Effect CeoNarcissim On Tax Avoidance With Institusional Ownership As A Moderating (Empirical Study of Financial Sector Companies Listed on the Indonesian Stock Exchange for the 2019-2022 Period)

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Abstract. The aim of this research is to determine the influence of the independent variable CEO Narcism, the dependent variable tax avoidance and ownership as a moderating variable in measuring CEO Narcism in carrying out Tax Avoidance and whether these two variables can be strengthened or weakened by institutional ownership of financial sector companies listed on the Stock Exchange Indonesia. The research method used is a quantitative method. The population in this study are financial sector manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2022 period. The sample in this study used a purposive sampling technique, based on the specified criteria, a sample of 43 samples was obtained. The type of data used is secondary data in the form of the company's annual report. The data analysis technique used is analysis. The Data Analysis Method used in this research is: Descriptive Statistics, Classic Assumption Test, Multiple Linear Regression Analysis with Moderated Regression Analysis and hypothesis testing.

The research results show that the results of data analysis show that CEO narcissism has no effect on tax avoidance. This means that CEOs who have low or high levels of narcissism have no effect on tax avoidance, because the government through the DJP has provided tax incentives through interest charges, utilization of fiscal loss compensation. to reduce the amount of tax burden borne by the company. And institutional ownership is not able to moderate CEO Narcissism towards Tax Avoidance. This means that even though the level of institutional ownership is high in the company, institutional ownership is still unable to moderate CEO Narcissism towards tax avoidance because the company is unable to practice tax avoidance even though it has low and high levels of narcissistic CEO characters
Keywords: Ceo Narcism, Tax Avoidance, Institutional Ownership

1. INTRODUCTION

Tax is one of the sources of state revenue which makes a large contribution to Indonesia's state revenue. Based on the APBN prepared by the Ministry of Finance of the Republic of Indonesia, Indonesia's state revenue will come from taxes in 2022 amounting to IDR 1,846.1 trillion, consisting of IDR 1,510.0 trillion from taxation, IDR 335.6 trillion from PNBP, and IDR 0. 6 Trillion from Grants ({HYPERLINK www.kemenkeu.go.id}) One of the tax revenues that attracts the most attention is corporate taxpayers. The basis for tax imposition for corporate taxpayers is the amount of profit earned (Mardiasmo, 2019; official 2022). The profit obtained by the company of course comes from the amount of income obtained during a certain period. If the company's income is high, it requires the company to pay more to the state, so that on the company's side, high taxes are a burden that can reduce profits (Doho and Santoso, 2020). Based on these conditions, it is not uncommon for companies to reduce the tax burden they have to pay, one of which is by practicing Tax Avoidance. Tax avoidance can be caused by corporate governance factors originating from internal factors and external factors, the internal factor of the company is the CEO.

The CEO or Chief Executive Officer is someone who plays an important role in the company. There are several factors in the personality of a company CEO that can encourage Tax Avoidance, one of which is narcissism (Doho and Santoso, 2020). Narcissism is a particular personality trait found in many groups of people including CEOs (Ahn et al, 2020). CEOs who are too self-confident tend to be involved in tax avoidance activities, CEOs with risk-taking characteristics are narcissistic and considered a threat and also tend to harm the company because they dare to take big risks. Individual company leaders can influence tax avoidance practices.

Tax Avoidance is a technique for legally reducing the amount of tax payments based on tax law through existing tax regulations as expressed by (Hutagaol, 2007). Tax avoidance is often associated with tax planning, because both are legally used to reduce tax liabilities (Hamza and Muslim, 2018). Tax avoidance is often carried out by companies to minimize the tax burden that must be paid legally and not violate tax regulations. the case of tax evasion carried out by the largest internet company from the United States, namely Google, which was in the spotlight in 2016 because it admitted that it was not an Agency or Permanent Business Entity and Foreign Investment, where it is known that in Indonesia foreign investment is not subject to tax from Google also always refuses to carry out checks regarding legal entity status. From this case it can be seen that the aim of tax avoidance in a company is to reduce the tax burden from what should be paid.

Cases of companies committing tax evasion are starting to be widely reported in the media. Tax evasion is often carried out by national and international companies, such as the case of tax evasion carried out by the largest internet company from the United States, namely Google, which was in the spotlight in 2016 because it admitted that it was not an Agency or Permanent Business Entity and was a Foreign Investment Company, where It is known that in Indonesia foreign investment is not subject to tax. Google also always refuses to carry out checks regarding legal entity status.

From the case above, it can be seen that the aim of a company's tax avoidance is to reduce the tax burden from what should be paid. Many cases of tax evasion that occur can have a negative impact on the country. Based on a report from the Tax Justice Network entitled The State of Tax Justice 2020, Indonesia is estimated to have suffered a loss of 4.86 billion US dollars, equivalent to IDR 68.7 trillion Rupiah as a result of tax evasion (www.compas.com).

According to the results of previous research (Annisa and Kurniasih, 2012), tax avoidance has a negative effect on institutional ownership because the higher the share capital owned by the institution, the lower the level of tax avoidance with profitability, leverage, company size, sales growth and fixed asset intensity as a control variable. This means that institutional ownership can provide encouragement to increase state revenues. According to (Wenny Claudia and Agustin Ekadjaja, 2013) Institutional Ownership is some shares held directly by individual investors but the majority are owned by financial institutions such as mutual funds, pension funds and insurance companies. (Jensen and Meckling, 1976) say that institutional ownership has a very important role in minimizing agency conflicts that occur between shareholders and managers.

This research was conducted on manufacturing companies registered on the IDX because as we know, in 2019 it was carried out by PT. Adaro Energy Tbk is suspected of carrying out tax avoidance practices. PT. Adaro Energy Tbk, is suspected of carrying out tax avoidance practices by carrying out transfer pricing, namely by transferring large amounts of profits from Indonesia to companies in countries that can exempt taxes or have low tax rates, which was done from 2009 to 2017.

Based on the phenomenon described above as well as the description and explanation of the background, it is of interest or motivation to conduct research with the title "Effect of CEO Narcissism on Tax Avoidance with Institutional Ownership as a Moderating Variable in Financial Sector Companies Listed on the Indonesia Stock Exchange for the 2019 Period - 2022".

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Theory Review

1. Upper Echelon Theory

Upper Echelon Theory is a theory that explains the concept of Top Level Management (Top Management) as the main decision maker in the company. This shows that top management (President Director) has overall responsibility and management. This theory focuses on CEO Nasrism (Chief Executive Officer) in this case describing the CEO's decision making process, the CEO's experience, characteristics, values and personality have a big influence on company decision making (Laila and Aria, 2020).

2. Theory Of Planned Behavior

The Theory of Planned Behavior is a theory that helps explain the company's tendency to avoid tax, as well as explaining that the behavior of individuals who do not comply with tax provisions is influenced by the intention to behave disobediently. (Hidayat, 2010). This theory is related to the behavior of taxpayers in fulfilling their tax obligations.

3. CEO Narcism

The CEO is someone who plays an important role in the company. The CEO holds the highest position in the company so that the CEO is included in the Top Level Manager category. According to (Doho and Santoso, 2020) CEOs in making decisions are influenced by several factors such as personality and power. There is a character or personality that is very influential on CEOs who are currently developing, namely the character of narcissism. Narcism is a particular personality trait that can be found in many groups of people including CEOs (Ahn et al., 2020). Narcissism is defined as the CEO's excessive self-confidence. Narcissism has a high self-concept and is carried out by the desire to gain high recognition when interacting with other people (O'Reilly III, 2018). Narcissism is carried out by a CEO to maintain a positive self-image to achieve satisfaction for himself

.4. Tax Avoidance

Tax Avoidance is a technique for legally/lawfully reducing the amount of tax payments based on tax legislation through loopholes in existing tax regulations. According to (Dyreng, Hanlon, and Maydew, 2008) Tax Avoidance is a form of activity that can contribute to tax obligations, both activities permitted by tax and special activities that reduce tax.

Measuring tax avoidance is difficult and data on tax payments in tax returns is difficult to obtain. For this reason, an approach is needed to estimate how much tax companies actually pay to the government. (Rusydi and Martani, 2014) argue that

ETR (Effective Tax Rate) is a measure of tax reduction or tax avoidance. measured using the CASH ETR (Cash Effective Tax Rate) approach, namely tax payments divided by profit before tax (quoted from the journal Ayem and Kinait, 2021). so researchers use this measure to calculate the value of tax avoidance. The formula used is as follows:

$$CAS\ ETR = \frac{\text{Taxes Paid}}{\text{Profit Before Tax}}$$

5. Institusional Ownwrship

(Sumanto, Asrori, Kiswanto, 2014) said that institutional ownership is ownership of company shares by insurance companies, banks, investment companies, and other institutions or agencies, as well as ownership by other institutions. Due to a large fiduciary responsibility, institutional owners have the idea of ensuring that management within the company makes decisions that maximize the welfare of the shareholders. The small size of institutional ownership concentration will influence policy actions to minimize the tax burden by companies. (Khurana and Moser, 2009) say that whether the concentration of institutional ownership is large or small, it can influence aggressive tax policy by a company, and the greater the concentration of short-term institutional shareholder ownership will increase aggressive tax policy, but the greater the concentration of long-term ownership. -tern shareholders will reduce aggressive tax policy actions.

2.2 Frame Of Mind

The following shows the framework for the dependent variable, independent variable and moderating variable, namely where CEO Narcissism is the independent variable, Tax avoidance is the dependent variable, and institutional ownership is the moderating variable.

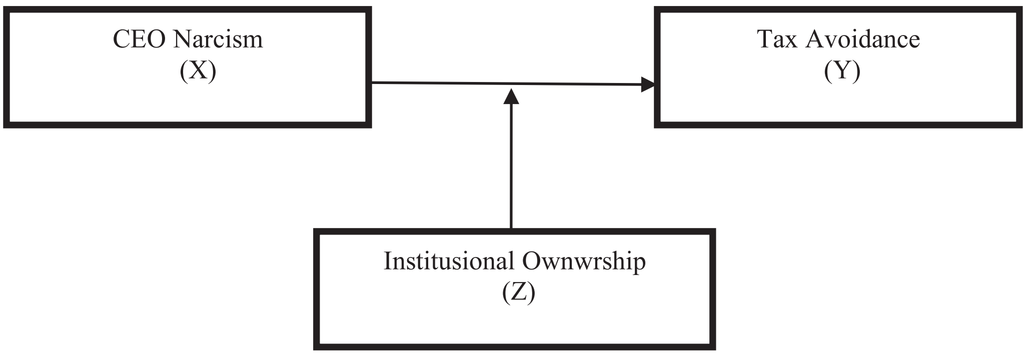


Figure 1 Frame Of Mind

2.3 Hypothesis

A hypothesis is a temporary guess that answers what is the problem in the research, so the hypothesesdrawn in this research are:

1. CEO Narcism has no effect on Tax Avoidance
2. Institutional ownership is able to moderate CEO Narcism towards Tax Avoidance

3. RESEARCH METHODS

a. Types Of Research

This research was conducted to test and see the influence of CEO Narcissism characteristics on Tax avoidance and institutional ownership as moderating variables in manufacturing companies, for this reason the type of research used in this research is Quantitative research-Causal research. The data source in this research is secondary data. In this research, the secondary data used is data in the form of annual financial reports published by financial sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) on the official BEI website: www.idx.co.id

b. Research Location and Time

This research was conducted at the Indonesian Stock Exchange, this research will be carried out from April to June 2023.

c. Data Types and Sources

1. Data Type

   The type of data used in this research is quantitative data. Where the type of quantitative data is data that can be directly measured and calculated and the data is expressed in the form of numbers or figures.

2. Data Source

   The data source in this research is secondary data. Secondary data is indirect data obtained from the company. In this research, the secondary data used is data in the form of annual financial reports published by manufacturing companies in the financial subsector listed on the Indonesia Stock Exchange (BEI) on the official BEI website: www.idx.co.id

d. Population and Sample

The population in this research is financial sector manufacturing companies registered on the BEI in 2019-2022, namely 106 that meet the sample criteria taken purposively, with only 43 companies, multiplied by the observation year, which is 4 years, so the sample is 172.

e. Operational Variables

Variables	Operational Definition	Indicator
CEO Narcism (X)	An independent variable or free variable is a variable that influences other variables. The independent variable in this research is CEO Narcissism. CEO narcissism can be measured by giving a value to the CEO's photo published in the company's annual report. According to (Al-Shammari, Rasheed, 2019) measurements of CEO narcissism can be seen from photos of the CEO in office contained in the company's Annual Report.	1 = annual report that does not display the CEO's photo. 2 = annual report which displays a photo of the CEO together with other executives. 3 = annual report which displays a photo of the CEO himself less than half a page. 4 = annual report which displays a photo of the CEO on more than half a page but does not fill a full page. 5 = annual report which displays a full page photo of the CEO.
Tax Avoidance (Y)	ı Tax avoidance is an effort to reduce or eliminate tax debts that must be paid by the company without violating applicable laws.	$CAS\ ETR = \frac{\text{Taxes Paid}}{\text{Profit Before Tax}}$

Institusional Ownership (Z)	There is a variable in this research, namely Institutional Ownership. Institutional ownership is some shares held directly by individual investors but the majority are owned by financial institutions such as mutual funds, pension funds and insurance companies. Institutional ownership can be measured using the indicator of the percentage of shares owned by institutions over the total number of company shares (Boediono, 2005).	$KI = \frac{SI}{SB} X\, 100\%$ Information: KI:Institutional ownership SI: Number of shares owned by institutions SB: The amount of the company's outstanding share capital

f. Methods and Data Analysis

This research is quantitative in nature and uses several analytical methods, namely: Descriptive Statistical Test, Classical Assumption Test, Multiple Linear Regression Test, Hypothesis Test.

4. RESULTS AND DISCUSSION

Descriptive statistical test The aim of the test is to describe or illustrate the picture of the object being studied through data or populations without carrying out analysis and making valid conclusions (Ghozali, 2018)

Table 4.1

Descriptive Statistical test

	X	Y	Z
Mean	3.697674	0.350116	22.22186
Median	4.000000	0.210000	0.820000
Maximum	5.000000	9.030000	925.0000
Minimum	1.000000	0.010000	0.030000
Std. Dev.	1.026773	0.764996	139.7086
Skewness	-0.410357	8.810157	6.326407
Kurtosis	2.561999	98.03552	41.02356
Jarque-Bera	6.202139	66952.62	11508.84
Probability	0.045001	0.000000	0.000000
Sum	636.0000	60.22000	3822.160
Sum Sq. Dev.	180.2791	100.0724	3337664.
Observations	172	172	172

Source: Data Processing, Eviews 12

Table 4.2 is the result of descriptive statistical tests for all research variables with a sample size of 172. Based on this table, the descriptive statistical analysis of each variable can be explained as follows:

a. The CEO Narcism (X) variable has a minimum value of 1.000000 and a maximum value of 5.000000. while the average is 3.697674 and the standard deviation is 180.2791.

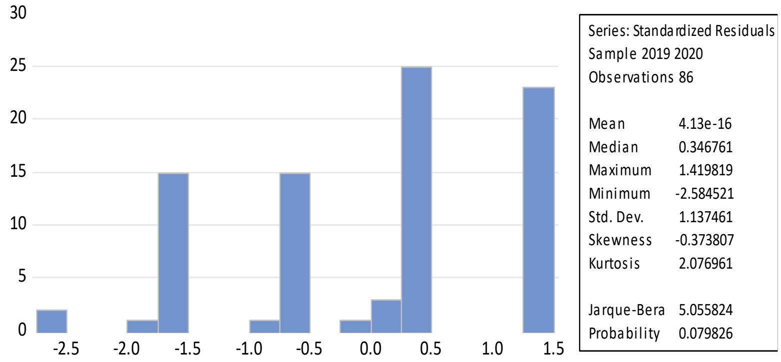
b. The Tax Avoidance (Y) variable has a minimum value of 0.010000 and a maximum value of 9.030000, while the average value is 0.350116 and the standard deviation is 100.0724.

c. The Institutional Ownership (Z) variable has a minimum value of 0.030000 and a maximum value of 925.0000, while the average value is 22.22186 and the standard deviation is 3337664.

Normality Test to find out whether a regression of the dependent variable and independent variables is normally distributed or not. To determine the normality of the data, it can be done by looking at the normality value of the residuals. Research data is said to be normal if the probability value is > 0.05, then the data is normally distributed. While the probability value is <0.05, the data is not normally distributed. The results of the normality test for each variable can be seen as follows:

Table 4.2

Data Normality Test Results



Source: Data Processing, Eviews 12

Based on table 4.2, it can be seen that the residual normality test result above is a jarque fall value of 5.055824 with a probability of 0.079826 > 0.05. So it can be concluded that the research data is normally distributed.

Multicollinearity Test used in this research to determine whether the independent variables in the regression model are present. In detecting whether or not there is multicollinearity in the regression model, it can be seen through the countered VIF (variance inflation factor). If the VIF value is > 10, multicollinearity occurs. Meanwhile, if the VIF value is < 10, multicollinearity does not occur. The results of the multicollinearity test are as follows:

Table 4.3

Multicollinearity Test Results

Variance Inflation Factors
Date: 07/04/23 Time: 07:50
Sample: 1 43
Included observations: 43

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.766751	17.73215	NA
X	0.049263	17.77808	1.003109
Z	6.02E-07	1.107965	1.003109

Source: Data Processing, Eviews 12

Based on the results of the multicollinearity test in table 4.4, all variables obtained a Centered VIF value of 1.003109, where the value is VIF < 10, so it can be concluded that there is no problem or multicollinearity does not occur.

Heteroscedasticity Test The heteroscedasticity test aims to see whether there are assumptions in the regression model. This deviation is caused by residual variances that are not the same for all observations in the regression model. Probability < Alpha (0.05), H0 is rejected, H1 is accepted Probability > Alpha (0.05), H1 is rejected, H0 is accepted

Table 4. 4

Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	0.986148	Prob. F(2,40)	0.3819
Obs*R-squared	2.020588	Prob. Chi-Square(2)	0.3641
Scaled explained SS	28.99630	Prob. Chi-Square(2)	0.0000

Test Equation:
Dependent Variable: RESID^2
Method: Least Squares
Date: 07/04/23 Time: 10:44
Sample: 1 43
Included observations: 43

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.602232	6.474531	-1.019724	0.3140
X	2.227774	1.641130	1.357464	0.1822
Z	-0.002495	0.005737	-0.434998	0.6659

R-squared	0.046990	Mean dependent var	1.729629
Adjusted R-squared	-0.000660	S.D. dependent var	10.07903
S.E. of regression	10.08235	Akaike info criterion	7.526664
Sum squared resid	4066.153	Schwarz criterion	7.649539
Log likelihood	-158.8233	Hannan-Quinn criter.	7.571977
F-statistic	0.986148	Durbin-Watson stat	2.147628
Prob(F-statistic)	0.381896		

Source: Data Processing, Eviews 12

Based on Figure 4.2, it is known that the results of the Breusch-Pagan-Godfrey test show a p value which is indicated by the prob value. Chi Square (2) in Obs*R-squared is 0.3641. So the p value is 0.3641 > 0.05, so accept H0, meaning the regression model is homoscedasticity or in other words there is no problem with the non-heteroscedasticity assumption.

Autocorrelation Test The autocorrelation test aims to test whether in the linear regression model there is a correlation between the residual (nuisance error) in period t and the error in period t-1 (previous), if the PROB value. CHI-SQUARE(2) > 0.05 means there are no autocorrelation symptoms.

Table 4.5

Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.090972	Prob. F(2,38)	0.9132
Obs*R-squared	0.204903	Prob. Chi-Square(2)	0.9026

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 07/04/23 Time: 08:58
Sample: 1 43
Included observations: 43
Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.003164	0.902544	-0.003505	0.9972
X	0.001097	0.228831	0.004795	0.9962
Z	-4.91E-06	0.000794	-0.006184	0.9951
RESID(-1)	-0.069037	0.162384	-0.425147	0.6731
RESID(-2)	-0.010232	0.163478	-0.062589	0.9504

R-squared	0.004765	Mean dependent var	2.47E-16
Adjusted R-squared	-0.099996	S.D. dependent var	1.330718
S.E. of regression	1.395667	Akaike info criterion	3.613566
Sum squared resid	74.01966	Schwarz criterion	3.818357
Log likelihood	-72.69166	Hannan-Quinn criter.	3.689086
F-statistic	0.045486	Durbin-Watson stat	1.992123
Prob(F-statistic)	0.995925		

Source: Data Processing, Eviews 12

Based on the results of the autocorrelation test in table 4.5, it shows that the LM test results above show the p value which is indicated by the prob value. Chi Square (2) in Obs*R-squared is 0.9026. So the p value is 0.9026 > 0.05 then accept H0 while H1 is rejected, meaning there is no autocorrelation problem

Hypothesis Testing Results

Partial Test (t Test) aims to test the influence between variables. Partial tests or t tests can be carried out in multiple linear regression analysis. In this research, regresi The multiple linear analysis used is Moderated Regression Analysis (MRA). Based on the t test results, it can be seen in the following table:

Table 4.7

Model t Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/04/23 Time: 11:56
Sample: 2019 2022
Periods included: 4
Cross-sections included: 43
Total panel (balanced) observations: 172

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.252476	0.219299	1.151287	0.2512
X	0.028525	0.057217	0.498533	0.6188
Z	-0.000353	0.000421	-0.838399	0.4030

R-squared	0.005385	Mean dependent var	0.350116
Adjusted R-squared	-0.006385	S.D. dependent var	0.764996
S.E. of regression	0.767434	Akaike info criterion	2.325760
Sum squared resid	99.53347	Schwarz criterion	2.380658
Log likelihood	-197.0154	Hannan-Quinn criter.	2.348034
F-statistic	0.457530	Durbin-Watson stat	2.296520
Prob(F-statistic)	0.633626		

Source: Data Processing, Eviews 12

Based on the results of the multiple linear regression test carried out using Eviews 12, the following regression equation can be created:

$$Y = 0.2452476 + 0.028525X1 + -0.000353Z + e$$

The t statistical test is useful for seeing how far the influence of an independent variable is from the dependent variable. Based on the results of the multiple linear regression equation test in table 4.6, the following information can be obtained:

1. Based on the test results, the CEO Narcism variable (X) shows a t-statistic value of 0.4985 < 1.97410 t table with a probability value of 0.6188 > 0.05 so it can be concluded that CEO Narcism has no effect on tax avoidance. Thus H1 is accepted.
2. Test results, the Institutional Ownership variable (Z) shows t-Satistic is -0.838399 < 1.97410 with a probability value of 0.4030 > 0.05 so it can be concluded that earnings opacity has no effect on tax avoidance.

.Tabel 4.7

Hasil Uji t Model 2

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/04/23 Time: 19:23
Sample: 2019 2022
Periods included: 4
Cross-sections included: 43
Total panel (balanced) observations: 172

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.720264	0.628859	1.145350	0.2537
X	-0.089157	0.158929	-0.560983	0.5756
Z	-0.718059	0.904127	-0.794201	0.4282
XZ	0.179427	0.226033	0.793811	0.4284

R-squared	0.009102	Mean dependent var	0.350116
Adjusted R-squared	-0.008593	S.D. dependent var	0.764996
S.E. of regression	0.768275	Akaike info criterion	2.333644
Sum squared resid	99.16153	Schwarz criterion	2.406842
Log likelihood	-196.6934	Hannan-Quinn criter.	2.363343
F-statistic	0.514398	Durbin-Watson stat	2.312574
Prob(F-statistic)	0.672908		

Source: Data Processing, Eviews 12

Based on the results of multiple linear regression testing model 2, the following information can be obtained:

1. The Institutional Ownership variable (Z) obtained a Probability value of 0.4282 > 0.05 and a t statistic value of -0.794201 < 1.97410 so it can be concluded that Institutional Ownership is unable to moderate the influence of CEO Narcissism on Tax Avoidance.
2. The variable CEO Narcism (X) obtained a probability value of 0.5756 > 0.05, which means it is not significant. Meanwhile, the interaction between X.Z and the probability value is 0.4284 > 0.05, which means it is not significant. Based on this information, it can be concluded that variable X has no interaction with variable Z.

Coefficient of Determination Test (R2) used to find out how much the model's ability to explain variations in the dependent variable. The coefficient value is between the values 0 and 1. If the coefficient value is close to 1, it means that the dependent variables are able to provide the information needed to predict variations in the dependent variable. The following are the results of the coefficient of determination test (R2) which can be seen in the following table

Table 4.9

Coefficient of Determination Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/04/23 Time: 20:01
Sample: 2019 2022
Periods included: 4
Cross-sections included: 43
Total panel (balanced) observations: 172

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.252476	0.219299	1.151287	0.2512
X	0.028525	0.057217	0.498533	0.6188
Z	-0.000353	0.000421	-0.838399	0.4030

R-squared	0.005385	Mean dependent var	0.350116
Adjusted R-squared	-0.006385	S.D. dependent var	0.764996
S.E. of regression	0.767434	Akaike info criterion	2.325760
Sum squared resid	99.53347	Schwarz criterion	2.380658
Log likelihood	-197.0154	Hannan-Quinn criter.	2.348034
F-statistic	0.457530	Durbin-Watson stat	2.296520
Prob(F-statistic)	0.633626		

Source: Data Processing, Eviews 12

Based on the results of calculations using the Eviews 12 program, the R Squere value is 0.005385 or 0.05%, which means that the CEO Narcism variable after being moderated by Institutional Ownership has an effect of 0.05% while the remaining 99.95% is influenced by other variables. which were not included in this study.

Discussion

1. CEO Narcissism Has No Effect on Tax Avoidance

Based on the test results, the results show that CEO Narcissism has no effect on Tax avoidance, because CEOs with low to high levels of narcissism have no effect on tax avoidance actions in the company, meaning that narcissistic CEOs continue to pay the tax burden owed by the company according to the situation or the actual situation, because CEO Narcissism is unable to manipulate the company's annul report or financial reports. The results of this study indicate that CEO confidence in making decisions with a high or low level of confidence has no impact on Tax Avoidance. Or acts of tax avoidance because the government through the Directorate General of Taxes (DJP) has provided tax incentives through interest charges, utilization of fiscal loss compensation with the aim of reducing the company's tax burden

The results of this research are in line with research conducted by (Amran & Mira, 2020); (Pratomo, Nazar, Pratama, 2022); (Sisilia Zealion Doho & Eko Budi Santoso, 2020), which states that there is no influence of CEO Narcissism on tax avoidance, and is inversely proportional or contrary to research conducted (Hsieh, Wang, and Dermikan, 2018) which states bahwa CEO berpengaruh positif against

Tax Avoidance.

2. Institutional Ownership is Unable to Moderate the Effect of CEO Narcissism on Tax Avoidance

The test results show that institutional ownership cannot or is unable to moderate the influence of CEO Narcism on Tax Avoidance. It can be interpreted that the existence of institutional ownership as a moderating variable will weaken the influence of CEO narcissism on tax avoidance. Therefore it can be concluded that H2 is rejected. This indicates that whether the concentration of institutional ownership is large or small, it cannot influence the nature of CEO Narcissism in carrying out tax avoidance actions. This means that even though the level of institutional ownership is high in the company, institutional ownership is still unable to moderate CEO narcissism towards tax avoidance because the company is unable to practice tax avoidance even though it has a low or high level of narcissistic CEO character. (Ngadiman and Puspitasari, 2014),

The results of this research are in line with research conducted by (Annisa and Kurniasih, 2012) which states that CEO Narcissism with institutional ownership does not have a significant influence on Tax Avoidance.

5. CONCLUSION

Based on the results of research analysis using various types of tests, the effect of CEO narcissism on Tax Avoidance with institutional ownership as a moderating variable can be concluded as follows:

1. Based on the results of data analysis, it shows that CEO Narcissism has no effect on Tax Avoidance. This means that whether a CEO has a low or high level of narcissism has no effect on tax avoidance, because the government through the DJP has provided tax incentives through interest charges, utilizing fiscal loss compensation to reduce the size of the tax burden borne by the company.
2. Based on the results of the analysis, it shows that institutional ownership is unable to moderate CEO Narcissism towards Tax Avoidance. This means that even though the level of institutional ownership is high in the company, institutional ownership is still unable to moderate CEO narcissism towards tax avoidance because the company is unable to practice tax avoidance even though it has a low or high level of narcissistic CEO character.

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