# THE INFLUENCE OF CEO CHARACTER ON TAX AVOIDANCE IN PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE 2020-2021

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## *ABSTRACT*

This study analyzes and obtains empirical evidence on CEO character, including CEO age, CEO tenure, CEO education level, and CEO gender in tax avoidance. This study uses a sample of the property and real estate sectors listed on the Indonesia Stock Exchange (IDX) during the 2020-2021 period. The number of companies that are sampled are 64 companies with observations for two years using the purposive sampling method-the hypothesis testing of this study uses multiple regression models. The results showed that the CEO's education level and CEO's age had a positive effect on tax avoidance. While CEO tenure, gender does not affect tax avoidance.

**Keywords:** CEO age; CEO tenure; CEO education level; CEO gender; tax avoidance.

## INTRODUCTION

Taxation is an important component of state revenue because it accounts for the majority of state revenue (Menteri Keuangan, 2021). Consequently, it is natural for the government to attempt to collect taxes until it reaches the optimal level of revenue so that state treasury revenues are stable and state development can proceed efficiently. Although most people see taxes as an unavoidable burden, it is obvious that taxes are a source of income for the government (Sartika, 2021).

The Law of the Republic of Indonesia, Number 6 of 1983, as Amended, governs general provisions and tax procedures. Numerous times, including most recently in Law of the Republic of Indonesia Number 16 of 2009, the term "tax" has been used to describe a required payment made to an individual or business entity. The law states that the compensation received is used for the public good rather than being directly received (Simanjuntak & Mukhlis, 2012). The tax sector is beneficial as a source of state revenue for development; therefore, the government will increase revenue from the tax sector, but there are different views from the personal and corporate taxpayers. Corporate taxpayers who pay taxes minimize the tax burden because the company's income is getting bigger, so the tax payable is also large (Gartika & Wijaya, 2018).

A key factor in accelerating Indonesia's economic growth is the slowdown in national economic growth in recent years, which has reduced domestic liquidity availability and tax revenues. Large amounts of liquid and illiquid assets held by Indonesians abroad should be used to boost domestic liquidity and promote national economic growth (H. Insan & Maghijn, 2018).

At this time, Indonesia has implemented a tax amnesty (tax amnesty) volume II. In-Law No. 11 of 2016 concerning Tax Amnesty. Tax Amnesty is the abolition of tax payable but is not subject to administrative sanctions and sanctions in the field of taxation. When the tax directorate has a voluntary or second-volume tax amnesty (PPS) program, it is an opportunity for taxpayers to report taxes or taxes that have not been fulfilled voluntarily. Through this program, which is similar to the first volume of the tax amnesty, the government provides an opportunity for taxpayers to report assets that have not been included in the SPT without imposing a fine (Pangestu Pratama, 2022). With tax amnesty, there is a potential for revenue to increase in our APBN, either this year or next year. the previous year which will make our state budget more sustainable (Kementerian Keuangan Republik Indonesia, 2016).

Implementing this tax amnesty also aims to increase state tax revenues, which can then be used to improve the economy and welfare of the Indonesian people. In addition, this tax amnesty Is intended to prevent taxpayers/institutions from evading taxes because it facilitates handling tax problems.

Globalization has allowed businesses and taxpayers to organize their operations under one command with the common goal of generating profits and lowering all costs, including tax costs. To maximize their finances, they will avoid paying taxes. As a result, unexpectedly, every jurisdiction is competing to attract investigations. A company must pay more taxes to the state because of its high income. Companies often use various strategies to reduce the tax burden to maintain high corporate profits because this tax is a burden for those who can lower profits. This practice is commonly known as tax evasion. Therefore, we can infer that tax evasion is an effort to avoid paying taxes by attempting to lessen or eliminate the tax debt that they must pay without breaking the law (Doho & Santoso, 2020).

In Indonesia's real estate and property sectors, there is a problem with tax evasion. The government should be receiving taxes from the sale and purchase of land or buildings by developers, which include a 5% income tax and a 10% value-added tax for non-residential properties. However, some sellers are not paying these taxes. A 5% Land and Building Rights Acquisition Fee (BPHTB) is the local government's tax on real estate transactions. The Directorate General of Taxes discovered a potential loss of tax revenue as a result of the failure to report the actual transactions of buying and selling land/buildings, including property, real estate, and apartments. It happens as a result of taxes being levied based on transactions based on the Sales Value of Tax Objects (NJOP) as opposed to actual or legal trades (Tannuka, 2019).

An example of the tax avoidance phenomenon in property and real estate companies is the property company PT. Agung Podomoro Land Tbk., which was involved in a tax evasion case as a result of the leak of 11.5 million documents known as the Panama Papers. Attachments for 2.1 million PDF documents, 1.1 million photos, 32,000 text documents, and roughly 2000 additional files are contained in the 4.8 million emails that make up the document (Redaksi Solopos.com, 2016).

There are both internal and external governance factors that can lead to tax avoidance. The Chief Executive Officer's (CEO's) ability to exercise discretion over operational matters is an example of an internal factor (Harymawan et al., 2019).

Chief Executive Officers (CEOs) hold top positions in the company's management. They are responsible for the operations and performance of the company. Age, tenure, gender, and educational background determine executive characteristics. The executive who focuses on this research is the CEO of an Indonesian public company. The CEO is responsible for the company's performance so that the CEO can influence the financial statements (Feng et al., 2011).

Several factors of a CEO's personality can encourage the CEO to do tax avoidance, one of which is narcissism or overconfidence. Research shows by (Hsieh et al., 2018) stated that overconfident CEOs are more likely to engage in tax avoidance activities. Another factor that affects a CEO is the length of tenure of the CEO in a company. The results of the study Goldman, Powers, & Williams (2017) show that CEO tenure affects tax avoidance practices. Various characteristics of CEOs, such as age, years of service, gender, and educational background (Goldman et al., 2017).

The issue of tax avoidance is complex and unique because, on the one hand, it does not constitute illegal activity (legal). On the other hand, the government does not want tax evasion because it decreases state revenue (Putri & Putra, 2017). Based on the above problems related to the results of previous studies with existing theories and the inconsistency of previous studies' effects, the authors are encouraged to re-test to find out the factors that affect tax avoidance. The results of the test are expected to provide a better picture of the effect of CEO characteristics on the company.

Based on the limitations of the inconsistency of the research conducted (Karina & Jeksen, 2021). The research shows that the factors that influence Tax Avoidance are the age of the director and CEO tenure, which has no significant effect on tax avoidance. The difference between this study and the research conducted by (Karina & Jeksen, 2021) is that there are additional independent variables, namely the CEO's gender, and education level, which are included in the CEO Characteristics section.

This is where the researcher gets additional variables from the research conducted by For research, it is necessary to review whether each added variable, namely education level and CEO gender, affects Tax Avoidance in the Property and Real Estate sector. The reason for this research is that tax avoidance is still a big problem, especially among companies in Indonesia.

For company management, this research is expected to be an evaluation and reference material related to tax policies and strategies. The tax avoidance strategy is beneficial for the company because it can save significant tax payments (Chen et al., 2007). Still, on the other hand, it can harm the company, such as the risk of being penalized by the tax authorities (Chen et al., 2007; Desai & Dharmapala, 2006). and hefty fees for tax expert payments as well as reputational fines (Midiastuty et al., 2017). The government's regulatory body, the Directorate General of Taxes (DGT), is expected to use the study's findings to help formulate taxation regulations. Improved tax law analysis is necessary, especially for corporate taxpayers with access to tax evasion techniques like transfer pricing, which is covered in Law No. 36 of 2008, Article 18 paragraph 3. (a) (Farouq, 2018).

## RESEARCH METHOD
### Research design
This research was carried out in stages; at the beginning, the researcher did the planning and design of the previous examination. This study can determine the relationship between the variables examined. Researchers use hypothesis testing; researchers use methods in collecting data from time series and cross-sections, namely examining several objects at once in a certain period. This study uses secondary data sources (indirect data) by collecting annual reports and financial statements from non-financial sector companies listed on the IDX.

**Table 1**
Whole Company Sample Quantity List

| Criteria | amount |
| --- | --- |
| Companies listed on the IDX (2020-2021) | 81 |
| Total of Companies that do not meet the criteria: | (17) |
| Companies that do not publish an annual report | (7) |
| Companies that do not publish financial statements | (10) |
| Company use as a sample | 64 |
| Company observation data in 2 years | 128 |
| Data outlier | 38 |
| All data tested | 90 |

### Variables and Measurements
This study measures tax avoidance as the outcome variable, while the CEO's characteristics such as age, tenure, education level, and gender are considered as the independent variables.This study measures tax avoidance as the outcome variable, while the CEO's characteristics such as age, tenure, education level, and gender are considered as the independent variables.

### Dependent Variable
Tax avoidance refers to a company's attempt to minimize its profit to minimize the amount of tax that must be paid. The effective tax rate, which represents the percentage of tax the company has produced, is used to assess tax avoidance. ETR can describe the tax the company will pay because it calculates the sum of current expenses with deferred expenses. If the company carries out tax strategies such as accelerating depreciation, this will not affect the calculation of ETR (Hanlon & Heitzman, 2010). The greater the ETR value, the lower the tax avoidance. On the contrary, the smaller the ETR value, the higher the tax avoidance (Astuti & Aryani, 2017).

$$E = \frac{Tax\ Expense}{Pretax\ Income}$$

TAX AVOIDANCE = ETR x-1

The variables being studied independently are listed below.
1. CEO age is the lifetime attached to a CEO. The older you get, the wiser a person will be. The CEO age proxy was calculated using a dummy variable. A CEO who has a young age under 50 is worth 1, but if the CEO is over 50 years old, it is worth 0.
2. Educational background is a description of the education that has been taken until someone finally occupies a position or serves as CEO. CEO Education Level This measurement refers to the combination of Erlim and Juliana (2017) and Putri (2020) indicators. In this study, the dummy calculation was carried out by combining two hands (Education and Certification Level) from the two studies as follows (EDU):
   1. CEO with S1 education level without certification:1
   2. CEO with S1 education level with certification:2
   3. CEO with S2 education level without certification:2
   4. CEO with S2 education level with certification :3
   5. CEO with S3 education level without certification :3
   6. CEO with S3 education level with certification:4
   7. CEO has not reached the minimum education level of S1 :0
3. Gender is an essential thing that distinguishes a person from others. Gender is determined between men and women. Gender proxy using Dummy. This study develops the logic that the agentic qualities that are identical to men make them tend to be risk-takers for every decision, including tax aggressiveness, so that the CEO gender variable is represented through Dummy as a measurement proxy, with male CEOs being assigned a value of 1 and female CEOs being assigned a value of 0, (Duan et al., 2018).
4. Tenure or term of office is the time a person has served as CEO. Tenure in this study is proxied by the length of time a person has served as company CEO. Therefore, the tenure calculation uses a period of years (Ali & Zhang, 2015).

**Sampling technique**

In 2020-2021, the study included all 81 real estate and property companies listed on the Indonesia Stock Exchange (IDX). The sampling process used the purposive approach, taking into account specific criteria when selecting the sample. Some of the criteria used for selection were:
1. Property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) in a row 2020-2021.
2. Companies that publish financial reports in a row for the years 2020-2021.
3. Companies that publish annual reports in a row for 2020-2021.

**RESULT AND DISCUSSION**
**Descriptive Test**

When conducting research, descriptive statistical testing is used to provide an overview of the data's characteristics. This includes analyzing the frequency distribution of variables in the study, such as the mean, median, minimum, maximum, and standard deviation. The table below presents the descriptive analysis's results.

**Table 2**
Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Tax Avoidance | 128 | -113,238 | 7,782 | -2,43594 | 15,002872 |
| CEO Age | 128 | 35 | 78 | 55,19 | 11,004 |
| Education Level of CEO | 128 | 0 | 3 | 1,45 | ,674 |
| CEO Gender | 128 | 0 | 2 | ,95 | ,277 |
| CEO Tenure | 128 | 1 | 45 | 6,55 | 8,128 |
| Valid N (listwise) | 128 | | | | |

Using the descriptive statistical table provided, we can conclude that:

a. The ETR variable before being an outlier had a minimum value of -113238 for MDLN companies in 2020, a maximum value of 7.782 for FMII companies, and a mean value of -2.43596, and a standard deviation of 15.003.

b. The Age of Director variable ranges from 35 to 78, with an average value of 55.118 and a standard deviation of 11.004.

c. The variable level of education has a minimum value of 0 and a maximum value of 3. The average value for the variable level of education is 1.453, with a standard deviation of 0.674.

d. For the Gender variable with a minimum value of 0 and a maximum value of 1. The average value for the Gender variable is 0.94 with a standard deviation of 0.243

e. The Tenure variable ranges from 1 to 45. On average, the tenure variable is 6.55 with a standard deviation of 8.128.

**Classic assumption test**
Normality

Statistical analysis is one part of the normality test. The research used the Komologorov-Smirnov (K-S) parametric statistical test. If the value of the Kolmogorov-Smirnov test (K-S) > 0.05, the data is normally distributed.

In the results of data processing, it was found that there were abnormalities in the data; therefore, the authors removed the samples that were before outlier with the following data:

**Table 3**
One-Sampel Kalmogorov-Smirnov Test

| | | Unstandardized Residual |
|---|---|---|
| N | | 128 |
| Normal Parameters[a,b] | Mean | ,0000000 |
| | Std. Deviation | 14,94669872 |
| Most Extreme Differences | Absolute | ,455 |
| | Positive | ,343 |
| | Negarive | -,455 |
| Test Statistic | | ,000° |
| Asymp. Sig. (2-tailed) | | |

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

After conducting a normality test called one-sample Kolmogorov, any data that is considered abnormal can be identified by the Asymp.Sig value being less than 0.05. In order to address this issue, researchers may need to remove outliers or reduce data with extreme values.
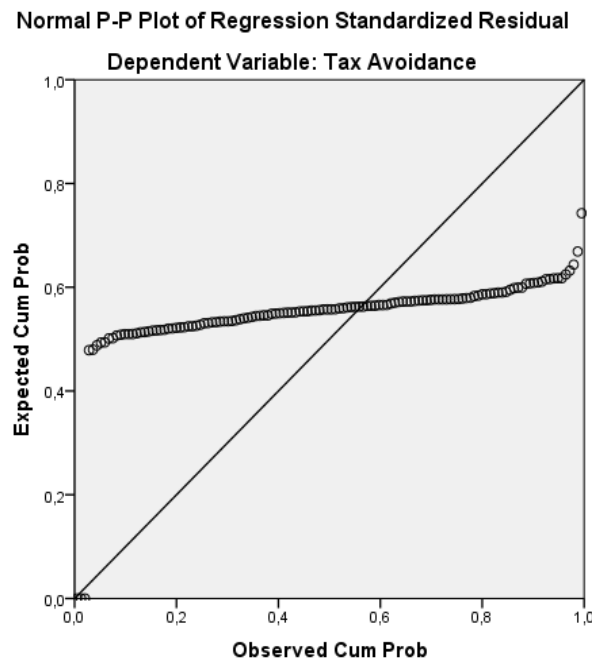
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Tax Avoidance



**Figure 1**
normal P-P Plot Regression Standardized Residual

Based on the output chart above, we can see the plot graph. The points in the p-plot image can be seen to move away from and not follow the diagonal line, which indicates that the regression model does not adhere to the traditional assumptions.

**After outlier**

To ensure that the data is usually distributed, there is no other way, namely using the Kolmogorov Smirnov formula normality method as follows:

**Table 4**
One-Sampel Kalmogorov-Smirnov Test

|  |  | Unstandardized Residual |
|---|---|---|
| N |  | 90 |
| Normal Parameters[a,b] | Mean | ,0000000 |
|  | Std. Deviation | ,12970375 |
| Most Extreme Differences | Absolute | ,091 |
|  | Positive | ,080 |
|  | Negarive | -,091 |
| Test Statistic |  | ,091 |
| Asymp. Sig. (2-tailed) |  | ,061° |

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

From the table presented, it can be concluded that the research data has passed the normality test after removing any outliers or reducing the data. This is indicated by the Asymp sig (2-tailed) value of 0.061, which is higher than the significance level of 0.05.
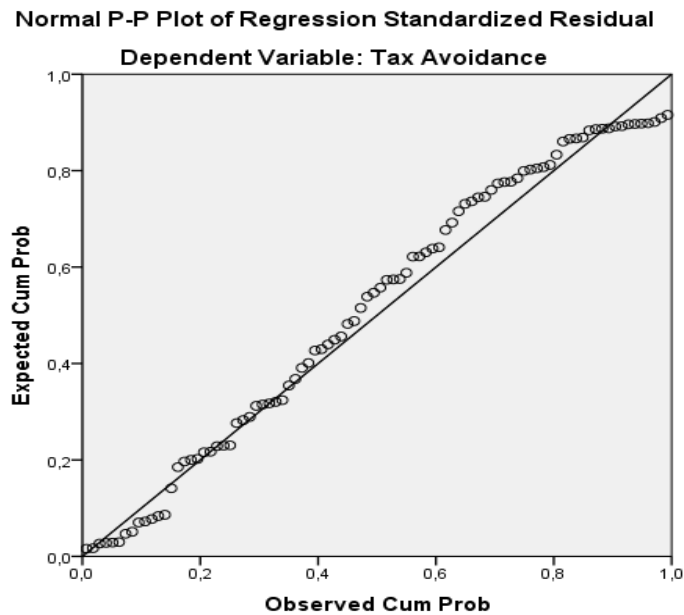
**Figure 2**
**Normal P-P Plot of Regression Standarized Residual**

Based on the output chart displayed above, we can get a plot graph; the p-plot image shows the points following and approaching the diagonal line so that it can be concluded that the regression model meets the classical assumptions.

**Multicollinear Test**

The multicollinearity test aims to examine whether the regression model identified a relationship between the independent variables (independent). The independent variables in a good regression model shouldn't be correlated. The tolerance value commonly used to indicate the presence of multicollinearity is the Cut-off value. To ensure no multicollinearity, the tolerance value must be greater than or equal to 0.10 or the VIF value 10, respectively (Ho is accepted). The results of the multicollinearity test are displayed in the following table:

**Table 5**
coefficients[a]

| | Model | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | CEO age | ,883 | 1,133 |
| | Education Level of CEO | ,961 | 1,041 |
| | CEO Gender | ,830 | 1,205 |
| | CEO Tenure | ,749 | 1,334 |

a. Dependent Variabel: Tax Avoidance

Based on the table above, the tolerance value of each research variable exceeds 0.10, and the calculated VIF value shows a number less than 10, so it can be concluded that the research data has passed the multicollinearity test.

**Heteroscedasticity Test**

The heteroscedasticity test using ScatterPlots is part of the classical assumption test in the regression model. Meanwhile, the occurrence of heteroscedasticity symptoms or problems will result in a doubt (inaccuracy) in the results of the regression analysis carried out.

**Scatterplot after outlier**

It is clear from the scatter plot's output above that the points are dispersed and do not follow a particular, distinct pattern. There must be no signs of heteroscedasticity, which is one requirement that must be fulfilled in a good regression model. Therefore, it can be said that the issue of heteroscedasticity does not exist.

**Autocorrelation Test**

The purpose of the autocorrelation test is to determine if there is a correlation between the nuisance error from the previous period (t-1) in the linear model. In this study, the Durbin-Watson (DW) test is utilized for autocorrelation analysis.

If the Durbin-Watson (DW) value is greater than 0 and less than dl, then there is a positive autocorrelation. On the other hand, if the Durbin-Watson (DW) value is greater than 4-dl and less than 4, then there is a negative correlation. If the Durbin-Watson (DW) value is greater than dl and less is equal to du, then it cannot be concluded that it is in the inconclusive region. If the Durbin-Watson (DW) value is greater than 4-du and more minor is equal to 4-dl, it cannot be concluded because it is in an inconclusive area.

The autocorrelation test performed with the Durbin Watson test can be expressed as follows:
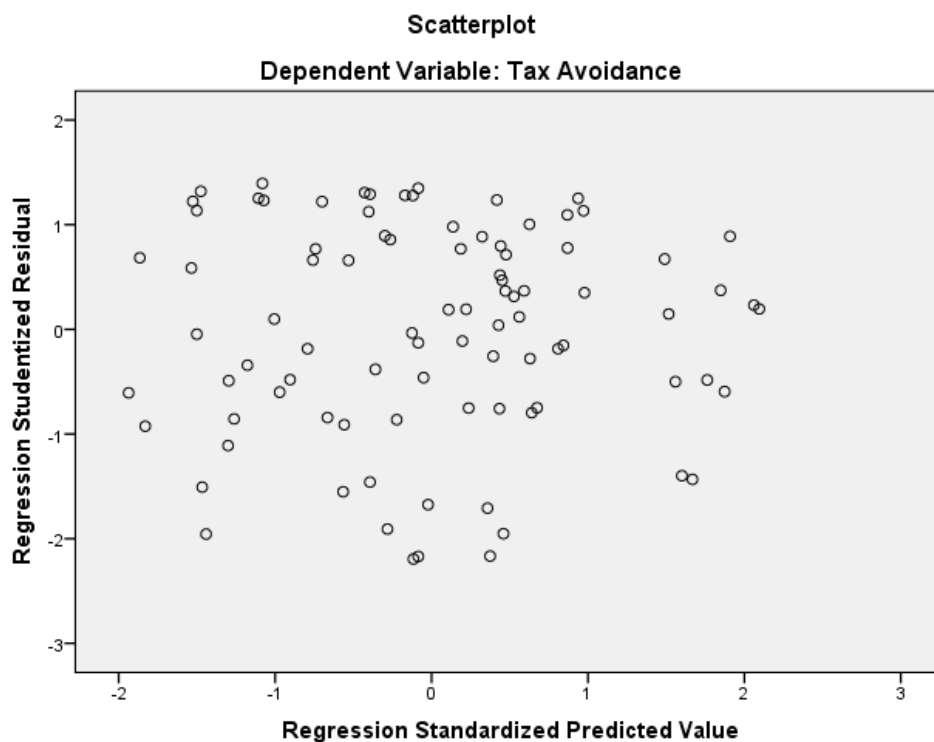


**Figure 3**
Scatterplot
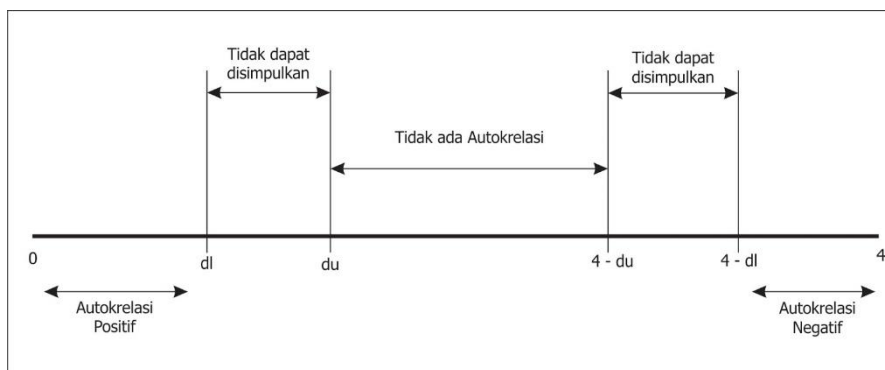Dependent Variable: Tax Avoidance

**Figure 4**

The autocorrelation test performed with the Durbin Watson test can be expressed as follows:

**Table 6**
Model Summary[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | ,352[a] | ,124 | ,082 | ,132721 | 2,096 |

a. Predictors: (Constant), CEO Tenure, Education Level of CEO, CEO age, CEO gender
b. Dependent Variable: Tax Avoidance

**Table 7**
Image of Autocorrelation Reception Area

| There is a positive auto | Inconclusive | No autocorrelation | | Inconclusive | | There is an auto negative |
|---|---|---|---|---|---|---|
| 0 | 1,5656 | 1,7508 | 2,096 | 2,2492 | 2,4344 | 4 |

Based on this study with four independent variables with a value of N = 90, the dL value is 1.5656 with a dU value of 1.7508. Based on the results of the autocorrelation test above, the dW value is 2.096, which indicates no autocorrelation in this study.

**Hypothesis Test**
**Determination Test**

The adjusted $R^2$ test is used to determine the extent to which the independent variable affects the dependent variable. As the $R^2$ value approaches 1, it indicates that the independent variable has a greater impact on the dependent variable. The table below shows the R square values.

**Table 8**
Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | ,352[a] | ,124 | ,082 | ,132721 |

a. Predictors: (Constant), CEO Tenure, Education Level of CEO, CEO age, CEO gender

Based on the table above, the variables of Education Level, Director's Age, Gender, and Tenure influence 8.2% on ETR, while the other 91.8% are influenced by other variables not explained in this study.

**f . test**

The F statistical test shows whether all the independent variables included in the model have a common effect on the dependent variable.If less than 0.05 is entered for the significance value(<0.05, = 5%), then Ha is accepted. Hypothesis tested:

**Table 9**
ANOVA[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | ,211 | 4 | ,053 | 2,997 | ,023[b] |
| | Residual | 1,497 | 85 | ,061 | | |
| | Total | 1,708 | 89 | | | |

a. Dependent Variable : Tax Avoidance
b. Predictors: (Constant), CEO Tenure, Education Level of CEO, CEO age, CEO gender

Based on the table above, with N = 90 with the number of independent variables 4 having a Fcount value of 2,997 > Ftable 2.47 and a Sig value of 0.023 <0.05. it can be concluded that the variables of Education Level, Director's Age, Gender, and Tenure have a simultaneous effect on ETR.

**T test**

**Table 10**
T test

| variable | prediction | Unstandardized B | Standardized BETA | t | Sig. | Conclusion |
|---|---|---|---|---|---|---|
| (Constant) | | -0,342 | | -3,353 | 0,001 | |
| CEO Age | + | 0,003 | 0,0241 | 2,225 | 0,029 | H1 Accepted |
| Education Level of CEO | + | 0,057 | 0,282 | 2,719 | 0,008 | H2 Accepted |
| CEO gender | + | -0,04 | -0,068 | -0,614 | 0,541 | H3 Rejected |
| CEO Tenure | + | -0,001 | -0,079 | -0,674 | 0,502 | H4 Rejected |
| Adj.R2 | | | | | | 0,082 |
| F Test | | | | | | 2,997 |
| F sig | | | | | | 0,023 |

Based on the table above, which has a sample size of 90 (N=90), it can be concluded that Education Level, Director Age, Gender, and Tenure all have a combined effect on ETR. This is supported by a Ttable value of 1.987.

a. For the variable Age of the director has a value of Tcount -2.225 < Ttable 1.987 with a Sig value of 0.029 > 0.05 and a B value of 0.003 in a positive direction, it can be concluded that the Age of the director affects ETR. Based on H1, Director's Age positively affects ETR, then H1 is accepted.

b. The education level variable has a value of Tcount 2.719 < Ttable 1.987 with a Sig value of 0.008 > 0.05 and a B value of 0.057 in a positive direction, it can be concluded that the level of education affects ETR. Based on H2, Education Level positively affects ETR, then H2 is accepted.

c. For the Gender variable has a value of Tcount -0.614 < Ttable 1.987 with a Sig value of 0.541 > 0.05 and a B value of -0.040 in the negative direction, it can be concluded that Gender does not affect ETR. Based on H3, Gender has no positive effect on ETR, then H3 is rejected.

d. For the Tenure variable has a value of Tcount -0.674 < Ttable 1.987 with a Sig value of 0.572 > 0.05 and a B value of -0.001 in a negative direction, it can be concluded that director tenure

does not affect ETR. Based on H4, if Tenure does not positively affect ETR, then H4 is rejected.

**Discussion**
**The Effect of Director Age on Tax Avoidance**
Based on the results of the first hypothesis, the director's age positively affects tax avoidance. This shows that if the director is older, it can be indicated that the company avoids its obligation to pay taxes because of the significant effect of the director's age. According to the research test results, Halioui (Halioui et al., 2016) said there is a significant positive effect between the director's age and tax avoidance. In addition, if the age of the president director has a negative effect on tax avoidance, it can be interpreted that this is because older age will behave more ethically and conservatively in decision making and avoid opportunities in tax avoidance according to the results of the study of Minnick and Noga (Minnick & Noga, 2010).

**The Effect of CEO Gender on Tax Avoidance**
Based on the results of the second hypothesis, the gender of the CEO on the practice of Tax Avoidance has no effect. These results refer to the results of the t-test. In theory, companies with female CEOs are more able to influence company performance and impact the quality of information produced. The upper echelon theory (Hambrick & Mason, 1984) states that top management's decisions must be different according to the abilities and characteristics of top management. One of these characteristics is gender. Gender differences are closely related to the characteristics of each sex, where women are more gentle and need a sense of security. This is not related to the results of the study. Even though there is discrimination based on gender, which favors men over women, it is undeniable that women are now more courageous in making corporate decisions. In addition, the small sample of female CEOs in this study led to the lack of significance of this CEO gender variable.

**The Effect of CEO Tenure on Tax Avoidance**
The study's four hypotheses suggest that CEO tenure does not have a significant impact on tax avoidance. These findings align with previous research studies conducted by Putra and Fitriasari (2014), Huang and Zhang (2019), and Yuwono and Fuad (2019) that also found no significant effect of CEO tenure on tax avoidance. However, this differs from Halioui's (Halioui et al., 2016) opinion, which suggests a positive and significant effect, meaning that the longer the CEO has been in their position, the more likely they are to engage in tax evasion. Despite this difference, the current study's results indicate that the effect of CEO tenure on tax avoidance is not significant.

**The Effect of CEO Education Level on Tax Avoidance**
Based on the results of the fourth hypothesis, the level of education in this study positively affects tax avoidance. According to Jackson & Milliron (1986), the level of education is one of the critical factors in tax avoidance (Tax Avoidance). A CEO's educational background affects tax aggressiveness. The hypothesis was confirmed by the findings of the regression analysis. That is, the educational background of the CEO is proven to affect the level of tax aggressiveness in family companies. This is supported by (Aliani, 2014), who also states that CEOs with financial, accounting, and tax backgrounds have an effect on the level of CEO aggressiveness in tax planning. Education is included in the demographic characteristics of top-level management as described in the Upper Echelons Theory (Hambrick & Mason, 1984). These demographic characteristics will affect an organisation's decisions and policies (outcomes).
Meanwhile, a high level of education and competence is needed for someone to occupy the position of CEO, who is also a center in top-level management, to have a greater chance of recruiting (Bhagat et al., 2010). So that in deciding how much tax minimization is carried out by the company he leads, the decision will be influenced by the CEO's knowledge of related tax regulations, his competence in managing the company's financial accounting in such a way to

achieve a smaller tax burden for more efficiency in spending. The company, so it has cost leadership.

## CONCLUSION

This research examined how the director's age, education level, gender, and tenure influence tax avoidance. The study focused on companies in the real estate and property industries that were listed on the Indonesia Stock Exchange (IDX) between 2020 and 2021.According to the criteria of 64 companies separated by two years, 128 samples can be collected for a total of 128 samples. In accordance with the findings and discussion in this study, the conclusions can be summarized as follows: The age of the director has a positive effect on tax avoidance; Education level has a positive effect on tax avoidance; Gender does not affect tax avoidance; Tenure does not affect tax avoidance.

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