The Influence of the Board of Commissioners, Management Compensation, and Independent Commissioners on Tax Management

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This research aims to analyze the relationship between the board of commissioners, management compensation, and independent commissioners and tax management in companies. The research method used is an associative method by collecting data from public companies listed on the stock exchange. Statistical analysis was carried out using simple linear regression techniques to evaluate the relationship between the variables studied. The research results show that management compensation has a significant relationship with tax management practices, while the board of commissioners and independent commissioners also have a significant influence. The implications of these findings are discussed in the context of corporate management and tax policy.

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INTRODUCTION

Tax management has an increasingly important role in companies' success strategies today. Maintaining a balance between tax obligations and effective financial management is a key challenge facing financial managers. As stated by Lee et al. (2021), effective tax management can provide significant competitive advantages for companies in the current era of globalization. In this context, recent research by Chen et al. (2023) highlights the importance of sustainable tax management strategies in increasing operational efficiency and company profitability.

They stated, Effective tax management not only reduces the tax burden, but also creates added value for the company as a whole. Additionally, in a recent study by Gupta et al. (2022), it was found that integrating tax management into a company's decision-making process can produce significant long-term benefits, including better risk management and increased company value. This emphasizes the importance of a deep understanding of tax regulations and their consequences for business operations.

However, a recent study by Kim et al. (2024) shows that many companies still ignore the importance of tax management in their business strategy, especially amidst regulatory uncertainty and changing market conditions. They suggest that companies need to prioritize the development of structured tax management policies and procedures to achieve long-term success. Thus, through the analysis of the latest literature and research findings, it becomes clear that tax management plays a key role in achieving corporate success.

Through an integrated and sustainable approach to tax management, companies can improve operational efficiency, reduce risk and increase overall company value.

The increasingly complex global business environment emphasizes the important role of tax management in a company's success strategy. As highlighted by Zhang et al. (2023), in the current era of globalization, effective tax management is not only a legal obligation, but also an important strategy for achieving a company's long-term financial goals. Recent research by Wang and Liu (2024) highlights the need for the integration of tax management in corporate strategic decision making. They emphasize that a company's success depends not only on achieving financial targets, but also on proactively managing tax risks. However, in the context of rapid regulatory changes and market dynamics, tax management is increasingly complex and challenging. The study by Li et al. (2023) highlight the need for companies to regularly update and refine their tax management strategies to ensure optimal tax compliance and financial efficiency.

Within this framework, recent research by Park and Cho (2022) identified that effective tax management requires close collaboration between various departments within a company, including finance, tax, and business development, to optimize the company's tax structure. Through a review of the current literature and research in this domain, it becomes clear that tax management is not just a matter of tax compliance, but also a key strategy for improving corporate performance and success in a dynamic business environment.
Tax management has become an increasingly important topic on the strategic agenda of companies in this era of globalization. According to recent research by Patel and Gupta (2023), companies that implement a holistic tax management strategy are able to create significant added value for stakeholders. However, the main challenge companies face is understanding the complexity of rapidly changing tax regulations in various jurisdictions. As identified by Brown et al. (2022), companies need sophisticated tax information systems and trained personnel to manage compliance risks and achieve tax efficiency. In addition, research by Yang et al. (2024) show that effective tax management also involves the use of innovative tax planning strategies to optimize capital structure and reduce unnecessary tax risks. Finally, it is important to consider the impact of the external environment, such as changes in government tax policy, on a company’s tax management strategy.

Research by Wu and Zhang (2023) highlights that companies must have the flexibility to adapt their strategies quickly to deal with changing market conditions and tax regulations. Thus, through a deep understanding of the dynamics of tax management and responses to environmental changes, companies can play a more proactive role in achieving long-term financial success. Tax management is not only about complying with existing tax regulations, but also about creating strategies that maximize company value. In research by Liu et al. (2023), it is revealed that companies that have a proactive approach to tax management tend to have greater competitive advantages in a dynamic business environment. The importance of effective tax management is also reflected in a company’s ability to allocate resources efficiently. According to research by Kim et al. (2024), companies that are able to manage their tax structures well can allocate more resources for investment and innovation. Apart from that, effective tax management is also closely related to the company's reputation and its relationship with stakeholders. Research by Wang and Chen (2023) emphasizes that companies that are trusted by stakeholders regarding their tax practices tend to have better access to capital and business opportunities. Finally, it's important to remember that effective tax management is not just about avoiding risk, but also about taking advantage of existing opportunities.

Research by Zhang et al. (2022) show that companies that are able to identify and take advantage of tax incentives and potential tax reductions can gain significant benefits in terms of costs and financial strategies. By considering these various aspects, it becomes clear that tax management plays a crucial role in achieving corporate success in a complex and changing business environment.

Prior research frequently focuses solely on the individual impact of each item, neglecting to analyze the interplay between the board of commissioners, management compensation, and independent commissioners within the framework of tax management. For instance, such studies could examine the effect of executive remuneration on tax management strategies without taking into account the potential effects of board monitoring or independent commissioners on management's tax-related choices.
However, several studies may emphasize the board of commissioners' responsibility in supervising tax management procedures, without taking into account the incentives offered to managers through the remuneration system. Furthermore, the significance of autonomous commissioners in formulating tax-related judgments is frequently overlooked in prior research.

In addition, external contexts such as changes in tax regulations or pressure from stakeholders can also influence the relationship between these internal factors and tax management. However, research on the influence of these factors in facing these external challenges is still limited.

Inadequate comprehension about the impact of the board of commissioners, management remuneration, and independent commissioners on tax management might impede a company's capacity to successfully handle its tax responsibilities and optimize shareholder value. Therefore, a clear and well-defined problem formulation regarding the relationship between these factors and tax management is crucial to provide a strong foundation for further research in this study.

Prior research on tax management has primarily focused on the impact of corporate governance, as evidenced by studies conducted by Maria (2013), Yuniati et al. (2017), Meilinda (2013), Putri (2017), Khairunnisa (2016), and Armstrong et al. (2012). However, there is a lack of research examining the influence of board commissioners, management compensation, and independent commissioners. This knowledge gap underscores the significance of the present study. This study employs associative research, a methodology that seeks to examine the correlation between one variable and other factors (Ulum, 2011). This study investigates the impact of the board of commissioners, executive remuneration, and independent commissioners on tax management.

This research will concentrate on formulating hypotheses and examining the factors that affect tax management, including the effect of the board of commissioners, management remuneration, and independent commissioners. The objective of this study is to analyze the impact of the board of commissioners, management remuneration, and independent commissioners on the tax management of companies. The findings of this study suggest that tax management has a favorable and substantial impact on the board of commissioners, management remuneration, and independent commissioners. The research aims to examine the hypothesis that tax management is influenced by three indicators: management remuneration, the board of commissioners, and independent commissioners. It is hypothesized that all three factors have a favorable effect on tax management.

LITERATURE REVIEW

To analyze the theoretical foundation of the connection between the board of commissioners, management compensation, and competent independent commissioners in regards to a company's tax management, it is necessary to have a thorough comprehension of the criteria used to define effective corporate governance and the interrelationships among the variables in the model.
Agency

Jensen & Meckling (1976) define an agency relationship as a contractual arrangement in which one or more principals engage an agent to perform a specific service on their behalf, granting the agent decision-making power. In a relationship between a principal and an agent where the two parties have different personal interests, it is therefore necessary to have a party who can act as a mediator to resolve or avoid conflicts that might occur.

Tax Management

Minnick and Noga (2010) provide a concise definition of tax management as the skillful practice of minimizing tax payments over an extended duration. Aggressive tax management is not inherently connected to unethical or criminal conduct. Tax legislation provide several measures that enable corporations to legitimately minimize their tax liabilities without engaging in illegal activities. In his study, Suandy (2005) identified two main objectives of tax management: ensuring compliance with tax legislation and optimizing efficiency to maximize profits. In order to accomplish this objective, tax management encompasses three key functions: tax planning, tax execution, and tax control. The political costs theory suggests that enterprises may choose not to engage in tax management if they are seen as disloyal or unethical.

Management Compensation

Compensation is a human resource management function that shows the type of reward received by individuals to appreciate their performance. Compensation refers to the monetary or non-monetary rewards provided by an organization to personnel for completing the responsibilities given to them. Compensation is an entitlement that individuals should get since they have willingly given up their time, effort, and mental resources to fulfill the organization's objectives. The compensation system, sometimes known as the pay system, pertains to the manner in which employees get payment or how compensation is allocated.

Corporate Governance

Multiple definitions exist to elucidate the concept of Corporate Governance. According to Monks and Minow (2004), Corporate Governance is an investigation of the connections among directors, managers, workers, shareholders, consumers, creditors, and suppliers inside a corporation, as well as the connections between these individuals. Corporate Governance, as defined by the Indonesian Institute of Corporate Governance (IICG) on its website, refers to a set of methods that are used to effectively guide and regulate a company's activities in line with the expectations of its stakeholders. Meanwhile, effective Corporate Governance Corporate governance, as defined by Anggi Sasmita Ahmad et al. (2021), refers to a set of regulations that govern the relationships between shareholders, company managers, creditors, government, employees, and other internal and external stakeholders. It plays a crucial role in determining the trustworthiness of a company and the overall
corporate governance is a system that regulates and controls the operations of a company.

**Board of Commissioners**

The board of commissioners holds the greatest degree of authority in the management hierarchy, second only to the shareholders. The board of commissioners has a pivotal position in corporate governance since company law assigns legal accountability for business matters to the board of commissioners. The role of the commissioner is to act as a representative of shareholders, overseeing and offering guidance to the directors in order to ensure the implementation of effective corporate governance.

Indonesia follows a dual board (two-tier) system, similar to the one used in Europe, for its internal organizational structure. The first board is referred to as the board of commissioners, whereas the second board is referred to as the board of directors. Both are integral components of the internal control system. The board of commissioners is comprised of both independent and non-independent commissioners. The board of commissioners is usually perceived to have a significant role in internal control and corporate governance, particularly in monitoring management.

This research will examine the following hypotheses based on conceptual development: the impact of the board of commissioners, management remuneration, and independent commissioners on tax management.

H1: The board of commissioners positively influences tax management.
H2: The reward given to management has a beneficial impact on the management of taxes.
H3: The presence of independent commissioners has a beneficial impact on tax administration.

**METHODOLOGY**

This research falls under the category of associative research, which specifically focuses on examining the correlation between one variable and other factors (Ulum, 2011). This study investigates the impact of the board of commissioners, executive remuneration, and independent commissioners on tax management. The population for this study consists of manufacturing enterprises that are listed on the Indonesia Stock Exchange in 2021. The sample approach employed was purposive sampling. The purposive sampling technique was employed to select samples based on specific criteria outlined in the research. The sample consisted of manufacturing companies listed on the Indonesian stock exchange in 2021, companies that published audited financial and annual reports with a financial year ending on December 31 during the observation period, companies that possessed complete data as required, and companies that conducted bookkeeping in the local currency, the Indonesian rupiah.

This research utilizes two variables: the independent variable, which is the variable that controls the dependent (bound) variable. The research examines the relationship between management compensation (x1), board of commissioners (x2), independent commissioners, and tax management, with
the former being the independent factors and the latter being the dependent variable.

The data collection procedure in this research employs the documentation method, namely by gathering secondary data and subsequently recording and analyzing it. This data is a comprehensive search for documented information, encompassing both quantitative and qualitative data from various departments or divisions inside the firm. The data collecting method employed in this research involves gathering data that has been published on the IDX in 2021 and obtained from the idx.co.id website.

Researchers utilize the SPSS application to effectively handle and analyze study data. This study aims to assess the impact of management remuneration (H1), Board of Commissioners (H2), and Independent Commissioners (H3) on tax management (Y) in industrial businesses listed on the BEI in 2021.

RESEARCH RESULT

Normality Test

A good regression model is one that has a normal or close to normal data distribution to test whether the data distribution is normal or not.

Table 1. Normality Test Result

<table>
<thead>
<tr>
<th></th>
<th>COMP</th>
<th>BOARD</th>
<th>INDEP</th>
<th>ETR</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>.5324009</td>
<td>3.87</td>
<td>.4013275</td>
<td>.5649234</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.366392</td>
<td>1.718</td>
<td>.11980643</td>
<td>1.410324</td>
</tr>
<tr>
<td>Absolute</td>
<td>.471</td>
<td>.269</td>
<td>.236</td>
<td>.383</td>
</tr>
<tr>
<td>Positive</td>
<td>.471</td>
<td>.269</td>
<td>.236</td>
<td>.383</td>
</tr>
<tr>
<td>Negative</td>
<td>-.348</td>
<td>-.138</td>
<td>-.179</td>
<td>-.348</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>.744</td>
<td>.410</td>
<td>.375</td>
<td>.418</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.638</td>
<td>.996</td>
<td>.999</td>
<td>.995</td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.
b. Calculated from data.

The results of the One-Sample Kolmogorov-Smirnov test indicate that the Comp variable has a significance value of 0.744, Boards has a significance value of 0.410, Indep has a significance value of 0.375, and ETR has a significance value of 0.418. Since all of these values are over the threshold of 0.05 (5%), it can be inferred that the data follows a normal distribution.

Multicollinearity Test Results

The Variance Inflation Factor (VIF) and Tolerance are utilized to identify the presence of multicollinearity among independent variables. The tolerance value must be more than 0.10 and the VIF value must be less than 10 in order to ensure that multicollinearity does not occur.
Table 2. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>COMP</td>
</tr>
<tr>
<td></td>
<td>BOARD</td>
</tr>
<tr>
<td></td>
<td>INDEP</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ETR

The VIF (Variance Inflation Factor) value for each variable is less than 10, indicating that there is no multicollinearity. Additionally, the Tolerance value for each variable is greater than 0.10, further confirming the absence of multicollinearity.

**Autocorrelation Test**

The objective of this test is to determine whether there is a link between significant mistakes in period t and period t-1. The autocorrelation assumption refers to the presence of correlation between successive observations, where the values of current data are impacted by the values of preceding data. The study assessed autocorrelation deviations using the Durbin-Watson test (DW test).

Table 3. Autocorrelation Test Results

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1.848</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), INDEP, BOARD, COMP
b. Dependent Variable: ETR

Autocorrelation testing employs Watson's Durbin test. According to the table, the calculated Durbin-Watson (dw) value is 1.848. This number suggests that there is no presence of positive or negative effect in the regression model. In other words, the variables examined in this study are not affected by autocorrelation issues.

**Heteroscedasticity Test**

This test seeks to determine if the regression model exhibits uneven variances in the residuals between different observations. An ideal regression model is one that is devoid of heteroscedasticity issues.
Table 4. Heteroscedasticity Test Results

![Scatterplot](image)

The scatterplot graph depicting the relationship between SRESID and ZPRED, with the Y axis representing the expected Y and the X axis representing the residual, indicates the absence of a discernible pattern. Therefore, it may be inferred that heteroscedasticity is not present.

**Descriptive Statistics**

An analysis will be conducted to examine the impact of the board of commissioners, management remuneration, and independent commissioner variables on tax management. This analysis will provide a descriptive overview of these factors. Descriptive statistics offer a comprehensive summary of data, including the mean (average), standard deviation, and the highest and lowest values. The comprehensive descriptive statistical findings of the investigation may be seen in the subsequent table.

Table 5. Descriptive Statistics Results

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMP</td>
<td>94</td>
<td>.00005</td>
<td>6.00444</td>
<td>.5324</td>
<td>1.3664</td>
</tr>
<tr>
<td>BOARD</td>
<td>94</td>
<td>2</td>
<td>10</td>
<td>3.8723</td>
<td>1.7179</td>
</tr>
<tr>
<td>INDEP</td>
<td>94</td>
<td>.16667</td>
<td>.66678</td>
<td>.4013</td>
<td>.1198</td>
</tr>
<tr>
<td>ETR</td>
<td>94</td>
<td>.01467</td>
<td>10.25376</td>
<td>.5649</td>
<td>1.4103</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>94</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table displays the minimum management compensation (Comp) as 0.00005 and the maximum as 6.00444. The mean or average management remuneration is 0.5324, and the standard deviation is 1.3664. This indicates that the data for the Management Compensation (Comp) variable has a narrow range, as evidenced by the standard deviation being larger than the mean value. Therefore, it may be inferred that the data pertaining to the Management Compensation (comp) variable is of poor quality.

The variable "Board of Commissioners" (board) has a minimum value of 2 and a maximum value of 10. The board of commissioners has an average (mean) of 3.8723 and a standard deviation of 1.7179. This indicates that the data pertaining to the board of commissioner's variable exhibits favourable
outcomes, as the mean value surpasses the standard deviation. The standard deviation serves as an indicator of the average deviation of the data from the mean, which in this case is considerably high. Consequently, the data distribution demonstrates normal results.

The minimum value for the independent commissioner is 0.16667, while the maximum value is 0.66678. The independent commissioners have a mean or average value of 0.4013, with a standard deviation of 0.1198. This demonstrates that the data for the independent commissioner variable (indep) yields favourable outcomes, as indicated by a mean value that surpasses the standard deviation. This is due to the fact that the sample meets the necessary criteria, which requires at least 0.30 or 30% of the board of commissioners’ members and a minimum of 0.25 or 25% of the total board members.

The effective tax rate (ETR) ranges from a minimum of 0.01647 to a maximum of 10.25367. The mean or average Effective tax rate (ETR) is 0.5649, with a standard deviation of 1.4103. The data on the Effective tax rate (ETR) variable exhibits a significant dispersion, as indicated by the standard deviation exceeding the mean value. Therefore, it may be inferred that the data pertaining to the Effective Tax Rate (ETR) variable is of poor quality.

**Multiple Regression Test**

**Table 6. Multiple Regression Test Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.006</td>
<td>.589</td>
<td>5.103</td>
<td>.000</td>
</tr>
<tr>
<td>COMP</td>
<td>-.207</td>
<td>.101</td>
<td>-.200</td>
<td>-.057</td>
</tr>
<tr>
<td>BOARD</td>
<td>-.185</td>
<td>.079</td>
<td>-.226</td>
<td>-.239</td>
</tr>
<tr>
<td>INDEP</td>
<td>-4.018</td>
<td>1.138</td>
<td>-.341</td>
<td>-.530</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ETR

Multiple linear regression analysis is used to determine the influence of the independent variable on the dependent variable. Based on the table, a regression equation can be created as follows:

$$ETR = 3,006 - 0.207x_1 - 0.185x_2 - 4.01x_3 + e$$

**Coefficient of Determination Test (R2)**

The coefficient of determination aims to measure how far the model's ability is to explain variations in the dependent variable (Ghozali, 2016:95).

**Table 7. Coefficient of Determination Test Results (R2)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.418  a</td>
<td>.174</td>
<td>.147</td>
<td>1.30256647</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), INDEP, BOARD, COMP

The extent to which the independent variable affects the variability of the dependent variable can be quantified by the value of the Adjusted R^2
coefficient of determination. In the SPSS Output table, the Model Summary table displays a coefficient of determination value of 0.147. This value indicates that 14.7% of the influence on Tax Management, as measured by ETR, can be attributed to the variables Management Compensation, Board of Commissioners, and Independent Commissioners. The remaining 85.3% of the influence is accounted for by other variables that are not included in this regression model.

**Simultaneous Significant Test (F-Test)**

The purpose of the F test is to determine if all independent factors collectively have a statistically significant impact on the dependent variable of interest.

Table 8. Simultaneous Significant Test Results (F Statistical Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>32.277</td>
<td>3</td>
<td>10.759</td>
<td>6.341</td>
<td>.001*</td>
</tr>
<tr>
<td>Residual</td>
<td>152.701</td>
<td>90</td>
<td>1.697</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>184.978</td>
<td>93</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), INDEP, BOARD, COMP  
b. Dependent Variable: ETR

The author's hypothesis is that Comp, Board, and Indep have a simultaneous influence on tax management, namely the effective tax rate (ETR). The F test results indicate a significance level of 0.1%, which is below the commonly accepted threshold of 5%. This suggests that the regression coefficient of 6.341 for the independent variables (Comp, Board, and Indep) has a significant effect on Tax Management (ETR).

**T-Test Results**

The table below displays the significant values of the t test, which indicate the impact of Management compensation (Comp), Board of Directors (Board), and Independent Commissioners (Indep) on the dependent variable, tax management (ETR).

Table 9. T-Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.006</td>
<td>.589</td>
<td>.589</td>
<td>5.103</td>
</tr>
<tr>
<td>COMP</td>
<td>-.207</td>
<td>.101</td>
<td>-.200</td>
<td>-2.057</td>
</tr>
<tr>
<td>BOARD</td>
<td>-.185</td>
<td>.079</td>
<td>-.226</td>
<td>-2.339</td>
</tr>
<tr>
<td>INDEP</td>
<td>-4.018</td>
<td>1.138</td>
<td>-.341</td>
<td>-3.530</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ETR
DISCUSSION

Management compensation variable (H1)

Based on the SPSS output data, it is evident that the significance value for management compensation (Comp) is 0.043 with a significance level (α) of 0.05. Since the significance value is less than α, it can be inferred that management compensation (Comp) has a significant impact on tax management.

Board of commissioners (H2)

Based on the SPSS output data, it is evident that the significance value for the Board of Commissioners is 0.022 with a significance level (α) of 0.05. Since the significance value is less than α, it can be inferred that the board of commissioners (Board) has a significant impact on tax management.

Independent Commissioner (H3)

Based on the SPSS output data, it is evident that the significance value for independent commissioners is 0.001 with a significance level (α) of 0.05. Since the significance value is less than α, it can be inferred that independent commissioners (Indep) have a significant impact on tax management.

CONCLUSIONS AND RECOMMENDATIONS

This research aims to analyse the combined or partial impact of the board of commissioners, management compensation, and independent commissioners on tax management in manufacturing companies listed on the Indonesian stock exchange. The findings indicate that the management remuneration variable has a noteworthy impact on tax management. According to the research findings, the significant value of the management compensation variable is 0.043, which is less than 0.05. The coefficient value (B), which is -0.207, indicates a significant and negative correlation with tax efficiency. The research findings indicate a positive correlation between the remuneration levels of the board of commissioners and directors and the effectiveness of tax management inside the firm. Specifically, higher compensation leads to a reduction in the company's tax burden. The variable of the board of commissioners has a substantial impact on tax management. According to the research findings, the variable "Board of Commissioners" has a significance value of 0.022, which is less than 0.05. The coefficient value (B), which is -0.185, indicates a significant and negative relationship with the efficiency of the tax burden.

Introducing a board of commissioners in a firm can serve as a deterrent to the company's aggressive tax management practices, so promoting greater caution in complying with tax legislation. The presence of an independent commissioner has a substantial impact on the handling of taxes. According to the research findings, the independent commissioner variable has a significance value of 0.001, which is below the threshold of 0.05. The coefficient value (B), which is -4.018, indicates a significant and unfavourable relationship with tax management. By having an independent commissioner, the process of formulating corporate strategies by the board of commissioners and company management will ensure effective and efficient outcomes, including the
company's tax policy and strategy. Therefore, the inclusion of an autonomous commissioner will directly affect the company's tax liability, either reducing or increasing it.

ADVANCED RESEARCH

After analysing the research findings and engaging in discussions, the researcher proposes recommendations for future researchers. These include extending the duration of the research period and broadening the scope of the research sample to encompass companies beyond the manufacturing sector. Additionally, it is suggested to incorporate tax management proxies, such as CETR, in future studies. Furthermore, other independent variables that may impact company tax management, such as managerial ownership, capital intensity, and auditor reputation, should be included.

REFERENCES


