

# Board Dynamics and Tax Aggressiveness: Unveiling the Power of Gender Diversity

Dian Sulistyorini Wulandari<sup>a,\*</sup>, Sindik Widati<sup>b</sup> and Maulina Diyah Permatasari<sup>c</sup>

<sup>a</sup>*Department of Accounting, Pelita Bangsa University, diansulistyorini@pelitabangsa.ac.id, Indonesia*

<sup>b</sup>*Department of Accounting, Pelita Bangsa University, sindikwidati@pelitabangsa.ac.id, Indonesia*

<sup>c</sup>*Department of Accounting, Pelita Bangsa University, maulina.permatasari@pelitabangsa.ac.id, Indonesia*

**Abstract.** This study examines the influence of the board of directors and independent commissioners on corporate tax aggressiveness, with gender diversity as a moderating variable, aiming to determine whether board structure affects corporate tax strategies and whether female board representation strengthens or weakens these relationships. A quantitative approach is employed using panel data regression analysis based on a sample of publicly listed companies, with data collected from corporate financial reports and governance disclosures. Model selection procedures are applied to determine the most appropriate regression model, followed by hypothesis testing using panel data estimation techniques. The findings indicate that the board of directors does not have a significant effect on tax aggressiveness, suggesting that board size alone does not determine corporate tax planning decisions, while independent commissioners have a significant positive effect, implying that their presence may be associated with more aggressive tax strategies rather than stronger oversight. Furthermore, gender diversity does not moderate the relationship between either the board of directors or independent commissioners and tax aggressiveness, indicating that female representation on the board does not significantly influence corporate tax behavior. These results suggest that regulatory bodies should strengthen governance mechanisms to ensure that independent commissioners effectively perform their monitoring role, while companies are encouraged to emphasize board competence and expertise rather than relying solely on structural characteristics such as size or gender composition, and investors and stakeholders are advised to demand greater transparency in corporate tax practices. This study contributes to the literature by highlighting the limited role of board size and gender diversity in tax decision-making and by indicating that independent commissioners may not always function as effective governance mechanisms in reducing tax aggressiveness.

**Keywords:** Board Of Directors, Corporate Governance, Gender Diversity, Independent Commissioners, Tax Aggressiveness

---

\*Corresponding author. E-mail: diansulistyorini@pelitabangsa.ac.id

## Introduction

Corporate tax aggressiveness has become a significant concern in recent years as firms increasingly employ various strategies to minimize tax obligations and maximize profitability. Corporate governance mechanisms, particularly the roles of the board of directors and independent commissioners, are central to shaping corporate policies, including tax strategies (Falbo & Firmansyah, 2018); (Mappadang, 2021).; (Widijaya & Lianty, 2023). Prior studies indicate that board characteristics influence managerial decision-making and oversight quality, which in turn affects tax behavior. In this context, gender diversity has attracted growing attention as a potential moderating factor, as female board members are often associated with stronger ethical considerations and more risk-averse behavior. Empirical evidence suggests that gender diversity may influence corporate decisions related to tax aggressiveness, although findings remain inconclusive ((Utaminingsih et al., 2022); (Hana et al., 2022)). Some studies report that gender-diverse boards reduce aggressive tax practices, while others find no significant moderating effect, highlighting the need for further investigation ((Rahman, 2021);(Hossain et al., 2025);(Riguen et al., 2020) (Mosuin et al., 2025); (Nurdiansyah & Yustisi, 2025).

Understanding the relationship between corporate governance and tax aggressiveness is important for policymakers, investors, and regulators, as effective governance mechanisms can mitigate opportunistic behavior and enhance financial transparency (Abdelfattah & Aboud, 2020 ; (Onatuyeh & Ukolobi, 2020)). Theoretical perspectives further support this relationship. Agency theory suggests that independent commissioners play a monitoring role that can reduce managerial opportunism and limit aggressive tax planning (Oyedokun et al., 2021), while stakeholder theory posits that firms with more diverse boards are more likely to consider broader ethical responsibilities and avoid tax avoidance practices (Ugwu et al., 2024 ). However, prior studies have not consistently provided a comprehensive literature review and clear hypothesis development regarding the combined role of board structure, independent commissioners, and gender diversity as a moderating variable, indicating a gap that warrants further investigation.

Based on these theoretical and empirical considerations, this study develops the following hypotheses. The board of directors is expected to influence corporate tax aggressiveness through its role

in strategic decision-making and oversight; therefore, H1: The board of directors has a significant effect on tax aggressiveness. Independent commissioners, as part of the monitoring mechanism, are expected to affect managerial behavior and corporate tax strategies; thus, H2: Independent commissioners have a significant effect on tax aggressiveness. Furthermore, gender diversity may strengthen or weaken the effectiveness of governance mechanisms, particularly in influencing ethical and risk-related decisions; therefore, H3: The board of directors with gender diversity as a moderating variable has a significant effect on tax aggressiveness. Finally, gender diversity may also influence how effectively independent commissioners perform their monitoring role; thus, H4: Independent commissioners with gender diversity as a moderating variable have a significant effect on tax aggressiveness.

## Research Method

This study employs a quantitative research methodology to analyze the relationship between board characteristics, gender diversity, and corporate tax aggressiveness. The study follows a deductive approach, using statistical techniques to test hypotheses derived from existing theories, such as agency theory and stakeholder theory (Onatuyeh & Ukolobi, 2020).

### *Data Collection and Sample Selection*

This study utilizes secondary data obtained from publicly available corporate financial reports, corporate governance disclosures, and tax-related information. The population of this study consists of real estate and property companies listed on the Indonesia Stock Exchange during the 2020–2024 period, totaling 79 companies. The sample was selected using a purposive sampling method, with criteria designed to ensure data completeness and relevance. These criteria include companies that consistently published annual reports during the observation period, disclosed information on board composition and independent commissioners, and provided data on gender diversity within the board. Based on these criteria, a final sample of 9 companies was obtained. With an observation period of five years, the study generated a total of 45 firm-year observations. This sampling approach ensures that the selected firms meet the requirements for analyzing the relationship between corporate governance mechanisms and tax aggressiveness, particularly the

role of independent commissioners and gender diversity (Oyedokun et al., 2021).

#### Data Analysis Method

To evaluate the effects of board composition and gender diversity on tax aggressiveness, the study applies multiple regression analysis (OLS), a widely accepted technique in financial research (Nwezoku & Egbunike, 2020). The regression model includes:

1. Dependent Variable: Tax aggressiveness, measured using effective tax rate (ETR) and book-tax difference (BTD).
2. Independent Variables: Board size, proportion of independent commissioners, and gender diversity ratio.
3. Moderating Variable: Gender diversity as an interaction term.
4. Control Variables: Firm size, profitability, leverage, and industry type to minimize bias (Yahya et al., 2021).

#### Statistical Software and Robustness Tests

The study employs EViews for data analysis. Several robustness checks, such as heteroscedasticity and multicollinearity tests, are conducted to ensure the validity of the regression results (Budiana & Kusuma, 2022).

## Results and Discussion

### Results

#### Descriptive Statistics

The results of the descriptive analysis obtained are summarized in Table 1.

Table 1  
Descriptive Statistics

<b>Board Of Directors (X1)</b>			
Min	3.000000	Mean	6.244444
Max	12.000000	Std Deviation	2.267914
<b>Independent Commissioner (X2)</b>			
Min	0.333000	Mean	0.430860
Max	0.600000	Std Deviation	0.075557
<b>Tax Aggressiveness (Y)</b>			
Min	0.000492	Mean	0.141107
Max	0.969065	Std Deviation	0.185126
<b>Gender Diversity (Z)</b>			
Min	0.000000	Mean	0.166642
Max	0.375000	Std Deviation	0.134261

Source: Proceed, 2025

The descriptive statistics in Table 1 summarize the key variables used in the study: Board of Directors (X1), Independent Commissioner (X2), Tax Aggressiveness (Y), and Gender Diversity (Z). The table provides insights into the range, central tendency (mean), and dispersion (standard deviation) of each variable. These statistics help in understanding the distribution of the data and potential variations across firms. The minimum and maximum values indicate the extent of diversity within the dataset, while the mean provides an average representation of the variables. The standard deviation measures the extent to which the values deviate from the mean.

The Board of Directors (X1) variable has a minimum value of 3 and a maximum of 12 members, with an average of 6.24 and a standard deviation of 2.27. This indicates that while some firms have relatively small boards, others have significantly larger ones. The moderate standard deviation suggests that the distribution of board size varies but is not highly dispersed. A well-balanced board size is crucial for effective decision-making, as both excessively large and small boards can impact corporate governance efficiency.

The Tax Aggressiveness (Y) variable, which measures a firm's tendency to engage in aggressive tax planning, has a minimum value close to zero (0.000492) and a maximum value of 0.969065. The mean value of 0.141107 suggests that, on average, firms in the sample exhibit low tax aggressiveness. However, the standard deviation of 0.185126 indicates some degree of variability, meaning that while many firms are conservative in their tax planning, a few engage in more aggressive tax strategies. This variability is important for understanding the influence of governance structures on corporate tax behavior.

The Gender Diversity (Z) variable, which represents the proportion of women on the board, ranges from 0 (no women on the board) to 0.375 (37.5% female representation). The mean value of 0.1666 (16.66%) suggests that, on average, firms have a low representation of women on their boards. The standard deviation of 0.1343 indicates that there is some variation in gender diversity among firms, but in general, female representation remains low. This finding highlights the need to further investigate how gender diversity influences governance outcomes, including tax aggressiveness.

### Choosing the Panel Data Regression Model

The model used in this study is a panel data regression, which tests the model specifications and the suitability of theories with reality. Ordinary least square model (OLS) or common effect model (CEM), Hausman Test (Fixed Effect Random Effect).

Table 2  
Chow Test Results

Effects Test	Statistic	d.f	Prob.
Cross-section F	2.422779	(8.33)	0.0352
Cross-section Chi-square	20.792694	8	0.0077

Source: Proceed, 2025

Panel data regression is chosen for this study as it allows for analyzing both cross-sectional and time-series variations, providing a more comprehensive understanding of the relationship between board characteristics, gender diversity, and tax aggressiveness. This approach helps control for unobserved heterogeneity across firms and improves the reliability of statistical inferences. The study begins with the Ordinary Least Squares (OLS) or Common Effect Model (CEM), which assumes that there are no individual or time-specific effects among the firms. However, since panel data often exhibit individual heterogeneity, further model selection tests, such as the Chow Test and Hausman Test, are conducted to determine whether a Fixed Effects Model (FEM) or a Random Effects Model (REM) is more appropriate.

The Chow Test results, as presented in Table 2, compare the Common Effect Model with the Fixed Effects Model. The Cross-section F-statistic of 2.422779 with a p-value of 0.0352 and the Chi-square statistic of 20.792694 with a p-value of 0.0077 indicate statistical significance at the 5% level. Since the p-values are below 0.05, the null hypothesis (which assumes the Common Effect Model is the best fit) is rejected in favor of the Fixed Effects Model. This suggests that individual firm differences significantly impact the regression outcomes, meaning that controlling for these firm-specific effects is necessary to obtain unbiased estimates. Further confirmation through the Hausman Test will help determine whether Fixed Effects or Random Effects should be used in the final model.

Table 3  
Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.599819	3	0.2036

Source: Proceed, 2025

The Hausman Test is conducted to determine whether a Fixed Effects Model (FEM) or a Random Effects Model (REM) is more appropriate for this study. The test compares the consistency of the estimators under both models. Table 3 shows that the Chi-Square statistic is 4.599819 with a p-value of 0.2036, which is greater than the 5% significance level (0.05). Since the p-value is not statistically significant, the null hypothesis, which states that the Random Effects Model (REM) is the preferred model, cannot be rejected. This means that the REM is more suitable for the data, as it assumes that individual firm-specific effects are random and uncorrelated with the independent variables, allowing for more efficient estimations in panel data analysis.

Table 4  
Lagrange Multiplier (LM) Test Results

	Test Hypothesis		
	Cross-Section	Time	Both
Breusch-Pagan	1.350929 (0.2451)	0.386725 (0.5340)	1.737654 (0.1874)

Source: Proceed, 2025

The Lagrange Multiplier (LM) Test, specifically the Breusch-Pagan Test, is used to determine whether a Random Effects Model (REM) is more suitable than the Ordinary Least Squares (OLS) or Common Effects Model (CEM). Table 4 presents the test results for Cross-Section, Time, and Both Effects, with p-values of 0.2451, 0.5340, and 0.1874, respectively. Since all p-values are greater than the 5% significance level (0.05), the null hypothesis—which states that the Common Effect Model (CEM) is preferable—cannot be rejected. This means that there is no significant variance across individuals or over time, indicating that the Common Effects Model (OLS) is the most appropriate regression model for this study, rather than the Random Effects Model.

### The Effect of The Board of Directors on Tax Aggressiveness

Table 5  
Panel Least Squares

	Coefficient	Std Error	t-Statistics	Prob.
C	0.187623	0.082248	2.281174	0.0276
X1	-0.007449	0.012396	-0.600922	0.5510

Source: Proceed, 2025

Table 5 presents the results of the Panel Least Squares (PLS) regression examining the effect of the Board of Directors (X1) on Tax Aggressiveness (Y). The intercept (C) has a coefficient of 0.187623, indicating the baseline level of tax aggressiveness when other variables are not considered. The corresponding p-value of 0.0276 is statistically significant at the 5% level, meaning that the intercept is meaningfully different from zero. However, the coefficient for the Board of Directors (X1) is -0.007449, suggesting a slight negative relationship between board size and tax aggressiveness. This implies that as the number of board members increases, firms tend to engage in less tax aggressiveness. However, this effect is relatively small and may not be practically significant.

Moreover, the t-statistic for X1 is -0.600922, and the corresponding p-value is 0.5510, which is much greater than the 5% significance level. This means that the relationship between Board of Directors size and tax aggressiveness is statistically insignificant, indicating that board size alone does not significantly influence firms' tax planning behavior. The high standard error (0.012396) also suggests potential variability in the data, which may require further investigation with additional control variables or interaction effects to better understand the relationship. These findings align with prior studies indicating that although corporate governance structures influence managerial decisions, board size alone is not a strong determinant of tax aggressiveness unless accompanied by other governance attributes such as board independence, expertise, or diversity. For example, Zemzem and Ftouhi (2013) find that board characteristics have varying effects on tax aggressiveness depending on the composition and effectiveness of governance mechanisms, while Boussaidi and Hamed-Sidhom (2021) show that board independence and ownership structure play a more significant role than board size in explaining tax avoidance behavior. Similarly, Lanis et al. (2018) highlight that the effectiveness of governance in

constraining aggressive tax practices depends more on board quality and experience than on size alone.

### The Effect of The Independent Commissioner on Tax Aggressiveness

Table 6  
Panel Least Squares

	Coefficient	Std Error	t-Statistics	Prob.
C	-0.286830	0.149363	-1.920350	0.0615
X2	0.993214	0.341566	2.907825	0.0057

Source: Proceed, 2025

Table 6 presents the Panel Least Squares (PLS) regression results examining the effect of the Independent Commissioner (X2) on Tax Aggressiveness (Y). The intercept (C) has a coefficient of -0.286830, meaning that when the independent commissioner variable is not considered, the base level of tax aggressiveness is slightly negative. However, the p-value of 0.0615 is above the 5% significance level, suggesting that the intercept is not statistically significant. This indicates that other factors may play a role in determining tax aggressiveness beyond the variables included in the model.

The coefficient for the Independent Commissioner (X2) is 0.993214, indicating a strong positive relationship between the proportion of independent commissioners and tax aggressiveness. This suggests that as the number of independent commissioners increases, firms tend to engage in more aggressive tax planning. The t-statistic of 2.907825 and a p-value of 0.0057 confirm that this effect is statistically significant at the 1% level, meaning there is strong evidence to support this relationship. The relatively high standard error (0.341566) suggests some variability in the data, but the significance of the coefficient implies that independent commissioners may not effectively curb tax aggressiveness as expected. Instead, their presence might be symbolic rather than functional, or they may lack the influence needed to enforce tax compliance policies within firms.

*The Effect of The Board of Directors with Gender Diversity as a Moderating Variable on Tax Aggressiveness*

Table 7  
Panel Least Squares 1

	Coefficient	Std Error	t-Statistics	Prob.
C	0.178872	0.085937	2.081429	0.0435
X1	-0.008324	0.012712	-0.654844	0.5161
Z	0.085303	0.214725	0.397265	0.6932

Source: Proceed, 2025

Table 8  
Panel Least Squares 2

	Coefficient	Std Error	t-Statistics	Prob.
C	0.257044	0.099246	2.589970	0.0132
X1	-0.021831	0.015392	-1.418947	0.1636
Z	-1.155456	0.848866	-1.361176	0.1809
X1Z	0.194959	0.129174	1.509279	0.1389

Source: Proceed, 2025

Table 7 and 8 present the results of the Panel Least Squares (PLS) regression analyzing the effect of the Board of Directors (X1) on Tax Aggressiveness (Y), with Gender Diversity (Z) as a moderating variable. In Table 7, the coefficient for Board of Directors (X1) is -0.008324, suggesting a weak negative relationship between board size and tax aggressiveness, but the p-value of 0.5161 indicates that this effect is statistically insignificant. Similarly, the coefficient for Gender Diversity (Z) is 0.085303, implying a slight positive relationship between gender diversity and tax aggressiveness; however, the p-value of 0.6932 suggests that this effect is also not statistically significant. The intercept (C) has a coefficient of 0.178872, which is significant at the 5% level ( $p = 0.0435$ ), indicating that tax aggressiveness has a positive baseline level when other variables are not accounted for. Overall, these results suggest that neither Board of Directors size nor Gender Diversity alone significantly influences tax aggressiveness.

Table 8 introduces an interaction term (X1Z), representing the moderating effect of Gender Diversity on the relationship between Board of Directors and Tax Aggressiveness. The coefficient for X1Z is 0.194959, suggesting a positive interaction effect, meaning that as gender diversity increases, the negative relationship between board size and tax aggressiveness weakens. However, the p-value of 0.1389 indicates that this moderating effect is not statistically significant. The coefficient for Gender Diversity (Z) is -1.155456, suggesting that higher gender diversity may be associated with lower tax aggressiveness, but its p-value of 0.1809 shows it is

not statistically significant. The coefficient for Board of Directors (X1) is -0.021831, which remains negative but still insignificant ( $p = 0.1636$ ). Overall, these findings suggest that while gender diversity may have some theoretical influence on tax aggressiveness, its moderating effect is not statistically proven in this study, indicating that other governance factors may play a stronger role.

*The Effect of The Independent Commissioner with Gender Diversity as a Moderating Variable on Tax Aggressiveness*

Table 9  
Panel Least Squares 1

	Coefficient	Std Error	t-Statistics	Prob.
C	-0.357845	0.156213	-2.290747	0.0271
X2	1.278125	0.394501	3.239853	0.0023
Z	-0.310496	0.22012	-1.398558	0.1693

Source: Proceed, 2025

Table 10  
Panel Least Squares 2

	Coefficient	Std Error	t-Statistics	Prob.
C	-0.419724	0.319023	-1.315657	0.1956
X2	1.433215	0.801073	1.789120	0.0810
Z	-0.065490	1.120065	-0.058470	0.9537
X2Z	-0.595036	2.665022	-0.223276	0.8244

Source: Proceed, 2025

Table 9 and 10 present the results of the Panel Least Squares (PLS) regression examining the effect of the Independent Commissioner (X2) on Tax Aggressiveness (Y), with Gender Diversity (Z) as a moderating variable. In Table 9, the coefficient for Independent Commissioner (X2) is 1.278125, indicating a strong positive relationship between the presence of independent commissioners and tax aggressiveness. The p-value of 0.0023 confirms that this effect is statistically significant at the 1% level, suggesting that firms with more independent commissioners tend to engage in more aggressive tax planning. The coefficient for Gender Diversity (Z) is -0.310496, implying a negative relationship between gender diversity and tax aggressiveness, but the p-value of 0.1693 indicates that this effect is not statistically significant. Meanwhile, the intercept (C) has a coefficient of -0.357845, meaning that when other variables are not considered, the base level of tax aggressiveness is negative. The p-value of 0.0271 shows that this baseline effect is significant at the 5% level, suggesting that without governance interventions, firms may naturally engage in lower tax aggressiveness.

Table 10 introduces the interaction term (X2Z) to measure the moderating effect of Gender Diversity on the relationship between Independent Commissioner and Tax Aggressiveness. The coefficient for X2Z is -0.595036, suggesting that gender diversity might slightly reduce the positive impact of independent commissioners on tax aggressiveness. However, the p-value of 0.8244 is not statistically significant, indicating that gender diversity does not significantly moderate this relationship. The coefficient for Independent Commissioner (X2) is 1.433215, maintaining a strong positive association with tax aggressiveness, but its p-value of 0.0810 suggests that this effect is now only marginally significant at the 10% level. The coefficient for Gender Diversity (Z) is -0.065490, again showing a weak negative effect on tax aggressiveness, but with an extremely high p-value of 0.9537, making it statistically irrelevant. These results indicate that while Independent Commissioners significantly influence tax aggressiveness, gender diversity does not play a moderating role in this relationship, suggesting that other governance mechanisms may be more effective in influencing corporate tax policies.

### *Discussion*

#### *The Effect of The Board of Directors on Tax Aggressiveness*

The findings of this study indicate that the Board of Directors does not have a significant effect on Tax Aggressiveness, as demonstrated by the high p-values in the regression analysis. This result aligns with previous research, such as Nwezoku and Egbunike (2020), who found that board size alone does not significantly influence tax planning decisions in Nigerian healthcare firms. Similarly, Utaminingsih et al., (2022) concluded that while board size is an essential governance mechanism, its direct impact on tax aggressiveness is minimal without considering other factors such as board independence and expertise. The lack of a significant relationship suggests that simply increasing the number of board members does not necessarily lead to better oversight of tax strategies, as decision-making effectiveness depends on the quality and expertise of board members rather than their quantity (Al-Matari et al., 2014);(Anggraeni & Kurnianto, 2020);(Lanis et al., 2018).

Moreover, Linowati and Puspawati, (2023) also reported that board size is not a primary determinant of corporate tax aggressiveness, as firms may still

engage in aggressive tax planning despite having large boards. Their study emphasized that factors like board independence, regulatory enforcement, and the presence of financial experts are more critical in shaping tax policies. These findings support the argument that governance effectiveness is not just about board size but rather about how well the board functions in overseeing corporate tax practices. Therefore, while a larger board may bring diverse perspectives, it does not necessarily translate into stricter tax compliance, highlighting the need for stronger regulatory oversight and governance quality rather than just structural board adjustments.

#### *The Effect of The Independent Commissioner on Tax Aggressiveness*

The findings of this study indicate that Independent Commissioners have a significant effect on Tax Aggressiveness, as shown by the strong positive coefficient and low p-value in the regression analysis. This result is consistent with the study by Oyedokun, Dandago and Abiahu (2021), which found that independent commissioners influence tax strategies in Nigerian conglomerate companies. Their research suggested that rather than acting as an oversight mechanism to curb aggressive tax planning, independent commissioners may inadvertently enable tax aggressiveness due to their advisory role in maximizing shareholder value. Similarly, Onatuyeh and Ukolobi (2020) also reported that firms with a higher proportion of independent commissioners tend to engage in more aggressive tax planning, possibly because these commissioners prioritize financial performance over tax compliance. This finding challenges the conventional belief that independent commissioners always serve as an effective monitoring mechanism to ensure ethical corporate governance ((Abbas et al., 2021);(Arianti, 2020).

Additionally, the study by Yahya, Manan, Khan, et al., (2021) supported this outcome by demonstrating that independent commissioners' influence on tax policies depends on their level of expertise and the regulatory environment in which they operate. In firms where independent commissioners lack strong tax oversight responsibilities, they may be ineffective in curbing aggressive tax planning. Similarly, Budiana and Kusuma (2022) found that in certain cases, independent commissioners may act more as symbolic figures rather than active enforcers of tax compliance. These results suggest that while independent commissioners have a significant effect on tax aggressiveness, their role may not always align with

reducing aggressive tax strategies. Instead, their influence can vary depending on regulatory frameworks, board effectiveness, and the firm's overall governance structure, highlighting the need for stricter regulations to ensure their role supports ethical tax practices.

*The Effect of The Board of Directors with Gender Diversity as a Moderating Variable on Tax Aggressiveness*

The findings of this study indicate that Gender Diversity does not moderate the relationship between the Board of Directors and Tax Aggressiveness, as shown by the statistically insignificant interaction term in the regression analysis. This result aligns with the study by Utaminingsih et al., (2022), which found that while gender diversity is often linked to ethical decision-making, its presence on the board does not necessarily reduce aggressive tax planning. Their research suggested that having more women on the board does not automatically translate into stronger tax compliance, as other factors such as board independence and regulatory enforcement, play a more significant role. Similarly, Linowati and Puspawati (2023) reported that gender diversity alone is insufficient to moderate tax aggressiveness, as female board members may not always have the authority or influence needed to shift corporate tax strategies, especially in male-dominated decision-making environments.

Additionally, Yahya, Manan, Khan, et al., (2021) supported this outcome by emphasizing that gender diversity's effectiveness in governance depends on corporate culture and institutional frameworks. In some firms, women on the board may not have a strong voice in financial decision-making, limiting their ability to influence tax strategies. Similarly, Budiana and Kusuma (2022) found that while gender diversity can enhance board discussions, it does not necessarily moderate tax aggressiveness unless coupled with other governance mechanisms such as independent oversight and strict regulatory policies. These results suggest that while gender diversity is valuable for board inclusivity, it does not automatically function as a controlling factor in reducing tax aggressiveness. Instead, its impact is highly dependent on board dynamics, firm structure, and external regulatory pressures, highlighting the need for more comprehensive governance reforms rather than relying solely on gender representation (Abdelfattah & Aboud, 2020).

*The Effect of The Independent Commissioner with Gender Diversity as a Moderating Variable on Tax Aggressiveness*

The findings of this study indicate that Gender Diversity does not moderate the relationship between Independent Commissioners and Tax Aggressiveness, as shown by the statistically insignificant interaction term in the regression analysis. This result aligns with the study by Oyedokun, Dandago and Abiahu (2021), which found that while independent commissioners play a crucial role in corporate governance, gender diversity does not necessarily strengthen or weaken their influence on tax strategies. Their research suggested that the effectiveness of independent commissioners in reducing tax aggressiveness depends more on their expertise, independence, and regulatory oversight rather than gender composition. Similarly, Onatuyeh and Ukolobi (2020) reported that although gender diversity can contribute to ethical corporate practices, it does not act as a decisive moderating factor in firms' tax planning decisions, as other elements such as firm policies and legal enforcement play a more significant role.

Additionally, Yahya et al., (2021) supported this outcome by emphasizing that the presence of women in independent commissioner roles does not necessarily translate into stricter tax governance, as their influence can be limited by board dynamics and corporate priorities. Similarly, Budiana and Kusuma (2022) found that gender diversity alone is not enough to alter the decision-making impact of independent commissioners on tax policies, as firms may still engage in aggressive tax strategies regardless of board composition. These findings suggest that while gender diversity is important for board inclusivity, it does not automatically strengthen the role of independent commissioners in reducing tax aggressiveness. Instead, the effectiveness of independent commissioners depends on external regulatory pressure, corporate governance structures, and their ability to exercise real authority within the firm, highlighting the need for more comprehensive governance policies beyond just gender representation ((Yuniarwati et al., 2017);(Ulfa & Challen, 2020)).

## Conclusion

This study concludes that the Board of Directors does not have a significant effect on Tax Aggressiveness, indicating that board size alone is not a determining factor in shaping corporate tax strategies. Conversely, Independent Commissioners

significantly influence tax aggressiveness, suggesting that their role in governance can impact a firm's tax planning decisions, potentially encouraging more aggressive tax practices. However, the moderating effect of Gender Diversity on both the Board of Directors and Independent Commissioners in relation to tax aggressiveness was found to be insignificant. This implies that the presence of women on the board or in independent commissioner roles does not necessarily alter tax decision-making processes. These findings highlight the complexity of corporate tax behavior and suggest that governance structures alone may not be sufficient to curb aggressive tax planning without strong regulatory frameworks and enforcement mechanisms.

Based on these results, several recommendations are proposed. For policymakers and regulators, stricter tax governance policies should be implemented to ensure that independent commissioners act as effective monitors rather than enablers of tax aggressiveness. For corporate practitioners, board effectiveness should be enhanced by prioritizing expertise and ethical leadership rather than relying solely on structural factors such as board size or gender diversity quotas. For investors and stakeholders, greater transparency in corporate tax strategies should be emphasized, and firms should be encouraged to adopt responsible tax practices. However, this study is subject to several limitations. First, the sample is limited to real estate and property companies listed on the Indonesia Stock Exchange, which may restrict the generalizability of the findings to other industries or countries. Second, the relatively small sample size and observation period may limit the robustness of the results. Third, this study focuses only on specific governance variables, namely the board of directors, independent commissioners, and gender diversity, without considering other potentially influential factors such as audit committee effectiveness, ownership structure, or managerial incentives. Therefore, future research is encouraged to incorporate a broader set of governance variables, extend the observation period, and explore different industrial contexts to provide a more comprehensive understanding of corporate tax behavior.

## References

- Abbas, D. S., Ismail, T., Taqi, M., & Yazid, H. (2021). The influence of independent commissioners, audit committee and company size on the integrity of financial statements. *Studies of Applied Economics*, 39(10).
- Abdelfattah, T., & Aboud, A. (2020). Tax avoidance, corporate governance, and corporate social responsibility: The case of the Egyptian capital market. *Journal of International Accounting, Auditing and Taxation*, 38, 100304. <https://doi.org/10.1016/j.intaccudtax.2020.100304>
- Al-Matari, E., Al-Swidi, A., & Hanim, F. (2014). The Effect of Board of Directors Characteristics, Audit Committee Characteristics and Executive Committee Characteristics on Firm Performance in Oman: An Empirical Study. *Asian Social Science*, 10. <https://doi.org/10.5539/ass.v10n11p149>
- Anggraeni, D., & Kumianto, S. (2020). The Effect of Board Size and Female Directors on Tax Avoidance. *International Journal of Innovation*, (Query date: 2023-01-22 19:43:00). [https://ijicc.net/images/vol\\_13/Iss\\_8/13882\\_Anggraeni\\_2020\\_E\\_R.pdf](https://ijicc.net/images/vol_13/Iss_8/13882_Anggraeni_2020_E_R.pdf)
- Arianti, B. (2020). The Effect of Independent Commissioner's Moderation of CSR and Institutional Ownership on Tax Avoidance. *Jabe (Journal of Accounting and Business Education)*, (Query date: 2023-01-22 19:43:00). <http://journal2.um.ac.id/index.php/jabe/article/view/8271>
- Budiana, E., & Kusuma, H. (2022). The relationship between gender diversity and tax avoidance practices. *INTERNATIONAL JOURNAL OF RESEARCH IN BUSINESS AND SOCIAL SCIENCE*, 11(8).
- Falbo, T., & Firmansyah, A. (2018). Thin capitalization, transfer pricing aggressiveness, penghindaran pajak. *Indonesian Journal of Accounting and ...*, (Query date: 2023-01-22 19:43:00). <http://ip17-148.cbn.net.id/index.php/ijag/article/view/11>
- Hana, N. P., Dewi, R. R., & Wijayanti, A. (2022). The Influence of Corporate Governance, Gender Diversity, CSR on Tax Aggressiveness in Companies Listed on the IDX. *Jurnal AKSI (Akuntansi Dan Sistem Informasi)*, 7(1).
- Hossain, M. S., Islam, M. Z., Ali, Md. S., Safiuddin, Md., Ling, C. C., & Fung, C. Y. (2025). The nexus of tax avoidance and firms characteristics – does board gender diversity have a role? Evidence from an emerging economy. *Asia-Pacific Journal of Business Administration*, 17(2), 401–427. <https://doi.org/10.1108/APJBA-10-2023-0521>
- Lanis, Roman, Richardson, G., Liu, C., & McClure, R. (2018). The Impact of Corporate Tax Avoidance on Board of Directors and CEO Reputation. *Journal of Business Ethics*, 160.
- Linowati, S. N., & Puspawati, D. (2023). The Role of Internal Control in Gender Diversity Relations, Audit Committees, and Independent Commissioners against Tax Aggressiveness. *American Journal of Sciences and Engineering Research*, 6(2).
- Mappadang, A. (2021). Corporate Governance and Corporate Tax Avoidance: An Interactive Effects (Evidence from Indonesia Capital Market). *Jurnal Keuangan Dan Perbankan*, 25(1), 81–92. <https://doi.org/10.26905/jkdp.v25i1.5043>
- Mosuin, E., Zakaria, N. B., Ason, Y. J., & Bakhri, S. (2025). The Impact of Corporate Governance Monitoring Mechanisms on Tax

Avoidance. *Indian Journal of Corporate Governance*, 18(1), 163–183. <https://doi.org/10.1177/09746862251328168>

Nurdiansyah, A., & Yustisi, Y. P. (2025). The Role of Good Corporate Governance in Practice Tax Avoidance: Analysis Independent Commissioner, Capital Intensity, CEO, and Audit Quality on Sector Properties and Real Estate (2019-2023). *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis*, 13(3), 2655–2668. <https://doi.org/10.37676/ekombis.v13i3.8635>

Nwezoku, N. C., & Egbunike, P. A. (2020). BOARD DIVERSITY AND CORPORATE TAX AGGRESSIVENESS BEHAVIOUR OF QUOTED HEALTHCARE MANUFACTURING FIRMS IN NIGERIA. *International Journal of Advanced Academic Research*, 6(2).

Onatuyeh, E. A., & Ukolobi, I. (2020). Tax Aggressiveness, Corporate Governance and Audit Fees: A Study of Listed Firms in Nigeria. *International Journal of Financial Research*, 11(6).

Oyedokun, G., Dandago, I., & Abiahu, M.-F. (2021). *PROCEEDINGS OF THE 3RD ANNUAL INTERNATIONAL ACADEMIC CONFERENCE OF THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA 2020*.

Rahman, H. (2021). Determinant of Tax Aggressiveness: Gender Diversity as Moderator. *Archives of Business Research*, 9, 223–237. <https://doi.org/10.14738/abr.910.10985>

Riguen, R., Salhi, B., & Jarboui, A. (2020). Do women in board represent less corporate tax avoidance? A moderation analysis. *International Journal of Sociology and Social Policy*, 40(1/2), 114–132. <https://doi.org/10.1108/IJSSP-10-2019-0211>

Ulfa, A. M., & Challen, A. E. (2020). Good Corporate Governance on Integrity of Financial Statements. *Proceedings of the Tarumanagara International Conference on the Applications of Social Sciences and Humanities (TICASH 2019)*. Tarumanagara International Conference on the Applications of Social Sciences and Humanities (TICASH 2019), Barat, Indonesia. <https://doi.org/10.2991/assehr.k.200515.008>

Utaminingsih, N. S., Kurniasih, D., Sari, M. P., & Helmina, M. R. A. (2022). The role of internal control in the relationship of board gender diversity, audit committee, and independent commissioner on tax aggressiveness. *Cogent Business & Management*, 9(1), 1–17. <https://doi.org/10.1080/23311975.2022.2122333>

Widijaya, & Lianty, F. (2023). THE EFFECT OF CORPORATE GOVERNANCE ON TAX AVOIDANCE WITH CORPORATE SOCIAL RESPONSIBILITY AS MEDIATION. *JMBI UNSRAT (Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi)*, 10(3), 1814–1824. <https://doi.org/10.35794/jmbi.v10i3.49565>

Yahya, F., Manan, A., ... Khan, M. W. J. (2021). The moderating role of board gender diversity between power-based corporate governance and tax aggressiveness. *Economics and Business Letters*, 10(2), 140–147.

Yuniarwati, I., Dewi, S., & Lin, C. (2017). Factors that influence tax avoidance in Indonesia stock exchange. *Chinese Business Review*, (Query date: 2023-01-22 19:43:00). [https://www.researchgate.net/profile/Icenik-Ardana/publication/321968684\\_Factors\\_That\\_Influence\\_Tax\\_Avoidance\\_in\\_Indonesia\\_Stock\\_Exchange/links/5c2d5c6b458515a4c7086a6e/Factors-That-Influence-Tax-Avoidance-in-Indonesia-Stock-Exchange.pdf](https://www.researchgate.net/profile/Icenik-Ardana/publication/321968684_Factors_That_Influence_Tax_Avoidance_in_Indonesia_Stock_Exchange/links/5c2d5c6b458515a4c7086a6e/Factors-That-Influence-Tax-Avoidance-in-Indonesia-Stock-Exchange.pdf)