The Effect of Institutional Ownership, Gender Diversity, Corporate Social Responsibility on Tax Aggressiveness with Independent Commissioners as Moderating Variables

Dwi Amilatus Sholicha[1], Sarwenda Biduri[2], Luluk Putri Fauziyah[3], Akhmad Mulyadi[4]
[1,2,3,4] Department of Accounting, Faculty of Business Law and Social Science, Muhammadiyah University of Sidoarjo, Sidoarjo, Indonesia, 61215
dwiamilatus386@gmail.com[1], sarwendabiduri@gmail.com[2], lulukputrifauziyah@gmail.com[3], akhmadmulyadi@gmail.com[4]

ABSTRACT

Introduction - Tax is the biggest source of income for a country, especially in Indonesia. Taxes have an important role in terms of supporting the state's financial capacity to implement state programs. Tax payment is the embodiment of state obligations and the participation of taxpayers who directly and jointly carry out tax obligations for state financing.
Purpose - This study aims to test whether the independent commissioner as a moderating variable can strengthen the effect of institutional ownership, gender diversity and corporate social responsibility on tax aggressiveness.
Findings - This study states that institutional ownership and gender diversity have no effect on tax aggressiveness, while corporate social responsibility has an effect on tax aggressiveness. In addition, the independent commissioner can moderate the variables of institutional ownership and corporate social responsibility on tax aggressiveness, but the independent commissioner cannot moderate the gender diversity variable on tax aggressiveness.
Originality/ Value/ Implication - Institutional ownership and gender diversity on tax aggressiveness by adding the independent commissioner variable as a moderating variable is a new thing in this study.

Keywords: independent commissioner, institutional ownership, gender diversity, corporate social responsibility.

INTRODUCTION

Taxes are the largest source of revenue for a country, especially in Indonesia. Taxes have an important role in terms of supporting the state's financial capacity to implement state programs. According to legislation Number 6 of 1983 concerning General Provisions and Procedures for Taxation which has been replaced and updated last time with Law Number 16 of 2009 in article 1 which reads that "tax is a taxpayer contribution to the state owed by individuals or entities that are compelling based on law, by not getting a direct reward and used for state purposes for the greatest prosperity of the people". Tax payment is a manifestation of state obligations and the participation of taxpayers who directly and jointly carry out tax obligations for state financing. Nonetheless, there exist disparities in the objectives and concerns of taxpayers compared to those of both the government and businesses.. If the government seeks to optimize tax revenue to benefit the country as well as to carry out national development in order to achieve prosperity in various sectors. Meanwhile, for companies, taxes are considered a burden that must be paid by the company, so that a company will really try to minimize and even avoid taxes. The company will try to manage and minimize its tax burden so that the company gets maximum profit. Minimizing the tax burden by using aggressive tax practices has become a common thing for companies around the world. An action taken by a company to reduce the nominal tax liability that must be paid can be seen from how aggressive management actions are when minimizing the tax burden, which is called tax aggressiveness (Ariani & Prastiwi, 2020). Tax aggressiveness refers to a deliberate effort aimed at reducing a company's taxable income through tax planning, which can involve legal strategies like tax avoidance or illegal tactics such as tax evasion (Frank et al., 2009). Practicing tax avoidance in an Indonesian company causes a decrease in tax revenue. This research refers to *agency* theory. Agency theory focuses on the relationship between the *principal* and the *agent,* where the management as the *agent* will carry out requests from the leadership as the *principal,* namely to carry out tax management through tax aggressiveness.

Manufacturing companies are the main support and key holder as the engine of development. This is because manufacturing companies have several advantages compared to other sectors where the capitalization value of the embedded capital is very large, the ability to create added value from each input or basic material processed, and the ability to absorb a large workforce. One of the rapidly growing manufacturing companies is a manufacturing company engaged in the consumer goods sector. The consumer goods industry sector is considered one of the sectors that has an important role in the growth of the national economy and is able to contribute significantly to tax revenue in Indonesia. In addition, the consumer goods sector represents companies related to people's daily lives and companies that will continue to strive to be the main target for potential investors with their own investment objectives. Companies from the goods and consumption sector also have companies that attempt to practice tax aggressiveness. The case example of a company that makes efforts to practice tax aggressiveness is PT Kalbe Farma Tbk. In 2017, the company obtained an Underpaid Tax Assessment Letter (SKPKB) in the amount of Rp. 527.85 billion regarding income tax and VAT in 2016. The issuance of SKPKB by the Directorate General of Taxes indicates that the company is trying to minimize the taxes paid by taking tax avoidance actions. The next case is the practice of tax avoidance in the tobacco company owned by British American Tobacco (BAT) through PT Bentoel Internasional Investama in May 2019 according to a report from the Tax Justice Network Institute. The report stated that BAT had diverted some of its income out of Indonesia by way of intra-company loans. PT Bentoel Internasional Investama took on substantial debt between 2013 and 2015 from Dutch affiliate Rothmans Far East Bu to pay for machinery and equipment as well as to finance bank debts. This was also through repayments to the UK for royalties, fees and services. This resulted in the country suffering a loss of US$ 14 million per year (Prima, 2019).

There are several factors that can influence a company to practice tax aggressiveness, namely institutional ownership, *gender diversity*, and *corporate social responsibility*. The first factor that can influence companies to carry out tax aggressiveness is institutional ownership. Institutional ownership is the ownership of company shares by non-bank financial institutions where the institution manages funds on behalf of others. Institutional shareholders have a stake in supervising management performance because they have voting rights in decision making. If a company has a large enough amount of institutional ownership, it can result in tighter supervision which can prevent irregularities by company management, and will encourage companies to comply with tax regulations so that it will be able to reduce corporate tax aggressiveness practices. This is in line with research (Yuliani et al., 2021), (Lestarida, 2020), (Pratiwi & Ardiyanto, 2018), (Krisna, 2019) which states that institutional ownership can affect tax aggressiveness. However, there is also previous research which states that institutional ownership has no effect on tax avoidance, the size or size of institutional ownership in the company does not affect the company to take tax avoidance actions (Rizki Pajrina et al., 2021).

The second factor that can affect the practice of tax aggressiveness is *gender diversity* on the company board. A woman who enters the business/corporate world has different values than a man which causes the standard of ethical judgment to be different in determining decision making and the overall economic implications. It is concluded that female boards have a very high attitude of caution, tend to avoid risk and are more careful in making decisions than men. The existence of a female board will bring new opinions and considerations in the decision-making process (Lisaime & Sri, 2018). The inclusion of women on a board of commissioners may lead to a decrease in tax aggressiveness, as women tend to exhibit a greater degree of tax compliance in comparison to men (Hana et al., 2022). This is in line with research (Hudha & Utomo, 2021), (Cortellese, 2022), (Inayah & Sofianty, 2022) which explains that *gender diversity* affects tax aggressiveness.

The author also uses other factors that are predicted to affect tax aggressiveness in a company, namely *corporate social responsibility*. Referring to article 74 paragraph 1 of law number 40 of 2007 concerning limited liability companies: "Companies carrying out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities". *Corporate social responsibility* (CSR) is a business activity carried out in the business world/companies which are socially responsible to the surrounding community as a concern to improve welfare and have a positive impact on the environment. If the *corporate social responsibility* program is carried out properly in a company, it can also have a good impact on the sustainability of the company's activities. On the other hand, if the *corporate social responsibility* (CSR) program is not realized, it will cause various obstacles that can hinder the company's operating activities. This is in line with previous research which states that *corporate social responsibility* affects tax aggressiveness (Nugraha & Rusliansyah, 2022), (Migang & Dina, 2020). If a company has a low rating in *its corporate social responsibility* disclosure, it is considered to have less social responsibility so that its responsibility regarding taxation also tends to be more aggressive. Vice versa, if a company has a high rating in its *corporate social responsibility* disclosure, it will be considered more concerned about the social environment or public rights, so it tends to have a high awareness of its tax obligations.

Another factor that can influence a company to carry out tax aggressiveness is independent commissioners. This study uses *corporate governance* as a moderating variable with an indicator of independent commissioners. The reason researchers add moderating variables is because this variable can strengthen or weaken the relationship that occurs between the independent variable and the dependent variable. *Corporate governance* is a structure that is useful for the board of commissioners and directors to increase the success of a business and corporate accountability in realizing shareholder value in the long term while still paying attention to other *stakeholders* based on laws and regulations and ethical values (Seprini, 2016). Independent Commissioner is a part of the commissioner who functions to oversee the company's management to carry out its activities so as not to deviate from policies that violate the law or those that have been determined (Ramantha, 2017). The more the number of independent commissioners, the tighter the supervision of agents will be, so it is predicted that corporate tax aggressiveness will decrease. Establishing a robust corporate governance framework will ensure that a company adheres to all relevant regulations, including refraining from engaging in tax aggressiveness (Ayu &

Putri, 2017). This is in accordance with research (Yunistiyania & Tahar, 2017), (Wicaksono et al., 2022) which states that *corporate governance* can be a moderating variable on tax aggressiveness.

The purpose of this study is whether manufacturing companies in the goods and consumption sector practice tax aggressiveness seen from the fact that these companies have high profits and high enough market pairs, so that the tax burden to be paid is high. In addition, to test the influence of each variable and test whether independent commissioners as a moderating variable can strengthen the influence of institutional ownership, *gender diversity and corporate social responsibility* on tax aggressiveness. In addition, this research is expected to be able to provide practical information to companies to always carry out their obligations in paying taxes to the state and is expected to provide information for the government so that it can always optimize taxes. Based on the problems stated above, the authors are interested in testing and analyzing "The role of *corporate governance* as moderation in the influence of institutional ownership, *gender diversity*, and *corporate social responsibility* on tax aggressiveness (Empirical Study of Goods and Consumption Sector Manufacturing Companies listed on the IDX in 2017-2021)".

This research is a modification and development of previous research entitled "The effect of *corporate social responsibility* on tax aggressiveness with *corporate governance* as a moderating variable" (Wardani & Baljanan, 2022). The difference between this research and previous research lies in the variables studied and different research objects. Previous research was conducted on non-financial companies in 2016-2020. Meanwhile, this research was conducted on manufacturing companies in the goods and consumption sector in 2017-2021. In addition, previous research used one variable, namely *Corporate Social Responsibility*, but in this study added two variables, namely institutional ownership and *gender diversity*.

LITERATURE REVIEW

Independent Commissioner

An independent commissioner is someone who has no affiliation or relationship in any way with the controlling shareholders, directors, or board of commissioners, and does not serve as a director in the relevant company. According to regulations issued by the IDX, the number of independent commissioners must be proportional to the number of shares owned by non-controlling shareholders, which is at least 30% of all commissioners. The role of independent commissioners is very important because they maintain neutrality in decision-making by managers. Thus, the interests of shareholders, both majority and minority, still receive fair attention and are not ignored. (Fadillah, 2017). Members of the board of commissioners from outside the issuer, referred to as independent commissioners, are elected based on the decision of the General Meeting of Shareholders (GMS) with the conditions stipulated in the Financial Services Authority Regulation Number 55 / POJK.04 / 2015. An independent commissioner in the company is not allowed to have a personal relationship with the main shareholder or other members of the board of directors. The duty of an independent commissioner is to contribute efficiently to the final results of the company's financial statements, which must be of high quality and free from fraud. In addition, independent commissioners also act as mediators in resolving disputes between internal company managers and can oversee policies to be taken by management and provide guidance to management (Pratomo & Risa Aulia Rana, 2021).

Institutional Ownership

Institutional ownership is an institutional shareholder that has an important role in reducing agency problems in the company. This is due to the higher level of prudence and rigor of institutional investors in overseeing management decisions that may conflict with the interests of shareholders (Dhuhri & Diantimala, 2018). The more institutional ownership in a company will lead to increased supervision, because institutional ownership has an important role in the company's decision-making process.

Tax Aggressiveness

Tax aggressiveness is an attempt to reduce the amount of tax that must be paid by doing tax planning, either legally or illegally. Aggressive tax treatment can be implemented through tax planning strategies, whether or not they fall into the category of tax evasion. If aggressive tax measures are considered tax evasion or are caused by non-compliance with regulations, the company must face the consequences of sanctions imposed by the taxation authority (Rohmansyah & Fitriana, 2020).

METHODOLOGY

Type of Research

This research uses a quantitative approach, which is a research method that is objective, includes the collection and analysis of quantitative data and uses statistical testing methods. Objectivity can be obtained, among others, through instruments that have been tested for validity and reliability. (Dr. Ratna Wijayanti Daniar Paramita, S.E. et al., 2021).. The goal is to determine the effect of a treatment which is then tested for hypotheses.

The model used in the study is a structural equation modeling (SEM) model. Specifically, the study utilizes the partial least squares (PLS) approach for the analysis. The PLS method is used to evaluate the relationships between the variables in the model and test the hypotheses. The study includes an outer model (measurement model) and an inner model (structural model) to assess the validity, reliability, and predictive power of the variables. The outer model evaluates convergent validity, discriminant validity, and composite reliability, while the inner model examines the relationships between the independent and dependent variables.

Data Type and Source

The type of data used in this study is secondary data which is in the form of financial reports and annual reports obtained from the Indonesia Stock Exchange website, namely www.idx.co.id in manufacturing companies in the goods and consumer goods sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period ending December 31, as well as other relevant sources such as the company's website concerned, books, journals, and others.

Data Collection Methods

The data collection in this study uses the documentation method, namely by collecting secondary data containing numbers in the financial statements of manufacturing companies in the goods and consumption sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. (Jaya, 2020).

Population and Sampel

Manufacturing companies in the goods and consumption sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period are the population in this study. The sample selection method used in this study is *purposive sampling*, namely non-random sample selection which must meet the criteria that have been adjusted to the research objectives or problems. Based on the population obtained and selecting companies that meet the criteria, this study has 125 samples. The criteria used in selecting samples are as follows:

Table 1. Sample Selection Criteria

No.	Criteria	Total
1	Manufacturing companies in the goods and consumption industry sector listed on the IDX in 2017-2021	80
2	Manufacturing companies in the consumer goods industry sector that publish annual financial reports	-44
	(annual report) non-consecutively from 2017-2021	
3	Manufacturing companies in the goods and consumption industry sector that experienced losses during the period 2017-2021	-11
	Research sample	25
	Number of studies	125

Operational Definition and Measurement of Variables

The dependent variable in this study is tax aggressiveness. Meanwhile, the independent variables in this study use institutional ownership, gender diversity and corporate social responsibility. The operational table in this study is as follows,

Table 2. Operational and measurement variables

No.	Variables	Variable Concept	Indicator	Measurement Scale
1	Institutional Ownership (X1)	institutional ownership. Institutional ownership is the ownership of a number of shares held by financial institutions, foreign institutions, incorporated institutions, trust funds and other institutions. In research institutional ownership variables can be measured using how to divide the total institutional share ownership by the number of shares outstanding.(Yuliani et al., 2021).	$Institutional\ Ownership = \frac{\text{Number of shares owned by institutions}}{Number\ of\ shares\ outstanding}$ Source: (Suprimarini & Suprasto, 2017), (Oktaviana & Wahidahwati, 2017)	Ratio
2	*Gender Diversity* (X2)	*Gender diversity* is the distribution between men and women in the position of board members. (Fathonah et al., 2018).	*Gender Diversity* $= \frac{\text{Number of Women Directors}}{Total\ Director\ Members}$ Source: (Fitroni & Feliana, 2022) and (Razak & Helmy, 2020)	Ratio
3	*Corporate Social Responsibility* (X3)	CSR disclosure is the delivery of the impact of the company's economic activities on the environment. This measurement uses the method of giving a score	$CSRli = \frac{\Sigma Xyi}{ni}$ Source:(Lumbantobing & Siagian, 2021) and (Nugraha & Rusliansyah, 2022)	Ratio

		of 1 to items that disclose CSR disclosure reports, while a score of 0 will be given to those that do not disclose CSR disclosure reports. After that, the total CSR disclosure score is divided by the total expected disclosure items, so as to get the results of the disclosure score per indicator for each company.		
4	Tax Aggressiveness (Y)	Tax aggressiveness is an avoidance action in minimizing the tax burden that must be paid. (Nordiansyah et al., 2022).. In this study, tax aggressiveness is proxied by the *Effective Tax Rate* (ETR), namely by comparing the tax expense with profit before tax.	$ETR = \frac{Tax\ Expenses}{Profit\ Before\ Tax}$ Source: (Suprimarini & Suprasto, 2017), (Oktaviana & Wahidahwati, 2017)	Ratio
5	Independent Commissioner (Z)	Independent commissioners are members of the board of commissioners from outside the issuer who are not affiliated with the corporate entity. (Nordiansyah et al., 2022). The proportion of the independent board of commissioners includes the number of independent commissioners compared to the total board of commissioners in the composition of the board of commissioners of the sample companies.	Independent Commissioner $= \frac{\text{Number of Independent Commissioners}}{Total\ Board\ of\ Commissioners}$ Source: (Putri & Andriyani, 2021) and (Migang & Dina, 2020)	Ratio

Data Analysis Technique

Data analysis technique is a data that is managed and analyzed into information that is easier to understand in order to answer a problem in research. In analyzing the data in this study using the smartPLS (*Smart Partial Least Square*) application. PLS is a quality prediction tool that can provide functions to develop the theory appropriately in the prediction model based on weak theory (building new theories), ignoring classical assumptions so that PLS is considered more appropriate in the settlement process (J. H. Mustakini, 2014). In PLS, there are two stages of evaluation, namely the evaluation of the measurement model (outer model) which is used for testing validity and reliability and evaluating the structural model (inner model) which is used for regression testing (R^2). In hypothesis testing, it can be shown by the t-statistic and probability value. The value and significance level used in testing the t-statistic hypothesis between variables is 1.96 with a significant 5%, where the hypothesis is accepted if the t-statistic value shows> 1.96. Meanwhile, to determine whether the hypothesis is accepted or rejected, you can use the probability value, where if the p-value is <0.05, the hypothesis is accepted, and the hypothesis is rejected if the p-value is> 0.05. (Duryadi, 2021)

RESULTS AND DISCUSSION

Assessing the Outer Model or *Measurement Model*

Evaluation of the measurement model or outer model is carried out to assess the validity or reliability of the model of a variable. There are three criteria in measuring the outer model, namely *Convergent Validity*, *Discriminant Validity, and Composite Reliability*. the following are the test results:

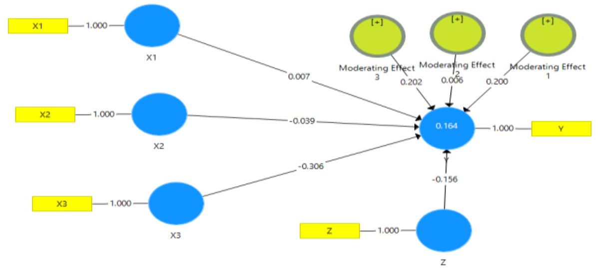

Figure 1. Outer Model or *Measurement Model Convergent Validity*

The Convergent Validity Test can be evaluated by looking at the outer loadings. Outer loadings is a table containing loading factors which aims to show the amount of correlation between latent variables and indicators. Indicators are considered reliable if they have a correlation value above 0.7, but at the research stage of scale development, a loading factor value of 0.5 - 0.6 is still acceptable (Ghozali et al., 2015).

Table 3. ***Convergent Validity***

	Mode rating	*Mode rating*	*Mode rating*	X1	X2	X3	Y	Z
	Effect 1	*Effect 2*	*Effect 3*					
X1				1000				
X1 *Z	0.819							
X2					1000			
X2 *Z		1.254						
X3						1000		
X3 *Z			0.991					
Y							1000	
Z								1000

Based on the results of the outer loading above, it states that all variables provide a value above 0.7, which can be concluded that the indicators used in this study have good convergent validity.

Discriminant Validity

The Discriminant Validity test aims to test if the indicators of a construct are not highly correlated with indicators of other constructs. In the *Discriminant Validity* Test, it can also be done using a cross loading check, namely the indicator correlation coefficient on the loading construct compared to other correlation coefficients where the indicator correlation coefficient value must be greater on the associated construct than other constructs.

Table 4. Cross Loading Value

	Mode rating	*Mode rating*	*Mode rating*	X1	X2	X3	Y	Z
	Effect 1	*Effect 2*	*Effect 3*					
X1	1000							
X1* Z	0.143	1000						
X2	0.272	0.192	1000					
X2* Z	-0.25	0.118	0.067	1000				
X3	0.18	0.277	0.015	0.182	1000			
X3* Z	0.081	0.012	0.226	0.222	0.102	1000		
Y	0.163	0.001	0.172	-0.089	-0.042	-0.26	1000	
Z	0.148	0.351	0.036	-0.037	0.047	0.065	-0.144	1000

Based on the table above, it is concluded that the loading factor value for each indicator of each latent variable has the largest loading factor value compared to the loading value when associated with other latent variables. Therefore, it can be concluded that each latent variable has good *Discriminant Validity* because some latent variables still have measuring instruments that are highly correlated with other constructs.

Composite Reliability

Outer model, apart from being measured by assessing convergent validity and discriminant validity, can also be done by looking at the reliability of constructs or latent variables which can be measured by looking at the composite reliability value and the indicator block that measures the construct. The construct is said to have high reliability if the value is 0.70 and the AVE is above 0.50

Table 5. *Composite reliability* and AVE values

	Cronbach's Alpha	*rho_A*	*Composite Reability*	*Average Variance Extracted* (AVE)
Moderating Effect 1	1000	1000	1000	1000
Moderating Effect 2	1000	1000	1000	1000
Moderating Effect 3	1000	1000	1000	1000
X1	1000	1000	1000	1000
X2	1000	1000	1000	1000
X3	1000	1000	1000	1000
Y	1000	1000	1000	1000
Z	1000	1000	1000	1000

Based on the table above, it is concluded that all constructs meet the reliable criteria. This is shown in the table above that the comsite realibiliity value is above 0.70 and AVE is above 0.50, so that based on the composite reliability value, all constructs meet the criteria for having high reliability.

Inner model (structural model)

Structural model testing is done by looking at the relationship between constructs by looking at the significant value and *R-Square* value for each independent latent variable as the predictive power of the structural model. The higher the *R Square* value, the better the prediction model and the model used.

Table 6. *R-Square* value

	R-Square	*Adjusted R-Square*
Y	0.164	0.114

Based on the table above, it shows that the *R Square* value for tax aggressiveness is 0.164 or 16.4% which means that 16.4% of tax aggressiveness variables can be influenced by institutional ownership variables, *gender diversity, corporate social responsibility,* and independent commissioners, while 83.7% is influenced by other variables outside this study.

Hypothesis Testing

In Smartpls, statistical testing of each hypothesized relationship is carried out using simulation, by performing the *bootstrap* method on the sample. If the t-statistic> 1.96 and the p-values <0.05, the hypothesis is accepted, but if the t-statistic value <1.96 and the p-value> 0.05, the hypothesis is rejected. The bootstrapping test results of the PLS analysis are presented in the *path coefficients* table as follows:

Table 7. *Path Coefficients*

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistic*	*P Values*
Moderating Effect 1 > Y	0.200	0.214	0.101	1.990	0.047
Moderating Effect 2 > Y	0.006	0.005	0.052	0.116	0.908
Moderating Effect 3 > Y	0.202	0.202	0.091	2.233	0.026
X1 > Y	0.007	0.005	0.075	0.088	0.930
X2 > Y	-0.039	-0.036	0.059	0.663	0.580
X3 > Y	-0.306	-0.317	0.067	4.572	0.000
Z>Y	-0.156	-0.158	0.078	2.006	0.045

Effect of institutional ownership on tax aggressiveness

Based on the results of the Smartpls analysis, the institutional ownership variable (X1) has no effect on tax aggressiveness (Y), because it has a t-statistic value of 0.088 < 1.96 and a p-value of 0.930> 0.05. This shows that institutional owners should be able to supervise and manage a company, but in fact a company entrusts this more to the board of commissioners, which is the job of board members. This also includes institutional ownership playing a lesser role in overseeing policies in a company related to tax policy. The results of this study are irrelevant to *stakeholder* theory, in which every *stakeholder in* the company must participate in optimizing and overseeing the management performance of a company, but in fact institutional ownership is considered unable to optimize and oversee the performance of company management in terms of managing its investment (Wicaksono et al., 2022). In addition, institutional owners care less about the company's image, where all management decisions are supported as long as they can maximize their welfare. So that whether or not there is institutional ownership in a company, the practice of tax aggressiveness will still occur. The results of this study are in accordance with research conducted by previous studies that institutional ownership has no effect on tax aggressiveness (Sari, 2021), (Ashari et al., 2020), (Rozan et al., 2023).

The effect of *Gender Diversity* on tax aggressiveness

Based on the results of the Smartpls analysis, the *gender diversity* variable (X2) has no effect on tax aggressiveness (Y) because it has a t-statistic value of 0.663 < 1.96 and a p-value of 0.580> 0.05. This means that the board of directors in a company is selected based on professionalism not only based on *gender*. The *gender* diversity of the board of directors of a company does not have an impact on reducing the number of tax aggressiveness practices carried out by the company, because between women and men in a company there is no difference in terms of tax avoidance. Where male and female directors are equally professional and have responsibilities as directors in a company. *Gender is* not a barrier to providing quality work results. In accordance with *agency* theory which emphasizes that company owners hand over the management of the company to professionals (called agents) who are more knowledgeable in running daily business. The results of this study are also in line with previous research which found that *gender* diversity has no impact on tax planning due to the low percentage of female directors. Diversity in terms of opinion, knowledge, and experience does not lead to successful tax minimization practices. This is in line with research that has been conducted by previous researchers (Mala et al., 2021)**,** (Angie Manuela, 2022)**.**

The effect of *corporate social responsibility* on tax aggressiveness

Based on the results of the smartpls analysis, the *corporate social responsibility* variable (X3) has an effect on tax aggressiveness (Y) because it has a t-statistic value of 4.572> 1.96 and a p-value of 0.000 <0.05.. This is because if a company has a high *corporate social responsibility* disclosure, the level of tax aggressiveness practices carried out by a company is low. But on the contrary, if a company has a low disclosure of *corporate social responsibility*, the level of tax aggressiveness practices carried out by a company is higher. As for every *corporate social responsibility* activity carried out in a company, it is an activity that does not only focus on economic goals but focuses more on the social and environmental fields. How the impact will be received by the community after these social activities are carried out, because the company carries out these social activities also as a form of responsibility to *its stakeholders*. Companies that have low ratings for Corporate Social Responsibility (CSR) disclosure are considered to have less social responsibility so that in carrying out their responsibilities in the field of taxation, they also tend to be more aggressive. This study shows results that are in line with previous research where the more companies disclose their Corporate Social Responsibility (CSR) activities, the lower the level of tax avoidance (Neno & Irawati, 2022), (Ummah & Setiawati, 2022).

The effect of institutional ownership on tax aggressiveness with independent commissioners as moderating variables

Based on the results of the analysis on Smartpls, the independent commissioner variable (Z) is able to moderate the relationship between institutional ownership (X1) on tax aggressiveness (Y) because it has a t-statistic value of 1.990> 1.96 and a p-value of 0.047 <0.05. With the institutional as the owner of a company, institutional ownership and independent commissioners work together, therefore, this can reduce *agency costs* that can be borne by a company to control management activities. *Corporate Governance* which is proxied by independent commissioners states that if a company has a high independent party, the company will tend to carry out an activity based on regulations, this is because independent parties cannot be intervened in making a decision. Therefore, the existence of independent commissioners can strengthen the position of institutional ownership in controlling and supervising every step taken by management so as to avoid actions that only benefit management, one of which is tax aggressiveness (Suprimarini & Suprasto, 2017). Therefore, *corporate governance* can strengthen the influence of institutional ownership on tax aggressiveness (Lestarida, 2020).

The effect of *gender diversity* on tax aggressiveness with independent commissioners as a moderating variable

Based on the results of the analysis on Smartpls, the independent commissioner variable (Z) cannot moderate the relationship between *gender diversity* (X2) on tax aggressiveness (Y) because it has a t-statistic value of 0.116 < 1.96 and a p-value of 0.908 > 0.05. The presence of female directors in a company cannot have a significant influence on every decision made by management because the number of female directors is not comparable to the number of male directors. If it is related to the theory of *feminism* in this study, namely the theory of understanding *gender* equality between men and women, this theory requires a company not to discriminate or not prioritize men over women to fulfill the positions of commissioners and directors (Demos & Muid, 2020), (Rahman & Cheisviyanny, 2020). Meanwhile, independent commissioners themselves cannot oversee the aggressive actions of a company. Therefore, independent commissioners are unable to moderate the relationship between gender diversity and tax aggressiveness (Lestarida, 2020).

The effect of *corporate social responsibility* on tax aggressiveness with independent commissioners as a moderating variable

Based on the results of the analysis on Smartpls, the independent commissioner variable (Z) is able to moderate the relationship between *corporate social responsibility* (X3) on tax aggressiveness (Y) because it has a t-statistic value of 2.233> 1.96 and a p-value of 0.026 <0.05. Companies with good *corporate governance* will disclose CSR responsibly and not practice tax aggressiveness. The board of commissioners as the top of the company's internal management system, has a role in supervisory activities. The composition of the board of commissioners will determine company policy including the practice and disclosure of *corporate social responsibility*. The existence of an independent board of commissioners will further increase the effectiveness of supervision. Thus, the company's goal of gaining legitimacy from stakeholders by disclosing social responsibility will be obtained because the presence of an independent board of commissioners will provide control and supervision. The *legitimacy* theory emphasizes that the company in carrying out its operations is in accordance with the norms and rules that apply in society. Meanwhile, based on *Stakeholder* theory, namely a company has a social responsibility for the interests of all parties. Therefore, independent commissioners are able to strengthen the relationship or influence between *corporate social responsibility* and tax aggressiveness (Yunistiyania & Tahar, 2017), (Wardani & Baljanan, 2022).

CONCLUSION

This study aims to test whether the independent commissioner as a moderating variable can strengthen the effect of institutional ownership, gender diversity and corporate social responsibility on tax aggressiveness.

This study shows that institutional ownership has no effect on tax aggressiveness. It can be concluded that institutional owners care less about the company's image so that all management decisions as long as they can maximize their welfare will still be supported. Therefore, whether or not there is institutional ownership in a company, tax avoidance practices will still occur. The results of this study also state that *Gender Diversity has* no effect on tax aggressiveness. It can be concluded that the board of directors of a company is chosen based on professionalism not based on *gender*. This is in accordance with *agency* theory which emphasizes that company owners hand over the management of the company to professionals (called agents) who are more knowledgeable in running daily business. *Corporate social responsibility* affects tax aggressiveness. It can be concluded that if a company's *corporate social responsibility* disclosure is high, the level of tax aggressiveness practices carried out by the company is low. But on the contrary, if a company has a low disclosure of *corporate social responsibility*, the level of tax aggressiveness practices carried out by a company is higher.

The results of this study also state that independent commissioners are able to moderate institutional ownership on tax aggressiveness. It can be concluded that *corporate governance* can strengthen the position of institutional ownership in supervising or controlling every step taken by management to avoid actions that only benefit management, one of which is by carrying out tax aggressiveness. Independent commissioners are unable to moderate *gender diversity* on tax aggressiveness, it can be concluded that the presence of female directors in a company cannot have a significant influence on every decision made by management because the number of female directors is not comparable to the number of male directors. If it is related to the theory of *feminism* in this study, namely the theory of understanding *gender* equality between men and women, this theory requires a company not to discriminate or not prioritize men over women to fulfill the positions of commissioners and directors. Independent commissioners are able to moderate *corporate social responsibility* on tax aggressiveness. This is because the existence of an independent board of commissioners will increase the effectiveness of supervision. Thus, the company's goal of gaining *legitimacy* from *stakeholders* by disclosing social responsibility will be obtained because the presence of an independent board of commissioners will provide control and supervision.

The implications of this study suggest that institutional ownership and gender diversity may not have a direct impact on tax aggressiveness, while corporate social responsibility may provide a mitigating effect. The presence of independent commissioners may enhance the influence of institutional ownership and CSR in dampening tax aggressiveness. These findings emphasize the importance of responsible corporate behavior and effective corporate governance in overcoming tax aggressiveness.

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