Changes in the Time Period for the Use of Final PPh do not Encourage Taxpayers Compliance

Herlina Theodensia D Doke
Departement of Accounting,
Universitas Mercu Buana
Jakarta, Indonesia

Hadri Mulya
Departement of Accounting,
Universitas Mercu Buana
Jakarta, Indonesia

Abstract:- The target of the Directorate General of Taxes (DGT) to increase the State Budget and Revenue Expenditures (APBN) is to increase revenue in the taxation sector. However, the level of taxpayer compliance in Indonesia is still very low. This research analyzes and review the effect of changes in the final PPh PP 46 rate of 2013 (1%) to PP 23 of 2018 (0.5%), the period of imposition of the Final PPh rate, and the awareness of taxpayers compliance with macro, small, and medium enterprises (MSME) agency. The population of the research includes all corporate taxpayers who have businesses in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) with the acquisition of 100 samples. Primary data were analyzed using the SEM (*Structural Equation Models*) method with *PLS software*.

The results showed that changes in tax rates had a significant effect on tax compliance, changes in the period of imposition of tax rates had no significant effect on tax compliance, and tax awareness had a significant effect on tax compliance. It is hoped that this research will become one of the regulators' compliance, especially corporate MSME taxpayers. considerations in implicating policies related to increasing taxpayer

Keywords:- Changes in Tax Rates, Changes in the Period of Time of Imposition of Tax Rates, Tax Awareness, Tax Compliance.

I. INTRODUCTION

Compliance is the fulfillment of voluntary of compliance which is the backbone of the self assessment system, whereby the taxpayer is responsible for setting his own tax obligations and accurately (on time) to pay and report the tax (Sidik dalam Rahayu, 2010:19). Factors that affect taxpayer compliance are the quality of fiscus services, tax sanctions, and perceptions of the effectiveness of the tax system. These factors influence taxpayers to be responsible for calculating, paying and reporting their own taxes. In addition, tax policies issued by the government also affect taxpayer compliance. Tax policies issued include changes in tax rates, changes in the period of utilization of rates set by the Directorate General of Taxation and other tax policies that affect tax compliance.

Tax policy in the form of changes in the previous tax rate is stipulated in Government Regulation No. 46 of 2013

of 1% to 0.5% in Government Regulation No. 23 of 2018. The decrease in the final tax rate is an effort by the government in providing convenience to taxpayers of individuals and entities that have a certain gross circulation to perform calculation, deposit and reporting of income tax owed by imposing a final tax.

Tax policy in the form of tariff changes is not only a factor that encourages the fullest tax compliance in Indonesia. The period of utilization or use of the Final PPh tariff is also regulated. In contrast to PP 46 year 2013 which does not limit the period of imposition of final PPh rate, PP 23 year 2018 also regulates the period of imposition of final PPh rate of 0.5% for both private and corporate taxpayers. For taxpayers a private person is given a period of 7 years. Meanwhile, for corporate taxpayers in the form of cooperatives, CV, and Firm are given a shorter period of 4 years. For corporate taxpayers in the form of Limited Liability Company (PT) the shortest period is 3 years only.

A certain period of time that has been given by the Directorate General of Taxation should be a motivation for MSMEs, especially for MSMEs who are just trying in the early years as an opportunity to learn bookkeeping and calculate net profit of businesses. Thus, when the taxpayer ends the period of utilization of the Final PPh facility, the taxpayer is ready to understand his rights and obligations by using the tariff method of PPh Article 17 if the period of utilization of the Final PPh facility has expired.

Another factor influencing tax compliance is taxpayer awareness. Based on the explanation section of the Law - Law on General Provisions and Procedures for Taxation (Uu KUP) No. 6 of 1983 as amended last by Law No. 28 of 2007, Indonesia adheres to the self-assessment tax system. Self assessment is a tax system that gives trust and responsibility to the taxpayer to register himself to get himself to obtain a Taxpayer Identification Number (NPWP) to calculate, take into account, pay, and self-report the tax owed.

This means that the determination of the amount of tax payable is entrusted to the taxpayer himself. Furthermore, the calculation and payment of taxes is reported regularly through the media or a letter called a Notification Letter (SPT). The trust given by the law to taxpayers is ideally supported by taxpayer awareness of tax obligations, the desire to pay taxes owed, the willingness of taxpayers to implement applicable tax regulations, and the honesty of the

taxpayer to disclose the true circumstances.

This statement is affirmed in article 3 of the KuP Law which requires every taxpayer to fill the SPT correctly, completely, and clearly. True is true in the calculation, including true in the calculation, including true in the application of the provisions of the legislation - taxation legislation, in writing, and in accordance with the actual circumstances.

The tax awareness and compliance of indonesian people has not reached the expected level, including tax awareness and compliance of MSMEs. One of the factors that causes the lack of awareness and compliance of taxpayers is the negative perception of taxpayers that causes taxpayers to be closed. The negative perception of society regarding this tax can also make people apathetic to taxes. This negative perception makes people think of taxes as a burden that is avoidable as much as possible.

II. LITERATURE REVIEW

2.1 Taxpayer

Taxpayers according to the Law - Law general provisions and procedures of taxation (Uu KUP) Article (1) referred to as taxpayers are private persons or entities, including taxpayers, tax cutters, and tax collectors who have tax rights and obligations in accordance with the provisions of tax legislation.

2.2 Change in tax rates

According to Santoso (2011) change is the basic nature of society that changes the metaphor of "social life" like social life itself. Social life includes endless change.

Meanwhile, according to Martono (2012) changes can cover both narrow and broad aspects. Narrow aspects can include aspects of individual behavior and mindset. The broad aspect can be a change in the level of community structure that can later affect the development of society in the future.

2.3 Time Frame Change

The definition of time period according to KBBI is a measure in a certain time. The time in question is the completion of a job. The term in this case is divided into three of them short, medium and long term.

2.4 Hipotesa

Wardhana, Nova Ardi, Fuzan, Rita Indah Mustikowati (2014) conducted a study titled "The Influence of Sunset Policy On Willingness to Pay Taxes. The result of this study is that tax policy has an effect on tax compliance. In addition Shu Wang, David Merriman and Frank J. Chaloupka (2016) conducted a study titled "Relative Tax Rates, Proximity and Cigarettes Tax Noncompliance : Evidence Form A National Simple of Littered Cigarettes Packs". The results of this study show that tax rates affect tax compliance.

H1 : Effect of Tax Rate Changes on Tax Compliance

Yusnindar (2017) conducted a study entitled "The Influence of Taxation Knowledge, The Assertiveness of Tax Sanctions, and Tax Amnesty on Taxpayer Compliance". The result of this study is that tax policy through the tax amnesty program has a significant effect on tax compliance. The tax amnesty program itself is governed by the rates and timeframes that will be utilized by the taxpayer as well as the amount of ransom that must be paid by the taxpayer. Kasper, Kogler and Kirchler (2013) conducted a study entitled "Tax Policy and The News : Empirical Analysis of Taxpayers Perceptions of Taxrelated Media Coverage and Its Impact on Tax Compliance".. The results of this survey show that the influential media gives confidence in the tax policy shown to the tax authorities as well as the power of government agencies that have an impact on the fulfillment of taxpayer tax obligations.

H2 : Effect of Changes in Taxation Period on Tax Compliance

Nurlis Islamiah Kamil (2015) conducted a study entitled "The Effect of Tax Payers Awareness, Knowledge, Tax Pinalties and Tax Authorities Services on Compliance". The results of this study show that tax awareness has a significant effect on tax compliance. Prestyo Pambudi, Yanuar E. Restianto, and Widya Hayu WK (2015) conducted a study entitled "Determinants of Local Taxpayers Compliance and In Playing Restaurant Taxes". The result of this study is that tax awareness has a significant effect on tax compliance.

H3 : Effect of Tax Awareness on Tax Compliance

III. DATA, VARIABLES AND METHOD

3.1 Data and variables

The samples used in this study were MSME taxpayers entities that run businesses or free work in jabodetabek area. The sampling technique used in this study is probability sampling. According to Sugiyono (2010:118) probability sampling is a sampling technique that provides equal opportunities for each element (member) of the population to be selected as a sample member. Probability sampling technique used in this study is simple random sampling. According to sugiyono (2010:118) simple random sampling is the sampling of sample members from the population is done randomly regardless of the strata in that population. To determine the number of samples in this study, the slovin formula was used.

The method of data analysis in this study, researchers use statistical analysis using PLS 3.2 software. The data analysis model used in this study is to use formulas, numbers or mathematical models to examine whether there is a significant influence of variable Tax Rate Changes (X1), Changes in The Period of Imposition of Tax Rates (X2), and Taxpayer Awareness (X3) on Taxpayer Compliance (Y) of MSMEs Agency.

The data analysis method used in this study is Structural Equation Modeling (SEM) where statistical modeling techniques are very cross-sectional, linear, and

common. In addition, this SEM method is a method of data analysis that is more confirm than explained.

IV. DATA ANALYSIS

4.1 Descriptive statistics

Table II the average calculation result of the variable answer to the Change in Tax Rate shows the highest average is 52% of respondents agree with the Change in Tax Rate and the lowest average of 1%. This means that taxpayers are already aware of the benefits and objectives of following the Tax Rate Change. the average calculation of the answers to the change in time period shows that the highest average is 55% of respondents agreeing with the change in time period and the lowest average is 1%. This means that the taxpayer already knows the benefits and objectives of following the Change of Term. The results of the average calculation of the answers to the Taxpayer Awareness variable show that the highest average is 55% of respondents agreeing with the Change of Time Period and the lowest average is 0%. This means that taxpayers already know the benefits and objectives of participating in Taxpayer Awareness, and The results of the average calculation of the answers to the Taxpayer Compliance variable show that the highest average is 50% of respondents agree with Taxpayer Compliance and the lowest average is 0%. This means that taxpayers already know the benefits and objectives of participating in Taxpayer Compliance.

4.2 Data Validity and Reliability test

a. Changes in Tax Rates have five indicators, namely X1.1, X1.2, X1.3, X1.4, X1.5. namely: X1.1 with a loading factor of 0.728, X1.2 with a loading factor of 0.810, X1.3 with a loading factor of 0.772, X1.4 with a loading factor of 0.674, X1.5 with a loading factor of 0.583. In accordance with the minimum value of convergent validity is > 0.5, so the five indicators of Changes in Tax Rates are included in the criteria for convengent validity.

b. Changes in Time Period have five indicators namely X2.1, X2.2, X2.3, X2.4, X2.5. namely: X2.1 with a loading factor of 0.623, X2.2 with a loading factor of 0.775, X2.3 with a loading factor of 0.840, X2.4 with a loading factor of 0.854, X2.5 with a loading factor of 0.690. In accordance with the minimum value of convergent validity is > 0 ,5, so that the five indicators of Time Period Changes are included in the convengent validity criteria.

c. Taxpayer awareness has five indicators, namely X3.1, X3.2, X3.3, X3.4, X3.5. namely: X3.1 with a loading factor of 0.760, X3.2 with a loading factor of 0.859, X3.3 with a loading factor of 0.769, X3.4 with a loading factor of 0.838, X3.5 with a loading factor of 0.727. In accordance with the minimum value of convergent validity is > 0.5, so the five indicators of Taxpayer Awareness are included in the convengent validity criteria.

d. Taxpayer compliance has five indicators, namely: Y1, Y2, Y3, Y4, Y5. r are: Y1 with a loading factor of 0.743, Y2 with a loading factor of 0.821, Y3 with a loading factor of 0.628, Y4 with a loading factor of 0.745, Y5 with a loading factor of 0.765. In accordance with the minimum value of convergent validity is > 0.5, so the five indicators of Taxpayer Compliance are included in the convengent validity criteria.

Table I	Correlation Between Constructs and Average Variance Extracted (AVE)			
	X1	X2	X3	Y
X1	1,000			
X2	0,773	1,000		
X3	0,850	0,863	1,000	
Y	0,794	0,799	0,815	1,000

Sumber, PLS 2021

Based on the table. I All constructs show an AVE value that is greater than 0.50, with the smallest value being 0.515 for Changes in Time Period and the largest being 0.627 for Taxpayer Awareness. This value has met the requirements in accordance with the specified minimum AVE value limit of 0.50. After knowing the square root value of AVE for each construct, then we can compare the square root of AVE with the correlation between constructs in the model. shows that the square root value of AVE for each construct is greater than the correlation value, so that the construct in this research model can still be said to have good discriminant validity.

4.3 Reability test with composite reliability

Table II	Reliability Test with Composite Reliability
Variabel	*Composite Reliability*
Kepatuhan Wajib Pajak (Y)	0.860
Perubahan Tarif Pajak (X1)	0.872
Perubahan Jangka Waktu (X2)	0.840
Kesadaran Wajib Pajak (X3)	0.893

From the measurement results above, it can be seen that all latent and observe variables have a composite reliability value > 0.8, meaning that all independent latent and observe variables are appropriate and feasible to be tested variables to examine and analyze their influence on the dependent latent variable, namely taxpayer compliance. personal.

4.4 Relibility test with Cronbach alpha

Table II Reliability Test with Composite Reliability	
Variabel	**Cro**nbach Alpha
Kepatuhan Wajib Pajak (Y)	0.794
Perubahan Tarif Pajak (X1)	0.815
Perubahan Jangka Waktu (X2)	0.773
Kesadaran Wajib Pajak (X3)	0.850

Table IV In testing the hypothesis, the value analyzed is the value in the t-statistic generated from the PLS output by comparing it with the t-table value. PLS output is an estimate of the latent variable which is an aggregate linear of the indicators.

4.5   Hyphotesis test

Table IV	Effect of board composition on marketplace practices (MKT_{it-1})			
	Original Sample (O)	Sample Mean (M)	Standar Devisiai	P Values
Perubahan Tarif Pajak (X1)	0.297	0.309	0.106	0.005
Perubahan Jangka Waktu (X2)	0.149	0.163	0.106	0.160
Kesadaran Wajib Pajak (X3)	0.348	0.344	0.101	0.001

The Impact of Tariff Change Tax on Taxpayer Compliance.

In testing the hypothesis, the value of the first hypothesis tests whether there is an effect between Changes in Tax Rates on Taxpayer Compliance. The test results can be seen from table 4 above, Changes in Tax Rates obtain an original sample estimate value of 0.297 with a t-statistic value of 2.800 > 1.962, which means that changes in tax rates have a positive effect on taxpayer compliance with a significance level above 5% (significant). Based on the test results, it can be concluded that hypothesis 1 is accepted. The analysis is the value that exists in the t-statistics generated from the PLS output by comparing it with the t-table value. PLS output is an estimate of the latent variable which is a linear aggregate of the indicators. The direction of this research is negative, where the higher the tariff, the lower the compliance. Vice versa. This states that the increase or decrease in tax rates can still affect the increase or decrease in taxpayer compliance. Feld and Frey (2002) explain that research on tax compliance behavior can be studied through psychological aspects because of the relationship between taxpayers and tax authorities which can be seen as a psychological contract. The success of tax collection depends on how much the taxpayer and the tax authority trust each other and comply with or fulfill the commitments in this psychological contract. The psychological contract between the tax authority and the taxpayer can be a motivation for taxpayers to fulfill their tax obligations through the use of regulated tax policies.

The Impact of Changes long-term changes time to Taxpayer Compliance.

The second hypothesis examines whether there is an effect between changes in the period of time on taxpayer compliance. The test results can be seen from table 4.13 above, the change in time period obtains the original sample estimate value of -0.149 with a t-statistic value of 1.408 <1.962 which means that the change in time period has no effect on taxpayer compliance with a significance level above 5% (significant). Based on the test results, it can be concluded that hypothesis 2 is rejected. Social learning theory (Social Learning Theory) stated by Jatmiko (2006) explains that this social learning theory is relevant to explain the behavior of taxpayers in fulfilling their tax obligations. A person will be obedient to pay taxes on time, if through his direct observation and experience, the results of the tax levy have made a real contribution to development in his area. A person will also obey taxes if he has paid attention to tax policies regulated through tax services, both the tax authorities and the tax service system.

The Impact of taxpayer awareness to Taxpayer Compliance.

The third hypothesis examines whether there is an effect between taxpayer awareness on taxpayer compliance. The test results can be seen from table 4.13 above, taxpayer awareness obtained the original sample estimate value of 0.348 with a t-statistic value of 3.464 > 1.962 which means that the change in time period affects taxpayer compliance with a significance level above 5% (significant). Based on the test results, it can be concluded that hypothesis 3 is accepted. where the higher the tax awareness, the higher the tax compliance, and vice versa. Taxpayer awareness is the attitude of taxpayers who understand and are willing to carry out their obligations to pay taxes and have reported all their income without being hidden in accordance with applicable regulations. The theory of planned behavior put forward by Arum states that to explain the behavior of taxpayers in fulfilling their tax obligations. Before the individual does something, the individual will have confidence about the results that will be obtained from his behavior. Then the person concerned will decide whether to do it or not to do it. This is related to taxpayer awareness experiences from their working and non-working life compared to men. They may have a better understanding than men of some of the market segments of firms, therefore; they may improve the creativity and quality of the decision-making process of the board. In this way, a more diverse board may improve the image of the firm and positively influences the market value of the firm (Smith *et al.*, 2006). Given this situation, findings reported on board diversity are also observed by other developing countries as reported in the studies of Francoeur *et al.* (2008) and Solakoglu and Demir (2016).

Turning our discussion to CSR practices and their impact on organizational returns, it is found that marketplace practices of CSR positively affect market returns parallel to stakeholder theory where it is argued that firms perform CSR activities for benefits of their stakeholders (Freeman *et al.*, 2007). Moreover, this finding is also consistent with product-signaling/differentiation hypothesis of Fisman *et al.* (2006), where firms perform CSR activities to signal their product quality, especially those firms that operate in a highly complex and competitive market (Harjoto and Jo, 2011), ultimately, positively influencing firm performance. Conspicuously, environment practices of CSR do not affect any performance measure confirming conflict- resolution hypothesis, which contends that firms perform CSR activities to reduce conflict of interest between managers, investing and non-investing stakeholders (Calton and Payne, 2003; Scherer *et al.*, 2006), therefore does not substantiate firm performance in any way.

Noticeably, community practices of CSR negatively affect the return on assets reinforcing the insights of the over-investment hypothesis, which asserts that top

management tends to over-invest in CSR practices to build their own personal reputation as good global citizens (Barnea and Rubin, 2010) thus, negatively affecting firm performance. More evidently, workplace practices of CSR are positively linked to accounting returns in congruence with the stakeholder approach (Freeman *et al.*, 2007), where firms consider their employees as substantial stakeholders and an effective human resource for uplifting organizational growth. Contrarily, workplace practices are negatively related to the market value of a firm highlighting the over- investment hypothesis of Barnea and Rubin (2010) that firms attend to CSR activities for maintaining their corporate reputation (Harjoto and Jo, 2011) hence, negatively influencing firm performance.

Correspondingly, firm size positively affects accounting gains suggesting larger the firm size and greater profitability because of economies of scale where resources are achieved at a lower cost and at greater diversification (Ofoeda, 2017; Ahmed and Mubaraq, 2015; Muttakin and Subramaniam, 2015). Perversely, leverage negatively impacts both performance measures, which contend that agency issues lead firms to use higher than apposite levels of debt, which, in turn, increase lender's influence that limit managers ability to manage the operations effectively, thus, negatively affecting firm performance (Mishra and Kapil, 2017; Ming and Eam, 2016; Sheikh *et al.*, 2013).

In summary, despite sufficient empirical support for the dynamic relationship of board composition and CSR practices, this study found weak linkages between two constructs. For mutual impacts of board composition and CSR practices on organizational returns, board size positively affects market returns, whereas higher board independence brings a negative market value of firms. Further to that, board diversity negatively contributes to accounting profit and positively adds to market income. However, the impact of independent CSR practices on organizational returns is in accordance with the hypotheses presented by Harjoto and Jo (2011) for elaborating governance-CSR-performance nexus. Thus, this study is novel in providing empirical support for the relationships between board composition, CSR practices and organizational returns.

V.CONCLUSION

This study aimed to answer tre research questions, i.e. Based on the results obtained and the analysis conducted regarding the effect of changes in tax rates, changes in the time period, and mandatory awareness of taxpayer compliance, conclusions can be drawn:

Changes in Tax Rates have a significant effect on taxpayer compliance. The direction of the results of this study is negative, where the lower the tax rate, the higher the taxpayer compliance. Vice versa, the higher the tax rate, the lower the level of taxpayer compliance. The results of the study indicate that changes in tax rates affect taxpayers to comply with paying taxes.Changes in the period of time have no significant effect on taxpayer compliance. The period

limited by the Director General of Taxes does not affect taxpayers to comply with their tax obligations.Taxpayer awareness has a significant effect on taxpayer compliance. The direction of the results of this study is positive, where the higher the awareness of the taxpayer, the higher the level of taxpayer compliance. Vice versa, the lower the awareness of taxpayers, the lower the level of taxpayer compliance. This research can illustrate that the community realizes that taxes are people's contributions for development, funds for implementing government functions and duties, as well as for the welfare of the people.According to the researcher from the variable of changes in tax rates, changes in the period of time and tax awareness studied in this study are sufficient to affect tax compliance.

REFERENCES

[1]. Ahmed, A. and Mubaraq, S. (2015), "The implications of the revised code of corporate governance on firm performance", *Journal of Accounting in Emerging Economies*, Vol. 5 No. 3, pp. 350-380.

[2]. Affandi, Adriaansz, Gunardi, Koesno. (2014). *Buku Panduan Praktis Pelayanan Kontrasepsi*.Jakarta:PT Bina Pustaka Sarwono Prawirohardjo

[3]. Agus Harjito dan *Martono. 2012. Manajemen Keuangan. Edisi ke-2*.Yogyakarta:Ekonisia

[4]. Agus, Jatmiko. 2006. *Pengaruh Sikap Wajib Pajak pada Pelaksanaan Sanksi Denda, Pelayanan Fiskus, dan Kesadaran Perpajakan Terhadap Kepatuhan Wajib Pajak Studi Empiris Terhadap Wajib Pajak Orang Pribadi di Kota Semarang*. Akuntansi Universitas Diponegoro:Tesis Megister

[5]. Ajzen, I.(1985). *From Intentions to Action: A Theory of Planned Behavior*. New York: Springer

[6]. *Aliminsyah. 2002. Kamus Istilah Akuntansi. Bandung*: CV. Yrama Widya.

[7]. Arikunto,S. 2018. *Prosedur Penelitian: Suatu Pendekatan Praktik*. Jakara: Rineka Cipta.

[8]. Direktorat Jenderal Pajak, *Undang-Undang No. 28 Tahun 2007 tentang pajak adalah kontribusi wajib kepada negara yang terutang oleh orang pribadi*

[9]. Direktorat Jenderal Pajak, *Undang-undang Nomor 16 Tahun (2007) tentang Perubahan Ketiga atas Undang- undang Nomor 6 tahun (1983) tentang Ketentuan Umum dan Tata Cara Perpajakan.*

[10]. Erly *Suandy*. (2006), *Perpajakan. Edisi Kedua*. Jakarta: Salemba Empat.

[11]. Feld, Lars P., Bruno S.Frey, 2002, *"Trust Breeds Trust: How Taxpayers are Treated", Economics of Governance*, Vol.3, pp. 87-99.

[12]. Ferdinand. 2002. *Metode Penelitian Manajemen : Pedoman penelitian untuk Skripsi, Tesis, dan Desertasi Ilmu Manajemen,* Semarang : Badan Penerbit Universitas Diponegoro.

[13]. Gangl, Katharina, Stephan Muehlbacher, Manon de Groot, Sjoerd Goslinga, Eva *Hofmann, Christoph Kogler, Gerrit Antonides, dan Erich Kirchler. 2013. "__How Can I Help You?'' Perceived Service Orientation of Tax Authorities and Tax Compliance." FinanzArchiv/ Public Finance Analysis, 69, No.4: 487-510.*

[14]. Ghozali, Imam, 2016. *Analisis Multivariate dengan Program SPSS,* Semarang: BP Undip

[15]. Gunadi. (2005). *Fungsi Pemeriksaan Terhadap Peningkatan Kepatuhan Wajib Pajak (Tax Compliance). Jurnal Perpajakan Indonesia*. Vol.4 no.5,p4-9.

[16]. *Harahap*, Sofyan Syafri, *2004, Teori Akuntansi*, Edisi Revisi, Cetakan. Kesepuluh, PT. Raja Grafindo Persada, Jakarta.

[17]. Gangl, Katharina, Stephan Muehlbacher, Manon de Groot, Sjoerd Goslinga, Eva *Hofmann, Christoph Kogler, Gerrit Antonides, dan Erich Kirchler. 2013. "__How Can I Help You?'' Perceived Service Orientation of Tax Authorities and Tax Compliance." FinanzArchiv/ Public Finance Analysis, 69, No.4: 487-510.*

[18]. Al-Ali, A., Singh, S.K., Al-Nahyan, M. and Sohal, A.S. (2017), "Change management through leadership: the mediating role of organizational culture", *International Journal of Organizational Analysis*, Vol. 25 No. 4, pp. 723-739.

[19]. Arellano, M. and Bond, S. (1991), "Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations", *The Review of Economic Studies*, Vol. 58 No. 2, pp. 277-297.

[20]. Arellano, M. and Bover, O. (1995), "Another look at the instrumental variable estimation of error-components models", *Journal of Econometrics*, Vol. 95, pp. 29-51.

[21]. Ashfaq, K. and Rui, Z. (2018), "Revisiting the relationship between corporate governance and corporate