



MODERATING EFFECT OF LEVERAGE ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND EFFECTIVE TAX RATES AMONG LISTED FIRMS IN KENYA

Peter Rawlings Osebe 

Department of Accounting and Finance, University of Kabianga, Kenya

petosbe@yahoo.com

Isaac Kiprotich Naibei

Department of Accounting and Finance, University of Kabianga, Kenya

naibei2008@yahoo.com

Joseph Kiprono Kirui

Department of Marketing and Management Science, University of Kabianga, Kenya

mnyorokirui@gmail.com

Abstract

The main objective of this study was to investigate the moderating effect of leverage on the relationship between corporate governance and effective tax rates among listed firms in Kenya in the period 2011 to 2017. Corporate governance was proxied by board size, board independence, board gender diversity and ownership structure. The study employed longitudinal research design. A sample of 40 firms was purposively selected from the 67 listed firms in Kenya as at 31st December, 2017. Data extracted from the published financial statements of the sampled firms was analyzed using STATA software. The results show that leverage has a significant moderating effect on the relationship between board size, board independence, board gender diversity and effective tax rate. However, leverage was found to have no moderating effect on the relationship between ownership structure and effective tax rate. The study recommends that leverage be considered when formulating tax policies and strategies.

Keywords: Leverage, Corporate governance, Effective tax rate, listed firms, Kenya

INTRODUCTION

Corporate tax is an important source of revenue for governments around the world (Crivelli, Mooij and Keen, 2016). On the other hand, corporate tax is a significant expense to companies thereby impacting on major corporate decisions (Graham, Hanlon, Shevlin, Shroff, 2017). Understanding the factors that determine effective tax rates is therefore important not only to companies but also to governments and other policy makers. While past studies have generally considered the impact of firm specific characteristics such as firm size, capital structure, profitability and asset mix on effective tax rates, these studies have failed to provide a full picture of what exactly determines effective tax rates among corporations that are characterized by separation of ownership from control. This has led to calls by scholars to consider the impact of corporate governance on effective corporate tax rates.

One of the corporate governance mechanisms is the board of directors. As Oyenike, Olayinka and Emeni (2016) observe, company directors have an influence on a firm's tax management activities because of their oversight role on executive decisions. The board therefore plays a key role in the success or failure of tax strategies. Because of this, several studies have in the recent past been conducted to ascertain the impact of board characteristics (such as board independence, board size, board gender diversity, CEO/Chairman duality) on effective tax rates. Some of these studies include Yeung (2010), Mahenhiran and Kasipillai (2011), Wahab and Holland (2012), Zemzem and Ftouhi (2013) and Ribeiro, Carqueira and Brandao (2015). However, few studies if any have been conducted in Kenya. Additionally, these studies have reported mixed and inconclusive findings.

While past studies have mainly documented a direct relationship between various corporate governance mechanisms and effective tax rates, moderating effect of other factors on this relationship has seldom been explored. One such factor is financial leverage. As Kraft (2014) observes, a firm's financing choice plays a part in managing agency conflicts between shareholders and managers. Managers of corporations that have more debt in their capital structure are under strict monitoring owing to the strict debt covenants put in place by the debt holders. This limits the managers from engaging in rent extraction activities such as tax avoidance. Since financing decisions are usually determined by the board of directors, it means that leverage is likely to affect the relationship between corporate governance and effective tax rate.

Companies listed on the Nairobi Securities Exchange (NSE) are among the largest in Kenya. It is not known whether these firms pay their fair share of taxes or are involved in excessive tax management practices as it is with other corporates around the world. Estimates by Cobham and Jansky (2017) for instance, show that Kenya loses 122 billion Kenya shillings

annually in corporation tax. If this lost revenue was collected it could go a long way in reducing the ever increasing budget deficits and the ballooning public debt in Kenya. Also, the impact of corporate governance on effective tax rates among listed firms in Kenya has rarely been studied. Additionally, the moderating effect of leverage on the relationship between corporate governance and effective corporate tax rate has not been explored by prior studies. This study therefore attempts to fill this gap in the literature by using firms listed on the Nairobi Securities Exchange to investigate the moderating effect of leverage on the relationship between corporate governance and effective corporate tax rates in Kenya.

With this background, this study now proceeds as follows: Section two reviews relevant theoretical and empirical literature and develops hypotheses, section three presents the research methodology, section four presents and discusses the results, section five gives conclusions and recommendations and the last section suggests areas for further research.

LITERATURE REVIEW

Theoretical Review

The theoretical framework for this study was provided by the Agency Theory. The essence of this theory is that in large corporations, there is usually a separation of ownership from management. This is because not all shareholders may be available to run the company and even if they were, there large numbers could hinder them from running the company effectively. They therefore hire persons to help them run the business on their behalf. Thus, there exists an agency relationship where the shareholders are the principals and the managers are the agents (Jensen and Meckling, 1976)

It is expected that managers being the hired agents would take those decisions and actions that are in the best interest of their principals which is to maximize the shareholders wealth. In practice however, managers may pursue their own self-interest at the expense of shareholders. This creates what is known as agency conflict or agency problem (Fama and Jensen, 1983).

The mechanism shareholders use to manage the inherent conflict between managers and shareholders is the board of directors (Fama and Jensen, 1983 and Eisenhardt, 1989). The board does this by playing both advisory and monitoring role. The effectiveness of the board to play these roles and therefore guarantee shareholders maximum benefits is influenced by several factors such as the size of the board, board independence and board diversity in terms of gender.

The relevance of the Agency Theory in explaining the relationship between corporate governance mechanisms and effective corporate tax rates is best seen in the study conducted

by Desai and Dharmapala (2006) in which they found that managers may use effective tax rates to mask their rent extraction activities. They argue that shareholders should discourage tax aggressiveness as part of managing agency problem. Similarly, Desai et al. (2007) observe that opportunistic managers usually structure the company in such a way as to reduce corporate taxes for their private gain.

Empirical Review

Board size is one of the corporate governance mechanisms that has been identified by prior studies to have an influence on the effective tax rates. Jensen (1993) observes that the size of the board determines its effectiveness which influences a company's management policy. While smaller boards have been praised for ease in decision making they have been castigated for making low quality decisions due to limited variety of skills (Dalton and Dalton, 2005 and Kaymark and Bektas, 2008). Prior studies such as Minnick and Noga (2010), Lanis and Richardson (2011), Aliani and Zarai (2012a), Khaoula and Ali (2012), Ribeiro et al. (2015) and Pratama (2017) have reported mixed findings with some reporting significant effect of board size on effective tax rates while others have reported insignificant effect.

The first hypothesis is stated thus:

Ho₁: Leverage has no significant moderating effect on the relationship between board size and effective corporate tax rates among listed firms in Kenya

Another key attribute of the board of directors which has the potential to influence the way organizations are run is board independence. Literature has defined board independence in terms of non-executive (outside) and executive (inside) directors (Ribeiro et al., 2015). Previous studies have reported conflicting findings on the effect of board independence on effective tax rates. For instance, Zhou (2011), Lanis and Richardson (2011), Khaoula and Ali (2012) and Oyenike et al., (2016) obtained results showing that board independence improves tax practices. In other words board independence increases effective tax rates. This could be attributed to better monitoring by non-executive directors which deny managers the opportunity to engage in opaque activities aimed at lowering effective tax rates for their own personal gain. Other studies such as Pratama (2017) have found an insignificant effect of board independence on effective tax rate.

The second hypothesis emerges as follows:

Ho₂: Leverage has no significant moderating effect on the relationship between board independence and effective corporate tax rates among listed firms in Kenya

Board gender diversity is another feature of the board that can have an influence on tax decisions. Past studies have shown that female directors generally exhibit greater risk aversion

and are usually more sensitive to ethical issues (Bernardi and Arnold, 1997; Powell and Ansic, 1997; Crozon and Gneezy, 2008; Adams and Ferreira, 2009). As Kastlunger, Dressler, Kirchler, Mittone and Voracek (2010) argue interpretation of tax laws and regulations differ depending on gender traits. It was observed that women generally manifest higher levels of tax compliance than men. However, prior studies have reported mixed findings on the impact of gender diversity on effective tax rates. Aliani, Mhamid and Zarai (2011), Khaoula and Ali (2012), and Oyenike et al. (2016) for instance found an insignificant effect of female directors on effective tax rates which they attributed to low number of women sitting on the board. On other hand, studies by Boussaidi and Hamed (2015) and Francis, Hasan, Wu and Yan (2014) reported a significant effect.

Therefore the third hypothesis is formulated as follows:

Ho₃: Leverage has no significant moderating effect on the relationship between board gender diversity and effective corporate tax rates among listed firms in Kenya

Equally, corporate ownership structure has been found to influence decisions on effective tax rates by affecting the nature of agency conflicts in a corporate setting (Annuar, Salihu and Sheikh Obid, 2014 and Chen, Chen, Cheng and Shevlin 2010). These studies reveal that not all types of shareholders approve of their managers engagement in activities aimed at managing taxes. Florackis (2008) contends that shareholders with a small stake in the company have little incentive to monitor management as opposed to those with significant stake due to differing risk profile. The same view is shared by Khurana and Moser (2012) who opine that support for tax management varies across different categories of shareholders due to varying investment horizons. As Shleifer and Vishny (1997) note, the agency conflict between minority and majority stockholders arises due to the fact that majority stockholders have immense power that allows them to extract private benefits by influencing major decisions of the firm including tax planning. While studies such as Boussaidi and Hamed (2015) and Li (2014) have reported a positive and significant relationship between ownership concentration and effective tax rates, other studies such as Salaudeen and Ejeh (2018) reported an insignificant relationship.

The fourth hypothesis is defined as follows:

Ho₄: Leverage has no significant moderating effect on the relationship between corporate ownership structure and effective corporate tax rates among listed firms in Kenya

METHODOLOGY

The study employed longitudinal research design to take care of accruals and deferrals in tax computation. The study population was the 67 firms listed on the Nairobi Securities Exchange as at 31st December 2017 from which a sample of 40 firms was purposively selected based on the criteria captured in table 1.

Table 1 Sample Selection Table

Sampling Procedure	Number of Companies
Total listed firms as at 31 st December 2017	67
Firms with preferential tax treatment	09
Firms that reported losses in the period	18
The remaining firms in the sample	40

Firms with preferential tax treatment are eliminated because they enjoy a lower tax rate than the statutory tax rate of 30%. Such firms mainly include newly listed firms. Firms that reported losses in the period are excluded from the sample since negative ETR has no meaning. This follows the usual procedure from previous studies (Fernandez-Rodriguez et al., 2019).

Secondary data was extracted from published financial statements for the period 2011 to 2017 using a content analysis form. The period of seven years was considered ideal to take care of accruals and deferrals in income tax computation. Also, it is in this period that Kenya's public debt and budget deficits have grown exponentially. Data collected was measured as outlined in table 2.

Table 2 Study Variables

Variable	Abbreviation	Measures used
Effective Corporate Tax Rate	ECTR	Cash tax paid divided by Profit Before Tax
Board Size	BS	The total number of directors
Board Independence	BI	Percentage of non-executive directors on the board
Board Gender Diversity	BG	Percentage of female directors on the board
Corporate Ownership Structure	COS	Percentage of top 5 shareholding
Leverage	LEV	Total Debt divided by Total Equity

Both descriptive and inferential tests were conducted with aid of STATA software. To test the moderating effect of leverage on the relationship between board size, board independence, board gender diversity, corporate ownership structure and effective tax rate, the study used hierarchical moderated linear regression model (Baron and Kenny, 1986; Cohen, Cohen, West and Aiken, 2003). This was done in two stages. The first stage involved regressing of the independent variables (CG) with the dependent variable (ECTR) in a hierarchical regression analysis to determine the direct effects. The second stage involved loading the independent variables, the moderator variable and the introduction of the interaction variables one at a time to test the moderation effect. Entering the interaction term in the second step allows for the

measurement of the unique predictive relationship of the interaction term (Baron and Kenny, 1986; Cohen et al., 2003).

The hypotheses were tested using a series of hierarchical linear regression analysis as specified in the following equations:

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{4it} + \varepsilon \dots \dots \dots 1$$

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{it} + \beta_{5it}LEV_{it} + \varepsilon \dots \dots \dots 2$$

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{4it} + \beta_{5it}LEV_{it} + \beta_{5ait}BS_{1it} * LEV_{it} + \varepsilon \dots \dots \dots 3$$

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{4it} + \beta_{5it}LEV_{it} + \beta_{5ait}BS_{1it} * LEV_{it} + \beta_{6bit}BI_{2it} * LEV_{it} + \varepsilon \dots \dots \dots 4$$

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{4it} + \beta_{5it}LEV_{it} + \beta_{5ait}BS_{1it} * LEV_{it} + \beta_{6bit}BI_{2it} * LEV_{it} + \beta_{7Bgt}BG_{3it} * LEV_{it} + \varepsilon \dots \dots \dots 5$$

$$ECTR_{it} = \beta_{0it} + \beta_{1it}BS_{1it} + \beta_{2it}BI_{2it} + \beta_{3it}BG_{3it} + \beta_{4it}COS_{4it} + \beta_{5it}LEV_{it} + \beta_{5ait}BS_{1it} * LEV_{it} + \beta_{6bit}BI_{2it} * LEV_{it} + \beta_{7Bgt}BG_{3it} * LEV_{it} + \beta_{8dit}COS_{4it} * LEV_{it} + \varepsilon \dots \dots \dots 6$$

Where;

ECTR - Effective Corporate Tax Rate (ECTR)

β_0 - Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8$ - Coefficient indicating rate of change of Effective Corporate Tax Rate to changes in the predictor variables.

BS - Board size

BI - Board independence

BG - Board gender diversity

COS - Corporate ownership structure

LEV - Leverage

ε_{it} = Error terms

i = Firm 1....., 40

t = Time in years form 2011-2017

RESULTS AND DISCUSSION

Table 3 presents the results of the moderating effect of leverage on the relationship between board size, board independence, board gender diversity, corporate ownership structure and effective tax rate.

Table 3 Moderating Effect of Leverage

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
ECTR	B(SE)	B(SE)	B(SE)	B(SE)	B(SE)	B(SE)
_cons	-3.24(.73)**	-4.59(.75)**	-4.48(.74)**	-4.51(.71)**	-4.76(.64)**	(-4.56(1.59)**
BS	0.21(.08)*	0.21(.09)*	0.27(.08)**	0.20(.08)*	0.14(.08)	0.14(.08)
BI	0.53(.11)*	0.65(.12)*	0.61(.12)**	0.72(.12)**	0.65(.11)**	0.65(.11)**
BG	0.26(.10)*	0.23(.10)*	0.27(.10)*	0.24(.01)	0.34(.09)**	0.35(.09)**
COS	-0.31(.011)*	-0.21(.12)	-0.27(.12)*	-0.40(.12)**	-0.25(.11)*	(-0.30(.34)
LEV		-0.17(.04)**	-0.46(.10)	-1.92(.39)**	-2.58(.37)**	(-2.48(.79)**
BS_LEV			-0.52(.04)**	0.13(.03)**	0.09(.03)**	0.10(.03)**
BI_LEV				-0.23(.07)**	0.33(.07)**	0.33(.08)**
BG_LEV					-0.27(.06)**	0.25(.04)**
COS_LEV						-0.05(.05)
R-sq: within	0.53	0.61	0.62	0.66	0.74	0.7404
Between	0.59	0.59	0.65	0.65	0.62	0.6208
Overall	0.52	0.61	0.68	0.76	0.82	0.82
R-sq Δ	.24	.05	.06	.08	.06	.00
Wald chi2(2)	236.58	252.19	275.24	312.88	410.35	408.06
Prob> chi2	0	0.00	0	0	0	0
sigma_u	0.19	0.67	0.50	0.51	0.54	0.54
sigma_e	0.74	0.64	0.63	0.60	0.53	0.53
Rho	0.07	0.53	0.38	0.42	0.51	0.52

Note: *and** means significant level at 5% and 1% respectively.

The moderation results show that leverage had a negative and significant moderating effect on the relationship between board size and effective corporate tax rate ($R^2\Delta=0.06$; $\beta= -0.52$; $p<0.01$). This implies that leverage contributes to variation in effective tax rate. The first null hypothesis is thus rejected. This finding is in line with prior literature that has predicted a relationship between leverage and effective corporate tax rate. Examples of such studies include Aliani and Zarai (2012a), Khamoussi et al. (2016) and Minnick and Noga (2010).

Similarly, leverage had a negative and significant moderating effect on the relationship between board independence and effective corporate tax rate ($R^2\Delta=0.08$; $\beta= -0.23$; $\rho<0.01$). This implies that leverage contributes to variation in effective tax rate. The second null hypothesis is thus rejected. This finding is in line with prior literature that has predicted a relationship between leverage and effective corporate tax rate. Examples of such studies include Zhou (2011), Lanis and Richardson (2011), Ribeiro et al. (2015) and Pratama (2017).

As well, the inclusion of leverage as a moderator on the relationship between board gender diversity and effective corporate tax rate strengthens the effect of board gender diversity on effective corporate tax rate ($R^2\Delta=0.06$; $\beta= -0.27$; $\rho<0.01$). This implies that leverage contributes to variation in effective tax rate. The third null hypothesis is thus rejected. This finding is in line with prior literature that has predicted a relationship between leverage and effective corporate tax rate. Aliani et al. (2011), Khaoula and Ali (2012), Francis et al. (2014) and Oyenike et al. (2016) are some of the studies that have documented a relationship between leverage and effective tax rate.

The significant moderating effect of leverage on the above three relationships may be attributed to the deductibility of interest expense when computing corporate tax liability. Different levels of leverage will thus lead to varied changes in effective corporate tax rates.

Finally, the results show an insignificant moderating effect of leverage on the relationship between corporate ownership structure and effective corporate tax rate ($R^2\Delta=0.00$ $\beta= -0.05$; $\rho>0.05$). It means that leverage does not contribute to variation in the effective corporate tax rate. The study thus fails to reject the fourth null hypothesis. This finding is against many past studies that have reported existence of a relationship between ownership structure and effective tax rates. Such studies include Chen et al. (2010), Bradshaw et al. (2014), Li (2014), Boussaidi and Hamed (2015) and Salaudeen and Ejeh (2018). The insignificant moderating results may be as a result of companies wanting to portray a positive picture in the eyes of debt providers due to strict debt covenants rather than using it as a tool to lower their effective tax rates.

CONCLUSION AND RECOMMENDATIONS

The study has revealed that leverage has a significant moderating effect on the relationship between board size, board independence, board gender diversity and effective corporate tax rate. It implies that leverage has an influence on the effective corporate tax rate alongside board size, board independence and board gender diversity. This could be attributed to the treatment of interest expense as a tax deductible item when computing corporate tax liability.

However, there was no moderating effect of leverage on the relationship between corporate ownership structure and effective corporate tax rate. This implies that corporate

ownership structure operates independently as a driver of effective corporate tax rate and is not moderated by leverage. This could be explained by a desire by companies to portray a positive picture in the eyes of debt holders due to strict debt covenants rather than using leverage to manage taxes.

From the findings, the study recommends that leverage be considered alongside other determinants of effective tax rates since it has a significant effect on the relationship between the two. For governments and those interested in maximization of tax revenue, they can cap or reduce the deductibility level of interest expense since it lowers the tax payable. For those interested in minimization of the tax cost, they can increase their debt financing to enjoy reduced tax bill.

SUGGESTIONS FOR FURTHER RESEARCH

This study was limited to firms listed on the Nairobi Securities Exchange. Similar studies can be done using other sets of taxpayers in order to obtain a full picture of the subject matter. This study unlike other previous studies used a moderating variable; future studies can also incorporate various moderating variables in related studies to grow both theoretical and empirical literature in the subject of corporate governance and effective tax rates. Finally, this study utilized cash tax paid in the computation of effective tax rate. Other studies can use other measures of effective tax rate.

REFERENCES

- Adams, R.B. & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94(2), 291-309.
- Aliani, K., Mhamid, I. and Zarai, M. (2011) Diversité en genre dans le Conseil d'Administration et optimisation fiscale: validation dans le contexte tunisien. *Global Journal of Management and Business Research*, 11, 41-50.
- Aliani, K., & A. Zarai, (2012a). Demographic diversity in the board and corporate tax planning in American firms, *Business Management and Strategy*, 3(1), 72-86.
- Annuar, H. A Salihu, I. A., & Sheikh Obid, S. N. (2014). Corporate ownership, governance and Tax avoidance: An interactive effect. *Social and Behavioural Sciences*, 164, 150-160.
- Baron, R. M., & David A. K. (1986), Moderator-Mediator Variables Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, 51 (6), 1173-82
- Bernardi, R.A. and Arnold, D.F. (1997). An examination of moral development within public accounting by gender, staff level, and firm. *Contemporary Accounting Research*, 14(4), 653-668.
- Boussaidi, A. and M. S. Hamed, (2015). The impact of governance mechanisms on tax Aggressiveness: Empirical evidence from Tunisian context. *Journal of Asian Business Strategy*, 5(1), 1-12.
- Bradshaw, M. Liao, G. and Ma, M. (2014). Ownership Structure and Tax Avoidance: Evidence from Agency Costs of State Ownership in China. Available at: <http://ssrn.com/abstract=2239837>. Retrieved on 24th August 2018.
- Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms? *Journal of Financial Economics*, 95(1), 41-61.

- Cobham, A., & Jansky, P., (2017). Global Distribution of Revenue Loss from Tax Avoidance: Re-estimation and Country Losses. United Nations Wider working Paper 2017/55: United Nations University World Institute for Development Economics Research.
- Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. (2003). Applied multiple regression/correlation analysis for the behavioral sciences (3rd ed.). Mahwah, NJ: Erlbaum
- Crivelli E, De Mooij R, & Keen M. (2016). Base Erosion, Profit Shifting and Developing Countries. *FinanzArchiv: Public Finance Analysis*, 72(3).
- Crozon, R. & Gneezy, U. (2008). Gender Differences in Preferences. *Journal of Economic Literature*, 47(2), 448–474.
- Dalton, C. M. & Dalton, D. R. (2005). Boards of Directors: Utilizing Empirical Evidence in Developing Practical Prescriptions. *British Journal of Management*, 16, 91-97.
- Desai, M. A., & Dharmapala, D. (2006). Effective corporate tax rates and high-powered incentives. *Journal of Financial Economics*, 79(1), 145-179.
- Desai, M.A., Dyck, A. & Zingales, L. (2007). Theft and Taxes, *Journal of Financial Economics* 84(3), Elsevier, 591-623.
- Eisenhardt, K.M. (1989). Agency Theory: An Assessment and Review. *Academy of Management Review*, 14(1), 57-74
- Fama, E.F. & Jensen, M.C. (1983) Separation of ownership and control. *Journal of Law and Economics* ,26, 301–325.
- Fernandez-Rodriguez, E., Garcia-Fernandez, R. & Martinez-Arias, A. (2019). Influence of Ownership Structure on the Determinants of Effective Tax Rates of Spanish Companies. *Sustainability*, 11,1441; doi:10.3390/su11051441
- Florackis, C. (2008). Agency costs and corporate governance mechanisms: evidence for UK firms. *International Journal of Managerial Finance*, 4(1): 37-59
- Francis, B.,I. Hasan, Q. Wu & Yan,(2014). Are Female CFOs Less Tax Aggressive? Evidence from Tax Aggressiveness, *Journal of the American Taxation Association*, 36(2), 171-202.
- Graham J.R., Hanlon M., Shelvin T., Shroff N. (2017). Tax Rates and Corporate Decision Making. *The Review of Financial Studies*, 30(9), 3128-3175
- Jensen, M.C. & Meckling, W.H. (1976). Theory of the firm: managerial behaviour, agency costs and ownership structure, *Journal of Financial Economics*, 3(4), 305-360.
- Jensen, M.C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *Journal of Finance*, 48, 831–880.
- Kastlunger, B., Dressler, S., Kirchler, E., Mittone, L. & Voracek, M. (2010), Sex Differences in Tax Compliance: Differentiating Between Demographic Sex, Gender-role Orientation, and Prenatal Masculinization (2D:4D), *Journal of Economic Psychology* 31(4), 542-552.
- Kaymak, T., & Bektas, E. (2008), East meets west? Board characteristics in an emerging market: Evidence from Turkish banks, *Corporate Governance*, 16(6), 550–61.
- Khamoussi Halioui, Souhir Neifar, Fouad Ben Abdelaziz, (2016) "Corporate governance, CEO compensation and tax aggressiveness: Evidence from American firms listed on the NASDAQ 100", *Review of Accounting and Finance*, 15(4), 445-462
- Khaoula, A. & Ali, Z.M., (2012). The board of Directors and the corporate tax planning. Empirical Evidence from Tunisia. *International Journal of Accounting and Financial Reporting*, 2(2), 142-157
- Khurana, I.K. & Moser W.J. (2012), Institutional Shareholders' Investment Horizons and Effective corporate tax rates. *The Journal of the American Taxation Association*, 35(1), 111-134
- Lanis, R., & Richardson, G. (2011). The effect of board of director composition on corporate tax aggressiveness. *Journal of Accounting and Public Policy*, 30(1), 50-70.
- Li, Y. (2014). The Relationship between equity ownership structure and tax aggressiveness of listed companies. *Eastern Academic Forum*.
- Mahenthiran, S., Kasipillai, J. (2011) Influence of ownership structure, corporate governance, and culture on Tax Policy: Evidence from Malaysia. DOI: 10.2139/ssrn 1752526
- Minnick, K., & Noga, T. (2010). Do corporate governance characteristics influence tax management? *Journal of Corporate Finance*, 16(5), 703-718.

- Oyenike, O., Olayinka, E. & Emeni, F. (2016). Female Directors and Tax Aggressiveness of Listed banks in Nigeria. 3rd International Conference on African development issues. ISSN:2449-075X
- Powell, M. & Ansic, D. (1997). Gender differences in risk behaviour in financial decision-making: An experimental analysis, *Journal of Economic Psychology*, 18(6), 605-628.
- Pratama A. (2017). Company Characteristics, Corporate Governance and Aggressive Tax Avoidance Practice: A Study of Indonesian Companies. *Review of Integrative Business and Economics Research*, 6(4), 70-81.
- Ribeiro, A., Cerqueira, A., Brandao, E. (2015). The Determinants of Effective Tax Rates: Firms' Characteristics and Corporate Governance. FEP Working Papers 567, ISSN: 0870-8541, School of Economics and Management, University of Porto.
- Salaudeen, Y.M. & Ejeh, B.U.(2018). Equity ownership structure and corporate tax aggressiveness: The Nigerian context. *Research journal of Business and Management*, 5(2), 90-99
- Shleifer, A. & Vishny, R.W. (1997). A Survey of corporate governance. *Journal of Finance*, 52, 737-783
- Wahab, N. S. A., Holland, K. (2012). Tax Planning, Corporate Governance and Equity Value. *British Accounting Review*, 44(2), 111-124.
- Yeung C.T. (2010), Effects of Corporate Governance on Tax Aggressiveness, An Honours Degree Project, Hong Kong Baptist University.
- Zemzem, A. & Ftouhi, K. (2013). The effects of board of directors characteristics on Tax aggressiveness. *Research Journal of Finance and Accounting*, 4(4), 140-147
- Zhou, Y. (2011), Ownership Structure, Board Characteristics, and Tax Aggressiveness, PhD, University Hong Kong.