



Analysis of Factors That Influence Tax Avoidance in the Food and Beverage Industry

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ABSTRACT

This study aims to investigate the influence of internal factors on tax avoidance in the food and beverage industry in Indonesia. Variables such as the presence of a Board of Directors, Female Directors, company profitability, leverage and company size are analyzed for the company's tendency to avoid taxes. Data collection was carried out from the financial reports of food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2019-2022 period. Multiple linear regression analysis is used to test the relationship between the independent variable and the dependent variable. The results show that the Board of Directors, profitability, and company size significantly influence tax avoidance in the food and beverage industry. The implications of these findings guide practitioners in designing effective tax strategies to optimize company performance.

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INTRODUCTION

The food and beverage industry is one of the most vital sectors in the global economy, by providing the food and drink needed to meet basic human needs, this industry plays a crucial role in ensuring human welfare and survival. Its presence not only influences individual consumption levels but also has a significant impact at the macroeconomic level. The growth of the food and beverage industry has consistently made a large contribution to a country's GDP (Gross Domestic Product) and created a large number of jobs (Zemzem & Ftouhi, 2013). This industry is also the backbone of the agricultural sector, due to the demand for raw materials such as plants, meat, and dairy products. often the main driver of economic growth in rural areas.

The food and beverage industry in a global context not only produces products for local markets but also plays an important role in international trade. Countries often rely on exports of their food and beverage products to earn foreign exchange, while imports help meet domestic consumption needs that cannot be met locally (Budi, 2019; Marsahala et al., 2020). The industry

is also faced with challenges, including issues such as environmental sustainability, food safety standards, and changing consumer preferences, as the following data shows:

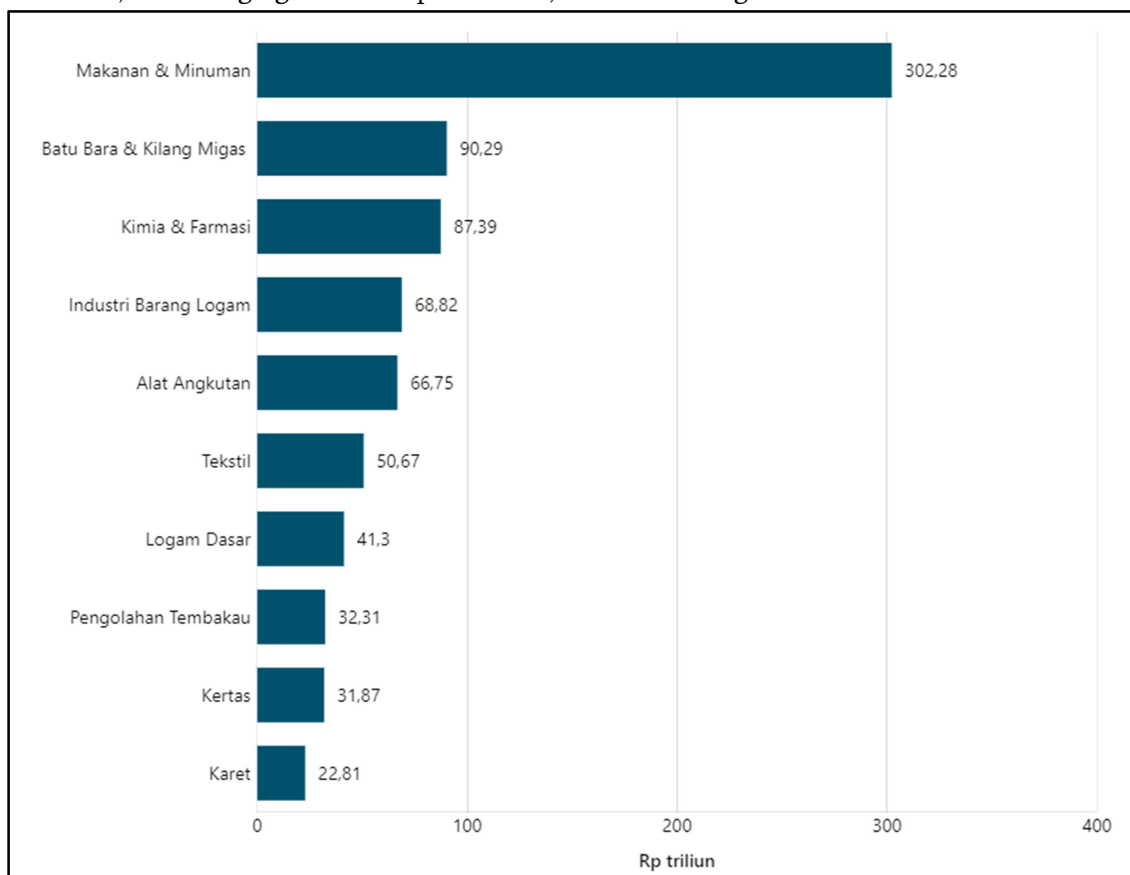


Figure 1. Industrial Sector GDP by Subsector (Quarter II-2022)

Source: databoks (2023)

Based on data from the Central Statistics Agency (BPS), in the second quarter of 2022, the industrial sector recorded a Gross Domestic Product (GDP) based on current prices (ADHB) of IDR 877.82 trillion. This figure contributed around 17.84% of the total GDP of IDR 4.29 quadrillion in the same period. In the industrial sector, the food and beverage subsector was the largest contributor with an achievement of IDR 302.28 trillion (34.44%) in that quarter. Followed by the coal processing and oil and gas refining subsector amounting to IDR 90.29 trillion (10.29%), the chemical and pharmaceutical industry amounting to IDR 87.39 trillion (9.96%), and the metal goods industry amounting to IDR 68.82 trillion (7.84 %). The transportation equipment subsector also plays a significant role with a value of IDR 66.75 trillion (7.6%).

Meanwhile, the textile and apparel industry contributed IDR 50.67 trillion (5.77%), basic metals IDR 41.3 trillion (4.71%), tobacco processing IDR 32.31 trillion (3.63%), paper industry IDR 31.87 trillion (3.63%), and the rubber industry Rp. 22.81 trillion (2.6%). Industrial sector growth reached 4.01% in the second quarter of 2022 compared to the second quarter of 2021 (year on year/yoy). With this achievement, the industrial sector contributed 0.82% to national GDP growth of 5.44% (yoy) in the second quarter of that year.

Tax avoidance in this industry refers to companies' efforts to reduce their tax obligations legally, often by exploiting loopholes in the tax system or complex financial regulatory schemes (Nengzih, 2019; Palupi *et al.*, 2020). Although this practice is often considered legal within the

existing legal framework, its impact can be very significant, both from a financial and social perspective. A better understanding of the factors that drive tax avoidance practices in the food and beverage industry is important, not only to improve compliance. tax, but also to assess its broader impact on the equity, fairness, and sustainability of the tax system as a whole (Hoseini et al., 2019; Widyastuti et al., 2022).

Several previous studies have investigated the influence of various factors, including the composition of the Board of Directors, company profitability, and company size on tax avoidance practices in various industrial contexts. An example is research by (Rosalin & Christmastuti, 2023): They investigated the relationship between the characteristics of the board of directors, such as the number of independent members and their experience in finance, with tax avoidance practices. The results of their research show that a more independent board of directors tends to reduce the level of tax avoidance.

Other research was also conducted by (Noviyani & Damayanty, 2024): Their research highlighted the relationship between company profitability and the tendency to avoid taxes. They found that companies that are more susceptible to tax pressure often have higher levels of tax avoidance, and Research by (Kalbuana et al., 2023): Examined how company size influences the company's decision to avoid taxes. Their findings show that large companies tend to be more likely to engage in complex tax avoidance practices.

Similar research was also conducted by (Idzniah & Bernawati, 2020): In their research, they explored the influence of ownership structure and company characteristics on tax avoidance. The results show that institutional ownership and company size have a significant impact on a company's tendency to avoid taxes, and Research by (Khaoula & Moez, 2019): Examine how variables such as profitability, leverage, and company size contribute to tax practices avoidance, their findings show that these factors significantly influence a company's level of tax avoidance.

This research aims to explore and analyze the factors that influence the level of tax avoidance in the food and beverage company industry listed on the IDX during the 2019–2022 period, with the hope of providing valuable insights for practitioners, policymakers, and researchers in their efforts to managing risk and promoting responsible financial practices.

The influence of the Board of Directors on tax avoidance is an interesting topic in corporate finance literature. The Board of Directors, as the highest supervisory body in a company, has a critical role in setting policies and supervising the company's financial activities, including tax avoidance practices. A strong and competent Board of Directors tends to play an important role in influencing the company's level of tax avoidance (Anggraeni & Kurnianto, 2020; Sunarto et al., 2021). The composition of the Board of Directors can also play an important role; for example, having a sufficient number of independent members on the Board of Directors can increase transparency and accountability in tax risk management. It is important to remember that the influence of the Board of Directors on tax avoidance can vary depending on the company context and the tax environment in which the company operates (Damayanty & Putri, 2021).

The influence of the Board of Directors on Tax Avoidance has become an important research subject in the field of corporate finance. Previous research has revealed various findings that illustrate the relationship between the characteristics and activities of the Board of Directors and the level of corporate tax avoidance practices. One relevant research is research conducted by (Aburajab et al., 2019), They found that good corporate governance, represented by the quality of the Board of Directors, can help reduce corporate tax avoidance practices. In their research, companies with stronger and more experienced Boards of Directors tended to have lower levels of tax avoidance. Other research by (Margaret & Simanjuntak, 2020) also highlights the

relationship between Board of Directors characteristics and tax avoidance. They found that the composition of the Board of Directors, especially the number of independent members, influences tax avoidance practices. More independent members on the Board of Directors are often associated with lower levels of tax avoidance.

(Hamilah, 2020) also conducted relevant research in this regard. They found that the quality of supervision carried out by the Board of Directors can influence management decisions regarding tax avoidance. Companies with more active Boards of Directors tend to have lower levels of tax avoidance. Research by (Peter *et al.*, 2020) emphasizes the role of the Board of Directors in managing reputational risks associated with tax avoidance. They found that companies with strong boards of directors tend to avoid tax avoidance practices that could harm the company's reputation, so we formulate the following hypothesis:

H1: It is suspected that the Board of Directors has a Positive Influence on Tax Avoidance.

The influence of female directors on tax avoidance practices has been the subject of interesting debate in academic literature and business practice. This is often interpreted as the impact of gender diversity in decision-making, where the presence of different perspectives and experiences can result in more balanced and careful decision-making. Several previous studies have investigated the relationship between the presence of female directors on the board of directors and tax avoidance practices. Here are three relevant studies: Research by Sopian *et al.* (2023) reveals that companies with a higher number of female directors tend to have lower levels of tax avoidance. This study involves a sample of companies listed on the FTSE 100 stock index in the UK. The results show that gender diversity in the board of directors can result in more conservative decision-making in terms of tax policy.

Research conducted by Widyastuti *et al.* (2022) found that companies that have at least one female director on their board of directors tend to have lower levels of tax avoidance. This study uses a sample of companies listed on the United States stock exchange. Their findings show that the presence of female directors can have a positive impact on a company's transparency and accountability in tax matters.

Research by Zemzem & Ftouhi (2013) investigated the influence of gender diversity in the board of directors on tax avoidance practices in Canadian companies. They find that the presence of female directors is significantly negatively correlated with the level of tax evasion. This research adds to the evidence that more careful policy adoption and greater ethical consideration can occur in companies with the presence of female directors on the board of directors. Based on this, the researcher formulated the following hypothesis:

H2 : It is suspected that female directors have a positive influence on tax avoidance

The Effect of Profitability on Tax Avoidance

Profitability, which is a measure of a company's ability to generate profits from its operations, has been found to have a complex relationship with tax avoidance practices. Companies with low profitability often feel pressured to find ways to increase their profits, so aggressive tax avoidance practices may be an option, although often with greater risks associated with tax compliance in these situations (Alkurdi & Mardini, 2020). Several studies show that the relationship between profitability and tax avoidance can also be moderated by other factors, such as the company's capital structure and tax regulations in the country concerned. One of the relevant studies was conducted by (Hoseini *et al.*, 2019), who found that companies with lower levels of profitability tend to be more aggressive in carrying out tax avoidance. They conclude

that companies experiencing pressure to increase their profitability are more likely to seek ways to reduce their tax burden.

Other research conducted by (Panjaitan *et al.*, 2021) highlights the relationship between profitability and tax avoidance in an international context. They found that multinational companies tend to use aggressive tax planning strategies to take advantage of differences in tax rates in various countries and increase their overall profitability. Research by (Kholifah *et al.*, 2023) shows that companies with high levels of profitability often have more opportunities to carry out tax avoidance, they found that companies with large profit margins have more flexibility in their financial and operational structures, which can be leveraged to reduce tax burdens.

Research by (Ardiansyah *et al.*, 2023) is also relevant in this context. They found that companies with lower profitability tend to carry out more aggressive tax avoidance to increase their profitability, they also found that companies with high profitability can use tax avoidance practices to maintain or even increase their profitability. Research by (Ardiansyah *et al.*, 2023) shows that profitability can moderate the relationship between other variables, such as leverage, and tax avoidance. They find that companies with low levels of profitability tend to use more debt to take advantage of tax savings, while companies with high levels of profitability may prefer different capital structures for the same purpose, so the researchers formulated the following hypothesis:

H3 : It is suspected that Profitability has a Positive Influence on Tax Avoidance.

The Effect of Leverage on Tax Avoidance

The effect of leverage, or debt levels, on tax avoidance practices has been the subject of interesting research in the academic literature of finance and taxation. Various studies have been conducted to understand the relationship between leverage and a company's tendency to avoid taxes. In general, the research results show that higher debt levels tend to be positively correlated with more aggressive tax avoidance practices. This can be caused by several factors. First, companies with high levels of debt often have significant interest expense, which can be used to reduce taxable income through recognizing interest expense as a tax deduction. Second, companies with high levels of debt may have more flexibility in their financial structure, allowing them to use more complex or aggressive tax schemes.

The following are three previous studies that discuss the effect of leverage on tax avoidance practices: Research by Marshala *et al.* (2020) reveals that companies with higher levels of debt tend to have more aggressive tax avoidance practices. They find that companies that have significant interest expenses tend to take advantage of opportunities to reduce their tax burden through tax avoidance strategies, such as transfer pricing and the use of related business entities in jurisdictions with lower tax rates.

Research conducted by Nazara *et al.* (2023) found that leverage has a significant positive impact on tax avoidance practices in companies in the United States. They show that companies with higher levels of debt are more likely to use aggressive tax avoidance strategies, such as locating assets in jurisdictions with lower tax rates or using transfer pricing schemes. The study Nengzih (2019) investigated the relationship between leverage and tax avoidance in Taiwan's capital markets. They find that firms with higher debt levels tend to have more aggressive tax avoidance practices, which is reflected in reducing their effective tax burden through various strategies, including shifting profits to jurisdictions with lower tax rates. Based on this, the researcher formulated the following hypothesis:

H4 : It is suspected that Leverage has a positive influence on Tax Avoidance.

The Influence of Company Size on Tax Avoidance

The influence of company size on tax avoidance has been the main focus in the corporate finance literature. Company size, whether in terms of assets, sales, or number of employees, has been found to have a significant relationship with tax avoidance practices (Marsahala *et al.*, 2020; Zemzem & Ftouhi, 2013). Larger companies generally tend to have more resources and the ability to manage their financial structures in a way that reduces the tax burden they have to pay. By having more assets, high sales, or a large infrastructure, companies can exploit loopholes in tax regulations to legally minimize their tax liabilities. Larger companies also tend to have greater access to tax advisors and internal resources to devise complex tax avoidance strategies, there is also the argument that large companies are often subject to greater scrutiny from tax authorities and the general public, and thus may be more careful in their tax avoidance practices (Nengzih, 2019; Widyastuti *et al.*, 2022).

Research on the influence of company size on tax avoidance has become an interesting subject in corporate finance literature. Several previous studies have explored this relationship in various ways. First, research by (Rakia *et al.*, 2023) shows that companies with larger sizes tend to use more tax avoidance strategies, they found that companies with large assets have more resources to implement complex tax strategies.

Then research by (Pratama, 2017) highlights that large companies often take advantage of their excess authority to design financial structures that can reduce tax liabilities. They find that companies with high sales tend to have more opportunities to reduce their taxes through aggressive tax avoidance practices. Another study by (Yahaya & Yusuf, 2020) examined tax avoidance practices in multinational companies and found that large companies with international operations tend to take advantage of differences in tax rates between countries to optimize their tax structures and increase net profitability. Research by (Iwenty & Surjandari, 2022) found that companies with larger sizes tend to use more debt in their capital structure, which can be used to take advantage of existing tax savings. Finally, research by (Listiyana *et al.*, 2019) shows that companies with larger sizes can have better access to complex tax knowledge and qualified tax advisors, which allows them to design effective tax avoidance strategies, so researchers formulate the following hypothesis:

H5 : It is suspected that company size has a positive influence on tax avoidance

METHODS

This research uses quantitative research methods to analyze the relationship between tax avoidance in food and beverage subsector companies listed on the Indonesia Stock Exchange in 2019–2022. This research involved 29 companies in the food and beverage subsector listed on the Indonesia Stock Exchange from 2019 to 2022. A purposive method was used, where samples were selected based on certain predetermined criteria to ensure the accuracy of the research. The first criterion is that the company must consistently submit financial reports during the 2019–2022 research period. Furthermore, these companies must be ranked second and not experience losses. Of the 29 companies, 14 companies were selected as samples that met these criteria. SPSS is used together with multiple linear regression analysis as a research technique. Tests carried out include testing standard assumptions such as autocorrelation, heteroscedasticity, multicollinearity, and normality, as well as hypothesis testing such as the F statistical test for simultaneous tests and the T statistical test for partial tests, as well as multiple linear regression testing (Watson, 2015).

RESULT AND DISCUSSION

Result

1. Descriptive Statistical Test

Descriptive statistical tests are used to analyze and describe the characteristics of observed data numerically. It includes techniques such as calculating the mean, median, mode, quartiles, standard deviation, and range. Descriptive statistical tests help summarize data into information that is easier to understand and use to make initial conclusions about patterns or trends in the dataset. The test results in this study are presented in the following table:

Table 1. Descriptive Statistics Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CETR	56	0.01	0.86	0.2302	0.11298
MEET	56	3	26	12.875	3.68319
WOMEN	56	0	4	0.9286	1.10958
NPM	56	0.01	0.38	0.1204	0.09283
WOMEN	56	0	4	0.9286	1.10958
FS	56	2.61	3.43	3.1675	0.26224
Valid N (listwise)	56				

Source: data proceed

The valid sample data in this research consists of 56 data. The research results show that the Board of Directors variable, as measured by the MEET proxy, has a minimum value of 3 at PT Mulia Boga Raya Tbk. for 2019 and 2020, the maximum value is 26 at PT Delta Jakarta Tbk. for 2019, with an average of 12.875 and a standard deviation of 3.68319. This shows that the average level of Board of Directors meetings in Food and beverage Subsector companies during 2019-2022 is 12,875, which means that companies in this subsector hold board meetings around 13 times a year.

The variable for the presence of female directors is measured by WOMEN, with the lowest value reaching 0 in 46% of population data, and the highest value reaching 4. PT Nippon Indosari Corporindo Tbk in the period 2019 to 2021 has an average WOMEN value of 0.9286, with a standard deviation amounting to 1.10958. Over a broader period, from 2019 to 2022, there was an average of one female director involved in decision-making at food and beverage companies.

The NPM profitability variable has a minimum value of 0.01 in 2021 at PT Sekar Bumi Tbk. and PT Buyung Poetra Sembada Tbk., and a maximum value of 0.38 at PT Delta Jakarta Tbk. in 2019, with an average and standard deviation of 0.1204 and 0.09283 respectively. In this context, the average value of profitability for companies in the Food and beverage Subsector during 2019-2022 is 0.1204, which indicates that the profitability of companies in this subsector is still below the threshold that is considered good, namely 0.15 or 15%.

The leverage factor varies between PT Wilmar Cahaya Indonesia Tbk with the lowest value of 0.11, and PT Multi Bintang Indonesia Tbk with the highest value of 2.14. The mean and standard deviation of leverage are 0.6325 and 0.4376, respectively. The average DER value in this study was 0.6325 or equivalent to 63.25%, which is lower than

100%. Because the leverage variable in the Food & Beverage subsector during the 2019-2022 period shows good conditions in terms of meeting the DER value requirements, the DER value for businesses in this sector can be considered good.

The FZ company size has a minimum value of 2.61 in 2019 at PT Akasha Wira International Tbk. and a maximum value is 3.43 in 2022 at PT Mayora Indah Tbk., with an average of 3.1675 and a standard deviation of 0.26224. This shows that the average company size in the food and beverage industry during 2019-2022 is 3.1675, indicating that companies in this subsector are large in size.

The Tax Avoidance variable measured by CETR has a minimum value of 0.01 in 2019 at PT Akasha Wira Internasional Tbk. and a maximum value is 0.56 in 2022 at PT Buyung Poetra Sembada Tbk., with an average of 0.2302 and a standard deviation of 0.11298. This means that the average level of tax avoidance in Food & Beverage Subsector companies during 2019-2022 is 0.2302 or 23.02%. The lower the CETR value, the higher the level of tax avoidance, and vice versa.

2. Classic Assumption Test

In this Normality test, the Kolmogorov-Smirnov (K-S) test is used with the criterion that the Asymp. Sig. (2-tailed) must be greater than 0.05. Based on research sample data consisting of 116 data, the results of Asymp. Sig. is 0.001, which is smaller than 0.05. Therefore, the sample data is processed by removing the out layer until 56 data remain, which shows the Asymp results. Sig. of 0.052, greater than 0.05, shows that the sample data in this study is normally distributed and can be used in regression testing.

In multicollinearity testing, the tolerance value and Variance Inflation Factor (VIF) are used with the limitation that the VIF value must be less than 10 and the tolerance value must be greater than 0.100 to ensure that the sample data does not experience multicollinearity. Based on research sample data, the Board of Directors variable has a VIF value of 1.236 and a tolerance value of 0.809, the Profitability variable has a VIF value of 2.220 and a tolerance value of 0.450, and the Company Size variable has a VIF value of 2.279 and a tolerance value of 0.882, this shows that each independent variable in the research sample data is free from multicollinearity in the regression model.

In heteroscedasticity testing, the Glejser test is used with the criterion that the significance value of the independent variable must be greater than 0.05 to determine whether the sample data experiences heteroscedasticity. Based on research sample data, the results show that the variables Board of Directors, Profitability, and Company Size have respective significance values of 0.984, 0.133, and 0.128, all of which are greater than 0.05, it can be concluded that there is no heteroscedasticity problem in the regression model.

In Autocorrelation testing, the Run test is used with the criterion that the Asymp. Sig. (2-tailed) must be greater than 0.05 to determine whether the sample data is autocorrelated. Based on research sample data, the Asymp. Sig. (2-tailed) is 0.281, which is greater than 0.05. This shows that there is no autocorrelation problem between independent variables in the sample data, so the regression model is feasible and can be carried out.

3. Multiple Linear Regression Test

The multiple linear regression test is used to analyze the relationship between one dependent variable (response variable) and two or more independent variables (predictor variables) in a statistical model. Multiple linear regression tests also make it possible to test hypotheses about the significance of regression coefficients, identifying whether independent

variables significantly predict the dependent variable. The test results in this research are presented in the following table:

Table 2. Multiple linear test results

Model		Coefficients ^a				Collinearity Statistics		
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	2.216	.296		2.427	.013		
	MEET	2.126	.044	1.060	2.397	.020	.809	1.236
	WOMEN	-1.007	.013	-1.020	-	.030	.936	1.068
					2.055			
	NPM	1.517	.233	1.284	2.124	.031	.701	2.237
	DER	-1.358	.036	-1.394	-	.025	.837	1.194
					2.094			
	FS	1.309	.083	1.226	2.037	.046	.882	2.279

a. Dependent Variable: CETR

Source: data proceed

On this basis, it is estimated that tax avoidance in companies in the food and beverage subsector will reach 2.126 from 2019 to 2022. The MEET variable is proven to have an influence on tax avoidance based on research sample data, with a regression coefficient of 1.104, indicating a positive relationship between the two. Tax avoidance is anticipated to increase by 1.104 when the MEET variable increases by one unit, assuming other variables remain constant.

The WOMEN variable has an influence on Tax Avoidance with a regression coefficient of -1.007. This indicates that the WOMEN variable has a negative influence on Tax Avoidance. With the other variables remaining constant, if the WOMEN variable increases by one unit, it is predicted that Tax Avoidance will decrease by -1.007. The NPM variable was also found to have a positive impact on tax avoidance, with a regression coefficient value of 1.517. This means that tax avoidance is expected to increase by 1.517 when the NPM variable increases by one unit, assuming other variables are constant.

The DER variable influences Tax Avoidance with a regression coefficient of -1.358. This illustrates that the DER variable has a negative influence on Tax Avoidance. In conditions where other variables remain constant, if the DER variable increases by one unit, it is predicted that financial difficulties will decrease by -1.358. Regression analysis regarding the Company Size variable on tax avoidance shows a coefficient of 1.309, confirming the existence of a positive relationship between these two variables. Therefore, it is expected that tax avoidance will increase by 1.309 when the Company Size variable increases by one unit, assuming other variables remain constant.

4. Hypothesis Testing

Hypothesis testing is used to test the validity of an assumption or statement about a population based on existing sample data. The aim is to make conclusions about whether the observed results are significantly different from what was expected or whether the

relationship between the variables in the study is real or not, the results of hypothesis testing in this study consist of.

5. T Test (Partial)

The T test is a statistical method used to evaluate whether the difference between two sample means is statistically significant or simply occurs due to random error. The T test is often used when the sample size is relatively small (less than 30) and population variations are unknown, and the main purpose of the T test is to determine whether the difference between two groups is statistically significant or simply occurs by chance. The test results are presented in the following table:

Table 3. Research Partial Test Results

Model	Coefficients ^a				Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	2.216	.296		2.427	.013		
MEET	2.126	.044	1.060	2.397	.020	.809	1.236
WOMEN	-1.007	.013	-1.020	-2.055	.030	.936	1.068
NPM	1.517	.233	1.284	2.124	.031	.701	2.237
DER	-1.358	.036	-1.394	-2.094	.025	.837	1.194
FS	1.309	.083	1.226	2.037	.046	.882	2.279

a. Dependent Variable: CETR

Source: data proceed

The table shows the results of partial testing in the research. In this analysis, we test the influence of the variables Board of Directors (MEET), Profitability (NPM), and Company Size (FS) on tax avoidance (CETR) as the dependent variable. The results presented in the table show the regression coefficients for each independent variable.

The MEET (Board of Directors) variable has a regression coefficient of 2.126 with a t-value of 2.397 and a significance value (Sig.) of 0.020. This means that there is a significant positive relationship between the level of Board of Directors meetings and tax avoidance. This means that the more often the Board of Directors meets, the higher the level of tax avoidance. The regression coefficient of -1.007 for the influence of the WOMEN variable on tax avoidance shows a negative correlation between the two. In this context, it is estimated that tax avoidance will decrease by -1.007 when other constant factors increase by one unit in the WOMEN variable.

The NPM (Profitability) variable has a regression coefficient of 1.517 with a t-value of 2.124 and a significance value of 0.031. This shows that there is a significant positive relationship between company profitability and tax avoidance. In other words, the higher the level of company profitability, the higher the level of tax avoidance. With a regression coefficient of -1.358, the influence of the DER variable on tax avoidance shows a significant negative impact on this practice. Assuming all other factors remain unchanged, financial problems are estimated to decrease by -1.358 when the DER variable increases by one unit.

The FS (Company Size) variable has a regression coefficient of 1.309 with a t-value of 2.037 and a significance value of 0.046. This indicates a significant positive relationship between company size and tax avoidance. Thus, the larger the company size, the higher the level of tax avoidance. These results indicate that the Board of Directors, Profitability, and Company Size significantly influence tax avoidance in food and beverage subsector companies.

6. F Test (Simultaneous)

The F-test or F-statistic test is a statistical tool used to compare several means between two or more groups or treatments. The F test is usually used in the analysis of variance (ANOVA) to test whether there is a significant difference between the means of the groups. The main purpose of the F test is to determine whether the variation between group means is greater than the variation within groups, the test results in this study are presented in the following table:

Table 4. Simultaneous Research Test Results

Model	ANOVA ^a				
	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.129	5	.026	2.477	.039b
Residual	.573	50	.011		
Total	.702	55			

a. Dependent Variable: CETR

b. Predictors: (Constant), FS, WOMAN, MEET, DER, NPM

Source: data proceed

Table 4 displays the results of simultaneous testing in the study, using analysis of variance (ANOVA) to test the overall significance of the regression model. The ANOVA results show that the independent variables consisting of constant variables, Company Size (FS), Board of Directors (MEET), and Profitability (NPM), together have a significant influence on the dependent variable, namely Tax Avoidance (CETR).

In this table, "Regression" refers to the variation explained by the regression model, which is measured using the sum of squares and mean square. The sum of squares value for the regression is 0.129, with degrees of freedom (df) of 5, and a mean square of 0.026. Furthermore, the resulting F-statistic value is 2.477, and the significance value (Sig.) is 0.039. A p value less than a specified significance level (usually 0.05) indicates that the overall regression model is statistically significant. The remaining variation not explained by the regression model is represented by "Residual", which has a sum of squares of 0.573 and a df of 50. The total variation in the data, both explained and not explained by the model, is represented by "Total" with the sum of squares of 0.702 and a total df of 55.

The results of this ANOVA show that the overall regression model has a significant influence on tax avoidance in food and beverage subsector companies, with the constant variables, Company Size, Board of Directors, and Profitability together making a significant contribution to variations in tax avoidance. and the results of this research provide a better understanding of the factors that influence tax avoidance in the context of these companies.

Discussion

The results of statistical testing provide an in-depth understanding of the suitability or inconsistency of research results with the proposed hypothesis. In this research, the hypothesis is based on the assumption that the variables Board of Directors (MEET), Profitability (NPM), and

Company Size (FS) have a significant influence on tax avoidance (CETR) in food and beverage subsector companies.

The results of the analysis show that the variables of Board of Directors, Profitability, and Company Size together have a significant influence on tax avoidance, as is evident from the results of simultaneous testing using ANOVA. This is by the proposed hypothesis, which indicates that these factors play an important role in determining the level of tax avoidance in the context of these companies. The suitability of the research results with this hypothesis is supported by the findings of several previous studies. Research by (Sopian *et al.*, 2023) found that there is a positive relationship between the attendance of Board of Directors meetings and the company's level of tax avoidance, this is consistent with the findings in this study which show that the more often the Board of Directors meets, the higher the level of tax avoidance.

A study by (Wen *et al.*, 2020) also supports the finding that company profitability is positively related to tax avoidance. Jones found that companies with a high level of profitability tend to be more active in carrying out tax avoidance strategies to maximize their profits, which is in line with the results of this study. Research conducted by (Nazara *et al.*, 2023) concluded that company size has a significant influence on the level of tax avoidance. These results are in line with the findings in this study which show that the larger the company size, the higher the level of tax avoidance.

Several studies are not in line with the results of this study. Research by (Fauzan *et al.*, 2021) found that company profitability does not have a significant effect on tax avoidance. This result contradicts the findings in this study which showed a positive relationship between these two variables. Other research conducted by (Novita & Herliansyah, 2019) also found that company size was not significantly related to tax avoidance. This is different from the results of this study which showed a significant positive relationship between these two variables. Although there are inconsistent studies, the findings in this study are still consistent with several previous studies which support the relationship between the Board of Directors, Profitability, and Company Size with tax avoidance in the context of food and beverage subsector companies.

The implications of these findings have a significant impact on theory and practice in the food and beverage industry. This research enriches our understanding of the factors that influence tax avoidance in the context of this industry. The finding that the Board of Directors, Profitability, and Company Size jointly influence a company's tendency to avoid tax indicates that internal organizational factors and economic characteristics have an important role in corporate tax decision-making. These implications reinforce the concept that financial managers and tax planners need to consider these internal factors in designing effective tax strategies.

CONCLUSION

The results of this research show that in the food and beverage industry listed on the Indonesia Stock Exchange during the 2019-2022 period, factors such as the presence of a Board of Directors, Woman Directors, the level of company profitability, the level of company leverage and company size together have a significant effect on the company's tendency to avoid tax. These findings indicate the importance of considering internal organizational factors and economic characteristics in designing effective tax strategies. The implications of these findings include valuable guidance for practitioners in planning corporate tax and risk management policies, emphasizing the importance of transparency, accountability, and managing tax-related risks.

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