini & Trost, 1998). This study focuses on Social Norms Theory from the social psychology discipline point of view as it reviews conformity and compliance of the taxpayers' behaviour.

Social Norms Theory assumes that reference groups may lead or constraint the social behaviour of an individual. Reference group means that an individual will refer to rules and standards that group members understand, and consequently, it will influence his behaviour without the force of law (Cialdini & Trost, 1998; Bobek et al., 2007). Onu & Oats (2015) have identified four different constructs of Social Norms- Theory namely i) personal norms (our expectations for our behaviour (Schwartz, 1971)), ii) descriptive norms (a standard that develops out of our observations of others' behaviour (Cialdini, Reno & Kallgreen, 1990)); iii) injunctive norms (what the group approves or disapproves of), and iv) subjective norms (the expectations of valued others for our behaviour). These norms emerged from interactions with others; they may or may not be stated explicitly, and any sanctions for deviating from them come from social networks and not the legal system. The discussion on the description of each norm, how these norms help achieve their social goal when these norms matter and why norms may influence tax compliance are based on work by Bobek et al. (2013) & Bobek et al. (2015) as presented in Table 1.

The personal norms construct regarded as the primary variable by psychological models aiming to determine and define behaviour. Personal norms can be defined as the ethical beliefs of individuals about what is right and or wrong to do. Motivations to pay tax voluntarily is expected behaviour that flows from internalised values through taxpayers' self-reinforcing. If individuals' personal norms and values comply with tax laws, they will be willing to voluntarily comply with tax laws (Yıldırım et al., 2016). Concerning tax morale, a taxpayer will be more inclined to pay tax if they believe that paying tax is a right responsibility to be discharged to the nation. Given these findings, taxpayers' norms are expected to impact the willingness to pay taxes voluntarily positively.

For descriptive norms construct, watching what others' actual behaviour provide recommendation in compliance decision. Illustrative examples will lead to compliance when tax compliance is viewed as a norm (Bobek et al., 2015). Yıldırım et al. (2016) added that individuals need to observe how others behave to make the right decision when in a new and uncertain situation. Descriptive norms inform individuals of appropriate and most effective behaviour in a given case and help them act accordingly. When it is considered tax morale, a taxpayer will be more willing to pay tax if they believe that tax evasion is limited and that a great majority of taxpayers comply with the tax. Given that, descriptive norms are expected to impact the willingness to pay tax voluntarily positively.

The injunctive norms refer to the perceptions of the attitude that most individuals in a society may approve or disapprove of. Injunctive norms refer to what is required to be done and reveal moral values (Yıldırım et al., 2016). Compliance with injunctive norms results from the desire to develop and maintain social relations. For example, concerning tax morale, a taxpayer will

be more willing to pay tax if they perceive that a majority of people agree that everyone in a society should pay tax. Based on this, injunctive norms are expected to positively impact willingness to pay taxes voluntarily.

For subjective norms construct the norms referring to an individual's perceptions about how a person referent group think he should behave (Bobek et al., 2007). Since subjective norms only reflect the behaviour approved by the individuals close to the individual, they are a specific type of injunctive norms reflecting the society's approval. When it is considered tax morale, a taxpayer will be more willing to pay tax if a taxpayer's perception about what those who are important to him think he should or should not pay tax. Given that, subjective norms are expected to positively impact the willingness to pay tax voluntarily.

Table 1: Social Norms Constructs

	Personal Norms	Descriptive Norms	Injunctive Norms	Subjective Norms
Description	Self-based standards or expectations for behaviour that flow from internalised values.	What one perceives that other people do in a given situation.	The perception of what most people think others should do in a given situation.	A person's perception of what those important to him think he should or should not do in a given situation.
		Watching others provides information about what is "normal" in a novel or ambiguous situation.	They specify what should be done and are the moral rules of the group.	They are one's perceptions of the injunctive norms held by those whose opinions matter most to them.
Social goals are achieved by conforming to the norm.	Managing self-concept.	Effective action – the desire to be accurate in one's choices and behaviours.	Building and maintaining a social relationship.	Building and maintaining a social relationship.
When will they matter?	Enforced through the anticipation of self-enhancement or self-deprecation ("self-reinforcing").	Most likely to use evidence of others' behaviour to decide the most effective course of action when the situation is novel, ambiguous, or uncertain, especially when the source of reference is similar to us.	They motivate behaviour by promising social rewards or punishments. Need not be expressed to direct behaviour. These norms might be more powerful when they are made salient.	When people are motivated to comply with the norms of "referent" others.
Why norm may influence tax compliance	Complying with tax laws is the legal course of action. To the extent that individuals also believe it is the moral course of action, they should be more likely to comply.	If tax compliance is viewed as "normal," then descriptive norms will lead to compliance. If the situation is ambiguous or novel, then it may matter what one thinks others do. High profile cheaters or	To the extent one has a desire to conform to societal norms, injunctive norms should influence behaviour.	The influence of important others might affect the likelihood of feeling guilty. Conformity is greater with friends, family and/or "similar" others. More likely to share tax compliance choices with referent others.

		compliers may cause imitation.		
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Source: Bobek et al., (2011, 2013 & 2015)

The dynamic nature of social norms has led to their emergence (Legros & Cislighi, 2020; Hawkins et al., 2019; Van Kleef et al., 2019). These norms emerged out of interaction with others; they may or may not be stated explicitly. Norms are shaped by complex cognitive processes involved in learning, and social reasoning as individual actions frequently depend upon the beliefs and behaviour of other agents (Hawkins et al., 2019). Van Kleef et al. (2019) highlighted that social-psychological research on norms is thriving and quest for innovative empirical approach. However, surprisingly little is known about how norms emerged. Therefore, this study uses the Social Norms approach to demonstrate the powerful influence of social norms on human judgement and behaviour.

AN IMPLEMENTATION OF SOCIAL NORMS THEORY IN TAX MORALE STUDIES

The social norms approach has been adopted in many tax compliance studies to explain how societal norms influence individuals to comply or not with tax laws (Onu & Oats, 2015). Previous studies have documented mixed results of the impact of social norms on tax morale and tax compliance comprising a positive impact (Shaharuddin, Tajuddin & Palil, 2018; Yucedogru, 2016 and Mohdali et al., 2015), an adverse effect (Mohdali et al., 2015). A substantial body of research found that social norms can significantly impact human behaviour (Shaharuddin et al., 2018). Their study showed that descriptive norms and subjective norms were associated with tax morale among small business taxpayers. It explains why individuals behave as they do and why two people may react differently in the same situations. Although a high level of tax morality does not automatically result in a high level of tax compliance behaviour, analysing the results of previous empirical studies shows that tax morale strongly affects various forms of tax non-compliant behaviours (Horodnic, 2018). Therefore, there is a need for a clear theoretical framework to explain the motivational factors on tax morale.

Why is Social Norms Theory used as a leading theory in this study? Social norms and tax compliance research have been vastly studied for many years. Social norms are defined as “rules and standards that members of a group understand and guide and/or constrain social behaviour without the force of laws” (Cialdini & Trost, 1998, p. 152). The role of social norms is to explain what motivate people to pay tax voluntarily. Blay et al. (2016) found that Social Norms Theory is useful for empirical research because it provides both organisational and individual factors as a role in motivating norm-based behaviour. In addition, social norms can substantially impact cognition and behaviour, including effects on perception, judgment, and decision making, including tax morale and tax compliance behaviour. This has become an issue of great importance recently in exploring the functioning of the social obligation and predicting the motivating factors on tax morale. For all these reasons, this has led to the adoption of Social Norms Theory in this study as it is deemed most appropriate to explain the determinants of tax morale.

McAuliffe (2017), in her study on tax morale and behaviour, has conducted a qualitative research approach by testing the applicability of behavioural theories and framing the contribution of social norms in understanding the empirical results on tax morale. She has recommended that future researchers move forwards to more scientific measurements of the effects of tax morale by conducting a quantitative approach from the Social Norms theoretical lens. She proposed that a significant contribution to the literature would engage in econometric

methods with psychological, scientific or experimental research. Based on this premise, this study extended McAuliffe's prior work by its unique consideration of the tax morale research by performing a scientific approach. This study is believed to be the first of its kind in Malaysia, which adopt the Social Norms Theory in explaining the relationship between variables from the quantitative approach.

Personal Norms

Personal norms differ from descriptive norms, injunctive norms and subjective norms as they refer to individual-level standards rather than the standards of social groups. In the classical definition of personal norms, Cialdini & Trost (1998) explained that humans have the goal of managing self-concept. Therefore, they follow subjective norms, are internally motivated, and are consistent with one's sense of self-worth. In addition, there are several other conceptual definitions of personal norms. Almost 50 years ago, the initial work published by Schwartz (1973, 1977) defined personal norms as self-based standards of behaviour that flow from one's values and are enforced by anticipated self-enhancement or self-deprecation (Niemic et al., 2020). Thus, it is evidenced that personal standards play a significant role in influencing personal norms.

Personal norms refer to individuals' standards of 'right' and 'wrong' behaviour and are part of social norms (Yıldırım et al., 2016; Bobek, Hageman, & Kelliher, 2011). In 2013, Bobek, Hageman, & Kelliher further refined personal norms as one's citations for behaviour may arise in part from the internalisation of injunctive norms. For example, when an individual is complying with tax laws, it is believed that the moral course of action will likely motivate people to pay tax and eventually increase tax compliance. This dimension will predict taxpayers' intention to fulfil their tax obligation by probing at self-based standards or expectations for behaviour that flow from internalised values.

Previous studies have documented factual findings on the influence of personal norms on tax compliance behaviour. The evidence to date suggests that internalised motivation is predicted by strong personal norms and high fairness perceptions (Onu et al., 2019), as presented by the regression analysis results. In the three phases, an empirical study conducted by Yucedogru (2016), personal norms, including religiosity, have been the most influential factor in predicting and explaining tax morale. Personal norms are influenced by a person's awareness of the consequences of their tax compliance decisions and their feelings of responsibility for the adverse effects of not fulfilling their tax responsibility towards the nation.

This study adopted the personal norms construct. It has been empirically tested in a survey conducted by Yucedogru (2016) on understanding tax morale and tax compliance of owner-managers of small companies in Turkey. Personal norms have positively influenced the tax morale of owner-managers of small companies. These results have led this study to predict the impact of personal norms on tax morale among taxpayers in Malaysia.

Descriptive Norms

Cialdini & Trost (1998) are leading social-psychological researchers of social norms. They explain the four social norms taxonomies: personal, descriptive, injunctive, and subjective. Their investigations greatly enriched an understanding of the distinction between descriptive norms and injunctive norms (Mackie et al., 2015). Descriptive norms describe what other people do, while injunctive norms predict what other people think. However, previous studies have shown mixed findings. For example, some researchers found that descriptive and

injunctive are two separate and distinct taxonomies (Pryor, Perfors, & Howe, 2019), while some refer to them as a similar taxonomy.

Theoretically, descriptive norms are commonly used in real-world behavioural interventions by considering the real-world implications. Descriptive norms refer to how individuals behave appropriately when they know that other people behave similarly (Pryor, Perfors, & Howe, 2019; Yıldırım et al., 2016). Earlier, people will look to others' actions to determine their behaviour (Forward, 2011) regardless the behaviour is morally correct or not (Bobek, Hageman & Kelliher, 2011). Latter, Bobek, Hageman, & Kelliher (2013) refined the definition of descriptive norms as "standards that develop out of observation of how others behave in particular situations". Thus, descriptive norms will affect tax morale and tax compliance decision as they reveal the current situation.

In a study conducted on ninety sole proprietors in Malaysia using simple linear regression, descriptive norms had significantly influenced their tax compliance decisions (Shaharuddin, Tajuddin & Palil, 2018). If they feel unsure whether or not they could comply with tax obligations, they are more likely to imitate others' behaviour to pay tax. It has been suggested that this could be a new strategy for tax morale to reinforce descriptive norms in promoting voluntary tax compliance. On the contrary, the results of an experimental study revealed that the descriptive norms had no association with other people, either in groups or outgroups (Pryor, Perfors, & Howe, 2019).

The most recent study suggested that descriptive and personal norms had a more significant influence on conservation behavioural intentions than subjective norms (Niemic et al., 2020; Hallsworth, 2017). It showed that descriptive norms of tax compliance are expected to positively impact tax compliance intentions. They believed that if tax compliance is viewed as normal, then descriptive norms will lead to compliance. In response to these outcomes, this study will predict the impact of descriptive norms on tax morale and tax compliance behaviour.

Injunctive Norms

On the one hand, injunctive norms reflect the perception of what most people think others should do in a given situation. On the other hand, Bobek et al. (2013) refer to injunctive norms to specify what should be done and are therefore the moral rules of the group. In other words, injunctive norms define what one person believes other people's moral standards are (Kostritsa & Sittler, 2017). Injunctive norms refer to the perceptions of which behaviours that most people in a group approve or disapprove of (Cialdini & Trost, 1998) or what society as a whole believes to be acceptable (Jimenez & Iyer, (2016). For example, the degree to which an individual perceives that society believes it is critical to comply with tax law will incur injunctive tax compliance norms.

However, there is a contradiction between Bicchieri's normative expectations and Cialdini's injunctive norm (Mackie et al., 2015). Bicchieri has defined injunctive norms as what people in a group deem to be appropriate behaviour. She explained that an individual believes that some others in the reference group would sanction conformity and nonconformity. In contrast, Cialdini's injunctive norm is indicated by one's "perception of what most people approve or disapprove". Approval or disapproval within a reference group often maintains a social norm. So, a deeper understanding of these parameters is required to fill up the research gap in explaining the relationship between injunctive norms and tax morale.

Many types of research have revealed that injunctive norms have an essential effect on compliance behaviour (Cialdini, 2007). Compliance with injunctive norms results from the desire to develop and maintain social relations (Yıldırım et al., 2016). Compliance follows not so much from applying for approvals but more from the anticipation of either positive or negative expressions and actions (Maet al. et al., 2015). When individuals are motivated to comply with tax, they will adhere even if they believe others will negatively approve noncompliance. The norm is maintained by what people believe would happen if one did not comply although everyone complies. Thus, a social norm can exist and have forced even forced not behaviorally indicated by the application of approvals. Therefore, this study includes injunctive norms to examine their impact on tax morale and tax compliance behaviour.

Subjective Norms

A person's perception of those vital to him thinks he should or should not do in a given situation. They are one's perceptions of the injunctive norms held by those whose opinions matter most to them. Subjective criteria relate specifically to the expectations of significant others, including family members, friends, coworkers (Bobek et al., 2013) and peers (Kostritsa & Sittler, 2017). Since subjective norms only reflect the behaviour approved by the individuals close to the individual, they are a specific type of injunctive norms reflecting the society's approval (Yıldırım et al., 2016).

Using multiple regression analyses, the results demonstrated that subjective norms and personal norms were significant in explaining taxpayers' attitudes towards voluntary tax compliance (Mohdali et al., 2015). These findings contradict the previous studies whereby it was discovered that subjective norm was not a significant influence on sole proprietors' tax compliance decision (Shaharuddin, Tajuddin & Palil, 2018). Thus, it can be inferred that people who are important to them cannot influence their intention to comply with tax laws.

Based on the previous discussion, very little work has been undertaken to validate the social norms approach. Therefore, this study is aimed to explain the factors that motivate taxpayers to comply with tax laws by using the social norms approach, particularly from the Malaysian context. This will highlight the usefulness of social norm theory as it can demonstrate the powerful influence of social norms on human judgement and behaviour. However, there is still a great deal of work to be done in the tax morale study.

CONCLUSION AND FUTURE STUDIES

In conclusion, it is shown that the social norms theory provides a suitable theoretical basis to explore tax morale. Indeed, all the factors until now identified as determinants of tax morale can be categorised as either internalised factors (personal norms) or externalised factors (descriptive norms, injunctive norms and subjective norms). The empirical evidence from previous studies (Shaharuddin, Tajuddin & Palil, 2018; Yucedogru, 2016 and Mohdali et al., 2015) have shown that personal norms, descriptive norms, injunctive norms and subjective norms can explain the reasons why taxpayers have positive attitudes and feel motivated to comply with tax laws. A deeper understanding of what motivates taxpayers to participate in and adhere to the tax system can benefit countries and stakeholders. It sparked the interest to increase knowledge on tax morale that would increase voluntary tax compliance. The paper seeks to encourage governments to use an understanding of tax morale to improve compliance. Tax morale study is vital to assist governments in designing their administration, particularly in developing countries where compliance rates are low, by unlocking what drives tax morale

in Malaysia. By instilling the spirits and motivations in taxpayers' souls to perform their social responsibilities towards the nation.

The outcome is a call for a more nuanced understanding of the effect of internal and external social norms dimensions on tax morale and how these norms emerged from the interactions with others and, consequently, affect tax morale. The major contribution of this paper is that determining what drives tax, moral significance considerably assist governments in the design of tax policies and their administration, particularly in developing countries where compliance rates are low. For future studies, this social psychology research could be further explored by incorporating trust in government. Trust in government is significant in driving tax morale as it reflects taxpayers' belief in government and helps build taxpayers' confidence in government.

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