Transekonomika: Akuntansi, Bisnis dan Keuangan
https://transpublika.co.id/ojs/index.php/Transekonomika
Online ISSN 2809-6851 | Print ISSN 2809-7866

https://doi.org/10.55047/transekonomika.v5i2.875

Original Article

The Influence of the Board of Commissioners and the Board of Directors on Tax Avoidance with Gender Diversity as a Moderating Variable

Wahyuni[1*], Analisa[2], Yusri[3], Sari Yanti[4]

[1-4]Department of Accounting, Faculty of Humanities, Universitas Sari Mulia, Banjarmasin, Indonesia
Email: [1)] yuni46762@gmail.com, [2)] lisaa1683@gmail.com, [3)] yusri020286@gmail.com,
[4)] sari.yanti@gmail.com

Received : 29 December - 2024
Accepted : 04 February - 2025
Published online : 08 February - 2025

Abstract

This paper aimed to examine how the commissioners board and the board of directors impact tax avoidance, while also considering gender diversity as a moderating factor. This study analyzes all coal industry companies listed on the IDX (2020-2022) using purposeful sampling (48 data points). Multiple linear regression and Moderated Regression Analysis (MRA) were employed to examine variable relationships and moderating effects. The t-test results showed a noteworthy impact from both the board of commissioners and the board of directors on tax evasion. The significance value for the board of commissioners' impact was 0.014, which was below the threshold of 0.05. Similarly, the significance value for the board of directors' impact was 0.037, also below the threshold of 0.05. This suggests that both governing bodies had a noteworthy effect on tax avoidance. The F-test indicated that both the board of commissioners and the board of directors had a significant impact on tax avoidance as their significance values were less than 0.05. This suggests that both boards had a combined influence on tax avoidance. Additionally, the MRA test demonstrated that the inclusion of gender diversity in the board of commissioners led to a notable effect on tax avoidance, with a significance level lower than 0.05. Likewise, the presence of various genders in the board of directors had a notable impact on tax evasion, with a significance level lower than 0.05. These findings suggest that gender diversity may influence the dynamics between the board of commissioners, board of directors, and tax avoidance practices.

Keywords: Board of Commissioners, Board of Directors, Tax Avoidance, Gender Diversity.

1. Introduction

During the Press Conference on the 2022 State Budget, Finance Minister Sri Mulyani disclosed that tax revenue accounted for 65.4% or Rp1,717.8 trillion of the total state revenue (Kemenkeu RI, 2023). Based on this data, it is not strange that the government expects tax revenue to always be maximum and exceed the target every year (Andini et al., 2022). However, companies have a different perspective on taxes. Tax is seen as a hindrance by businesses that ultimately leads to a decrease in profits (Putri & Setiawati, 2021). Many companies opt for tax avoidance as a legal means to decrease their tax liability without breaking any rules outlined in tax regulations (Andini et al., 2022). However, according to Lestari & Ovami (2020) the company faces the threat of fines and a damaged reputation due to their efforts to evade taxes.

The issue of companies in Indonesia avoiding taxes has been prevalent for an extended period. Based on a Global Witness report entitled Taxing Times for Adaro, the state is estimated to have lost US$125 million due to Adaro's tax avoidance practices from 2009-2017. Adaro practiced tax avoidance by selling more than 70% of coal originating from Indonesia through a network of companies in Singapore with a tax burden of 10% of profit income. Meanwhile, if in Indonesia Adaro should be subject to a tax burden of 50% of profit income (Global Witness, 2019).

Drawing from a range of instances of companies in Indonesia engaging in tax evasion practices, including the phenomenon above, coal industry companies are one of the industries that are wary of doing tax avoidance. As per the information provided in Press Release No.30.Pers/04/SJI/2024, the Ministry of Energy and Mineral Resources from Indonesia announced that the total coal output in Indonesia in 2020 amounted to 564 million tons, production in 2021 was worth 614 million tons, and production in 2022 managed to reach a value of 687 million tons (Adi, 2024). In accordance with the data, it is known that from year to year coal production in Indonesia has experienced a positive increase. However, the positive increase in coal production in Indonesia is not accompanied by tax revenue for the state from the industry. Based on the financial data contained in the IDX that has been processed, it is known that several coal industry companies for the 2020-2022 period have a small Effective Tax Rate (ETR) value. Meanwhile, among the various metrics utilized to assess tax evasion in corporate entities, ETR stands out as a common choice. ETR is determined by contrasting income tax expenditure with pre-tax profits (Andini et al., 2022). Information on the Effective Tax Rate (ETR) of different publicly traded coal companies in Indonesia for the years 2020-2022 can be found in Table 1.

Table 1. ETR of Coal Industry Companies in 2020-2022

Code	Year	Tax Expense	Profit Before Tax	ETR
BESS	2020	3.564.385	54.741.229	0,065
	2021	3.066.592	115.531.893	0,027
	2022	2.828.847	58.751.083	0,048
PSSI	2020	1.364.174	7.006.046	0,195
	2021	2.683.397	27.725.203	0,097
	2022	4.495.932	46.828.255	0,096
TCPI	2020	156	57.886	0,002
	2021	833	85.411	0,010
	2022	1.031	116.698	0,009

Source: Research Data (2023)

Based on Law No. 7 of 2021 on Harmonization of Tax Regulations, the corporate income tax rate of 22% has been re-established in Indonesia. According to the information provided in Table 1, it seems that during the years 2020-2022, companies like PT Batulicin Nusantara Maritim Tbk (BESS), PT IMC Pelita Logistik Tbk (PSSI), and PT Transcoal Pacific Tbk (TCPI) had average effective tax rates lower than the standard corporate tax rate of 22%. The ETR value indicates that many coal industry companies listed on the IDX from 2020 to 2022 display a tendency to take a proactive approach towards tax payments. Referring to Lestari & Ovami (2020), aggressive behavior towards taxes indicates the existence of tax avoidance in the company.

Tax avoidance by corporations can be understood using agency theory. According to this theory, when there is a disagreement between the main leader and the subordinate, the main leader desires the success and continued existence of the organization, while the agent aims to prioritize personal gains over the company's reputation (Rahman & Cheisviyanny, 2020). For the sake of personal interest, an agent has a high probability of doing tax avoidance (Tan, 2023). According to Risani & Purwantini (2022), monitoring and bonding activities conducted by the board of commissioners and board of directors can help reduce tax avoidance.

According to agency theory, the board of directors is assigned the task of overseeing the agent's activities on behalf of the principal in order to reduce the chances of conflicts arising within the agency (Darwanto & Chariri, 2019). The research of Kamayuli & Artini (2022), states that increasing the proportion of the board of commissioners will optimize the monitoring role in the company so as to minimize the potential for fraud. Astuti et al., (2020) proves that the board of commissioners has a significant effect on tax avoidance. Study of Kalbuana et al., (2023) reveals that the demonstration provided by the board of commissioners indicates a significant impact on the reduction of tax evasion. On the other hand, Ongkopranoto et al., (2020), Permani et al., (2023) proves that the board of commissioners has no significant effect on tax avoidance.

As the party directly responsible for managing the company, the board of directors certainly knows the real condition of the company (Putra, 2019). Agency theory suggests that having a board of directors can help address different types of agency conflicts within the company (Shelvi et al., 2022). The study of Mustofa & Suhartini (2022), Salhi et al., (2020) proves that the board of directors has an effect on tax avoidance. Study by Egbunike et al., (2021), Utami (2023) proves that the tax evasion is influenced in a good way by the executive team. However, research of Mala & Ardiyanto (2021), Permani et al., (2023), Risani & Purwantini (2022) proves that the board of directors has no significant effect on tax avoidance.

Aside from examining the connection between tax evasion and the board of commissioners and directors, agency theory suggests that having women on the board can reduce unethical behavior by agents (Hidayah et al., 2023). Thus, this study includes gender diversity variables as moderation. Study by Hudha & Utomo (2021), Jarboui et al., (2020) proves that the level of tax evasion is influenced by the presence of female members on the board, which reflects gender diversity. However, research of Mala & Ardiyanto (2021), Veronika & Yohanes (2022) proves that tax avoidance is not impacted by gender diversity. In line with agency theory, feminism theory explains that the presence of a female board is believed to be more thorough and careful in the decision-making process than men because women tend to avoid risk (Asmara & Helmy, 2023).

The goal of this study is to investigate the impact of having both board of commissioners and board of directors on tax evasion in coal industry companies listed on the IDX from 2020 to 2022, with a focus on the influence of gender diversity as a moderating factor. This research is important to do because taxes are crucial for Indonesia, so the researchers aim for the findings of this study to serve as a reference point for corporate taxpayers and the government to collaborate in designing and implementing mechanisms that can minimize unethical practices in the field of taxation.

2. Literature Review

2.1. Agency Theory

The concept of agency theory was first brought into play by Ross in 1973, with further advancements made by Jensen & Meckling in 1976 from an economic standpoint. According to Jensen & Meckling's framework, agency theory involves exploring the contractual relationships between a principal and an agent (Mala & Ardiyanto, 2021). As a party responsible to the principal, an agent is required to always prioritize the principal's interests (Sari & Somoprawiro, 2020). However, the reality in the company proves that agents often prioritize personal benefits (Tan, 2023). An agency conflict occurs when there is a disagreement in interests between the agent representing the company and the principal. Research of Tebiono & Sukadana (2019) explains that conflicts of interest within the organization can have a detrimental impact on both the operational effectiveness and strategic direction of the company, including its approach towards tax planning. According to Risani & Purwantini (2022), monitoring and bonding activities are solutions to minimize agency conflicts in the company.

2.2. Feminism Theory

Feminism theory explains that women have equal opportunities and positions with men (Mala & Ardiyanto, 2021). This theory aims to voice women's rights and remove the chain of discrimination against women in the social sphere. The feminist movement, which began in the 18th century, has a long history (Bendar, 2019). According to feminist theory, having women in leadership positions can reduce tax avoidance due to the perception that women are more cautious, diligent, and less inclined to take risks compared to men (Asmara & Helmy, 2023).

2.3. Tax Avoidance

Tax avoidance is a strategy utilized to lower tax obligations through legal means, exploiting gaps in tax laws (Suandy, 2016). Agency theory suggests that an agent is likely to pursue tax avoidance tactics when they stand to personally gain from it (Ziliwu et al., 2021). At first glance, tax avoidance is considered a business strategy that provides great benefits to the company (Ariff et al., 2023). However, Lestari & Ovami (2020) explains that avoiding paying taxes can negatively impact how the public perceives a company and can also lead to potential fines for the company. Therefore, companies must have a good governance system to overcome tax avoidance problems (Viantiaraini et al., 2024).

2.4. Board of Commissioners

The board of commissioners is responsible for supervising and providing guidance to the board of directors within the framework of corporate governance (Widiiswa & Baskoro, 2020). According to agency theory, the presence of a board of directors in a company can reduce disagreements between the company and its stakeholders (Darwanto & Chariri, 2019). A study of Kamayuli & Artini (2022) explains that the increasing proportion of the board of commissioners is able to optimize the supervisory function of agents or managers so as to minimize the possibility of fraud in the company. As outlined in the previous description, Astuti et al., (2020) proves that the commissioners' decisions greatly impact the level of tax evasion. Kalbuana et al., (2023) proves that the board of commissioners' impact is beneficial in the fight against tax fraud, leading to lower instances of evasion. Research results suggest a potential hypothesis:

H1: The board of commissioners has an effect on tax avoidance.

2.5. Board of Directors

The board of directors is accountable for developing the company's direction and overseeing its execution in line with corporate governance standards (Putra, 2019). The board of directors is responsible for overseeing the company's operations and has a significant impact on developing the company's tax planning strategies (Budi, 2019). Salhi et al., (2020) explains that a significant portion of the board members possess the ability to pool different resources and skills which can be beneficial in tackling tax evasion. This statement aligns with findings from previous studies by Mustofa & Suhartini (2022), Salhi et al., (2020) which proves that the board of directors plays a role in shaping tax avoidance strategies. Research of

Egbunike et al., (2021), Utami (2023) proves that the board of directors plays a significant role in reducing tax avoidance. This leads to the development of a new hypothesis below.

H2: The board of directors affects tax avoidance.

H3: The board of commissioners and the board of directors simultaneously affect tax avoidance.

2.6. Gender Diversity

According to agency theory, having female representation on corporate boards can potentially decrease the selfish tendencies exhibited by managers (Hidayah et al., 2023). Rahman & Cheisviyanny (2020) explains that Women who serve as commissioners have the ability to enhance oversight of managerial performance due to their tendency to approach decision-making with greater caution and attention to detail as compared to men. Feminism theory posits that women are entitled to equal rights and opportunities as men across different sectors, such as the workplace (Asmara & Helmy, 2023). Research by Manuela & Sandra (2022) proves that having a mix of male and female members on the board of commissioners leads to lower levels of tax evasion. Meanwhile, research of Asmara & Helmy (2023), Ambarsari et al., (2019) proves that having a diverse gender composition on the board of commissioners is linked to lower levels of tax aggressiveness. The studies conducted suggest a hypothesis that can be stated as follows.

H4: Gender diversity is able to moderate the effect of the board of commissioners on tax avoidance.

According to agency theory, having women on the board can improve supervision and distribution of resources to manage conflicts of interest effectively within the organization (Jarboui et al., 2020). Sianturi & Pratomo (2020) explains that women in leadership roles have been found to decrease the amount of tax evasion within a company, as they generally exhibit greater tax adherence than their male counterparts. In line with the explanation above, research of Hudha & Utomo (2021), Riguen et al., (2020) proves that having a diverse range of genders represented on a company's board of directors can influence the likelihood of the company participating in tax avoidance strategies. Lastly, Sianturi & Pratomo (2020), Tanujaya & Anggreany (2021) proves that Having a diverse selection of male and female members on the board has been linked to a decrease in the practice of evading taxes. Research findings suggest the following hypothesis.

H5: Gender diversity is able to moderate the influence of the board of directors on tax avoidance.

3. Methods

The research employed a method that focused on relationships and used a numerical approach. It looked at 45 coal companies on the Indonesian Stock Exchange from 2020 to 2022. The sample selection was carried out using purposive sampling based on certain criteria.

Table 2. Research Sample

No.	Criteria	Total
1.	Coal industry companies listed on the IDX for the period 2020-2022 and not delisted during that period	45
2.	Coal industry companies that do not regularly publish annual reports and financial reports for the period 2020-2022	(10)
3.	Coal industry companies that experienced losses or negative revenue profit for the period 2020-2022	(19)
4.	Number of companies that fit the requirements	16
5.	Year of research	3
6.	Total data samples for 3 (three) years from 2020 to 2022	48

There are 3 (three) types of variables used in this study, namely:

Table 3. Operational Definition of Variables

Variable	Measurement
Dependent Variable (Y)	
Tax avoidance involves actively resisting taxes, such as minimizing tax obligations through legal means by taking advantage of tax regulations (Suandy, 2016).	$ETR = \frac{\text{Tax Expense}}{\text{Profit Before Tax}}$ (Astuti et al., 2020).
Independent Variable (X)	
The Commissioners' Board is a body within the company responsible for executing both regular and specific oversight duties as outlined in the company's bylaws, and offering guidance to the directors' board (Wibowo, 2020).	DK = ∑ Number of Commissioners (Amin & Suyono, 2020).
The board of directors is a governing body of the organization with the authority and duty to oversee the management of the organization in the best interest of the organization, following the goals and vision of the organization. They also act as the official representatives of the organization in legal matters, as outlined in the company's bylaws (Wibowo, 2020).	DD = ∑ Number of Board of Directors (Tanujaya & Anggreany, 2021).
Moderating Variable (Z)	
Gender diversity is a condition where there is the presence of both male and female gender in the top management ranks (board structure) or it can be interpreted that there is at least one member with female gender (Manuela & Sandra, 2022).	$GND\_KOM = \frac{W\_KOM}{SUM\_KOM}$ $GND\_DIR = \frac{W\_DIR}{SUM\_DIR}$ (Rahman & Cheisviyanny, 2020).

Source: Research Data (2024)

The study utilizes quantitative data obtained from secondary sources. The data comes straight from the annual financial reports of coal companies listed on the IDX between 2020 and 2022, which can be accessed on the official IDX website. In this research, information is gathered primarily through documentation. The analysis method utilized is multiple linear regression using a unique formula.

$$Y = a + b1X1 + b2X2$$

The study utilized a technique known as Moderated Regression Analysis (MRA) to examine the impact of moderating variables, using the equation provided.

$$Y = a + b1X1 + b3Z_{DK} + b5X1Z_{DK} + e$$
$$Y = a + b2X2 + b4Z_{DD} + b6X2Z_{DD} + e$$

4. Results and Discussion

4.1. Research Results

4.1.1. Statistic Descriptive Analysis

Table 4. Descriptive Statistical Analysis Test Results

Descriptive Statistics						
	N	Min	Max	Mean	Std. Deviation	Variance
Y	48	,003	1,932	,23992	,279755	,078
X1	48	2	8	4,17	1,872	3,504
X2	48	2	10	4,79	1,946	3,785
Z_{DK}	48	,000	1,000	,14380	,220147	,048
Z_{DD}	48	,000	,500	,11845	,165499	,027
Valid N (listwise)	48					

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

The data presented in table 4 indicates, the subsequent outcomes are achieved:

1. Tax evasion is represented by a group of 48 instances, with values ranging between 0.003 and 1.932, the average value being 0.23992, the deviation being 0.279755, and the spread being 0.078.
2. The board of commissioners has a total sample (N) of 48, with values ranging from 2 to 8. The average value of the sample is 4.17, with a standard deviation of 1.872 and a variance of 3.504.
3. The board of directors has a sample size (N) of 48, ranging from 2 to 10 in value. The average value of the samples is 4.79, with a standard deviation of 1.946 and a variance of 3.785.
4. Gender diversity on the board of commissioners has a sample size (N) of 48 with varying gender representation. The range of gender diversity within the board is between 0 and 1. The average gender diversity among commissioners is calculated to be 0.14380. The deviation from this average is measured to be 0.220147. The diversity among commissioners shows a variance of 0.048.
5. The board of directors' gender diversity analysis involved 48 individuals. The data ranged from 0.000 to 0.500. The average gender diversity value was calculated to be 0.11845. The standard deviation for gender diversity was found to be 0.165499, and the variance was 0.027.

4.1.2. Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Analysis Test Results

Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-2,571	,347		-7,413	,000
	X1	,346	,135	,468	2,570	,014
	X2	,286	,133	,392	2,152	,037
a. Dependent Variable: Y						

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

According to the data in table 5, we can derive the regression equation as shown below:

$$Y = -2,571 + 0,346X1 + 0,286X2$$

4.1.3. Hypothesis Test

a. Partial Significance Test (t test)

According to the information provided in table 5, the outcomes of the t-test are as shown below:

1. The $t_{statistic}$ value of the board of commissioners variable (X1) is greater than the t_{table}, namely 2.570> 2.014. In addition, the significance value of the t-test of the board of commissioners variable (X1) is smaller than 0.05, namely 0.014 <0.05. Then hypothesis 1 (H1) is accepted.
2. The $t_{statistic}$ value of the board of directors variable (X2) is greater than the t_{table}, namely 2.152> 2.014. In addition, the significance value of the t-test of the board of directors variable (X2) is smaller than 0.05, namely 0.037 < 0.05. Then hypothesis 2 (H2) is accepted.

b. Simultaneous Significance Test (F Test)

Table 6. Simultaneous Significance Test Results (F Test)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	193,530	2	96,765	52,357	,000[b]
	Residual	83,168	45	1,848		
	Total	276,698	47			

a. Dependent Variable: Y
b. Predictors: (Constant), X2, X1

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

According to the data in table 6, the F test indicates that the significance level of F is less than 0.05, namely 0.000 < 0.05 with an $F_{statistic}$ value of 52.357. Then hypothesis 3 (H3) is accepted.

c. Coefficient of Determination (R2) Test

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

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,836[a]	,699	,686	1,35948

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

According to the information provided in table 7, it is evident that variables X1 and X2 combined can explain 68.6% of the changes in variable Y. This implies that the choices made by the board of commissioners and board of directors have a significant impact on the act of evading taxes, leaving 31.4% of the variability to be impacted by other unexplored factors.

d. Moderated Regression Analysis (MRA)

Table 8. Moderated Regression Analysis (MRA) Test Results Equation 1

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-2,430	,308		-7,884	,000
	X1	,710	,057	,960	12,487	,000
	Z_{DK}	1,852	,558	,495	3,317	,002
	X1*Z_{DK}	-,515	,114	-,699	-4,519	,000

a. Dependent Variable: Y

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

As shown in the information provided in table 8, the findings from the MRA test in equation 1 indicate that the significance level of the interaction between variables X1 and ZDK is less than 0.05, specifically 0.000 <0.05. as a result, hypothesis 4 (H4) is deemed valid.

Table 9. Moderated Regression Analysis (MRA) Test Results Equation 2

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-,002	,452		-,005	,996
	X2	,023	,079	,031	,286	,776
	Z_{DD}	-7,359	1,489	-,502	-4,941	,000
	X2*Z_{DD}	2,539	,282	1,065	9,000	,000

a. Dependent Variable: Y

Source: IBM SPSS Statistics 26 Output, Research Data (2024)

Based on the information outlined in table 9, the MRA test equation 2 indicates that the interaction between variables X2 and ZDD is statistically significant with a value of 0.000, which is less than 0.05. Therefore, hypothesis 5 (H5) is confirmed.

4.2. Discussion

4.2.1. The Effect of the Board of Commissioners on Tax Avoidance

The results indicate that the behavior of the board of directors has a significant influence on tax avoidance, which supports the hypothesis 1 (H1). The indication of this can be seen in the outcomes of the t-test, where the significance value of the board of commissioners variable (X1) was found to be 0.014, which is less than 0.05 and a $T_{statistic}$ value of 2.570> T_{table} value of 2.014. The study results indicate that there is a direct correlation between the board of commissioners, denoted as X1, and the ETR value, representing the degree of tax avoidance identified as variable Y. The unstandardized beta coefficient for this relationship is 0.346. The more members on the board of directors, the greater the Effective Tax Rate (ETR) will be for a company. With a higher ETR value, tax avoidance decreases. The findings mentioned align with agency theory, suggesting that having a board of commissioners can enhance oversight of company management and reduce conflicts such as tax avoidance. This concept has been backed by Astuti et al., (2020) which proves that the board of commissioners has a significant effect on tax avoidance.

4.2.2. Effect of Board of Directors on Tax Avoidance

The results indicate that the board of directors has a significant impact on promoting tax fraud, thus validating hypothesis 2 (H2). This is backed up by the t-test findings, revealing that the board of directors factor (X2) is statistically significant at a level of 0.037 which is less than 0.05 and a $T_{statistic}$ value of 2.152> T_{table} value of 2.014. The examination findings also indicate that the board of directors variable (X2) has a positive impact on the ETR value, which serves as a proxy for the tax avoidance variable (Y), with an unstandardized beta coefficient value of 0.286. The more members there are on the board of directors, the higher the Effective Tax Rate (ETR) in a company. A greater effective tax rate usually results in decreased instances of tax evasion. These results back up the concept of agency theory, indicating that the makeup of a company's board of directors could influence its approach to taxes, such as the decision to participate in tax evasion. This finding is backed by studies carried out by Mustofa & Suhartini (2022), Salhi et al., (2020) which shows that the extent of tax evasion is significantly impacted by the decisions made by the board of directors. This arises from the fact that a majority of the board members possess the ability to bring together different skills and resources that can be beneficial in tackling tax avoidance effectively (Salhi et al., 2020).

4.2.3. The Effect of the Board of Commissioners and the Board of Directors Simultaneously on Tax Avoidance

The findings suggest that tax avoidance is influenced by both the board of commissioners and the board of directors, thus providing support for hypothesis 3 (H3). This is evidenced by the F test results, which yielded a significance value of 0.000 <0.05 and an $F_{statistic}$ value of 52.357. The results of the important F test also confirm the appropriateness of the regression model used in the study.

4.2.4. The Effect of the Board of Commissioners on Tax Avoidance with Gender Diversity Moderation

The findings indicate that having a diverse gender composition can mitigate the impact of the board of commissioners on tax evasion, leading to the acceptance of hypothesis 4 (H4).

The results from the MRA test equation 1 indicate a connection between the board of commissioners variable (X1) and the variable of gender diversity (Z_{DK}) obtained a significance value of 0.000 <0.05. The findings of the examination also demonstrate that the interaction effect between the board of commissioners variable (X1) and the gender diversity variable (Z_{DK}) on the ETR value which is a proxy for the tax avoidance variable (Y) has a negative direction with an unstandardized coefficients beta value of -0.515. Having a greater representation of different genders on the board of commissioners results in a decreased ETR value for a company. A lower ETR value corresponds to a higher level of tax avoidance. The research results of the study mentioned support the idea of gender equality, stating that both men and women have the same abilities for making decisions and taking on leadership positions. This assertion is further validated by research carried out by Manuela & Sandra (2022) which shows that gender diversity on the board of commissioners affects tax aggressiveness (ETR).

4.2.5. The Effect of the Board of Directors on Tax Avoidance with Gender Diversity Moderation

The results suggest that having a mix of genders on a board of directors can influence the extent of tax avoidance, confirming hypothesis 5 (H5). The MRA equation 2 test revealed a significance level of 0.000, indicating a relationship between the board of directors variable (X2) and the gender diversity variable with an impact that is lower than the established threshold of 0.05 (Z_{DD}). The findings from the test show that the interaction effect between the board of directors variable (X2) and the gender diversity variable (Z_{DD}) on the ETR value which is a proxy for the tax avoidance variable (Y) has a positive direction with an unstandardized coefficients beta value of 2.539. Having a more diverse gender representation on the board of directors is positively correlated with a higher Effective Tax Rate (ETR) in a company. A higher ETR value tends to result in reduced instances of tax avoidance within the company. The findings of the study align with the core tenets of agency theory, suggesting that having women on the board can help curb managers' opportunistic behaviors, such as engaging in tax avoidance (Hidayah et al., 2023). According to feminist theory, women are generally more cautious and less inclined to take chances than men (Asmara & Helmy, 2023). This results supported by Hudha & Utomo (2021), Riguen et al., (2020) which shows that the presence of a diverse range of genders on the board of directors has an impact on how much tax a company avoids. Women on the board of directors are important for overseeing and assisting the company in dealing with problems like tax avoidance that stem from internal conflicts.

5. Conclusion

The following are the conclusions of the above research: (1) the commission's board plays a vital part in influencing tax evasion rates; (2) the tax avoidance is greatly impacted by the choices made by the board of directors; (3) the tax avoidance is influenced by both the board of commissioners and the board of directors at the same time; (4) the presence of diverse genders among board members can reduce the impact of commissioners on tax evasion; and (5) the presence of diverse gender representation on boards has the potential to influence the impact of board dynamics on tax evasion.

This study aims to provide guidance to government officials and tax authorities in enhancing the effectiveness of tax laws in Indonesia, and there is an expectation for tax regulations to be implemented that emphasize the value of gender diversity and the inclusion of women in board positions. Companies are expected to pay more attention to the corporate governance system and be able to optimize the supervisory function. For future researchers, expectations are high for extending the duration of data collection in research to over three years, conduct research in different industries, for example in the property and real estate industry, add new independent variables such as the audit committee, and use different proxies for tax avoidance variables, for example with the BTD (Book Tax Difference) proxy.

6. References

Adi, A. C. (2024). *DMO Terpenuhi, Produksi Batubara Lampaui Target 2023*. Kementerian Energi Dan Sumber Daya Mineral Republik Indonesia.

Ambarsari, D., Pratomo, D., & Kurnia. (2019). Pengaruh Ukuran Dewan Komisaris, Gender Diversity pada Dewan, dan Kualitas Auditor Eksternal Terhadap Agresivitas Pajak (Studi pada Perusahaan Sektor Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia Periode 2013-2017). *Kompartemen: Jurnal Ilmiah Akuntansi*, *17*(2), 142–157. https://doi.org/10.17509/jaset.v10i2.14991

Amin, K., & Suyono, N. A. (2020). Pengaruh Corporate Governance Terhadap Tax Avoidance (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Periode 2016 sampai 2018). *Journal of Economic, Business and Engineering (JEBE)*, *1*(2), 248–259. https://doi.org/10.32500/jebe.v1i2.1220

Andini, R., Andika, A. D., & Pranaditya, A. (2022). Analisa Pengaruh Kepemilikan Institusional, Proporsi Dewan Komisaris Independen, dan Profitabilitas Terhadap Penghindaran Pajak dengan Ukuran Perusahaan sebagai Variabel Moderating (Studi Empiris pada Industri Barang Konsumsi yang Terdaftar di BEI Tahun 2. *Jurnal Akuntansi Dan Pajak*, *22*(2), 530–538. https://doi.org/http://dx.doi.org/10.29040/jap.v22i2.3193

Ariff, A., Ismail, W. A. W., Kamarudin, K. A., & Suffian, M. T. M. (2023). Financial Distress and Tax Avoidance: The Moderating Effect of The Covid-19 Pandemic. *Asian Journal of Accounting Research*, *8*(3), 279–292. https://doi.org/10.1108/AJAR-10-2022-0347

Asmara, A. C., & Helmy, H. (2023). Pengaruh Koneksi Politik dan Keragaman Gender terhadap Agresivitas Pajak. *JEA (Jurnal Eksplorasi Akuntansi)*, *5*(3), 1153–1167. https://doi.org/10.24036/jea.v5i3.804

Astuti, D. F., Dewi, R. R., & Fajri, R. N. (2020). Pengaruh Corporate Governance dan Sales Growth terhadap Tax Avoidance di Bursa Efek Indonesia (BEI) 2014-2018. *Ekonomis: Journal of Economics and Business*, *4*(1), 210–215.

Bendar, A. (2019). Feminisme dan Gerakan Sosial. *Al-Wardah: Jurnal Kajian Perempuan, Gender Dan Ahama*, *13*(1), 25–37. https://doi.org/10.46339/al-wardah.v13i1.156

Budi, P. N. (2019). The Role of Gender Diversity on The Board of Directors and Tax Avoidance. *RJOAS (Russian Journal of Agricultural and Socio-Economic Sciences)*, *3*(87), 107–115. https://doi.org/10.18551/rjoas.2019-03.14

Darwanto, & Chariri, A. (2019). Corporate Governance and Financial Performance in Islamic Banks: The Role of The sharia Supervisory Board in Multiple-Layer Management. *Banks and Bank Systems*, *14*(4), 183–191. https://doi.org/10.21511/bbs.14(4).2019.17

Egbunike, F. C., Gunardi, A., Ugochukwu, U., & Hermawan, A. (2021). Internal Corporate Governance Mechanisms and Corporate Tax Avoidance in Nigeria: A Quantile Regression Approach. *Jurnal Ilmiah Akuntansi Dan Bisnis*, *16*(1), 20–44. https://doi.org/10.24843/jiab.2021.v16.i01.p02

Global Witness. (2019). Indonesia’s Shifting Coal Money Part 3: Taxing Times for Adaro. In *Global Witness*.

Hidayah, N., Mulyanto, I. H., & Indarwanta, D. (2023). Pengaruh Profitabilitas, Leverage, Komisaris Independen, Komite Audit, dan Diversitas Gender Dewan terhadap Tax Avoidance (Studi pada Perusahaan Manufaktur Industri Barang Konsumsi yang

Terdaftar di Bursa Efek Indonesia Tahun 2017-2021). *Paradigma: Jurnal Masalah Sosial, Politik, Dan Kebijakan*, *27*(2), 324–341. https://doi.org/https://doi.org/10.31315/

Hudha, B., & Utomo, D. C. (2021). Pengaruh Ukuran Dewan Direksi, Komisaris Independen, Keberagaman Gender, dan Kompensasi Eksekutif Terhadap Penghindaran Pajak Perusahaan (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia 2017-2019). *Diponegoro Journal of Accounting*, *10*(1), 1–10.

Jarboui, A., Saad, M. K. Ben, & Riguen, R. (2020). Tax avoidance: Do Board Gender Diversity and Sustainability Performance Make a Difference? *Journal of Financial Crime*, *27*(4), 1389–1408. https://doi.org/10.1108/JFC-09-2019-0122

Kalbuana, N., Taqi, M., Uzliawati, L., & Ramdhani, D. (2023). CEO Narcissism, Corporate Governance, Financial Distress, And Company Size On Corporate Tax Avoidance. *Cogent Business and Management*, *10*(1). https://doi.org/10.1080/23311975.2023.2167550

Kamayuli, N. M. K., & Artini, L. G. S. (2022). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan Perbankan di Bursa Efek Indonesia. *E-Jurnal Manajemen*, *11*(6), 1191–1210. https://doi.org/10.24843/ejmunud.2022.v11.i06.p07

Kemenkeu RI. (2023). *Menkeu: Kinerja Penerimaan Negara Luar Biasa Dua Tahun Berturut-turut*. Kementerian Keuangan Republik Indonesia.

Law No. 7 of 2021 on Harmonization of Tax Regulations.

Lestari, H. T., & Ovami, D. C. (2020). Pengaruh Corporate Governance Terhadap Tax Avoidance pada Perusahaan Asuransi di Indonesia. *Journal of Trends Economics and Accounting Research*, *1*(1), 1–6.

Mala, N. N., & Ardiyanto, M. D. (2021). Pengaruh Diversitas Gender Dewan Direki dan Ukuran Dewan Direksi Terhadap Penghindaran Pajak (Studi Empiris pada Perusahaan Perbankan yang Terdaftar di BEI Tahun 2014-2018). *Diponegoro Journal of Accounting*, *10*(1), 1–11.

Manuela, A., & Sandra, A. (2022). Pengaruh Diversitas Gender Dalam Dewan Direksi, Dewan Komisaris, dan Komite Audit, serta Kepemilikan Manajerial dan Kepemilikan Institusional Terhadap Agresivitas Pajak. *Journal of Applied Managerial Accounting*, *6*(2), 187–203. https://doi.org/10.30871/jama.v6i2.4244

Mustofa, A. W., & Suhartini, D. (2022). Determinan Etika Wajib Pajak dalam Melakukan Tax Avoidance dan Tax Evasion. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, Dan Akuntansi)*, *6*(1), 699–712.

Ongkopranoto, M. N., Madyakusumawati, S., & Tarigan, T. M. (2020). Analisis Pengaruh Kompensasi Rugi Fiskal, Corporate Governance, Return on Asset, Leverage, dan Ukuran Perusahaan terhadap Tax Avoidance pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2013-2017. *BALANCE: Jurnal Akuntansi, Auditing Dan Keuangan*, *17*(1), 22–66. https://doi.org/https://doi.org/10.25170/balance.v17i1

Permani, Y., Setiono, H., & Isnaini, N. F. (2023). Pengaruh Good Corporate Governance, Transfer Pricing, Earnings Management Terhadap Tax Avoidance dengan Profitability sebagai Variabel Moderasi. *Jurnal Rimba : Riset Ilmu Manajemen Bisnis Dan Akuntansi*, *1*(3), 16–31.

Putra, R. N. A. (2019). Good Corpotare Governance dan Manajemen Laba di Perbankan Syariah. *JIFA (Journal of Islamic Finance and Accounting)*, *2*(2), 19–38. https://doi.org/10.22515/jifa.v2i2.1925

Putri, R. N., & Setiawati, E. (2021). Pengaruh Kompensasi Manajemen Terhadap Tax Avoidance dengan Moderasi Diversifikasi Gender Direksi dan Preferensi Risiko Eksekutif Perusahaan di Indonesia (Studi Empiris Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2019). *Proceeding Seminar Nasional & Call For Papers*, *4*(1), 675–686.

Rahman, B., & Cheisviyanny, C. (2020). Pengaruh Kualitas Pengungkapan Corporate Social Responsibility, Dewan Direksi Wanita Dan Dewan Komisaris Wanita Terhadap Tax

Aggressive. *JEA (Jurnal Eksplorasi Akuntansi)*, *2*(3), 2942–2955. https://doi.org/10.24036/jea.v2i3.261

Riguen, R., Salhi, B., & Jarboui, A. (2020). Do Women in Board Represent Less Corporate Tax Avoidance? A Moderation Analysis. *International Journal of Sociology and Social Policy*, *40*(1/2), 114–132. https://doi.org/10.1108/IJSSP-10-2019-0211

Risani, S., & Purwantini, A. H. (2022). Pengaruh Good Corporate Governance Terhadap Tax Avoidance [Studi pada Perusahaan Manufaktur yang Terdaftar di BEI Periode 2016-2020]. *University Research Colloquium*, 98–110.

Salhi, B., Jabr, J. Al, & Jarboui, A. (2020). A Comparison of Corporate Governance and Tax Avoidance of UK and Japanese Firms. *Comparative Economic Research Central and Eastern Europe*, *23*(3), 111–132. https://doi.org/10.18778/1508-2008.23.23

Sari, K., & Somoprawiro, R. M. (2020). Pengaruh Corporate Governance, Koneksi Politik dan Profitabilitas Terhadap Potensi Tax Avoidance. *Jurnal Akuntansi*, *9*(1), 90–103.

Shelvi, Senjaya, I. L., Gunawan, T., & Sadeli, D. (2022). The Influence of Good Corporate Governance Mechanism to Tax Aggresiveness in Public Own State Listed in IDX From 2016-2020 Period. *Journal of Economic, Bussines and Accounting (COSTING)*, *6*(1), 758–771. https://doi.org/10.31539/costing.v6i1.4215

Sianturi, F. L. F., & Pratomo, D. (2020). Pengaruh Karakteristik Eksekutif, Gender Diversity Eksekutif, dan Insentif Eksekutif Terhadap Tax Avoidance (Studi Kasus pada Perusahaan Sektor Pertambangan 2013-2018). *E-Proceeding of Management*, *7*(2), 2945–2952.

Suandy, E. (2016). *Hukum Pajak* (Edisi 7). Salemba Empat.

Tan, A. W. S. (2023). Analisis Pengaruh Profitabilitas, Leverage, dan GCG Terhadap Tax Avoidance dan Perbedaan Tax Avoidance pada Perusahaan Manufaktur Makanan dan Minuman di Bursa Efek Asean Sebelum dan Selama Pandemi Covid-19. *Media Akuntansi Dan Perpajakan Indonesia*, *4*(2), 143–168. https://doi.org/10.37715/mapi.v4i2.3712

Tanujaya, K., & Anggreany, E. (2021). Hubungan Dewan Direksi, Keberagaman Gender dan Kinerja Berkelanjutan Terhadap Penghindaran Pajak. *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan*, *4*(5), 1648–1666. https://doi.org/10.32670/fairvalue.v4i5.754

Tebiono, J. N., & Sukadana, I. B. N. (2019). Faktor-Faktor Yang Mempengaruhi Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di BEI. *Jurnal Bisnis Dan Akuntansi*, *21*(1a-2), 121–130. https://doi.org/https://doi.org/10.34208/jba.v21i1a-2.749

Utami, A. A. Y. (2023). Pengaruh Kepemilikan Institusional, Kepemilikan Manajerial, Ukuran Direksi, Proporsi Dewan Komisaris Independen dan Komite Audit Terhadap Penghindaran Pajak. *JIIP - Jurnal Ilmiah Ilmu Pendidikan*, *6*(6), 4288–4302. https://doi.org/10.54371/jiip.v6i6.2156

Veronika, M., & Yohanes. (2022). Faktor-Faktor yang mempengaruhi Tax Avoidance di Perusahaan Non-Keuangan. *E-Jurnal Akuntansi TSM*, *2*(4), 547–564. https://doi.org/10.34208/ejatsm.v2i4.1825

Viantiaraini, A., Haninun, H., & Riswan, R. (2024). Determination of Tax Avoidance Practices. *JOURNAL OF MANAGEMENT, ACCOUNTING, GENERAL FINANCE AND INTERNATIONAL ECONOMIC ISSUES*, *3*(2), 566–581. https://doi.org/10.55047/marginal.v3i2.1076

Wibowo, A. (2020). *Corporate Strategy: Konsep dan Praktik* (Glovanny (ed.); 1st ed.). ANDI.

Widiiswa, R. A. N., & Baskoro, R. (2020). Good Corporate Governance dan Tax Avoidance pada Perusahaan Multinasional Dalam Moderasi Peningkatan Tax Audit Coverage Ratio. *Scientax (Jurnal Kajian Ilmiah Perpajakan Indonesia)*, *2*(1), 57–74. https://doi.org/10.52869/st.v2i1.55

Ziliwu, D. B., Surbakti, L. P., & Mashuri, A. A. S. (2021). Pengaruh Karakteristik Komite Audit Terhadap Penghindaran Pajak dengan Kualitas Audit Eksternal sebagai Variabel Moderasi. *Equity*, *24*(1), 101–122. https://doi.org/10.34209/equ.v24i1.2258