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The Effect of Political Connections and Board Gender Diversity on Tax Avoidance in Consumer Goods Firms

Ananda Pratiwi Rios Abas[1*], Septy Indra Santoso[1], Mahardika Catur Putriwana Malik[1]
[1]Department of Accounting, Faculty of Economics and Business, Khairun University, Jl. Pertamina Kampus II Unkhair Gambesi, Ternate Selatan, 97731, Indonesia
*Corresponding Email: apratiwi011@gmail.com

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ABSTRACT

This study analyzes the impact of political connections and gender diversity on the board of directors toward tax avoidance in manufacturing firms in the consumer goods sector, with firm size as a moderating variable. The research used 25 firms listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. Data were processed using multiple linear regression and Moderated Regression Analysis (MRA) with the EViews software. The findings reveal that political connections have a positive and significant effect on tax avoidance, while gender diversity on the board of directors appears no critical impact. Moreover, firm size does not moderate the relationship between political connections and tax avoidance, nor between gender diversity on the board of directors and tax avoidance. Future research is recommended to extend the observation period, expand the research objects across sectors, and include other independent variables that may influence corporate tax avoidance behavior.

Keywords: Political Connections, Gender Diversity, Firm size, Tax Avoidance, Manufacturing Firms.

INTRODUCTION

Taxes serve as the main source of Indonesia's state revenue and play a crucial role in supporting economic growth and national welfare (Sari & Chairunisa, 2025). Despite efforts to optimize tax collection, Indonesia still struggles with severe tax avoidance problems that cause substantial losses. The Tax Justice Network (2023) reported that Indonesia loses around USD 2.8 billion (IDR 44.6 trillion) annually, with most losses originating from corporate tax avoidance (Hakim & Cahyonowati, 2024). Tax avoidance is a legal strategy used by taxpayers to minimize their tax burden through loopholes in the system without violating regulations (Sembiring & Fransiska, 2021). While management seeks to maximize post-tax profits, the government aims to secure optimal revenue (Rahma et al., 2022). The issue is highly relevant for public policy, as it directly affects state funding for infrastructure and social programs (Maulina & Mu'arif, 2024).

A notable case occurred with PT Bentoel Internasional Investama Tbk (RMBA), a subsidiary of British American Tobacco (BAT), which allegedly avoided taxes through intra-firm loans and royalty schemes between 2013–2015 (Rustiarini & Sudiartana, 2021). The strategy, involving related parties in the Netherlands and Jersey, effectively reduced taxable income in Indonesia, leading to estimated state losses of USD 14 million per year (Christina et al., 2024). Such cases show that tax avoidance in the manufacturing sector remains a major concern. The sector significantly contributes to Indonesia's GDP, emphasizing the need for closer monitoring and regulation.

Table 1. Contribution of the Manufacturing Industry to National GDP

Year	2022	2023	2024
Contribution to National GDP (%)	18,34 %	18,67 %	18, 98 %

Source: https://asatunews.co.id/

The consumer goods sub-sector, which provides essential daily products, remains relatively stable and highly influential on GDP growth. BPS reported that household consumption contributed 54.53% to GDP in the second quarter of 2024, showing strong domestic demand (Muhamad, 2024). Consequently, tax avoidance in this sector can cause serious fiscal losses and reduce public service quality (Rizki & Nugroho, 2024).

The present research centers on tax avoidance practices among manufacturing firms operating within the consumer goods industry, emphasizing internal firm factors such as political connections, gender diversity on the board of directors, and firm size. Political connections may grant firms access to favorable regulations or audit protection, influencing compliance levels (Rustiarini & Sudiartana, 2021). According to Agency Theory (Jensen & Meckling, 1976), such ties may create conflicts of interest, where management leverages connections for private gain, especially within Indonesia's self-assessment tax system (Cahyo, 2023).

Gender diversity on boards of directors may also shape corporate ethics and compliance. Feminist Theory highlights that women leaders tend to consider ethical and social impacts more deeply, potentially reducing tax avoidance (Suthansyah et al., 2024; Asmara & Helmy, 2023). However, research findings remain inconsistent some indicate negative, positive, or even no relationship between gender diversity and tax avoidance (Arisandi et al. 2024; Kartikasari et al. 2023; Dayanti et al. 2025). Firm size is another critical aspect influencing fiscal behavior. Larger firms possess greater resources and flexibility in tax planning (Nursanti et al., 2023). Prior studies have found mixed evidence:

some showing size as a moderating factor (Amiah, 2022), while others found no effect (Aulia & Ghozali, 2025).

A research gap persists regarding how political connections and gender diversity on the board of directors simultaneously affect tax avoidance when firm size functions as a moderating variable. This study seeks to fill that gap and offer new empirical insights into corporate tax behavior and policy implications. It replicates (Rustiarini & Sudiartana, 2021) by modifying the moderating variable to firm size and adding gender diversity on the board of directors as an independent variable. Tax avoidance is assessed using the Cash Effective Tax Rate (CETR), considered more precise than Effective Tax Rate (ETR) as it reflects actual cash tax payments. The study uses data from 2020–2024 within Indonesia's manufacturing firms in the consumer goods sector. Therefore, this research is titled: "The Effect of Political Connections and Board Gender Diversity on Tax Avoidance in Consumer Goods Firms".

LITERATURE REVIEW

Agency Theory

Agency theory, presented by Jensen and Meckling (1976), clarifies the relationship between shareholders as principals and administration as operators. The principal gives specialist to the agent to oversee the firm and anticipates them to act in line with the owners interface (Pertiwi et al., 2020). Agency theory assumes that conflicts may occur because principals aim to maximize firm value, while agents may pursue personal interests such as bonuses or other incentives (Cahyamustika & Oktaviani, 2024). This difference in objectives creates what is known as agency conflict (Arisandi et al., 2024). In the corporate context, such conflicts can influence various managerial decisions, including tax-related policies (Satiti et al., 2021)

Theory of Feminism

The Theory of Feminism reflects the struggle for women's rights and equality in social, political, and economic spheres (Suthansyah et al., 2024). John Stuart Mill as one of its key figures, in his work The Subjection of Women (1869), Mill emphasized that women possess the same rational abilities as men and deserve equal opportunities in all aspects of life. His ideas later became the foundation of liberal feminism, which upholds equal rights and individual freedom as the core of gender equality. Feminist theory highlights that women should have the same access, responsibilities, and authority as men in various fields, including the corporate sector (Asmara & Helmy, 2023).

Tax Avoidance

Tax avoidance refers to firm efforts to minimize tax payments through legal means by exploiting gaps or weaknesses in tax regulations (Putra & Pratami, 2024). (Handayani et al., 2024) describe tax avoidance as part of a broader tax planning strategy that includes management, exemption, and protection mechanisms aimed at lowering the effective tax rate. Although lawful, tax avoidance often involves complex arrangements that require the interaction of both internal and external firm parties (Rustiarini & Sudiartana, 2021).

Political Connections

Political connections refers to a relationship between individuals or organizations and parties holding political power, formed to create mutually beneficial outcomes (Ngabdillah et al., 2022). Such connections often provide firms with easier access to government facilities, favorable policies, or tax-related privileges (Imanuella & Damayanti, 2022).

Gender Diversity on the Board of Directors

In a firm, the board of directors is mindful for overseeing operations and guaranteeing that all firm exercises adjust with built up objectives (Hudha & Utomo, 2021). Gender

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diversity on the board of directors refers to balanced representation between men and women in leadership roles (Arisandi et al., 2024). (Pertiwi & Prihandini, 2021) emphasize that both men and women should have equal opportunities in management and policymaking.

Firm Size

Firm size represents an indicator that reflects the scale of a firm's operations and its ability to generate income. Larger firms generally require more funding and aim for higher revenues than smaller firms (Mahdiana & Amin, 2020). The total value of assets owned serves as a key indicator for determining firm size (Hitijahubessy et al., 2022).

Hypotheses Development

The Effect of Political Connections on Tax Avoidance

Political connections refer to relationships between firms and individuals with political influence that can provide mutual benefits (Ngabdillah et al., 2022). Based on agency theory, agents may act opportunistically to minimize tax burdens, including through political ties that grant access to favorable tax policies (Rustiarini & Sudiartana, 2021). Empirical studies by (Rustiarini & Sudiartana, 2021) and (Kartikasari et al., 2023) show that political connections positively influence tax avoidance, while others such as (Maulina & Mu'arif, 2024) and (Haztania & Lestari, 2023) suggest these connections can foster compliance due to reputational risks.

H1: Political connections affect the tax avoidance of manufacturing firms in the consumer goods sector.

The Influence of Gender Diversity on the Board of Directors on Tax Avoidance

Gender diversity refers to a balanced representation of men and women within a firm's leadership structure (Arisandi et al., 2024). Based on feminism theory, women's leadership styles are characterized by ethical awareness, caution, and long-term orientation in decision making (Suthansyah et al., 2024). Empirical findings by (Dakhli, 2022) and (Arisandi et al., 2024) show that the presence of women on the board of directors negatively affects tax avoidance. However, other studies such as (Inayah & Sofianty, 2022) and (Kartikasari et al., 2023) suggest that gender diversity on the board of directors may also encourage varied decision making approaches that could lead to more aggressive tax planning.

H2: Gender diversity on the board of directors affects tax avoidance in manufacturing firms in the consumer goods sector.

The Moderating Effect of Firm Size on the Relationship Between Political Connections and Tax Avoidance

Larger firms possess more complex management structures and greater resources that enable them to implement aggressive tax strategies (Mahdiana & Amin, 2020). Firm size can strengthen the impact of political connections on tax, as huge enterprises tend to preserve closer ties with policymakers. Based on agency theory, agent may misuse firm assets to decrease charge burdens, particularly when backed by political impact (Amiah, 2022; Putra & Pratami, 2024).

H3: Firm size moderates the effect of political connections on tax avoidance in manufacturing firms in the consumer goods sector.

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Thei Moderating Effect of Firm Size on the Relationship Between Gender Diversity on the Board of Directors and Tax Avoidance

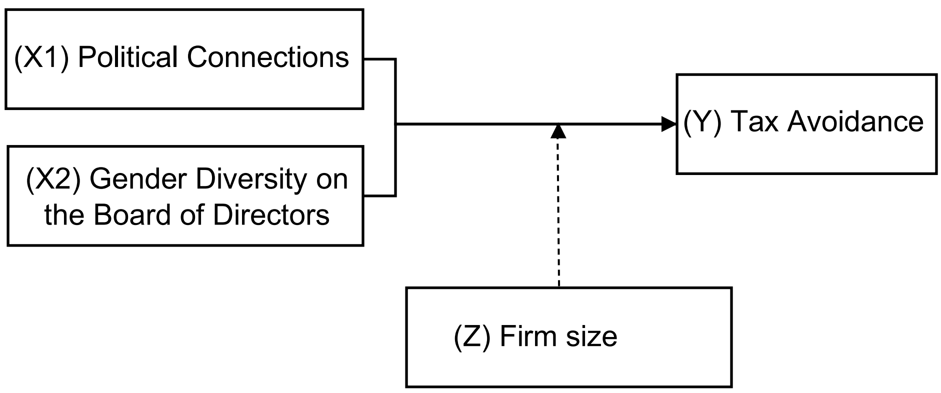
Women leaders are often associated with ethical and compliance-oriented decision-making, which can reduce tax avoidance behavior (Asmara & Helmy, 2023). According to feminist theory, differences in gender perspectives influence firm policies, including taxation (Suthansyah et al., 2024).

However, firm size can moderate this relationship. Large firms possess more resources and complex transactions that can be used to implement tax planning strategies or exploit regulatory loopholes (Putra & Pratami, 2024). This may weaken the restraining effect of gender diversity on the board of directors on tax avoidance.

H4: Firm size moderates the affect of gender diversity on the board of directors on tax avoidance in manufacturing firms in the consumer goods sector.

Conceptual Framework

Figure 1. Research Framework



RESEARCH METHOD

This research employs a quantitative approach to examine the effect of political connections and gender diversity on the board of directors on tax avoidance, with firm size as a moderating variable. The study uses secondary data obtained from annual reports and financial statements accessed through the official IDX website (www.idx.co.id) and each firm's website. The population consists of all manufacturing firms in the consumer goods sector listed on the IDX during 2020–2024. The sample selection was carried out using the purposive sampling method, as outlined in Table 2.

Table 2. Research Sample Criteria

No	Criterion	Sum
1	Manufacturing firms in the consumer goods sector listed on the IDX for the 2020-2024 period	50
2	Manufacturing firms in the consumer goods sector that have not published annual reports consecutively during 2020–2024	(3)
3	Manufacturing firms in the consumer goods sector that suffered losses during 2020–2024	(7)
4	Manufacturing firms in the consumer goods sector with incomplete data for research variables	(15)
Total firms meeting sample criteria		25
Research Years		5
Total sample observations during the research period		125

Source: Data processed by researchers (2025)

Data were analyzed using EViews 13.0 with panel data regression and Moderated Regression Analysis (MRA) to test the moderating effect of firm size. The regression models used in this study are as follows:

Model 1: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$
Model 2: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 Z + \beta_4 X_2 Z + e$

Description:
Y : Tax Avoidance
α : Constant
X1 : Political Connections
X2 : Gender Diversity on the Board of Directors
Z : Firm Size
β_1–β_4 : Regression Coefficients
e : Error Term

Table 3. Variable Measurement

Variable	Measurement	Scale	Source
Dependent Variable			
Tax Avoidance	$\text{CETR} = \frac{\text{Tax Paid}}{\text{Pre} - \text{Tax Income}}$	Ratio	(Arisandi et al., 2024)
Independent Variable			
Political Connections	A firm is considered to have political connections if its major shareholders, board of commissioners, or board of directors are (or were) members of parliament, ministers, government officials, high-ranking military officers, state-owned enterprise executives, or affiliated with political parties Assigned a value of 1 if the firm has political connections, and 0 otherwise	Dummy	(Solikin & Slamet, 2022)
Gender Diversity on the Board of Directors	$\frac{\text{Number of Female Directors}}{\text{Total Number of Directors}}$	Ratio	(Hudha & Utomo, 2021)
Moderating Variable			
Firm Size	Ln(Total Aset)	Ratio	(Dewi & Estrini, 2024)

RESULTS

Descriptive Statistical Analysis

Table 4. Descriptive Statistical Analysis Results

	Tax Avoidance	Political Connections	Gender Diversity on the Board of Directors	**Firm size**

Mean	23.76579	0.23200	16.02034	29.44268
Min	1.28876	0.00000	0.00000	26.94798
Max	62.21757	1.00000	75.00000	32.93787
Median	23.37690	0.00000	0.00000	29.04938
Std. Dev.	8.01089	0.42381	21.01679	1.64671

Source: Data processed by researchers, E-Views 13.0 (2025)

The tax avoidance variable (Y) records an average value of 23.77, with observed values ranging from 1.29 to 62.22. A standard deviation of 8.01 suggests that the data variation is relatively low. The political connections variable (X1) has a mean of 0.23 and a standard deviation of 0.42, showing considerable variability since it is measured as a dummy variable (0 or 1). Gender diversity on the board of directors (X2) yields an average value of 16.02 with a standard deviation of 21.02, indicating substantial differences across firms. In contrast, the firm size variable (Z) has an average of 29.44 with a standard deviation of 1.65, reflecting that firm size among the sampled firms tends to be relatively consistent.

Panel Data Regression Model Selection

Chow Test

Table 5. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.173038	(24,97)	0.0042
Cross-section Chi-square	53. 782639	24	0.0005

Source: Data processed by researchers, E-Views 13.0 (2025)

The chi-square probability value is 0.0005, which is below 0.05. Therefore, the Chow test indicates that the Fixed Effect Model (FEM) is the most suitable.

Hausman Test

Table 6. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.668824	3	0.4456

Source: Data processed by researchers, E-Views 13.0 (2025)

The test produced a probability value of 0.4456, which is higher than 0.05, indicating that the Random Effect Model (REM) is the proper model to use in this study.

Lagrange Multiplier Test

Table 7. LM Test Results

Lagrange Multiplier Tests for Random Effects			
	Cross-section	Time	Both
Breusch-Pagan	6.757864	0.000218	6.758082
	(0.0093)	(0.9882)	(0.0093)

Source: Data processed by researchers, E-Views 13.0 (2025)

The cross-section probability value is 0.0093, which is less than 0.05. This means the Lagrange Multiplier test supports the Random Effect Model (REM). Because of this, the regression analysis in this study uses the Random Effect Model as the best way to estimate the results.

Classical Assumption Test

Multicollinearity Test

Table 8. Multicollinearity Test Results

	Political Connections	Gender Diversity on the Board of Directors
X1	1	0.18889
X2	0.18889	1

Source: Data processed by researchers, E-Views 13.0 (2025)

The correlation value between political connections (X1) and gender diversity of the board of directors (X2) is 0.1889. This is below 0.8, which means the regression model is free from multicollinearity problems.

Heteroscedasticity Test

Table 9. Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey Null hypothesis: Homoskedasticity			
F-statistic	2.582811	Prob. F(3,96)	0.0565
Obs*R-squared	7.522842	Prob. Chi-Square(3)	0.0570
Scaled explained SS	18.79825	Prob. Chi-Square(3)	0.0003

Source: Data processed by researchers, E-Views 13.0 (2025)

The chi-square probability value of 0.0570 exceeds 0.05, indicating no heteroscedasticity in the model.

Results of Multiple Linear Regression Analysis

Table 10. Random Effect Model Regression Analysis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.92223	1.240057	18.48482	0.0000
Political Connections	5.656125	2.092942	2.702476	0.0079
Gender Diversity on the Board of Directors	-0.029254	0.044377	-0.659222	0.5110

Source: Data processed by researchers, E-Views 13.0 (2025)

Based on the regression output, the following equation is obtained:

$$Y = 22.922 + 5.656X1 – 0.029X2$$

The constant value (22.922) indicates that if both political connections and gender diversity on the board of directors variables are zero, the tax avoidance value will be 22.922. The political connections coefficient (5.656) shows a positive effect, meaning that an increase in political connections leads to a 5.656 rise in tax avoidance. The coefficient for gender diversity on the board of directors (–0.029) indicates a negative effect, suggesting that a higher proportion of women on the board tends to reduce tax avoidance by 0.029 units.

Multiple Linear Regression Hypothesis Testing

Partial test (t-test)

The partial test (t-test) is conducted to evaluate the individual influence of each independent variable on the dependent variable. A probability value less than 0.05 indicates a significant partial effect. The political connections variable (X1) has a probability value of 0.0079, which is below 0.05, indicating a significant impact on tax avoidance and supporting the acceptance of H1. Conversely, gender diversity on the board of directors (X2) shows a probability value of 0.5110, exceeding 0.05, implying it does not significantly influence tax avoidance, leading to the rejection of H2.

Simultaneous Tests (F)

Table 3. Random Model F Test Results

F-statistic	3.682405
Prob(F-statistic)	0.028000

Source: Data processed by researchers, E-Views 13.0 (2025)

The probability value of 0.028 < 0.05 indicates that political connections and gender diversity jointly have a significant influence on tax avoidance.

Determination Coefficient Test (R^2)

Table 4. R^2 Test Results of Random Model

R-squared	0.056931
Adjusted R-squared	0.041470

Source: Data processed by researchers, E-Views 13.0 (2025)

The Adjusted R^2 value of 0.04147 means that political connections and gender diversity on the board of directors explain 4.14% of the variation in tax avoidance, while the remaining 95.86% is influenced by other factors outside the model.

Moderated Regression Analysis (MRA) Results

Table 5. MRA Random Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.93634	1.279142	17.93103	0.0000
Political Connections	11.46052	36.59482	0.313173	0.7547
Gender Diversity on the	-0.448649 -	0.948375	-0.473071 -	0.6370
Board of Directors	0.196224	1.221666	0.160620	0.8727
X1Z	0.014253	0.032158	0.443225	0.6584
X2Z				

Source: Data processed by researchers, E-Views 13.0 (2025)

Based on the regression results, the following equation is obtained:

$$Y = 22.936 + 11.460X1 – 0.449X2 – 0.196X1Z +0.014X2Z$$

The constant value (22.936) means that if all variables are zero, the tax avoidance value is 22.936. The coefficient of political connections (11.460) indicates that an increase in political connections leads to a 11.460 rise in tax avoidance. The coefficient of gender diversity on the board of directors (–0.449) means that an increase in gender diversity on the board of directors reduces tax avoidance by 0.449. The coefficient of the interaction between political connections and firm size (–0.196) implies that firm size weakens the effect of political connections on tax avoidance. The coefficient of the interaction between gender diversity on the board of directors and firm size (0.014) shows that larger firm size slightly strengthens the effect of gender diversity on the board of directors on tax avoidance.

Partial Test (t-test) MRA Results

The probability value of X1Z (interaction between political connections and firm size) is 0.872 > 0.05, indicating that firm size does not moderate the relationship between political connections and tax avoidance (H3 rejected). Meanwhile, the probability value of X2Z (interaction between gender diversity and firm size) is 0.658 > 0.05, meaning that firm size also does not moderate the relationship between gender diversity and tax avoidance (H4 rejected).

DISCUSSION

The Effect of Political Connections on Tax Avoidance

The results suggest that political connections exert a positive and significant effect on the extent of tax avoidance. Firms with political affiliations are more likely to engage in such practices due to preferential access to information, regulations, and tax-related policies (Rustiarini & Sudiartana, 2021). Consistent with agency theory, the division between ownership and management allows managers to act in self-interest, such as minimizing tax expenses, even when it may not align with the long-term objectives of shareholders (Tendean & Febriani, 2022). Therefore, political linkages can be strategically utilized by management to capitalize on regulatory advantages for reducing tax obligations.

This pattern is further strengthened by Indonesia's self-assessment taxation system, which gives firms the autonomy to calculate, pay, and report their own taxes (Cahyo, 2023). These findings are consistent with the research conducted by (Rustiarini & Sudiartana, 2021), (Arlita & Meihera, 2024), and (Fitriyah & Saputra, 2024). However, they contrast with the results of Sholihah & Rahmiati (2024) (Hardiono et al., 2024), and (Sawitri et al., 2022), who reported that political connections do not have a significant impact on corporate tax avoidance.

The Effect of Gender Diversity on the Board of Directors on Tax Avoidance

The study reveals gender diversity on the board of directors does not have a statistically significant effect on firm tax avoidance. This outcome implies that firms emphasize professional qualifications rather than gender when selecting board members, as both male and female directors are equally accountable and exhibit professional conduct in managing firm activities (Mala & Ardiyanto, 2021). While feminist theory suggests that female leaders generally demonstrate more ethical and prudent behavior (Suthansyah et al., 2024), the findings of this research indicate that gender composition does not substantially affect tax avoidance practices (Dayanti et al., 2025). Firm decision-making tends to depend on strategic collaboration and managerial professionalism rather than gender based perspectives.

These findings align with those of (Dayanti et al., 2025), (Valensia et al., 2024), and (Mala & Ardiyanto, 2021), who also found no significant relationship between gender diversity and corporate tax avoidance. Conversely, the results diverge from the studies of (Arisandi et al., 2024), (Kartikasari et al., 2023), and (Dakhli, 2022), which reported that gender diversity does influence tax avoidance behavior.

The Moderating Effect of Firm Size on the Relationship Between Political Connections and Tax Avoidance

The study indicates that firm size fails to moderate the linkage between political connections and tax avoidance. In other words, firms with political connections may continue to engage in tax avoidance activities regardless of how large or small they are. Based on agency theory, management can utilize a firm's available resources to reduce its tax obligations (Bulawan et al., 2023). Although larger firms often have more extensive resources for managing tax strategies (Pratami & Putra, 2024) the results of this study demonstrate that firm size neither strengthens nor weakens the effect of political connections on tax avoidance. This may be due to the tendency of small and large firms generally comply with tax regulations to maintain their reputation and avoid audit risks or potential penalties. Additionally, tax oversight is enforced uniformly across firms of varying sizes (Mahdiana & Amin, 2020).

These findings are consistent with (Aulia & Ghozali, 2025), who similarly concluded that firm size does not moderate the relationship between political connections and tax avoidance.

The Moderating Effect of Firm Size on the Relationship Between Gender Diversity on the Board of Directors and Tax Avoidance

The results indicate that firm size fails to moderate the linkage between gender diversity on the board of directors and tax avoidance. This suggests that gender diversity's influence on tax behavior is not determined by firm scale but rather by the professionalism of the board itself (Mala & Ardiyanto, 2021). Although feminist theory suggests that women's careful and ethical leadership can help reduce tax avoidance (Suthansyah et al., 2024), this study found that the presence of female directors whether in large or small firms does not significantly affect such practices. Tax compliance remains a general obligation for all firms, and most firms avoid risky actions like tax sanctions or audits to maintain their reputation (Fitriyah & Saputra, 2024). Firm size does not strengthen or weaken the impact of gender diversity on the board of directors on tax avoidance, as firm decisions are primarily based on collective management considerations rather than gender composition (Valensia et al., 2024).

CONCLUSION

Political connections positively influence tax avoidance because firms with such ties gain access to favorable information, policies, and special government treatment that allow management to develop tax-saving strategies. Gender diversity on the board of directors has no effect on tax avoidance since both male and female directors share equal roles, responsibilities, and professionalism in decision-making. Firm size does not moderate the effect of political connections on tax avoidance. This is due to firms' general compliance with tax laws and efforts to maintain their reputation, regardless of business scale. Firm size also does not moderate the relationship between gender diversity on the board of directors and tax avoidance, as tax decisions are primarily shaped by the board's professionalism and collective judgment rather than gender composition or firm size.

LIMITATION

The research sample is restricted to Manufacturing firms in the consumer goods sector listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period; therefore, the findings may not be applicable to other sectors. The research focuses solely on two independent variables political connections and gender diversity on the board of directors while other relevant factors influencing tax avoidance were not examined. The measurement of variables relies on secondary data from annual reports and financial statements, which may have limitations in terms of transparency and data completeness. Firm size as a moderating variable is represented only by total assets, which may not fully capture the broader dimensions of firm size in relation to tax avoidance behavior.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that there are no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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ABOUT THE AUTHOR(S)

1st Author
Ananda Pratiwi Rios Abas is an undergraduate student majoring in Accounting at the Faculty of Economics and Business, Khairun University, Ternate, Indonesia.
Email: apratiwi11@gmail.com

2nd Author
Septy Indra Santoso is a faculty member at the Department of Accounting, Faculty of Economics and Business, Khairun University, Ternate, Indonesia. He holds a doctorate in accounting and is a lecturer in the same field.

3rd Author
Mahardika Catur Putriwana Malik is a faculty member at the Department of Accounting, Faculty of Economics and Business, Khairun University, Ternate, Indonesia. She is a lecturer in accounting.