The 4th ICIES2024 International Conference on Islamic Economics Studies

FACULTY OF ISLAMIC ECONOMIC AND BUSINESS

The Effect of CEO Attributes and Cognitive Abilities on Aggressive Tax Avoidance : The Case of Indonesian Energy Companies Listed on the IDX

Lisma Arshyda Puspita[1], Indriyana Puspitosari[2]

[1,2]Departement of Sharia Accounting, Faculty of Islamic Economic and Business, Universitas Islam Negeri Raden Mas Said Surakarta, Indonesia

Article Info

Article history:

Received July 23th, 2024
Accepted Oct 21th, 2024

Keywords:

Aggressive tax avoidance; CEO attributes; CEO cognitive ability

ABSTRACT

This study aims to investigate the effect of CEO attributes and cognitive abilities on aggressive tax avoidance practices in companies. This study uses energy sector companies listed on the Indonesia Stock Exchange for the period 2018-2022 as the population and uses quantitative methods with a sample of 58 companies and observation data totaling 290 observations. This study uses multiple linear regression data analysis techniques. The results showed a significant relationship between age, tenure, accounting expertise, foreign CEOs, and CEOs from within the company. The findings show that the more the age of the CEO, the higher the value of the company's effective tax rate. CEO tenure does not affect the level of tax avoidance. If the CEO has financial expertise, there is a tendency for the company's effective tax rate to decrease. The presence of a foreign CEO will reduce the company's effective tax rate, which means that tax avoidance increases. Then the ineffectiveness of the foreign CEO variable can be caused by the tight monitoring of the company. These findings provide deep insight into the factors that influence corporate tax policy in the context of Indonesian firms with dualistic corporate governance. This study makes an important contribution to the understanding of the relationship between CEO cognitive ability, CEO attributes, and tax avoidance practices in Indonesian firms.

Corresponding Author:

Lisma Arshyda Puspita
Department of Sharia Accounting
Faculty of Islamic Economic and Business
Universitas Islam Negeri Raden Mas Said Surakarta
Email: lismaarshyda123@gmail.com

1. INTRODUCTION

Previous research has focused on CEO compensation, contractual attributes, as well as CEO behaviors such as tenure, accounting expertise, and insider status. Equity-based compensation plays an important role in encouraging CEOs to engage in tax avoidance activities. Increased compensation based on stock performance increases the CEO's incentive to explore tax avoidance strategies to increase corporate profits in the short term. CEO tenure also influences tax avoidance strategies, where CEOs with longer tenure tend to engage in more aggressive tax avoidance policies, as they have more experience in risk management and better understand the corporate structure. CEO accounting expertise was found to strengthen the tendency of CEOs to engage in tax avoidance activities. CEOs with a finance or accounting background better understand the legal loopholes that can be utilized to reduce corporate tax liabilities. CEO insider status or CEOs who come from within the company (insider) tend to have more in-depth information about the company and are more willing to take risks in tax avoidance strategies than CEOs recruited from outside (outsider). (Neifar & Huesing, 2023). Some studies also highlight principal-agent motivations and constraints in tax avoidance (Desai et al., 2004). One widely recognized view is that increasing equity-based compensation for CEOs tends to encourage tax avoidance practices (Armstrong et al., 2015; Gaertner, 2016).

Furthermore, Duan et al. (2018) examined the effect of CEO name publicity and company stock on tax avoidance. They found that CEOs with higher levels of publicity have lower effective tax rates (ETRs) and cash ETRs. Meanwhile, Hsieh et al. (2018) explored how highly confident CEOs may interact to influence the level of corporate tax avoidance. Their results show that firms tend to engage in more tax avoidance activities when they are led by overconfident CEOs.

In addition, Huang and Zhang's (2020) research examines the influence of CEOs with financial expertise on corporate tax avoidance policies. They reported that CEOs with financial expertise usually engage in more aggressive tax avoidance policies. Using a sample of 4,706 annual observations of companies in South Korea between 2003 and 2014, they also found that CEOs who have strong political connections through professional, academic, or family ties tend to make high-risk strategic decisions, including tax avoidance.

Other studies have also highlighted the relationship between CEO tenure and CEO age (Halioui et al., 2016; Huang & Zhang, 2020), as well as CEO accounting expertise (Chend et al., 2020) in relation to tax avoidance. Lai et al. (2020) reported significant differences in risk-taking between foreign and local CEOs. In Hu's (2018) study, it was found that foreign CEOs provide more detailed and frequent guidance, and are more transparent in delivering good and bad news than local CEOs. This suggests that risk-taking related to tax avoidance may be influenced by the link between the CEO's home country and the company's home region, thus adding an important dimension in explaining the contradictory research results related to tax avoidance.

To enrich the understanding of this topic, this article aims to replicate previous findings using data from energy sector companies in Indonesia listed on the Indonesia Stock Exchange (IDX) during the period 2018-2022 (Vaske & Kobrin, 2001). This research is expected to provide a more comprehensive insight into the role of CEOs in tax avoidance policies in Indonesia, as well as the relevance of the factors identified by previous studies at the global level.

Literature Review

Upper Echelon Theory

Differences in the strategies implemented by firms, as well as the success of their implementation, is one of the fundamental issues in strategic management. One theoretical approach that explains this phenomenon is the Upper Echelon Theory (UET), introduced by Hambrick and

Mason (1984). This theory argues that a firm's strategic decisions are strongly influenced by the individual characteristics of top management. UET has attracted widespread attention in strategic management studies and made significant contributions through empirical findings on the influence of executives' personal characteristics on corporate strategic decisions (Hambrick & Mason, 1984; Pfeffer & Davis-Blake, 1986; Smith et al., 1984). According to this theory, firm performance is a reflection of the characteristics of its top managers.

Several empirical studies have shown that demographic characteristics, such as age, tenure and education level, play an important role in influencing management decisions. Wiersema and Bantel (1992) found that these variables influence an individual's propensity to accept change, take risks and innovate. This suggests that the more experienced a manager is, the more conservative they are in making strategic decisions (Bantel & Jackson, 1989; Finkelstein & Hambrick, 1990). In addition, these factors also have an impact on how top management responds to changes in the external environment and designs strategies for the firm (Grimm & Smith, 1991; O'Reilly & Flatt, 1989; Wiersema & Bantel, 1992).

This research highlights the importance of demographic characteristics in strategic decision-making, which ultimately affects organizational performance. Therefore, understanding executives' demographic and cognitive profiles can be an effective tool in predicting and improving future organizational performance. The findings emphasize the crucial role of top management in creating innovative and sustainable strategies for the firm.

Hypotheses Development

The special character possessed by the CEO will affect where a company is in organizing and managing a company. One way of structuring the company includes making a decision by the CEO that can make the company move forward and develop. The accuracy of the CEO's decision-making shot can be influenced from several points of view. An example that affects decision making is the age of the CEO. Age can be used as a person's experience in taking the risk of a company.

Research on tax avoidance in Indonesia in the period 2014-2016 (Yuwono & Fuad, 2019). The results of the study concluded that the age of the CEO has a positive effect on TA activities. The study concluded that the older the CEO, the less likely someone will carry out tax avoidance activities. Then according to (Yuwono & Fuad, 2019) stated that the age of the CEO has a positive influence on tax avoidance. Meanwhile, research conducted by (H. Huang & Zhang, 2020) states that the age of the CEO has no significant positive effect on tax avoidance. (Richardson et al., 2016) found that CEO age is positively related to cash. With this we get a hypothesis in the form of :

H1. CEO age has a positive effect on tax avoidance.

The characteristics of the CEO in addition to age are also the CEO's tenure in a company. The tenure can determine the CEO's ability to overcome risks, make decisions regarding tax avoidance and run a company. CEOs who have long tenure have more experience in diverting or avoiding taxes in the company.

Putra & Fitriasari (2014) conducted research on tax avoidance in Indonesia in the 2010-2012 period. The results of the study concluded that CEO Tenure has a negative effect on tax avoidance activities. The research also concluded that the longer the CEO serves in a company, the higher the likelihood of tax avoidance. The results of research tested by (H. Huang & Zhang, 2020; Yuwono & Fuad, 2019) said that CEO tenure has no significant effect on tax avoidance. With this we get a hypothesis in the form of :

H2. CEO tenure has a negative effect on tax avoidance.

The CEO is the top and highest executive position in the company who is highly responsible for the running of an agency he leads. The CEO has a very important role for the journey of a company and can determine whether the company is successful or otherwise. Therefore, the position should not be managed carelessly, it must be run by someone who is professional in that position. The CEO is directly or indirectly a leader who has influence in all decisions in corporate matters and also makes decisions in tax policy. CEOs who have financial expertise will be more likely to do tax avoidance well such as tax calculations.

Hsu et al. (2014) conducted research on tax avoidance in the period 2004-2012. The study resulted in a positive significant effect on tax avoidance. These results indicate that if there is at least one financial expertise in the board of directors, it will increase tax avoidance activities. Furthermore, the test results conducted by Hsu et al., (2014) explain that there is a positive significant effect on tax avoidance:

H3. CEO accounting expertise has a positive effect on tax avoidance.

People develop more attachments rather than staying longer (Hernández et al., 2007). Therefore, foreign CEOs have less attachment or identity compared to local CEOs due to less residence in the place (Kline, 2018). (Kline, 2018). Testing (Nainggolan & Sari, 2020) found that the influence of foreign ownership has an impact on tax avoidance practices. Even though the company is controlled by a foreign entity, shareholders still expect long-term benefits from the company, encourage *good corporate governance* practices, and reduce tax avoidance. Foreign CEOs have less attachment and/or identity compared to local CEOs due to less residence in the place. (Mersland et al., 2019) found that CEOs with a more uncertainty-averse cultural heritage are less likely to engage in acquisitions.

In addition, research (Alkurdi & Mardini, 2020) there is a positive influence that foreign shareholders in the company tend to increase tax avoidance behavior, especially by utilizing their international scale to avoid taxation. Findings (Kusbandiyah, 2018) also support this and state that a high level of foreign ownership can increase tax avoidance practices. So we get a hypothesis in the form of :

H4. The presence of foreign CEOs has a positive effect on tax avoidance.

A company can hire a CEO from one of two managerial labor markets: internal and external labor markets. As reported by (Georgakakis et al., 2017.) , CEOs from outside the company are less familiar with the company than internal employees. In general, CEOs who come from within the company have experience, experience, and company-specific network resources that result in performance maximization. (Mersland et al., 2019) found that CEOs who were recruited internally from the company performed better than institutions whose CEOs were recruited externally. This result can be justified for several reasons, firstly if a person has been identified as a future CEO in other positions, this indicates that they have been recognized as highly qualified management talent at lower levels. (Zajac & Kellogg, 1990). . Therefore, by choosing an insider as CEO, the company will be able to avoid potential management disruptions, as the CEO will be more entrenched in the company (Zajac & Kellogg, 1990). (Zajac & Kellogg, 1990). In addition, an insider CEO can build more attachment to the company than an outsider CEO. So we decide the hypothesis as :

H5: The presence of CEO insiders negatively affects the level of corporate tax avoidance

2. METHOD

2.1 Samples and Data

This study uses observational data of 290 company years listed on the IDX during the period 2018-2022. This data includes information on CEO attributes, including: CEO age, CEO tenure, CEO accounting expertise, foreign CEO presence, CEO insider presence and corporate tax avoidance practices, and other relevant factors. This data is obtained from secondary sources, such as company financial reports and public databases. The research sample consists of 58 companies listed on the IDX. The sample selection is based on certain criteria, such as data availability and compatibility with the research objectives. The use of a representative sample of companies in Indonesia listed on the IDX allows generalization of the research results. The main variables in this study include CEO attributes (such as age, tenure, accounting expertise), and corporate tax avoidance practices (measured by abnormal book-tax differences).

These variables were measured using methods that have been tested and adapted according to the research context. Data analysis was conducted using generalized least square panel regression. This analytical technique allows researchers to examine the relationship between the independent variables (CEO attributes) and the dependent variable (corporate tax avoidance practices) by taking into account panel effects and heteroscedasticity. In this study, *multiple panel regression* techniques were used to analyze the relationship between various independent variables (such as CEO attributes, firm size, firm performance, etc.) and corporate tax avoidance practices in Indonesian companies listed on the IDX. The multiple panel regression technique allows researchers to account for individual effects and time effects in the analysis, as well as control for variability between units of observation. By using multiple panel regression, researchers can test the hypotheses that have been formulated and analyze the impact of these variables on corporate tax avoidance practices. This technique provides a robust analytical framework to understand the factors that influence corporate tax policy and its implications for corporate governance and tax policy in Indonesian companies.

2.1.2 Sample Criteria

In this study using several criteria in determining the sample, these criteria are as in table 1 as follows:

Sample Criteria	Number of Companies
Energy sector companies listed on the Indonesia Stock Exchange (IDX)	87
2018-2022 Period	(25)
Has a complete annual report	(4)
Have data according to research variables	58
Total	58
Total observation data (5 years)	58 x 5 = 290

Table 1. Sample Criteria

Source: author's creation

Table 1 explains that the total number of energy sector companies listed on the Indonesia Stock Exchange is 87 companies. With the first reduction of 25 companies because they were registered more than 2018. The next reduction of 4 companies is not eligible because it does not have a complete annual report. So that the total number of eligible companies is 58 companies.

2.2 Variable measurement

In this study, considering the effect of CEO attributes and cognitive abilities on tax avoidance. The following will explain the various measures used in this study

2.2.1 Dependent Variable

In this study, ETR is measured by the amount of tax that must be paid by the company.

company divided by Profit earned by the company before tax

income is deducted, then:

ETR $= \frac{Beban\ Pajak}{Laba\ Sebelum\ Pajak}$

With a description:

ETR = Tax avoidance measure

$Beban\ pajak$ = Amount of tax to be paid by the company

$Laba\ Sebelum\ Pajak$ = Profit earned by the company before tax income is deducted.

The Gupta and Newberry (1997) approach is continued by determining the ETR amounting to: (a) zero for companies with tax refunds, (b) 100% for companies with positive taxes and negative or zero revenue, and (c) a value bounded between 0 and 100%.

2.2.2 Independent Variables

This study uses several independent variables related to the attributes and cognitive abilities of the CEO. In table 2 below are the different measurements of the dependent variable.

Variables	Abbreviations	Measurement	Author
CEO Age	AGE	CEO age in that year	(Minnick & Noga, 2010)
CEO tenure	TENURE	CEO's term of office in the year	(Kusbandiyah, 2018; Neifar & Ajili, 2019; Neifar & Huesing, 2023a)
CEO accounting expertise	EXP	Dichotomous variable With 1; if the CEO has accounting expertise With 0: if no accounting expertise	(H. Huang & Zhang, 2020)
Foreign CEO	FOREIGN	Dichotomous variable With 1; if CEO is not from Indonesia With 0; if the CEO is an Indonesian citizen	(Armstrong et al., 2012)
CEO insider	INSIDER	Dichotomous variable With 1; if the CEO is a previous employee of the company With 0; if the CEO comes from outside the company	(Georgakakis et al., n.d.)

Table 2. Measurement of independent variables

2.2.3 Regression Model.

In this study, to analyze the effect of CEO attributes and cognitive abilities on

TA, adopting the following model:

$$ETR = \beta_0 + \beta_1 CEO_{AGE_{i,t}} + \beta_2 CEO_{TENURE_{i,t}} + \beta_3 CEO_{EXP_{i,t}} + \beta_4 FOREIGN_{CEO_{i,t}} + \beta_5 INSIDER_{CEO_{i,t}} + \varepsilon_{i,t}$$

Description:

β_j = coefficient

$\varepsilon_{i,t}$ = error term.

3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

The next stage is the discussion of the results of data testing. Testing is done by testing the independent variables, namely CEO age, CEO tenure, CEO accounting expertise, the presence of foreign CEOs, and the presence of insider CEOs on the dependent variable, namely tax avoidance. The sample data taken will be processed using eviews software and presented in the form of descriptive statistical data tables. Table 3 provides descriptive statistics (mean, median, minimum, maximum, and standard deviation) of the dependent variables used in this regression. Table 3

Variables	Mean	Median	Minimum	Maximum	Std. dev.
Panel A					
CEO_AGE	55.6877	55.0000	28.0000	86.0000	9.24532
CEO_TENURE	5.82456	3.00000	1.00000	37.0000	6.63622

ETR	0.46855	0.29900	0.00000	1.00000	0.37754
Panel B					
Variables			Dummy		Percentage
EXP			0		80.00
			1		20.00
FOREIGN			0		90.17
			1		9.83
INSIDER			0		52.99
			1		47.01

Table 3. Descriptive statistic of independent variables

Source : the author of the article

In the descriptive statistics table, it is explained that the mean of the CEO's age is 55.68 which is rounded at 56 then for the median 55.00, the minimum limit is 28.00 and the maximum limit is 86.00, from this data we can know that the average age of the CEO is 56 years with a minimum age of 28 years and a maximum age of 86 years. Then the mean of the CEO's tenure is 5.82 which has a rounding of 6, median 3.00, minimum limit 1.00 and maximum limit 37.00 which we can know that the average CEO tenure is in the range of 6 years for once CEO who served with a minimum position of 1 year and a maximum position of 37 years. The mean accounting expertise is at 0.20, the median is 0.00, the minimum limit is 0.00 and the maximum limit is 1.00 which we can know through the panel B table of binary variables that the percentage for CEOs who do not have accounting expertise is 80.00 and 20.00% for CEOs who have accounting expertise. Furthermore, the presence of foreign CEOs is 90.17% for those with Indonesian citizenship and 9.83% for those with foreign citizenship. CEOs who did not come from within the company were 52.99% and those who came from within the company where he served were 47.01%.

3.2 Analysis of Regression Results

The regression results of this study are in table 4.

Variables	Coef	p-value
AGE	0.166683	0.0251**
TENURE	0.085216	0.2527
EXP	-0.156778	0.0484**
FOREIGN	-0.141769	0.0618***
INSIDER	0.044903	0.5548
Constant	-7312.659	0.3855
Adjusted R square	0.075521	
F (statistic)	4.264260	

Table 4. Analysis of multiple linear regression results
Note: the significance levels are 0.01, 0.05, and 0.1 which are shown with ***, **, and * respectively. The first row contains the tested variable representing the coefficient, and the second row contains the p-value.
Source: author's creation

Table 4 shows the results of hypothesis testing using panel data regression analysis techniques. The model chosen is Random Effect Model. The results of the analysis show that of all the CEO characteristics examined in this study indicate that the variables of age, expertise and foreign CEOs have an influence on tax avoidance.

In table 4, the age of the CEO shows a significant positive effect on the ETR value, which means that the more the age of the CEO, the higher the company's effective tax rate . The increase in the value of the company's effective tax rate indicates that the company's tax avoidance practices are reduced. In other words, the older the CEO of the company, the less tax avoidance practices will be carried out. In the research hypothesis states a positive relationship between CEO age and tax avoidance, so the results of this study do not support research H1. The negative relationship between CEO age and tax avoidance can be caused by older CEOs tend to have more experience and wisdom. They may be more aware of the long-term consequences of tax avoidance, including legal and reputational risks that can harm the company. This shows the risk averse attitude of CEOs who have older age. The results of this study are in line with research stating that younger CEOs are more conservative (Zwiebel, 1995; Chevalier and Ellison, 1999). Zwiebel (1995) points out that the labor market has difficulty in evaluating younger managers, thus motivating these managers to avoid innovative projects. Chevalier and Ellison (1999) suggest that younger managers take fewer unsystematic risks. So, based on these researchers, a negative relationship between CEO age and tax avoidance is expected.

Furthermore, the CEO tenure in this study shows insignificant results. This shows that CEO tenure does not affect the company's decision to conduct tax avoidance so that H2 is not supported. The results of this study support research (Diamond (1989) shows that CEOs with long tenure are less motivated to make opportunistic decisions because they become more consistent in protecting their reputation. Neifard et al. (2016) found a significant negative relationship between CEO tenure and earnings management. So, based on these studies, we can expect an insignificant relationship between CEO tenure and tax avoidance, as tax avoidance is an opportunistic behavior.

This lack of effect of CEO tenure could be due to the fact that companies may operate in a strict regulatory environment where there is little room for aggressive tax avoidance. Compliance with strict tax regulations may limit the CEO's influence, regardless of the length of his tenure.

Furthermore, CEO expertise, the regression results show a negative and significant coefficient. Which means that CEO expertise has a negative influence on the company's effective tax rate. If the CEO has financial expertise, there is a tendency for the company's effective tax rate to decrease. CEO expertise is utilized to create strategies in corporate tax planning. The results of this study support H3 which states that there is a positive relationship between CEO expertise and the level of corporate tax avoidance . The results of this study are supported by research by Chen et al. (2020) which found that companies with CFO accounting experts are associated with lower ETR.

The fourth variable is foreign CEO, the results showed a significant negative effect at the 10% level between foreign CEO and tax avoidance. The presence of a foreign CEO will reduce the company's effective tax rate, which means that tax avoidance increases . The results in this study are supported by research by Laidkk. (2020), more state taxes can help improve the conditions of local communities and the long-term development of companies by increasing local infrastructure development. Since tax avoidance is also a decision that is under uncertainty and presents risks for managers and firms (risk of being detected by tax authorities), and since there are differences between foreign and local CEOs towards uncertainty, the results support H4.

The results of research related to the insider CEO variable show insignificant results, which means that H5 research is not supported. The results of this study are supported by Georgakakis and Ruigrok's (2017) research, external CEOs are less familiar with the company than internal employees. the lack of effect of the foreign CEO variable can be caused by the tight monitoring both by shareholders who do not want the risk of litigation due to tax avoidance which results in a decrease in company value, as well as monitoring from the tax authorities, that there is a possibility of tax audits.

4. CONCLUSION

The purpose of this study is to examine the effect of CEO attributes and cognitive abilities on tax avoidance that occurs in companies in Indonesia with a range of years 2018 - 2022 tested on energy companies listed on the Indonesian stock exchange (IDX). The findings show that the more the age of the CEO, the higher the company's effective tax rate. Then the CEO tenure does not affect the company's decision to do tax avoidance. Meanwhile, CEO expertise has a negative influence on the company's effective tax rate. If the CEO has financial expertise, there is a tendency for the company's effective tax rate to decrease. CEO expertise is utilized to create strategies in corporate tax planning. The results of the study state a positive relationship between CEO expertise and the level of tax avoidance. The presence of a foreign CEO will reduce the company's effective tax rate, which means that tax avoidance increases. Then the ineffectiveness of the foreign CEO variable can be caused by the tight monitoring of the company. Our research updates data from Indonesia where previous research was conducted in Germany. For further research is expected to test other CEO attributes.

5. REFERENCES

alkurdi, a., & mardini, g. h. (2020). the impact of ownership structure and the board of directors' composition on tax avoidance strategies: empirical evidence from jordan. *journal of financial reporting and accounting*, *18*(4), 795-812. https://doi.org/10.1108/jfra-01-2020-0001

al-tuwaijri, s. a., christensen, t. e., & hughes, k. e. (2005). the relations among environmental disclosure, environmental performance, and economic performance: a simultaneous equations approach. *ssrn electronic journal*. https://doi.org/10.2139/ssrn.405643

annisa, r., nelly, s., & ratnawati, v. (n.d.). the *effect of foreign share ownership, internal information quality and chief executive officer publicity on tax avoidance*.

armstrong, c. s., blouin, j. l., jagolinzer, a. d., & larcker, d. f. (2015). corporate governance, incentives, and tax avoidance. *journal of accounting and economics*, *60*(1), 1-17. https://doi.org/10.1016/j.jacceco.2015.02.003

armstrong, c. s., blouin, j. l., & larcker, d. f. (2012). the incentives for tax planning. *journal of accounting and economics*, *53*(1-2), 391-411. https://doi.org/10.1016/j.jacceco.2011.04.001

bamber, l. s., jiang, j., & wang, i. y. (2010). what's my style? the influence of top managers on voluntary corporate financial disclosure. *accounting review*, *85*(4), 1131-1162. https://doi.org/10.2308/accr.2010.85.4.1131

brune, a., thomsen, m., & watrin, c. (2019). tax avoidance in different firm types and the role of nonfamily involvement in private family firms. *managerial and decision economics*, *40*(8), 950-970. https://doi.org/10.1002/mde.3082

chandra, b., & cintya, c. (2021a). efforts of good corporate governance practices in tax avoidance in indonesia. *journal of modernization economics*, *17*(3), 232-247. https://doi.org/10.21067/jem.v17i3.6016

chandra, b., & cintya, c. (2021b). efforts of good corporate governance practices in tax avoidance in indonesia. *journal of modernization economics*, *17*(3), 232-247. https://doi.org/10.21067/jem.v17i3.6016

chee, s. (n.d.). the non-linear relationship between ceo compensation incentives and corporate tax avoidance. in the *journal of applied business research* (vol. 33, issue 3).

chen, s., cheng, q., shevlin, t., chen, x., thank helen adams, w., bowen, b., defranco, g., dyreng, s., elayan, f., hillegeist, s., hodge, f., jennings, r., kachelmeier, s., kinney, b., li, o., matsumoto, d., niskanen, m., mills, l., pincus, m., ... and, workshop. (2010). are family firms more tax aggressive than non-family firms? citation citation are family firms more tax aggressive than non-family firms? *. in *journal of financial economics* (vol. 91, issue 1).

conyon, m., haß, l. h., vergauwe, s., & zhang, z. (n.d.). *foreign experience and ceo compensation*.

corporate governance, ceo compensation and tax aggressiveness: evidence from american firms listed on the nasdaq 100. (n.d.).

desai, m. a., dharmapala, d., auerbach, a., dunbar, a., dyck, a., goolsbee, a., jenter, d., phillips, j., & zingales, l. (2004). *nber working paper series corporate tax avoidance and high powered incentives.* http://www.nber.org/papers/w10471

desai, m. a., dharmapala, d., auerbach, a., dunbar, a., gupta, s., lang, m., mills, l., phillips, j., slemrod, j., & wald, j. (2005). *nber working paper series corporate tax avoidance and firm value we would like to thank*. http://www.nber.org/papers/w11241

diamond, d. w. (n.d.). *reputation acquisition in debt markets*.

duan, t., ding, r., hou, w., & zhang, j. z. (2018). the burden of attention: ceo publicity and tax avoidance. *journal of business research*, *87*, 90-101. https://doi.org/10.1016/j.jbusres.2018.02.010

f law, k. k., mills, l. f., & mills lillianmills, l. f. (n.d.). military experience and corporate tax avoidance. *review of accounting studies.* https://doi.org/10.1007/s11142-016-9373

frank, m. m., lynch, l. j., & rego, s. o. (2009a). tax reporting aggressiveness and its relation to aggressive financial reporting. *accounting review*, *84*(2), 467-496. https://doi.org/10.2308/accr.2009.84.2.467

frank, m. m., lynch, l. j., & rego, s. o. (2009b). tax reporting aggressiveness and its relation to aggressive financial reporting. *accounting review*, *84*(2), 467-496. https://doi.org/10.2308/accr.2009.84.2.467

gaertner, f. b. (2016). *CEO after-tax compensation incentives and corporate tax avoidance item type electronic dissertation; text.* http://hdl.handle.net/10150/145277

ge, w., matsumoto, d., & zhang, j. l. (2011). do cfos have style? an empirical investigation of the effect of individual cfos on accounting practices*. *contemporary accounting research*, *28*(4), 1141-1179. https://doi.org/10.1111/j.1911-3846.2011.01097.x

georgakakis, d., ruigrok, w., buyl, t., cannella, a., heyden, m., greve, p., guttmann, g., laamanen, t., & maier, m. (n.d.). *ceo succession origin and firm performance: a multilevel study.* https://doi.org/10.1111/joms.12194/abstract

hambrick, d. c. (n.d.). *upper echelons theory: an update*.

hausman, j. a. (n.d.). *working paper department of economics specification tests in econometrics*.

herawati, N., Rahmawati, R., Indudewi, D., Wardani, M. K., & Susanto, B. (2021). Females on the board of directors and corporate tax aggressiveness in Indonesia: an empirical analysis. *International Journal of Governance and Financial Intermediation*, *1*(2), 105-119.

hernández, b., carmen hidalgo, m., salazar-laplace, m. e., & hess, s. (2007). place attachment and place identity in natives and non-natives. *journal of environmental psychology*, *27*(4), 310-319. https://doi.org/10.1016/j.jenvp.2007.06.003

hoitash, r., hoitash, u., & kurt, a. c. (2016). do accountants make better chief financial officers? *journal of accounting and economics*, *61*(2-3), 414-432. https://doi.org/10.1016/j.jacceco.2016.03.002

hsieh, t. s., wang, z., & demirkan, s. (2018). overconfidence and tax avoidance: the role of ceo and cfo interaction. *journal of accounting and public policy*, *37*(3), 241-253. https://doi.org/10.1016/j.jaccpubpol.2018.04.004

hu, y., & zhang, y. (n.d.). *local ceos, career concerns, and voluntary disclosure*.

huang, h. w., rose-green, e., & lee, c. c. (2012). CEO age and financial reporting quality. *accounting horizons*, *26*(4), 725-740. https://doi.org/10.2308/acch-50268

huang, h., & zhang, w. (2020a). financial expertise and corporate tax avoidance. *asia-pacific journal of accounting and economics*, *27*(3), 312-326. https://doi.org/10.1080/16081625.2019.1566008

huang, h., & zhang, w. (2020b). financial expertise and corporate tax avoidance. *asia-pacific journal of accounting and economics*, *27*(3), 312-326. https://doi.org/10.1080/16081625.2019.1566008

ilham, i. t. o., & hasan, h. m. (2022). determinants of tax avoidance in mining companies moderated by insider ownership. *owner*, *6*(2), 1350-1362. https://doi.org/10.33395/owner.v6i2.744

inayaturrohmah, A., & Puspitosari, I. (2019). Pengaruh maqashid syariah index, profitabilitas dan corporate social responsibility terhadap agresivitas pajak. *At-tijaroh: Jurnal Ilmu Manajemen dan Bisnis Islam*, *5*(1), 98-115.

james, h. l. (2020). CEO age and tax planning. *review of financial economics*, *38*(2), 275-299. https://doi.org/10.1002/rfe.1072

karina, r., & jeksen, d. (2021a). the effect of ceo characteristics on tax avoidance in indonesia. in *global financial accounting journal* (vol. 05, issue 01).

karina, r., & jeksen, d. (2021b). the effect of CEO characteristics on tax avoidance in Indonesia. in *global financial accounting journal* (vol. 05, issue 01).

kennedy, p. (1998). *a guide to econometrics*. mit press.

kiesewetter, d., & manthey, j. (2017). Tax avoidance, value creation and csr - a european perspective. *corporate governance (bingley)*, *17*(5), 803-821. https://doi.org/10.1108/cg-08-2016-0166

kim, j. b., li, y., & zhang, l. (2011). corporate tax avoidance and stock price crash risk: firm-level analysis. *journal of financial economics*, *100*(3), 639-662. https://doi.org/10.1016/j.jfineco.2010.07.007

kim, j. b., & zhang, l. (2016). accounting conservatism and stock price crash risk: firm-level evidence. *contemporary accounting research*, *33*(1), 412-441. https://doi.org/10.1111/1911-3846.12112

kim, j. h., & lee, j. h. (2021). how ceo political connections induce corporate social irresponsibility: an empirical study of tax avoidance in south korea. *sustainability (switzerland)*, *13*(14). https://doi.org/10.3390/su13147739

kline, r. b. (2018). response to leslie hayduk's review of principles and practice of structural equation modeling,1 4th edition. *canadian studies in population*, *45*(3-4), 188-195. https://doi.org/10.25336/csp29418

kusbandiyah, a. (2018). *the influence of firm size and ownership structure toward aggressive tax avoidance of manufactur companies listed in indonesia stock exchange*. www.idx.co.id

lanis, r., & richardson, g. (2011). the effect of board of director composition on corporate tax aggressiveness. *journal of accounting and public policy*, *30*(1), 50-70. https://doi.org/10.1016/j.jaccpubpol.2010.09.003

lastanti, h. s., murwaningsari, e., & umar, h. (2022). the effect of hexagon fraud on fraud financial statements with governance and culture as moderating variables. *accounting, auditing & information research media*, *22*(1), 143-156. https://doi.org/10.25105/mraai.v22i1.13533

maisaroh, s., tjaraka, h., & rahmiati, a. (2024). foreign dominance in tax aggressiveness in indonesia. *owner*, *8*(2), 1539-1548. https://doi.org/10.33395/owner.v8i2.1991

mersland, r., beisland, l. a., & pascal, d. (2019a). the origin of chief executive officers and performance in hybrid businesses: the case of microfinance. *journal of small business management*, *57*(4), 1578-1594. https://doi.org/10.1111/jsbm.12381

mersland, r., beisland, l. a., & pascal, d. (2019b). the origin of chief executive officers and performance in hybrid businesses: the case of microfinance. *journal of small business management*, *57*(4), 1578-1594. https://doi.org/10.1111/jsbm.12381

mills, l. f. (1998). book-tax differences and internal revenue service adjustments. in *journal of accounting research* (vol. 36, issue 2).

minnick, k., & noga, t. (2010). do corporate governance characteristics influence tax management? *journal of corporate finance*, *16*(5), 703-718. https://doi.org/10.1016/j.jcorpfin.2010.08.005

neifar, s., & ajili, h. (2019). ceo characteristics, accounting opacity and stock price synchronicity: empirical evidence from german listed firms. in *journal of corporate accounting and finance* (vol. 30, issue 2, pp. 29-43). john wiley and sons inc. https://doi.org/10.1002/jcaf.22386

neifar, s., & huesing, s. (2023a). the effect of contractual and behavioral ceo attributes on aggressive tax avoidance: the case of german-listed firms in hdax. *journal of financial reporting and accounting.* https://doi.org/10.1108/jfra-04-2022-0158

neifar, s., & huesing, s. (2023b). the effect of contractual and behavioral ceo attributes on aggressive tax avoidance: the case of german-listed firms in hdax. *journal of financial reporting and accounting.* https://doi.org/10.1108/jfra-04-2022-0158

neifar, s., & huesing, s. (2023c). the effect of contractual and behavioral ceo attributes on aggressive tax avoidance: the case of german-listed firms in hdax. *journal of financial reporting and accounting.* https://doi.org/10.1108/jfra-04-2022-0158

olsen, k. j., & stekelberg, j. (2016). CEO narcissism and corporate tax sheltering. *journal of the american taxation association*, *38*(1), 1-22. https://doi.org/10.2308/atax-51251

pan, y., siegel, s., & yue wang, t. (2020). the cultural origin of ceos' attitudes toward uncertainty: evidence from corporate acquisitions. *review of financial studies*, *33*(7), 2977-3030. https://doi.org/10.1093/rfs/hhz109

phillips, j. d. (2003). corporate tax-planning effectiveness: the role of compensation-based incentives. in the *accounting review* (vol. 78, issue 3).

rahmadani, S., & Puspitosari, I. (2023). Peran mediasi kinerja keberlanjutan pada keberagaman gender dewan direksi terhadap agresivitas pajak. *Journal of Economics and Business Research (JUEBIR)*, *2*(1), 48-55.

rego, s. o. (2003). tax-avoidance activities of u.s. multinational corporations. *contemporary accounting research*, *20*(4), 805-833. https://doi.org/10.1506/vann-b7ub-gmfa-9e6w

rego, s. o., & wilson, r. (2012). equity risk incentives and corporate tax aggressiveness. *journal of accounting research*, *50*(3), 775-810. https://doi.org/10.1111/j.1475-679x.2012.00438.x richardson, g., taylor, g., & lanis, r. (2016). women on the board of directors and corporate tax aggressiveness in australia an empirical analysis. *accounting research journal*, *29*(3), 313-331. https://doi.org/10.1108/arj-09-2014-0079

rudyanto, a. (2024). does tax disclosure in global reporting initiative (gri)-based sustainability reporting mitigate aggressive tax avoidance? evidence from a developing country. *journal of global responsibility*. https://doi.org/10.1108/jgr-05-2023-0077

schmittdiel. (n.d.). *are ceos incentivized to avoid corporate taxes? -empirical evidence on managerial bonus contracts standard-nutzungsbedingungen*. https://hdl.handle.net/10419/98866

slemrod, j., altshuler, r., bankman, j., hanlon, m., hines, j., & toder, e. (2004). *the economics of corporate tax selfishness*. http://www.nber.org/papers/w10858

thompson, m. (1996). psychiatric implications of displacement: contributions from the psychology. in *the american journal of psychiatry* (vol. 153).

vaske, j. j., & kobrin, k. c. (2001). place attachment and environmentally responsible behavior. *the journal of environmental education*, *32*(4), 16-21. https://doi.org/10.1080/00958960109598658

wilson, r. j. (2009). an examination of corporate tax shelter participants. *accounting review*, *84*(3), 969-999. https://doi.org/10.2308/accr.2009.84.3.969

yonker, s. e. (n.d.). *geography and the market for ceos* (job market paper)*.

yuwono, & fuad. (2019). the effect of corporate governance and executive compensation on tax aggressiveness. *diponegoro journal of accounting*, *8*(1). http://ejournal-s1.undip.ac.id/index.php/accounting

zajac, e. j., & kellogg, j. l. (1990). ceo selection, succession, compensation and firm performance: a theoretical integration and empirical analysis. in *strategic management journal* (vol. 11).

zolotoy, l., o'sullivan, d., martin, g. p., & wiseman, r. m.. (2021a). stakeholder agency relationships: ceo stock options and corporate tax avoidance. *journal of management studies*, *58*(3), 782-814. https://doi.org/10.1111/joms.12623

zolotoy, l., o'sullivan, d., martin, g. p., & wiseman, r. m.. (2021b). stakeholder agency relationships: ceo stock options and corporate tax avoidance. *journal of management studies*, *58*(3), 782-814. https://doi.org/10.1111/joms.12623 zwiebel, j. (n.d.). *corporate conservatism and relative compensation.* http://www.journals.uchicago.edu/t-and-c