Research Paper

THE EFFECTS OF TAX AVOIDANCE AND GENDER DIVERSITY ON FIRM VALUE

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ABSTRACT

This research intended to inspect the effect of tax avoidance and gender diversity to firm value listed in Indonesia Stock Exchange (IDX). This study used firm value as dependent variable. Tax avoidance and gender diversity as predictor variable. Control variable such as return on asset, return on equity, firm size, leverage, growth, firm's industry and firm's auditor also included in the study. Companies listed in Indonesia Stock Exchange (IDX) from year 2017-2021 are the samples of this study. Research conducted data testing using SPSS version 25 and E-Views version 10 application. With total data 2,169 from 2,210, the sample selected based on purposive sampling method. Several tests were carried out in analysing, including descriptive statistics, multicollinearity test, outliers, Hausman, F test, T test, and determination coefficient test. Result shown that both tax avoidance and gender diversity have no significant effect to firm value. However firm size and leverage has significant effect to firm value. These results provide unique contribution to contextual understanding regarding tax avoidance and gender diversity in Indonesia, effected by cultural, regulatory, and other economic factors that differs from other countries that benefits for future studies directions.

Keywords: Firm Value, Tax Avoidance, Gender Diversity

INTRODUCTION

Currently, the world is going through the era of revolution 4.0, where investors have many ways to invest their capital (Soesatyo, 2018). In Indonesia there are many different types of investments such as deposits, bonds, foreign exchange, stocks and many other types of investment (Hadijah, 2020). However, the form of investment that is still popular currently and in high demand is stock investment. There are many online applications and platforms available today. Online platforms such as Bibit, RTI business, Poems ID, and many more. However, investors still need to be wise in choosing which applications and platforms to invest in an entity. On the other hands, companies need investors to increase cash flow and capital turnover.

Firm value is a reflection of the price or market value of common stock, total liabilities and total assets. From this picture, investors can conclude how the condition of an entity is and investors can estimate the respective investee will operate in future. Apart from the entity's financial condition, firm value is also characterized based on its performance. From this statement, we can conclude that it is important to measure firm value, because it can influence investors' decisions whether to invest or not.

The manager is the person in responsible to direct the entity, because the manager is the person responsible for decision making, overall operational planning and therefore the manager has an important effect on the future of the entity. Higher-valued companies are more likely to contribute higher taxes to the state. This can cause an entity to engage in tax avoidance practices. Tax avoidance is one of the management decisions (Chandra & Cintya, 2021). Management has the first priority to maximize firm value from its decision making, including tax avoidance. The extent of tax avoidance decisions taken by management under resource constraints is an important research question (Park et al., 2016; Itan et al., 2024).

The board of directors is the party that regulates and plays an important role in driving the entity's strategic direction and monitoring entity performance. Board diversity has been the centre of attention over the last decade, with women's participation in management attracting much attention and debate. The characteristics (traits) between men and women are different, this can lead to different decision making, which can affect firm value (Jubilee et al., 2018). With the presence board of female directors within companies in the UK has a positive and statistically significant influence on firm value (Agyemang-Mintah & Schadewitz, 2019; Karina et al, 2023).

In December 2013, Twitter faces pressure from the media for ignoring the presence of female gender on the board of directors, but Twitter still appointed Marjorie Scardini as female director. Through the Twitter case, it can be interpreted that Marjorie Scardini is also considered competent in making decisions that affect firm value (Sila et al., 2015). Fundamentally, firm value is straightforwardly related to management and investor decision making for the entity which is portrayed in the share price. The rise and drop of stock prices is very interesting to discuss (Yang & Itan, 2021).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Fundamentally, an entity needs their firm value to proceed to extend from period to period. The entity`s value can be reflected from the share market value, so that shareholders increase their welfare. Shareholders who have experienced prosperity will hold their venture within the entity and new potential investors become interested in investing (Ilmiani & Sutrisno, 2013).

Increased firm value can be realized with good management functions, where every strategy, step and decision taken can eventually impact the value of the entity. The high value of the entity makes investors believe that it is not only about the entity's current achievement, but also the entity's opportunities in the future (Victory & Cheisviyani, 2016).

One of the entity's goals is to increase firm value over time. Firm value usually refers to entity's shares which is valued in the market price. In the case firm value increases at that point, then investor welfare will also increase. Which is portrayed through share returns for investors. The results of the share return will attract the attention of potential new investors to invest capital and increase entity shares. Stock value and firm value are directly proportional, where the increment price of the market shares, the value of the entity also increases (Pradnyana & Noviari, 2017).

Separated from increasing firm value, maintaining the entity's existence is also one of the entity's goals in the midst of intense competition with other entities. The existence of the entity can be maintained by increasing the value of the entity each period which can affect the welfare of investors. The level of prosperity obtained by investors can attract other investors to invest in companies that are increasing in value (Apsari & Setiawan, 2018).

The market price of stock is added to the market value of long-term bonds or debt equal to the actual value of the entity. The increased share value reflects people's greater confidence in the entity, so they can pay more, which is based on their hope of getting high profits. This means that measuring the value of an entity can be done by paying attention to fluctuations in stock prices on the secondary market. If the shares price increases, the value of the entity will increase (Rosikah et al., 2018).

Firm value is picturing the entity`s condition. The entity's level of success is reflected in its stock price in its control of the entity's resources. This is one of investors' expectations about the entity's value. So, the value of the entity will become higher when the higher of the stock price. For investors, creditors and shareholders, firm value is an important concept in making investment decisions aimed at achieving capital gains and minimizing risks that may arise (Riny, 2018).

Effect of Tax Avoidance on the Firm Value

The management decision is one of many decisions that determine whether or not to avoid taxes. Therefore, managers determine the future of the entity and have an important influence on the future value of the entity. According to study conducted by (Park et al., 2016) on the effect of tax avoidance to the firm value, tax avoidance negatively influences the firm value. (Yee et al., 2018) also conducted similar study in Malaysia after discovering that tax avoidance has a contrast correlation with entity value.

According to (Zain`s research in Harventy, 2016), the controlling process actions are designed to avoid undesirable tax consequences is the tax avoidance. Based on his research, the higher practice of tax avoidance resulted lower firm value. This explain that tax avoidance has a negatively relationship with firm value.
H1: Tax avoidance has a significant negative impact on firm value

Effect of Gender Diversity on Firm Value

In the corporate structure, the highest management position is the highest position that determines the entity`s performance. The role of top executives is to be the primary decision maker within an entity. Factors that can influence top executives in decision making, including gender diversity which influences firm value. (Winasis & Yuyetta, 2016) conducted this study on Indonesian mining entities listed on the IDX (Indonesian Stock Exchange) from 2010-2015. The study showed gender diversity have a negative significant influence on firm value.

(Campbell & Mínguez-Vera, 2008; Agyemang-Mintah & Schadewitz, 2019) also conducted study on the influence of gender diversity on firm value. Study shows that gender diversity has a positive significant influence on firm value however reject the study results (Winasis & Yuyetta, 2016). (Carter et al., 2003) conducting studies on corporate governance,

board diversity and firm value. Board diversity also measures gender diversity,leading to a positive impact on firm value.

H2: Gender diversity has significant positive impact on firm value

Effect of ROA on Firm Value

(Yee et al., 2018) conducting studies regarding Tax Avoidance, Corporate Governance and Firm Value with ROA as the control variable. The research result show that ROA has a positive impact on firm value because ROA reflects the entity's financial situation. (Aboud & Diab, 2018) conducted studies on the influence of social, environmental and corporate governance disclosures on firm value with evidence from Egypt and used ROA as a control variable. The resulting ROA has a positive and significant impact on firm value.

H3: ROA has significant positive impact on firm value

Effect of ROE on Firm Value

ROE's represent the reflection of rate of return on investment to shareholders. The entity's ability to earn higher profits for the shareholders reflects high profitability. In addition, the increasing demand for shares can affect the increase firm value. The higher percentage of investors buying entity shares, the higher entity's share price will increase the firm's value (Prasetyorini, 2013). In addition, the studies provides results showing ROE has a significant positive impact on firm value. (Yee et al., 2018) also conducted a similar study with selected samples based on the list of the top 100 companies in the 2014 Malaysia-Asean Corporate Governance Report (MACGR). In their study, explained that ROE represents the profit generated by the entity using the amount invested by shareholders. By dividing net income to the value of the first-tier entity's common stock, the resulting ROE shows a significant positive relationship with firm value.

H4: ROE has significant positive impact on firm value

Effect Firm Size on Firm Value

(Prasetyorini, 2013) explains that firm size is a scale of the entity's size can be classified in various ways, including total employees, total assets, market value of shares, etc. The larger the entity, the more popular it is, which means it is easier to collect information that will increase the firm value. Additionally, research was conducted on the impact of firm size on firm value so that firm size has a significant positive effect on firm value.

(Agyemang-Mintah & Schadewitz, 2019; Campbell & Mínguez-Vera, 2008) conducted a similar study with contradictory results to (Prasetyorini, 2013). The study concluded that firm size has a negative impact on firm value.

H5: Firm size has significant positive impact on firm value

Effect of Leverage on Firm Value

Leverage is an important tool to measure an entity's efficiency in using debt. By using leverage, the entity not only makes profits but can also make the entity lose money because financial leverage means the entity exposes risks to shareholders, thereby affecting stock returns and entity value. This statement was explained by Weston and (Copeland, 1999; in Prasetyorini's, 2013) studies. Based on several established criteria, 16 core industrial and chemical companies were selected as the research samples. After conducting research, the results show that leverage had no effect on firm value.

The results of this study contradict (Agyemang-Mintah & Schadewitz, 2019) that leverage has a positive and statistically significant relationship with firm value. This study is supported by (Park et al., 2016) with research results showing that leverage has a positive coefficient with firm value.

H6: Leverage has not significant effect on firm value

Effect of Firm Growth on Firm Value

Firm growth is important because investors are more likely to invest in steadily growing companies assuming they are healthy and profitable (Agyemang-Mintah & Schadewitz, 2019). Measured as a percentages, the relationship of growth with firm value positively significant. (Yee et al., 2018) who conducted the research first, had different results. The data indicates that growth did not influence on entity value.

H7: Firm growth has significant positive impact on firm value

Effect of Firm Industry on Firm Value

Research conducted by (Gwenda & Juniarti, 2013) regarding corporate governance were to find the influence to equity ownership, debt ratio, and firm industry on firm value. The firm industry in this study are classified as follows: agriculture, mining, basic industry, miscellaneous industries, consumer goods, real estate, infrastructure, finance, trade and services, manufacturing. The population was taken from the Indonesian Stock Exchange from 2007-2011.

H8: Firm industry has significant positive impact on firm value

Effect of Firm Auditor on Firm Value

Analysis of corporate governance on firm value was carried out by (Raharja & Perdana, 2014). This study uses firm value as the dependent variable with management ownership, institutional ownership, audit committee, independent auditor and external auditor as the independent variables. The study also uses a control variable, firm size.

(Widyasari et al., 2015) conducted research on the impact of good corporate governance (GCG) and disclosure of corporate social responsibility on firm value. The dependent variable in this research is firm value, with the proportion of independent committees, management ownership, institutional ownership, auditor quality, audit committee, and CSR disclosure being independent variables. Data samples were taken from the Indonesian Stock Exchange from 2011-2013.

H9: Firm auditor has significant positive impact on firm value

RESEARCH METHODOLOGY

This study uses three types of variables, dependent variables, independent variables, and control variables. In this study the dependent variable chosen is entity value, the independent variables are tax avoidance and gender diversity, the final control variables are ROA, ROE, Firm Size, Leverage, Firm Growth, Public Entity, Firm Industry, Firm Auditor.

The author uses companies on the BEI (Indonesian Stock Exchange) as the population for 2017-2021. The sample for this study consists of companies listed on the BEI. The author uses purposive sampling to obtain a representative sample based on the criteria. The criteria mentioned are as followst:

1. Companies listed in IDX 2017-2021;
2. Includes complete financial statement data for study period 2017-2021; and
3. Data with specified coefficients must be complete.

Dependent Variable

According to this study, firm value is a variable measured using Tobin`s Q, by dividing book value of total debt plus the market value of common equity by the book value of total assets. The measurement is as follows:

$$\text{Tobin's Q} = \frac{\text{BV of total debt} + \text{MV of common equity}}{\text{book value of total assets}}$$

Tax Avoidance

(Yee et al., 2018) argue that tax avoidance affects firm value. Tax avoidance is measured by looking at firm's tax liability to the entity's accounting profit using ETR as follows:

$$\text{ETR} = 1 - \frac{\text{current year tax expense}}{\text{accounting income before tax}}$$

Gender Diversity

(Agyemang-Mintah & Schadewitz, 2019) in general, the gender diversity debates consist of two arguments. The first affirms that women with competent skills, experience and qualifications deserve the opportunity to serve on an entity's board of directors. The second shows that positive diversity among corporate directors leads to better governance and improved corporate performance.

Gender diversity using female representation on an entity's board of directors with the number of female directors as variable data.

$$\text{Gender diversity} = \text{Total of female directors}$$

Return on Asset

ROA measures the efficiency of assets that used by the managers to generate profits measured by dividing net income to the entity's total assets. Below is the measurement of ROA:

$$\text{ROA} = \frac{\text{net income}}{\text{total assets}}$$

Return on Equity

ROE represents the profit generated by an entity using the funds invested by shareholders and is measured by dividing net profit to the value of the entity's common shares. Below is the measurement of ROE:

$$\text{ROE} = \frac{\text{net income}}{\text{shareholder's equity}}$$

Firm Size

Firm size is measured by the entity's total assets. Below is the measurement of Size:

$$\text{SIZE} = \text{LOG(total assets)}$$

Leverage

Leverage in this study is calculated using the DER ratio (Debt to Equity Ratio), which is ratio to measures the comparison of capital coming from debt to finance the firm assets. Below is the measurement of Leverage:

$$\text{LEV} = \frac{\text{total debts}}{\text{total assets}}$$

Firm Growth

Growth explain the percentage change in total revenue for the current year compared to the previous year. With the following formula:

$$\text{GROWTH} = \frac{(\text{Revenues Y2} - \text{Revenues Y1})}{\text{Revenues Y2}}$$

Firm Industry

Firm industry is used as a measure of the entity's value. Which are categorized as follows:
1. Manufacturing
2. Trading (Trade & Service)
3. Finance
4. Real Estate
5. Others

Firm Auditor
Companies audited by Big 4 are PricewaterhouseCoopers, Deloitte and Touche, Ernst and Young and KPMG which are set as dummy variables equal to "1" otherwise "0".

RESULTS AND DISCUSSION
Descriptive Statistic
This research data was collected from the Indonesian Stock Exchange from all listed companies. The annual report and financial statements of each entity must have data on total debt, total assets, tax liabilities, profit before tax, profit after tax, revenue, number of outstanding shares, number of female directors, type of industry, auditors. The selection of sample data for this study is as follows:

Table 1. Research Data Sample

Criteria	Entities
Total companies registered in IDX (2017-2021)	685 entities
Companies with incomplete financial statements 2017-2021	(209 entities)
Companies that do not met the criteria	(34 entities)
Sample can be used	442 entities
Number of years of research data (2017-2021)	5 tahun
Amount of research data	2,210
Outlier data	41 data
Total data for observation	2,169

Source: Processed Secondary Data (2024)

Based on the table above, the number of companies registered on the IDX as of November 2021 is 685 companies. The research data uses all annual reports and financial reports published on the IDX, but there are 243 companies that are incomplete. The total number of companies that could be used as a research sample was reduced to 442 companies.

Table 2. Statistic Descriptive Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
TOBINS	2169	-19.30	14.26	1.33	1.75
ETR	2169	-227.11	22.57	0.63	5.83
GENDER	2169	0.00	11.00	0.58	0.87
ROA	2169	-10.88	1.85	0.01	0.27
ROE	2169	-544.45	57.68	-0.33	12.79
FIRMSIZE	2169	8.40	15.15	12.55	0.83
LEV	2169	0.00	8.90	0.54	0.39
GROWTH	2169	-15286.07	11.47	-25.07	568.72
Valid N (listwise)	2169				

Source: Processed Secondary Data (2024)

From descriptive statistical tests, the results showed that 2,169 data that could be used among the original 2,210 data, and the data from in this study had high variance. Because the variance percentage > 33% can be calculated from 1.3356 divided by 1.7553 to obtain 76.0886%.

Harsono, Wati, Anita, & Tang | The Effects of Tax Avoidance and Gender Diversity on Firm Value

Table 3. Frequency Statistics Descriptive Test Results

Variable	Frequency	Percentage	Cumulative percentage
Industry			
Manufacture	428	19.7	19.7
Trade & Services	492	22.7	42.4
Finance	399	18.4	60.8
Real Estate	238	11.0	71.8
Others	612	28.2	100.0
Total	2169	100.0	
Auditor			
NonBig4	1315	60.6	60.6
BIG4	854	39.4	100.0
Total	2169	100.0	

Source: Processed Secondary Data (2024)

Based on Table 3, the frequency test results for independent variables are shown using dummy variable measurements. This test is performed to determine the firm's industry and firm auditors. Regarding firm industry, the results show that there are 428 companies listed as manufacturing companies out of a total sample of 2,169 companies. Trade & services sector 492 companies, finance sector 399 companies, property sector 238 companies, others 612 companies.

The independent variable firm auditor is whether the entity uses Big4 or Non-Big4 auditors. Based on the test results in Table 3, there are 854 companies using Big4 auditors with a percentage of 39.4%. With 1,315 companies that do not use Big4 auditors (Non Big4).

Multicollinearity Test

The multi-linearity test helps detect whether variables are strongly correlate or not. In this study, the dependent variable of entity value uses Tobin's Q measurement. Besides the formula mentioned in Chapter 3, Tobin's Q can also be measured by ROA and ROE. This study includes the control variables ROA and ROE. Therefore, the dependent variable of firm value may not be strongly correlated. When there is a strong correlation, one variable undergoes changes that will significantly affect other variables that are strongly correlated. Based on Table 4, the VIF results show the value < 10. This research model does not has multicollinearity issues.

Table 4. Multicollinearity Test Result

Coefficients[a]		
Model	VIF	Results
ETR	1.003	Non Multicollinearity
GENDER	1.093	Non Multicollinearity
ROA	1.346	Non Multicollinearity
ROE	1.008	Non Multicollinearity
FIRMSIZE	1.307	Non Multicollinearity
LEV	1.341	Non Multicollinearity
GROWTH	1.055	Non Multicollinearity
IND	1.020	Non Multicollinearity
AUDITOR	1.175	Non Multicollinearity

Source: Processed Secondary Data (2024)

Outlier Test

This outlier test functions to assess whether there is data from the average figure that deviates significantly. Based on the results of descriptive statistical tests, there are 41 data that

deviate from a total of 2,210 data. During the outlier test, data included in outlier data is data that does not have a fair value. Using the SDR method, the fair value is between -1.96 and 1.96. Data with unreasonable values was deleted, bringing the total sample to 2,169 data.

Regression Panel Result

In choosing between the Pooled Least Square model and the Fixed Effect Model, the Chow Test is used. The test results to determine the model are seen in the cross-section Chi-square value of the probability column. The results show a value below 0.05, so the Fixed Effect Model is used in this research. If the probability value is more than 0.05 then the model used is Pooled Least Square. The next test is the Hausman Test.

Table 5. Chow Test Result

Effects Test	Prob.	Conclusion
Cross-section Chi-square	0.0000	Fixed Effect Model

Source: Processed Secondary Data (2024)

To choose between the Fixed Effect Model and the Random Effect Model, the Hausman Test is used. The Hausman Test results are taken from random cross-section probability values. If the results show a value less than 0.05, the regression model used is FEM (Fixed Effect Model). If the result is more than 0.05, then the regression model used is REM (Random Effect Model). Based on the Hausman Test results, the probability value shows a value of 0.0000. So, the best regression model to use in this research is FEM (Fixed Effect Model).

Table 6. Hausman Test Result

Test Summary	Prob.	Conclusion
Cross-section random	0.0000	Fixed Effect Model

Source: Processed Secondary Data (2024)

Hypothesis Test Results

F Test Results

To find out how much influence the independent variable has on the dependent variable, the F test is simultaneously used. Based on the results of the Hausman Test regression panel which shows a result of 0.000000. The results of this test show a value smaller than 0.05. Shows that tax avoidance, gender diversity, ROA, ROE, entity size, leverage, growth, industry, and auditors influence entity value simultaneously. The result of 0.000000 also explains that the independent variable has a significant influence on entity value.

Table 7. F Test Results

Cross-section fixed (dummy variables)	Sig.	Conclusion
Prob(F-statistic)	0.000000	Significant

Source: Processed Secondary Data (2024)

T Test Results

The results of the T test are to determine the effect of each independent variable and control variable on the dependent variable. The results of the T test using the Fixed Effect Model regression model are as follows:

Table 8. T Test Results

Variable	t-Statistic	Prob.	Description	Expectation
C	-8.616652	0.0000		
ETR?	0.974356	0.3300	Significant negative	Not proven
GENDER?	0.312052	0.7550	Significant positive	Not proven
ROA?	-0.156476	0.8757	Significant positive	-
ROE?	-1.309540	0.1905	Significant positive	-
FIRMSIZE?	10.15703	0.0000	Significant positive	-
LEV?	-21.17319	0.0000	No significant effect	-

GROWTH?	-0.096647	0.9230	Significant positive	-
IND?	16.50100	0.0000	Significant positive	
AUDITOR?	4.233002	0.0000	Significant positive	

Source: Processed Secondary Data (2020)

Based on the T test results in Table 8, tax avoidance, gender diversity, ROA, ROE, and Growth show values of more than 0.05. These results indicate that the independent variables do not have a significant influence on firm value. On the other hand, firm size and leverage show values of less than 0.05, meaning that firm size and leverage have a significant influence on firm value. The following is an explanation of the hypothesis results:

a. Hypothesis 1 Result

Based on the T test results in Table 8, the tax avoidance variable shows a value of 0.3300 which is more than 0.05. The results show that tax avoidance does not have a significant influence on firm value. The results of this research are supported by the research by (Winasis & Yuyetta, 2016; Tarihoran, 2018; Akbari et al., 2019). Tax avoidance has no significant effect because the test is based on ratio that represent numbers mathematically. Tax avoidance may also be influenced by other non-mathematical factors, so that it may weaken the relationship with firm value. This statement is supported by research by (Apsari & Setiawan, 2018), whose results show that dividend policy weakens the effect of tax avoidance on firm value.

According to Table 8, the average value of the ETR standard deviation is 5.8359 divided by -227.1117 with a result of -2.5696%. The data value in this research population has an average value of -2.5696%. The measurement of tax avoidance in this research uses ETR which is the effective level of tax payments. The higher the ETR has a positive effect on firm value. However, the average data in this study was a negative value that should have been positive. Therefore, tax avoidance in this research cannot have a significant effect on firm value.

However, in contrast to the research conducted by (Yee et al., 2018; Ilmiani & Sutrisno, 2013; Park et al., 2016). The results of the research show that tax avoidance has a significant negative effect on firm value. This may happen because the study samples are in different countries and the tax regulations are different.

b. Hypothesis 2 Result

After analyzing the T test results, gender diversity did not have a significant effect on firm value. With a value of 0.7550 which is more than 0.05. The study results are supported by (Jubilee et al., 2018). Gender diversity does not have a significant impact because data on the number of female directors has not evenly distributed, and they remain in the minority.

According on Table 8, the average number of female directors on the entity's board of directors is 0.58. With a standard deviation result of 0.872, the average standard deviation value is 0.872 divided by 0.58, the result is 150.35%. The average standard deviation exceeds 33%, meaning it has a high variance.

Although this data has high variability, it still cannot provide a significant effect. The only data with a high variance is the number of female directors who have data > 0. Meanwhile, the number of male directors has only a data variance of 0. So based on the data, it is not possible to compare how gender diversity on the Board of Directors affects firm value.

Coefficient of Determination Test Results

To determine how much the independent variable is in agreement with the dependent variable, it can be seen from the results of the Coefficient of Determination Test. From Table 9, the results show 68.3796%, meaning that the independent variable can explain the

dependent variable. The remaining 31.6204% are other independent variables that can explain the dependent variable.

Table 9. Coefficient Determination Test Result

Cross-section fixed (dummy variables)		
Adjusted R-squared	0.683796	Firm Value

Source: Processed Secondary Data (2024)

CONCLUSION AND SUGGESTION

Out of all the testing, this study ultimately came to the following conclusion. Using issuers on the IDX in 2017-2021 shows the impact of tax avoidance and gender diversity, as follows:

1. Tax avoidance does not have a significant effect on firm value. These results are consistently supported by (Wardani & Juliani, 2018; Winasis & Yuyetta, 2016; Park et al., 2016; Aboud & Diab, 2018; Akbari et al., 2019). These results explain that investor's attitudes towards tax avoidance does not suppress firm value and that tax avoidance in Indonesia is still acceptable. What is prohibited is avoiding taxes so that tax avoidance does not affect investors' decisions to invest so that tax avoidance does not significantly affect the firm value.

2. Gender diversity does not have a significant impact on firm value. These results are consistently supported by (Winasis & Yuyetta, 2016; Jubilee et al., 2018; Agyemang-Mintah & Schadewitz, 2019). These results explain that board diversity does not decrease or increase firm value. This situation is because the input data sample has a majority of male directors, so that the data tested is unbalanced.

Result shown that both tax avoidance and gender diversity have no significant effect to firm value. However firm size and leverage has significant effect to firm value. These results provide unique contribution to contextual understanding regarding tax avoidance and gender diversity in Indonesia, effected by cultural, regulatory, and other economic factors that differs from other countries that benefits for future studies directions.

After the author conducted this research, there are several recommendations that the author can provide for further research. We hope further research can add other independent variables so that readers can find out that there are 32.62% other variables that provide better explanation the influence tax avoidance to entity value such other corporate governance characteristics as mentioned by (Itan et al., 2024) that might take as consideration for future research.

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