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Jurnal Riset Akuntansi dan Bisnis Airlangga Vol. 5. No. 2 (2020) 885- 901 ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

THE EFFECT OF PUBLICITY OF THE PRESIDENT DIRECTOR AND MAJORITY SHAREHOLDERS ON TAX AVOIDANCE

Raras Ivastya [1]
Zaenal Fanani [2]

ARTICLE INFO

***Article History*:**

Received 28 July 2020

Accepted 2 September 2020

Available online 31 November 2020

ABSTRACT

The study uses the volume search index (SVI) to see the publicity of the president director through Google Trends, and uses the percentage of share ownership to see stocks that aim to influence tax avoidance. The research object used is a public company registered at PT. Indonesia Stock Exchange and the 50 richest people listed on Forbes in the 2013-2018 period. The sample data of selected companies were 24 companies of 121 observation data for 6 years. This study uses multiple linear analysis. The results of the study support the first hypothesis which indicates that the main director who gets higher attention will do tax avoidance. Firms with higher publicity tend to use more tax planning services from auditors. While the research results contradict the second hypothesis that the higher the share owner will not do tax avoidance. In the end, it is hoped that the results of this research can be used to encourage the government to accelerate the Base Erosion and Profit Shifting mechanism which can be used as a reference for investors and company management to improve tax avoidance strategies so that in the future it will provide maximum benefits for the firm sustainability.

Keyword : **CEO Publicity, Majority Shareholders, Tax Avoidance**

ABSTRAK

Penelitian ini menggunakan indeks pencarian volume (SVI) untuk melihat publisitas direktur utama melalui Google Trends, dan menggunakan persentase kepemilikan saham untuk melihat saham yang bertujuan untuk mempengaruhi penghindaran pajak. Objek penelitian yang digunakan adalah perusahaan terbuka yang terdaftar di PT. Bursa Efek Indonesia dan 50 orang terkaya yang terdaftar di Forbes periode 2013-2018. Sampel data perusahaan terpilih sebanyak 24 perusahaan dari 121 data observasi selama 6 tahun. Penelitian ini menggunakan analisis linier berganda. Hasil penelitian mendukung hipotesis pertama yang menunjukkan bahwa direktur utama yang mendapat perhatian lebih tinggi akan melakukan penghindaran pajak. Perusahaan dengan publisitas yang lebih tinggi cenderung menggunakan lebih banyak jasa perencanaan pajak dari auditor. Sedangkan hasil penelitian ini bertentangan dengan hipotesis kedua bahwa semakin tinggi pemilik saham tidak akan melakukan penghindaran pajak, pada akhirnya diharapkan hasil penelitian ini dapat digunakan untuk mendorong pemerintah mempercepat mekanisme Base Erosion dan Profit Shifting yang mana dapat dijadikan acuan bagi investor dan manajemen perusahaan untuk memperbaiki strategi penghindaran pajak sehingga kedepannya dapat memberikan manfaat yang maksimal bagi keberlangsungan perusahaan.

Kata kunci : **Publisitas CEO, Pemegang Saham Mayoritas, Penghindaran Pajak**

Introduction

Agency Theory which explains the relationship between the interests of agents and principals will more or less affect the performance of a company. This can occur due to agency problems in the form of differences in interests between agents and principals in relation to improving company performance based on the vision they each expect (Rusydi and Martani, 2014). The difference in interest occurs because the agent wants a high company value to attract investors by avoiding taxes so that it will increase company profits. Meanwhile, on the other hand, the principal wants good management activities in the company so that it does not harm the company in the future. The existence of these differences raises

[1] Corresponden Author : Student at Faculty Economics and Business UNAIR, Surabaya
Telp. 081229222009
Email : raras.ivastya-2017@feb.unair.ac.id

[2] Second Author : Lecturer at Faculty Economics and Business UNAIR,Surabaya, Email : fanani@feb.unair.ac.id

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ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

agency cost and tax auditors who seek to exercise control so that correct information is obtained on taxation activities within the company (Adityamurti and Ghozali, 2017). The importance of information to be obtained is due to a review that the practice of reducing tax burden information is one of the practices that can be implemented in tax avoidance activities. (Hanlon and Heitzman,2010).

The topic of taxation is highly considered by executives in the financial sector because it accounts for almost 92% of influencing decisions in global business. In addition, efforts to optimize taxes are very important because they can be related to the perception of company value among investors(Assidi et al., 2016). In another review put forward by Modigliani and Miller (1958), it was explained that financial policies carried out by companies would not necessarily be able to increase the level of balance in terms of finances. With these imperfections, the company's financial policy should at least be able to adjust the two items between marginal profit and marginal costs incurred to maximize firm value. Efforts to implement appropriate financial policies will also be related to tax issues that include the disclosure of various tax regulations that can ultimately affect the level of marginal profit of the company.(Graham, 2008). This is because the optimization of the tax interest expense will be able to reduce the tax burden itself and maximize the level of profit (Assidi et al., 2016).

Tax avoidance is a very complex concept and has been the subject of a large number of legal and accounting studies. Tax avoidance involves the use of non-criminal behavior by the taxpayer as an effort to minimize or avoid taxes and is responsible for being willing to fully disclose to the authorities. Tax evasion occurs when people in power use their power to not pay taxes and restrict enforcement agencies from carrying out accountable investigations and prosecutions. The term tax avoidance does not have a universal definition because it connotes different things to different people (Hanlon and Heitzman, 2010). Meanwhile, according to other experts, it is stated that the method used to reduce tax obligations can be done by taking steps in legal and illegal forms(Otusanya, 2011).

Tax avoidance as a means of corporate tax reduction that does not differentiate between real activities and targeted benefits to reduce tax liability and tax benefits (Dyreng et al., 2008).Various methods that can be used to carry out tax avoidance, especially illegal methods, will result in scandals that occur in companies and at a macro level will have an impact on public concern. Therefore, the tax reporting authority has conducted external supervision in an effort to minimize the bad consequences of tax avoidance(Jiménez-Angueira, 2018). For the conditions previously disclosed, especially regarding the deviation of corporate tax deductions, the tax management must be properly and optimally controlled to be able to provide benefits for the company higher than the level of losses that will be obtained later (Preuss and Lenssen, 2010).

Factors that can influence the implementation of tax avoidance by a company must at least be able to be well managed, measured and pay attention to the accounting and taxation principles applied. The lack of supervision and control over these factors will eventually result in an unhealthy impact on the company. The general public views companies to be socially responsible by

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contributing to the economic welfare of communities where they operate by paying taxes(Christensen and Murphy, 2004).

One of the factors that influence tax avoidance activities is found in research conducted by Duan et al. (2018). The results of his research state that CEO publicity has a significant negative effect on tax avoidance activities and can have a significant positive effect on tax avoidance if the publicity from the president director is very high. Another study by Dyreng et al., (2010) concluded that the lack of a good understanding of the president director regarding taxation issues will lead to greater tax avoidance in the company, so that the president director's publicity has a positive effect on tax avoidance.

Another factor that can affect tax avoidance activities is the majority shareholder in a company named by Badertscher et al.,(2013). Badertscher et al. (2013) concluded in his research that share owners have a significant influence on tax avoidance activities. Research result Maydew (2001) conclude the income of all shareholders in a company as an item in the corporate tax calculation and of course it will be influenced by the amount of income received by the company. Other views by (Armstrong et al., 2015; Desai and Dharmapala, 2006; Duan et al., 2018) states that the incentives received by the majority shareholder have a relationship with corporate tax avoidance, so that this creates a positive relationship between the majority shareholder and tax avoidance. Meanwhile, Lim (2011) states that majority share ownership has a negative effect on tax avoidance activities if the majority share is owned by institutional owners due to binding regulatory reasons. Richardson et al., (2016) It is also concluded that majority shareholders have a negative influence on tax evasion in their efforts to build reputation through the effect of effective alignment and control with minority shareholders.

In the description of the previous research, it can be noted that there are differences in the results in the direction of the positive and negative influence of the publicity variable of the president director and majority shareholder on corporate tax avoidance activities. Referring to these results, the researcher seeks to determine the effect of these factors on tax avoidance activities in public companies listed on the Indonesia Stock Exchange for the period 2013 to 2018, so that from the results of this study, a tax avoidance policy formula will be obtained. More appropriate to the conditions of public companies in Indonesia. The selection of the 2013 to 2018 period is intended for continuity in a better research sample and to find out how changes in tax avoidance activities in public companies after the signing of the Global Forum on transparency and exchange of information for tax purposes (Global Forum) by the Ministry of Finance as a forum for exchanging practical information - tax avoidance practices in other countries. The aspect of renewability in this research is related to the object of research, namely in public companies in Indonesia that have never previously been conducted research related to the publicity of the main director on the issue of tax avoidance. In addition, by using the object of the 50 richest people in Indonesia, it is hoped that the research results will be more focused and uniform in order to obtain good research results.

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ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

Based on the background and differences in the results of the influence of factors on tax avoidance behavior, especially in public companies, the researcher seeks to provide another illustration of how the influence of factors, including the publicity of the managing director and majority shareholder, on tax avoidance behavior that occurs in public companies listed on the Indonesia Stock Exchange, so that the results of this study are expected to be able to provide additional agents and principals as well as other stakeholders to formulate tax avoidance policies for public companies in order to sustain the sustainability of the company concerned

Literature review

Agency Theory

Agency theory describes the principle of the relationship between agent and principal in a company. In this theory, it is explained that the owner as the principal recruits employees and assigns and gives trust to the management who acts as an agent to make policies in the operation of the company (Jensen and Meckling, 1976). The agent as the party given the trust will try to give the best performance to realize the interests of the principal. However, sometimes management does not in fact act in the interests of the principal by reporting higher commercial profits in the financial statements for their personal gain. Meanwhile, on the other hand, the owner as the principal party wants a policy that is oriented towards the interests of the owner so that the share value is higher in accordance with existing regulations. This condition gives rise to differences in interests between management and owners that trigger tax avoidance activities. In this condition,

Referring to the above conditions, the occurrence of agency problems and the opportunistic nature of each party also had an impact on the publicity of the managing director in terms of tax avoidance. The higher of chief executive's publicity, the lower the level of tax avoidance. Becaused they don't want to get the attention of tax agencies. So it is better to pay high taxes according to the tax burden. Agency theory also impacts majority shareholder in terms of tax avoidance. Majority shareholder is positively related to tax avoidance. The higher the shares owned, the higher the tax avoidance. Because as an investor / company wants to get a higher profit, and does not want the profit to be cut by a large tax burden.

Tax Avoidance

The term tax avoidance does not have a universal definition because it connotes a thing different for each person (Hanlon, and Heitzman, 2010). The definition of tax avoidance can be explained as a reduction in corporate tax liability and aims to increase profits. The benefit of tax avoidance is a cash savings from the tax avoided. This cash savings will lead to increased cash flow to the company and will be useful for increasing company value.

The existence of tax avoidance that affects the cash flow available to the company will further have an impact on the company's reputation. The reputation risk of tax avoidance affects the company's existence. Tax avoidance reputation risk affects the company's existence. First, the legitimacy of the company organization will be questioned by the general public. The general public views

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ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

companies to be socially responsible by contributing to the economic welfare of communities where they operate by paying taxes(Christensen and Murphy, 2004). This can explain that any tax evasion can threaten the company's existence (Preuss and Lenssen, 2010).

President Director's Publicity

Managing director publicity is defined as information about the president director including the characteristics of the company's leadership in relation to attention to the public and investor expectations (Duan et al., 2018). The main director is the highest leader in the management of a company. Based on the explanation about agency theory that management as executors of the company's operations will try to report to the owner all events and news that occur in the company. However, over time and needs, sometimes the management party will cover up some news or events so that the company's profit report will be bigger, which will benefit management. Based on these conditions, tax planning activities can occur in the form of tax avoidance (Desai and Dharmapala, 2009).

At first glance, it's a little hard to imagine that a managing director had an influence on corporate tax evasion. The managing director was never a tax preparer. Meanwhile, the managing director is unlikely to understand the ins and outs of tax strategy. Therefore (Dyreng et al., 2010).Furthermore, in other studies it can also be argued that the main director is more likely to be involved in tax avoidance because they have high self-rights, are exploitative, and can lack moral sensitivity (Olsen, and Stekelberg, 2016). From these various results, the role of the president director as head of the company also affects corporate tax avoidance.

Majority Shareholders

Majority shareholder is defined as the number of share ownership owned by the president director in a public company (Duan et al., 2018). The majority shareholder who acts as a principal in agency theory wants the implementation of policies or decisions that are in accordance with applicable regulations. This is based on the fact that the value of the shares contained in the company will be higher and provide benefits in the future. Referring to this situation, the majority shareholder will always prioritize the principle of prudence in approving policies carried out by management, especially on the issue of tax burden, so that this will make the majority shareholder more or less determine the company's tax avoidance activities (Hanlon and Heitzman, 2010). However, seeing its role as management, this could lead to a conflict of interest for the president director. In previous research conducted by Badertscher et al., (2013) concluded in his research that the separation of shareholders in the company has no significant effect on tax avoidance.

ResearchMaydew (2001) concluded that the income of all shareholders in a company as an item in the corporate tax calculation. According toMaydew (2001)This of course will be influenced by the amount of income received by the company. Other views by (Armstrong et al., 2015; Desai and Dharmapala, 2006; Duan et al., 2018) states that the incentives received by the majority shareholder have a relationship with corporate tax avoidance.

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President Director's Publicity against Tax Avoidance

The principle in agency theory explains that the management as the agent of the principal is in charge of carrying out the company's operational activities for the benefit of the company owner. The main director's publicity which incidentally relates to the company's external environment should be able to provide a good view of the company he leads. Reflecting on this, the role of a president director must be able to provide confidence for parties included in company stakeholders that the company is on the right track to generate high corporate profits. In its efforts to always prioritize the interests of owners and investors, the president director as management also has needs that must be fought for. So starting from this situation, the relationship between agent and principal in agency theory will have problems with the emergence of agency problems where management will attempt to generate a larger commercial profit compared to the company's fiscal profit by planning tax through tax avoidance. Meanwhile, the principal who assigns duties to the agent wants activities in accordance with the applicable regulations so as to secure the number of shares it owns. In previous research conducted by Meanwhile, the principal who assigns duties to the agent wants activities in accordance with the applicable regulations so as to secure the number of shares it owns.

In previous research conducted by Meanwhile, the principal who assigns duties to the agent wants activities in accordance with the applicable regulations so as to secure the number of shares he owns. In previous research conducted byDuan et al. (2018) which examines the effect of publissityPresident Director and tax avoidance concluded that managing directors with higher publicity are associated with higher tax costs. These chief directors tend to use more of the tax planning services of auditors to reduce the overall tax costs for their companies. Managing directors with higher publicity are more likely to use tax avoidance to increase reported profit and meet market performance expectations. In another study by Olsen & Stekelberg (2016), it is stated that the main director with a high self-rights position is likely to be exploitative and lacks moral sensitivity so that he will try to take policies that promote maximum income.

Based on the description above, a hypothesis can be formulated as follows:

H1 : President director's publicity has a positive effect on tax avoidance.

Majority Shareholders against Tax Avoidance

Agency theory which explains the difference in interests between the agent and the principal which can affect the tax policy issued by the company. The majority shareholder, who in this case acts as the principal party, always strives to encourage the implementation of the implementation of regulations in accordance with the existing provisions, which is steeped in tax issues. With regard to the existing conditions and differences of interest, the majority shareholder as the principal has a fairly central role in controlling the occurrence of tax irregularities that are not in accordance with tax regulations. In this situation, it can be explained that what the majority shareholder will do will more or less determine the direction of tax avoidance activities carried out by the company.

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The majority shareholder as the largest shareholder in a public company is likely to determine the tax policy to be implemented. This condition is very likely to occur because the owner with the majority share will be obliged to pay the highest tax compared to other shareholders. In several previous studies by Lanis et al., (2018)It is stated that the majority shareholder is positively related to tax avoidance. The higher the shares owned, the higher the tax avoidance. Because as investors and companies, they want to get higher profits, and they don't want their profits to be cut by a large tax burden. Meanwhile, another study by Chen et al., (2010) stated that avoiding tax savings from taxes through managerial opportunism serves as a tool for corporate tax avoidance, so that tax avoidance activities will also be higher. The same is the case with the two previous studies Masripah et al., (2017) stated that the majority shareholder has a positive effect on tax avoidance.

Meanwhile, in other results of research by Lanis et al., (2018), it is stated that the tendency for majority share owners to have higher tax avoidance activities can be a different condition if the majority shareholder is an institutional party who is faced with various kinds of applicable regulations. So that in this case it needs alignment and effectiveness in corporate tax management so that tax avoidance activities can be reduced by prioritizing the fulfillment of applicable regulations.

Based on the description above, a hypothesis can be formulated as follows:

H2: The majority shareholder has a positive effect on tax avoidance.

Research methods

Types of research

This type of research is an explanatory research method with a quantitative approach to explain the influence relationship between the publicity of the president director and the majority shareholder on corporate tax avoidance activities.

Population and Sample

The population is the whole of the research which has the same characteristics(Creswell, 2014). The population is companies listed on PT. Bursa Efek Indonesia and the 50 richest people listed in Forbes in the period 2013-2018. The sample is representative of the population who will be used as research data (Creswell, 2014). The sampling technique was purposive sampling, that is, the collection could be seen through its own criteria based on the researchers' observations. The criteria are listed companies on PT. Bursa Efek Indonesia and the 50 richest people listed in Forbes in the period 2013-2018. The results of the selection process obtained the sample size used in the study were 24 companies with 121 observation data over a period of 6 years.

Data Type and Sources

The data used in this research is quantitative. Meanwhile, according to the source, the data used as a reference is secondary data using the financial statements of companies listed on PT. Indonesia Stock Exchange for the period 2013-2018, the source is obtained fromwww.idx.co.id as well as data from the

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SVI report, google trend and Forbes Indonesia for 2013-2018 in the form of the chief director's publicity index.

Data Collecting Method

The collection method is a method of data collection used in research. The methods used are as follows is the documentation method from secondary data through financial reports and Forbes reports for the years 2013-2018.

Variable Operational Definition and Measurement

Tax Avoidance (Y)

Tax avoidance is a reduction activity in the tax obligation that must be paid by a company which aims to increase the company's commercial profit (Otusanya, 2011). Tax avoidance is proxied by the effective Tax Rate (ETR). ETR is definedas the amount of tax expense divided by total income before tax. The formula for the effective tax rate is as follows:

$$\text{ETR} = \frac{\text{Total Tax Expense}}{\text{Pre Tax Income}} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.1) (Dyreng et al, 2010)}$$

President Director Publicity (X1)

Managing director's publicity is information about the president director including the characteristics of the company's leadership in relation to the attention given to the public and investors' expectations (Duan et al., 2018). The measurement of the publicity of the main director in the research is based on the publicity of the main director of the company being the research sample through the search volume index (SVI) and google trend (www.google.com/trends) as well as data from Forbes reports from 2013-2018. Search volume index (SVI) is the search volume that has the highest search point used to obtain data about the president director of a company (Duan et al., 2018).

$$\text{SVI} = \frac{\text{Average weekly SVI}}{\text{Calendar year t}} \text{ x } 100 \ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.2) (Duan et al, 2018)}$$

Majority Shareholder (X2)

The majority shareholder is defined as the number of share ownership held by the main directors of the company being the research sample (Duan et al., 2018). The majority shareholder is measured by the percentage of the number of company shares owned by the main directors.

Leverage (LEV)

Leverage is the ratio of debt owned by a company (Duan et al., 2018). The proxy of leverage in this study is measured by the formula:

$$\text{Leverage} = \frac{\text{Long term debt}}{\text{Total asset}} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.3) (Duan et al., 2018)}$$

Return On Assets (ROA)

Return on assets is the rate of return on assets owned by a company based on the income received (Duan et al, 2018). The proxy of return on assets is measured by the formula:

$$\text{ROA} = \frac{\text{Profit for the year}}{\text{Total assets}} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.4) (Duan et al., 2018)}$$

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Technique of Analysis

Analysis of research data using multiple regression analysis methods which previously will be evaluated on the classic assumption test which includes normality test, non-multicollinearity test, non-autocorrelation test and non heteroscedasticity test. After the classic assumption test of the regression model is fulfilled, the analysis is continued by doing a description of the data and testing the partial effect with the t test. The multiple linear regression model designed to prove the research hypothesis is as follows:

$$PP = \alpha + \beta 1\ PDU + \beta 2\ PSM + LEV + ROA + e$$

Information:

PP = Tax Avoidance
PDU = President Director's publicity
PSM = Majority Shareholders
LEV = Leverage
ROA = Return On Assets
α = Constant
β1 to β2 = Regression Coefficient
e = error

Results

Descriptive Statistic

The description of the variables used in the study includes Tax Avoidance (PP), Publicity of the President Director (PDU), Majority Shareholders (PSM) and the control variables Leverage (LEV) and Profitability (ROA) can be explained in full in table 1.

Table1. Descriptive Statistics Results

Variables	N	Mean	Min	Max	Std Deviation
PP	121	-0.485	-0.009	-0,228	-0.106
PDU	121	0,000	0.765	0.224	0.171
PSM	121	0.170	0.999	0.522	0.222
LEV	121	0.069	0.866	0.445	0.185
ROA	121	0.005	0.456	0.092	0.057
Valid N (list wish)	121				

Source: Data Secunder Proceeds

Description of the data for the President Director Publicity (PDU) variable obtained a mean value of 0.224 with a standard deviation of 0.171. Based on the results of this description, it can be stated that the average level of publicity of the main directors of public companies listed on the Indonesia Stock Exchange which is the research sample can be presented at 22.4% of the total searches made by users of the google.com website. The minimum value for the Publicity of the President Director (PDU) is 0,000, which means that there are one or more main directors who have never been searched for by google.com users. While the maximum value is 0.765, it means that there is one of the main directors who are often searched by google.com website users, up to 76.5% of the search data, namely Ir.

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Description of the data for the variable majority shareholder (PSM) obtained a mean value of 0.522 with a standard deviation of 0.222. Based on the results of this description, it can be argued that the average percentage of share ownership owned by the president director in the public company as the research sample is 52.2%, which means that the level of share ownership of the main directors is still quite large. In fact, the results of other descriptions obtained a maximum value of 0.999, which means that there is one company where almost all of its shares are owned by the president director. Meanwhile, the minimum value of 0.170 indicates that the smallest president director owns 17% of the shares.

The description of the data for the control variable Leverage (LEV) obtained a mean of 0.445, a standard deviation of 0.185. Based on the results of this description, it can be argued that the average amount of long-term debt in the study sample is 44.5% of the total assets it owns. The minimum value of the leverage ratio of 0.069 and the maximum value of 0.866 identifies a company whose long-term debt has the same value as the total assets it owns.

Descriptions of the data for the control variable Profitability (ROA) a mean were 0.092 with a standard deviation of 0.057. Based on the results of this description, it can be stated that the profit level was successful in obtaining a sample of 9.2% compared to the total assets it owned. The minimum profitability ratio value is 0.005 and the maximum value is 0.456 indicating that there is one company with a very small profit level which is likely to reduce the level of tax to be paid.

Classic Assumption Test

The classical assumption test is performed to evaluate the regression model estimates formed from the research data. The classical assumption test includes normality test, non-multicollinearity test, non-autocorrelation test and non heteroscedasticity test. All result test of classic assumption can bee seen from table 2 for normality test, table 3 for multicolliniarity test, and figure 1 for heterocedastisity test.

Table1. One Sample Kolmogorov-Smirnov Test Results

Variable	Kolmogorov-Smirnov	Significance	Information
Error (Residual) Linear Regression Model	0.859	0.451	Normal

Source: Data Secunder Proceeds

The results of the normality test using the One Sample Kolmogorov-Smirnov method on table 1, concluded that the residual value of the regression model estimate has been distributed according to the normal distribution with a significance value of 0.451 which is greater than 0.05.

Table2. VIF and Tolerance Value

Regression Model	Independent Variable	VIF	Tolerance
PP = α + β1 PDU + β2 PSM + β3 LEV + β4 ROA	PDU	1,068	0.937
	PSM	1,124	0.890
	LEV	1,313	0.761
	ROA	1,139	0.878

Source: Data Secunder Proceeds

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The results of the non-multicollinearity test using the VIF on table 2, value showed that the VIF values of the independent and control variables were all smaller than 10. Meanwhile, the tolerance value was also greater than 0.1, thus indicating a non-multicollinearity assumption or no relationship between the independent variables in the model linear regression has been fulfilled.

The non-autocorrelation test results from the estimation results of the regression model with the Durbin Watson test obtained a value of 1.66 which is close to the value 2. Non-autocorrelation or the relationship between the residual values in the regression model has been fulfilled.

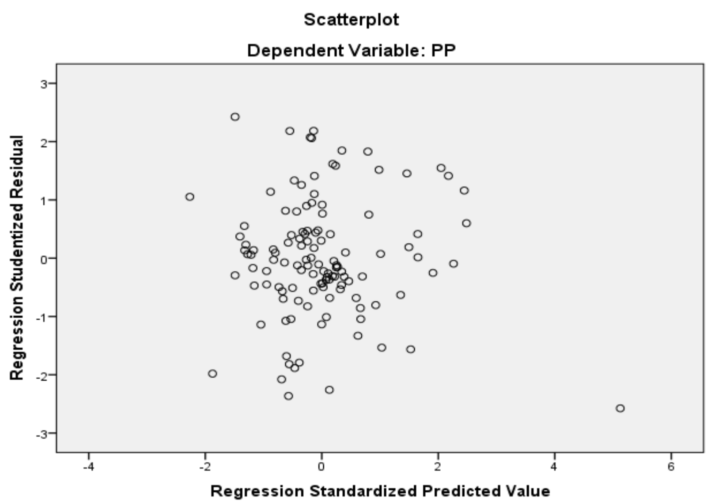

Figure2. Scatter Plot
Source: Data Secunder Proceeds

The results of the non-heterocedasticity test with the scatter plot graph in Figure 2 show that the residual value plot spreads randomly and does not form certain patterns so that it can be concluded that the non-heterocedasticity regression model assumption has been fulfilled.

Hypothesis Test

Statistical testing is used to prove the hypothesis which is analyzed using Multiple Linear Regression. To get the best estimation of the multiple linear regression model used in testing the research hypothesis, it is necessary to first test the eligibility requirements of the linear regression model which is called the classic regression assumption test. The classical assumption test is fulfilled as a condition for conducting regression analysis, so the estimation estimates will be used in testing the hypothesis that can be said to be feasible to use

The results of the regression model estimation between the President Director Publicity (PDU), Majority Shareholder (PSM) variable with the control variable Leverage (ROA) and the profitability ratio (ROA) to Tax Avoidance (PP) can be structured on table 3.

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Table3. Estimation Result of Multiple Linear Regression Model

Variable	Regression Coefficient	t	Sig	Decision
Constant	-0,312	-7,702	0,000	
Publicity of the President Director (PDU)	0.129	2,274	0.025 **	**Hypothesis one is acceptance**
Majority Shareholders (PSM)	-0.082	-1,840	0.068 *	**Hypothesis two is rejected**
Leverage (LEV)	0.154	2,652	0.009 ***	
Profitability (ROA)	0.326	1,847	0.067 *	
F	= 2,918			
Sig F	= 0.024			
R-Square (R2)	= 0.091			

Source: Data Secunder Proceeds

Coefficient of Determination (R2)

The interpretation of the coefficient of determination (R2) in table 4 which is obtained is 0.091 which means that the diversity of tax avoidance (PP) carried out by the sample companies can be explained by the Publicity variable of the President Director (PDU), the majority shareholder (PSM) with the Leverage control variable. (ROA) and the profitability ratio (ROA) of 9.1%, while the remaining 90.9% can be explained by other variables that are not used in the model.

Discussion

Effect of President Director Publicity on Tax Avoidance

The results of hypothesis testing on the effect of the President Director's Publicity (PDU) on Tax Avoidance (PP) obtained a decision that there is a positive influence between the President Director Publicity (PDU) variable on Tax Avoidance (PP). Based on these results, if the publicity of the president director increases, tax avoidance will also be even higher. The results of this study are in accordance with the results of research conducted by Duan et al., (2018) that the main director with high publicity will be more effective in making tax payments. This is because companies with high managing director publicity will usually rely on tax service audit services so that tax payment planning can be more managed and channeled properly without violating applicable regulations. The same thing has also been done in the research of Hsieh et al., (2018) and Lanis et al., (2018) which concluded that the reputation of the president director of a public company can have a positive effect on corporate tax avoidance activities.

The results of the research conducted which concludes that the President Director's publicity has a positive effect on Tax Avoidance, possibly because the main director who in fact acts as an agent in agency theory has a great obligation to be able to prosper the interests of shareholders so that efforts to generate higher net profit become a must that must be fulfilled. Based on these conditions, tax planning is one of the ways to increase company profits by avoiding taxes in accordance with the prevailing laws and regulations.

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ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

The Influence of Majority Shareholders on Tax Avoidance

Hypothesis test results of the effect of majority share owners (PSM) on tax avoidance (PP), it is found that there is no significant effect between the variable majority shareholders (PSM) on tax avoidance (PP). On the other hand, it was stated by Badertscher et al. (2013) that if share ownership in the company is more concentrated in certain circles, in this case the president director, the handling of tax avoidance activities will be well managed and smaller so that the net profit earned by the company is more optimal. in quantity and quality because it has met the principles of the taxation regulations in force. In connection with agency theory, the majority share ownership owned by the main directors will reduce the emergence of differences in conflicts of interest that can impact the value of the company in the future.

The negative influence of Majority Shareholders (PSM) with Tax Avoidance (PP) which illustrates that the greater share ownership by managers will make corporate governance better, so that problems related to taxation will also be increasingly complied with. The greater the share ownership owned by managerial managers will be more motivated to work as well as possible and more focused on the continuity of their business so that they do not want audits in the company related to tax issues. This shows that if the manager's share ownership is higher, the tax avoidance will be smaller (Sumantri et al., 2018). so that in matters relating to taxation it will also be increasingly complied with. The greater the share ownership owned by managerial managers will be more motivated to work as well as possible and more focused on the continuity of their business so that they do not want audits in companies related to tax issues. This shows that if the manager's share ownership is higher, the tax avoidance will be smaller (Sumantri et al., 2018). so that in matters relating to taxation it will also be increasingly complied with.

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Conclussion

Based on the results of hypothesis testing, the conclusions obtained in this study are:

1. The president director's publicity has a significant positive effect on the tax avoidance activities of public companies listed on the Indonesia Stock Exchange for the period 2013 to 2018.

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ISSN 2548-1401 (Print) ISSN 2548-4346 (Online)

2. The majority shareholder does not have a significant positive influence on the tax avoidance activities of public companies listed on the Indonesia Stock Exchange for the period 2013 to 2018.

Limitation

In this study, the number of main directors who are the structure of the board of directors in public companies in Indonesia is still very small so that the sample of companies used is still very minimal so that the results obtained are very likely not able to accommodate and be applied by all companies except for companies that have the same characteristics as the sample.

Suggestion

For further research, taking into account the results obtained, for further research, it may be possible to consider using all CEOs whether they act as a board of directors or not so that the influence exerted on each variable can be seen more clearly whether it is purely from the CEO factor alone or other factors related to the company's CEO . In addition, by considering the existing research results, other variables can be used, for example, the independence of the company's auditor board which functions as an independent variable or a moderating variable so that the effect on tax avoidance of public companies becomes clearer whether it will increase or weaken tax avoidance.

For management, this study be given to prioritize tax accounting principles in accordance with the rules so that policies issued in terms of corporate tax avoidance activities can be based on clear evidence and regulations for the sustainability of the company in the future. For shareholders, this study hoped that the active participation of stakeholders in the company, especially the shareholders, so that the contribution made in tax policy matters can be used as a tool to support and generate maximum income for the company and the company's shareholders.

Implication

The results of the study show that the main director's publicity has a significant positive effect on tax avoidance activities, which can be used as a reference for other public companies to be able to manage tax policies better by carrying out a proper tax audit process in accordance with applicable regulations. By doing this, it is hoped that the tax policy implemented by the company will be able to support and encourage better company performance in the future. Meanwhile, by looking at the results of the insignificant influence of majority share owners on tax avoidance activities.

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