CHIEF EXECUTIVE OFFICER (CEO) ATTRIBUTES AND TAX AVOIDANCE INSIGHT FROM LISTED NON-FINANCIAL FIRMS IN NIGERIA

Faith Ogagaoghene, OBAROLO¹, Associate Professor (Mrs.) Mary JOSIAH², & Associate Prof. Omimi Ejooor ATU³

¹,²,³Department of Accounting, College of Business and Management Sciences, Igbinedion University, Okada, Edo State, Nigeria

Corresponding Author: Faith Ogagaoghene, OBAROLO
Corresponding Author Email: faith.obarolo@iuokada.edu.ng, Josiah.mary@iuokada.edu.ng, atu-omimiejoor@iuokada.edu.ng

Article Received: 04-09-23 Accepted: 20-09-23 Published: 30-09-23

Licensing Details: Author retains the right of this article. The article is distributed under the terms of the Creative Commons Attribution-Non Commercial 4.0 License (http://www.creativecommons.org/licences/by-nc/4.0/), which permits non-commercial use, reproduction and distribution of the work without further permission provided the original work is attributed as specified on the Journal open access page.

ABSTRACT

The study mainly examined the effect of chief executive officers’ attribute on tax avoidance of listed non-financial firms in Nigeria. To achieve this objective, this study specifically tests the hypothesis that chief executive officers’ attributes in the context of chief executive officers’ tenure, chief executive officers’ ownership, chief executive officers’ gender and chief executive officers’ nationality significantly affects tax avoidance over a 10 year time frame (2012 – 2021) for non-financial listed firms in Nigeria. This study is anchored on the Upper Echelon Theory noting that the key concept of the upper echelon theory is that the company reflects its chief executive officer. Robust regression analysis technique was employed to test the formulated hypotheses after fulfilling the necessary conditions for obtaining non-spurious regression estimates. Specifically, the result reveals mixed evidence suggesting that the effect of chief executive officers’ attribute on tax avoidance depends on the observed or unobserved traits. Particularly, the result suggests that higher ownership rights owned by the chief executive officer reduces the level of tax avoidance of listed non-finance firms in Nigeria. Therefore, this study recommends among others that to optimize the non-
debt tax saving strategy, management must develop a culture within the organization that values responsible tax planning and encourages chief executive officers’ to actively consider the non-debt tax shield as a strategic tool. Further, management team should promote transparency and open communication about tax strategies, ensuring that tax planning is integrated into overall business decision-making processes.

**Keywords:** Chief Executive Officer Attribute, Tax Avoidance, Robust Regression, Upper Echelon Theory.

---

**INTRODUCTION**

Basically, a corporation is founded primarily in order to earn a profit. In order to accomplish this fundamental goal, shareholders provide resources to the business in the hopes of receiving a return on their investment. The business will thus compete for profit, needing a competitive edge to prevail. According to Chyz, Gaertner, Kausar, and Watson (2019), business managers will do everything to get a competitive edge, and cutting costs by avoiding taxes is only one of their desperate attempts.

It may seem difficult to believe that a senior CEO might personally influence a company's tax evasion strategies. According to Astutik and Venusita (2020), a normal Chief Executive Officer, often known as CEO, is not typically a specialist in taxes and is unlikely to be familiar with the nuances of conventional tax tactics. Nonetheless, it is probable that he or she is aware of the industry's competitiveness and the possibility of growth leading to operational economies of scale. Therefore, it makes sense that a CEO might have an impact on the company's financial and operational strategy, as well as its potential for tax evasion (Duan, Ding, Hou, & Zhang 2018). In particular, a CEO may influence tax evasion by establishing the "tone at the top" with respect to the company's tax-related operations (Kubick & Lockhart, 2017). For instance, some CEOs may alter the focus placed on various business functional areas, such as marketing, operations, treasury, and tax, and the resources allotted to employing various consultants from inside and outside the company.

Moreover, the tax director's remuneration incentives, who directly influences the firm's tax choices, may be determined by the tone at the top. Evidently, the characteristics of the tax system, such as the need of book-tax compliance and the effectiveness of tax law enforcement as judged by decision-makers, have an impact on tax evasion behaviors. Therefore, inputs are filtered and processed via cognitive bases and values when CEOs are presented with normal decision-making issues (information overload, ambiguous signals, conflicting aims and objectives) (Carpenter, Geletkanycz, & Sanders 2004). In other words, how individuals understand business circumstances and decide on a course of action is heavily influenced by their values, experiences, personalities, and other human elements (Hiller & Hambrick, 2005). The latter have a major effect on the results of the business (growth, performance, R&D investment, tax payment, etc.).

Furthermore, regarding the connection between the CEO's attribute and tax avoidance, Hambrick and Mason (1984) recommend using observable characteristics and demographic indicators as proxies because the CEO is rarely available for time-consuming psychological testing, and cognitive bases and values are psychological constructs that are difficult to measure. But as Hambrick (2007) concedes, demographic factors are just part of the story—they are not precise and imperfect measurements. Consequently, the study's CEO personality
profile, which includes characteristics like "gender and nationality," seems to be a more accurate predictor of actions, including the selection of tax-saving strategies. In keeping with the previous talks, this research looks at how a CEO's characteristic affects business tax planning methods that use tax avoidance as a means of execution. However, despite decades of empirical study on corporate taxes, there has been no emphasis on whether individual CEOs have an impact on their companies' tax evasion practices. Executives were either disregarded or seen as uniform components of the tax evasion process in earlier relevant research. Bertrand and Schoar (2003) in the UK, Goncharov and Zimmerman (2006) in Russia, Lin et al. (2012) in China, Dyreng et al. (2010) in the US, and Venter et al. (2016) in South Africa are among the researchers who have studied tax evasion in connection to business financial performance the most. Justifiably, every CEO has a unique management style and is naturally inclined to engage in tax evasion. In keeping with this idea, research by Astutik, Venusita, Wicaksmono, and Oktaviani (2021) and others indicates that the characteristics of the CEO have an impact on the degree of tax evasion the company engages in.

Furthermore, Ighosewe (2022) contend that while little research has been done, top management control and the organization's power dynamics are crucial. To the best of the researchers' knowledge, however, no recent study conducted in Nigeria has looked at the demographic characteristics of executives, particularly the CEO, as predictors of corporate tax avoidance practices, with the exception of the study by Ilaboya and Aronmwan (2021), which looked at how overconfident CEOs may affect tax avoidance practices in Nigeria. Therefore, by investigating the impact of CEO attribute on tax evasion of listed enterprises in Nigeria, this research closes this gap.

According to the explanation above, the primary goal of this research is to determine how CEO attributes affect listed companies in Nigeria that evade taxes. Nonetheless, the following are the precise goals of this research:

i. Evaluate the effect of CEO Tenure on tax avoidance of listed non-financial firms in Nigeria

ii. Investigate the effect of CEO Ownership on tax avoidance of listed financial firms in Nigeria.

iii. Examine the effect of CEO Gender on tax avoidance of listed non-finance firms in Nigeria.

iv. Determine the effect of CEO Nationality on tax avoidance of financial firms in Nigeria.

The rest segment of the paper covered the literature review, research methodology, results and discussions, and conclusions and recommendations for policy actions.

LITERATURE REVIEW

Conceptual Review

The topic of corporate tax evasion has been extensively researched in accounting and finance literature throughout time. The term "tax avoidance" describes business practices that lead to a "reduction in explicit taxes," such as using various legal—or even illicit—tax methods (DyrHanlon & Heitzman 2010). Corporate tax avoidance actions have been contrasted and synonymously described as either tax planning or aggressive tax conduct (Frank et al., 2009). Duff (2009) asserts that tax evasion may enable businesses to postpone or completely erase
their tax obligations. It may also move income to get a comparatively lower tax rate and convert a taxable item (interest) to a tax-exempt one (dividends). Because of this, businesses pay less in taxes and have more cash flows available to them for investments, acquisitions, and other commercial endeavors. Together with variables unique to their company, senior executives may have a big influence on how much tax evasion is done by their firms. According to the Upper Echelons Theory, chief executive officers (CEOs) and chief financial officers (CFOs) see opportunities and dangers and decide on crucial business policies using a highly individualised lens. (Tenure & Mason, 1984).

**CEO Tenure and Tax Avoidance**

The number of years the CEO has been in office is often used to gauge their tenure (Aliani, 2014). The Annual General Meeting (AGM) of the shareholders selects the CEO and establishes his start date of employment till the conclusion of his term; this is referred to as the CEO tenure. In order to accomplish the goals of the firm, the CEO will have to make a number of decisions on its policies. The psychological and observable traits that the CEO has will play a role in Over time, corporate tax avoidance phenomenon has been widely studied in accounting and finance literature. Tax avoidance refers to corporate activities that result in any “reduction in explicit taxes,” including adopting different legal (even possibly illegal) tax strategies (Dyreng et. al., 2010; Hanlon & Heitzman 2010). Tax planning, and aggressive tax behaviour have been compared and interchangeably used to describe corporate tax avoidance activities (Frank et. al., 2009). According to Duff (2009), tax avoidance could eliminate their tax liabilities. It might also convert a taxable item (interest) to a tax exempt one (dividends) and shift income to obtain a relatively lower tax rate. Upper Echelons Theory suggests that top executives, such as CEOs and CFOs, interpret their opportunities and threats and make their decisions on important corporate policies through their own highly personalized lens (Hambrick & Mason, 1984).

One of the visible traits of a CEO is their tenure. According to the Upper Echelons Theory (Astutik et al., 2020), a CEO's tenure provides them the confidence to make difficult management decisions. One such choice relates to taxation. One of the things that makes a CEO's management aggressive is that they make difficult or dangerous financial judgments. Any tax laws broken will have serious repercussions, including criminal charges. The CEO will make more brave and experienced tax judgments the longer he is in office (Astutik et al., 2020). However, a newly elected CEO would be more cautious when it comes to filing company taxes. As a result, we anticipate that in this research, CEOs with longer tenure would both increase tax evasion and reduce tax obligation.

**CEO Ownership and Tax Avoidance**

It seems sense that CEOs who own their companies may use their aggressive tax strategies to cut down on government revenue. As a result, a CEO who owns a portion of an organization's shares may see a rise in business profitability and a decrease in government income. CEO ownership, according to Francis and Smith (1995), lessens the issue of management shortsightedness because it promotes stronger improvements and higher productivity, both of which have the long-term effect of increasing a firm's value through the minimization of costs, including tax liability. CEO ownership is negatively impacted by tax evasion, not the other way around (Loderer & Martin, 1997). According to Fama and Jensen (1983), a significant CEO ownership may also result in extra expenses. The impact of CEO ownership
on tax evasion is thus complicated (Hu & Izumida, 2007). Nonetheless, we anticipate that CEO ownership would have a beneficial impact on listed companies' tax evasion strategies in Nigeria.

**CEO Gender and Tax Avoidance**

The fact that women are more risk averse than males has been objectively shown in a number of research. According to Orjinta, and Ighosewe (2022), the gender gap is seen as a characteristic, a specific kind of behavior that endures across time and in many contexts. In spite of this, women are also seen as more reliable and law-abiding, which supports the empirical finding that women are less tax-aggressive than males. Women in top management roles are linked to fewer operational lawsuits and, as a result, participate in safer business policies, while males often embrace riskier policies and engage in more unethical methods (Adhikari et. al., 2019; Gupta et. al., 2019). Men are thirty percent more likely than women to have issues with attendance (Adams & Ferreira, 2009). Women also participate in less aggressive tax strategies and are harder monitors (Adams & Ferreira, 2009). Excessive surveillance, however, might have the

**CEO Nationality and Tax Avoidance**

There may be a more hazy connection between tax planning and the country or origin of the CEO. In particular, indigenous CEOs may be considered risk takers due to their familiarity with the company's operations and regular interactions with the board (Zajac, 1990). As a result, they are more likely to engage in more complex and potentially hazardous tax planning efforts.

**Theoretical Review**

The Upper Echelon Theory is used to anchor the study. This theory was introduced in 1984 by Phyllis A. Mason and Donald C. Hambrick. In light of this study, a CEO's values, experience, and personality influence the strategic choices they make depending on how they understand the circumstances or events they encounter (Hambrick, 2007). Therefore, it stands to reason that the traits of top managers have a big influence on how the management and control systems are designed. Strategic actions like tax evasion are greatly influenced by the CEO's attributes, which define their basis and cognitive values (Hambrick & Mason, 1984). According to Hambrick & Mason (1984), it is possible to predict a CEO's behavior and likelihood of engaging in tax evasion, particularly in times of financial difficulty, by using their features. Likewise, Francis et al. (2008) assert that the CEO's attributes are critical since they impact the organization's financial outcomes.

The hypothesis acknowledges that a CEO's characteristics impact their strategic choices, and for good reason. According to the Upper Echelon idea, CEOs have the ability to influence a company's financial reporting, strategic choices, and value generation because of their unique personal traits and skill sets (Hambrick & Mason, 1984).

**Empirical Review**

Oktaviani, Wicaksono, Sunarto, and Srimindarti (2022) analyzed the effect of CEO attributes on tax aggressiveness of firms owned by family members in Indonesia. The researchers purposively selected 70 firms. They reported that, CEO tenure and risk preferences influences tax aggressiveness of family companies while educational background of CEO has no significant effect toward tax aggressiveness.
In the case of India, Mukherjee and Sen (2022) examine if CEO attributes improves corporate tax avoidance of Indian firms from 2011 to 2018 or not. Using the panel data approach, they confirmed that, CEO attributes reduces tax aggressively significantly.

In relation to CEO gender and capital allocation, Faccio, Marchica, and Mura (2022) reported that women are risk averse, less likely to be improved in tax aggressiveness. In like manner, Duong and Pallasch (2021) in a study on “examination of female CEOs and tax aggressiveness from 2007 and 2015, reported that, females and males differ significantly in how they behave towards financial matters.

In relation to CEO nationality/culture, and tax aggressiveness, Alshabibi, Pria, and Hussainey (2022) reported that, board nationality increases tax aggressiveness but reduces effective tax rates from 2009 and 2019. Conversely, Lei, Wang, Yu, and Chan (2021) reported that a negative impact of cultural diversity on a firm’s Tax aggressiveness. However, it is most obvious during financial crises.

In relation to CEO tenure and tax aggressiveness, Astutik (2020) reported that, educational background and profitability significantly give a negative effect on tax aggressiveness whereas tenure and leverage considerably contribute to a positive consequence on tax aggressiveness. Liu, Li, Tong, and Zhang (2020) evidenced that, female CFOs, as rational economic agents, make tax decisions based on a trade-off between the cost and benefits associated with tax avoidance activities. Also, Suleiman (2020) evidenced that, accounting conservatism, mediated between the percentage of female directors on the board and female director presence in the audit committee.

Chang, Huang, Ting, and Chang (2019) evidence that female CEOs with political background tend to conduct more tax avoidance activities relative to those female CEOs without political relation. These results are in contrast to a traditional western viewpoint that female managers have a higher risk aversion attitude. Meanwhile, Rahimipour (2017) corporate board gender diversity leads to more extensive supervisions. Furthermore, female directors are not risk loving and have high ethical standards from 2010 to 2015.

**METHODOLOGY**

This study employs ex-post facto research designs since the study seeks to examine the cause-effect of CEO attributes on tax avoidance. Specifically, the study seeks to provide evidence on the effect of the independent variable on the dependent variable for non-finance listed firms in Nigeria over the 2012 to 2021 fiscal period. Out of the 109 non-finance firms listed as of December 31st, 2021, the study sampled 74 listed non-finance firms in Nigeria. They are presented thus:

Table 1
**Sample Size Representation**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Sector</th>
<th>Population Size</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>5</td>
<td>4</td>
<td>80%</td>
</tr>
<tr>
<td>2</td>
<td>Consumer Goods</td>
<td>22</td>
<td>16</td>
<td>72%</td>
</tr>
<tr>
<td>3</td>
<td>Industrial Goods</td>
<td>17</td>
<td>9</td>
<td>53%</td>
</tr>
<tr>
<td>4</td>
<td>Oil and Gas</td>
<td>12</td>
<td>6</td>
<td>50%</td>
</tr>
<tr>
<td>5</td>
<td>Healthcare</td>
<td>10</td>
<td>6</td>
<td>60%</td>
</tr>
</tbody>
</table>
The researchers obtained data from secondary sources which include related companies’ annual financial reports for the given periods and the Nigerian Exchange Group Websites. Based on the theoretical literature and earlier empirical studies, this study intends to modify the model of Wicaksono and Oktaviani (2021) and express the econometric form of the model as:

$$\text{NONDEBT}_t = \beta_0 + \beta_1 \text{TENCEO}_t + \beta_2 \text{SCEO}_t + \beta_3 \text{CEOSEX}_t + \beta_4 \text{NATCEO}_t + \epsilon_t$$

Thus, the apriori expectation based on the literature reviewed and related theories is stated as follows; \(\beta_1 > 0, \beta_2 < 0, \beta_3 < 0, \beta_4 > 0\). The basis for this expectation follows from the outcome of the literature review and empirical findings. The operationalization of variables is displayed in the table 2:

**Where:**
- \(\text{NONDEBT}\) = Non-Debt Tax Shield
- \(\text{TENCEO}\) = CEO Tenure
- \(\text{SCEO}\) = CEO Ownership
- \(\text{CEOSEX}\) = CEO Gender
- \(\text{NATCEO}\) = CEO Nationality
- \(\beta_0\) = Constant
- \(\beta_1 - \beta_6\) = Slope Coefficient
- \(\mu\) = Stochastic disturbance
- \(i\) = \(i^{th}\) company
- \(t\) = time period

Table 2

**Operationalization of Variables**

<table>
<thead>
<tr>
<th>S/ Variables</th>
<th>CODE</th>
<th>Measurement</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Tax Avoidance</td>
<td>NONDEBT</td>
<td>Calculate in % as Depreciation and Amortization divided by Total Asset.</td>
<td>Ilaboya and Aronmwan (2021)</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 CEO Tenure</td>
<td>CEOT</td>
<td>CEO Tenure in Dummy (1,0) is computed as &quot;1&quot; for Companies that have CEOs that have to stay for 3 years and &quot;0&quot; for CEOs with less than 3 years of engagement</td>
<td>Rono (2018)</td>
</tr>
<tr>
<td>2 CEO Ownership</td>
<td>CEOO</td>
<td>CEO ownership in percentage is computed as CEO shares to total outstanding shares.</td>
<td>Rono (2018)</td>
</tr>
<tr>
<td>3 CEO Gender</td>
<td>CEOG</td>
<td>CEO Gender in Dummy (1,0) is computed as &quot;1&quot; for Companies that have Female CEOs and &quot;0&quot; otherwise</td>
<td>Rono (2018)</td>
</tr>
</tbody>
</table>
RESULTS AND DISCUSSIONS

This paper evaluates CEO attribute and its effects on tax avoidance of listed non-finance firms in Nigeria. The period scope of this study covers a 10-year period ranging from 2012 to 2021. The dependent variable of tax avoidance is in terms of non-debt tax shield while the independent variable of CEO attribute is in terms of CEO tenure, CEO gender, CEO share ownership and CEO Nationality. The need to conducting some pre regression analysis; descriptive statistics, correlation analysis, and normality of data analysis is of interest to the researcher to substantiate the credibility of the data set employed for analysis. Each of the estimates are presented thus:

Table 3
Descriptive Statistics Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>nondebt</td>
<td>3.878813</td>
<td>3.744879</td>
<td>0</td>
<td>49.88</td>
</tr>
<tr>
<td>sCEO</td>
<td>5.937942</td>
<td>14.6804</td>
<td>0</td>
<td>85</td>
</tr>
<tr>
<td>ceosex</td>
<td>.0626911</td>
<td>.2425921</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>tenure</td>
<td>.6370597</td>
<td>.4812164</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>natceo</td>
<td>.266055</td>
<td>.4422316</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Authors’ Computation (2023)

From the table 2, it is seen that about 3.8% of the value of total asset consist of non-debt expenditures. It may be recalled that the concept of a non-debt tax shield refers to the tax advantage that a company gains from the tax deductibility of certain expenses, such as depreciation and amortization, which are not related to debt financing. From the table 2 it can be deduced that on average the usage of non-debt tax strategy as a tool for gaining tax advantage is barely low (3.8%) although some firms within the sample frame used the tool up to about 50% during the period under study. The study also shows that some non-financial firms did not employ the strategy during the period under study. On the variable of CEO share ownership, the table show that CEOs of some sampled listed non-finance firms in Nigeria own their company’s share to the tone of 85% during the period under investigation. When compared to the average, the descriptive statistics table reveal that most CEOs in the sample possessed only about 6% of their company’s share while at some point some CEOs had no share ownership during the period under review.

From the descriptive statistic table, it can be deduced that on average only 6% of the sampled non-finance firms CEOs are female while about 64% of the observation showed that their company’s CEOs remained in office for 3years and above. Therefore, it invariably suggests that about 36% of the CEO observation indicate CEOs that stayed less than 3years during the period under review. With respect to the independent variable of CEO nationality, the table reveals that about 27% of the CEO observation are foreigners or non-Nigerian descent. This outcome simply suggests that the bulk of non-finance firms CEOs (73%) in Nigeria are
indigenous. Further, data normality test is conducted using the Shapiro wilk procedure module in Stata and the result is presented in table 4.

### Table 4

| Variable | W        | V        | z       | Prob>|z|
|----------|----------|----------|---------|-------|
| nondebt  | 0.68414  | 154.829  | 12.344  | 0.00000|
| sceo     | 0.60216  | 195.013  | 12.908  | 0.00000|
| ceosex   | 0.95546  | 19.099   | 7.175   | 0.00000|
| tenceo   | 0.99902  | 0.419    | -2.118  | 0.98291|
| natceo   | 0.99460  | 2.314    | 2.040   | 0.02065|

Authors' Computation (2023)

Having conducted the data normality test, the result presented in table 4 suggest that the independent and dependent variables of interest to include CEO nationality, CEO share ownership, CEO gender and non-debt tax do not follow a normal distribution. This is ascertained from the probabilities of the z statistics; CEO nationality (natceo; 0.02065), CEO share ownership (sceo; 0.00000) CEO gender (ceosex; 0.00000) and non-debt tax (non-debt; 0.00000) seem to be statistically significant at 1%, respectively. Further pre-regression analysis involved the test for correlation among the variables of interest as presented in the table 5.

### Table 5

<table>
<thead>
<tr>
<th></th>
<th>nondebt</th>
<th>sceo</th>
<th>ceosex</th>
<th>tenceo</th>
<th>natceo</th>
</tr>
</thead>
<tbody>
<tr>
<td>nondebt</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sceo</td>
<td>0.0240</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ceosex</td>
<td>0.0953</td>
<td>0.0498</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tenceo</td>
<td>-0.0128</td>
<td>0.3724</td>
<td>-0.0595</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>natceo</td>
<td>0.0689</td>
<td>-0.4722</td>
<td>-0.1534</td>
<td>-0.0376</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Authors' Computation (2023)

In the table 5, CEO gender are directly related with non-debt tax (10%), CEO share ownership also directly related with non-debt tax (02%) during understudied periods. Also, CEO tenure reduces with non-debt tax variable during understudied periods (-1%). The variable of CEO nationality showed a positive association (7%) with non-debt tax, while CEO tenure also reveals a positive correlation with CEO share ownership variable. Clearly, no association is seen to be too high (80%) to warrant the consequences of highly correlated variables.

### Diagnostic Test

Next, panel least square regression analysis was conducted, and diagnostic tests were carried out on the estimates. Diagnostic tests conducted on the estimates include test for multicollinearity and test for homoscedasticity. In addressing the problem of heteroscedasticity noticed in the regression estimates, robust regression was employed while the t-statistics values of the estimates were carefully interpreted in response to the issue of non-normality which the data set faced. They are discussed thus:
for heteroscedasticity as well as the variance inflation factor test were both conducted in this study. Result from the test for heteroscedasticity suggest the presence of heteroskedasticity and the variance inflation factor test result show no possibility of multicollinearity in the estimated model. However, to address the presence of heteroscedasticity in the pool least square regression estimate, robust regression analysis technique was introduced as recommended by Gujarati (2000). The pool least square regression result is presented in table 6.

Table 6

<table>
<thead>
<tr>
<th>Pool Least Square Regression Analysis Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-Statistics: {5.75 (0.0000)}</td>
</tr>
<tr>
<td>Mean VIF: 1.07</td>
</tr>
<tr>
<td>R-Squared: 0.0425</td>
</tr>
<tr>
<td>Heteroscedasticity: {444.46 (0.0000)}</td>
</tr>
</tbody>
</table>

Authors’ Computation (2023)

Robust Regression Analysis
The robust regression analysis technique is an approach that estimates regression coefficients using a robust (RLS) M-estimator in the presence of heteroscedasticity. The RLS estimator rather than correcting the standard errors, directly estimates the coefficients by minimizing a robust objective function that is less sensitive to outliers and heteroscedasticity. The estimated result is in table 7.

Table 7

<table>
<thead>
<tr>
<th>Robust Least Square Regression Analysis Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>VARIABLES</td>
</tr>
<tr>
<td>Coef.</td>
</tr>
<tr>
<td>t_Stat</td>
</tr>
<tr>
<td>Prob_t</td>
</tr>
</tbody>
</table>

F-Statistics: {2.41 (0.0027)}; R-Squared: 0.037

Note: () and [] contains t-statistics and the respective probabilities
Where: ** represent 5% level of statistical significance
Authors’ Computation
According to the regression estimate in table 7, CEO tenure reduces tax avoidance (non-debt tax shield) minimally. This suggests that increasing CEO share ownership tends to discourage tax evasion in Nigeria. This finding contradicts prior related empirical findings by Oktaviani, Wicaksono, Sunarto, and Sriminardt (2022), who show that CEO tenure has a significant negative effect on tax avoidance.

Again, CEO share ownership with coefficient -0.017 and probability t-statistics 0.050 suggests a negative effect on tax avoidance for Nigerian listed non-financial firms. This study's findings support Crossland and Hambrick (2011) findings, who stated that when CEOs own a significant portion of the company, they may face increased scrutiny from shareholders, the board of directors, and other stakeholders. This scrutiny may deter CEOs from pursuing aggressive tax avoidance strategies that may be deemed unethical or in violation of tax laws. To maintain the trust and confidence of shareholders and other stakeholders, they may prioritize transparency, good corporate governance practices, and adherence to tax regulations. Furthermore, the findings are consistent with those of Lee and Kao (2020), who explained that CEOs with significant stock holdings may prioritize long-term value creation over short-term tax savings. They may prioritize strategic decisions and investments that
improve the company's competitive position, even if it means foregoing aggressive tax avoidance strategies that could raise ethical or reputational concerns. Furthermore, CEO gender, as represented by the coefficient 1.288 and the probability t-statistics 0.002, suggests a positive effect on tax avoidance for listed non-finance firms in Nigeria during the study period. Previous research by Rahmayanti, Nuraini, Maryasih, and Achyar (2022) suggests that female CEOs have greater risk aversion and a stronger ethical orientation. Female CEOs may be more hesitant to engage in aggressive tax avoidance strategies that raise ethical concerns or draw negative attention from stakeholders. Instead, they employ the non-debt tax shield strategy as a more conservative and compliant approach to managing tax liabilities. Their risk aversion and ethical considerations may lead to a higher utilization of non-debt tax shield methods. Further, Astutik, and Venusita, (2020) posit that female CEOs may have a greater focus on stakeholder management and maintaining a positive corporate reputation. They recognize the importance of aligning their tax practices with stakeholders' expectations and values. Therefore, by employing the non-debt tax shield strategy, female CEOs can demonstrate responsible tax planning that complies with regulations while minimizing tax liabilities. This approach contributes to building trust, enhancing reputation, and fostering positive relationships with stakeholders. Lastly, CEO nationality corresponds to coefficient 0.507 with a probability t-statistics value of 0.002 for listed non-financial firms in Nigeria during the 2012 to 2021 fiscal year period. This result is suggestive of the fact that non-indigenous CEOs, prefer the non-debt tax saving method of constraining tax liabilities. This outcome is consistent with the idea documented by Okoh, and Ofor (2022) who posit that non-indigenous CEOs have experience or knowledge in managing cross-border operations and are more familiar with international tax planning opportunities. Non-indigenous CEOs leverage their expertise in navigating complex tax systems across different jurisdictions to employ the non-debt tax shield strategy. By utilizing tax planning techniques that optimize the allocation of income and expenses across international operations, non-indigenous CEOs can effectively minimize tax liabilities.

CONCLUSION AND RECOMMENDATIONS

In theory, a firm's tax burden is proportionate to its profitability. However, achieving the firm's wealth maximization goal via various ways of boosting profitability places a greater strain on the firm's capacity to lower its tax obligation. According to Chucks, Felix, and Temile (2021), the majority of Nigerian enterprises are heavily funded via equity, making them ineligible for tax incentives related to CEO qualities. Based on the findings of this research, it is possible to infer that CEO qualities such as CEO tenure and CEO gender are important. and CEO nationality have drive tax avoidance in Nigeria.

1. Management team of quoted non-financial firms encourages collaboration between CEOs, finance teams, and tax experts to identify opportunities for optimizing the non-debt tax saving strategy.
2. Firm management must actively promote and prioritize gender diversity and inclusion in CEO hiring processes.
3. In leveraging the potential benefits from this outcome, management must embrace diversity in CEO hiring and foster cross-cultural expertise.
References