

The Effect of Gender Diversity on the Board of Directors and Ownership Structure on Tax Avoidance

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ABSTRACT

The aim of this study is to evaluate how gender diversity among board members, managerial ownership, and foreign ownership influence tax avoidance. The research includes two additional control variables, specifically profitability and leverage. The research concentrated on businesses in the Food and Beverage sub-industry that are publicly traded on the Indonesia Stock Exchange (IDX) between 2020 and 2022. A purposive sampling method was utilized to select 111 samples for analysis. The study utilizes panel data regression analysis using the Random Effect Model (REM). The findings indicated that there was no significant impact on tax avoidance from gender diversity on the board of directors and managerial ownership. Subsequently, overseas ownership exerts a notable beneficial impact on tax evasion.

INTRODUCTION

Taxes Perform a crucial role in providing the necessary funds for state revenue in order to support a wide range of development projects and public officials. Pursuant to the regulations outlined in Law No. 28 of 2007 concerning General Provisions and Tax Procedures, tax is described as a compulsory payment to the government imposed on individuals or entities without any direct benefit, and is utilized for state objectives to enhance the overall welfare of the citizens. The tax revenue received by the state has increased but has not yet reached the target set by the government, which results in not achieving the potential for optimal tax revenue (Moeljono, 2020). The subsequent provides a summary of the goal and achievement of tax revenue from 2018 to 2022.

Table 1. Target and Realization of Tax Revenue in Indonesia for the period 2018-2022

Year	Target	Realization	Tax Ratio
2018	Rp 1,423.99 trillion	Rp 1,313. 32 trillion	11,40%
2019	Rp 1,577.55 trillion	Rp 1,332. 66 trillion	10,70%
2020	Rp 1,198.82 trillion	Rp 1,072.11 trillion	8,91%
2021	Rp 1,229.58 trillion	Rp 1,278.65 trillion	9,95%
2022	Rp 1,484.96 trillion	Rp 1,716.76 trillion	11,71%

Source: Annual Report DJP (2018-2022)

Table 1. shows that tax revenue continues to increase, but does not show consistency and tends to fluctuate. The inability to achieve the revenue target has led to a continuous decline in the tax ratio from 2019-2020. This decline in the tax ratio indicates a decline in tax revenue. The declining tax ratio indicates that state revenue from the tax sector has not reached the optimal level. Failure to achieve the tax revenue goal may suggest a clash of interests, with the company aiming to boost profits by reducing tax obligations, while the government aims to raise tax income (Moeljono, 2020). The corporation's divergent interests from the government lead to the corporation exerting substantial endeavors to reduce the tax liability, whether by exploiting tax regulation gaps or by employing different strategies (Puspita & Febrianti, 2017). Tax avoidance is done by utilizing the gaps and loopholes that exist in the tax law so that companies can minimize the tax burden expenses that must be paid (Panjalusman et al., 2018).

The extent of tax avoidance practiced by the company can be determined by examining the company's minimal effective tax rate (ETR). The effective tax rate (ETR) is calculated by dividing the tax expense by the profit before tax. The ETR value demonstrates an inverse relationship with tax avoidance. A company with a higher ETR percentage close to the corporate income tax rate tends to engage in lower levels of tax avoidance. Conversely, a company with a lower ETR percentage is more likely to partake in higher levels of tax avoidance (Ervaniti et al., 2020).

According to the income tax law, the corporate income tax rate is set at 25%, which has been applicable since 2010. With the implementation of Law Number 7 of 2021 on the Harmonization of Tax Regulations, the tax rate for domestic corporate income tax as a limited liability company is now 22%. Government Regulation Number 55 of 2022 has officially approved a 3% tax rate reduction for domestic taxpayers who are classified as public companies, bringing their tax rate down from 22% to 19%. Consequently, the domestic taxpayer rate for public companies will be 19%. Companies that engage in tax avoidance tend to reduce financial resources that should be government revenue (Tri Laksono & Handayani, 2024). Until now, no tax regulation specifically regulates tax avoidance and is considered a legal action (Harahap & Masripah, 2023). Therefore, to prevent tax avoidance, the government must reduce gaps in tax regulations that are often used by companies as loopholes for tax avoidance.

This study seeks to analyze the impact of gender diversity among board of directors, managerial ownership, and foreign ownership on tax avoidance in publicly listed companies within the Food & Beverage sub-sector on the Indonesia Stock Exchange from 2020 to 2022. The object of this research is Food & Beverage companies because this sector has unique characteristics that are relevant to the research topic and is one of the sectors that have an important role in the daily lives of consumers and has a tendency to have wider interactions with various customer groups. The research aims to offer empirical findings on how gender diversity within the board of directors, managerial ownership, and foreign ownership influence tax avoidance. The results of this study are expected to be an additional knowledge and reference for academics, managers, and government regulators in formulating effective policies and rules to prevent tax avoidance by companies to increase state revenue.

THEORETICAL REVIEW

Agency Theory

According to Jensen & Meckling (1976), agency theory explains that in their role as principals, shareholders emphasize the importance of company value and assign decision-making tasks to management, who act as agents (Eva Budiana & Kusuma, 2022). Agency theory defines the contractual relationship between the agent and the principal, where the agent is responsible for carrying out tasks that promote the principal's interests (Manossoh, 2016). The contract between the two parties is not always well implemented, there are still disputes that cause conflicts of interest (Panda & Leepsa, 2017). In addition, there is an imbalance of information between the agent and the principal which makes the basis for the existence of agency conflicts. According to Jensen & Meckling (1976), agents as managers have more detailed information and are closer to the company's operational environment than principals (Harahap & Masripah, 2023). As principals, shareholders need a comprehensive supervisory system to be able to oversee the actions of managers, and to lower the costs arising from agency conflicts of interest (Jarboui et al., 2020).

Upper Echelon Theory

Upper echelon theory explains that various factors such as experience, gender, principles, characteristics, and personality of senior executives can influence every decision made (Hambrick & Mason, 1984). The upper echelon theory based on the findings of Hambrick & Mason shows that the nature and capabilities of the top management team as business controllers are a reflection of the company's own identity (Yuiandini & Masripah, 2023). This theory views top management as the main strategic decision-makers in an organization (Rani & N, 2021). Women's participation in boards of directors is crucial as they contribute effectively to the oversight of management performance (Hudha & Utomo, 2021). This indicates that female directors tend to reduce risk, be more independent, have high ethical moral standards, and provide accurate decisions that contribute to increased transparency and trust in the board of directors (Tanujaya & Anggreany, 2021).

Tax Avoidance

Tax avoidance can be defined as a strategy to minimize tax obligations by exploiting legal loopholes in certain situations (Mappadang, 2021). Tax avoidance is often seen as a complicated issue because although it is legally permissible, in reality, it is not favored or desired (Hudha & Utomo, 2021). To manage tax avoidance, it is necessary to have well-planned managerial measures to ensure that it does not negatively affect the welfare of the people who rely on taxes as the main income of the state (Yopie & Elivia, 2022).

Managerial Ownership

Managerial ownership can be determined through the proportion of share ownership by these managers, where management can be involved in company decision-making (Ashari et al., 2020). A manager will be more encouraged to take actions that favor company profits over personal interests (Krisna & Susilawati, 2023). The more shares management controls in a company, the stronger their incentive to advocate for the shareholders' interests (Prasetyo & Pramuka, 2018).

Foreign Ownership

Foreign ownership refers to the aggregate amount of shares in a corporation that are possessed by overseas investors (Hermiyetti & Katlanis, 2017). It can be ascertained by calculating the proportion of foreign shares out of the overall outstanding shares (Nurmawan et al., 2022). The more foreign share ownership a company has, the stronger the influence of investors in shaping company policies (Suhartonoputri & Mahmudi, 2022).

Research Hypothesis

Gender Diversity on the Board of Directors and Tax Avoidance

A female director refers to the position of a woman who holds a directorship on the board of a company (Tri Laksono & Handayani, 2024). The board of directors has the authority to make necessary decisions in the management of the company, which includes taxation policies (Handayani & Panjaitan, 2019). Female directors have strong moral and ethical values and feminine traits, making female directors use their intuition and emotions in the decision-making process (Mala & Ardiyanto, 2021). When risk-averse women occupy positions on the board of directors, this may influence the decision-making process to favor strict compliance standards (Mala & Ardiyanto, 2021). Thus, the participation of female directors can reduce the risk of tax avoidance (Tanujaya & Anggreany, 2021).

The study carried out by (Kartikasari et al., 2023) demonstrated that having gender diversity among the board of directors can result in favorable outcomes in terms of tax avoidance. On the other hand, research by (Harahap & Masripah, 2023) shows that gender diversity on the board of directors does not influence tax avoidance. Consequently, it can be deduced from the above discourse that the hypothesis in this study.

H₁: Gender diversity on the board of directors has a significant negative effect on tax avoidance.

Managerial Ownership and Tax Avoidance

Managerial ownership pertains to the percentage of shares owned by managers within a company, encompassing individuals on the board of directors and board of commissioners (Karjantoro et al., 2023). In the event that managerial ownership within a company reaches a significant level, it is likely that managers will proceed cautiously and in alignment with the shareholders' interests. This is due to the fact that their decisions can have an impact on the company's reputation, particularly in relation to practices such as tax avoidance (Rozan et al., 2023). Share ownership by management will unite their financial interests with shareholders, which in turn affects the management decision-making process (Zurriah & Sembiring, 2018). As the ownership distribution increases, the manager's opportunity to commit tax avoidance becomes smaller (Susanto et al., 2024).

The study carried out by (Kartikasari et al., 2023) demonstrated that having gender diversity in the board of directors can result in favorable impacts on tax avoidance. Susanto et al. (2024) and Rozan et al. (2023) discovered that managerial ownership has no impact on tax avoidance, whereas a study by Charisma & Dwimulyani (2019) indicates that managerial ownership actually decreases tax avoidance. Based on the explanation above, it can be concluded that the hypothesis in this study.

H₂: Managerial ownership has a significant negative effect on tax avoidance

Foreign Ownership and Tax Avoidance

Foreign ownership arises because of the permission given to foreign investors to invest their capital in Indonesia by applicable legal provisions (Lim & Suparman, 2022). The motivation of an investor to invest in company shares is to get high profits by their expectations and if a company has a large proportion of foreign shares, efforts to reduce its tax burden will also increase (J. V. Putri & Suhardjo, 2022). The level of foreign ownership in a company directly correlates with the extent of influence foreign investors have on shaping company policy decisions (N. Putri & Mulyani, 2020). The study conducted by (Maisaroh & Setiawan, 2021) reveals that foreign ownership has an adverse effect on tax avoidance.. The various discoveries made by (J. V. Putri & Suhardjo, 2022) indicate that foreign ownership positively impacts tax avoidance, while the study by (Al Hasyim et al., 2022) asserts that foreign ownership does not have a positive impact on tax avoidance.

H3: Foreign ownership has a significant positive effect on tax avoidance

Conceptual Framework

The relationship between dependent and independent variables can be interrelated. The relationship between the variables in this study can be seen in Figure 1.

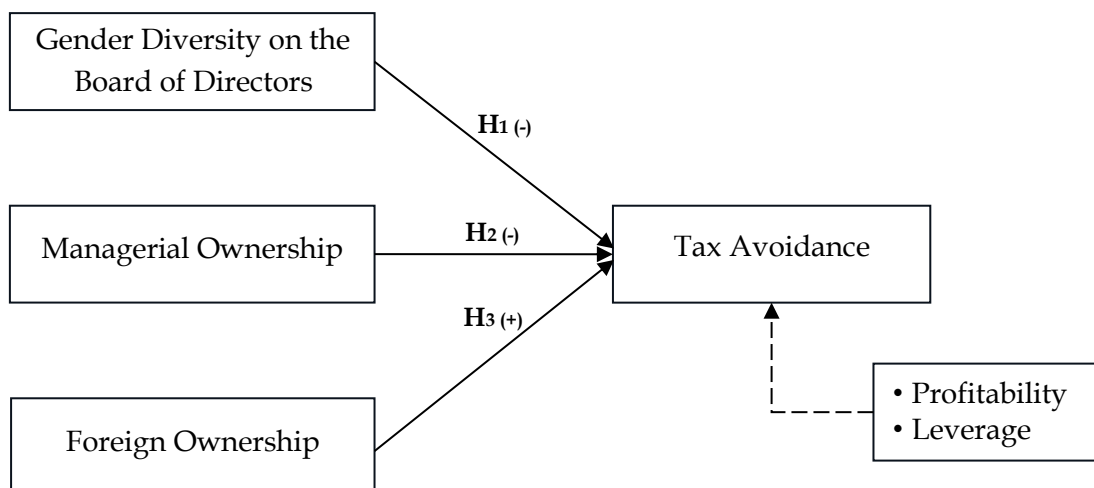


Figure 1. Conceptual Framework

METHODOLOGY

Population and Sample

The population used in this study are food and beverage companies listed on the IDX in 2020 - 2022. The research utilizes secondary data obtained from annual reports and financial reports that are openly disclosed on the official website of the company as well as the Indonesia Stock Exchange website. With the purposive sampling method, a total sample of 111 data was obtained by adjusting the criteria in Table 2.

Table 2. Determination of Research Samples

Information	Total
Food and Beverage companies listed on the IDX	84
Companies that are not kisted on the IDX consecutively from 2020-2022	-22
Companies with incomplete financial statements from the period 2020-2022	-2
Companies that do not use rupiah currency (IDR)	-3
Companies that suffer losses	-20
Number of companies (sample)	37
Total Sample (n x research period (2020-2022)) (37 x 3)	111

Source: Process secondary data (2024)

Variable Operational and Variable Measurement

This study tests three types of variables, namely dependent, independent, and control variables. Tax avoidance obtained from ETR (Effective Tax Ratio) becomes the dependent variable, gender diversity on the board of directors, managerial ownership, and foreign ownership become independent variables, and profitability and leverage become control variables. To better understand the variables operated, it is explained in Table 3.

Table 3. Variable Measurement

Name of Variable	Notation	Measurement
Dependent Variable		
Tax Avoidance	ETR	$\frac{\text{Income tax expense}}{\text{Profit before income tax}}$
Independent Variable		
Gender diversity on the Board of Directors	GD	$\frac{\text{Number the female board a director}}{\text{Number on board of director}}$
Kepemilikan Manajerial	KM	$\frac{\text{Managerial Ownership}}{\text{Outstanding shares}}$
Kepemilikan Asing	KA	$\frac{\text{Foreign Ownership}}{\text{Outstanding shares}}$
Control Variable		
Profitability	ROA	$\frac{\text{Net income}}{\text{Total Assets}}$
Leverage	DER	$\frac{\text{Total liabilities}}{\text{Total equity}}$

Regression Model

The research employs panel data regression analysis with a balanced data panel type. Panel data regression commonly uses three regression models: the common effect model (CEM), fixed effect model (FEM), and random effect model (REM), which were chosen based on model selection tests such as the Chow test, Hausman test, and Lagrange multiplier test. In this study, the random effect model (REM) was chosen so that the regression model chosen is described as follows:

$$ETR_{it} = \alpha_{it} + \beta_1 GD_{it} + \beta_2 KM_{it} + \beta_3 KA_{it} + \beta_4 ROA_{it} + \beta_5 DER_{it} + \omega_{it}$$

Information:

ETR : Tax Avoidance

β_0 : Constant

β_{1-3} : Independent Variable Coefficient

β_{4-5} : Control Variable Coefficient

GD : Gender Diversity of the Board of Directors

KM : Managerial Ownership

KA : Foreign Ownership

ROA : Return On Asset

DER : Debt to Equity Ratio

ω : Combined error component

i : individuals/companies

t : period (2020-2022)

RESULTS

Descriptive Statistical Analysis

Descriptive Statistics is a section that provides an overview of the object under study in detail and in depth. In this study, descriptive statistical analysis is used to explain the condition of tax avoidance (ETR) variables, managerial ownership, and foreign ownership in food & beverage sub-sector companies for the 2020-2022 period listed on the Indonesia Stock Exchange. Based on the results of purposive sampling, 111 research samples were obtained. The following table presents descriptive statistical analysis of research data from the number of samples, mean value, standard deviation, minimum value, and maximum value.

Table 4. Result of Descriptive Statistical Analysis

Variable	Obs	Mean	Std. dev.	Min	Max
ETR	111	0.2278225	0.0241417	0.1997645	0.2596765
GD	111	0.0954939	0.1104855	0	0.25
KM	111	0.0032626	0.0041685	0	0.009357
KA	111	0.1977038	0.2498127	0	0.5593807
ROA	111	0.0799362	0.0354645	0.0405253	0.1267593
DER	111	0.6453337	0.3122458	0.3105033	1.07032

Source: Data processed STATA V.17 2024

The descriptive statistical analysis findings outlined in Table 4 provide an explanation of the data utilized in this study, detailing the mean, standard deviation, and range from minimum to maximum values. The dependent variable, tax avoidance (ETR), is evident in 37 companies or 111 samples, with an average tax avoidance value of 0.2278225. The company's tax charge for the sample companies averages 22.78% of the total profit before tax. The highest ETR value is 0.2596765 (25.97%), and the lowest value is 0.1997645 (19.98%). The ETR's standard deviation of 0.0241417 below the mean suggests that corporate tax avoidance data is evenly spread out and lacks diversity.

Gender diversity on the board of directors (GD) shows that the lowest value is 0 or 0% owned by 18 sample companies and the highest value is 0.25 or 25% in the companies PT Palma Serasih Tbk (PSGO) and PT Nippon Indosari Corpindo Tbk (ROTI). The average value of 37 companies or 111 samples is 0.0954939 or 9.55% with a standard deviation value of 0.1104855 or 11.05%. The value of 0% indicates that there are still several sample companies that do not have gender diversity on the board of directors of the sample companies. This means that the board of directors in the sample companies is still dominated by homogeneity or there is only a male board of directors.

Managerial ownership (KM) shows that the average of 37 companies or 111 samples is 0.0032626 or 0.3% with a standard deviation value of 0.0041685 or 0.4%. The range of values obtained ranges from 0 to 0.009357, which indicates that out of 37 companies, there are companies that do not have managerial ownership and there are companies with managerial ownership of 0.9%. Foreign ownership (KA) shows that the average of 37 companies or 111 samples is 0.1977038 or 19.77% with a standard deviation value of 0.2498127 or 24.98%. The range of values obtained ranges from 0 to 0.5593807, which indicates that out of 37 companies, there are companies that do not have foreign ownership and there are companies with 55.94% foreign ownership.

Multicollinearity Test

In this study, the multicollinearity test is used to evaluate whether there is a correlation between the independent variables. If the correlation coefficient between independent variables > 10 , it can be concluded that the model has a multicollinearity problem. Conversely, if the correlation coefficient between independent variables is < 10 , then the model is considered free from multicollinearity problems.

Table 5. Multicollinearity Test Results

Variable	VIF	1/VIF
DER	3.09	0.323496
ROA	2.12	0.471973
KM	1.67	0.598549
GD	1.61	0.619258
KA	1.46	0.684522

Source: Data processed STATA V.17 2024

Based on table 5. the VIF value of each variable does not exceed 10. This shows that in this model, there is no multicollinearity problem.

Heteroscedasticity Test

The heteroscedasticity test is used to test whether, in the regression model, there is an inequality of variance from the residuals of one observation to another. The test used to detect the presence of heteroscedasticity is to conduct the pagan brunch test with the criteria applied, namely the probability value > 0.05, then the data does not have heteroscedasticity problems.

Table 6. Heteroscedasticity Test Results

chi2 (1)	3.18
Prob > chi2	0.0806

Source: Data processed STATA V.17 2024

Based on Table 6. the probability value shows a value of 0.0806 > 0.05 which indicates that in this model there is no heteroscedasticity problem.

Regression Test Results

Based on the tests that have been carried out, the results of the panel data model used are Random Effect Model can be seen in Table 7.

Table 7. Regression Test Results

Variable	Coefficient	P>z
GD	-0.0012546	0.959
KM	0.2944072	0.668
KA	0.0275186	0.013
ROA	-0.2150009	0.002
DER	0.0072072	0.332
_cons	0.2340765	0.000

Source: Data processed STATA V.17 2024

Based on Table 7. it can be seen that the equation for panel data regression in this study is as follows:

$$ETR_{it} = 0.2340765_{it} - 0.0012546GD_{it} + 0.2944072KM_{it} + 0.0275186KA_{it} - 0.2150009ROA_{it} + 0.0072072DER_{it} + \omega_{it}$$

T-Test

The t-test is used to evaluate whether or not there is a significant influence of the gender diversity variable on the board of directors, managerial ownership, and foreign ownership on tax avoidance. The variable will be said to have an effect if the sig value is obtained <0.05. The results of the Random Effect Model data analysis can be seen in Table 7. The first hypothesis formed in this study is that gender diversity on the board of directors has a significant negative effect on tax avoidance. Based on Table 7. the probability level number shows a value of 0.959 or higher than the significance level of 0.05 (0.959 > 0.05), it can be

concluded that H_0 is accepted. This means that gender diversity on the board of directors has no significant effect on tax avoidance.

The second hypothesis formed in this study is that managerial ownership has a significant negative effect on tax avoidance. Based on Table 7. the probability level number shows a value of 0.668 or higher than the significance level of 0.05 ($0.668 > 0.05$), it can be concluded that H_0 is accepted. This means that managerial ownership has no significant effect on tax avoidance. The third hypothesis formed in this study is that foreign ownership has a significant positive effect on tax avoidance. Based on Table 7. the probability level number shows a value of 0.013 or lower than the significance level of 0.05 ($0.013 < 0.05$) and has a positive relationship direction so it can be concluded that H_0 is rejected. This means that foreign ownership has a significant positive effect on tax avoidance.

Coefficient of Determination

The coefficient of determination (R^2) test is carried out to determine how much the independent variables and control variables can explain and influence the dependent variable.

Table 8. Coefficient of Determination Results

<i>R-square</i>	
<i>Within</i>	0.0789
<i>Between</i>	0.3444
<i>Overall</i>	0.2427

Source: Data processed STATA V.17 2024

In Table 8. the value of the coefficient of determination (R^2) in the random effect model can be seen in the overall R-sq which is 0.2427 or 24.27% which means that the ability of the gender diversity variable on the board of directors, managerial ownership and foreign ownership in explaining the tax avoidance variable is only 24.27%. While the remaining 75.73% is explained by other variables outside the variables used.

DISCUSSION

Gender diversity on the board of directors and Tax Avoidance

Based on table 7. shows the coefficient value of the gender diversity variable on the board of directors of -0.0012546 which illustrates the direction of the negative relationship between gender diversity on the board of directors and tax avoidance. This means that the higher the gender diversity on the board of directors, the lower the level of tax avoidance carried out by the company. However, with a significance value of 0.959 or greater than 0.05, the effect of gender diversity on the board of directors on avoidance is not significant so H_1 is not supported. This can be seen in PT Nippon Indosari Corpindo Tbk (ROTI) which has a proportion of female board of directors of 0.60 and has an ETR value close to the tax rate of 24.5%, meaning that the level of tax avoidance carried out by the company is getting smaller so that gender diversity on the board of directors does not directly influence tax avoidance. This means that the

gender composition of the company's board of directors, especially the presence or absence of female directors, does not directly affect the company's decision to practice corporate tax avoidance. In carrying out their duties, board members must demonstrate professionalism and be responsible for all fiber decisions taken, regardless of gender differences (Harahap & Masripah, 2023). This research is also in line with research (Lim & Suparman, 2022) which states that male and female directors can be professional in decision-making.

Managerial Ownership and Tax Avoidance

Based on table 7. shows the coefficient value of the managerial ownership variable of 0.2944072 which indicates the direction of a positive relationship between managerial ownership and tax avoidance. This means that the greater the proportion of shares owned by management, the more likely the company is to engage in tax avoidance. With a significance value of 0.668 or greater than 0.05, the effect of managerial ownership on avoidance is not significant so H_2 is not supported. However, it can be seen in PT Ultra Jaya Milk Industry & Trading Company Tbk (ULTJ) which has a proportion of managerial share ownership of 54.2% and has an ETR level close to the tax rate value of 25.1%, meaning that the level of tax avoidance by the company is getting smaller so that managerial ownership does not directly influence tax avoidance. In agency theory, managers as agents are expected to act in the interests of shareholders as principals. However, the results of this study indicate that managerial ownership does not always correlate with a higher level of tax avoidance. The lower the percentage of shares owned by management in a company, the more likely it is that management will ignore the interests of shareholders (Rejeki et al., 2019). Kusumah (2022) said that even though management has shares in the company, it does not make management have enough votes for decision-making, because when making decisions it is not only decided by management but also require the approval of other shareholders (Harahap & Masripah, 2023). This study is in line with the findings (Rejeki et al., 2019) which state that managerial ownership does not affect tax avoidance.

Foreign Ownership and Tax Avoidance

Based on table 7. shows the coefficient value of the foreign ownership variable of 0.0275186 which indicates the direction of a positive relationship between foreign ownership and tax avoidance. This means that the greater the proportion of shares owned by foreign investors, the more likely the company is to engage in tax avoidance. With a significance value of 0.013 or smaller than 0.05, the effect of foreign ownership on avoidance is significant so H_3 is supported. When foreign investors have a more significant proportion of ownership in a company, they naturally have a stronger influence on corporate decision-making (Muhajirin et al., 2021). This research is in line with research conducted by (Annisa et al., 2020) which states that foreign ownership affects tax avoidance. Therefore, the higher the percentage of foreign shares in a company, the higher the determination of corporate policies from foreign parties aimed at reducing the burden of tax dependents (Alianda & Azhar, 2021). Taking this into account, management needs to take a more careful and informed approach in

making decisions related to tax avoidance. this includes deepening understanding of applicable tax regulations, as well as ensuring that all actions taken are in line with the law and business ethics. thus, management can avoid the legal and reputational risks of the company arising from improper tax avoidance practices.

CONCLUSIONS AND RECOMMENDATIONS

This study found that foreign ownership has a significant influence on corporate tax avoidance practices. This suggests that companies with a higher proportion of foreign ownership tend to have a more aggressive strategy in optimizing their tax burden. On the other hand, gender diversity on the board of directors and managerial ownership do not show a significant influence on tax avoidance. This indicates that diverse gender composition and share ownership by management are not directly correlated with corporate decisions in terms of tax avoidance. Thus, the conclusions of this study emphasize the importance of tax compliance and good governance in the face of challenges posed by foreign ownership. Responsible and ethical management will ensure that companies not only comply with applicable tax regulations but also maintain business integrity and sustainability in the long term.

FURTHER STUDY

For future research, it is recommended to explore other variables such as understanding tax regulations and keeping abreast of changes in tax regulations to ensure that decisions taken by companies remain by applicable tax laws. In addition, it is also expected to use longitudinal studies to understand trends over time, and it is important to use different methodologies or broader data to strengthen the validity of the research.

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