Stakeholders' Engagement as A Strategy Toward Optimizing Voluntary Tax Compliance: A Case Study of The Nigerian Tax Administration

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DOI : https://doi.org/10.51584/IJRIAS.2024.905026

Received: 29 April 2024; Revised: 11 May 2024; Accepted: 16 May 2024; Published: 14 June 2024

ABSTRACT

Governmentsacross the globedepend on sustainablerevenuesources to fund their country's development. This goal requires citizensto declare their income honestly and pay taxes to support the government's socio-economic programs; as such,the government has a responsibility todemonstrate accountability and transparency in the utilization of tax monies and in fulfillingits social obligations to its citizens. The continuous failure of the governmentto provide citizens with basic social services tends to exacerbatethe trend of tax non-compliance, as citizens would generally overlook the constitutional tax provisions, which require them to pay taxes based on the annual statutory income declaration.This is the general practice in Nigeria, where the level of tax compliance with the self-assessment regime is below 40% (Onyegbule, 2011).Citizenstend to become non-compliant with tax obligations when they cannot see the link between taxes and services that are meant to be enjoyed by them. With the current ineffectivecompliance and enforcementpolicies and strategies implemented in past years, the trend of tax non-compliance continues to get worse; hence, this paper advocates the adoption ofstakeholders' engagement strategy to promote voluntary tax compliance.

The study adopts mixed methods research, primarily using the qualitative, interpretivemethod, on the one hand, and quantitative research method, which uses a survey/questionnaire that was administered to 1.170 subjects who participated in the study. Both approaches are aimed at investigating the role of stakeholders' engagement in tax administration, and to what extent the strategy can positively influence voluntary tax compliance.By definition, stakeholder engagement is the processby which an organization communicates and gets to know its stakeholders, and getting to know the people who might be affected by the decisions it makes,or can influence the implementation of its decisions. The study gathered data from the study participants using qualitative research tools, such as interviews, focus groups, andsurveys/questionnaires with structured questions addressing the subject of tax non-compliance and stakeholder engagement generally. The data were processed through descriptive/inferential statistical analysis (quantitative), and thematic analysis, which helped immenselyto find common trends and patterns in producing appropriate themes thathelped to answer the research questions. The qualitative findings were triangulated with the quantitative results to control the researcher's biasand to cover likely deficiencies of one singleapproach, thus increasing the validity and reliability of the results. Thefindingsand resultssuggested that stakeholders' engagement as a strategy is appropriate and relevant in strengthening tax administration and should be embraced by all tax authorities in their respective jurisdictions to optimize voluntary tax compliance. The study concluded that stakeholders' engagementis a vital catalyst for promoting voluntary tax compliance, with the potential to enhance tax awareness, elicit a positive tax-paying culture among the citizens, and increase the level of tax collection, thus improving countries' tax/GDP ratio.

Keywords: Stakeholders' engagement;Tax non-compliance; Voluntary tax compliance; Key stakeholder.

INTRODUCTION

The idea of adoptingstakeholders' engagement for use in tax administration to promote compliance is informed by the reported successof the police-community relationship activities in various parts of the country, which has helped to reduce crimes and other nefarious activities by some miscreants operating under the guise of cultism. The fact that most of the tax compliance and enforcement strategies being implemented by the tax authorities have failed to achieve a significant improvement in the level of compliancein Nigeria seems to suggestthat a different approach is urgently required to encourage citizens to imbibe tax-paying culture, file regular tax returns honestly in line with the tax provisions in section 24 (f) of the 1999 Constitution. Tax compliance entailsnotifying the tax authorities of one's status as a taxpayer, filing annual tax returns, and adhering to the required payment timelines (James & Alley, 2017). Tax is a mandatory payment by the citizens to the government, for which no direct benefit is expected (James& Alley, 2017).As a measure of compliance, consideration is often focused on payment, filing, and reporting compliance (Okpeyo et al., 2019). Taxation is the inherent authority of the state to impose and demand payment for public objectives (Yin et al., 2016). It is the main mechanism through which the government seeks to redistribute the nation's resources to achieve social balance among individuals (Lewis et al., 2017).The concerns of tax non-compliance are generally pervasive among small and medium-sized companies in Nigeria. The SMEs generate nearly 80% of all new jobs worldwide (Kengne, 2016). In developed and emerging nations, these small and medium-sized enterprises are considered a major contributor to economic progress. These SMEs support not just the expansion of a country's GDP, but also the decline in unemployment (Andika&Setyowati, 2019).

This study recommends the adoption of stakeholder engagement as a strategy to promote tax compliance. Based on its heralded contribution to firm sales and profitability (Beckers et al., 2018), the customer engagement concept has seen rapid dissemination in business literature since the turn of the last decade (Chung et al., 2018; Mirbagheri&Najmi, 2019). Stakeholders' engagementis believed to have the capability to improve corporate governance and accountability (Kootz & Thomas, 2006). Such a strategy intervention will enable the tax authority to focus on vigorous domestic revenue collection activities. It is often identified with role-related interactions, activities, and relationships, covering any marketing stakeholder's dynamics (Hollebeek et al., 2020). Extending customer engagement research, growing recognition exists regarding the need to understand the engagement of stakeholders beyond customers alone, including that of employees, firms, suppliers, regulators, competitors, etc., (Freeman, 1984; Kumar &Pansari, 2016), sparking a recent rise in marketing-based stakeholder engagement research (Viglia et al., 2018. A stakeholder's actions are expected to impact not only him/herself but also others in the social environment (Itani&Hollebeek, 2021). In this interdependent relationship, stakeholders may exhibit cooperative or competitive behavior (Johnson & Johnson, 1989; Wolf et al., 2021). However, to improve tax administration efficiency, that aspectof cooperation will be the interest of this paper. In defining cooperation, stakeholders have compatible goals, leading them to view themselves as working together with others to achieve a common objective that requires mutual support (Geldes et al., 2015). Cooperation thus promotes consensual interactions in which stakeholders assist and encourage each other (Hollebeet et al., 2021)to optimize team performance.

The composition of any effective stakeholder group in tax administration should include the government, tax authority, taxpayers, tax professionals, and the media, all recognized as major stakeholders in the Nigerian tax administration as stated in the National Tax Policy (2016) document. Studies have shown that the path to stakeholder engagement lies in regular communication with project members; if strategically managed, the process will help to determine those who would support or pose obstacles, thus enabling the leaders to leverage that knowledge to influence behaviors (Rahman, 2010).Stakeholder engagement is the process by which an organization communicates and gets to know its key stakeholders, striving to involve people who may be affected by the decisions it makes, or can influence the implementation of its decisions. The engagement aspect is premised on the notion that "thosegroups who can affect or are affected by the achievements of an organization's purpose should be allowed to comment and make input into developing decisions that affect them." (Jeffery, 2009).

BACKGROUND

Tax non-compliance continues to plague most tax administrations, limiting their capacity tocollect the taxes needed to fund growth and development. The trend of poor mobilization of domestic revenues is generally common among the member countries of the Economic Community of West African States (ECOWAS) and also occurs in Nigeria, a country with close to 200 million people and an economy with atotal GDP value of$1.085 trillionand tax/GDP ratio of 6% (ISORA, 2022). Tax non-compliance in Nigeria dates back to the early 1970s when it began to earn oil receipts from its petroleum operations. Theleadership atthe time gave the impression that Nigeria's problem was not with revenue receipts but with how to spend its enormouswealth from petroleum (Agbaeze et al., 2014).The successive governments then began to exhibit fiscal recklessness and insensitivity to thedeclining economic plight of the citizens over time, which has resulted in the current high level of tax non-compliance (Akintoye & Tashie, 2013).Tax non-compliance manifests itself through failure to register for tax, failure to pay tax promptly, failure to declare income and file annual tax returns on due dates, as prescribed by law, and under-declaration of true income/profit earned; all these tax offenses, in addition to the large, untaxed informal sector, largely operating outside the regular tax system, account for the reported tax gap of $46.80 billionyearly, which the tax authorities are not able to collect from the tax system (MoF, 2015). The literature, in part, attributes this non-compliance trend to the structure of the economy, which is dominated by the informal economy, classified by many as the "difficult to tax" group (Mbilla et al., 2018).

Several empirical studies show that the government does not always reasonably apply tax monies to promote efficiency, economy, and expenditure effectiveness (Ekoja&Saratu, 2014), the reason why Nigeria is described as the epitome of poor tax compliance (MoF, 2015). The lack of regular collaboration among the tax authorities at the two-tier level also creates a considerable gap in tax coordination and harmonization efforts to stabilize the country's tax system, resulting in various non-compliant behaviors by citizens.Ojo (2013) posits that taxation is the price citizens pay for civilization, and implementing an efficient tax system will generally enable the government to optimize tax collection and attain societal goals. Fagbemi et al. (2010) noted that governments worldwide require taxes to meet their social infrastructural obligations to the citizens. However, there is large-scale tax evasion and increasing cost of compliance added to the complexity and ambiguity of tax laws, which all contribute to the worsening tax non-compliance situation (Uremadu&Ndube, 2011). The situation has become a serious concern to the government and tax authorities, given that it limits their ability to mobilize adequate taxes to fund the country's developmental goals and objectives (IMF/FAD, 2010). Tax evasion is exceptionally high and rampant among the entire population, particularly among Nigeria's wealthiest persons, not to mention the vast numbers of self-employed individuals, who operate in the informal market sector, and are unknown to the various tax authorities. For example, in 2017, only 214 persons in the country paid more than N20 million ($55,000)in tax. A paltry 9% of companies paid corporation taxes, while only 12% of businesses complied with VAT obligations. The taxpayers need to understand that taxation is not an end, but a platform for improving citizens' welfare.

Various efforts made by past governments to stem the growth of tax non-compliance had yielded only a little impact, as most taxpayers, corporations, and individuals continue to engage in a kind of lottery game to secure tax benefits. Today, less than 20% of taxable individuals are in the taxpayer registers of subnational tax authorities; only 25% of corporate taxpayers are known to the national tax authorities for income taxes and value-added tax (Oyedele, 2015). Realizing that the various tax compliance and enforcement strategies introduced by successive governments and tax authorities have been largely unsuccessful, the researcher has suggested the adoption of multi-stakeholder engagement in promoting tax compliance. Stakeholder engagement is gradually becoming a part of a broader movement toward more networking and extensive collaboration, even in public entities (Kislov, 2018). It is premised on the understanding that "those groups that can affect or are affected by the achievements of an organization's purpose should be allowed to contribute to the decisions that affect them." (Jeffery, 2009).Stakeholders' engagement is premised on the stakeholder theory in firms, which postulates that "a firm should create value for all stakeholders, not just the shareholders." (Freeman, 1984. In addition, Sarker (2015) argues that regular communication is a valuable tool in stakeholder management, capable of facilitating coalition with major stakeholders in the overall efforts to achieve results.

As the knowledge and practice of stakeholder theory are gradually being incorporated into the decision-making tasks in various public/private organizations,a strategic collaboration between key tax administration stakeholders and the government is predicted to help change the tax compliance pattern in Nigeria and create citizens' tax awareness of their obligations to society, as it is now accepted as an interdisciplinary systemic practice and teamwork (Reelofs et al., 2019).There is a growing realization that the government must do a lot more to ensure that the tax administration supports new and modern practices to engender favorable outcomes for all taxpayers (Oliver et al., 2019). This strategy will allow stakeholders to play an active role in essential aspects of tax research, planning, and strategic decision-making that could have an impact on the team's business operations (Lockwood et al., 2010). Engaging with stakeholders has become a part of a broader movement toward more networking and extensive collaboration, even in public organizations (Kislov, 2018).The apparent gap in the literature, which the study hopes to fill, is the common knowledge that, before now, stakeholder engagement in the context of tax administration has been restricted to interactions between taxpayers and the tax authorities. The concept of stakeholders' engagement should be expanded to accommodate all persons who might be impacted by the decisions taken by the tax authorities,particularly all stakeholders in the tax system, comprised of policymakers in the government, tax authorities, the taxpayers, tax consultants, and the media.Stakeholders' engagement accommodates the principles associated with the theory of planned behavior (TPB) which proposes that a person's behavior is affected by several variables, arises for a specific reason, and is planned and coordinated(Akar&Dalgic, 2018). Based on the intended outcome, a person would engage in a particular behavior (Sharif &Naghavi, 2021). The theory of planned behavior influences the current work on tax compliance noting the assertion that various factors could impact behavior. Therefore, it is crucial to have a better knowledge of how attitudes, fairness perception, culture, and conventions affect tax compliance (Taing& Chang, 2021), and how stakeholders' engagement can help to improve these factors.

METHODOLOGY

The study has adopted a mixed methods approach, employing a quantitative method involving surveys/questionnaire administration to 1,172 respondents, distributed across the country's six (6) regions. The qualitative segment included direct, one-on-one interviews and focus groups to gatherrelevant data concerning citizens' willingness or otherwise to fulfill their statutorytax obligation. The study inquiries were focused on various questions that sought to understand whetherthe stakeholder theory in the firm is relevant in tax administration and if stakeholder engagementcan help to promote tax compliance, enhance tax awareness, and elicit a positive tax-paying attitude among the citizens, leading to improvement in the country's tax/GDP ratio. The study questionnaires were distributed to 1,172 respondents, while 58 participants were interviewed, and eight (8)other persons were selected to constitute the focus group. Of the 1,238 subjects who participated in the study, 1,172 were randomly selected for the quantitative segment and 66 persons were conveniently selectedfor the qualitative segment, based on theirexposure and knowledge of the topic of inquiry, and due to their availability and accessibility. The study was completed within 8 weeks, and the team devoted efforts to collecting relevant information from the participants. The research questions were supported with well-defined hypotheses Throughout the data collection exercise, the study team was mindful of the requirements of ethical research principles concerning minimization of the risk of harm to participants, protection of their anonymity and confidentiality, avoiding using deceptive practices, giving participants the right to withdraw from the study, and obtaining informed consent from the participants. The study team ensured that any form of bias that could reduce the results' value, e.g., selection bias, interviewer bias, and confirmation bias, were minimized to controlthe intrusion of bias.This is explained by the fact that researchers need to be conscious of their previous knowledge and disposition to reduce the occurrence of bias while the positionality principle makes it imperative that they must disclose their worldview (Foote &Bartell, 2011), and acknowledge the true self through reflexivity (Cohen et al., 2011).

Participants' responses were analyzed, including the reports of the audio recordings, interview transcripts,and focus group reports, using thematic and content analytical methods. This method involves assigning codes to words or phrases that identify topical issues within the data and organize data in a way that permits further analysis (Bailey, 2007). To achieve trustworthiness, findings from the focus group and interview transcripts were compared with the findings of the survey analysis, and the results weresimilar. At the end of the data processing, seven (7) themes emerged, which attempted to addressthe various issues raised by the participants. For the quantitative segment, descriptive and inferential statistical analysis was employed in analyzing the dataand testing the hypotheses.

ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume IX Issue V May 2024

FINDINGS AND DISCUSSION

Analysis of the demographic information showed that out of the 1,238 participants who took part in the study, 60% were males while 40% represented females. The age distribution showed that participants in the "Up to 20 age” category were 1%, “Between 21-40 age”categorywas 43%, “Between 41-50age” category was 33%, and the “51-60 age” category was 23%. Concerning academic qualification, 63% of participants had at least a first degree in relevant disciplines, and 32% had doctorate degrees in the social sciences and business management. These percentages showed that all the participants were familiar with the subject of inquiry and could offer reasonableopinions on voluntary tax compliance and its influence through stakeholders’ engagement strategy. Data triangulation was conducted to validate and reinforce the study results by providing multiple perspectives on the same phenomenon and identifying areas of discrepancies. A significant number of the participants (95%) affirmed that stakeholders’ engagement can promote voluntary tax compliance, to a great extent, and a related result showed that 94% of participants agreed that “stakeholder theory” in firms could be relevant in tax administration, even though an insignificant number of participants (6%) doubted such a possibility. Furthermore, all sixty-six (66) qualitative study participants suggested that strategic stakeholder engagement can improve tax awareness, and elicit a positive tax-paying culture among the citizens. Participants have also recommended a series of activities/tasks that effective stakeholder engagement must possess to impact tax compliance. The tasks/activities range from tax cooperation, tax education, public enlightenment, and socialization, including the demonstration of accountability and transparency in government spending, including the need for the government to fulfill social contract obligations to the citizens. Evaluation of the findings has revealed that stakeholders’ engagement can promote good relationships, and build trust and goodwill among tax authorities and the citizens. Empirical studies also show that taxpayers’ perception of the tax authorities in the country concerning accountability and transparency willoften enhance trust in the government.Overall, the study has shown that the numerous suggested activities/tasks supporting stakeholders’ engagement have all significantly impacted tax compliance. The findings underscored the need for tax authorities and the citizens to interact more frequently to improve the citizens’ perception of the quality of social services they receive, as such interaction can positively influence taxpayers’ behavior and impact tax compliance (Jackson &Millron, 1986). All the findings from the different sources were found to be agreeable, judged by the answers received to the questions asked below:

Q. 1.: Stakeholders’ engagement in promoting voluntary tax compliance?

Table 1: Analysis of Participants’ Responses on the Potential of Multi-SE to Promote Voluntary Compliance

s/n	Response	Survey	Interview	Focus	Total	%
1.	Yes. It could promote compliance.	45	9	8	62	94
2.	No. The strategy is doubtful.	3	1	-	4	6
	Total	48	10	8	66	100

Source: Data compiled from the analysis of participants’ responses.

A significant majority of the study participants affirmed thatmulti-stakeholder engagement could promote voluntary compliance to a great extent. Those who expressed doubt over its potential attributed their views to the poor attitude of the government in responding to the citizens’ basic needs and fulfilling its social obligations to them. This small minority does not think that a multi-stakeholder engagement can deliver much result, without the government first changing its approach to public governance.While testing the null hypothesis (H_01), which states that stakeholders’ engagement is unlikely to promote voluntary compliance, the standard regression weight was 0.512, suggesting that the coefficient path is statistically significant at a 5% significant level. The resultsindicated that stakeholders’ engagement can have abeneficial and significant impact on voluntary tax compliance.The resultant p-value of 0.0001 is smaller than the significance level of 0.05, prompting a rejection

ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume IX Issue V May 2024

of the null hypothesis and accepting the alternative hypothesis that stakeholders' engagement can promote voluntary compliance.

Q.2: Stakeholders' engagement in improving tax awareness and eliciting a tax-paying cultureamong the citizens?

All 66 study participants affirmed thatstakeholders' engagement would enhance tax awareness and elicit a positive tax-paying culture among the citizens, thereby promoting compliance with citizens' tax obligations. The participants' responses are presented below:

Table 2: Participants' Responses on the Potential of SE to Enhance Tax Awareness, and Elicit a Positive Tax-paying Culture.

Response	Interviews	Focus	Total	%
Yes. Stakeholders' engagement can enhance tax awareness, and elicit a positive tax-paying culture among the citizens.	58	8	66	100

Source: Data extracted from the participants' responses to the question posed.

The null hypothesis ($H_0 2$), which states that stakeholders' engagement cannot improve tax awareness, nor elicit a positive tax-paying culture among the citizens was tested against the data. The result revealed that adopting strategic stakeholders' engagement in tax administration could have a beneficial and significant impact on tax awareness. The low p-value of 0.001 informed the rejection of the null hypothesis, and the acceptance of the alternative hypothesis that stakeholders' engagement strategy can improve tax awareness, and elicit a positive tax-paying culture among the citizens, thus enhancing voluntary tax compliance.

Q. 3: The critical features/tasksthat stakeholders' engagement must reflect to enable it to optimize tax collection and improve the tax/GDP ratio.

The participants offered various suggestions under the different study methods on the likely critical activities that could quickly deliver the expected outcomes. Hassan et al. (2016) have examined the impact of tax education programs on taxpayer compliance and the results indicated that taxpayers make good use of tax information. The numerous suggestions canvassed by the participants are presented below:

Table3:Participants' Responses on the Suggested Critical Activities to be Entrenched in a Multi-StakeholderEngagementStrategy.

s/n	**Suggested critical activities**	**Interviews**	**Focus**	**Total**	**%**
i.	Regular stakeholder engagement, tax cooperation, coordination, and assistance to improve citizens' behavior toward compliance	22	2	24	*36*
ii.	Sustainable tax education and public enlightenment address the various concerns of the citizens.	18	-	18	*27*
iii.	The government's demonstration of accountability and transparency in governance, and the provision of social benefits to citizens.	**14**	**3**	**17**	*26*

ISSN No. 2454-6194 | DOI: 10.51584/IJRIAS |Volume IX Issue V May 2024

iv.	Addressing tax administration inefficiencies and tax strategies to tax the informal sector and others fully.	**4**	**3**	**7**	*11*
	Total	**58**	**8**	**66**	**100**

Source: Data compiled from the participants' responses on the likely key activities to drive SE strategy.

The various suggestions were categorized in the order of frequency of counts to suggest how the participants considered the tasks as important. Nevertheless, all the suggested critical activities are imperative for promoting voluntary tax compliance. The various suggestions enumerated above seem to suggest that stakeholders'engagement depicts a broad, more embracing, and continuous process between an organization and the people most likely to be impacted, involving various activities and approaches that cover the entire life of a project (IFC, 2007).The null hypothesis, $H_0 3$, states that inherent activities, such as tax education and sustained collaboration cannot help facilitate compliance and optimize tax collection. This was tested against the data analyzed and found to be untrue. The results indicated that stakeholders' engagement will facilitate effective interaction and collaboration, leading to tax optimization. Since the p-value of 0.001 is smaller than the significance level of 0.05, the null hypothesis had to be rejected in favor of the alternative hypothesis, which states that strategic engagement with stakeholders through tax education and sustained collaboration, as key activities, can help promote tax compliance and optimize revenue collection.

Q. 4:The ideal size of a stakeholders' engagement project team that would optimize tax performance, and who should qualify as a key stakeholder?

All 66 participants understood that multi-stakeholder governance is a practice of governance that employs bringing multiple stakeholders together to participate in dialogue, decision-making, and implementation of responses to jointly perceived problems.A multi-stakeholder process (MSP) is fundamentally about participatory decision-making and information sharing at the country level. Key stakeholders should be represented and decide what issues to focus on and what actions to take.It was generally agreed that a key stakeholder is a person, group, or organization with a vested interest, or stake in the decision-making and activities of a business, organization, or project. Most participants were of the view that the project team size could be large, provided it satisfies the project's objectives.

CONCLUSIONS

A quick evaluation of the findings showed that tax compliance will generally improve when the citizens' basic needs are satisfied (Fjeldstad et al., 2012). This is corroborated by the findings that 94% of the participants affirmed that stakeholders' engagement could, to a large extent, promote voluntary compliance, in addition to enhancing tax awareness, and elicit a positive tax-paying habit among the citizens. Similarly, empirical studies showed that taxpayer's perception of government accountability and transparency would enhance trust in the government. The willingness of the government and tax authorities to reflect accommodative and cooperative rules in the tax laws and practice, as well as promoting the ideals of accountability and transparency is clearevidence of new learning to the existing body of knowledge. Multi-stakeholder engagement will enhance profitability and organizational capability (Nadine, 2012). The process requires continuous reinforcement through tax education, public enlightenment, and tax socialization to improve aggregate tax collection and increase the tax/GDP level. Therefore, tax authorities and the citizens should interact frequently, to influence citizens' perception of the quality of services they receive, given that such an interaction can impact taxpayers' behavior and influence tax compliance positively (Jackson & Millron, 1986). The results also showed that quality governance positively correlates with compliance (McGee et al., 2011).

Recognizing that opposition to new changes is usually unavoidable, particularly when embarking on a tax reform program, it becomes imperative to engage key individuals and interact with the various lobby groups, to successfully negotiate with them (Sarker & Whalan, 2011). Multi-stakeholder engagement is different from communication, which only shares and discusses decisions already made (Smart.org. 2006). When a stakeholder engagement program is embraced for use in a tax administration setting, it must be understood that all stakeholders should have a feeling of joint ownership, so that there would be no misunderstanding between the implementing organization, user community, and the key stakeholders. Adopting stakeholders' engagement to promote voluntary tax compliance should facilitate implicit trust, due to the open discussion on all issues, which might have been perceived as difficult to tackle. Such an intervention will help identify and bridge cultural gaps and reduce conflict. Above all, it will encourage meaningful partnerships between the community and government (Ogungbesan, 2022).

Stakeholders' engagement in tax administration would offeran excellent opportunity for tax policy and tax officials to strengthen their collaboration in pursuing a quality governance-focused tax policy agendato improve trust within the tax system. Building the client's trust is primarily about empowering taxpayers and recognizing the principles of reciprocity and accountability as taxpayer-centered objectives (Kirchler, 2007; Ogungbesan, 2023). In particular, stakeholders' engagement, as a strategy, should be incorporated into the corporate plan of the national tax authority as an organizational strategy to make the stakeholder engagement process reflect a more serious engagement, rather than an administrative or managerial function. Empirical studies showed that a well-nurtured relationship with stakeholders will positively affect performance (Ayuso et al., 2007), and treating taxpayers as clients can significantly influence voluntary compliance. From the data analysis, using the grounded theory approach, the emerging theory suggested that multi-stakeholder engagement is a strong catalyst in promoting voluntary tax compliance, with the potential to improve tax awareness, elicit a positive tax-paying attitude among the citizens, and ultimately help to increase the tax/GDP ratio.

In conclusion, stakeholders' engagement is predicted to promote tax compliance, a positive outcome facilitated by the government's willingness to interact with the citizens toward achieving voluntary compliance (Jackson & Millron, 1986). The study suggests that stakeholder engagementrelies on continuous communication, regular collaboration, and tax cooperation among key stakeholders in the project team. The citizens/taxpayers should always be encouraged to be a part of the government's developmental efforts because when citizens perceive the government and its agencies as fair and accountable, they have more trust in it, build confidence in its activities, and comply with tax obligations (Ser, 2013). When they cansee a clear link between taxes and services, they become tax-compliant and support its tax reforms (Ali et al., 2013). A well-functioning tax system ensures strong, sustainable, and inclusive economic growth (Carnaham, 2015).

DISCLOSURE STATEMENT

The author declares that there areno conflicts of interest concerning funding for the research or the required thesis approval from UnicafUniversity.

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