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From Enforcement to Engagement: How Power Shapes Taxpayer Attitudes and Compliance

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ABSTRACT

This study investigates how the different types of power exercised by tax administrators influence taxpayers' cognitive and affective attitudes, and how these attitudes subsequently affect tax compliance behaviour in Malaysia. Drawing from the framework of responsive regulation and motivational postures theory, this research offers a detailed analysis by distinguishing between cognitive (rational) and affective (emotional) tax attitudes as mediators between four types of power, namely coercive, reward, legitimate foundation, and persuasive power, and three compliance motivations, namely enforced, voluntary, and committed cooperation. A structured questionnaire was distributed to Malaysian professional taxpayers, and data were analysed using Structural Equation Modelling (SEM). The result reveals that while coercive power significantly increases enforced compliance through cognitive and affective resistance, reward and persuasive powers foster voluntary compliance via capitulation attitudes. Notably, cognitive and affective commitment attitudes fully mediate the relationship between legitimate foundation power and committed cooperation, suggesting that perceptions of legitimate authority enhance the intrinsic motivation to comply. This study contributes to the tax compliance literature by empirically demonstrating that both rational and emotional attitudes are critical pathways through which the authority's power influences behaviour. The result supports a varied compliance strategy that reduces dependence on enforcement while encouraging gentler, trust-building approaches. In practice, tax authorities should tailor their interventions to taxpayers' psychological profiles to promote sustainable voluntary compliance. These insights are especially relevant for countries transitioning towards more service-oriented tax administration.

Keywords: Power; tax attitude; cognitive attitude; affective attitude; emotion

INTRODUCTION

Advocates of responsive regulation argue that the tax system should adapt not only to changes in the economy and society but also to the behaviour of taxpayers. Responsive regulation is intended to be adaptable, equitable, and effective while minimising the negative impacts of taxation on the economy and people. It encompasses several mechanisms, such as tax incentives, progressive tax rates, and regular evaluations of tax laws and policies, to maintain their relevance and efficiency. The aim is to strike a balance between generating sufficient revenue for the government and not overwhelming taxpayers. Tax compliance strategies that utilise the expertise of tax administrators can influence taxpayers' attitudes and can also inform the design of effective tax compliance strategies (Ayres & Braithwaite 1992). While higher usage and visibility of enforcement strategies are required for taxpayers with a negative attitude, a softer approach through education and support is required for taxpayers with a positive attitude (Dukes et al. 2014; Okafor 2023; Adem et al. 2024; Agusti & Rahman 2023). Ultimately, taxpayers' attitudes may influence their compliance decisions.

Rosenberg and Hovland (1960) developed the ABC model of attitude, categorising taxpayers' attitudes into three categories: affective, behavioural, and cognitive (Bagozzi & Burnkrant 1979). While the affective component is an emotional reaction to a subject or thing based on personal experience, the behavioural part is a behavioural tendency associated with attitudes (Onu 2016). Meanwhile, the cognitive component is an attitude formed through a psychological assessment of information on a subject or matter, comprising their beliefs or opinions on such issues (Ajzen & Fishbein 1980; Onu 2016). Taxpayers' interaction with tax administrators shapes all three attitude components. Taxpayers are more likely to be positive if the interaction is friendly and supportive. However, if the interaction is unpleasant and stressful, taxpayers tend to develop a negative attitude towards tax administrators and the taxation system (Braithwaite 2003). Hence, appropriate tax compliance strategies, which result in a positive interaction experience, can shape taxpayers' positive cognitive attitude, affective attitude, and behaviour towards taxation (Blanthorne & Caplan 2008; Bobek & Hatfield 2003). This experience is closely related to the tax administrator's compliance strategies, which can be in the form of either enforcement or accommodating strategy. Tax administrators worldwide, including in Malaysia, strive to strike a balance between these two approaches. This study proposes that four types of power (coercive, reward, legitimate foundation, and persuasive power) influence taxpayer compliance through the mediating roles of cognitive and affective attitudes.

Imbalances in the utilisation of enforcement and accommodating tax compliance strategies pose problems (Loo et al. 2010; Rashid et al. 2021a). Supporting this concern, Mahat et al. (2024) provided empirical Malaysian evidence that enforcement measures exerted minimal direct influence on compliance, whereas moral tax attitudes and perceptions of fairness toward the tax authority were far more significant predictors. Past studies indicate that enforcement through audit

threats and punishment can improve tax compliance effectively but can simultaneously affect voluntary compliance negatively (Khamis & Mastor 2023; Mititelu & Bogdan 2024; Adem et al. 2024). Enforcement is argued to impair trust among honest and compliant taxpayers, resulting in them acting against tax administrators (Kirchler 2007; Braithwaite 2009; Rashid et al. 2021a, 2021b). This is because excessive decisiveness and domination can result in a negative psychological effect (Murphy 2008; Reiss et al. 2021). Despite taxpayers showing honesty in their tax dealings, tax administrators are still sceptical of them by exercising visible threats and punishments, making them feel persecuted and unappreciated. Such treatment damages perceptions, erodes positive attitudes towards taxes, and diminishes trust in tax administrators (Mendoza et al. 2017; Adem et al. 2024), leading individuals to refuse compliance with tax administrators' demands. Although designed in a friendly manner, enforcement activities are argued to be capable of damaging taxpayers' intrinsic motivation, thereby reducing their level of tax compliance (Gangl et al. 2014). In addition, enforcement methods are argued to produce compliance of a short-term nature that quickly changes, and if the compliance is to be maintained in the long run, high provisions are required to ensure compliance (Murphy 2004; Braithwaite 2009; Kirchler 2007; Muehlbacher et al. 2011; Streaming & Eriksson 2014). Similarly, a decisive enforcement approach can affect taxpayers' attitudes, fostering an unfavourable cognitive and affective attitude towards taxation (Murphy 2008; Katslunger et al. 2013; Dukes et al. 2014). The imbalanced emphasis on tax compliance strategies could harm the intrinsic motivations of honest and compliant taxpayers, affecting their trust in the government and causing them to develop negative attitudes and emotions towards tax administrators and the tax system. Negative attitudes and feelings towards tax administrators and the tax system led to taxpayers refusing to comply with the tax administrators' requests (Khadijah 2014). Furthermore, the emphasis on enforcement approaches in compliance strategies has increased the long-term cost of tax compliance.

Despite extensive research into tax compliance strategies, existing literature predominantly focuses on either strict enforcement or accommodating approaches independently, often overlooking the imbalance created by excessive reliance on enforcement measures. Prior studies have suggested that enforcement-heavy strategies, although effective in promoting short-term compliance, can negatively impact voluntary compliance, undermine taxpayers' intrinsic motivation, and erode their trust in tax administrators (Kircher 2007; Braithwaite 2009; Rashid et al. 2021a). Conversely, overly accommodating approaches may fail to adequately deter non-compliance. A critical gap lies in the limited empirical understanding of how different forms of power, namely coercive, reward, legitimate foundation, and persuasive, influence taxpayers' attitudes through distinct cognitive and emotional mechanisms. Specifically, previous studies have rarely differentiated cognitive (rational) from affective (emotional) tax attitudes as mediators in the relationship between administrators' power and taxpayers' compliance motivations. Thus, this study addresses this gap by empirically examining the mediating roles of both cognitive and affective attitudes, thus offering insights that could contribute to a psychologically informed compliance strategy capable of enhancing sustainable voluntary compliance. In Malaysia, where the tax authority is transitioning towards a service-oriented administration, understanding how different forms of power shape taxpayer attitudes is crucial for designing effective and sustainable compliance strategies. Beyond the Malaysian context, these insights carry broader policy relevance, which entails building taxpayer trust, reducing the long-term cost of enforcement, and strengthening voluntary compliance as the foundation of a sustainable tax system. Therefore, this article explores the mediating effect of taxpayers' cognitive and affective attitudes in the relationship between the social power of tax administrators and tax compliance.

LITERATURE REVIEW

Tax compliance has long been a subject of scholarly inquiry, particularly in the fields of public finance, behavioural economics, and psychology. Traditionally, tax compliance has been understood through the lens of deterrence theory, which posits that compliance is a function of audit probability and penalty severity (Allingham & Sandmo 1972). However, empirical studies have consistently shown that deterrence alone cannot fully explain taxpayers' behaviour (Kirchler 2007; Braithwaite 2003; Ahamad Nawawi et al. 2025). Recent Malaysian evidence also indicates that enforcement and audit activities have limited direct effects on compliance when compared with moral and relational factors (Mahat et al. 2024). Likewise, the advancement of digital tax administration tools has reshaped how compliance work is carried out (Hesami et al. 2024). For instance, the effectiveness of Malaysia's e-filing system has been shown to enhance tax agents' performance by improving functionality and information quality (Hashim et al. 2022). This supports the idea that system quality and digital infrastructure can influence both compliance efficiency and perceptions of the tax authority. Moreover, recent work highlights that technological transformation does not merely affect compliance mechanics, but also shapes trust in government and inequality in how compliance burdens are distributed (Alm 2023). These insights have led to the incorporation of more complex models that account for psychological and social influences.

The slippery slope framework (SSF) argues that compliance is shaped by both the perceived power of the tax authority and the level of trust taxpayers have in that authority (Kirchler et al. 2008; Kogler et al. 2023). Recent research has further validated this interaction between power and trust, showing that taxpayers' moral reasoning and perceived fairness toward the authority significantly predict voluntary compliance (Mahat et al. 2024; Batrancea et al. 2022). Similarly, responsive regulation theory (RRT) by Ayres and Braithwaite (1992) advocates a regulatory strategy that combines enforcement with supportive measures based on taxpayer attitudes and preferences. These frameworks highlight the need to move beyond coercion and consider normative factors that shape voluntary cooperation.

Further, motivational postures theory (MPT) by Braithwaite (2003) categorises taxpayers' attitudes towards authorities into postures such as commitment, capitulation, and resistance, offering a useful framework for understanding how different forms of authority influence compliance motivations. Meanwhile, Rosenberg and Hovland's (1960) ABC model of attitudes separates attitudes into cognitive (beliefs), affective (emotions), and behavioural (actions) components. Although frequently cited, the affective component remains underexplored in tax studies (Olsen et al. 2018).

Existing literature often treats social power as a single construct, despite French and Raven's (1959) classification into coercive, reward, legitimate, expert, referent, and informational powers. Recent research (e.g., Rashid et al. 2021a, 2021b) has called for a more granular approach, distinguishing between coercive, reward, legitimate foundation, and persuasive power. These differentiated forms of power exert distinct psychological and behavioural effects, which remain underexplored in tax compliance research.

This study integrates four main theoretical perspectives, namely RRT, SSF, MPT, and the ABC model of attitudes. RRT informs the overall structure of regulatory approaches, balancing coercive enforcement with supportive strategies based on taxpayer profiles. SSF highlights the dual role of power and trust in shaping compliance. This study builds upon this framework by distinguishing types of power and their attitudinal consequences. MPT provides the basis for linking attitudes (resistance, capitulation, commitment) with compliance motivations (enforced compliance, voluntary cooperation, committed cooperation). The ABC model of attitudes justifies the separation of attitudes into cognitive and affective dimensions, serving as mediators in the model. Taken together, these four perspectives provide a comprehensive foundation for this study. RRT and SSF emphasise the balance between authority power and taxpayer trust, MPT links specific attitudinal postures with compliance motivations, and the ABC model distinguishes between rational and emotional pathways. Integrating them allows this study to move beyond deterrence and capture the psychological mechanisms (both cognitive and affective) through which tax administrators' power influences compliance.

Based on the theoretical perspectives discussed above, this study builds the research framework as shown in Figure 1, which visualises the mediating role of cognitive and affective attitudes between four types of power and three types of tax compliance motivations. Each type of power is metaphorically represented to communicate its function better. Coercive power ("Stick") refers to enforcement mechanisms such as audits, penalties, and legal sanctions aimed at deterring non-compliance through fear. Reward power ("Carrot") involves offering incentives, recognition, or relief to encourage and reinforce compliant behaviour. Legitimate foundation power ("Crown") reflects institutional authority based on legal mandates and societal norms, where compliance is rooted in the perception of legitimacy. Persuasive power ("Voice") relies on communication, expert advice, education, and guidance to build trust and shape taxpayer behaviour through normative means.

These relationships are mediated through both cognitive (rational beliefs) and affective (emotional responses) attitudes. The study posits that taxpayers respond to authorities based on postures of commitment and capitulation (positive attitudes, low social distance) and resistance (negative attitudes, high social distance). This study aligns resistance with enforced compliance, capitulation with voluntary cooperation, and commitment with committed cooperation, consistent with the findings of Gangl et al. (2015) and Olsen et al. (2018).

Taxpayers' responses to these power types are shaped by their attitudinal dispositions, which in this study are conceptualised along two dimensions, namely cognitive (rational beliefs and evaluation) and affective (emotional reactions). These attitudinal responses mediate the relationship between the type of power exerted and the form of compliance motivation, consisting of enforced compliance (compliance out of fear of penalties), voluntary compliance (compliance based on trust and acceptance), and committed cooperation (compliance based on moral or civic responsibility).

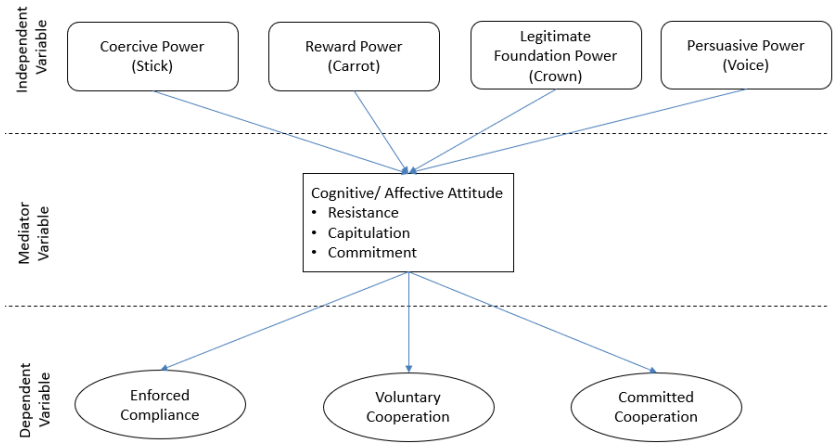

FIGURE 1. Research framework

To aid in understanding the attitudinal mechanisms in this study, Table 1 provides the conceptual definitions of the motivational postures used, namely resistance, capitulation, and commitment, as outlined by Braithwaite (2003). These

postures, which align with cognitive and affective attitudes, underpin the different types of tax compliance motivations, namely, enforced compliance, voluntary compliance, and committed cooperation.

TABLE 1. Definition of Motivational Postures and Their Relationship with Compliance

Posture	Definition	Attitude Dimension	Associated Compliance Motivation
Resistance	Opposition to authority; taxpayers distrust or reject the legitimacy of the tax system and its agents.	Cognitive & Affective Resistance	Enforced compliance (out of fear)
Capitulation	Acceptance of authority; taxpayers comply due to trust or respect, even if not fully committed.	Cognitive & Affective Capitulation	Voluntary cooperation (based on trust)
Commitment	Internalisation of duty; taxpayers view compliance as a moral or civic responsibility.	Cognitive & Affective Commitment	Committed cooperation (intrinsic drive)

Based on the theoretical perspectives and the research framework in Figure 1, this study proposes 14 hypotheses (H_1–H_{14}). Table 2 presents the full set of hypotheses, linking each type of power to its attitudinal mediators and compliance motivations.

TABLE 2. Summary of Study hypotheses

Power Type (Independent variable)	Attitude (Mediator)	Compliance Motivation (Dependent variable)	Hypotheses
Coercive Power	Cognitive Resistance	Enforced Compliance	H_1
	Affective Resistance		H_2
	Cognitive Commitment	Committed Cooperation	H_3
	Affective Commitment		H_4
Legitimate Power	Cognitive Capitulation	Voluntary Cooperation	H_5
	Affective Capitulation		H_6
	Cognitive Commitment		H_7
	Affective Commitment	Committed Cooperation	H_8
Persuasive Power	Cognitive Capitulation		H_9
	Affective Capitulation	Voluntary Cooperation	H_{10}
Reward Power	Cognitive Capitulation	Voluntary Cooperation	H_{11}
	Affective Capitulation		H_{12}
	Cognitive Commitment	Committed Cooperation	H_{13}
	Affective Commitment		H_{14}

This integrative model contributes to the literature by offering a comprehensive view of how power influences compliance through both rational (cognitive) and emotional (affective) pathways, an area under-theorised in prior research. Contextually, this contribution is highly relevant in Malaysia, where the Inland Revenue Board of Malaysia (IRBM) seeks to balance preventive enforcement with taxpayer service under its Corporate Plan (2021–2025). Prior studies in Malaysia have highlighted that excessive enforcement can undermine trust and discourage voluntary compliance (Rashid et al. 2021a, 2021b). By examining the mediating roles of cognitive and affective attitudes, this study offers timely insights into how Malaysian taxpayers perceive different forms of authority power and how these insights can inform IRBM's efforts to design more balanced and sustainable compliance strategies.

METHODOLOGY

A quantitative approach using mailed questionnaires was employed to examine the influence of tax administrators' four types of power (coercive, persuasive, legitimate, and reward power) on taxpayers' cognitive attitudes, affective attitudes, and tax compliance motivations. A mailed survey was chosen because it reduces interviewer bias, allows respondents greater privacy in answering sensitive tax-related questions, and enables wide coverage of professional individuals across Malaysia. The survey instrument was adapted from validated prior studies (see Table 3). A 5-point Likert scale was used to evaluate the level of agreement, as this scale reduces respondent fatigue, increases response rates, and maintains consistency with prior tax compliance studies. The validity and reliability of the instrument were strengthened by a pre-test involving five academic and professional experts in taxation, along with a pilot study of 32 individual taxpayers. Feedback was used to refine wording, item clarity, and cultural relevance. Cronbach's alpha and factor loadings from the pilot study confirmed internal consistency before full deployment.

TABLE 3. Source of questionnaire formation

Constructs	Number of items	Adapted from
Coercive power	7	Kastlunger et al. (2013)
Reward power	5	Gangl et al. (2016) and Swasy (1979)
Legitimate foundation power	5	Gangl et al. (2016), Hofmann et al. (2017), and Swasy (1979)
Persuasive power	15	Gangl et al. (2016), Yukl and Falbe (1991), and Swasy (1979)
Cognitive resistance	6	Braithwaite (2003)
Cognitive capitulation	5	Braithwaite (2003)
Cognitive commitment	7	Braithwaite (2003)
Affective resistance	5	Murphy & Tyler (2008)
Affective capitulation	5	Murphy & Tyler (2008), Barkworth & Murphy (2015)
Affective commitment	5	Murphy & Tyler (2008), Barkworth & Murphy (2015)
Enforced compliance	6	Kirchler & Wahl (2010), Hofmann et al. (2014)

Voluntary cooperation	5	Hofmann et al. (2014)
Committed cooperation	7	Kirchler & Wahl (2010), Hofmann et al. (2014)

In this study, "professional individuals" are defined according to the Malaysian Standard of Occupation (MASCO 2008) adopted by the Department of Statistics Malaysia and further detailed using the official list of professional bodies recognised by the Public Service Department of Malaysia. Based on these definitions, the study classified nine occupational groups as professional, namely pharmacists, accountants, architects, medical doctors, dentists, engineers, surveyors, lawyers, and town planners. Therefore, individual taxpayers from these nine professions who were registered with their respective professional boards were drawn as the study population. A total of 134,353 individuals were registered across these professions, consisting of 14,375 pharmacists, 35,269 accountants, 2,854 architects, 37,029 medical doctors, 8,620 dentists, 12,644 engineers, 4,289 surveyors, 18237 lawyers, and 686 town planners.

Stratified random sampling was employed to ensure adequate representation from all nine professional groups, as the population was not evenly distributed across professions. This method is considered appropriate because it ensures proportional representation from heterogeneous subgroups (Ghauri et al. 2020). A minimum effective sample size of 500 was determined based on SEM requirements, with reference to the expected mail survey response rates in Malaysia, which ranged from 13% to 20% in prior tax compliance studies (Hijatullah & Pope 2008; Hijatullah 2009; Mohd Rizal 2010). Accordingly, 2,500 questionnaires, proportionately allocated to each profession, were mailed. The selection process was conducted using Research Randomizer software (www.randomizer.org), where the membership list of each profession was numbered and random draws were made to select the required sample within each stratum. Due to time and budget constraints, the study focused on the central region of Malaysia (Selangor, Kuala Lumpur, and Putrajaya), given their higher population density and concentration of professional activities.

Questionnaires were mailed directly to the selected 2,500 professionals, together with a cover letter and a prepaid, self-addressed return envelope. Data were collected over a four-month period, during which several rounds of reminders were issued every two weeks until sufficient responses were gathered. A total of 391 responses were received (15.64% response rate), consistent with other Malaysian tax survey studies. Three responses were excluded as they did not meet the professional criteria, leaving 388 valid responses for analysis. This sample size is within the recommended range for SEM analysis (Schumacker & Lomax 2016; Sekaran 2016; Kline 2015). Non-response bias testing was not conducted because data collection coincided with a peak tax filing season. Responses received at different points in time were expected to be similar in nature. To reduce the likelihood of systematic differences between early and late respondents, the study employed covariance-based Structural Equation Modelling (CB-SEM) using AMOS, as it allows for the simultaneous estimation of multiple mediation paths, the assessment of direct and indirect effects, and the rigorous testing of model fit indices.

RESPONDENTS' PROFILES

A descriptive analysis of respondents' demographics shows that 55.7% were male and 44.3% were female. Most respondents (82.5%) worked in the private sector, whereas the remaining worked in the government sector. The respondents' employment types are somewhat balanced, with 55.7% being salaried workers and the remaining 44.3% being self-employed. Most respondents (63.7%) had worked for more than ten years. Further, most respondents (88.1%) reported earning more than RM5,001 monthly, with 36.3 per cent earning between RM5,001 and RM10,000 monthly, 28.4 per cent earning between RM10,001 and RM15,000 monthly, and 23.4 per cent earning more than RM15,000 monthly. The vast majority of respondents (93.6%) had experience in paying taxes. Also, most respondents (71.1%) had interacted with tax administrators two times or more, either for tax assistance (through the website, phone, or face-to-face) or for tax audit purposes. Overall, the respondents' profiles aligned with this study's requirements, as they were mature taxpayers with middle to high monthly income, considerable work experience, and prior interactions with tax administrators.

CONFIRMATORY FACTOR AND MEASUREMENT MODEL ANALYSIS

A few modifications were made at the confirmatory factor analysis (CFA) stage to ensure good fit indices during the measurement model analysis. Three items with loading factors below .5 were deleted (Hair et al. 2019). Additionally, nine redundant items were deleted, and the measurement errors of two redundant items under reward power were constrained (Awang et al. 2018). The deletion rate is 14.16% (12 out of 83 statements), which is acceptable since it is not considered a major modification (Awang et al. 2018). Finally, for this study's multidimensional variable, persuasive power, a parcelling technique was applied, where the mean of each dimension represented the items during the measurement model analysis (Awang et al. 2018).

The validity and reliability of constructs in this study were examined using average variance extracted (AVE) and composite reliability (CR), as shown in Table 4. The table shows that the instruments used are valid and reliable since the AVE value (on the diagonal) is more than .5 (Fornell & Larcker 1981) and the CR value is more than .7 (Hair et al. 2019). Table 4 also shows that the instrument used in this study meets the discriminant validity criteria, as each construct's AVE value (on the diagonal) is higher than its squared correlation coefficients (on the off-diagonal) with other constructs (Byrne 2016). This finding confirms that the study's constructs have no multicollinearity issues and are thus considered valid.

TABLE 4. Average variance extracted (on the diagonal), critical value (CR), and squared correlation coefficients (on the off-diagonal) for the study's instrument

Construct	CR	CP	PP	LFP	RP	CR	CCap	CCom	AR	ACap	ACom	EC	VC	CC
CP	0.853	0.543												
PP	0.848	0.026	0.650											
LFP	0.839	0.021	0.001	0.573										
RP	0.868	0.009	0.238	0.017	0.576									
CR	0.910	0.297	0.067	0.002	0.185	0.671								
CCap	0.902	0.016	0.381	0.011	0.296	0.052	0.649							
CCom	0.943	0.120	0.061	0.033	0.153	0.120	0.080	0.771						
AR	0.931	0.171	0.097	0.000	0.213	0.564	0.173	0.269	0.736					
ACap	0.938	0.003	0.476	0.003	0.334	0.095	0.584	0.058	0.170	0.791				
ACom	0.917	0.073	0.072	0.023	0.147	0.125	0.099	0.610	0.278	0.135	0.734			
EC	0.912	0.475	0.003	0.002	0.031	0.384	0.000	0.163	0.362	0.003	0.113	0.724		
VC	0.891	0.029	0.486	0.007	0.421	0.082	0.651	0.052	0.102	0.579	0.075	0.001	0.672	
CC	0.955	0.133	0.043	0.015	0.198	0.177	0.095	0.602	0.292	0.096	0.466	0.147	0.087	0.781

CP = Coercive power; RP = Reward power; LFP = Legitimate foundation power; PP = Persuasive power
CR = Cognitive resistance; CCap = Cognitive capitulation; CCom = Cognitive commitment
AR = Affective resistance; ACap = Affective capitulation; ACom = Affective commitment
EC = Enforced compliance; VC = Voluntary cooperation; CC= Committed cooperation

The normality of the data set was examined at the measurement model stage. The data meet the normality assumption, as the skewness values are within the range of ±2 (Tabachnick & Fidell, 2007) and the kurtosis values are within the range of ±7 (Byrne, 2016). Table 5 shows that the measurement model of this study has achieved the minimum recommended indices and thus is deemed fit for structural analysis.

TABLE 5. Fit indices of the measurement model

Model	Absolute fit: RMSEA (≤ 0.08)	Incremental fit: CFI (≥ 0.85)	TLI (≥ 0.85)	Parsimonious fit: Relative Chi-square (< 5.0)
Measurement model	0.063	0.888	0.879	2.545

RESULT AND DISCUSSION

STRUCTURAL MODEL ANALYSIS

Two structural models were developed to test the hypotheses, one with cognitive attitude as the mediator (Figure 2) and another with affective attitude as the mediator (Figure 3).

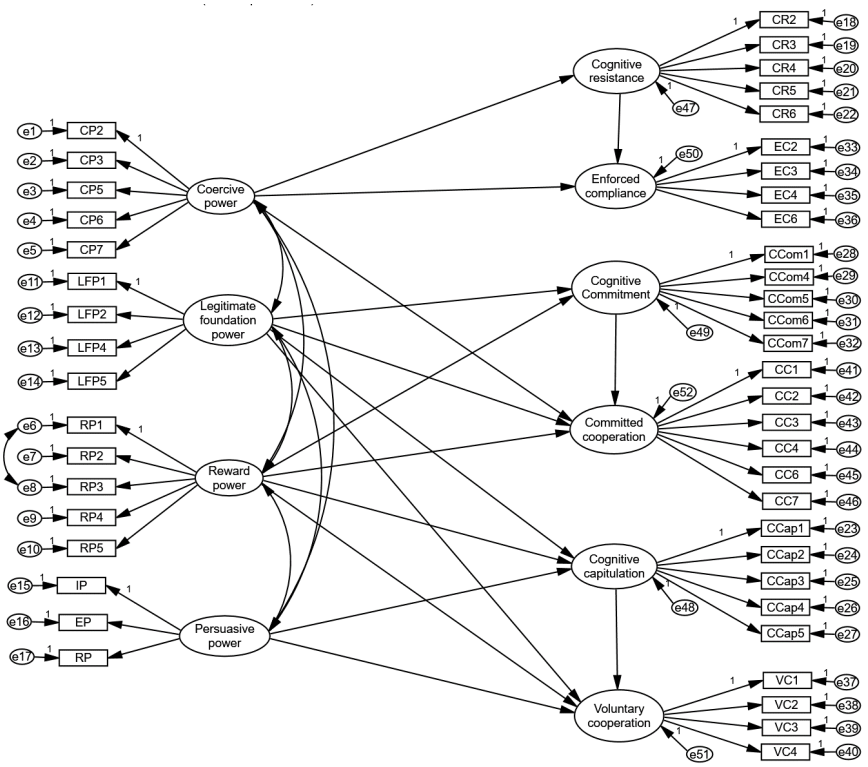

FIGURE 2. Structural model 1 (SM1) with cognitive attitude as the mediator

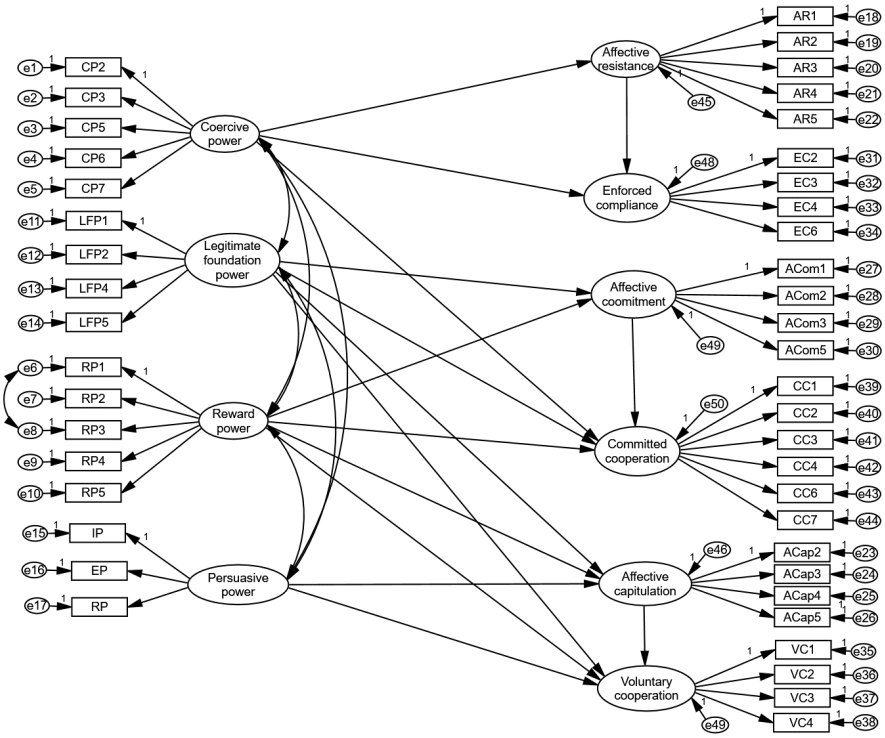

FIGURE 3. Structural model 2 (SM2) with affective attitude as the mediator

As shown in Table 6, both models achieve acceptable fit with all indices meeting the recommended thresholds.

TABLE 6. Fit indices of structural models

Model	Absolute fit: RMSEA (≤ 0.08)	Incremental fit: CFI (≥ 0.85)	TLI (≥ 0.85)	Parsimonious fit: Relative Chi-square (< 5.0)
Structural model 1 - cognitive attitude as the mediator	0.066	0.894	0.886	2.666
Structural model 2 - affective attitude as the mediator	0.065	0.903	0.896	2.630

MEDIATION VIA RESISTANCE ATTITUDES

Table 7 presents the mediation results for resistance attitudes between coercive power and enforced compliance. Both cognitive (H_1) and affective (H_2) resistance attitudes partially mediate the relationship between coercive power and enforced compliance, as direct paths remain significant after controlling for the mediation. The mediation effect can also be validated using the lower bound (L.B.) and upper bound (U.B.) method. Since the value of zero falls outside the bounds of L.B. and U.B., the previous result is confirmed. Hence, H_1 and H_2 are supported.

TABLE 7. Bootstrap mediation results for cognitive resistance and affective resistance attitudes as mediators

	Hypothesised paths	Model	Beta (β)	Significance value (*p*)	95 per cent CI BC		Mediation Result	Decision
					Lower Bound	Upper Bound		
H_1	Direct model:	SM1						
	CP → EC		0.697	0.000*				
	Mediation model (CR):						Partial mediation	Supported
	CP→ EC		0.521	0.000*				
	Indirect effect		0.346	0.000*	0.232	0.486		
H_2	Direct model:	SM2						
	CP → EC		0.683	0.000*				
	Mediation model (AR):						Partial mediation	Supported
	CP→ EC		0.533	0.000*				
	Indirect effect		0.318	0.000*	0.220	0.441		

* significant at $p < .01$
CP = Coercive power
CR = Cognitive resistance
AR = Affective resistance
EC = Enforced compliance

These findings suggest that coercive power ensures compliance both directly (through fear of penalties) and indirectly (by shaping resistance attitudes). Practically, this means that while enforcement in Malaysia may ensure short-term compliance, it may also generate negative rational and emotional reactions. This resistance can undermine trust and weaken

long-term voluntary cooperation, consistent with the responsive regulation view that heavy reliance on deterrence can backfire.

MEDIATION VIA COMMITMENT ATTITUDES

Table 8 illustrates the mediation effects of commitment attitudes, linking coercive, legitimate foundation, and reward powers to committed cooperation. Six hypotheses are supported. Cognitive (H_3) and affective (H_4) commitment attitudes partially mediate the relationship between coercive power and committed cooperation, with negative coefficients. This finding suggests that coercive power undermines taxpayers' sense of moral duty, thereby weakening their intrinsic commitment to comply. Next, full mediation is observed for cognitive (H_7) and affective (H_8) commitment attitudes in the relationship between legitimate foundation power and committed cooperation. Direct paths become insignificant once commitment attitudes are incorporated, which means legitimacy only works by shaping taxpayers' beliefs and emotions. Finally, both cognitive (H_{13}) and affective (H_{14}) commitment attitudes partially mediate the link between reward power and committed cooperation, showing that rewards foster commitment partly by strengthening positive attitudes.

TABLE 8. Bootstrap mediation results for cognitive and affective commitment attitudes as mediators

	Hypothesised paths	Model	Beta (β)	Significance value (*p*)	95 per cent CI BC		Mediation Result	Decision
					Lower Bound	Upper Bound		
H_3	Direct model:	SM1						
	CP → CC		-0.358	0.000*			Partial mediation	Supported
	Mediation model (CCom):							
	CP→ CC		-0.126	0.001*				
	Indirect effect		-0.302	0.000*	-0.449	-0.211		
H_4	Direct model:	SM2						
	CP → CC		-0.328	0.000*			Partial mediation	Supported
	Mediation model (ACom):							
	CP→ CC		-0.197	0.000*				
	Indirect effect		-0.302	0.000*	-0.449	-0.211		
H_7	Direct model:	SM1						
	LFP → CC		0.120	0.013**			Full mediation	Supported
	Mediation model (CCom):							
	LFP→ CC		-0.001	0.981				
	Indirect effect		0.165	0.001*	0.064	0.289		
H_8	Direct model:	SM2						
	LFP → CC		0.114	0.019**			Full mediation	Supported
	Mediation model (ACom):							
	LFP→ CC		0.041	0.312				
	Indirect effect		0.097	0.014**	0.064	0.289		
H_{13}	Direct model	SM1						
	RP → CC		0.401	0.000*			Partial mediation	Supported
	Mediation model (CCom)							
	RP → CC		0.176	0.000*				
	Indirect effect		0.142	0.000*	0.098	0.193		
H_{14}	Direct model	SM2						
	RP → CC		0.413	0.000*			Partial mediation	Supported
	Mediation model (ACom)							
	RP → CC		0.221	0.000*				
	Indirect effect		0.127	0.000*	0.089	0.175		

* significant at $p < .01$
** significant at $p < .05$
CP = Coercive power
LFP = Legitimate foundation power
RP = Reward power
CCom = Cognitive commitment
ACom = Affective commitment
CC = Committed cooperation

These results reveal a complex picture. Coercion erodes moral duty, rewards can reinforce it, and legitimacy depends entirely on whether taxpayers internalise it. In Malaysia, where professionals are highly educated and value autonomy, legitimacy alone does not guarantee commitment unless accompanied by positive rational and emotional attitudes. Policymakers should therefore note that while rewards can strengthen intrinsic motivation, coercion risks damaging it.

MEDIATION VIA CAPITULATION ATTITUDES

Table 9 reports the mediation results for capitulation attitudes, linking legitimate foundation, persuasive, and reward powers to voluntary cooperation. First, no mediation was found for both cognitive (H_5) and affective (H_6) capitulation attitudes in the relationship between legitimate foundation power and voluntary cooperation. The relationship with voluntary cooperation is insignificant, whether mediated or direct. Second, both cognitive (H_9) and affective (H_{10}) capitulation attitudes partially mediate the relationship between persuasive power and voluntary cooperation, confirming that persuasion fosters voluntary cooperation by encouraging rational acceptance and emotional alignment. Finally, both cognitive (H_{11}) and

affective (H_{12}) capitulation attitudes partially mediate the link between reward power and voluntary cooperation, showing that reward also works by shaping acceptance.

TABLE 9. Bootstrap mediation results for cognitive and affective capitulation attitudes as mediators

	Hypothesised paths	Model	Beta (β)	Significance value (*p*)	95 per cent CI BC		Mediation Result	Decision
					Lower Bound	Upper Bound		
H_7	Direct model:	SM1						
	LFP → VC		0.017	0.676				
	Mediation model (CCap):						No mediation	Not supported
	LFP→ VC		-0.009	0.801				
	Indirect effect		0.036	0.320	-0.035	0.123		
H_8	Direct model:	SM2						
	LFP → VC		0.017	0.676				
	Mediation model (ACap):						No mediation	Not supported
	LFP→ VC		0.018	0.637				
	Indirect effect		-0.001	0.949	-0.052	0.052		
H_9	Direct model:	SM1						
	PP → VC		0.511	0.000*				
	Mediation model (CCap):						Partial mediation	Supported
	PP→ VC		0.276	0.000*				
	Indirect effect		0.282	0.000*	0.198	0.383		
H_{10}	Direct model:	SM2						
	PP → VC		0.511	0.000*				
	Mediation model (ACap):						Partial mediation	Supported
	PP→ VC		0.299	0.000*				
	Indirect effect		0.183	0.000*	-0.273	-0.110		
H_{11}	Direct model:	SM1						
	RP → VC		0.395	0.000*				
	Mediation model (CCap):						Partial	Supported
	RP→ VC		0.236	0.000*				
	Indirect effect		0.282	0.000*	0.198	0.383		
H_{12}	Direct model:	SM2						
	RP → VC		0.394	0.000*				
	Mediation model (ACap):						Partial	Supported
	RP→ VC		0.270	0.000*				
	Indirect effect		0.091	0.000*	0.050	0.147		

* significant at $p < .01$
LFP = Legitimate foundation power
PP = Persuasive power
RP = Reward power
CCom = Cognitive commitment
ACap = Affective capitulation
VC = Voluntary cooperation

These findings highlight the importance of persuasion and rewards in fostering voluntary cooperation. Malaysian professionals respond positively when tax administrators use communication, education, and incentives to build trust. In contrast, legitimacy on its own does not generate cooperation, unless it is a reflection of scepticism towards the formal authority and unless it is backed by transparency and service quality. This finding aligns with Malaysia's current tax reform agenda, which prioritises service-oriented engagement over purely legalistic enforcement.

Taken together, the results reveal that different forms of power exert distinct pathways in shaping tax compliance. Coercive power is effective in ensuring enforced compliance, yet it does so while simultaneously fostering resistance attitudes that weaken intrinsic motivation. Legitimate foundation power only generates commitment when internalised through cognitive and affective attitudes, suggesting that formal authority alone is insufficient to inspire cooperation. In contrast, persuasive power and reward power are consistently associated with positive rational and emotional responses, strengthening voluntary and committed compliance. For Malaysia, these findings underscore that sustainable compliance cannot rely solely on deterrence but requires a balanced strategy that combines legitimacy with service quality, persuasion, and targeted incentives to foster trust and long-term voluntary cooperation.

DISCUSSION

This study reveals four key findings concerning the mediating roles of cognitive and affective attitudes in the relationship between tax administrators' power and tax compliance motivations.

First, both cognitive and affective resistance attitudes partially mediate the relationship between coercive power and enforced compliance. This finding suggests that enforcement strategies, such as audits and penalties, can foster negative attitudes and emotions, ultimately leading to an increased psychological distance between taxpayers and tax authorities (Braithwaite 2003). The vast social distance between taxpayers and tax administrators will result in taxpayers having negative perceptions, being careful in their behaviour, fighting for their rights, and seeking to control the power of tax administrators (Ayres & Braithwaite 1992). Enforcement activities also elicit negative emotions, including annoyance, disappointment, hatred, and anger (Olsen et al. 2018). This finding shows that enforcement through audit and penalties impacts taxpayers' cognitive attitudes and emotions, influencing their compliance motivations and behaviour. In line with Ayre and Braithwaite (1992) and Dukes et al. (2014), the study proposes that tax administrators be vigilant in their use of

force powers to avoid a defiant attitude that can reduce tax compliance, especially when opportunities for evasion are higher. Taken together, the results highlight that while coercion can secure compliance, it risks creating resistance that undermines trust and long-term voluntary cooperation.

Second, cognitive and affective capitulation attitudes partially mediate persuasive and reward powers' relationships with voluntary cooperation. These findings echo broader digital transformation outcomes in Malaysia's tax environment, where adoption of e-filing has been found to improve tax agents' job performance and service efficiency (Hashim et al. 2022). Such efficiency gains can indirectly support persuasive and reward-based strategies by making compliance process smoother, more transparent and more trusted. In that respect, the efficiency improvements associated with digital tax tools may also bolster institutional trust, which is key in shifting the balance away from deterrence toward more cooperative compliance (Alm 2023). This finding also suggests that using gentle power by focusing on educational, supportive, and compelling strategies could result in taxpayers having a positive attitude and showing higher recognition and acceptance of the tax administrators' role (Dukes et al. 2014; Rahayuningsih & Putra 2025). As a result, they will reduce the social distance between themselves and the tax administrator. This narrow social distance suggests that taxpayers have a positive perception of tax administration, believing that tax administrators generally act benevolently and in a friendly manner when taxpayers perform well and comply with tax obligations (Gangl et al. 2015). This soft power can shape taxpayers' positive emotions, such as relief, gratitude, liking, and happiness, after a positive interaction that is supportive and appreciative (Olsen et al. 2018; Enachescu et al. 2021). Hence, in line with Ayres and Braithwaite (1992) and Dukes et al. (20014), the study suggests that tax administrators continue to use these peripheral powers, as such actions can form positive attitudes, emotions, and even favourable postures capable of increasing tax compliance. Even though the reward power studied in this study is limited to tax relief, tax deduction, tax rebate, tax exemption, and appreciation message from IRBM, this limited reward power is still found capable of shaping both positive attitudes and emotions of capitulation, leading taxpayers to establish a closer social distance with the tax administrator. This closer relationship will then influence tax compliance motivations and behaviour. The findings are consistent with the principles of responsive regulation, which emphasize that the strategic use of power can foster positive attitudes and emotions, and cooperative postures toward tax administrators and tax systems, thereby enhancing voluntary compliance (Ayres & Braithwaite 1992; Dukes et al. 2014). Rewards in the form of recognition generate more than momentary feelings of happiness, as taxpayers may perceive these rewards as a form of income or benefit that offsets, or even substitutes for, their tax obligations (Smith & Stalans 1991). Furthermore, rewards given to taxpayers can increase their internal motivation to continue complying with tax laws (Bornman & Stack 2015; Rillstone 2015; Brockmann et al. 2016). Thus, this study suggests that tax administrators expand the use of reward power, which is believed to increase voluntary tax compliance. Tax administrators are encouraged to recognise and offer incentives to compliant taxpayers, as these actions will increase the recipients' desire to remain compliant and discourage other taxpayers from seeking the same credit (Bornman & Stack 2015). This action is indirectly capable of promoting voluntary compliance. Interestingly, legitimate foundation power has no significant links with voluntary cooperation through either cognitive or affective capitulation, which means H_5 and H_6 are not supported. This finding suggests that formal legality or institutional authority alone does not automatically generate acceptance among Malaysian professionals. Unless legitimacy is accompanied by transparency, fairness, and quality service delivery, taxpayers remain sceptical towards purely formal authority. In summary, persuasion and reward appear to be more effective in reducing social distance and fostering voluntary cooperation among Malaysian taxpayers.

Third, cognitive and affective commitment attitudes partially mediate coercive and reward powers' relationship with committed cooperation. This finding shows that enforcement strategies using the threat of audit and penalties will reduce taxpayers' acceptance of the tax system and positive emotions of like, happiness, and satisfaction towards the tax system, compelling them to reduce their voluntary committed cooperation (Olsen et al. 2018; Gangl et al. 2016; Gangl et al. 2015). This is because the use of enforcement by issuing audit threats and punishing honest compliant taxpayers conveys the message that the tax administrator disrespects and distrusts them and that they are unreliable (Torgler 2004; Schulze & Frank 2003). This negative signal makes honest taxpayers feel betrayed, thus weakening their belief that taxes are a moral and national responsibility (Das & Teng 1998). This situation may lead honest taxpayers to oppose tax administrators (Braithwaite 2009; Kirchler 2007), as such treatment damages their perceptions and trust in tax administrators, thus reducing their level of cooperation in taxation matters (Mendoza et al. 2017). Therefore, IRBM is suggested to use a targeted approach in using this harsh power to spare honest compliant taxpayers. On the other hand, reward power limited to tax relief, tax deduction, tax rebate, tax exemption, and appreciation messages from IRBM is found to increase taxpayers' acceptance and positive emotions towards tax administrators, resulting in them performing committed cooperation voluntarily. This finding aligns with responsive regulations, which suggest offering rewards to honest, compliant taxpayers when they achieve a higher level of compliance, such as mistake-free compliance (Ayres & Braithwaite 1992; Dukes et al. 2014). Furthermore, cognitive and affective commitment attitudes fully mediate the relationship between legitimate foundation power and committed cooperation. This finding suggests that when taxpayers accept the tax administrator's role in society, they will also accept the tax system and have positive feelings towards it, resulting in voluntary and committed cooperation (Dukes et al. 2014; Olsen et al. 2018). Overall, these patterns suggest that coercion weakens moral duty, rewards reinforce it, and legitimacy only becomes meaningful when internalised as trust and acceptance.

Fourth, the results for cognitive and affective attitudes in all the hypothesised paths are consistent. This suggests that studying one component, either cognitive or affective, will not compromise the overall findings and may yield comparable

results. Bridging these findings together, the study shows that power does not act in isolation but interacts with taxpayers' cognitive and affective attitudes to shape resistance, capitulation, and commitment in distinct ways. This highlights the importance of adopting a complex, attitude-sensitive approach in tax compliance strategies.

These findings offer significant theoretical and practical implications. Theoretically, this study extends the SSF by showing how distinct power types exert influence through separate cognitive and affective pathways. Unlike prior studies that focus solely on trust or authority, our findings reveal that resistance, capitulation, and commitment attitudes mediate compliance differently depending on the type of power applied, thus providing a more granular understanding of tax behaviour. From a policy standpoint, these insights suggest a more balanced approach to compliance. While enforcement remains necessary for high-risk taxpayers, excessive reliance on coercive power may alienate compliant individuals, ultimately undermining long-term voluntary cooperation. Thus, authorities like IRBM should expand persuasive and reward-based approaches, such as public recognition and taxpayer-friendly communication, to reinforce positive attitudes and emotions that foster committed cooperation. In particular, even modest rewards, such as appreciation emails and billboard acknowledgements, have been shown to enhance intrinsic motivation. These should not be seen as trivial gestures but as essential instruments for building trust and reinforcing moral commitment. In summary, the path to sustained tax compliance lies not in domination but in cultivating trust, dialogue, and recognition, which are principles that are especially vital in Malaysia's ongoing transition towards service-oriented tax administration.

CONCLUSION AND FUTURE RESEARCH

This study provides empirical evidence on how different types of power exercised by tax administrators influence taxpayer compliance motivations through cognitive and affective attitudes. It reveals that coercive power, while effective in promoting enforced compliance, may inadvertently damage trust and reduce voluntary cooperation when applied too broadly, particularly among honest taxpayers. In contrast, persuasive and reward powers contribute positively to both voluntary and committed cooperation by strengthening taxpayers' emotional and rational alignment with the tax system.

The findings suggest that tax administrators, including Malaysia's IRBM, should adopt a more targeted compliance strategy. Coercive power should be reserved for high-risk taxpayers, while greater investment should be made in persuasive engagement and reward mechanisms. Even simple forms of recognition, such as appreciation emails or public acknowledgement, can reduce the social distance between taxpayers and tax authorities, ultimately fostering a climate of mutual respect and intrinsic motivation.

While IRBM's Corporate Plan (2021–2025) promotes voluntary compliance, customer-oriented service, and adaptive enforcement, the study highlights a potential mismatch between the stated goals and practice. Preventive measures may resemble coercive strategies in effect, especially when directed at compliant taxpayers. This suggests that IRBM's Corporate Plan could be more effective if preventive measures are explicitly framed as supportive engagement rather than implicit enforcement, ensuring alignment between strategy and taxpayer perception. To promote long-term compliance, IRBM should distinguish between enforcement for deterrence and encouragement that builds trust.

Given the financial constraints, real monetary rewards may not be viable across the board. However, this study supports the development of more creative non-financial rewards, such as symbolic privileges, tax loyalty cards, or public recognition programmes, to increase voluntary compliance. International examples, like Sri Lanka's tax reward schemes, provide useful references. Regionally, lessons can also be drawn from Singapore's tax authority, which invests heavily in service excellence, and from New Zealand's digital-first approach. Similarly, within Malaysia, the success of e-filing initiatives in enhancing tax agents' performance (Hashim et al. 2022) illustrates how digital services improvements can complement engagement-oriented strategies. Efficient, user-friendly systems not only raise productivity but also strengthen taxpayers' positive attitudes toward the authority. Given the structural shifts in the post pandemic era, policymakers must not only digitize tax services, but also guard against trust erosion and inequality in compliance burdens (Alm 2023). Both tax authorities exemplify the global trend towards building compliance through service, transparency, and trust rather than deterrence. Equally important, continuous two-way communication via taxpayer education, digital platforms, and responsive helplines can reinforce trust and reduce the perceptions of distance between administrators and taxpayers.

Theoretically, this study enriches the SSF by disentangling how distinct power types influence compliance through separate cognitive and affective pathways. It also extends the RRT by empirically showing that persuasion and rewards strengthen cooperation more sustainably than deterrence alone.

Several limitations should be acknowledged. This study surveyed Malaysian professionals, who are mostly urban, formally employed, and well-informed about taxation. The findings may not reflect the perspectives of rural populations, informal sector workers, or lower-income groups. Future research should therefore include a more diverse sample. Additionally, the use of mailed questionnaires raises the possibility of non-response bias, as participants may hold more extreme or informed views. To enhance representativeness and depth, future studies should consider mixed-method approaches, including interviews or digital surveys. Lastly, this study focused on attitudinal mediators. Future research may extend the framework to incorporate behavioural dimensions of tax compliance or apply experimental and longitudinal methods to strengthen the causal inference. Future studies could also employ the experimental vignette methodology (EVM) or big data analytics on e-filing behaviours to capture real-time compliance decisions and further validate the psychological pathways.

In conclusion, fostering sustainable tax compliance requires more than enforcement, as it demands an approach built on trust, perceived legitimacy, and psychological insight. A shift from enforcement to engagement, supported by empirical understanding of taxpayer attitudes, will be key to achieving long-term compliance and public cooperation, while also strengthening the legitimacy of tax governance as a cornerstone of democratic accountability.

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