Quest Journals
Journal of Research in Business and Management
Volume 14 ~ Issue 11 (November 2026) pp: 31-46
ISSN(Online):2347-3002
www.questjournals.org

Research Paper

Effect Of Business Growth on SMEs' TAX Compliance Behaviour: A Mediated Analysis of Access to Finance

[1]Christian Vondee, [2]Emmanuel Ofori Amponsah
[1]Centre for Social Policy Studies, University of Ghana, [2]Department of Accounting, University of Education, Winneba

Abstract
SME tax compliance is increasingly a global challenge linked to economic development. This study explored how access to finance mediates the relationship between business growth and tax compliance among SMEs in Greater Accra, Ghana. Using a quantitative approach and a cross-sectional survey, 357 SMEs were randomly selected. Data were gathered through a structured questionnaire, and the analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). Results showed that business growth positively influences tax compliance. Additionally, access to finance significantly boosts compliance and partially mediates the relationship between growth and compliance, suggesting that improved financial access helps growing SMEs adhere to tax laws. Strengthening SME growth and financial access is crucial for sustained tax compliance. The study concludes that business growth and access to finance are key drivers of compliance, with financial access acting as a mechanism for translating growth into compliance. It is recommended that financial institutions and policymakers enhance the financial system by increasing the availability, affordability, and simplicity of loans, and by developing programs that foster sustainable business growth.

Keywords: *Business Growth, Access to Finance, Tax Compliance, SMEs.*

*Received 01 Nov., 2026; **R**evised 08 Nov., 2026; **A**ccepted 10 Nov., 2026 © The author(s) 2026.*
P**ublished with open access at **www.questjournals.org

I. INTRODUCTION

Small and Medium-sized Enterprises (SMEs) play an important role in Ghana's economic growth. Beyond their contribution to economic growth, their role extends to include job creation and poverty reduction (Bruce-Twum, 2023). They account for a large proportion of businesses and contribute significantly to government revenue through taxes (GRA, 2023; World Bank, 2024). However, despite their importance, tax compliance among these businesses has been cited as a major challenge. Many SMEs either underreport income, delay payments, or completely evade taxes, limiting governments' ability to mobilize domestic revenue for development (Vondee & Ashigbui, 2025; OECD, 2023).

Business growth encompasses a broad range of performance metrics, including increases in sales and net profit, access to finance, and liquidity (Hilton et al., 2025; Ahmed et al., 2023). Penrose (1959), as cited by Hilton et al. (2025), extended the idea that growth can be visualized as a change in the characteristics of an object, in this study's case, SMEs. Inferred from Penrose's (1959) emphasis, a growing business begins to formalize its operations. These include business registration, obtaining operating permits and tax certifications, and implementing stronger control systems to support proper financial reporting (Muhika et al., 2017). These formalization processes can increase firms' visibility to various stakeholders, including tax authorities. For instance, Akang (2023) noted that business registration and permits are regulatory policies that the government uses to bring businesses under the umbrella of tax authorities, monitor them, and collect taxes. Therefore, it is expected that these formalization processes associated with business growth translate into positive tax compliance outcomes. However, tax noncompliance is increasingly becoming a global challenge, with numerous sources citing Sub-Saharan Africa as the region with the greatest prevalence (Hilton et al., 2025; OECD, 2023; Kamasa et al., 2019), regardless of the organization's characteristics.

Tax compliance refers to the willingness of taxpayers to comply with all tax obligations without being forced (Okpeyo *et al*., 2019). According to the Ghana Revenue Authority (GRA, 2023), compliance in taxation means the accurate filing of tax returns, paying the correct tax amount, and being able to meet deadlines. Taxpayers who fail to obey tax laws and default in paying the correct amount at the due date are referred to as non-compliant

and, as such, can be subject to legal sanction (GRA, 2023). Causes attributable to tax non-compliance have been extensively documented, with some being tagged as deliberate practice while others are not. For instance, Azmi and Daud (2024) noted poor knowledge about tax laws and changes in tax policies, Vondee and Ashigbui (2025) emphasised the level of education and service quality received by taxpayers, while Musimenta (2020) and Young (2024) highlighted tax complexities among others. However, it is not all about knowing the tax laws and timelines for payments, filing processes, receiving tax expert services, or ensuring flexibility in procedures for tax paying. Rather, the financial resources needed to pay the due taxes matter most, because a taxpayer may know about tax laws, processes involved, get advice, and know the legal implications of avoiding or evading taxes, but would still default on payment because they do not have enough funds. This way, they would prioritise other business payments due over taxes (Guo and Hung, 2020).

According to studies (Sunardi *et al*., 2022; Kong *et al*., 2021; Alm *et al*., 2019), the ease of access to finance influences tax compliance behaviour. Access to finance means the ability of businesses to obtain the necessary financial resources to operate, grow, and invest in their activities (Giang *et al*., 2019). It encompasses the presence of financial institutions, products and services, affordable interest rates, fees and loan repayment terms, the ease of reaching financial services as well as how suitable the products or services are to the business needs. Firms that have access to finance have an advantage of being financially secure and can cooperate well in payment of their taxes (Kong *et al*., 2021). Yet, access to finance, as revealed in an enterprise survey, is one of the biggest challenges facing many businesses (World Bank, 2014). In Ghana, the Bank of Ghana Collateral Registry reported a 54.9% decline in the total secured loans granted by financial institutions in 2023 compared to 2022 (Ghana News Agency, 2024). Critically, if access to finance has been found as an explanatory factor of tax compliance (Sunardi *et al*., 2022; Kong *et al*., 2021; Alm *et al*., 2019), and at the same time a persistent challenge facing SMEs (Ahmed *et al*., 2023), then compliance is not just about willingness. Arguably, this can also explain why tax non-compliance is becoming an increasing challenge among developing economies like Ghana. But there is literally no or little information, if any, in the Ghanaian context that provides facts on this relationship.

Moreover, access to finance not only contributes directly to SMEs' tax compliance but can also serve as the way through which business growth leads to improved compliance. Thus, while formalisation of business is a prerequisite for compliance, access to finance is needed to formalise their operation, register, and obtain the necessary certifications and licenses, which make it easier to comply with tax laws (Akang 2023). In other words, limited access to finance restricts liquidity, discourages formalization (Bui *et al*., 2021; Bentum, 2020), and increases the temptation to evade taxes as a means of conserving cash flow (Akang, 2023). Notwithstanding, most growing business that do not keep proper financial records denies itself the opportunity to obtain finance from lending institutions (Ahmed *et al*., 2023; Mulika, 2017). This can constrain their ability to hire tax professionals. Likewise, financially constraint firm may choose to prioritize short-term survival over regulatory obligations because of financial pressure (Luo *et al*., 2020; Elbannan & Farooq, 2020). Moreover, growing businesses can deliberately decide to operate in the informal sector, engage in cash-based transactions, making it harder to track and tax their activities (Mulika, 2017). In this case, access to finance cannot be seen as a function of SMEs' tax compliance behaviour because most businesses operating in the informal sector do not have proper documentation like audited financial statements, tax clearance certificates, business registration documents, and bank transaction history, which can qualify them to access credit (Muhika, 2017). Despite these observations, empirical evidence on how access to finance mediates the relationship between business growth and tax compliance remains scarce.

Existing studies have either focused on how tax compliance influences business growth (Hilton *et al*., 2025), or on how access to finance affects business growth and tax compliance (Nisa *et al*., 2024; Akang, 2023; Folarin, 2020; Elbannan & Farooq, 2020; Kong *et al*., 2021; Boateng *et al*., 2022; Alm *et al*., 2019; Ellul *et al*., 2016). Others have examined the moderating role of access to finance on relationships such as financial statement audits and tax compliance (Sunardi *et al*., 2022). While these studies have made important contributions to the existing literature that already exist, none has specifically examined how business growth within the SME sector affects tax compliance. Furthermore, although studies such as Sunardi *et al*. (2022), Kong *et al*. (2021), and Alm *et al*. (2019) explored the relationship between access to finance and tax compliance in other jurisdictions, empirical evidence from Ghana's SME context is lacking. Moreover, the existing studies have not looked at how access to finance moderates the relationship between business growth and tax compliance among SMEs. Elsewhere, a crucial attempt was made by Sunardi *et al*. (2022) on how access to finance affects tax compliance relationships, but it concentrated on its mediating effect in the relationship between financial statement audit and tax compliance.

This study therefore aims to fill these gaps by examining how business growth translates into tax compliance behaviour among SMEs in Ghana through access to finance. Studying this relationship will help to understand whether growing firms are more likely to comply with tax laws or not. In addition, by considering access to finance as the mechanism for SMEs' tax compliance, the study shows whether the availability of funds is a way to improve growing SMEs' tax compliance behaviour. The findings will help guide policymakers and tax authorities in making better decisions. They can use the results to design better support systems that help

businesses grow while improving compliance. SME owners will also benefit by gaining a better understanding of how financial access can influence their ability to stay compliant.

II. LITERATURE REVIEW

Theoretical Review

Economic Deterrence Theory

The Economic Deterrence Theory, as articulated by Allingham and Sandmo (1972), is a foundational theory used to explain tax compliance from the perspectives of economics and enforcement. According to the theory, taxpayers are assumed to be rational and make decisions by conducting a cost-benefit analysis. This assessment involves weighing the benefits of avoiding taxes against the potential costs they will incur if they are caught (Mitchell et al., 2019). The costs mainly come from penalties, fines, audits, and damage to a company's image. When taxpayers see that the amount they will pay as punishment or the reputational damage their business will incur is greater than what they would gain from evasion, their likelihood of compliance is likely to be high. In the context of this study, the theory suggests that business growth naturally increases firms' visibility, making tax authorities notice them more easily (Akang, 2023). In practice, growing SMEs often expand operations, open new branches, employ more people, or improve their presence on digital platforms. During this process, higher visibility increases their perceived probability of being audited. As a result, Economic Deterrence Theory predicts that as an SME becomes larger or more established, the risks and costs of non-compliance rise, which should lead to improved tax compliance behavior. Empirically, Klimsa & Ullmann (2023) showed that tax administrations often concentrate audit intensity by firm size and that enforcement thresholds create incentives for firms to be more visible or to hide below thresholds. Where audit intensity increases with firm size, larger firms face a higher probability of audit and therefore a greater expected cost of evasion. In this sense, the theory provides a strong economic justification linking business growth to tax compliance. However, the assumption of taxpayer rationality does not always hold due to circumstances such as lack of access to finance, poor record-keeping, and limited knowledge. These constraints often prevent SMEs from complying even when they want to (Sunardi et al., 2022). In this way, the Economic Deterrence Theory arguably does not fully capture the complexity associated with SMEs' compliance behavior, implying that a behavioral theory is needed to complement it for better understanding.

Theory of Planned Behaviour

According to the theory of planned behaviour proposed by Ajzen (1991), why people or businesses do what they do is shaped by their attitude toward the behaviour, the subjective norms or social expectations surrounding it, and perceived behavioural control. In particular, perceived behavioural control reflects the capability of an individual or how confident they feel about performing a behaviour. Ahmed et al. (2023) demonstrated that SME growth is linked to improved internal systems, hiring of specialised finance managers, and better financial management practices. These improvements increase their sense of capability and control over matters of taxation. In TPB terms, business growth enhances the perceived behavioural control of SMEs, thereby making it easier for them to comply. Additionally, several studies support the crucial role of access to finance for SMEs in terms of their capability in bookkeeping systems investment, settling tax liability on time (Kong et al., 2021; Alms et al., 2019), hiring professionals, and generally managing their financial obligations confidently. This means that access to finance increases perceived behavioural control, making compliance easier and more achievable. As a result, TPB directly supports the argument that access to finance strengthens the relationship between business growth and tax compliance, because financially supported SMEs are better equipped to act on their intentions of complying with tax laws than those that are not financially supported.

Business Growth and Tax Compliance

Business growth reflects how well a firm is performing over time. It is usually seen through higher sales, increased profit, improved liquidity, and access to new opportunities (Hilton *et al*., 2025; Ahmed *et al*., 2023). Penrose (1959) notes that as a business grows, it naturally begins to formalise its operations (Hilton *et al*., 2025). This means registering the business, obtaining operating permits, keeping proper records, and complying with tax requirements. These steps make the business more visible to stakeholders, including tax authorities, and are expected to encourage more responsible tax behaviour (Muhika *et al*., 2017; Akang, 2023).

The evidence generally shows that business growth and tax compliance reinforce each other. Hilton *et al*. (2025) examined indigenous contractors in Ghana and found that tax compliance is positively linked to key indicators of business growth such as prospects, profit, market share, and survival. Their study shows that firms that comply with taxes are more likely to expand, compete better, and secure more contracts. Among the four indicators, prospects showed the strongest relationship with compliance.

Other studies also show that firms often misunderstand how taxes relate to growth. Koranteng *et al*. (2017) found that many small businesses believe taxes limit growth, and this perception reduces their willingness to

comply. Some owners avoid taxes because they think it will help them reinvest more and grow faster in the short term (Tomlin, 2008; Naicker, 2018). However, this strategy usually creates long-term risks. Penalties, legal sanctions, and loss of business credibility can eventually hurt growth and even threaten the survival of the firm. Vasak (2008) further argues that strict regulations and multiple taxes can create pressure that slows down business growth, which may push some firms towards non-compliance. But despite these challenges, the long-term effects of non-compliance are consistently negative. For SMEs, avoiding taxes can restrict their ability to expand, limit access to finance, and reduce opportunities, especially when dealing with formal institutions. These suggest that business growth and tax compliance move together. Thus, growing businesses tend to formalise and comply more, and tax compliance itself supports growth by strengthening credibility, improving market access, and sustaining long-term survival. Based on this review, the study proposes:

H_1: Business growth has a significant positive effect on tax compliance behaviour among SMEs.

Access to Finance and Tax Compliance

Access to finance refers to the ability of a business to obtain financial services such as credit, savings, payment facilities and insurance, all of which are essential for meeting working-capital needs and supporting growth (Giang *et al*., 2019). Even though access to finance improves productivity (Lim & Foster, 2020), many SMEs still struggle to obtain external funding due to limited documentation, weak financial records, and high perceived risk (Kong *et al*., 2021). Financial reporting plays a key role in overcoming these barriers. High-quality financial statements shape the way lenders assess a firm's risk and determine whether it qualifies for credit. As noted by Dobija (2020), audited financial statements are widely viewed as a reliable assurance that the reported information is accurate and free from major errors. A credible audit improves confidence among lenders and investors by providing a clearer picture of the firm's performance and prospects. Evidence from Trpeska *et al*. (2017) and Alrashidi *et al*. (2021) supports this, showing that audited firms generally have better access to credit and attract financing more easily than unaudited firms.

Several studies also link access to finance with tax behaviour. Kong *et al*. (2021) argue that firms with easy access to finance enjoy improved liquidity, which helps them meet tax obligations on time and reduces the temptation to evade taxes. When firms face financial constraints, however, they may look for ways to cut costs, and one common approach is to underreport income or delay tax payments (Luo *et al*., 2020; Elbannan & Farooq, 2020). This happens because financially constrained firms often view taxes as an immediate cost with no direct return (Tomkiewicz & Postuła, 2020).

Moreover, evidence from Elbannan and Farooq (2020) shows that firms with high financing obstacles are more likely to engage in tax avoidance as a substitute for external funding. However, when firms gain stable access to finance, they become less dependent on such practices and more willing to comply. Alm *et al*. (2019) and Kong *et al*. (2021) also report that financially secure firms tend to fulfil their tax obligations more regularly. In addition, financial transparency and audits not only help firms access finance but also increase their visibility to tax authorities, which indirectly improves compliance (Sunardi *et al*., 2022; Ellul *et al*., 2016). Another reason access to finance can encourage compliance is that firms relying on external funding want to maintain a positive reputation with lenders. As Beck *et al*. (2014) point out, firms are often cautious about engaging in tax avoidance because negative information may damage their credibility and reduce their chances of obtaining future capital. This creates a strong incentive for financially dependent firms to meet their tax obligations.

Across multiple contexts, including Sub-Saharan Africa (Folarin, 2020) and multi-country business surveys (Nisa *et al*., 2024; Sunardi *et al*., 2022), findings consistently show that better financial access supports higher tax compliance, while financial constraints increase avoidance. This suggests that access to finance strengthens both the capacity and willingness of SMEs to comply with tax rules. Based on this evidence, the study proposes that access to finance plays a key role in shaping SMEs' tax behaviour, partly by easing liquidity pressures and partly by promoting financial transparency through audited reporting.

H_2: Access to finance has a significant positive effect on tax compliance behaviour among SMEs.

Mediating role of Access to Finance

Access to finance is an important factor that helps small and medium-sized enterprises (SMEs) grow. Rogo et al. (2017) showed that when SMEs have access to finance, the link between their growth plans and their actual performance becomes clearer because finance enables them to translate intentions into real outcomes. SMEs have the potential to create jobs and expand, but many of them struggle because they cannot get the financial support they need (Harash et al., 2014). When firms are able to secure finance, they can buy important resources, improve their skills, and make better decisions that support long-term growth.

Several studies support this idea. Liu (2013) found that access to finance helps small firms turn their growth intentions into real growth. Demir and Caglayan (2012) also reported that financial resources improve firm performance. Adomako and Danso (2014) further explained that access to finance enables firms with financial literacy to apply their knowledge effectively because they can invest in training and experience. Although earlier studies (Chen & Chen, 2011; Al-Yahiya & Airey, 2013; Kelley et al., 2016) show that finance is important

for business performance, they do not explain how access to finance acts as a pathway through which growth translates into positive outcomes.

Access to finance can also influence how business growth leads to tax compliance. As firms grow, they often need to formalise their operations by registering the business, keeping records, and getting licences. However, these activities require money. Akang (2023) argues that access to finance makes it easier for firms to formalise and follow tax rules. When SMEs lack finance, their liquidity becomes tight. This discourages formalisation (Bui et al., 2021; Bentum, 2020) and increases the temptation to avoid taxes to save cash (Akang, 2023).

A growing firm that does not keep proper financial records also reduces its chances of getting loans from banks (Ahmed et al., 2023; Mulika, 2017). Without finance, the firm may not be able to hire tax professionals or build systems that support compliance. Financially stressed firms may focus on short-term survival rather than meeting tax obligations (Luo et al., 2020; Elbannan & Farooq, 2020). Some growing businesses may even choose to stay informal and operate mainly with cash, which makes it harder to track and tax their activities (Mulika, 2017). Firms in the informal sector usually do not have audited statements, tax clearance certificates, or business registration documents. Without these, they cannot qualify for loans (Muhika, 2017). In such cases, access to finance does not mediate the link between business growth and tax compliance because these firms are outside the formal financial system and cannot benefit from the financial resources needed to support compliance. Even though these arguments show that access to finance can serve as the mechanism through which business growth leads to tax compliance, only a few studies have examined this mediating role directly. This reveals a clear gap in the literature. Based on this, the study proposes the following hypothesis:

H_3: Access to finance mediates the relationship between business growth and tax compliance behaviour among SMEs

III. METHODOLOGY

This adopted quantitative research approach. According to Ary *et al*. (2010), quantitative research deals with questions of relationship, cause and effect that researchers can answer by collecting numerical data and employing statistical means in analysing them. In the view of Bhandari (2024), the quantitative approach is suitable for studies that seek to determine the predictors of an outcome. In alignment, the current study sought to examine the relationship between business growth and tax compliance, and further test the extent to which access to finance can mediate the relationship, making the employment of this approach suitable for this study. On the research design, the study used a descriptive cross-sectional survey design. The suitability of the design lies in its merits of allowing researchers to examine prevailing practices, ongoing processes, developing trends, conditions, or relationships while permitting the collection of data from the respondents at a single point in time irrespective of the dispersions that existed among them (Kuranchie, 2021). The population for this study constituted SMEs, both registered and unregistered, operating in the Greater Accra Region of Ghana. Both groups were considered in this study because formality is not a guarantee of easy access to finance (Berkel, 2025; Tabiri, 2022), in addition to the fact that they all pay taxes (whether local taxes, tax stamps, withholding taxes, market tolls, or corporate income tax). According to the Integrated Business Establishment 2024 Survey, there are 27,192 SME establishments in the region (Ghana Statistical Service, 2025). Based on the population, the study adopted Yamane's formula in determining the appropriate sample size. The formula is given as:

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size, N = population of the study (27,192), and e = margin of error (0.05). Substituting the values;

$$n = \frac{27{,}192}{1 + 27{,}192(0.05^2)}$$
$$n = 394$$

Therefore, the appropriate sample size was approximately 394. To reach the respondents, the study resorted to the simple random technique, a form of sampling design that gives every member of the studied population an equal chance of been selected, thereby minimising biases in the study (Kuranchie, 2021). The study utilised a structured questionnaire developed based on existing literature reviewed to collect data from owners and managers of SMEs who constituted the unit of analysis for this study. After obtaining informed consent while encouraging voluntary participation, a total of 394 questionnaires were distributed. Of this number, a total of 357 responses, constituting 90.6%, were retrieved and deemed valid for analysis. According to Babbie (2010), a response rate of 50% is considered adequate for analysis. Similarly, Bryman (2016) maintains that response rates around 50% can still yield valid and reliable findings if the sample is well-targeted and representative. On these grounds, the data used are deemed sufficient to address the study objectives. Data were analysed using Partial Least Squares Structural Equation Modelling in Smart PLS. The analysis began with a test for the data's normality,

followed by the assessment of reliability and validity of the measurement model through test like Cronbach alpha determination, HTMT, the Fornell Larcker criterion, and cross-loading. Additionally, multicollinearity was also checked using the Variance Inflation Factor (VIF). The analysis was further extended to demographic information, firm characteristics, and the evaluation of the structural model to determine the direction and strength of the relationship hypothesised in the study. Additionally, the model's predictive relevance and accuracy were also assessed using Q^2_predict and the Root Mean Square Error (RMSE) and Mean Absolute Error (MAE). The presentation of results was done in tables. It began with the demographic characteristics of the owners/managers, followed by firm characteristics, model measurement results, and the structural model findings of the PLS-SEM.

IV. RESULTS

Table 1: Demographic Characteristics of Owners/Managers (N=357)

Measures		**Frequencies**	**Percentages**
Gender			
	Male	175	49.0
	Female	182	51.0
Age			
	Below 24 years	1	0.3
	25 to 34 years	34	9.5
	35 to 44 years	152	42.6
	45 to 54 years	88	24.6
	Above 55 years	82	23.0
Highest Educational Level			
	No formal Education	17	4.8
	Junior High School	33	9.2
	Senior High School	101	28.3
	Graduate	146	40.9
	Post graduate	60	16.8
Years of Running the Business			
	Less than 5 years	56	15.7
	5 to 10 years	93	26.0
	More than 10 years	208	58.3

Source: Field Survey (2025)

The results in Table 1, which is based on 357 respondents, show that the owners and managers who took part in the study were almost evenly split by gender. About 49% of them were males, while 51% were females. The ages of the respondents also varied, but most of them were within the middle-aged brackets. Only a very small number were below 24 years. A good number fell between 25 and 34 years, but the highest share was between 35 and 44 years, forming about 42.6%. Those aged 45 to 54 years and those above 55 years also formed a large part of the group. This shows that most of the people running these SMEs are adults with significant work experience. On their education, the results show that most respondents had some level of formal education. Only a small percentage had no formal schooling. Some completed Junior High School, and a little more had Senior High School education. The largest group was graduates, making up about 40.9%, and some even had postgraduate qualifications. This means many SME owners or managers are fairly educated. When looking at how long they had been running their businesses, more than half had been operating for over 10 years, showing that many of these businesses have been around for quite some time, and as such have transformed over time.

Table 2: Firm Characteristics			
Measures		**Frequencies**	**Percentages**
Business Sector			
	Trading	116	32.5
	Services	82	23.0
	Manufacturing	98	27.5
	Agriculture	5	1.4
	Construction	47	13.2
	Others	9	2.4
Business Registration Status			
	Registered	343	96.1
	Not Registered	14	3.9
Tax Registration Status (TIN/VAT)			
	Yes	349	97.8
	No	8	2.2
Number of Employees			
	Fewer than 6	58	16.3
	Fewer than 10	98	27.3
	Fewer than 30	128	35.9
	Fewer than 50	73	20.5
Average Annual Turnover			
	Less than GH₵50,000	97	27.2
	50,000-149,999	173	48.5
	150,000-499,999	64	17.9
	500,000+	23	6.4
Business Bank Account			
	Yes	329	92.2
	No	28	7.8
Received loan in last 3 years			
	Yes	64	17.9
	No	293	82.1
Keep written records			
	Regularly	322	90.2
	Sometimes	23	6.4
	No	12	3.4

Source: Field Survey (2025)

In Table 2, the firm characteristics present a picture of the types of businesses that were involved in the study. From the analysis, it appeared that many of the SMEs were into trading (32.5%), and quite a number were into manufacturing (27.5%) and services (23.0%). Only a few were into agriculture and other sectors. Almost all (96.1%) of the businesses were registered, and almost all of them had tax registration, such as TIN or VAT (97.8%). This means the majority of the firms were operating formally. Also, the results showed that the number of

employees in these firms studied also varied. Some had fewer than 6 workers, others had fewer than 10, and many (35.9%) had up to 30 employees. A smaller portion (20.5%) had up to 50 workers. Moreover, their annual turnover also differed. Almost half of the firms (48.5%) earned between GH₵50,000 and GH₵149,999 yearly, while some earned less than GH₵50,000. A few (17.9%) earned between GH₵150,000 and GH₵499,999, and only a small number (6.4%) earned above GH₵500,000. Furthermore, the study revealed that most of the businesses had bank accounts (92.2%), and only a small number did not (7.8%). When asked about loans, only 17.9% had received one in the last three years, while most had not accessed credit. Lastly, on record-keeping, almost all the respondents said they kept written records regularly, with only a few doing so sometimes or not at all. This means that most of the respondents understand the essence of record-keeping to inform their decisions.

Model Measurement Results

Table 3: Normality Test

Indicators	Standard deviation	Excess kurtosis	Skewness
AF1	1.018	-0.705	-0.397
AF2	0.902	0.042	-0.597
AF3	0.915	0.072	-0.677
AF4	0.929	0.501	-0.834
AF5	0.939	0.492	-0.782
AF6	0.957	0.470	-0.745
TC1	0.918	0.645	-0.843
TC2	0.904	0.373	-0.741
TC3	0.876	0.346	-0.720
TC4	0.851	0.306	-0.693
TC5	0.861	0.366	-0.753
TC6	0.847	0.602	-0.748
BG1	0.974	-0.216	-0.648
BG2	0.942	0.218	-0.756
BG3	0.931	0.762	-0.865
BG4	0.857	0.691	-0.701
BG5	0.928	0.712	-0.875
BG6	0.921	1.133	-0.943

Source: Field Survey (2025)

To meet the assumption of many statistical tests, normal assessment was conducted for all the variables (Access to Finance, Tax Compliance, Business Growth) in the study, as presented in Table 3. This ensures that results are accurate and not misleading. For data distribution to be considered approximately normal, values of kurtosis and skewness should be between –2 and +2 (Hair *et al*., 2022). These ranges are considered acceptable symmetry and level of peakedness. From the results presented in Table 3.0, all skewness values are between -0.397 and -0.943, and all kurtosis values also fall between -0.705 and +1.133. Therefore, it is concluded that the distributions of the data do not deviate significantly from normality. As such, it supports the suitability for further multivariate analysis using PLS-SEM.

Table 4: Fornell-Lacker Criterion

Constructs	Access to Finance	Business Growth	Tax Compliance
Access to Finance	0.781		
Business Growth	0.558	0.879	
Tax Compliance	0.623	0.658	0.862

Source: Field Survey (2025)

The figures presented in Table 4 are an outcome of a statistical test performed to assess whether the variables studied are truly measuring what they are supposed to measure. According to Fornell and Larcker (1981), discriminant validity is confirmed when the square root of the average variance extracted for a construct is greater than its correlations with other constructs in the same model. In line with this, the results showed that the average variance extracted for access to finance, which is 0.781, is higher than its correlation with business growth and tax compliance. Similarly, the square root of the average variance extracted for business growth was found to be 0.879, a figure that is greater than the correlation it shares with access to finance (0.558) and tax compliance (0.8). Again, the square root of average variance extracted for tax compliance was 0.862. This is also greater than its correlation with business growth (0.658) and access to finance (0.623). These results therefore attest to the fact that the measurement model demonstrates a strong discriminant validity, which means that each observed construct is conceptually and empirically different and measures what it is supposed to.

Table 5: Heterotrait-Monotrait Ratio (HTMT)

Constructs	Access to Finance	Business Growth	Tax Compliance
Access to Finance			
Business Growth	0.624		
Tax Compliance	0.705	0.696	

Source: Field Survey (2025)

To be sure about how well the constructs measure what they are supposed to, a retest through the HTMT was done. With HTMT, the values from a given analysis should be below 0.85 to confirm that all constructs fit or measure what they intend to measure (Hair Jr *et al*., 2021). The result in Table 5 presents evidence that each construct or variable in the model clearly measures a unique aspect, implying that there is no redundancy because none of the HTMT values reaches or is greater than 0.85. Notwithstanding, the study went ahead to consider how well each indicator, as indicated by their codes, fits under its main variable (See Table 6).

Table 6: Cross Loading

Codes	Access to Finance (AF)	Business Growth (BG)	Tax Compliance (TC)
AF1	**0.791**	0.402	0.496
AF2	**0.819**	0.462	0.516
AF3	**0.822**	0.443	0.462
AF4	**0.752**	0.450	0.474
AF5	**0.715**	0.419	0.481
BG1	0.543	**0.841**	0.634
BG2	0.491	**0.894**	0.621
BG3	0.497	**0.903**	0.595
BG4	0.436	**0.882**	0.535
BG5	0.500	**0.885**	0.538
BG6	0.461	**0.870**	0.528
TC1	0.487	0.448	**0.771**
TC2	0.569	0.565	**0.876**
TC3	0.558	0.569	**0.893**
TC4	0.526	0.594	**0.865**
TC5	0.545	0.618	**0.881**
TC6	0.534	0.590	**0.878**

Source: Field Survey (2025)

The cross-loading results presented in Table 6 showed that all items (AF1, AF2, AF3, AF4, AF5) under access to finance have their highest loadings on access to finance compared to business growth and tax compliance. This was evident by values ranging from 0.715 to 0.822, meaning these items correctly measure access to finance. The same observations were made for business growth and tax compliance. On business growth, values for the indicators such as 0.841, 0.894, 0.903, 0.882, 0.885, and 0.870 were observed to be high on business growth compared to access to finance and tax compliance. Moreover, tax compliance also loaded high on itself compared to business growth and tax compliance. The results clearly show that the indicators of business growth and that of tax compliance accurately represent their respective constructs. These statistics add to the validity of the study, specifically to discriminant validity.

Table 7: Construct Reliability and Validity and Collinearity Statistics (VIF)

Constructs	Indicators	VIF	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Access to Finance			0.839	0.840	0.886	0.610
	AF1	1.937				
	AF2	2.208				
	AF3	2.091				
	AF4	1.644				
	AF5	1.494				
Business Growth			0.941	0.943	0.953	0.773
	BG1	2.795				
	BG2	3.887				
	BG3	3.848				
	BG4	3.609				
	BG5	3.818				
	BG6	3.457				
Tax Compliance			0.930	0.934	0.945	0.742
	TC1	2.004				
	TC2	3.163				
	TC3	3.521				
	TC4	2.854				
	TC5	3.165				
	TC6	3.181				

Source: Field Survey (2025)

Table 7 contains the results on the Variance Inflation Factor (VIF), which is used to assess possible issues of multicollinearity among indicators in the measurement model. Additionally, the table also presents the results from the construct reliability and validity test. On VIF, Hair *et al*. (2022) noted that statistic values above 5.0 signify problematic overlap among predictors, while values that fall below 3.3 mean that collinearity is not an issue. From the analysis, it was observed that all the indicators of the three constructs under measurement were below 5.0. This means that each indicator contributes uniquely to its construct without redundancy or distortion from shared variance. In other words, an absence of multicollinearity was observed in the dataset and as such, it can be considered stable, reliable, and interpretable, reinforcing how robust the measurement framework is.

Furthermore, the construct reliability and validity results captured in Table 7 provide evidence on the robustness and measurement quality of the constructs used in this study. According to Sheppard (2021), a Cronbach's Alpha value of 0.70 or more is considered acceptable, indicating that the items or indicators of each construct are internally consistent and reliable. From the results presented in the table, the access to finance

construct recorded 0.839, business growth had 0.941, while tax compliance scored 0.930. All these values exceeded the recommended threshold of 0.70, confirming a high level of internal consistency among the constructs. Similarly, the composite reliability coefficients for the variables were also greater than 0.70. Moreover, for the Average Variance Extracted (AVE), Shrestha (2021) recommended a minimum value of 0.50. Evidently, the AVE values were 0.610, 0.773, and 0.742 for access to finance, business growth, and tax compliance, respectively. These results collectively confirm that the constructs showed excellent reliability and convergent validity. The indicators effectively capture the underlying dimensions of the respective constructs, thereby establishing the robustness and suitability of the measurement model for further structural analysis.

Correlation Analysis

Table 8.0 presents the results on the relationship between access to finance, business growth, and tax compliance behaviour among the SMEs.

Table 8: Latent Variable Correlation

	Access to Finance	Business Growth	Tax Compliance
Access to Finance	1.000		
Business Growth	0.558	1.000	
Tax Compliance	0.623	0.658	1.000

Source: Field Survey (2025)

From the results presented in Table 8, the correlation between access to finance and business growth is 0.558, indicating a moderate positive relationship. This positive relationship suggests that as businesses gain greater access to finance, their growth rate improves. Similarly, the correlation between access to finance and tax compliance is 0.623, also indicating a strong positive relationship. This means that when businesses have better access to finance, their chance of complying with tax obligations tends to increase. Additionally, just like access to finance is positively related to the tax compliance behaviour of SMEs, so is their growth. The results showed that the relationship between business growth and tax compliance is strongly positive, as indicated by a correlation coefficient of 0.658. This implies that growing SMEs are more likely to comply with tax laws.

Structural Model Findings of PLS-SEM

Figure 1.0 represents the graphical illustration of the structural model. It shows the direct and the mediating path among the variables as well as the path coefficients and the measurement loadings of each construct. In the Figure, business growth represents the independent variable, access to finance is observed as a mediator, while tax compliance constitutes the dependent variable.

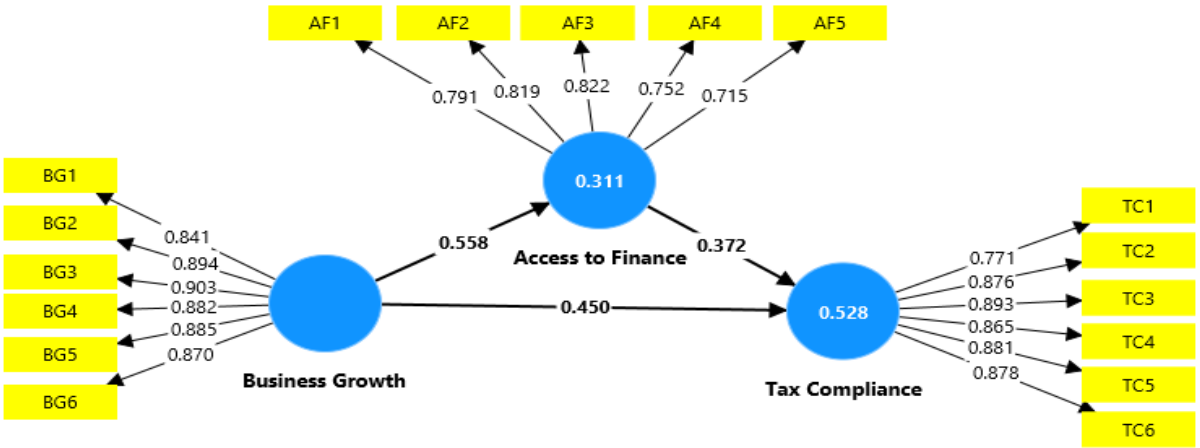


Figure 1.0: Structural Equation Model

Table 9: Model Fit

Indices	Saturated model	Estimated model
SRMR	0.053	0.053

d_ULS	0.433	0.433
d_G	0.215	0.215
Chi-square	459.789	459.789
NFI	0.904	0.904

Source: Field Survey (2025)

Table 9 presents the model fit statistics for both the Saturated and Estimated models. These statistics are important when assessing the overall adequacy of the structural equation model. The results confirmed that the fit between the observed data and the estimated model is excellent, as indicated by the SRME value of 0.053, which falls below the recommended cut-off point of 0.08 (Arnout, 2020). Additionally, the d_ULS and d_G also recorded 0.433 and 0.215, respectively, and fall within the acceptable limit. This condition means that the model meets the criteria for residual-based fit measures and supports the robustness of the structural relationships (Al-Nuaimi & Al-Emran, 2023). Furthermore, the statistics for the Chi-square (459.789) provide an overall measure of fitness of the model, but it is also supported by the other indices due to its sensitivity to the size of the sample. Moreover, the NFI value of 0.904 exceeds the conventional benchmark of 0.90, which indicates a good comparative model fit according to (Oduro *et al*., 2018). All these indices collectively prove that the structural model showed an excellent goodness of fit and support the validity of the proposed relationship in the study.

Table 10: Total Effect

Hypotheses	Coefficient	T statistics	P values	Decision
Access to Finance -> Tax Compliance	0.372	7.349	0.000	Supported
Business Growth -> Access to Finance	0.558	14.185	0.000	Supported
Business Growth -> Tax Compliance	0.658	17.701	0.000	Supported

Source: Field Survey (2025)

The results presented in Table 10.0 show that access to finance positively affects the compliance behaviour of SMEs. The impact was significant (Coefficient = 0.372; p-value = 0.00). This means that availability and accessibility of funds is a direct and critical enabler of compliance among SMEs. Similarly, the impact of business growth on access to finance was positive and statistically significant (Coefficient = 0.558; p-value = 0.00). As SMEs expand, they become more attractive to lenders and financial institutions, which in effect improves their opportunities to be financed. Moreover, as displayed in Table 10, business growth directly impacts the compliance behaviour of SMEs. Statistically, the relationship was positive and statistically significant, as evident by a coefficient of 0.658 and a p-value of 0.000. This means that as they grow, they increase their financial resources, formal structures, and visibility, which encourages better compliance with the requirements of tax laws.

Table 11: Specific Indirect Effect

Hypotheses	Coefficient	T statistics	P values	Decision
Business Growth -> Access to Finance -> Tax Compliance	0.207	6.502	0.000	Supported

Source: Field Survey (2025)

Table 11 presents the results on the mediating effect of access to finance in the relationship between business growth and tax compliance behaviour of SMEs. The results showed that access to finance significantly mediates the relationship between business growth and tax compliance behaviour of SMEs partially. This is evident by the t-statistic of 6.502, which is greater than 1.96, and a p-value of 0.000, which is also less than 0.05. The results suggest that while business growth positively and significantly influences SMEs' tax compliance behaviour (See Table 10), a more that better tax compliance behaviour is achieved when growing SMEs have better access to finance. In other words, where access to finance is limited, the ability of those businesses to comply with tax obligations declines.

Table 12: R-squared (Endogenous Variable)

Variable	R-square	R-square adjusted

Tax Compliance	0.528	0.525

Source: Field Survey (2025)

The R-squared value shows the variations in tax compliance behaviour which are explained by business growth, access to finance, and the moderating effect of access to finance. From the results presented, the R-squared value is 0. 528. This means that 52.8% of the tax compliance behaviour of SMEs is explained by business growth and access to finance. In other words, 47.2% of the variation in the compliance behaviour of SMEs is explained by other factors or variables other than the ones considered in this study. In implication, business growth and access to finance are critical predictors of the prevailing tax compliance behaviour among SMEs.

Table 13: Predictive Relevance

Variable	Q^2predict	RMSE	MAE
Tax Compliance	0.427	0.763	0.563

Source: Field Survey (2025)

The analysed results presented in Table 13.0 show the models' predictive capability and accuracy of tax compliance behaviour. In the records of Hair *et al*. (2022), a model is said to possess predictive relevance when the Q^2 value is greater than zero. As observed, the Q^2 value was 0.427, indicating the model has strong predictive capability to predict tax compliance behaviour among the studied group. Additionally, the RMSE and the MAE, which are used to measure the accuracy of how tax compliance is predicted in the model, showed values of 0.763 and 0.563, respectively. In the view of Hair *et al*. (2022), a lower value for RMSE and MAE suggests a better predictive accuracy (Vondee & Ashigbui, 2025). Evidently, these values were 0.763 and 0.563 for RMSE and MAE respectively, in the current study. These results on the predictive relevance of the structural model are statistically sound and relevant in predicting future trends tax compliance reliably in the future.

V. DISCUSSION OF RESULTS

Tax non-compliance is increasingly becoming globally worrying, with detrimental effects of constraining the fiscal capacity of government, stifling economic development, and contributing to rising unemployment. As such, research on the phenomenon remains ongoing. This study examined the mediating effect of access to finance in the relationship between business growth and SMEs' tax compliance behaviour. Specifically, the study looked at how business growth affects compliance behaviour among SMEs and how access to finance acts as a transmission mechanism in this relationship. First, the study found that business growth significantly affects SMEs' tax compliance behaviour, as proven by the coefficient of 0.658 and a p-value of 0.00. Supporting the present study's findings, growth triggers business formalisation (Akang 2023; Muhika *et al*., 2017). These words reinforce the ideas business growth translates business intentions to comply with tax laws, although intentions do not necessarily translate into actual tax compliance. Regardless, Koranteng *et al*. (2017) discovered that the opinions of SMEs about growth influence their tax compliance decisions, which aligns with the current study. A similar observation was made by Aheebwa *et al*. (2025), who reported that tax-compliant SMEs are more likely to expand, sustain operations, and access formal business support. Their study shows that growth and compliance reinforce each other. This supports the idea that as businesses grow and become more organised structurally, they often adopt better financial and reporting systems that make it easy for them to comply with tax laws. Again, from the economic deterrence perspective, this finding of the present study suggests that growing businesses have more to lose than their gains from evading taxes because of their visibility to tax authorities. As such, their perceived chances of being scrutinised or audited by tax authorities increase, leading to a positive compliance outcome.

Additionally, this study found that access to finance positively influences SMEs' tax compliance behaviour with a coefficient of 0.372 and a p-value of 0.000. This suggests that having access to financing opportunities can help them to reduce financial pressure, thus allowing them to hold enough cash, which can be used to fulfil their tax liabilities. Consistent with this finding is the study of Alms *et al*. (2019). Their study revealed that firms that are financially constrained are the most likely to evade taxes, as tax evasion leaves them some money to tackle their financial issues. Similarly, in China, Kong *et al*. (2021) found that giving more access to loans reduces financial problems and cash shortages among SMEs, which in turn lowers their likelihood to evade payment of taxes. Notwithstanding, Muriuki (2025) also observed the positive impact of access to finance on SMEs' tax compliance in Kenya. Not just that, the current study's findings aligned with previous empirical documentation of Sunardi *et al*. (2022), Edwards *et al*. (2016), Law and Mills (2015), and Richardson *et al*. (2015), who reported that financially struggling companies rely on funds accrued through tax avoidance to achieve internal financing. In other words, if they have better access to finance, there will be no need to default on compliance.

Crucially, another significant finding from the study was that access to finance partially mediates the relationship between business growth and tax compliance, as evident by the coefficient of 0.207 and a p-value of 0.000. This indicates that the positive effect of business growth on SMEs' tax compliance becomes stronger when SMEs have better access to financial resources. In other words, access to finance enhances the ability of growing SMEs to formalize their operations, maintain proper financial records, hire tax professionals, and meet regulatory obligations. This finding is well grounded in the Theory of Planned Behaviour, the underpinning theory of this study. Thus, the representation of perceived behavioural control (financial capacity of the SMEs) increases the probability of SMEs engaging in a desired behaviour (tax compliance). Empirically, evidence to support the mediating role of access to finance is shown by Bui *et al*. (2021) in Vietnam. They found that financial problems reduce firm growth. Similarly, Bentum (2020) showed that taxation and compliance burdens can stifle SME growth in Ghana, and Bruce-Twum & Schutte (2021), compliance is not cost-free for SMEs. Therefore, if a growing business lacks access to finance, it may struggle to formalize, maintain records, hire tax professionals, or even pay taxes. In this situation, access to finance acts as a transmitter of business growth into tax compliance. From other sources, the findings of the present study confirm the argument made in earlier studies that financial access reduces liquidity pressure, encourages formalisation, and strengthens SMEs' ability to meet tax obligations (Akang, 2023; Ahmed *et al*., 2023). Similar to Mulika (2017), the results suggest that SMEs with better financial access are more likely to keep proper records, hire tax professionals, and comply with tax laws as their businesses expand. This result implies that policymakers and financial institutions need to give SMEs access to finance a top priority by providing them with credit facilities, loans, and other financial support. This can help them to handle their liquidity problems and make their operations formal so as to reduce their likelihood of evading taxes.

VI. CONCLUSION AND RECOMMENDATIONS

Tax compliance among SMEs continues to be a major issue in many developing countries, including Ghana. This study sought to understand how business growth and access to finance work together to influence the tax compliance behaviour of SMEs. The study also looked at whether access to finance mediates the relationship between business growth and tax compliance. The study concludes that business growth on its own had a strong and positive effect on tax compliance. This means that when SMEs grow, they are more likely to register their businesses, keep proper records, and follow tax rules. Growing firms often become more organised, and this makes it easier for them to meet their tax obligations. Also, a study found that access to finance directly improves SMEs' tax compliance behaviour, suggesting that SMEs that have access to loans and financial support experience less financial pressure. This helps them to pay their taxes on time and reduces the temptation to avoid taxes due to a lack of cash. Crucially, there was enough evidence to say that access to finance partially mediates the relationship between business growth and tax compliance, which meant that even if an SME is growing, its ability to comply with tax laws becomes stronger when it has enough financial support. However, when access to finance is scarce or limited, the positive effect of growth on compliance diminishes. This shows that while growth directly influences SMEs' tax compliance behaviour, it equally needs a financially supported environment for improved compliance. The R-square value of 52.8% observed shows that business growth and access to finance explain more than half of the changes in SMEs' tax compliance behaviour. This suggests that these factors play a very important role in determining how SMEs behave toward tax obligations. The findings of this study have important implications. For policymakers and financial institutions, it suggests the need to make access to finance a top priority for SMEs. Thus, providing affordable loans, credit facilities, and financial support can help businesses manage their cash flow, formalise their operations, and improve compliance. It is also important for SME development programmes to include support for tax compliance as part of their training. In the end, helping SMEs to grow and giving them financial support will greatly impact tax compliance in Ghana**.**

Funding: This study did not receive any external funding

Data Availability Statement: The data supporting this study are available from the corresponding author upon reasonable request.

Conflicts of Interest: The authors declare no conflict of interest.

REFERENCES

[1]. Adomako, S., & Danso, A. (2014). Financial Literacy and Firm Performance: The moderating role of financial capital availability and resource flexibility. International Journal of Management and Organizational Studies, 3(4), 1–15.
[2]. Aheebwa, R. C., Kansiime, K. N., & Muhumuza, B. (2025). Effect of tax compliance on small and medium enterprise growth: A case study of SMEs in Kabale District. International Journal for Multidisciplinary Research, 7(4), 1–9
[3]. Ahmed, I. A., Akyen, B., Anaman, P. D. (2023). Unlocking the Growth Potential of SMEs in Ghana: An Investigation of Financial Management Practices and Challenges. Journal of Research in Business and Management 11(10), 55-65.
[4]. Ajzen, I. (1991). The theory of planned behaviour. Organizational Behaviour and Human Decision Processes, 50(2), 179–211.
[5]. Akang, A. U. (2023). Regulatory compliance and access to finance: implications for business growth in developing economies. Sciental Journal of Education Humanities and Social Sciences, 1(2), 8-23.
[6]. Allingham, M. G., & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. Journal of Public Economics, 1(3-4), 323-338.

[7]. Alm, J., Liu, Y., & Zhang, K. (2019). Financial constraints and firm tax evasion. International Tax and Public Finance 26: 71–102.
[8]. Alrashidi, R., Baboukardos, D., & Arun, T. (2021). Audit fees, non-audit fees and access to finance: Evidence from India. Journal of International Accounting, Auditing and Taxation, 43, 100397.
[9]. Al-Yahya, K., & Airey, J. (2013). Small and medium-sized enterprises in MENA: leveraging growth finance for sustainable development. Global Impact Investing Network.
[10]. Anim, I. K., Awotwe, E., Nyarku, K. M., & Kusi, L. Y. (2020). Tax Administration, Tax Incentive and SMEs' Growth: The Moderating Effect of Firm Size. Journal of Business and Enterprise Development – JOBED, 9, 81-100.
[11]. Ary, D., Jacob, L. C., Sorensen, C., & Razaviel, A. (2010). Introduction to research in education. (8th ed.) Belmont, CA: Cengage Learning.
[12]. Babbie, E. R. (2010). The practice of social research (12th ed.). Wadsworth Cengage Learning.
[13]. Balde, R. (2021). Financial Development and Small Firms' Tax Compliance in Sub-Saharan Africa. Maastricht Economic and Social Research Institute on Innovation and Technology (UNU-MERIT).
[14]. Beck, T., Lin, C., & Ma, Y. (2014). Why do firms evade taxes? The role of information sharing and financial sector outreach. The Journal of Finance, 69(2), 763-817.
[15]. Bentum, M. D. (2020). Effect of Taxation on the Growth of Small and Medium-sized Enterprises in the Central Region, Ghana. Master's Dissertation. University of Cape Coast.
[16]. Berkel, H. (2025). Why Formality Does Not Always Benefit Firms. Learning from Mozambique. The European Journal of Development Research.
[17]. Bhandari, P. (2024). What Is Quantitative Research? Definition, Uses & Methods. https://www.scribbr.com/methodology/quantitative-research/.
[18]. Boateng, K., Omane-Antwi, K. B., & Ndori Queku, Y. (2022). Tax risk assessment, financial constraints and tax compliance: A bibliometric analysis. Cogent Business & Management, 9(1), 2150117.
[19]. Bruce-Twum, E. & Schutte, D. (2021). Tax Compliance Cost of SMEs in Ghana. Journal of Accounting, Finance and Auditing Studies. 1-22. DOI: 10.32602/jafas.2021.031.
[20]. Bruce-Twum, E. (2023). SMEs Tax Compliance Behaviour in Emerging Economies: Do Tax Compliance Costs Matter? Evidence from Ghana. Journal of Accounting, Ethics, and Public Policy, 24(2), 28-51.
[21]. Bruce-Twum, E., Schutte, D. P., & Dlamini, B. (2023). Tax Compliance Costs for SMEs: A Survey of Tax Professionals in Ghana on External Cost of Compliance. Review of Business & Management. 19 (2), 3-15.
[22]. Bryman, A. (2016). Social research methods (5th ed.). Oxford University Press.
[23]. Bui, A. T., Pham, T. H., Pham, L. C., & Ta, T.K.V. (2021). Legal and financial constraints and firm growth: small and medium enterprises (SMEs) versus large enterprises. Heliyon, 7, e08576
[24]. Chen, L. J., & Chen, S. Y. (2011). How the pecking-order theory explains capital structure. Journal of International Management Studies, 6(3), 92-100.
[25]. Collins, A. R., Noel, K., & Benon, M. (2025). Effect of Tax Compliance on Small and Medium Enterprise (SME) Growth: A Case Study of SMEs in Kabale District. International Journal for Multidisciplinary Research. 7(4), 1-9.
[26]. Demir, F., & Caglayan, M. (2012). Firm productivity, exchange rate movements, sources of finance and export orientation.
[27]. Dobija, D. (2019). Institutionalizing corporate governance reforms in Poland: External auditors' perspective. Central European Management Journal, 27(3), 28-54.
[28]. Edwards, A., Schwab, C., & Shevlin, T. (2016). Financial constraints and cash tax savings. Account Rev 91:859-881
[29]. Elbannan, M. A., & Farooq, O. (2020). Do more financing obstacles trigger tax avoidance behavior? Evidence from Indian SMEs. Journal of Economics and Finance, 44(1), 161-178.
[30]. Ellul, A., Jappelli, T., Pagano, M., Panunzi, F., (2016). Transparency, Tax Pressure, and Access to Finance. Review of Finance, 20(1), 37-76.
[31]. Folarin, O. (2020). Access to finance and tax evasion: Evidence from sub-Saharan African countries.
[32]. Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. Journal of Marketing Research, 18(1), 39-50.
[33]. Gerald, A., & Elisifa, N. (2013). Analysis of business growth strategies and their contribution to business growth.
[34]. Ghana News Agency (2024). Ghana's MSMEs growth stifled by limited access to finance, market, technology (September, 28).
[35]. Ghana Statistical Service (2025). Ghana 2024 Integrated Business Establishment Survey (IBSI I). Vol.2.
[36]. Giang, M. H., Trung, B. H., Yoshida, Y., Xuan, T. D., & Que, M. T. (2019). The causal effect of access to finance on productivity of small and medium enterprises in Vietnam. Sustainability, 11(19), 5451.
[37]. Goh, B. W., Lee, J., Lim, C. Y., Shevlin, T. (2016). The effect of corporate tax avoidance on the cost of equity. Account Review 91: 1647–1670
[38]. Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) (3rd ed.). Thousand Oaks, CA: Sage.
[39]. Harash, E., Al-Timimi, S. N., Alsaad, F. J., Al-Badran, A. Y. Z., & Ahmed, E. R. (2014). Contingency factors and performance of research and development (R&D): The moderating effects of government policy. Journal of Asian Scientific Research, 4(2), 47.
[40]. Hilton, S., K. Effisah, E. D., Khalid, A. A., & Nyarko, S. (2025). Tax compliance: a catalyst for business growth for indigenous contractors. Rajagiri Management Journal. 19(2), 98–112.
[41]. Jia, J., Shao, L., Sun, Z., Zhao, F. (2020). Corporate cash savings and discretionary accruals. China Finance Rev Int. ahead-of-print.
[42]. Kamasa, K., Adu, G. and Oteng-Abayie, E.F. (2019), Tax compliance in sub-Saharan Africa: how important are non-pecuniary factors? African Journal of Economic Review, 7 (1), 154-175.
[43]. Klimsa, D., Ullmann, R. (2023). Threshold-dependent tax enforcement and the size distribution of firms: evidence from Germany. Int Tax Public Finance 30, 1002–1035.
[44]. Kong, X., Si, D., Li, H., & Kong, D. (2021). Does access to credit reduce SMEs' tax avoidance? Evidence from a regression discontinuity design. Financial Innovation, 7: 1-23.
[45]. Koranteng, E. O., Osei-Bonsu, E., Ameyaw, F., Ameyaw, B., Agyeman, J. K., & Dankwa, R. A. (2017). The effects of compliance and growth opinions on SMEs compliance decisions: An Empirical Evidence from Ghana. Open journal of business and management, 5(02), 230.
[46]. Koranteng, E.O., Osei-Bonsu, E., Ameyaw, F., Ameyaw, B., Agyeman, J.K. and Dankwa, R.A. (2017) The Effects of Compliance and Growth Opinions on SMEs Compliance Decisions: An Empirical Evidence from Ghana. Open Journal of Business and Management, 5, 230-243.
[47]. Kuranchie, A. (2021). Research Made Easy. 3rd Edition, Bookworm Publications, Kumasi.
[48]. Law KK, Mills LF (2015). Taxes and financial constraints: evidence from linguistic cues. J Account Res 53:777–819.

[49]. Lim, M., & Foster, J. (2020). Credit Constraints and the Productivity of Small and Medium-sized Enterprises: Evidence from Canada. Asian Journal of Economics and Empirical Research, 7(2), 178-185.
[50]. Liu, W. (2013). The Effect of Enterprises' Growth Orientation and Access to Finance on Small Firm Performance in a Global Economic Recession. In Babson College Entrepreneurship Research Conference.
[51]. Luo, J., Ni, X., & Tian, G. G. (2020). Short selling and corporate tax avoidance: Insights from a financial constraint view. Pacific-Basin Finance Journal, 61, 101323.
[52]. Mitchell, A. D., Voon, T., & Hepburn, J. (2019). Taxing tech: Risks of an Australian digital services tax under international economic law. Melbourne Journal of International Law, 20(1), 88- 124.
[53]. Modigliani, F., & Miller, M. H. (1958). The cost of capital, corporate finance and the theory of investment. The American Economic Review, 48(3), 261-297.
[54]. Muhika, D. W., Njeru, A. W., & Waiganjo, E. (2017). Influence of tax compliance requirement on formalizing Small and Medium Enterprises in Kenya. American Journal of Finance, 2(6), 47-78.
[55]. Muriuki, P. (2025). The Effect of Access to Financial Institutions on Income Tax Compliance Among Small and Medium Enterprises in Marginalized Areas. Case Study of Tana River County. Journal of Finance and Accounting, 5(10), 41-59.
[56]. Naicker, Y. (2018). Factors of Tax Compliance that Influence Small Business Growth in KZN (Doctoral dissertation, University of KwaZulu-Natal, Westville).
[57]. Nartey, E. (2023). Tax compliance of small and medium-sized enterprises in Ghana. International Journal of Sociology and Social Policy 43 (11-12), 1063-1083.
[58]. Nisa, S. A., Wati, D. S., & Syifaudin, A. (2024). Facing or Retreating? Evaluating The Impact of Corruption, Financial Access, and Gender on Corporate Tax Compliance. Journal Research of Social Science, Economics & Management, 4(2).
[59]. OECD (2023), Revenue statistics 2023 tax revenue buoyancy in OECD countries.
[60]. Richardson G, Lanis R, Taylor G (2015) Financial distress, outside directors and corporate tax aggressiveness spanning the global financial crisis: an empirical analysis. Journal of Bank Finance 52:112–129.
[61]. Rogo, H. B., Shariff, M. N. M., & Hafeez, M. H. (2017). Moderating effect of access to finance on the relationship between total quality management, market orientation and small and medium enterprises performance: A proposed framework. International Review of Management and Marketing, 7(1), 119-127.
[62]. Salawu, R.O., Adegbie, F. F., Oladejo, O.F. (2019). Access to Credit Facilities and Tax Compliance among SMEs: Evidence from Nigeria. International Journal of Research and Innovation in Social Science (IJRISS), 3(3), 217-225.
[63]. Sheppard, V. (2021). Research Methods for the Social Sciences: An Introduction. Researchgate
[64]. Sunardi, S., Damayanti, T., Supramono, S., & Hermanto, Y. (2022). Gender, perception of audits, access to finance, and self-assessed corporate tax compliance. Economies, 10 (3), 65.
[65]. Tabiri, K. G., Arthur, E., Novigon, J., & Frimpong, P. B. (2022). Access to credit and informal firm performance: Evidence from Sub-Saharan Africa. African Review of Economics and Finance. 1-15.
[66]. Tomkiewicz, J., & Postuła, M. (2020). State Autonomy in Shaping Tax Policies: Facts and Myths Based on the Situation in OECD Countries. Central European Management Journal, 28, 83-97.
[67]. Tomlin, B. (2008). Clearing hurdles: Key reforms to make small business more successful. Commentary-CD Howe Institute, (264), 0_1.
[68]. Trpeska, M., Atanasovski, A., & Bozinovska Lazarevska, Z. (2017). The relevance of financial information and contents of the new audit report for lending decisions of commercial banks. Journal of Accounting and Management Information Systems (JAMIS), 16(4), 455-471.
[69]. Vasak, S. (2008). Small, medium, and large enterprises. USAID business climate reform.
[70]. Vondee, C., & Ashigbui, S. (2025). The Moderating Effect of Tax Service Quality on The Relationship Between Tax Education and Rural SMEs Tax Compliance Behaviour in Ghana. International Journal of Latest Technology in Engineering, Management & Applied Science. 14(9), 131-146.
[71]. Yousif Alabdullah, T. T., Yahya, S., Ibrahim Nor, M., & Majeed, F. Q. (2016). An investigation of corporate governance from a new perspective: Examining the financial performance of companies and the impact of executive turnover. Corporate Board role duties and composition, 12(1), 53-69.