AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

RESEARCH ARTICLE OPEN ACCESS

BOARD CHARACTERISTICS AND TAX AVOIDANCE: THE MEDIATING ROLE OF INTEGRATED REPORTING QUALITY

Sandicha Dwi Ramadhan[1], Dian Saputra[2], Abrar Nawas[3], Firdaus Abdul Rahman[4]

[1,2,3,4] *Islamic University of Riau, Indonesia*
Corresponding Author: sandichadr542@gmail.com

Article Info: Received: August 14, 2023; Revised: August 27, 2023; Accepted: September 30,2023

Abstract: This study examines the nexus between female directors, independent commissioners, board size, political connections, and Corporate Tax Avoidance (CTA) within the non-cyclical consumer goods sector of the Indonesian Stock Exchange (IDX) from 2019 to 2022. The research also tests the mediating influence of Integrated Reporting Quality (IR), addressing the significance of Integrated Reporting in Indonesia. Using SmartPLS 3 and PLS-SEM, the findings reveal that female directors are negatively associated with Tax Avoidance, while board size has a positive effect, and independent commissioners and political connections show insignificant impacts. The mediating role of IR Quality indicates that improved reporting quality reduces tax avoidance in relation to board characteristics and political connections. The study underscores the importance of IR quality in enhancing corporate transparency and reducing fraudulent activities, advocating for the adoption of Integrated Reporting frameworks by both government bodies and companies.
Keywords: Tax Avoidance, Tax Planning, Integrated Reporting, Transparency, Corporate Governance,

Abstrak: Studi ini meneliti hubungan antara direktur wanita, komisaris independen, ukuran dewan, koneksi politik, dan Corporate Tax Avoidance (CTA) pada sektor barang konsumsi non siklikal di Bursa Efek Indonesia (BEI) dari tahun 2019 hingga 2022. Penelitian ini juga menguji pengaruh mediasi Penelitian ini juga menguji pengaruh mediasi dari Kualitas Pelaporan Terintegrasi (IR), yang membahas pentingnya Integrated Reporting di Indonesia. Dengan menggunakan Dengan menggunakan SmartPLS 3 dan PLS-SEM, temuan menunjukkan bahwa direktur wanita berhubungan negatif dengan Penghindaran Pajak, sementara ukuran dewan memiliki pengaruh positif positif, sedangkan komisaris independen dan koneksi politik menunjukkan dampak yang tidak signifikan. Peran mediasi Kualitas IR menunjukkan bahwa peningkatan kualitas kualitas pelaporan mengurangi penghindaran pajak dalam kaitannya dengan karakteristik dewan dan koneksi politik. Studi ini menggarisbawahi pentingnya kualitas IR dalam meningkatkan transparansi perusahaan dan mengurangi aktivitas penipuan, mengadvokasi adopsi kerangka kerja Pelaporan Terintegrasi oleh badan-badan pemerintah dan perusahaan).

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

Kata Kunci: Tax Avoidance, Tax Planning, Integrated Reporting, Transparency, Corporate Governance

INTRODUCTION

Tax avoidance has become a focal point of research due to its significant impact on corporate profitability and its legal yet contentious nature. As a form of tax planning, tax avoidance involves strategies that legally minimize tax liabilities, providing companies with financial benefits (Oats & Tuck, 2019). This practice, while within legal boundaries, attracts scrutiny from regulators and stakeholders because of its potential to reduce public revenue and its implications for corporate ethics (Payne & Raiborn, 2018).

Tax avoidance is heavily influenced by corporate governance, particularly the roles of the board of directors and commissioners. Alkurdi & Mardini (2020) found that both boards are critical in overseeing tax-related decisions. The board of directors supervises managerial activities to ensure compliance with accounting principles and reduce the risk of opportunistic behavior (Githaiga et al., 2022). Gender diversity, particularly the presence of female directors, has also been highlighted as an important factor. Studies show that women on boards tend to be more cautious and risk-averse, reducing the likelihood of engaging in tax avoidance (Gull et al., 2018; Kalbuana et al., 2023).

Similarly, the board of commissioners ensures that policies implemented by the board of directors align with the company's goals. Its effectiveness is often determined by the board's independence and size. Larger boards can offer more diverse perspectives (Kalbuana et al., 2023), while independent commissioners play a crucial role in ensuring high-quality reporting and reducing the risk of fraud (Nurbaiti & Elisabet, 2023). Research suggests that larger boards may increase tax avoidance, whereas a higher proportion of independent commissioners may help curb it (Achmad et al., 2023).

Political connections also influence tax avoidance practices. Companies with political ties tend to face less regulatory scrutiny, resulting in lower tax liabilities (Ajili & Khlif, 2020). These firms often receive favorable treatment, including access to information and leniency from regulators, allowing them to engage in more aggressive tax strategies.

Transparency in corporate reporting has been shown to mitigate tax avoidance. Studies by Oats & Tuck (2019)and Sabri Boubaker et al. (2022) highlight the importance of accurate and transparent disclosures, which enhance oversight by regulators and stakeholders,

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

thereby reducing opportunities for tax avoidance. Strong governance structures promote transparency, aligning the interests of managers with shareholders and discouraging manipulative practices.

In this context, integrated reporting quality serves as a key indicator of transparency. By combining financial and non-financial information, integrated reporting provides a comprehensive view of a company's performance, enhancing accountability and reducing the likelihood of tax avoidance (Vitolla et al., 2020). Prior research Donkor et al. (2022), has shown that high-quality integrated reporting correlates with lower instances of tax avoidance, as it limits the ability of companies to engage in aggressive tax planning. This study positions integrated reporting quality as a mediating factor, linking corporate governance to reduced tax avoidance. Robust governance structures encourage better reporting practices, which, in turn, deter tax avoidance by improving transparency and reducing agency costs.

The role of women in strategic corporate positions, especially directors, is considered increasingly important lately (Kalbuana et al., 2023). There are several things that explain why the proportion of women as directors is important, such as Kim (2016) who explains that women have high ethical standards and caution in choosing decisions when compared to men. Gull et al. (2018) also explains that women are aware that their actions or decisions will affect their career reputation, therefore women will avoid actions that have the potential to damage their reputation.

Research by Hoseini et al. (2019), Jarboui et al. (2020) and Salhi et al. (2020) shows that the presence of women on the board of directors has a significant effect on tax avoidance. Hoseini et al. (2019) explain that women tend to be more accountable and transparent so that they can reduce the level of tax avoidance activities. Jarboui et al. (2020) added that the leadership style of women on the board of directors is democratic, proactive and unique, so their presence can suppress managerial opportunism. From the explanation that has been given, the hypotheses made in this study are:

H_1 : Female directors affect corporate tax avoidance

In the company organization, the board of commissioners has the authority to supervise and evaluate top management (Nuswantara et al., 2023). With a large number of commissioners and a variety of backgrounds, it will create a broader view in decision making and supervision (Uzliawati et al., 2023). These decisions and insights are of course aimed at directing directors to continue to carry out actions that benefit the company, if it is related to the concept of agency theory discussed earlier where there are monitoring costs (i.e. incentives to commissioners), this cost aims to keep the agent's views in line with the principal's interests, which is the profit of the company. If we refer back to the initial discussion of why companies do tax planning in this case including tax avoidance, it is because according to Landry et al. (2013) the tax burden is one of the factors that affect the profitability of the company, so if we link these two things between the interests of the principal who wants profit while the tax burden is a factor that reduces these profits, it is possible that the board of commissioners will provide direction to the managerial party (agent) to take tax avoidance actions.

When referring to the results of previous studies, Kalbuana et al. (2023) showed that the lower the size of the company's board of directors had an impact on reducing corporate tax avoidance, vice versa where the greater the size of the board of commissioners, the higher the level of tax avoidance. From this explanation, the hypothesis conclusion made is :

H_2 : Board size affect corporate tax avoidance

Independent commissioners are part of the members of the board of commissioners who are not affiliated with the agent or principal, either business or family relationships (Utomo et al., 2018). The presence of this independent commissioner according to Pratama (2020) can become a factor that strengthens the corporate governance system. Achmad et al. (2023) further adds that the existence of independent commissioners can minimize agency conflicts, where sometimes management covers up some of the information they have to shareholders in order to protect their own interests. In addition, Achmad et al. (2023) also explained that the existence of independent commissioners can influence the decisions made by management, including in terms of tax payments. so that in the presence of independent commissioners, fraud or activities that can risk the company's reputation can be minimized.

In prior research conducted by Achmad et al. (2023) and Pratama (2020) show that there is a negative relationship between the proportion of independent commissioners and corporate tax avoidance activities. Achmad (2023) explains that independent commissioners in the corporate governance system can make the supervisory function better, this affects managers' decisions in making choices related to tax avoidance. From this explanation, we conclude the following hypothesis :

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

H_3 : Independen commissioners affect corporate tax avoidance

Based on the grabbing hand theory described in the research of Iswari et al. (2019), where bureaucrats in the government have the advantage of their authority, so that they can benefit themselves. Furthermore, Iswari et al. (2019) explained that there are cases where there are officials who accept gratifications from companies with the aim that the government provides protection and convenience for these companies in committing fraud, proving that there are parties who have power to abuse their power for their own interests.

If we look at the results of previous research by Firmansyah et al. (2022), Ajili & Khlif (2020), and Kim & Zhang (2016) show that there is a positive relationship between political connection and tax avoidance by companies. In the research by Firmansyah et al. (2022) shows empirical evidence that if the company has a political connection, the company tends to carry out tax avoidance activities. From this explanation, we conclude the research hypothesis as follows:

H_4 : Political connection affect corporate tax avoidance

The quality of integrated reporting can enhance transparency and accountability in the company (IIRC, 2021). Donkor et al. (2022) explain that the disclosure nature of integrated reporting can provide an overview of the company's tax avoidance scheme so that it is expected to direct companies to reduce tax avoidance practices. According to García-Sánchez & Noguera-Gámez (2017) integrated reporting which contains a variety of information from corporate strategy, governance, social responsibility to financial information that can be found in one report, can simplify or facilitate managerial decision making..

To understand the relationship between integrated reporting as a mediating variable between female directors, board size of commissioners, independent commissioners and political connections to tax avoidance. It is important to first understand the relationship between integrated reporting and each independent variable in this study.

The role of women on the board of directors plays an important role in decision making regarding the quality of the adoption of the integrated reporting framework in the company's annual report (Qaderi et al., 2022). As described by Kim (2016) who said that women in general have higher ethical standards when compared to men. Qaderi et al. (2022) added that the presence of women on the board of directors can contribute to adding knowledge, experience and skills that will encourage companies to produce more diversified

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

information. And with this variety of information, it is expected that it will be directly proportional to the disclosure of information in company reporting. And if we look at empirical evidence based on the research results of Vitolla et al. (2020) shows that the presence of women has a positive influence on the quality of integrated reporting.

From this explanation, we make an assumption for the initial hypothesis that the higher the presence of women in the position of board directors will have a positive effect on the quality of integrated reporting, and with an increase in the quality of integrated reporting can provide transparency and accountability to the company so that the impact of tax avoidance activities can be minimized.

In a corporate organization, the board of commissioners plays a role in ensuring that the policies made by directors are implemented properly (Kalbuana et al., 2022). The larger the size of the board of commissioners, the more natural and effective supervision it will provide (Zulfikar et al., 2020). Kalbuana et al. (2023) added that the large size of the board of commissioners will provide more diverse insights and information. On the other hand, so that these views and information are neutral, an independent party is needed, in this case an independent commissioner. Zulfikar et al. (2020) explains that the supervision provided by independent commissioners is better and more efficient due to the relationship that is not tied to any parties.

Research by Zulfikar et al. (2020) showed a positive relationship between the size of the board of commissioners and the proportion of independent commissioners on compliance with good governance practices, while in research by Oats & Tuck (2019) stated that governance practices themselves are often associated with increased corporate transparency. Therefore, in this study we provide assumptions for the initial hypothesis with an increase in board members and independent commissioners, associated with an increase in compliance with good governance so that it will help improve the quality of integrated reporting, and from improving the quality of integrated reporting this will create transparency and the impact will affect reduced tav avoidance activities.

Political connections that exist in the company can lead to preferential treatment for the company, especially regarding the implementation of the prevailing regulations (Muttakin et al., 2018). This is in accordance with the grabbing hand theory described by Iswari et al. (2019) where bureaucrats or people who have authority (power) in government can use their

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

power for personal gain. By looking at the condition of the Indonesian state itself, which does not yet have special regulations regarding political connections in companies, it allows the abuse of power to be even higher. If you look at the results of previous research related to political connections to corporate disclosure, in this case CSR disclosure by Muttakin et al. (2018) show that there is a negative relationship between political connection and corporate CSR disclosure. From the explanation that has been given, we formulate the following hypothesis:

H_5 : Integrated reporting can mediate the effect of female directors on tax avoidance

H_6 : Integrated reporting can mediate the effect of Board size of commissioners on tax avoidance

H_7 : Integrated reporting can mediate the influence of Independent commissioners on tax avoidance

H_8 : Integrated reporting can mediate the influence of Political connection on tax avoidance

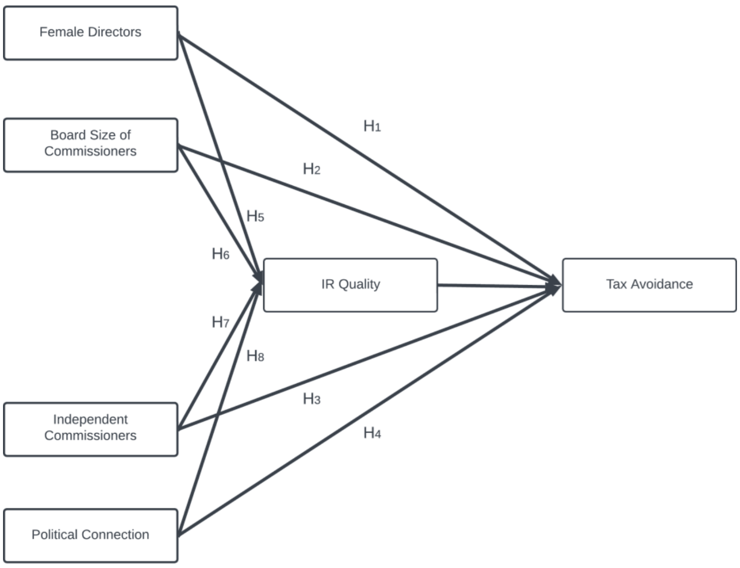

Figure 1. Conceptual Framework of Research

METHOD

This research adopts a quantitative approach. The study population comprises corporate in the non-cyclical consumer goods sector that are listed on the IDX. Information (business annual reports) obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id), and some reports obtained from the company's official website.

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

To identify the sample for this study, As indicated by Table 1, we employed the purposive sampling strategy using several criteria. Companies with minus pre-tax profit values not selected for the study because they may lead to measurement bias (Hanlon & Heitzman, 2010).

Table 1 Research Sample

Information	Total
Population	118
Criteria :	
a. Newly listed after January 2019 on the stock exchange	(52)
b. Incomplete data for the period 2019-2022	(4)
c. A company with negative earning 2019-2022	(30)
d. Currency other than Rupiah	(1)
Research Sample	31
Year Observation	4
Total Observation	124

Source: Processed by researchers, 2023

In this research, the dependent variable is tax avoidance, and the independent variables consist of female directors, board size, and political connections, while the quality of integrated reporting is the mediating variable. We include control variables such as capital intensity, firm size, operating cash flow to revenue (CFR).

Table 2. Variables, notation, and measurement

Variable	Notation	Proxy and Measurement	Source :
Dependent			
Corporate Tax Avoidance	CTA	C ETR = (tax cash payments from the company divided by Income before tax) CTA = Statutory Tax Rate – Cash ETR *Based on previous research stating that low Cash ETR is correlated with a high CTA, in order to aid in interpreting Cash ETR results as a proxy for CTA, the CTA results will be multiplied by (-1).	(Oats & Tuck, 2019), (Donkor et al., 2022), *(Astuti & Aryani, 2016).
Independent			
Female Directors	FMD	The percentage of female member in the board of director	(Kalbuana et al., 2022),
Board Size of Commissioners	BSC	Total member of Board of Commissioners	(Kalbuana et al., 2023)
Independent Commissioners	IC	The proportion of Independent Commissioners on the Commissioner Board	(Achmad et al., 2023)
Political Connection	PCON	Dummy variable, valued at 1 if the board of directors or commissioners, or at least one significant stakeholder with at least 10% of the total shares is: a) A current or past parliamentarian. b) A current or past member of the cabinet or	(Kurniasih et al., 2022), (Kalbuana et al., 2022), (Firmansyah et al., 2022).

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

		ministry. c) Is closely related to a person or political party. d) A current or former member of the military or central/regional administration. Other than that, the value is 0.	(Iswari et al., 2019)
Mediating			
Integrated Reporting Quality	IR	The disclosure score for elements of the integrated reporting index is determined by 15 indicators covering 8 areas of content elements, each item has a maximum score of 2. except the first item with a maximum score of 1, so the total maximum score is 29. score 0 if there is no disclosure, 1 if the data exists but cannot provide a thorough explanation of the item or is incomplete, and 2 if the data provided is complete and readable.	(Adegboyegun et al., 2020)
Control			
Firm Size	FS	Ln total asset	(Nurbaiti & Elisabet, 2023)
Profitability ratio	CFR	Operating cash flow divided by total revenue	(Das, 2019)
Capital Intencity	CI	Fixed asset divided by total asset	(Muhmad et al., 2020)

Source : Data Processed, 2023

After the data has been collected, the next process is to examine the data and analyze it. Data analysis involves both evaluating the impact of changes in one event on another and forecasting or predicting future events. In this study, we conducted a PLS-SEM analysis, using the SmartPLS 3.0 program to test the hypotheses.

A data analysis method called descriptive analytics is used to characterize data that has previously been gathered. The goal is to identify patterns or trends in the data. Descriptive analytics uses a variety of statistical measures, such as mean, median, min, max, and standard deviation, to describe the features of the data.

Following Hair et al. (2021), PLS path model consisting of two parts, the structural model (inner model) which shows the relationship between latent constructs and the measurement model (outer model) which showed the connection between latent constructs and their indicator variables. Meanwhile, the fit model is used to measure how well the model fits the existing data.

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

RESULTS

In the measurement model (Outer model) test series, there are several stages that will be carried out, such as Indicator Reliability (items), reliability of the construct, convergence validity, Discriminant validity (Hair et al., 2020).

First, testing the reliability of indicators, based on the results of loading factors for each indicator in table 4, We concluded that all indicators are able to measure their constructs reliably. This is indicated by the loading factors values which are all above 0.708 (Hair et al., 2020). Furthermore, while assessing the construct's reliability, there are two methods to measure it: Cronbach's alpha and composite reliability. All structures can be measured with reliability, according to the reliability test results. Cronbach's alpha values and the composite reliability, which are all over 0.70, support this (Hair et al., 2020).

Furthermore, checking convergence validity, referring to Hair et al. (2019), nilai indikator untuk convergence validity adalah AVE > 0.50, the indicator value for convergence validity is AVE> 0.50, Based on the information presented in Table 8, it can be concluded that the indicators employed possess the ability to accurately evaluate their respective constructs. Discriminant validity is checked next using HTMT and the Fornell-Lacker Criterion. Based on the results in tables 5, 6 and 7, it can be inferred that all constructs are capable of being significantly differentiated. This is indicated by the Fornell-Lacker Criterion, and HTMT values which are all below 0.95, and above 0.90 (Hair et al., 2020).

Table 3. Outer Loadings

	BS	CFR	CI	CTA	FMD	IC	IR	PCON	fs
BS	1								
CASH ETR				1					
CFR		1							
CI			1						
FMD					1				
FS									1
IC						1			
IR							1		
PCON								1	

Source: Processed by researchers, 2023

Table 4. Discriminant validity-Fornell-Lacker Criterion

	BS	CFR	CI	CTA	FMD	IC	IR	PCON	fs
BS	1								
CFR	0.168	1							
CI	0.032	0.297	1						
CTA	-0.054	-0.579	-0.315	1					
FMD	0.138	0.034	-0.295	-0.189	1				

IC	0.219	0.081	0.072	-0.087	0.253	1			
IR	0.496	-0.064	-0.116	-0.077	0.095	0.369	1		
PCON	0.309	0.182	0.06	-0.076	0.215	0.157	-0.043	1	
fs	0.327	0.199	0.328	-0.272	0.005	0.083	0.162	-0.044	1

Source: Processed by researchers, 2023

Table 5. Discriminant validity - HTMT

	BS	CFR	CI	CTA	FMD	IC	IR	PCON	fs
BS									
CFR	0.168								
CI	0.032	0.297							
CTA	0.054	0.579	0.315						
FMD	0.138	0.034	0.295	0.189					
IC	0.219	0.081	0.072	0.087	0.253				
IR	0.496	0.064	0.116	0.077	0.095	0.369			
PCON	0.309	0.182	0.06	0.076	0.215	0.157	0.043		
fs	0.327	0.199	0.328	0.272	0.005	0.083	0.162	0.044	

Source: Processed by researchers, 2023

Table 6. Construct Reliability and Validity

	Cronbach's Alpha	Rho_A	Composite Reliability	AVE
BS	1	1	1	1
CFR	1	1	1	1
CI	1	1	1	1
CTA	1	1	1	1
FMD	1	1	1	1
IC	1	1	1	1
IR	1	1	1	1
PCON	1	1	1	1
fs	1	1	1	1

Source: Processed by researchers, 2023

The structural analysis of this model will involve a number of steps, including evaluating the collinearity of the structural model, assessing the size and significance of the path coefficients, forecasting R2 endogenous variables, f2 effect size, and calculating Q2 (especially in-sample prediction) (Hair et al., 2020).

The results of the collinearity test show that there is no prominent multicollinearity in the model. The VIF values of all variables are below 3.0 and the bivariate correlation between construct scores is less than 0.50. In accordance with the explanation of Hair et al. (2020) which explains the VIF value below 3, then there is no collinearity problem. And for Outer VIF, the bivariate correlation value must be less than 0.50. so that there is no multicollinearity problem.

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

Table 7. Collinearity statistic (VIF), Outer VIF and Inner VIF value

Outer VIF		Inner VIF									
	VIF		**BS**	**CFR**	**CI**	**CTA**	**FMD**	**IC**	**IR**	**PCON**	**fs**
BS	1	**BS**				1.77			1.145		
CASH ETR	1	**CFR**				1.179					
CFR	1	**CI**				1.436					
CI	1	**CTA**									
FMD	1	**FMD**				1.279			1.107		
FS	1	**IC**				1.306			1.113		
IC	1	**IR**				1.673					
IR	1	**PCON**				1.31			1.148		
PCON	1	**fs**				1.336					

Source: Processed by researchers, 2023

Based on the path analysis results in Table 9, bootstrapping analysis with 5% alpha significance reveals that the number of female directors and the size of the board have a significant impact on corporate avoidance, with p-values of (0.005) and (0.006) ≤ (0.05) (5%) respectively, this means that H_1 and H_2 are accepted. Meanwhile, independent commissioners and political connection (0.075) and (0.067) ≥ (0.05) (5%) which means that the effect of independent commissioners and political connections on corporate tax avoidance is not significant, so H_3 and H_4 are rejected.

In the indirect effect test, the p value results of board size, independent commissioners, and political connection show consecutive results of (0.004), (0.024) and (0.012), from these results it can be said that H_6, H_7, and H_8 are accepted, so it can be said that integrated reporting can mediate the impact of board size, independent commissioners, and political connections on corporate tax avoidance. Meanwhile, female directors with a p value of (0.966) ≥ (0.05) (5%) so that H_5 is rejected, it means that integrated reporting cannot mediate the influence of female directors on corporate tax avoidance.

The next stage analyzes R squared, R squared indicates the degree to which variable variance can be explained by the model's predictive variables. The subsequent stage assesses the R squared measurement to analyze the model's predictive capability. The model's predictive power increases as R squared increases. Based on the test results, it shows that R squared is worth 46%, with an adj R squared value of 43%. This implies that the independent variable accounts for 46% of the variation observed in the dependent variable.

To test the effect size of existing mediation we refer to Hair et al. (2020) where the f2 value is assessed with above 0.02 low, above 0.15 is considered medium, and above 0.35 is considered large. From table 9, it can be seen that the VAF value of board size has a medium effect, independent commissioners and political connections have a large effect.

Using the blindfolding test on SmartPLS, the Q2 value is finally tested at this step. According to Hair et al. (2020), this metric has been employed by certain researchers to evaluate the predictive potential of their findings outside of the sample. Table 10 demonstrates that the Q2 score is 0.40, corresponding to a medium prediction assessment. As per Hair et al. (2020), Q2 values over 0.50 and 0.25 are indicative of large and medium predictive accuracy, respectively.

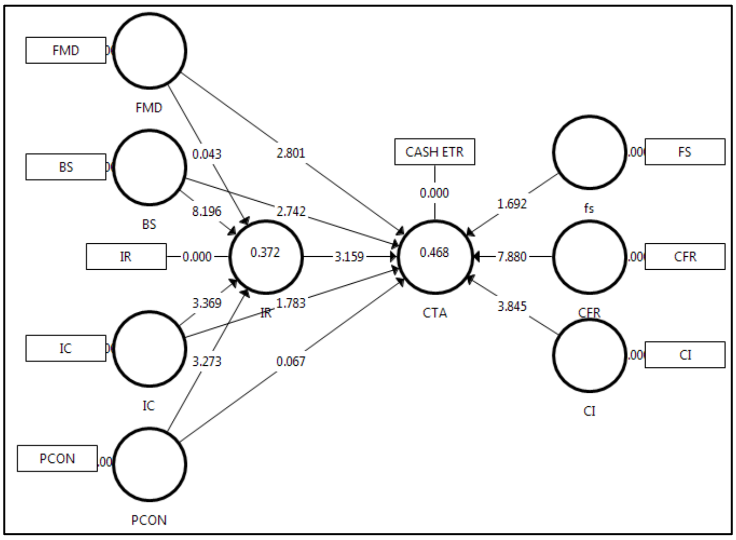

Figure 2 : Path Coeficient

Source: Processed by researchers, 2023

Table 8. Hypotheses testing and Structural model

	(O)	(MED)	(ST. DEV)	T Stat	P Values	CI [2,5%;97,5%]	f2
Direct Effect							
BS -> CTA	0.222	0.208	0.081	2.742	0.006	0.004; 0.337	0.052
BS -> IR	0.507	0.507	0.062	8.196	0.000	0.383; 0.626	0.357
CFR -> CTA	-0.533	-0.544	0.068	7.880	0.000	-0.683;-0.424	0.453
CI -> CTA	-0.234	-0.233	0.061	3.845	0.000	-0.354; -0.109	0.072
FMD -> CTA	-0.270	-0.250	0.096	2.801	0.005	-0.397; 0.019	0.107
FMD -> IR	0.003	0.003	0.076	0.043	0.966	-0.145; 0.154	0.000
IC -> CTA	0.092	0.097	0.051	1.783	0.075	0.002; 0.204	0.012
IC -> IR	0.296	0.289	0.088	3.369	0.001	0.112; 0.458	0.126
IR -> CTA	-0.236	-0.228	0.075	3.159	0.002	-0.364; -0.061	0.062
PCON -> CTA	-0.006	-0.029	0.088	0.067	0.946	-0.234; 0.125	0.000
PCON -> IR	-0.247	-0.252	0.076	3.273	0.001	-0.393; -0.096	0.085
FS -> CTA	-0.130	-0.115	0.077	1.692	0.091	-0.244; 0.069	0.024
BS -> CTA	0.222	0.208	0.081	2.742	0.006	0.004;0.337	0.052

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

Indirect Effect							**VAF**
FMD > IR > CTA	-0.001	0.000	0.018	0.042	0.966	-0.033; 0.034	0.00
BS > IR > CTA	-0.119	-0.116	0.042	2.846	0.004	-0.173; -0.032	0.30
IC > IR > CTA	-0.07	-0.066	0.031	2.259	0.024	-0.12;-0.012	0.39
PCON > IR > CTA	0.058	0.056	0.023	2.513	0.012	0.011; 0.095	1.00

Source: Processed by researchers, 2023

Table 9. Blindfolding Test

	SSO	SSE	Q^2 (=1-SSE/SSO)
BS	124	124	
CFR	124	124	
CI	124	124	
CTA	124	73.809	0.405
FMD	124	124	
IC	124	124	
IR	124	79.836	0.356
PCON	124	124	
fs	124	124	

Source: Processed by researchers, 2023

DISCUSSION

From our test results, we discovered that having female directors has a significant impact on tax avoidance activities within corporations, with a p-value (0.005) ≤ (0.05) (5%), so H_1 is accepted. This finding is consistent with prior studies by Hoseini et al. (2019) dan Salhi et al. (2020) found that female directors had a significant effect on corporate tax avoidance activities. When looking at the direction of the effect, there is a negative correlation between business tax avoidance and the number of female directors. This implies that business tax dodging actions can be decreased the more women there are on the board of directors.

The inclusion of female directors makes better supervision of fraudulent acts or things that lead to a decrease in reputation, this is in accordance with the explanation from Kim (2016) which provides an explanation that women tend to exhibit greater caution in decision making processes, and with higher ethical standards encouraging the formation of better supervision. From the explanation of Gull et al. (2018), we can also conclude that women are more likely to avoid doing something that can damage their reputation, This is consistent with research on how the percentage of female directors affects tax avoidance activities, which can harm a company's reputation.

From the perspective of agency theory Jensen & Meckling (1976), the presence of female directors can be seen as a mechanism to mitigate agency conflicts between principals (owners) and agents (managers). Female directors, who often bring different perspectives and ethical standards to the board, may be more vigilant in monitoring managerial actions, thereby reducing the likelihood of tax avoidance activities that could harm the company's long-term interests. This improved oversight can align the interests of managers with those of the shareholders, ensuring that managerial decisions are more transparent and ethically sound, ultimately leading to reduced tax avoidance.

Based on the test results show that the board size of commissioners affects the tax avoidance activities of the company (0.006) ≤ (0.05) (5%), so the effect is significant and the H_2 is accepted. These results are consistent with the results by Kalbuana et al. (2023) where the effect of the board size of commissioners is significant on tax avoidance, and with a positive direction of influence, meaning that when the number of board commissioners is greater, corporate tax avoidance activities will also be greater.

If we correlate this with the agency theory of Jensen & Meckling (1976), where there is an agency conflict from the principal who wants company profits and agents who may not be in alignment with the principal's interests and have their own interests. In this case the commissioner acts as an arbiter of the conflict. In line with the explanation of Kalbuana et al. (2023) regarding agency theory, there are three agency costs that arise to reduce this agency conflict, one of which is monitoring costs. And it is the board of commissioners who have the task of supervising and assessing top management (Nuswantara et al., 2023). The goal is that the agent still has the same goals and interests as the principal, namely maximizing profits. And in the case of this discussion, the tax burden as explained by Landry et al. (2013) is one of the burdens that reduce these profits.

Independent commissioners in the test results show an insignificant effect on tax avoidance activities with a p-value (0.075) ≥ (0.05) (5%). These findings align with prior research such as (Yuniarwati et al., 2017) that found that independent commissioners do not significantly affect tax avoidance. Yuniarwati et al. (2017) state that while augmenting the count of independent commissioners can enhance the supervision of the directors' decisions and policies, the impact of independent commissioners on tax planning decisions is not substantial.

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

Independent commissioners in the test results show an insignificant effect on tax avoidance activities with a p-value (0.075) ≥ (0.05) (5%). These findings align with prior research such as Yuniarwati et al. (Yuniarwati et al., 2017), which found that independent commissioners do not significantly affect tax avoidance. While increasing the number of independent commissioners can enhance the supervision of directors' decisions and policies, their impact on tax planning decisions appears to be minimal. One possible explanation for this is that independent commissioners, despite their role in enhancing governance, may lack the detailed operational knowledge necessary to influence complex tax strategies effectively. Furthermore, their oversight role might be more focused on broader governance issues rather than specific financial strategies like tax planning. Additionally, independent commissioners often face constraints in terms of time and access to information, which can limit their ability to oversee and influence detailed managerial decisions effectively. This limitation is further compounded by the potential for information asymmetry, a key concept in agency theory Jensen & Meckling (1976), where managers possess more detailed knowledge about the company's operations and financial strategies than the independent commissioners. This information asymmetry can dilute the effectiveness of independent commissioners in curbing tax avoidance, as they may not have sufficient insight into the intricacies of the company's tax strategies to provide effective oversight.

From the test results, political connections owned by companies do not significantly affect tax avoidance activities, with a p-value of 0.946 (≥ 0.05), leading to the rejection of H_4. Several assumptions could explain this result. One consideration is the relatively small proportion of companies with political connections within our sample, which may limit the variability needed to detect significant effects. This observation aligns with the limitations noted by Amara & Khlif (2020). Additionally, reviewing the grabbing hand theory by Shleifer, A., & Vishny (2002), which posits that politically connected firms might engage in more tax avoidance due to the protection and advantages provided by their connections, this study still cannot substantiate the theory.

There are several possible reasons for this discrepancy. First, the specific context and regulatory environment in Indonesia might mitigate the expected benefits of political connections. Effective tax enforcement and anti-corruption measures could neutralize the advantages that political connections typically provide, resulting in no significant impact on

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

tax avoidance. Second, the heterogeneous nature of political connections, where the extent and influence of these connections can vary widely, may lead to mixed outcomes that our study cannot capture comprehensively. Third, politically connected companies might leverage their influence for other strategic benefits, such as securing government contracts or favorable regulations, rather than focusing on tax avoidance. Lastly, the public scrutiny and potential reputational risks associated with political connections may discourage these firms from engaging in aggressive tax avoidance practices.

From test results, the integrated reporting does not significantly mediate the relationship between tax avoidance and female directors, meaning that integrated reporting cannot mediate the effect of female directors on tax avoidance, so H_5 is rejected. These findings indicated that the percentage of female directors has no discernible impact on the caliber of integrated reporting. These findings contradict the research of Vitolla et al. (2020), whose research results show a significant effect of gender diversity.

Several factors may explain the lack of a significant mediating effect. First, the influence of female directors on integrated reporting quality may be more nuanced and context-dependent than previously understood. Integrated reporting practices may not yet be fully mature or standardized in the companies observed, leading to variability in how gender diversity impacts reporting quality. Second, our sample included several companies with an insufficient proportion of women on their boards, potentially limiting the observable influence of female directors on integrated reporting.

Additionally, the specific corporate culture and governance practices in Indonesian consumer goods companies might affect how gender diversity translates into reporting practices. In some cases, female directors may not have sufficient influence over the integrated reporting process due to entrenched organizational norms and decision-making structures. Integrated reporting involves multiple dimensions of disclosure and transparency that may not be directly influenced by board composition alone. Factors such as the overall commitment to transparency, existing reporting frameworks, and stakeholder pressures might play more significant roles in determining the quality of integrated reporting.

From the mediating effect of integrated reporting on the relationship between board size and tax avoidance, it can be seen in table 9, with a p-value (0.004) ≤ (0.05) (5%). H_6 accepted, but with a negative direction. This is interesting because the existence of integrated

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

reporting can reduce the influence of board commissioners on tax avoidance. The existence of integrated reporting can be a reflection of the transparency of the company with the adoption of an integrated reporting framework can improve the quality of data from company reports so as to increase the value of transparency. With transparency, it can avoid tax avoidance activities (Boubaker et al., 2022). The outcome of this study is also consistent with Vitolla et al. (2020) who show that board size matters in improving the quality of integrated reporting, with the increasing size of the board, it will make monitoring more effective so that it affects the disclosure of the integrated reporting quality.

From the aspect of Jensen & Meckling (1976), the principal as a side that is not directly related to the company's activities certainly has less information than the agent. This creates a monitoring cost, to monitor and provide supervision to the agent. The agent is required to provide good and transparent information to the principal. The presence of the board of commissioners can provide oversight to the managerial party to be able to provide good and transparent information.

From the results of the mediating effect of integrated reporting, the findings suggest a substantial impact on the association between independent commissioners and tax avoidance. With a p-value of (0.024) ≤ (0.05) (5%), H_7 accepted and there is evidence of a mediating effect resulting from the quality of integrated reporting. Additionally, the direction of the influence is negative, indicating that as the quality of integrated reporting increases, the rate of tax avoidance decreases.

In accordance with the explanation of Achmad et al. (2023), the role of independent commissioners in the corporate setting can help the principal get more accurate information about the company's management operations by improving a better supervisory mechanism. The presence of independent commissioners can indirectly alleviate agency conflicts between the principal and agent. The presence of independent commissioners can enhance the IR quality and raise the standard of information disclosure, consequently leading to a decline in tax avoidance activities. Prior research has illustrated that transparency is inversely associated with tax avoidance (Boubaker et al., 2022).

The mediating effect of IR quality shows that the p-value of the indirect effect is (0.012) ≤ (0.05) (5%), so H_8 is accepted, indicating that the quality of integrated reporting positively mediates the effect of politically connected firms on corporate tax avoidance. This

AGREGAT:Jurnal Ekonomi dan Bisnis
Volume.7 (No.2), 2023
http://journal.uhamka.ac.id/indexphp /agregat/
p-1SSN:2549-5658e-ISSN:2549-7243
DOI: 10.22236/agregat_vol7.i2/16394
Pp 174-197

implies that the quality of integrated reporting can mediate the relationship between political connections and tax avoidance, with a positive direction of influence.

According to legitimacy theory (Ashforth & Gibbs, 1990; Sethi, 1975), companies strive to maintain legitimacy in the eyes of the public, especially when involved in practices such as tax avoidance and political connections that are often viewed negatively. However, the findings of this study suggest a different scenario. Instead of using high-quality integrated reporting to improve transparency and maintain a positive public image, politically connected firms may use it to mask their aggressive tax avoidance activities.

This result indicates that the negative perception associated with political connections does not drive these companies to enhance transparency or accountability in their reporting. On the contrary, political connections may actually diminish the transparency of corporate reporting, as evidenced by the quality of their integrated reports. Reduced transparency can create opportunities for these companies to engage in more aggressive tax avoidance activities. Thus, while political connections may provide certain advantages, they appear to undermine the ethical use of integrated reporting to improve corporate transparency and accountability

CONCLUSION

The study's results reveal several key findings regarding corporate tax avoidance. Firstly, it is significantly affected by the presence of female directors, with a negative impact on tax avoidance activities. This means that an increase in the number of female directors leads to a reduction in tax avoidance. Secondly, the size of the board of commissioners has a positive effect on tax avoidance, indicating that larger boards are associated with higher levels of tax avoidance.

On the other hand, political connections and the presence of independent commissioners were not found to have a direct significant effect on tax avoidance. However, the study highlights the mediating role of integrated reporting quality in these relationships. The quality of integrated reporting mediates the relationship between board size and tax avoidance with a negative direction, suggesting that better integrated reporting can mitigate the positive impact of board size on tax avoidance. Similarly, integrated reporting quality negatively mediates the relationship between independent commissioners and tax avoidance, indicating that improved reporting quality can reduce tax avoidance activities.

Furthermore, the study finds that the quality of integrated reporting positively mediates the relationship between political connections and tax avoidance. This implies that political connections, when mediated by high-quality integrated reporting, are associated with increased tax avoidance activities. This finding challenges the legitimacy theory, which posits that companies strive to maintain a positive public image through transparency. Instead, the results suggest that political connections might actually reduce transparency and increase tax avoidance, contrary to the expectations of legitimacy theory.

Based on the study's findings, it is recommended that corporations focus on enhancing the quality of their integrated reporting to mitigate tax avoidance, particularly in the context of board size and the presence of independent commissioners. Improved transparency through integrated reporting can reduce tax avoidance activities. Governments should consider implementing stricter regulations and oversight to address the influence of political connections on tax avoidance, as high-quality reporting alone may not fully counteract this effect. Future researchers should explore additional mechanisms and contextual factors influencing the interplay between corporate governance, reporting quality, and tax avoidance to build on these insights. This research is not without its limitations, such as the use of data samples that are still relatively small. So it is hoped that further research can consider a wider research object in order to provide a better and clearer picture. In addition, for suggestions for future research, can use more indicators related to the quality of integrated reporting, such as provided by IIRC (2021).

REFERENCES

Achmad, T., Helmina, M. R. A., Hapsari, D. I., & Pamungkas, I. D. (2023). Does Independent Commissioner Affect Tax Avoidance? Evidence from Mining Companies in Indonesia. *WSEAS TRANSACTIONS ON BUSINESS AND ECONOMICS*, *20*, 1908–1915. https://doi.org/10.37394/23207.2023.20.166

Adegboyegun, A. E., Alade, M. E., Ben-Caleb, E., Ademola, A. O., Eluyela, D. F., & Oladipo, O. A. (2020). Integrated reporting and corporate performance in Nigeria: Evidence from the banking industry. *Cogent Business and Management*, *7*(1). https://doi.org/10.1080/23311975.2020.1736866

Ajili, H., & Khlif, H. (2020). Political connections, joint audit and tax avoidance: evidence from Islamic banking industry. *Journal of Financial Crime*, *27*(1), 155–171. https://doi.org/10.1108/JFC-01-2019-0015

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

Amara, I., & Khlif, H. (2020). A review of the influence of political connections on management's decision in non-US settings. *Journal of Financial Reporting and Accounting*, *18*(4), 687–705. https://doi.org/10.1108/JFRA-03-2020-0075

Ashforth, B. E., & Gibbs, B. W. (1990). The Double-Edge of Organizational Legitimation. *Organization Science*, *1*(2), 177–194. https://doi.org/10.1287/orsc.1.2.177

Astuti, T. P., & Aryani, Y. A. (2016). Astuti dan Aryani: Tren Pengindaran Pajak Perusahaan Manufaktur di Indonesia…. *Jurnal Akuntansi*, *XX No. 03*(03), 375–388. www.pajak.go.id

Boubaker, S., Derouiche, I., & Nguyen, H. (2022). Voluntary disclosure, tax avoidance and family firms. *Journal of Management and Governance*, *26*(1), 129–158. https://doi.org/10.1007/s10997-021-09601-w

Das, S. (2019). Cash flow ratios and financial performance: A comparative study. *Accounting*, *5*(1), 1–20. https://doi.org/10.5267/j.ac.2018.6.004

Donkor, A., Djajadikerta, H. G., Mat Roni, S., & Trireksani, T. (2022). Integrated reporting quality and corporate tax avoidance practices in South Africa's listed companies. *Sustainability Accounting, Management and Policy Journal*, *13*(4), 899–928. https://doi.org/10.1108/SAMPJ-03-2021-0116

Firmansyah, A., Arham, A., Qadri, R. A., Wibowo, P., Irawan, F., Kustiani, N. A., Wijaya, S., Andriani, A. F., Arfiansyah, Z., Kurniawati, L., Mabrur, A., Dinarjito, A., Kusumawati, R., & Mahrus, M. L. (2022). Political connections, investment opportunity sets, tax avoidance: does corporate social responsibility disclosure in Indonesia have a role? *Heliyon*, *8*(8). https://doi.org/10.1016/j.heliyon.2022.e10155

García-Sánchez, I. M., & Noguera-Gámez, L. (2017). Integrated information and the cost of capital. *International Business Review*, *26*(5), 959–975. https://doi.org/10.1016/j.ibusrev.2017.03.004

Githaiga, P. N., Muturi Kabete, P., & Caroline Bonareri, T. (2022). Board characteristics and earnings management. Does firm size matter? *Cogent Business and Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2088573

Gull, A. A., Nekhili, M., Nagati, H., & Chtioui, T. (2018). Beyond gender diversity: How specific attributes of female directors affect earnings management. *British Accounting*

Review, *50*(3), 255–274. https://doi.org/10.1016/j.bar.2017.09.001

Hair, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, *109*(August 2019), 101–110. https://doi.org/10.1016/j.jbusres.2019.11.069

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R. In *Long Range Planning* (Vol. 46, Issues 1–2). Springer International Publishing. https://doi.org/10.1007/978-3-030-80519-7

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hanlon, M., & Heitzman, S. (2010). A review of tax research. *Journal of Accounting and Economics*, *50*(2–3), 127–178. https://doi.org/10.1016/j.jacceco.2010.09.002

Hoseini, M., Safari Gerayli, M., & Valiyan, H. (2019). Demographic characteristics of the board of directors' structure and tax avoidance: Evidence from Tehran Stock Exchange. *International Journal of Social Economics*, *46*(2), 199–212. https://doi.org/10.1108/IJSE-11-2017-0507

IIRC. (2021). *International < Ir > Framework* (Issue Januari). http://www.integratedreporting.org/wp-content/uploads/2022/08/IntegratedReportingFramework_081922.pdf

Iswari, P., Sudaryono, E. A., & Widarjo, W. (2019). Political connection and tax aggressiveness: A study on the state-owned enterprises registered in Indonesia stock exchange. *Journal of International Studies*, *12*(1), 79–92. https://doi.org/10.14254/2071-8330.2019/12-1/5

Jarboui, A., Kachouri Ben Saad, M., & 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

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kalbuana, N., Taqi, M., Uzliawati, L., & Ramdhani, D. (2022). The Effect of Profitability, Board Size, Woman on Boards, and Political Connection on Financial Distress Conditions. *Cogent Business and Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2142997

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

Kim, C., & Zhang, L. (2016). Corporate Political Connections and Tax Aggressiveness. *Contemporary Accounting Research*, *33*(1), 78–114. https://doi.org/10.1111/1911-3846.12150

Kim, D., & Starks, L. T. (2016). Gender diversity on corporate boards: Do women contribute unique skills? *American Economic Review*, *106*(5), 267–271. https://doi.org/10.1257/aer.p20161032

Kurniasih, L., Yusri, Y., & Hassan, A. F. S. (2022). Association of Tax Haven and Corporate Tax Avoidance: Does Political Connection Matter? *International Journal of Economics and Management*, *16*(SpecialIssue1), 1–13. https://doi.org/10.47836/IJEAMSI.16.1.001

Landry, S., Deslandes, M., & Fortin, A. (2013). Tax aggressiveness, corporate social responsibility, and ownership structure. *Journal of Accounting, Ethics and Public Policy*, *14*(3), 611–645. https://doi.org/10.2139/ssrn.2304653

Muhmad, S. N., Haat, M. H. C., Taha, R., Rashid, N., & Muhmad, S. N. (2020). The influence of the financial indicators towards the changes of the corporate tax avoidance. *Journal of Advanced Research in Dynamical and Control Systems*, *12*(1), 167–171. https://doi.org/10.5373/JARDCS/V12I1/20201026

Muttakin, M. B., Mihret, D. G., & Khan, A. (2018). Corporate political connection and corporate social responsibility disclosures. *Accounting, Auditing & Accountability Journal*, *31*(2), 725–744. https://doi.org/10.1108/AAAJ-06-2015-2078

Nurbaiti, A., & Elisabet, C. (2023). The Integrity Of Financial Statements: Firm Size, Independent Commissioners, And Auditor Industry Specializations. *Jurnal Akuntansi*, *27*(1), 1–18. https://doi.org/10.24912/ja.v27i1.1086

Nuswantara, D. A., Fachruzzaman, D. A., Prameswari, R. D., Suyanto, R. D., Rusdiyanto, R., & Hendrati, I. M. (2023). The role of political connection to moderate board size, woman on boards on financial distress. *Cogent Business and Management*, *10*(1). https://doi.org/10.1080/23311975.2022.2156704

Oats, L., & Tuck, P. (2019). Corporate tax avoidance: is tax transparency the solution? *Accounting and Business Research*, *49*(5), 565–583. https://doi.org/10.1080/00014788.2019.1611726

Payne, D. M., & Raiborn, C. A. (2018). Aggressive Tax Avoidance: A Conundrum for Stakeholders, Governments, and Morality. *Journal of Business Ethics*, *147*(3), 469–487.

https://doi.org/10.1007/s10551-015-2978-5

Pratama, A. (2020). Corporate governance, foreign operations and transfer pricing practice: The case of Indonesian manufacturing companies. *International Journal of Business and Globalisation*, *24*(2), 185–200. https://doi.org/10.1504/IJBG.2020.105167

Qaderi, S. A., Ghaleb, B. A. A., Hashed, A. A., Chandren, S., & Abdullah, Z. (2022). Board Characteristics and Integrated Reporting Strategy: Does Sustainability Committee Matter? *Sustainability (Switzerland)*, *14*(10), 1–24. https://doi.org/10.3390/su14106092

Salhi, B., Al Jabr, J., & Jarboui, A. (2020). A comparison of corporate governance and tax avoidance of UK and Japanese firms. *Comparative Economic Research*, *23*(3), 111–132. https://doi.org/10.18778/1508-2008.23.23

Sethi, S. P. (1975). Dimensions of Corporate Social Performance: An Analytical Framework. *California Management Review*, *17*(3), 58–64. https://doi.org/10.2307/41162149

Shleifer, A., & Vishny, R. W. (2002). *The Grabbing Hand Government Pathologies and Their Cures*.

Utomo, M. N., Wahyudi, S., Muharam, H., & Sianturi, J. A. T. P. (2018). Commissioner board monitoring to create firm performance through environmentally friendly management. *Journal of Environmental Management and Tourism*, *9*(3), 659–676. https://doi.org/10.14505/jemt.9.3(27).26

Uzliawati, L., Kalbuana, N., Budyastuti, T., Budiharjo, R., Kusiyah, & Ahalik. (2023). The power of sustainability, corporate governance, and millennial leadership: Exploring the impact on company reputation. *Uncertain Supply Chain Management*, *11*(3), 1275–1288. https://doi.org/10.5267/j.uscm.2023.3.020

Vitolla, F., Raimo, N., & Rubino, M. (2020). Board characteristics and integrated reporting quality: an agency theory perspective. *Corporate Social Responsibility and Environmental Management*, *27*(2), 1152–1163. https://doi.org/10.1002/csr.1879

Yuniarwati, I Cenik Ardana, Sofia Prima Dewi, & Caroline Lin. (2017). Factors That Influence Tax Avoidance in Indonesia Stock Exchange. *Chinese Business Review*, *16*(10). https://doi.org/10.17265/1537-1506/2017.10.005

Zulfikar, R., Lukviarman, N., Suhardjanto, D., Ismail, T., Astuti, K. D., & Meutia, M. (2020). Corporate governance compliance in banking industry: The role of the board. *Journal of Open Innovation: Technology, Market, and Complexity*, *6*(4), 1–18. https://doi.org/10.3390/joitmc6040137