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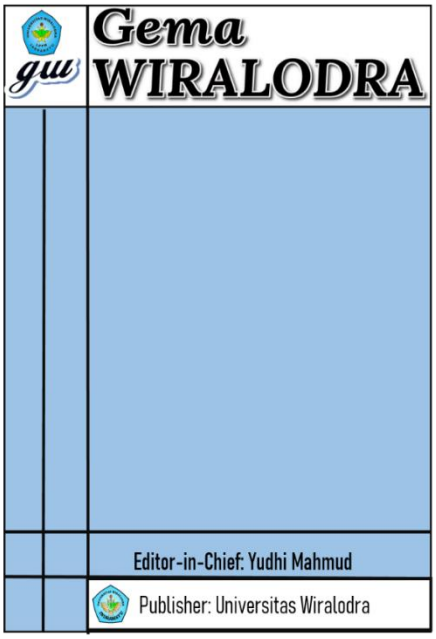

The effect of firm size and gender diversity on tax avoidance: case study on health companies listed on BEI in 2018-2022

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The effect of firm size and gender diversity on tax avoidance: case study on health companies listed on BEI in 2018-2022

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Abstract
Tax avoidance is an effort by companies to avoid taxes by not violating applicable laws. This article reviews the factors that influence tax avoidance. The method used is quantitative, and the data used is secondary. This article aims to determine the magnitude of the influence of firm size and gender diversity on tax avoidance, which will be used in future research. The result of this article is that firm size and gender diversity do not influence tax avoidance.
Keywords: Firm Size, Gender Diversity, Tax Avoidance

1. Introduction

The accounting side also means that taxes are costs or expenses that will reduce net profit. Community participation in paying taxes has a high influence on state revenue. If citizens are active in paying taxes, state income will also increase. This can improve national development so that the people are prosperous. If people do not carry out their responsibilities in paying taxes or as taxpayers, there will be a welfare gap because national development is uneven. That tax was used to meet state needs and community interests such as education, health, progress in public transportation, tourism, etc.

In general, companies avoid taxes because of policies decided by company leaders. From this decision, the tax avoidance strategy is an efficient form of paying taxes so companies can utilize company resources (Zahirah, 2017). The Tax Justice Network reported that due to the impact of tax evasion, Indonesia allegedly suffered losses of 4.86 billion US dollars, or IDR 68.7 trillion, if converted into rupiah. In the Tax Justice Network report entitled The State of Tax Justice 2020: Tax Justice in the Time of COVID-19, as much as 4.78 billion US dollars, or IDR 67.6 trillion, is the nominal amount generated by companies in Indonesia that have committed tax evasion, and the remainder, namely 78.83 million US dollars, or IDR 1.1 trillion, is the nominal amount that comes from individual taxpayers. This practice is carried out by moving their profits to companies in other countries. This goal is so companies only pay small amounts of tax (Sukmana, 2020).

Many factors can influence tax avoidance, both internal and external. For example, these factors include firm size and gender diversity. According to Ambarsari et al. (2018), gender diversity can provide ideas or points of view for decision-makers and create strategies for companies. Gender diversity influences the tax rate. The measurement of gender diversity uses the number of women on the company's board and positively impacts the company's tax aggressiveness (Boussaidi & Hamed, 2015). Men have a more dominant nature in making decisions; men have a high level of courage in taking risks and have less social sensitivity; and women have a more careful nature in making decisions and tend to avoid risks (Kusnindar, 2019).

Company size generally groups companies into several groups: large, medium, and small. Companies use a company scale to see the size of the company based on the company's total assets (Nurwulandari, 2021). Large companies have advantages compared to small companies. The advantage is that the company's size can determine how difficult or easy it is to obtain

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funds from investors. If the company's size is large, investors will be more interested in investing in shares or giving their funds to the company. Large companies also have mature, sound, and effective tax planning to reduce the company's effective rate (Dewinta & Setiawan, 2016).

2. Methods

This research applies quantitative methods, which means using quantitative data and company financial reports, which are disseminated via the official website of the Indonesia Stock Exchange. The data comes from secondary data, and the data collection technique uses documentation data. The population for this research uses companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022. Purposive sampling was chosen to determine the sample in this research. Purposive sampling is a technique for taking samples based on criteria or several considerations that focus on certain objectives and the technique is not chosen randomly (Oliver, 2013). The criteria used in this research are as follows: (a) Health companies listed on the IDX in the 2018-2022 period; (b) Companies that have complete financial reports and annual reports for the 2018-2022 period; (c) Companies that do not produce negative values in profit before tax in the 2018-2022 period. This research uses multivariate linear regression analysis. The data was examined using multiple regression analysis after fulfilling the classic hypothesis test. Commonly tested hypotheses include the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

3. Results and Discussion

Table 1
Normality Test Results

		Unstandardized Residuals
N		52
Normal Parameters ab	Mean	,0000000
	Std. Deviation	434.3055505
Most Extreme Differences	Absolute	,338
	Positive	,252
	Negative	-,338
Statistical Tests		,338
Asymp. Sig. (2-tailed)		,000c

a. Test distribution is Normal
b. Calculated from data
c. Lilliefors Significance Correction

This Table is the result of the Kolmogorov-Smirnov non-parametric statistical test, which shows that the significance value is 0.000. This means that the data in the Kolmogorov-Smirnov normality test above is not normal because it does not meet the criteria for the test carried out, namely with a significance value above $0.000 \leq 0.05$.

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Table 2
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Firm Size	.946	1.057
GD1	1000	1.000
GD2	.946	1.057

It is known that the results of the multicollinearity test with a tolerance value for the firm size variable are 0.946, GD1 is 1.000 and GD2 is 0.946, which means the tolerance value is greater than 0.10. The results of the multicollinearity test with the VIF value with the firm size variable are 1.057, GD1 is 1.000 and GD2 is 1.057, which means that the value is below 10. This gives the conclusion that there are no symptoms of multicollinearity.

Table 3
Heteroscedasticity Test Results

Model	t	sig
1 (Constant)	-.094	.925
Firm Size	.145	.886
GD1	1.710	.094
GD2	-.329	.744

a. Dependent Variable; Abs_RES

Based on the table above, the significance result for the Firm Size variable is 0.886, which means the significance value is greater than 0.05 and the significance value for the GD1 variable is 0.094 and GD2 is 0.744, which means it is greater than 0.05. This means that there are no symptoms of heteroscedasticity in the regression model.

Table 4
Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate	Durbin-Watson
1	.244a	.049	.001	447.67191	1.874

a. Predictors: (Constant), Firm Size, GD1, GD2
b. Dependent Variable: Tax Avoidance

From the results of the tests carried out, it is known that the Durbin-Watson value is 1.874 and based on the Durbin Watson table it is known that the dU value is 1.6769. It can be seen that the value of 4-dU is 2.3231. It can be concluded that the DW value obtained is between dU and 4-dU, (1.6769 1.874 2.3231) and means that there is no autocorrelation because the DW value is between the dU and 4-dU values.

Table 5
Results of Simple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-226.457	1544.337		-.147	.884
Firm Size	-3.82	53.620	.008	.059	.953

a. Dependent Variable: Tax Avoidance

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Table 6
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-398.349	76.390		-5.215	.000
GD1	3.722	2.137	.239	1.741	.088

a. Dependent Variable: Tax Avoidance

Table 6
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-298.753	90.664		-3.295	.002
GD2	-.009	.029	-.041	-.294	.770

a. Dependent Variable: Tax Avoidance

Firm Size

Below is the formula for regression:

$$TA = \alpha + \beta 1FZ + \varepsilon$$

Information:
TA = Tax avoidance
α = Constant
FZ = Firm Size

Based on the table obtained, the formula for the regression equation is:

$$TA = \text{-}226{,}457 + 0{,}008FZ + \varepsilon$$

Based on this equation, it can be concluded that:

a) Constant value (α) = -226.457, which means that if the firm size variable is constant, then the tax avoidance variable decreases by 226.457
b) The firm size regression coefficient value = 0.008, which means that if the firm size variable manages to increase by 1 unit, 1 unit or 1 rupiah, the tax avoidance variable can increase by 0.008.

Gender Diversity 1

$$TA = \alpha + \beta GD1 + \varepsilon$$

Information:
TA = Tax avoidance
A = Constant
GD = Gender Diversity1

$$TA = \text{-}398.349 + 0.239GD1 + \varepsilon$$

a) Constant value (α) = -398.349, which means that if the gender diversity variable 1 is constant, then the tax avoidance variable decreases by 398.349

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b) The regression coefficient value GD1 = 0.239, which means that if the gender diversity variable 1 manages to increase by 1 unit, 1 unit or 1 rupiah, the tax avoidance variable can increase by 0.239

Gender Diversity 2

$$TA = \alpha + \beta GD2 + \varepsilon$$

Information:
TA = Tax avoidance
A = Constant
GD = Gender Diversity 2

$$TA = \text{-}298.753 - 0.041 GD2 + \varepsilon$$

a) Constant value (α) = -298.753, which means that if the gender diversity variable 2 is constant, then the tax avoidance variable decreases by 298.753.
b) The regression coefficient value GD2 = which means that if the gender diversity 2 variable manages to increase by 1 unit, 1 unit or 1 rupiah then the tax avoidance variable can decrease by $0.041 - 0.041$.

Hypothesis Testing Results

Table 8
F Test Results

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig
1 Regression	607493.053	3	202497.684	1.010	.396b
Residual	9619686.870	48	200410.143		
Total	10227179.92	51			

a. Dependent Variable; Tax Avoidance
b. Predictors; (Constant), Firm Size, GD1, GD2

Based on the table above, the calculated F value is 1.010 and the significance value is 0.396, which means the significance value is greater than 0.05. It can be concluded that the hypothesis is rejected and there is no influence between variables X1, X2 and X3 on variable Y.

Table 9
T Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-149.534	1589.028		-.094	.925
Firm Size	-7.887	54.577	-.021	-.145	.886
GD1	3.727	2.179	.239	1.710	.094
GD2	-.010	.030	-.047	-.329	.774

a. Dependent Variable: Tax Avoidance

a) Based on the results obtained, it can be concluded that the significant value for Firm Size is 0.885, which means above 0.05 (0.886 > 0.05) and concludes that there is no influence between Firm Size and Tax Avoidance. So H_1 is rejected.

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b) Based on the results obtained, it can be concluded that the significant value for GD1 is 0.094, which means that the significant value is above 0.05 and means that there is no influence between GD1 and Tax Avoidance. So H_2 is rejected.
c) Based on the results obtained, it can be concluded that the significant value for GD2 is 0.774, which means that the significant value is above 0.05 and means that there is no influence between GD2 and Tax Avoidance. So H_3 is rejected.

Table 9
Coefficient of determination test results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.244a	.059	.001	447.67191

a. Predictors: (Constant), Firm Size, GD1, GD2
b. Dependent Variable: Tax Avoidance

According to the table above, there is an influence of 0.059 or 3.3% on the Firm Size, GD1 and GD2 variables. The remaining 94.1% was caused by other factors not included in the study.

Discussion

In accordance with the tests carried out on the hypothesis, the results obtained for the firm size variable were 0.886, which means that the significance value is above 0.05, so H1 is rejected, meaning that it has no influence on tax avoidance. In accordance with the analysis carried out on the regression, the coefficient value obtained was -7.887 for tax avoidance. The results of this research state that the firm size variable has no influence on tax avoidance, which means that high or low company size does not have an influence on tax avoidance. The results of this research are also in line with research conducted by Dewi & Noviari (2017), Wijayanti & Merkusiwati (2017), and Accounting & Munawaroh (2019).

In accordance with the tests carried out on the hypothesis, the results obtained for the GD1 variable were 0.094 and GD2 were 0.774. This means that the significance value is above 0.05, so H2 and H3 are rejected, meaning that it has no influence on tax avoidance. In accordance with the analysis carried out on the regression, the coefficient values obtained were 3.727 and -0.10 for tax avoidance. The results of this research state that GD1 and GD2 have no influence on tax avoidance, which means that the position of women in a company has no influence on carrying out tax avoidance actions. The results of this research are also in line with research conducted by Boussaidi & Hamed (2015), Ambarsari et al. (2018), and Afri Yuyetta & Winasis (2016).

4. Conclusion

This research was conducted to test whether company size and gender diversity have an influence on tax avoidance. Based on the results obtained from the research that has been carried out, the conclusions obtained for this research are: (a) *Firm Size*has no influence or can be said to have a negative influence on tax avoidance in health companies listed on the Indonesia Stock Exchange in 2018-2022. (b) GD1 has no influence or can be said to have a negative influence on tax avoidance in health companies listed on the Indonesia Stock Exchange in 2018-2022. (c) GD2 has no influence or can be said to have a negative influence on tax avoidance in health companies listed on the Indonesia Stock Exchange in 2018-2022.

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