MORFAI JOURNAL Multidiciplinary Output Research For Actual and International Issue
Multidiciplinary Output Research For Actual and International Issue (MORFAI Journal) ISSN (e): 2808-6635
Volumes 5 No. 3 (2025)

THE EFFECT OF MANAGERIAL OWNERSHIP AND CORPORATE SOCIAL RESPONSIBILITY ON TAX AVOIDANCE

Antonia Pramudita[1*], Puji Rahayu[2], Rike Selviasari[3].
Universitas Islam Kadiri, Indonesia
E-mail: antoniapramudita15@gmail.com

Received	: 25 July 2025	Published	: 05 September 2025
Revised	: 10 August 2025	DOI	: https://doi.org/10.54443/morfai.v5i3.3994
Accepted	: 25 August 2025	Publish Link	: https://radjapublika.com/index.php/MORFAI/article/view/1794

Abstract

Main Purpose - This study aims to analyze the effect of managerial ownership and corporate social responsibility (CSR) on tax avoidance practices in food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2020 to 2023. Method - This research employs a quantitative approach using multiple linear regression analysis to examine the relationships between the variables. Secondary data were obtained from annual reports and sustainability reports published by the selected food and beverage companies during the observation period. Main Findings - The results of this research reveal a complex interaction between non-financial factors—such as sustainability and CSR reporting and financial components like firm performance, in the context of tax avoidance practices. Theory and Practical Implications - The results indicate a significant and complex relationship between managerial ownership, CSR, and tax avoidance. Managerial ownership may lead to either aggressive tax avoidance or prudent fiscal behavior, depending on managerial incentives and long-term orientation. Meanwhile, CSR serves a dual role as both a tool of legitimacy and a compliance signal, which can either reinforce or reduce a firm's tendency toward tax avoidance. Novelty - This study fills a gap in the literature by simultaneously examining the effect of managerial ownership and CSR on tax avoidance in the context of developing countries, particularly the food and beverage sector in Indonesia, which has not been widely explored previously.

Keywords: ***Managerial Ownership, Corporate Social Responsibility, Tax Avoidance, Corporate Governance, Agency Theory***

INTRODUCTION

Corporate tax strategy is a significant accounting, financing, and managerial behavior of a company that is influenced by various internal and external factors (Allen et al., 2016; Hanlon & Heitzman, 2010). Tax avoidance is a strategic issue that is influenced not only by fiscal policy but also by internal company characteristics, such as managerial ownership and corporate social responsibility (CSR) practices (Dissanaike et al., 2021; Sikka, 2010; Zeng et al., 2025). Agency theory explains that managers who are also shareholders have incentives to improve fiscal efficiency, including through tax avoidance strategies (Badertscher et al., 2013; Becker et al., 2016; Huseynov & Klamm, 2012). However, high managerial ownership is also associated with long-term orientation and reputational risk avoidance, which can reduce tax aggressiveness (Law & Mills, 2017; Mohd Radzi et al., 2025; Pan et al., 2024). Furthermore, CSR serves as a signal of corporate ethics that can strengthen legitimacy in the eyes of the public and regulators (Hoi et al., 2013; Xiao, 2024; Zeng et al., 2025). Several studies have shown that companies with high CSR scores tend to avoid aggressive tax strategies to maintain their image and accountability (Dissanaike et al., 2021; Sikka, 2010; Zeng et al., 2025). However, meta-analyses show that the relationship between CSR and tax avoidance is often insignificant, especially when CSR is only symbolic (Gulzar et al., 2018). Furthermore, ownership structure moderates this relationship with managerial ownership, strengthening the influence of CSR on fiscal compliance. While institutional ownership actually weakens it (Kovermann & Wendt, 2019; Lanis & Richardson, 2013; Sarhan, 2024). Therefore, the influence of CSR and managerial ownership on tax avoidance is complex, contextual, and influenced by governance and institutional dynamics in each country (Jiang & Luo, 2018; Landry et al., 2013; Velte, 2023). Tax avoidance is the result of various internal company factors, one of which is managerial ownership. From an agency theory perspective, managers, who are also shareholders, have an interest in maximizing net profits, including through legal strategies to minimize tax burdens (Hanlon & Heitzman, 2010; Landry et al., 2013; Sarhan, 2024). Increased revenue and profits will lead to increased tax liabilities, thus giving companies an

CC BY OPEN ACCESS

incentive to seek tax avoidance loopholes to maintain cash flow and net income (Hanlon & Heitzman, 2010; Pan et al., 2024). In this context, managerial ownership can strengthen the incentive to manage taxes aggressively, depending on existing incentives and governance structures (Badertscher et al., 2013; Lennox & Wu, 2022; Velte, 2023). On the other hand,CSR practices serve as a legitimizing mechanism that can moderate corporate fiscal behavior. Companies that actively implement CSR tend to be more compliant with tax obligations due to consideration of reputational pressures and stakeholder expectations (Jiang & Luo, 2018). However, some companies may also use CSR strategically to conceal tax avoidance practices, particularly when oversight structures are weak or CSR is symbolic (Lanis & Richardson, 2013). Therefore, the interaction between managerial ownership and CSR needs to be analyzed simultaneously because both influence the direction of a company's fiscal strategy in the context of complex governance and external pressures.

The debate on tax avoidance trends always begins from the perspective of agency theory, which serves as the primary lens for understanding managerial behavior in fiscal decision-making. Within this framework, the separation of ownership and control often creates potential conflicts of interest. Several studies have found that low managerial ownership encourages opportunistic behavior, including aggressive tax avoidance strategies, as managers focus more on short-term targets and personal compensation (Desai & Dharmapala, 2006; Pan et al., 2024). CSR programs have generated deep theoretical debate; on the one hand, legitimacy theory views CSR as a reflection of ethical commitment (Pan et al., 2024; Rego & Wilson, 2012; Xiao, 2024), but on the other hand, tax avoidance through CSR is viewed as a violation of the law (Huseynov & Klamm, 2012). Companies committed to CSR will avoid tax avoidance practices to maintain public and stakeholder trust (Choi et al., 2020; Hoi et al., 2013). However, critical literature warns that CSR is often strategically exploited as a pseudo-legitimizing tool to mask aggressive fiscal behavior; a phenomenon known as window dressing or even greenwashing (Dissanaike et al., 2021; Sarhan, 2024; Sikka, 2010).

These differences in results are not simply due to differences in data or methods, but rather reflect the complexity of human behavior: fiscal decisions are influenced not only by structural incentives but also by managers' time orientation, personal values, and risk perceptions (DeBacker et al., 2015; Law & Mills, 2017). Interestingly, the interaction between managerial ownership and CSR is often non-linear. Managerial ownership, as the first variable, refers to the proportion of shares held by company management. In agency theory, this ownership is expected to align managers' interests with shareholders, thus encouraging decision-making that benefits the company in the long run. However, empirical findings remain mixed; some studies find that managerial ownership can suppress tax avoidance practices, while others point to the potential for increased opportunistic behavior when external oversight is weak. CSR, as the second variable, is viewed as a company's commitment to the principles of sustainability, social responsibility, and business ethics. Theoretically, companies with good CSR performance tend to avoid aggressive tax avoidance strategies to maintain their reputation and legitimacy in the eyes of the public and stakeholders. In Indonesia, particularly in the food and beverage sector, tax avoidance can reduce potential tax revenue needed for infrastructure development and public services.

National statistical data shows that Indonesia still faces serious challenges in optimizing tax revenue, with an average tax gap of 6.4% of GDP, equivalent to a potential lost revenue of approximately IDR 944 trillion per year in the 2016–2021 period (Ignacio Geordi Oswaldo, 2025). This gap primarily stems from the compliance gap in VAT of approximately IDR 386 trillion/year and Corporate Income Tax of IDR 161 trillion/year; while the policy gap adds an additional loss of IDR 138 trillion and IDR 258 trillion/year, respectively (Ignacio Geordi Oswaldo, 2025; Isna Rifka Sri Rahayu, 2025). In the context of the food and beverage sector, one of the largest contributors to VAT and non-oil and gas GDP, the Cash Effective Tax Rate (CETR) trend decreased from approximately 25% to 22% throughout 2020–2023, indicating an increasing tendency for tax avoidance in this industry (Stefany Patricia Tamba, 2025). The decline in CETR, which coincided with a large national tax gap, strengthens the assumption that internal factors such as managerial ownership and symbolic CSR implementation can influence corporate fiscal behavior. Quantitatively, every 1% decrease in CETR in this sector has the potential to erode tax revenues by billions of rupiah, given the sector's significant contribution to the national economy (Ignacio Geordi Oswaldo, 2025). This situation emphasizes the relevance of examining the relationship between corporate structural variables and tax avoidance practices as an effort to understand the roots of fiscal problems from a micro perspective. This research addresses academic and practical concerns surrounding the theoretical and empirical debates surrounding the influence of managerial ownership and CSR on tax avoidance, particularly in the Indonesian food and beverage sector, which has unique regulatory characteristics, market pressures, and corporate culture. By combining agency theory, legitimacy, and signaling perspectives within a single analytical framework, this research not only examines the direct relationship between variables but also contextualizes the findings within Indonesia's institutional reality. This

OPEN ACCESS

approach allows for the unraveling of the ambiguities of the relationship. For example, high managerial ownership can be protective or opportunistic depending on the quality of governance and managers' time orientation, and how CSR can be an ethical instrument or simply a legitimizing tool. Furthermore, this research utilizes recent quantitative data with systematic measurement, while acknowledging the limitations of conventional indicators such as ETR and CSR scores, thus opening up space for the development of more reflective and contextual methods in the future. This study integrates various aspects of accounting and control and contributes to a more comprehensive understanding of the factors influencing corporate governance. This study will also help academics gain a deeper understanding of the dynamics of corporate ownership and tax policy, and how corporate social responsibility can be a significant factor in these decisions. The practical value of this study is that it helps companies understand the importance of managerial ownership from a tax perspective and how corporate social responsibility influences tax strategies. This report also provides insights to policymakers on developing better tax systems and corporate social responsibility regimes. This information allows investors to assess corporate reputational risks associated with tax avoidance activities and their impact on corporate objectives.

This study aims to determine the impact of corporate ownership on tax avoidance in the food and beverage industry and corporate social responsibility on tax avoidance in the food and beverage industry. Previous research has shown that tax avoidance can be influenced by several factors, including solvency (Wanda & Halimatusadiah, 2021), company size (Sawitri et al., 2022), (Muda et al., 2020), profitability (Sulaeman, 2021), and the impact of tax evasion on corporate objectives. (Khairunnisa et al., 2023), institutional ownership (Mita Dewi, 2019). These findings have important implications for regulators and policymakers, particularly in designing governance systems capable of mitigating increasingly complex tax avoidance practices. Managerial ownership and equity incentives often encourage tax-aggressive behavior.This is particularly true in environments with weak oversight. Therefore, it is crucial for fiscal and capital market authorities to integrate oversight of ownership structures and tax reporting, and to promote greater transparency. Companies that authentically implement CSR should also be incentivized, both through reputational and fiscal policy, to strengthen their social legitimacy and fiscal compliance. This regulatory strengthening not only improves compliance but also supports a fairer and more sustainable business climate. Furthermore, this research opens up room for further exploration of the leadership dimensions and individual characteristics of fiscal decision-makers.

Furthermore, personal experiences, leadership styles, and managerial expectations play a role in shaping tax avoidance behavior. This context suggests the importance of understanding tax avoidance as a result not solely of structural incentives, but also of psychological processes and organizational culture. Therefore, integrating CSR with environmental performance, innovation, and managerial risk-taking is a promising area for further research. Qualitative approaches such as case studies or in-depth interviews can enhance understanding of managerial motivations in a reflective and contextual way. In the Indonesian context, these findings call for a more adaptive policy response to the complexity of tax avoidance practices amidst diverse corporate governance dynamics. Theoretically, agency theory explains that managerial ownership should reduce conflicts between owners and managers by aligning interests. However, empirical studies show that the integration of owner and manager roles in practice can create new ethical dilemmas, where managers exploit asymmetric control and information to engage in tax avoidance for personal gain. In this regard, legitimacy theory and signaling theory are important complements to understanding managerial motivations behind fiscal decisions. Companies in Indonesia, facing reputational pressures from the public and regulators, tend to use CSR as a means of legitimacy, both substantial and symbolic, to maintain their image while pursuing tax avoidance strategies.Leadership style and managerial expectations play a role in shaping tax avoidance behavior.

This context suggests the importance of understanding tax avoidance as not solely a result of structural incentives, but also of psychological processes and organizational culture. Therefore, integrating CSR with environmental performance, innovation, and managerial risk-taking is a promising area for further research. Qualitative approaches such as case studies or in-depth interviews can enrich understanding of managerial motivations in a reflective and contextual way. In the Indonesian context, these findings call for a more adaptive policy response to the complexity of tax avoidance practices amidst diverse corporate governance dynamics. Theoretically, agency theory explains that managerial ownership should reduce conflict between owners and managers through interest alignment. However, empirical studies show that the integration of the roles of owners and managers in practice can create new ethical dilemmas, where managers exploit asymmetric control and information to engage in tax avoidance for personal gain. In this regard, legitimacy theory and signaling theory are important complements to understanding managerial motivations behind fiscal decisions. Companies in Indonesia facing reputational pressure from the public and regulators tend to use CSR as a legitimacy tool, both substantial and symbolic, to maintain their image while still pursuing tax avoidance strategies.Leadership style and managerial expectations play a role in shaping tax avoidance behavior. This context suggests the importance of understanding tax avoidance as not solely a result of structural incentives, but also of psychological processes and organizational culture. Therefore, integrating CSR with environmental performance, innovation, and managerial risk-taking is a promising area for further research. Qualitative approaches such as case studies or in-depth interviews can enrich understanding of managerial motivations in a reflective and contextual way. In the Indonesian context, these findings call for a more adaptive policy response to the complexity of tax avoidance practices amidst diverse corporate governance dynamics. Theoretically, agency theory explains that managerial ownership should reduce conflict between owners and managers through interest alignment. However, empirical studies show that the integration of the roles of owners and managers in practice can create new ethical dilemmas, where managers exploit asymmetric control and information to engage in tax avoidance for personal gain. In this regard, legitimacy theory and signaling theory are important complements to understanding managerial motivations behind fiscal decisions. Companies in Indonesia facing reputational pressure from the public and regulators tend to use CSR as a legitimacy tool, both substantial and symbolic, to maintain their image while still pursuing tax avoidance strategies.both substantially and symbolically, to maintain the image while continuing to implement tax avoidance strategies.both substantially and symbolically, to maintain the image while continuing to implement tax avoidance strategies.

LITERATURE REVIEW

A. Agency Theory

Agency theory explains the relationship between principals (owners) and agents (managers) who have different interests, thus giving rise to potential conflicts. Michael C. Jensen and William H. Meckling (1986) asserted that managerial ownership can reduce agency conflicts by aligning the interests of managers and owners. However, several studies have found that managerial ownership is not always effective in controlling opportunistic behavior, including tax avoidance strategies (Desai & Dharmapala, 2006; Friese et al., 2008; Law & Mills, 2017). High managerial incentives actually encourage tax avoidance to increase firm value (Badertscher et al., 2013; Becker et al., 2016; Berkman et al., 2018). In addition, external factors such as regulation and market pressure can also moderate the relationship between ownership and compliance (Berkman et al., 2018; Friese et al., 2008). Several studies, such as Duhoon & Singh (2023), emphasize the importance of strong corporate governance to offset the weaknesses of ownership structures. Research by Velte (2024) even links ownership structure and tax avoidance to social responsibility performance. Overall, agency theory remains relevant, but it needs to be contextualized with institutional variables, regulations, and organizational culture.

The paucity of studies that combine agency theory, legitimacy, and signaling within a single analytical framework creates a theoretical gap that needs to be filled, especially in the context of a developing country like Indonesia. Most previous studies tend to separate the influence of CSR and managerial ownership on tax avoidance, whereas in practice, the two interact in a complex manner (Anissa Dakhli, 2022). Bernile (2015), Xiao (2024), and Zeng (2025) show that leadership style, share ownership, and managers' control of the CSR narrative can shape tax policies that reflect both economic incentives and legitimacy pressures. Recent research emphasizes the importance of understanding the interactive effects between ownership structure and CSR as strategic determinants of fiscal decisions (Anissa Dakhli, 2022; Sarhan, 2024). In this context, this study seeks to fill this gap by simultaneously analyzing the role of CSR and managerial ownership on tax avoidance, while considering the domestic governance structure and dynamics of the food and beverage sector in Indonesia. This approach is expected to provide theoretical and practical contributions to support more accountable and value-based fiscal practices.

B. Managerial Ownership

Managerial ownership is considered an internal corporate governance mechanism that plays a crucial role in mitigating agency conflicts between owners and managers (Jensen & Meckling, 1976; Fama & Jensen, 1983). When managers own shares in a company, they have an incentive to act in the best interests of shareholders because their personal well-being is also at stake (López-González et al., 2019; Morck et al., 1988). However, several studies have shown that the effect of managerial ownership on opportunistic behavior such as tax avoidance is inconsistent. Landry et al. (2013) and DeBacker et al. (2015) found that managers who own shares are more likely to engage in tax avoidance strategies to maximize after-tax profits. Conversely, research by Desai & Dharmapala (2006) suggests that high managerial ownership can strengthen internal monitoring mechanisms, thereby reducing tax aggressiveness. Minnick & Noga (2010) found that equity incentives can shape more prudent fiscal policy. In developing countries, the role of managerial ownership is often ambivalent, depending on the cultural and institutional context (Hanlon & Heitzman, 2010). Therefore, the influence of managerial ownership on fiscal decisions is highly dependent on the overall corporate governance environment, including regulations and external pressures (Lanis & Richardson, 2013). Managerial ownership plays a dual role in strategic decision-making, including tax avoidance practices (Jeppesen, 2021; Sarhan, 2024). When managers co-own company shares, there is a tendency to maximize after-tax profits through legal strategies that reduce fiscal liabilities. However, this situation can also create a conflict of interest between short-term efficiency and long-term sustainability related to the company's reputation. High managerial ownership can increase the tendency to engage in tax avoidance, especially when external oversight is weak (Dyreng et al., 2010; Francis et al., 2016; Sarhan, 2024). Conversely, managerial ownership can also encourage fiscal conservative behavior if accompanied by a long-term orientation and reputation as a strategic asset (Law & Mills, 2017; Lin et al., 2017; Xu et al., 2022).

C. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has become a strategic issue in corporate governance, relating not only to ethics but also to regulatory compliance and fiscal risk management. According to Hoi et al. (2013), companies with high levels of social responsibility tend to avoid tax avoidance strategies due to long-term reputational considerations. CSR can serve as a signal of compliance with social and legal norms, including taxation (Hasan et al., 2018; Lanis & Richardson, 2015). Meanwhile, a negative relationship exists between CSR disclosure and tax aggressiveness, indicating that CSR is not merely a symbolic activity (Lanis & Richardson, 2015). However, different results were found by Davis et al. (2016), who showed that some companies continue to engage in tax avoidance despite having high CSR scores, indicating the possibility of greenwashing. Hanlon & Heitzman (2010) stated that the relationship between CSR and tax avoidance is influenced by governance structure, shareholder pressure, and applicable regulations. According to Lin et al. (2017) and Sarhan (2024), consistent CSR reporting can reduce information asymmetry and increase fiscal transparency. Thus, CSR not only impacts a company's social legitimacy but also has the potential to significantly influence tax strategies in a global context that increasingly demands accountability.

D. Tax evasion

Tax avoidance is a legal strategy used by companies to minimize their tax liabilities, but this practice often raises ethical debates and has implications for corporate governance. Hanlon & Heitzman (2010) explain that tax avoidance covers a broad spectrum, ranging from conservative to aggressive tax planning, all of which aim to reduce the tax burden without explicitly breaking the law. Desai & Dharmapala (2006) show that tax avoidance is often associated with managerial incentives and weaknesses in oversight mechanisms. Lanis & Richardson (2013) emphasize that tax avoidance can obscure financial transparency and reduce public trust in companies. Meanwhile, Rego & Wilson (2012) found that companies with high equity compensation tend to be more aggressive in their tax avoidance practices. Huseynov and Klamm (2012) also emphasize that governance characteristics such as board independence and institutional ownership influence the tendency to avoid taxes. Frank et al.'s (2009) findings suggest that earnings management and tax avoidance often go hand in hand, reflecting opportunistic managerial behavior. However, Gravelle (2013) noted that corporate tax avoidance causes significant losses to state revenue and the fairness of the tax system. Chang et al. (2017) added that ownership structure and industry competitive pressures also influence the intensity of tax avoidance strategies. Therefore, a comprehensive understanding of the determinants and consequences of tax avoidance is crucial for formulating effective fiscal policies and corporate governance.

E. HYPOTHESIS DEVELOPMENT

a) The Influence of Managerial Ownership on Tax Avoidance

Recent studies in the manufacturing and food and beverage sectors indicate that the effect of managerial ownership on tax avoidance is contextual (Agustyo & Arianti, 2024; Sylvia Nur Fatimah & Mujiyati, 2025), but remains dependent on personal incentives, governance systems, and other ownership structures (López-González et al., 2019). Managerial ownership is the proportion of shares held by company management, which can influence strategic policies, including taxation. In agency theory, this ownership serves to align the interests of managers and owners, but can also encourage opportunistic behavior. Studies such as Dyreng (2010) show that high managerial ownership can increase the tendency to avoid tax. Conversely, Lanis & Richardson (2013) and Law & Mills (2017) emphasize that long-term-oriented managers tend to avoid reputational risks from aggressive tax practices. Research in Indonesia by Kusumaning Dewi & Setiawan (2024) found a positive effect of managerial ownership on tax avoidance.

H1: Managerial Ownership has an effect on Tax Avoidance

b) The influence of Corporate Social Responsibility on Tax Avoidance

Corporate Social Responsibility (CSR) refers to a company's commitment to acting ethically and contributing to society and the environment (Lanis & Richardson, 2013; López-González et al., 2019). Companies with high CSR performance tend to comply with fiscal obligations as part of their social responsibility, including paying taxes on time to maintain their reputation (Hoi et al., 2013; Pan et al., 2024). In this regard, CSR serves as a signal of compliance and a means of legitimacy in the eyes of stakeholders (Pipatnarapong et al., 2025). However, some companies strategically utilize CSR to conceal tax avoidance practices, making CSR a symbolic tool rather than a reflection of true ethical values (Huseynov & Klamm, 2012; Xu et al., 2022). Research by Tanujaya & Teresa (2021) found that CSR significantly influences tax avoidance. However, research by Prasetya & Mutmainah (2024) showed the opposite result. These conflicting findings reflect that the relationship between CSR and tax avoidance is strongly influenced by the institutional context, reputational pressures, and the nature of CSR implementation itself. From the perspective of legitimacy and signaling theory, Corporate Social Responsibility (CSR) functions as a strategic instrument to shape positive corporate perceptions, particularly in relation to fiscal compliance. Companies that demonstrate high CSR performance tend to be associated with transparency and accountability, and are therefore normatively expected to avoid aggressive tax avoidance strategies (Badertscher et al., 2013; Hoi et al., 2013; Lanis & Richardson, 2013). However, several studies highlight the paradoxical dimension of CSR; Xu (2022) and Sikka (2010) found that CSR can be exploited opportunistically as a legitimizing tool to mask aggressive tax avoidance practices. These findings are reinforced by Winarno (2024), who indicated that companies in the Indonesian F&B sector use CSR as an image-building tool, rather than as an expression of ethical values. Therefore, CSR should not only be seen as a reflection of moral commitment, but also as a potentially ambivalent strategic signal (Huseynov & Klamm, 2012; Landry et al., 2013; Velte, 2023), depending on the motivations and managerial incentive structures behind its implementation (Gulzar et al., 2018; Pan et al., 2024; Sarhan, 2024).

H2: Corporate Social Responsibility has an effect on Tax Avoidance

c) The Influence of Managerial Ownership and Corporate Social Responsibility on Tax Avoidance

Managers who own shares in a company tend to have long-term incentives to maintain its reputation and business continuity, including through involvement in corporate social responsibility (CSR) activities (Landry et al., 2013; Sarhan, 2024). Equity ownership by managers often encourages active participation in sustainability initiatives to strengthen the company's positive image in the eyes of the public and regulators (Bernile et al., 2015; Zeng et al., 2025). In this context, management involvement not only contributes to society and the environment but can also reduce the tendency to engage in tax avoidance as a form of reputational risk management (Law & Mills, 2017; Pipatnarapong et al., 2025). Research by Kusumaning Dewi & Setiawan (2024) and Prasetya & Mutmainah (2024) shows that managerial ownership and CSR influence each other in shaping a company's fiscal strategy. Both not only have separate impacts but also interact to influence tax avoidance decisions. This interaction reflects a combination of internal economic incentives and external legitimacy pressures. Therefore, simultaneous analysis of managerial ownership and CSR is important to understand tax avoidance patterns comprehensively.

H3: Managerial Ownership and Corporate Social Responsibility have an effect on Tax Avoidance

d) Framework

Referring to the hypothesis that has been described, the researcher describes the framework of thought used as presented in Figure 1, as follows:

OPEN ACCESS

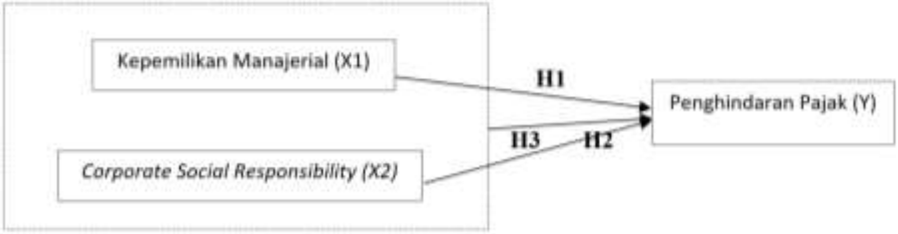

Figure 1. Conceptual Framework
Image source: Processed Research Results

METHOD

This study uses a quantitative approach (Creswell, 2016) with the aim of testing three main hypotheses, namely: H1—It is suspected that Managerial Ownership has an effect on Tax Avoidance, H2—It is suspected that Corporate Social Responsibility (CSR) has an effect on Tax Avoidance, and H3—It is suspected that Managerial Ownership and CSR simultaneously have an effect on Tax Avoidance. The data used are secondary, obtained from annual reports and sustainability reports of public companies listed on the Indonesia Stock Exchange (IDX) during the period 2020–2024. The dependent variable, namely tax avoidance, is measured using the tax effectiveness ratio (ETR), while the independent variables consist of managerial ownership (expressed as the percentage of share ownership by management) and CSR disclosure scores. Data analysis was carried out using multiple linear regression with the help of software, accompanied by classical assumption tests, partial and simultaneous significance tests (t and F tests), and coefficient of determination (R^2) tests to measure the strength of the influence. In addition, robustness tests and endogeneity tests were carried out to ensure the research results are free from bias and valid. The following is the operational control table in this study:

Table 1. Research Sample Calculation

Criteria	Amount
Food & beverage sector companies listed on the IDX for the 2020-2023 period	95
Companies that were not listed on the IDX consecutively during the 2020-2023 period	(66)
Companies that did not publish financial reports during the 2020-2023 period	(27)
Number of companies that meet the criteria	9
Number of years of research	4
Total sample of companies in the study (9x4)	36

Source: data processed in 2025

Table 2. Operational Definition of Operational Variables

Variables	Indicator	Operational Definition	Measurement
Tax evasion	ETR	Tax avoidance is an effort made by individuals or entities for legitimate tax planning strategies with the aim of reducing the amount of tax to be paid.	ETR $=\frac{Beban\ Pajak\ Penghasilan}{Laba\ Sebelum\ Pajak}$
Managerial Ownership	Managerial Ownership Ratio	Managerial ownership describes the proportion of shares owned by managers.	Managerial Ownership $=\frac{Jumlah\ Saham\ Yang\ Dimiliki\ Manajer}{Jumalah\ Saham\ Beredar}$
Corporate Social Responsibility	CSRli	CSR describes a company's commitment to social and environmental welfare.	CSRli $=\frac{\Sigma xyi}{ni}$ CSRli : Index of extent of CSR disclosure of company i Σxyi : value 1 = if item y is disclosed, value 0 = if item y is not disclosed this : number of items of company l, ni = 91

Source: data processed in 2025

RESULTS AND DISCUSSION

Based on the descriptive quantitative analysis results table, there are 36 observations representing the results of the four-year research period, namely 2020 to 2023. Data were taken from the annual financial reports of food and beverage companies listed on the Indonesia Stock Exchange (IDX) during the period in question. The results of the analysis on the independent variables "management ownership" and "corporate social responsibility" show that the value of "management ownership" ranges from a minimum of 0.24 to a maximum of 0.60 with a mean of 0.5187 and a standard deviation of 0.1266. The value of the CSR variable ranges from a minimum of 0.49 to a maximum of 0.54 with a mean of 0.5284 and a standard deviation of 0.0091. The figure for tax avoidance reveals that the variable has a minimum value of 0.49 and a maximum value of 0.54. This variable has a mean of 0.5484 and a standard deviation of 0.0091.

Table 3. Results of Quantitative Analysis of Research Variables

Descriptive Statistics					
	N	*Minimum*	*Maximum*	*Mean*	*Standard Deviation*
Managerial Ownership	36	0.24	0.60	0.5187	0.12666
Corporate Social Responsibility	36	0.49	0.54	0.5248	0.00912
Tax Avoidance	36	0.49	0.54	0.5248	0.00912

Source: data processed in 2025

Multiple Linear Regression Analysis

Based on multiple linear regression testing, the following regression equation is obtained: The constant has a positive value of 3.853, which means that if all independent variables, namely Managerial Ownership and Corporate Social Responsibility are equal to 0, then Tax Avoidance will increase by 3.853. Meanwhile, the regression coefficient for the Managerial Ownership variable (X1) is negative at -0.023. This means, assuming other independent variables remain constant, every increase in one unit of Managerial Ownership will result in a decrease in Tax Avoidance of -0.023. And the regression coefficient for the Corporate Social Responsibility variable (X2) is negative at -0.128. This means, assuming other independent variables remain constant, every increase in one unit of Corporate Social Responsibility will result in a decrease in Tax Avoidance of -0.128.

Table 4. Multiple Linear Regression Test

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	Std.Error	Beta	t	Sig.
1	(Constant)	3,853	0.212		18,152	0.000
	Managerial Ownership	-0.023	0.014	-0.271	-1.633	0.112
	Corporate Social Responsibility	-0.128	0.059	-0.359	-2,169	0.038

Source: data processed in 2025

T-Test (Partial)

This test essentially measures the extent to which each independent variable can independently explain the variation of the dependent variable. This testing process is carried out at a significance level of 0.05 ($\alpha = 5\%$). This significance level determines the percentage confidence limit used to assess whether the independent variable has a partially significant effect on the dependent variable. From the following table, it can be concluded that the results of the significance test indicate that both independent variables have significant values. For the management ownership variable, its size is approximated by the percentage of managerial ownership and has a calculated T value = -1.633, with a significance value of 0.012 < 0.05 with a beta coefficient value of -0.271. These results indicate that Managerial Ownership has a negative and significant effect on Tax Avoidance. The smaller the tax avoidance, the greater the tax avoidance action and vice versa. The results of this test indicate that managerial ownership has a positive effect on tax avoidance so that the first hypothesis is accepted. For the Corporate Social Responsibility variable, the calculated T value is -2.169, with a significance value of 0.038 > 0.05, and a beta coefficient value of -0.359. These results indicate that Corporate Social Responsibility has a negative and significant effect on tax avoidance, the smaller the tax avoidance, the greater the tax avoidance action and vice versa. The results of this test indicate that Corporate Social Responsibility has a positive effect on tax avoidance and hypothesis two is accepted.

Table 5. T-test

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	Std.Error	Beta	t	Sig.
1	(Constant)	3,853	0.212		18,152	0.000
	Managerial Ownership	-0.023	0.014	-0.271	-1.633	0.112
	Corporate Social Responsibility	-0.128	0.059	-0.359	-2,169	0.038

Source: data processed in 2025

F Test (Simultaneous)

The Simultaneous F-test is used to determine whether all independent variables assumed in the regression model have the same effect on the dependent variable, namely Tax Avoidance, at a significance level of 0.05. Thus, the F-test is minimal whether Managerial Ownership and Corporate Social Responsibility simultaneously have a significant effect on Tax Avoidance in this model. From the data in the table below, the results of the hypothesis test show an F-value of 3.069 with a significance value of 0.060. Because the significance value is smaller than the specified significance level of 0.05. It can be concluded that Managerial Ownership and Corporate Social Responsibility collectively have a significant effect on Tax Avoidance in the context of this model.

Table 6. F Test

Model		*Sum of Squares*	*df*	*Mean Squares*	*F*	*Sig*
1	*Regression*	0.027	2	0.013	3,069	0.060
	Residual	0.139	32	0.004		
	Total	0.166	34			

Source: data processed in 2025

Coefficient of Determination Test (Adjusted R^2)

The coefficient of determination (R2) is used to measure how well a model can explain the variability of the dependent variable. The coefficient of determination value ranges from 0 to 1, where a higher value indicates that the model is more effective in explaining the variation of the dependent variable. Conversely, a lower value 〖A low (R2) indicates that the independent variable has limitations in explaining the dependent variation. The determination coefficient test was conducted to determine the ability of the dependent variable to explain the variation in the dependent variable. Based on the results of the determination coefficient test, the R square value obtained was 0.161, meaning that all independent variables in this study can influence the dependent variable, namely Tax Avoidance, by 16.1%, while the other 83.9% can be influenced by other variables not included in this research model.

Table 7. Test of Coefficient of Determination

Model	*R*	*R Square*	*Adjusted R Square*	*Standard Error of the Estimate*	*Durbin-Watson*
1	0.401	0.161	0.180	0.06598	1,370

Source: data processed in 2019

DISCUSSION

The main contribution of this study is adding empirical evidence on how CEO decisions as a leader and owner of a company influence tax avoidance. Previous research has linked various factors such as financial policy (Malmendier et al., 2011), stock price crash risk (Chang et al., 2017), cash levels (Nguyen & Nguyen, 2024), corporate social performance (Dissanaike et al., 2021; Xu et al., 2022), corporate innovation (Jeppesen, 2021), financial reporting quality (Dong et al., 2020), and accounting conservatism (Chakrabarty & Moulton, 2012). This study also expands previous focus, which only discussed social influences on risk-taking attitudes, ethical standards, and social responsibility (Desai & Dharmapala, 2006; Kovermann & Wendt, 2019; Xiao, 2024), to aspects of corporate tax avoidance. Second, this study enriches the literature on the determinants of tax avoidance. It covers aspects such as auditor expertise (Chakrabarty & Moulton, 2012), equity incentives (Allen et al., 2016), institutional ownership (Dong et al., 2020), and corporate governance (Choi et al., 2020; Hanlon & Heitzman, 2010; Kim et al., 2011). The approach used refers to studies by Dyreng (2010), Huseynov & Klamm (2012), and Law & Mills (2017), which examined the influence of CEO attributes on corporate tax avoidance strategies.

By incorporating CSR as an independent variable in the context of tax avoidance, this study not only addresses gaps in previous studies but also offers a strategic perspective linking ethical dimensions and corporate reputation to corporate fiscal practices. The use of recent data (2020–2024) provides temporal relevance and a post-pandemic context that are crucial for understanding the dynamics of leadership and tax accountability. In addition to enriching theory, this study also has practical relevance in encouraging fiscal policies that are more sensitive to corporate social responsibility practices. This study is systematically structured, starting with Section 2, which reviews the literature and develops hypotheses by highlighting the link between CEO attributes, Corporate Social Responsibility (CSR), and tax avoidance based on previous studies. Next, Section 3 details the research methodology, including the analytical techniques used and the characteristics of the 2020–2024 sample data. Section 4 presents the main findings of the study, including the channels of findings, as well as the results of endogeneity and robustness tests to ensure the validity and consistency of the results. Finally, Section 5 summarizes the overall results and presents the main conclusions, strengthening this study's contribution to expanding the literature on the determinants of tax avoidance through the CSR and CEO characteristics approach.

The findings of this study confirm the relevance of using agency theory in understanding the motivations for tax avoidance by management with shares. However, this theory needs to be complemented by legitimacy theory and signaling theory, particularly to explain how CSR is used as a signal of corporate compliance and credibility in the eyes of the public and investors (Dyreng et al., 2010; Velte, 2023). Therefore, a multitheoretical approach is more appropriate to comprehensively explain this phenomenon. In the Indonesian context, tax avoidance practices still face structural challenges such as weak law enforcement and regulatory complexity. Therefore, the results are not entirely comparable to those in developed countries. The institutional context and local corporate culture must be taken into account in interpreting the results (Law & Mills, 2017). This provides an important foundation for policymakers in designing relevant incentives and sanctions. Although measuring CSR using the GRI index is considered valid, it has limitations because it is quantitative and does not fully capture the substance of impactful CSR programs. Similarly, using ETR as an indicator of tax avoidance also has weaknesses because it can be influenced by non-avoidance factors such as government tax incentives or fiscal losses. In the future, multidimensional measurements need to be considered to increase the validity of the results.

A. The Effect of Managerial Ownership on Tax Avoidance

Based on the test results in this study, it was found that the Managerial Ownership value was 0.112 > 0.05. This result implies that managerial ownership does not significantly influence tax avoidance. However, some believe that corporate ownership does not influence tax avoidance. There are several possible reasons for this: One is that managers may feel pressure from shareholders to increase profits, which can lead to tax avoidance regardless of their own share ownership. Similarly, external factors such as economic conditions and intense competition can tempt managers to use tax avoidance as a strategy to remain competitive. This research is in line with research conducted by (Hendrianto et al., 2022) which showed that it has no significant influence on Tax Avoidance. However, this finding contradicts research conducted by Adnan Ashari et al. (2020) and Putri, AA, & Lawita (2019) which showed that managerial ownership influences Tax Avoidance. The results of the study indicate that managerial ownership has a significant influence on tax avoidance. These findings align with agency theory, which states that when management also acts as an owner, there is a tendency to make decisions that maximize personal welfare, including through tax aggressiveness (DeBacker et al., 2015; Rego & Wilson, 2012).

However, on the other hand, this ownership role can also lead to stronger internal controls to maintain the company's long-term reputation. Interestingly, the role of managerial ownership in the Indonesian context remains ambiguous. In some samples, increasing ownership is not strongly correlated with tax avoidance, indicating that other factors such as regulatory pressure and organizational culture also play a role (Pipatnarapong et al., 2025; Sarhan, 2024; Sylvia Nur Fatimah & Mujiyati, 2025). This opens up room for the development of behavioral theory in local contexts, as fiscal decisions are not always linear with ownership incentives. Considering the empirical results in this study, which show that managerial ownership has no significant effect on tax avoidance ($p = 0.112$), this theoretical contribution enriches the discourse on the limitations of agency theory in explaining managers' fiscal behavior in the context of a developing country like Indonesia. This finding offers novelty in two aspects. First, theoretically, this study expands the boundaries of agency theory by incorporating contextual elements such as shareholder pressure, strict fiscal regulations, and collectivistic organizational culture, which could potentially obscure the linear effect between ownership and tax avoidance incentives. Second, empirically, this study establishes the foundation for a hybrid approach between agency theory and organizational behavior theory, which is more responsive to the complexity of fiscal decision-making in an uncertain business climate. Unlike previous studies that showed a significant positive relationship, this result indicates that managerial ownership is not always a strong predictor of aggressive tax strategies. This suggests that in the Indonesian context, the strength of the ownership structure does not necessarily reflect tax preferences but rather interacts with dimensions of reputation, market pressure, and regulatory compliance. Thus, this study encourages a paradigm shift that the effectiveness of managerial ownership in controlling tax behavior is highly dependent on specific institutional and socio-economic configurations, which have received little attention in the corporate taxation literature.

B. The Influence of Corporate Social Responsibility on Tax Avoidance

The test results in this study found that the corporate social responsibility value was 0.038, indicating that $0.038 > 0.05$. This result implies that corporate social responsibility does not have a significant effect on tax avoidance. However, some argue that corporate social responsibility has no impact on tax avoidance. There are several reasons for this, one of which is that many companies utilize CSR to improve their social reputation without considering ethical values in all aspects of their business activities. This research is in line with research conducted by (Prasetyo & Arif, 2022) which stated that Corporate Social Responsibility has no significant effect on tax avoidance. However, this study contradicts research conducted by (Fitri, 2024) and (Hidayat & Maulidiyah, 2022) which showed that Corporate Social Responsibility has a significant effect on tax avoidance, in line with the view that Corporate Social Responsibility increases compliance with tax regulations.

The results of the descriptive quantitative analysis show moderate variability in managerial ownership, but low variability in CSR and tax avoidance. This indicates that CSR practices and tax avoidance strategies among food and beverage companies in Indonesia during 2020–2023 are relatively homogeneous. The low standard deviation for CSR (0.0091) indicates uniform disclosure, possibly due to the uniform sustainability reporting regulations from the Financial Services Authority (OJK). In the context of legitimacy theory, this may reflect external pressure to project an image of compliance with social norms and regulations, rather than actual variation in CSR commitments. The regression results show that the coefficient for managerial ownership is negative, but not significant at the 5% level ($p = 0.112$). This reinforces the view that managerial share ownership does not necessarily moderate opportunistic tax-related actions. In agency theory, managerial ownership is supposed to reduce conflicts of interest between owners and managers (Bauer et al., 2018; Michael C. Jensen and William H. Meckling, 1986). However, these results indicate that this mechanism is not strong enough to influence tax avoidance strategies in this sector.

The negative and significant coefficient of CSR on tax avoidance ($p = 0.038$) supports the hypothesis that companies with compliant practices comply with tax regulations. This can be explained through reputation and institutional theory, where companies maintain long-term reputations through fiscal compliance. However, the significant T-test results indicate that companies with better social responsibility are more likely to avoid tax avoidance. This is consistent with the findings of Hoi (2013) who stated that more socially responsible companies are more likely to engage in CSR, contradicting the findings of Prasetya & Mutmainah (2024), who showed that CSR had no significant effect. This difference may be caused by differences in industrial sectors or the method of measuring CSR scores. In this study, CSR scores were measured from sustainability reports, which can contain reporting bias, so caution is needed in interpreting the results.

C. The Influence of Managerial Ownership and Corporate Social Responsibility on Tax Avoidance

The results of the hypothesis testing indicate that there is no significant influence between the type of managerial ownership and corporate social responsibility on tax avoidance. This is evidenced by the F-test significance value of 0.60 > 0.05 and the low adjusted R^2 value of 0.108. This indicates that the two independent variables, managerial ownership and corporate social responsibility, only cover a small portion of the tax avoidance variable. These results suggest that these two variables may not be the main factors influencing corporate tax avoidance decisions. CSR has been shown to have a negative effect on tax avoidance, indicating that companies with high levels of CSR tend to refrain from aggressive tax avoidance practices. Simultaneous analysis using the F-test showed that both independent variables were collectively insignificant ($p = 0.060$). This indicates that, although CSR shows a partial influence, together with managerial ownership, it is not strong enough to explain the variation in tax avoidance. The Adjusted R^2 value of only 16.1% also confirms that there are still 83.9% of other variables that influence tax avoidance practices. The low R^2 value indicates that factors such as the complexity of tax regulations, incentive structures, shareholder pressure, and macroeconomic conditions are more dominant in influencing tax avoidance. This is in line with studies by DeBacker (2015) and Rego & Wilson (2012) which show that the main determinants of tax avoidance often originate from factors external to the company. The finding that managerial ownership is insignificant emphasizes the need to further examine leadership dynamics within the context of corporate culture and market pressures. Other studies emphasize the role of CEO personal attributes and professional experience in shaping fiscal risk preferences. This study has not integrated these factors, which could be a potential direction for further research (Law & Mills, 2017; Sarhan, 2024; Xiao, 2024). Furthermore, the conflicting results between CSR and tax avoidance indicate ambiguity in the use of CSR as an ethical instrument. CSR can be symbolic or ceremonial, as criticized by window dressing theory and greenwashing practices. Therefore, the quality of CSR and its relationship to tax ethics need to be explored further using qualitative or mixed-methods approaches.

These findings reinforce the literature's argument that CSR is not merely an image-building tool, but part of a commitment to good governance (Hoi et al., 2013; Xu et al., 2022). In this regard, CSR reflects a company's ethical standards regarding legal compliance. However, not all findings fully confirm this negative relationship. In some cases, companies continue to engage in tax avoidance while actively communicating CSR programs. This reinforces the literature's criticism that CSR can serve as a legitimizing tool to mask aggressive financial practices (Dissanaike et al., 2021; Pipatnarapong et al., 2025) (O'Sullivan et al., 2021). The results of this research's simultaneous analysis indicate that managerial ownership and CSR together have a significant influence on tax avoidance. These findings support the notion that tax decisions are the result of a complex interaction between managerial interests and corporate reputation strategies. Bernile (2015) and Zeng (2025) refer to this as a behavioral tax decision, where the personal and social values of management shape the direction of the company's fiscal policy.The findings of this study indicate that Corporate Social Responsibility (CSR) has a significant negative effect on tax avoidance ($p = 0.038$), but the interpretation of this significance is not unique, especially in a homogeneous sectoral context such as the food and beverage industry in Indonesia. Theoretically, these results support the legitimacy and reputation theory, which states that companies tend to comply with fiscal obligations to maintain long-term social legitimacy and public trust.

However, the low standard deviation of CSR suggests the possibility of pseudo-conformity due to regulatory pressures, rather than a deep ethical commitment, thus making the effectiveness of CSR as a predictor of tax compliance ambiguous. This provides theoretical novelty that in the context of developing countries, CSR can become symbolic (symbolic legitimacy) rather than substantive. Empirically, these findings contradict the study by Prasetyo & Arif (2022), but are consistent with the results of Fitri (2024) and Hidayat & Maulidiyah (2022), which emphasize the role of CSR in improving fiscal compliance. These differences in results highlight the importance of considering CSR measurement methodology, including the potential for reporting bias in sustainability reports. Thus, this research offers an empirical contribution that demonstrates that the effectiveness of CSR in reducing tax avoidance depends not only on the existence of the practice itself, but also on its ethical depth, implementation style, and the regulatory context surrounding it. Going forward, an integration of quantitative and qualitative approaches is needed to distinguish between strategic CSR and merely cosmetic CSR.

CONCLUSION

This study found that Corporate Social Responsibility (CSR) had a negative and significant effect on tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2023 period, supporting the assumption that CSR reflects fiscal compliance. Conversely, managerial ownership did not show a significant effect, indicating that managerial share ownership does not always determine tax behavior. Simultaneously, both variables did not significantly influence tax avoidance, as indicated by the F-test and low R^2 values. This indicates that other factors, such as corporate governance or managerial incentives, are more dominant. Limitations of the study lie in the small sample size and focus on a single sector, which limit the generalizability of the results. Measuring CSR based on report scores can also introduce bias because it does not necessarily reflect actual practices. Further research should expand the data coverage and include control variables such as company size and profitability. A mixed approach and exploration of mediating variables such as corporate governance will enrich the understanding of the relationship between CSR and ownership and tax avoidance.

SUGGESTION

A. Practical Advice

For tax authorities, it is important to note that companies with good CSR practices tend to demonstrate higher tax compliance. Therefore, regulations that integrate CSR reporting with fiscal audits can strengthen transparency and oversight. For company management, these results indicate that CSR strategies are not only an image-building tool but also have the potential to improve relations with regulators and reduce tax risks. Meanwhile, for investors, CSR practices and ownership structure can be used as early indicators in assessing a company's managerial integrity and tax compliance risk. Thus, the results of this study not only broaden the theoretical horizons in the tax avoidance literature but also provide strategic direction in designing more accountable and long-term governance policies.

B. Theoretical Suggestions

The results of this study contribute to the development of agency theory and legitimacy theory in the context of tax avoidance in Indonesia. The finding that managerial ownership has no significant effect on tax avoidance indicates that the interests of managers as agents are not always aligned or directly contradict the interests of owners, as assumed in agency theory. This opens up room to re-examine the role of other moderating variables, such as compensation structure, board oversight, or organizational ethics in bridging this relationship. Furthermore, the finding that CSR has a significant negative effect on tax avoidance supports the view of legitimacy theory, which suggests that companies striving to maintain a social image are more likely to demonstrate compliance with legal obligations, including taxes. Practically, this study provides important insights for policymakers, investors, and corporate managers.

REFERENCES

Adnan Ashari, M., Simorangkir, P., & Masripah. (2020). The Effect of Sales Growth, Institutional Ownership, and Managerial Ownership on Tax Avoidance. Journal of Syntax Transformation, 1(8), 488–498. https://doi.org/10.46799/jst.v1i8.135

Agustyo, BA, & Arianti, BF (2024). The Effect of Corporate Social Responsibility, Managerial Ownership, and Capital Intensity on Tax Avoidance. Gorontalo Accounting Journal, 7(1), 1. https://doi.org/10.32662/gaj.v7i1.3168

Allen, A., Francis, B.B., Wu, Q., & Zhao, Y. (2016). Analyst coverage and corporate tax aggressiveness. Journal of Banking and Finance, 73, 84–98. https://doi.org/10.1016/j.jbankfin.2016.09.004

Anissa Dakhli. (2022). The impact of ownership structure on corporate tax avoidance with corporate social responsibility as mediating variable. Journal of Financial Crime, Vol. 29 No. 3, Pp. 836-852. https://doi.org/https://doi.org/10.1108/JFC-07-2021-0152

Badertscher, B. A., Katz, S. P., & Rego, S. O. (2013). The separation of ownership and control and corporate tax avoidance. Journal of Accounting and Economics, 56(2–3), 228–250. https://doi.org/10.1016/j.jacceco.2013.08.005

Bauer, T., Kourouxous, T., & Krenn, P. (2018). Taxation and agency conflicts between firm owners and managers: a review. Business Research, 11(1), 33–76. https://doi.org/10.1007/s40685-017-0054-y

Becker, S. D., Mahlendorf, M. D., Schäffer, U., & Thaten, M. (2016). Budgeting in Times of Economic Crisis. Contemporary Accounting Research, 33(4), 1489–1517. https://doi.org/10.1111/1911-3846.12222

Berkman, H., Jona, J., Lee, G., & Soderstrom, N. (2018). Cybersecurity awareness and market valuations. Journal of Accounting and Public Policy, 37(6), 508–526. https://doi.org/10.1016/j.jaccpubpol.2018.10.003

OPEN ACCESS

Bernile, G., Bhagwat, V., Raghavendra, P., Anderson, M., Baddeley, M., Bonaparte, Y., Cremer, D. De, Cronqvist, H., Cziraski, P., Dann, L., Feldman, D., Hardy, B., Hu, J., Humphery-jenner, M., Mckeon, S., Kogan, S., Montone, M., Nanda, V., Naveen, L., … Subrahmanyam, A. (2015). What Doesn't K ill You Will Only Make You More Risk-Loving: Early-Life Disasters and CEO Behavior. https://doi.org/10.1111/jofi.12432.This

Chakrabarty, B., & Moulton, P. C. (2012). Earnings announcements and attention constraints: The role of market design. Journal of Accounting and Economics, 53(3), 612–634. https://doi.org/10.1016/j.jacceco.2012.01.001

Chang, X., Chen, Y., & Zolotoy, L. (2017). Stock Liquidity and Stock Price Crash Risk. In Journal of Financial and Quantitative Analysis (Vol. 52, Issue 4). https://doi.org/10.1017/S0022109017000473

Choi, J., Hoseinzade, S., Shin, S.S., & Tehranian, H. (2020). Corporate bond mutual funds and asset fire sales. Journal of Financial Economics, 138(2), 432–457. https://doi.org/10.1016/j.jfineco.2020.05.006

Creswell, J. W. (2016). Research Design: Qualitative & Quantitative Methods - Pragmatic Approach. Sage, Los Angeles.

Davis, A.K., Guenther, D.A., Krull, L.K., & Williams, B.M. (2016). Do socially responsible firms pay more taxes? Accounting Review, 91(1), 47–68. https://doi.org/10.2308/accr-51224

DeBacker, J., Heim, B. T., & Tran, A. (2015). Importing corruption culture from overseas: Evidence from corporate tax evasion in the United States. Journal of Financial Economics, 117(1), 122–138. https://doi.org/10.1016/j.jfineco.2012.11.009

Desai, M. A., & Dharmapala, D. (2006). Corporate tax avoidance and high-powered incentives. Journal of Financial Economics, 79(1), 145–179. https://doi.org/10.1016/j.jfineco.2005.02.002

Dissanaike, G., Drobetz, W., Momtaz, P. P., & Rocholl, J. (2021). The Economics of Law Enforcement: Quasi-Experimental Evidence from Corporate Takeover Law. Journal of Corporate Finance, 67(January 2020). https://doi.org/10.1016/j.jcorpfin.2020.101849

Dong, N., Wang, F., Zhang, J., & Zhou, J. (2020). Ownership structure and real earnings management: Evidence from China. Journal of Accounting and Public Policy, 39(3), 106733. https://doi.org/10.1016/j.jaccpubpol.2020.106733

Duhoon, A., & Singh, M. (2023). Corporate tax avoidance: a systematic literature review and future research directions. LBS Journal of Management & Research, 21(2), 197–217. https://doi.org/10.1108/lbsjmr-12-2022-0082

Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2010). The effects of executives on corporate tax avoidance. Accounting Review, 85(4), 1163–1189. https://doi.org/10.2308/accr.2010.85.4.1163

Fitri, AW (2024). The Effect of Leverage, Independent Commissioners, and Corporate Social Responsibility on Tax Avoidance. "LAWSUIT" Taxation Journal, 3(1), 1–12. https://doi.org/10.30656/lawsuit.v3i1.925

Francis, B.B., Hasan, I., Sun, X., & Wu, Q. (2016). CEO political preferences and corporate tax sheltering. Journal of Corporate Finance, 38, 37–53. https://doi.org/10.1016/j.jcorpfin.2016.03.003

Frank, M. Margaret, Lynch, L. J., & Rego, SO (2009). Tax Reporting Aggressiveness and its Relation Financial Reporting University of Virginia. Accounting Review, 84(2), 467–496. https://doi.org/10.2308/accr.2009.84.%0A2.467

Friese, A., Link, S., & Mayer, S. (2008). Taxation and Corporate Governance — The State of the Art. Tax and Corporate Governance, 357–425. https://doi.org/10.1007/978-3-540-77276-7_25

Gravelle, J. G. (2013). Tax havens: International tax avoidance and evasion. Tax Havens: International Avoidance and Evasion, 1–48.

Gulzar, M.A., Cherian, J., Sial, M.S., Badulescu, A., Thu, P.A., Badulescu, D., & Khuong, N.V. (2018). Does corporate social responsibility influence corporate tax avoidance of Chinese listed companies? Sustainability (Switzerland), 10(12). https://doi.org/10.3390/su10124549

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

Hasan, I., Kobeissi, N., Liu, L., & Wang, H. (2018). Corporate Social Responsibility and Firm Financial Performance: The Mediating Role of Productivity. Journal of Business Ethics, 149(3), 671–688. https://doi.org/10.1007/s10551-016-3066-1

Hendrianto, AJ, Suripto, S., Effriyanti, E., & Hidayati, WN (2022). The Effect of Sales Growth, Capital Intensity, Executive Compensation, and Managerial Ownership on Tax Avoidance. Owner, 6(3), 3188–3199. https://doi.org/10.33395/owner.v6i3.1054

Hidayat, I., & Maulidiyah, L. (2022). The Effect of Return on Assets, Company Size, Leverage, and Corporate Social Responsibility on Tax Avoidance. Indonesian Journal of Accounting and Finance, 5(2), 69–76. https://doi.org/10.31629/jiafi.v5i2.4133

Hoi, Chun K., Wu, Q., & Zhang, H. (2013). Legitimating accounting change: Rationalization and the rationalization of rationality. Management Accounting Research.

Huseynov, F., & Klamm, B. K. (2012). Tax avoidance, tax management and corporate social responsibility. Journal of Corporate Finance, 18(4), 804–827. https://doi.org/10.1016/j.jcorpfin.2012.06.005

Ignacio Geordi Oswaldo. (2025). World Bank Exposes Poor Tax Revenue Performance in Indonesia. DetikFinance. https://finance.detik.com/berita-ekonomi-bisnis/d-7842357/bank-dunia-bongkar-buruknya-kinerja-penerimaan-pajak-di-indonesia.%0A%0A

Isna Rifka Sri Rahayu, TMVA (2025). World Bank: Indonesia Loses Rp 944 Trillion in Tax Potential in 5 Years. Kompas.Com. https://money.kompas.com/read/2025/03/28/155951526/bank-dunia-indonesia-kehilangan-potensi-pajak-rp-944-triliun-dalam-5-tahun?

Jeppesen, L. B. (2021). Social movements and free innovation. Research Policy, 50(6), 104238. https://doi.org/10.1016/j.respol.2021.104238

Jiang, Y., & Luo, L. (2018). Market reactions to environmental policies: Evidence from China. Corporate Social Responsibility and Environmental Management, 25(5), 889–903. https://doi.org/10.1002/csr.1505

Khairunnisa, NR, Simbolon, AY, & Eprianto, I. (2023). The Effect of Leverage, Profitability, and Good Governance on Tax Avoidance. Jurnal Economina, 2(8), 2164–2177. https://doi.org/10.55681/economina.v2i8.726

Kim, J. B., Li, Y., & Zhang, L. (2011). Corporate tax avoidance and stock price crash risk: Firm-level analysis. Journal of Financial Economics, 100(3), 639–662. https://doi.org/10.1016/j.jfineco.2010.07.007

Kovermann, J., & Wendt, M. (2019). Tax avoidance in family firms: Evidence from large private firms. Journal of Contemporary Accounting and Economics, 15(2), 145–157. https://doi.org/10.1016/j.jcae.2019.04.003

Kusumaning Dewi, NLPA, & Setiawan, PE (2024). Managerial Ownership, Financial Distress, Firm Size, and Tax Avoidance. E-Journal of Accounting, 34(4), 1019. https://doi.org/10.24843/eja.2024.v34.i04.p14

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

Lanis, R., & Richardson, G. (2013). Corporate social responsibility and tax aggressiveness: A test of legitimacy theory. Accounting, Auditing and Accountability Journal, 26(1), 75–100. https://doi.org/10.1108/09513571311285621

Lanis, R., & Richardson, G. (2015). Is Corporate Social Responsibility Performance Associated with Tax Avoidance? Journal of Business Ethics, 127(2), 439–457. https://doi.org/10.1007/s10551-014-2052-8

Law, K.K.F., & Mills, L.F. (2017). Military experience and corporate tax avoidance. Review of Accounting Studies, 22(1), 141–184. https://doi.org/10.1007/s11142-016-9373-z

Lennox, C., & Wu, J. S. (2022). A review of China-related accounting research in the past 25 years. Journal of Accounting and Economics, 74(2–3), 101539. https://doi.org/10.1016/j.jacceco.2022.101539

Lin, K. Z., Cheng, S., & Zhang, F. (2017). Corporate Social Responsibility, Institutional Environments, and Tax Avoidance: Evidence from a Subnational Comparison in China. International Journal of Accounting, 52(4), 303–318. https://doi.org/10.1016/j.intacc.2017.11.002

López-González, E., Martínez-Ferrero, J., & García-Meca, E. (2019). Does corporate social responsibility affect tax avoidance: Evidence from family firms. Corporate Social Responsibility and Environmental Management, 26(4), 819–831. https://doi.org/10.1002/csr.1723

Malmendier, U., Tate, G., & Yan, JON (2011). Malmendier_Tate_Yan_2011_Overconfidence and Early-Life Experiences_The Effect of Managerial Traits on Corporate Financial Policies.pdf. LXVI(5).

Michael C. JENSEN and William H. MECKLING. (1986). THEORY OF THE FIRM: MANAGERIAL BEHAVIOR, AGENCY COSTS AND OWNERSHIP STRUCTURE Michael. Journal of Financial Economics 3 (1976) 305-360., 21(3), 95–95. https://doi.org/10.1111/j.1540-6288.1986.tb00759.x

Minnick, K., & Noga, T. (2010). Do corporate governance characteristics influence tax management? Journal of Corporate Finance, 16(5), 703–718. https://doi.org/10.1016/j.jcorpfin.2010.08.005

Mita Dewi, N. (2019). The Influence of Institutional Ownership, Independent Board of Commissioners, and Audit Committee on Tax Avoidance in Banking Companies Listed on the Indonesia Stock Exchange for the 2012-2016 Period. Maksimum, 9(1), 40. https://doi.org/10.26714/mki.9.1.2019.40-51

Mohd Radzi, NA, Saidi, NA, Hassan, S., Ibrahim, MSN, & Lee, KE (2025). Exploring corporate social responsibility practices in the telecommunications, broadcasting and courier sectors: a comparative industry analysis. Humanities and Social Sciences Communications, 12(1), 1–16. https://doi.org/10.1057/s41599-025-04668-4

Morck, R., Shleifer, A., & Vishny, R. W. (1988). Management ownership and market valuation. An empirical analysis. Journal of Financial Economics, 20(C), 293–315. https://doi.org/10.1016/0304-405X(88)90048-7

Muda, I., Abubakar, E., Akuntansi, M., & Ekonomi dan Bisnis, F. (2020). The Effect of Firm Size, Profitability, Leverage, and Earnings Management on Tax Avoidance Moderated by Political Connection. Journal of Accounting and Finance Research, 8(2), 375–392.

Nguyen, H.T., & Nguyen, H.T.N. (2024). Stock price crash risk, liquidity and institutional blockholders: evidence from Vietnam. Journal of Economics and Development, 26(3), 174–188. https://doi.org/10.1108/JED-09-2023-0177

Pan, Y., Liao, L., Yao, D., & Zhang, J. H. (2024). Board Chairs' Early-Life Experience and Tax Avoidance. Journal of Business Ethics, 192(4), 897–917. https://doi.org/10.1007/s10551-023-05493-y

Pipatnarapong, J., Beelitz, A., & Jaafar, A. (2025). Corporate social responsibility and tax avoidance: evidence from BRICS countries. Corporate Governance (Bingley). https://doi.org/10.1108/CG-09-2024-0463

Prasetya, MI, & Mutmainah, S. (2024). THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON TAX AVOIDANCE WITH OWNERSHIP STRUCTURE AS A MODERATING VARIABLE (Empirical Study of Consumer Goods Companies Listed on the IDX in 2017-2022). Diponegoro Journal of Accounting, 13(3), 1–9. http://ejournal-s1.undip.ac.id/index.php/accounting

Prasetyo, WF, & Arif, A. (2022). The Effect of Profitability, Corporate Social Responsibility, Leverage, and Capital Intensity on Tax Avoidance. Trisakti Journal of Economics, 2(2), 375–390. https://doi.org/10.25105/jet.v2i2.14365

Putri, AA, & Lawita, NF (2019). The Effect of Institutional Ownership and Managerial Ownership on Tax Avoidance. Journal of Accounting and Economics, 9(1), 87–104. https://doi.org/10.32795/widyaakuntansi.v1i1.249

Rego, S. O., & Wilson, R. (2012). Equity Risk Incentives and Corporate Tax Aggressiveness. Journal of Accounting Research, 50(3), 775–810. https://doi.org/10.1111/j.1475-679X.2012.00438.x

Sarhan, A. A. (2024). Corporate social responsibility and tax avoidance: the effect of shareholding structure—evidence from the UK. International Journal of Disclosure and Governance, 21(1), 1–15. https://doi.org/10.1057/s41310-023-00172-w

Sawitri, AP, Alam, WY, & Dewi, FAA (2022). The Effect of Profitability, Sales Growth, Company Size, and Political Connections on Tax Avoidance. Mercu Buana Accounting Research Journal, 8(1), 44–52.

Sikka, P. (2010). Smoke and mirrors: Corporate social responsibility and tax avoidance. Accounting Forum, 34(3–4), 153–168. https://doi.org/10.1016/j.accfor.2010.05.002

Stefany Patricia Tamba. (2025). Growing Taxes, Resilient Indonesia. DJB. https://pajak.go.id/index.php/id/artikel/pajak-tumbuh-indonesia-tangguh?

Sulaeman, R. (2021). The Effect of Profitability, Leverage, and Company Size on Tax Avoidance. Syntax Idea, 3(2), 354–367. https://doi.org/10.46799/syntax-idea.v3i2.1050

Sylvia Nur Fatimah, & Mujiyati. (2025). The Effect of Good Corporate Governance (GCG), Corporate Social Responsibility (CSR), Profitability, and Sales Growth on Tax Avoidance: A Study of Manufacturing Companies in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange in 2021-2023. El-Mal: Journal of Islamic Economics & Business Studies, 6(4), 1752–1776. https://doi.org/10.47467/elmal.v6i4.7852

Tanujaya, K., & Teresa, R. (2021). The Effect of Tax Avoidance and Corporate Governance on CSR Disclosure with the Moderating Role of Female Directors: The Case of Companies on the Indonesia Stock Exchange. Financial: Journal of Accounting, 7(2), 184–197. https://doi.org/10.37403/financial.v7i2.295

Velte, P. (2023). Sustainable institutional investors, corporate sustainability performance, and corporate tax avoidance: Empirical evidence for the European capital market. Corporate Social Responsibility and Environmental Management, 30(5), 2406–2418. https://doi.org/10.1002/csr.2492

Velte, P. (2024). Ownership structure and corporate tax avoidance: a structured literature review on archival research. Journal of Applied Accounting Research, 25(3), 696–731. https://doi.org/10.1108/JAAR-10-2022-0259

Wanda, AP, & Halimatusadiah, E. (2021). The Effect of Solvency and Profitability on Tax Avoidance. Journal of Accounting Research, 1(1), 59–65. https://doi.org/10.29313/jra.v1i1.194

CC BY OPEN ACCESS

Winarno, A., Agustina, Y., Ichwanto, MA, & Churiyah, M. (2024). The Influence of Social Capital, Social Institutions and Local Potential Moderated By Entrepreneurial Spirit on The Success of The Business. Economics and Business Journal (ECBIS), 2(4), 375–384. https://doi.org/10.47353/ecbis.v2i4.138

Xiao, H. (2024). Institutional investors' corporate site visits and tax avoidance. Asia-Pacific Journal of Accounting and Economics, 31(3), 423–440. https://doi.org/10.1080/16081625.2022.2156359

Xu, S., Wang, F., Cullinan, C. P., & Dong, N. (2022). Corporate Tax Avoidance and Corporate Social Responsibility Disclosure Readability: Evidence from China. Australian Accounting Review, 32(2), 267–289. https://doi.org/10.1111/auar.12372

Zeng, J., Ávila-Romero, F., Ren, J., & Ribeiro-Navarrete, S. (2025). Shaping effect of digitalization on corporate social responsibility: evidence from Born Global Entrepreneurial firms. International Entrepreneurship and Management Journal, 21(1). https://doi.org/10.1007/s11365-025-01066-9