



Ownership structure and corporate tax planning: The role of family CEO duality, evidence from Indonesian manufacturing firms

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ABSTRACT

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This study aims to analyze the role of Family-CEO duality in the influence of ownership structure on tax planning of manufacturing companies from 2014 to 2019. Based on 427 firm-year observations through purposive sampling and adopting research variable measurements, except for tax planning measurements such as institutional ownership, foreign ownership, and concentrated ownership, this study finds that the impact of institutional ownership and foreign ownership on tax planning differs between companies with Family-CEO duality (FCD) and those without (NFCD). Institutional ownership increases ETRP, while foreign ownership decreases ETRP in NFCD companies, but this effect does not occur in FCD companies. Meanwhile, concentrated ownership is unable to increase ETRP in all companies. These findings indicate that CEO independence weakens the aggressive influence of institutional and foreign owners in shaping tax planning strategies. In practice, these results contribute to stakeholders concerned about corporate tax procedures and burdens, emphasizing the importance of CEO independence as an agent responsible for managing the company. Developing the Effective Tax Rate (ETR) measurement, commonly used as an indicator, by adding tax penalty costs (to become ETRP), can be an alternative in tax planning analysis because tax penalty costs result from weak tax planning.

Contribution/Originality: The development of ETR into ETRP by adding tax penalty costs contributes scientifically to more in-depth analysis of tax planning than simply analyzing current and deferred income tax. Meanwhile, the analysis of Family CEO duality on the influence of ownership structure on tax planning contributes to stakeholders in determining company CEO policy.

1. INTRODUCTION

Tax is one of the costs that can reduce company profits, diminish management performance, and lower stock returns. This encourages management, as an agent appointed to manage the company, to adopt appropriate policies in tax planning. Tax planning is undertaken by management to minimize the company's tax costs so that the objectives of management, companies, and investors are achieved. Pejoratively, tax planning is carried out solely to minimize the tax burden in the short term; the income tax burden reflects the success or failure of short-term tax planning. However, long-term tax planning is conducted not only to reduce tax costs but also to prevent future tax penalties, which are also outcomes of tax planning. In Indonesia, the expiration period for tax collection is five years,

meaning that even after the tax year has passed, the risk of tax penalties can still burden the company as long as five years have not expired. Several tax disputes have reached the Indonesian tax court, such as the cases involving Astra and Coca-Cola, which resulted from poor tax planning by management. These cases impact management as agents, the organization as a whole, and investors as principals.

Management policy in tax planning is driven by several factors, both internal and external, one of which is the encouragement of the owner of capital. The owner possesses authority over the strategic direction of a business, notwithstanding the fact that management is responsible for determining operational policies. Several types of ownership structures are alleged to impact tax planning taken by management, according to their respective ownership structures, such as institutional, concentrated, and foreign ownership.

Institutional ownership is widely analyzed for its role in management policy because this ownership structure has a high target return and high organizational capability, so its impact on management policy is very high, including management policy in tax planning. The literature concludes that the institutional ownership structure significantly encourages management in tax planning to minimize the tax cost aggressively so as to increase returns (Boussaidi & Hamed-Sidhom, 2021; Kałdoński & Jewartowski, 2020) although other literature finds the opposite where the level of institutional ownership encourages management in tax planning not to minimize the tax cost and comply with applicable regulations (Alkurdi & Mardini, 2020; Oussii & Klibi, 2024; Souguir, Lassoued, & Bouzgarrou, 2024) to minimize the risk of tax cost from penalties to be received in the future.

Another ownership structure that is widely analyzed is concentrated ownership, where this structure is the majority shareholder of a company. With the shares owned, the majority owner can invite, encourage, and pressure management to make tax planning policies as desired. The literature finds a positive effect of concentrated ownership on tax planning to minimize the tax burden so that the expected return is achieved (Medioli, Azzali, & Mazza, 2023; Ying, Wright, & Huang, 2017). However, other studies have found different results, where majority owners encourage companies in tax planning to be careful in minimizing the tax burden because there is an image at stake that exceeds the calculation of the tax cost (Ouyang, Xiong, & Huang, 2020) and other studies did not find strong results from concentrated ownership on aggressive tax planning in minimizing tax burden (Chytis, Tasios, & Filos, 2020).

Equally interesting is the role of shareholders who are foreign residents or companies in corporate tax planning in Indonesia. Companies with high foreign ownership are believed to shift more profits to affiliated corporations in other countries with lower tax rates to minimize their consolidated tax burden, thus encouraging companies to adopt tax policies more favorable to the company and the owner. The literature finds a positive influence of foreign ownership on corporate tax policy in the form of tax avoidance by shifting taxes to the country of domicile (Le & Zamarian, 2025; Long, Wu, Li, Ying, & Li, 2024). Conversely, other studies have found that foreign owners encourage management to be compliant and oppose tax avoidance (Hasan, Kim, Teng, & Wu, 2022).

In addition to the role of investors as owners of capital, the role of management as agents is also interesting to study, especially management who has a family member on the board of directors and a board of commissioners (Hossain & Islam, 2025; Lin et al., 2023; Mazumder, Chakraborty, Bhuiyan, & Asmad, 2024). Based on the agency theory perspective, the duality of the CEO's role has the potential to increase the risk of moral hazard due to the lack of checks and balances in tax decision-making (Jensen & Meckling, 1976). The conflict of interest between shareholders (principal) and management (agent) can be exploited to optimize short-term tax planning towards avoidance with various techniques (Boussaidi & Hamed-Sidhom, 2021). The analysis of family-CEO duality on the effect of ownership structure on tax planning is unique, as this research has not been previously analyzed. Most studies typically conduct separate analyses of ownership structures and the role of directors in corporate tax planning, making this approach distinctive.

Effective Tax Rate (ETR) is used in analyzing how effective the company's tax rate is by comparing tax expenses (current and deferred) with profit before tax. However, there is a tax penalty cost that arises as a result of corporate tax planning, making the measurement less relevant and requiring development (Hanlon & Heitzman, 2010).

Particularly in Indonesia, tax regulations specify that the expiration of tax collection is five years, so poor tax planning can lead to additional tax penalty costs up to five years in the future, aside from the income tax costs charged in the current year. This fact encourages researchers to develop ETR into ETRP by adding tax penalty costs for the current year and the subsequent one to five years in the report. The development of the effective tax rate (ETR) measurement, by incorporating tax penalty burdens to create ETRP, is a novel approach in this study.

Based on the above explanation, this study aims to analyze the effect of institutional, concentrated, and foreign ownership on tax planning in companies with family-CEO duality and in companies with non-family-CEO duality.

2. THEORY AND HYPOTHESIS

2.1. Agency theory

In the perspective of agency theory (Jensen & Meckling, 1976), it is argued that the separate roles between the principal as the owner of capital and management as an agent can impact information asymmetry regarding policies taken by management, including in tax planning as an integral part of other management policies. Even so, owners often use the power they have based on the number of shares to invite, encourage, and pressure management to take actions according to the owner's goals. Additionally, commissioners are formed as representatives of the principal in carrying out the supervisory function of management policies in the company. A problem occurs when the person appointed as an agent has a family member as a supervisory function as a company commissioner, commonly known as family-CEO duality.

2.2. Literature Review and Development of Hypothesis

2.2.1. Institutional Ownership, Corporate Tax Planning, Family-CEO Duality

As with other business costs, tax is a cost that reduces company profits and every profit-oriented institution will maximize profits in many ways, one of which is to carry out tax planning both short-term and long-term oriented. With this goal, the owner of the institution will encourage the management that manages its shares to carry out tax planning in accordance with the objectives, so that the targeted investment policy is achieved. The literature finds that institutional owners encourage companies to carry out aggressive tax planning to minimize the tax cost in the short term (Boussaidi & Hamed-Sidhom, 2021; Kałdoński & Jewartowski, 2020) or for long-term goals by not engaging in tax avoidance to minimize the risk of future tax penalties (Alkurdi & Mardini, 2020; Oussii & Klibi, 2024; Qawqzeh, 2026; Souguir et al., 2024).

Other studies generally only analyze the effect of institutional ownership with high target returns on corporate tax planning policies, whereas in practice, these decisions are made by directors as agents who manage the company directly, whether with short-term or long-term performance objectives. Short-term-oriented tax planning focuses on minimizing the income tax burden, so tax planning is carried out aggressively, while long-term-oriented tax planning emphasizes minimizing the income tax burden and tax penalties in the future, with greater attention to applicable tax regulations. The power that institutional investors have based on their share ownership demands maximum returns from management, and commissioners are required to supervise management in managing corporate taxes. However, if this supervisory role is also performed by management as agents due to family ties, tax planning practices will differ whether short-term-oriented or long-term-oriented (Boussaidi & Hamed-Sidhom, 2021; Koliass & Koumanakos, 2022).

H₁: There is a difference in the effect of institutional ownership on tax planning between companies with family-CEO duality and those without family-CEO duality.

2.2.2. Concentrated Ownership, Corporate Tax Planning, Family-CEO Duality

According to agency theory, the company's ownership structure plays a role in supervision and control over company policies, including tax policies such as corporate tax planning. Traditionally, concentrated ownership is defined as the majority owner of the company's shares, giving them power over other owners. With this power, the

majority owner can supervise management, including encouraging policies for aggressive tax avoidance (Medioli et al., 2023; Ying et al., 2017) or tax planning policies to comply with rules to avoid higher tax penalties in the future (Ouyang et al., 2020).

Management considerations differ when management has a dual role, acting both as an agent responsible for the owner's assets through company policies and management, and as a commissioner with a supervisory function assigned by the owner. With this duality, directors are free to make corporate tax policies (Boussaidi & Hamed-Sidhom, 2021; Koliass & Koumanakos, 2022), but the supervisory function becomes ineffective due to family ties with internal parties that should be supervised. In Family-CEO duality, management has more freedom in making tax planning policies because the supervisory role is performed by family, the asymmetry of information between agents and principals widens, and management objectives become more dominant.

H₂: There is a difference in the effect of concentrated ownership on tax planning between companies with Family-CEO duality and those without it, highlighting the impact of leadership structure on financial strategies.

2.2.3. Foreign Ownership, Corporate Tax Planning, Family-CEO Duality

Although business owners view taxes as a burden that reduces profits or returns, for the state, taxes are an important revenue source aimed at financing the country's development. Moreover, without direct reciprocity based on taxes spent, foreign owners tend to be associated with nationalism and benefits that can be utilized directly. This is thought to be the basis for the direction and encouragement of foreign owners to management in terms of tax planning actions so that, aggressively in the short term, it does not harm the owner in terms of return. The literature finds significant evidence of the relationship and positive influence between foreign ownership on tax planning policies in minimizing tax burdens (Alkurdi & Mardini, 2020; Le & Zamarian, 2025; Long et al., 2024) or vice versa, that foreign owners encourage companies to be tax compliant. Hasan et al. (2022), because of the organization's culture, image, business continuity, and long-term return on investment.

Although investors have power based on the shares they own, management that has two functions can use their position to adopt different policies, while companies without family-CEO duality tend to follow the owner's direction in every policy (Boussaidi & Hamed-Sidhom, 2021; Koliass & Koumanakos, 2022). Family-CEOs who do not have dual functions tend to be bolder in making tax planning for sustainability businesses, such as being more careful in implementing regulations, complying with them wholeheartedly, and seeking tax savings with minimal risk of penalties.

H₃: There is a difference in the effect of foreign ownership on tax planning between companies with family-CEO duality and those without, highlighting the impact of leadership structure on financial strategies.

3. METHOD

3.1. Sample

The research encompassed manufacturing firms that were publicly traded on the Indonesia Stock Exchange between 2014 and 2019 for six years, plus five years of tax penalty analysis from 2020 to 2024. Manufacturing is very important in Asia, so they need the right help and products from other areas (Soetanto & Fun, 2015). In Indonesia, the government wants this business to grow as part of the Asian Economic Community, and factories have consistently helped the country's economy recently, more than other fields. It's a smart idea to see how investors feel about this field.

The sample selection, as shown in Table 1, was conducted using a purposive sampling method with specific criteria. These included 1) having complete published financial reports for six years (2014-2019), excluding companies that listed or delisted during the observed year or had incomplete or unreadable annual reports. 2) Having complete analysis data, ensuring that reports with incomplete research indicators were excluded. This also encompassed

information on tax expenses over the six-year period (2014-2019) and the subsequent five years (2020-2024), in accordance with tax collection expiration rules.

Table 1 explains that of the 174 manufacturing companies listed on the Indonesia Stock Exchange in 2019, 38 companies lacked complete annual reports for six years and were eliminated, leaving 136 companies with 816 reports. Purposive sampling continued by removing reports lacking necessary information, such as foreign share ownership and tax expenses, resulting in the elimination of 389 reports. This left 427 firm-year data points for observation. In the comparative analysis, the firm-year data was separated based on whether companies had family-CEO duality or non-family-CEO duality. The family-CEO duality indicator in this study was taken when the directors and commissioners had family ties (Hossain & Islam, 2025; Lin et al., 2023; Mazumder et al., 2024), which could lead to low levels of objectivity and independence in the supervisory process. There were 332 annual reports without family-CEO duality and 95 annual reports with family-CEO duality, which were eliminated in the other group. Although there is an imbalance between firm-year observations of companies with family-CEO duality and companies without family-CEO duality, this is in line with the facts and cannot be forced to be the same because family-CEO duality is an internal policy of each company and may differ between companies or at different times.

Table 1. Purposive sampling.

Purpose	Amount	CEO duality	Non-CEO duality
Manufacturing companies listed on IDX in 2019	174	174	174
1) Companies whose annual reports are incomplete in 6 years of analysis (2014-2019)	-38	-38	-38
Total sample	136	136	136
Observation data in 6 years	816	816	816
2) Incomplete analysis data (e.g., tax expenses)	-389	-389	-389
Without / Within Family-CEO Duality		-332	-95
Complete panel data for analysis	427	95	332

3.2. Measurement Variables

3.2.1. Dependent Variables

Tax planning is the dependent variable in this study. Tax planning is the company's policy in managing the amount of the company's effective tax burden, not only the current tax expenses, but also tax penalties that will be a burden after the tax dispute process is resolved. In this study, tax planning is measured by the development of previous indicators, namely Effective Tax Rate (ETR), by adding the amount of tax penalty in the period t-0 to t+5 so that this new indicator is called Effective Tax Rate Plus (ETRP), which is the amount of tax expense and tax penalty, then divided by earnings before tax and multiplied by minus one. The accumulation of tax costs (current and deferred) and high tax penalties reflect weak tax planning, and vice versa.

3.2.2. Independent Variables

The research model has three independent variables: institutional ownership, concentrated ownership, and foreign ownership. Institutional ownership refers to how much of a company's stock is owned by government groups and private organizations. Adopting (Ngadiman & Puspitasari, 2014), institutional ownership (INS) is measured by dividing the number of shares owned by institutions by the total shares. Concentrated ownership (CON) is the largest shareholding of a company. Adopting Dhewi, Martunus, Hidayah, and Setiany (2025), the formula used to measure concentrated ownership compares the number of the largest shares with the total number of company shares. Foreign ownership (FOR) is the amount of a company's stock owned by individuals or businesses from other countries. Adopting Idzni and Purwanto (2017), foreign ownership is measured by dividing the number of shares owned by foreigners (personal and institutions) with the number of company shares.

3.2.3. Control Variables

There are two control variables in this study, they are company size and company age. As a control variable, company size is information on how much resources the company has used in business activities, commonly using information of assets. Company size is measured by the natural log of total assets, and another control variable is the age of the company, which is the length of time the company has been in business. With long experience, the company is more aware of the information published, thus encouraging management to improve the quality of financial information. Company age is measured by the number of years the company has been established.

4. DATA ANALYSIS AND RESULTS

Data analysis was conducted using STATA software, following the selection of the best model through the Chow Test, LM Test, and Hausman Test. After identifying the optimal model, classical assumption tests, R-squared, F-test, and t-test were performed to address the research hypothesis.

Based on the framework and research methodology, this research model consists of 3 models, namely.

$$\text{Model 1: } CTP = \alpha + \beta_1INS + \beta_2CON + \beta_3FOR + \beta_4SIZE + \beta_5AGE + \varepsilon$$

$$\text{Model 2: } CTP_FCD = \alpha + \beta_1INS + \beta_2CON + \beta_3FOR + \beta_4SIZE + \beta_5AGE + \varepsilon$$

$$\text{Model 3: } CTP_NFCD = \alpha + \beta_1INS + \beta_2CON + \beta_3FOR + \beta_4SIZE + \beta_5AGE + \varepsilon$$

Notes: CTP is Tax Planning, INS is Institutional Ownership, CON is Concentrated Ownership, FOR is Foreign Ownership, SIZE is Company Size, AGE is Company Age, FCD is Family-CEO Duality, NFCD is Non-Family-CEO Duality.

Table 2. Descriptive statistics.

Variable	ETRP	INS	CON	FOR	SIZE	AGE
Min	-1.920	0.224	0.002	0.001	5.297	10
Max	0.947	0.999	0.998	0.998	14.797	101
Mean	-0.176	0.738	0.518	0.523	10.571	40
Std. Dev	0.332	0.182	0.246	0.271	2.230	16

Note: ETRP = Corporate tax planning, INS = Institutional ownership, CON = Concentrated ownership, FOR = Foreign ownership, SIZE = Company size, AGE = Company age.

Based on Table 2, it can be seen that manufacturing shares are still in demand by institutions, so that ownership is 73.8%, then foreign owners are 52.35%, and the portion of concentrated ownership is 51.8%. With a mean value of -17.6%, it shows that the tax planning of unit analysis is quite high and smaller than the income tax rate.

The advantage of panel data compared to other types of data is the selection of a model that fits the existing data (Gujarati & Porter, 2012). This is because panel data is a combination of time series and cross-section data. After conducting the Chow test, LM test, and Hausman test shown in Table 3, we learned that the Common Effect model is the most suitable for the regression analysis.

Table 3. Model suitability test.

No.	Test	Indicator	Amount	Result
1	Chow	Prob>F < 0.05 = Fixed Effect, Prob>F > 0.05 = Common Effect	Prob>F = 0.575	Common Effect
2	LM	Prob>chibar2 < 0.05 = Random Effect, Prob>F > 0.05 = Common Effect	Prob>chibar2 = 0.072	Common Effect
3	Hausman	Prob>chi2 < 0.05 = Fixed Effect, Prob>F > 0.05 = Random Effect	Prob>chi2 = 0.058	Random Effect

The classical assumption tests carried out for the Common Effect Model through the Ordinary Least Square (OLS) approach are heteroscedasticity tests, multicollinearity tests, and autocorrelation tests. As for the normality test, which is usually performed in general, it is not mandatory in this OLS approach because it is not a BLUE (Best

Linear Unbiased Estimator) requirement (Gujarati & Porter, 2012; Kuncoro, 2013). Based on the classical assumption test shown in Table 4, it is known that the panel data analyzed passes the multicollinearity test, heteroscedasticity test, and autocorrelation test.

Table 4. Classic assumption test.

Test	Indicator	Result	Action
Multicollinearity	VIF < 10	1.16 to 1.83	Ok
Heteroscedasticity	Prob>Chi2 > 0.050	Prob>Chi2 = 0.628	Ok
Auto-correlation	Prob>F > 0.050	Prob>F = 0.247	Ok

After determining that CEM was the best model and that the classical assumptions test was also passed, multiple regression tests were conducted (model 1), and comparisons were made between model 2 (Family-CEO duality) and model 3 (Non-Family-CEO duality).

Table 5. Main hypothesis.

ETRP (Y)	Model 1 - Overall			Model 2 – Family-CEO Duality			Model 3 - Non-Family-CEO Duality		
	Coef.	t-stat	Prob.	Coef.	t-stat	Prob.	Coef.	t-stat	Prob.
INS (X1)	0.273	2.410	0.016**	0.198	0.88	0.384	0.324	2.37	0.018**
CON (X2)	0.114	1.360	0.174	0.056	0.30	0.761	0.125	1.28	0.201
FOR (X3)	-0.141	-2.050	0.041**	0.035	0.27	0.786	-0.208	-2.47	0.014**
SIZE (C1)	-0.016	-2.050	0.041**	-0.020	-1.06	0.294	-0.015	-1.81	0.071*
AGE (C2)	-0.003	-3.600	0.000***	0.001	0.03	0.978	-0.004	-3.51	0.001***
N	427			95			332		
R-Square	0.057			0.050			0.071		
Prob F	0.000	***		0.459			0.000	***	

Note: * Significant 90%, ** Significant 95%, *** Significant 99%.

Table 5 shown that Prob F value of model 1 (combined) and model 3 (Non-Family-CEO duality) is significant, while the Prob F value of model 2 (Family-CEO duality) is not significant. However, the R-squared values for all three models were quite low, ranging from only 5% to 7%, indicating that tax burdens and tax penalties as outputs of tax planning in Indonesian manufacturing companies had minimal influence on investors and demonstrated the dominant role of management. These results indicate that companies managed by directors who has family as commissioners or there is a relationship between directors and commissioners can fortify the company from the influence of capital owners. Directors as agents have the capacity for information and internal company policies, while commissioners have the task of supervising directors in managing the company. When Family-CEO duality occurs, the role of manager and supervisor is carried out by 1 family-party and there is no independence in the company, it indicates that good corporate governance is not running.

Of the three research models shown in Table 3, the highest R-squared value is the 3rd model, where the panel data in model 3 is the data panel without family-CEO duality. This result shows that the effect of share ownership on tax planning can be maximally implemented without family-CEO duality in the company. However, the R-squared value in the three research models is only 5% to 7%, which illustrates that the role of company owners in corporate tax policy is small; the role of management as an agent is higher, and other conditions within the company are thought to have a greater influence. This result supports agency theory, where information asymmetry occurs between management and capital owners because management, as the person in charge, is more aware of internal information and has a higher role in company policy (Jensen & Meckling, 1976).

The effect of institutional ownership on tax planning in companies with family-CEO duality differs from companies without family-CEO duality. This result shows the role of family-CEO duality in the effect of institutional ownership on corporate tax planning, so Hypothesis 1 is accepted.

Based on Table 3 that the effect of concentrated ownership on tax planning in companies with family-CEO duality is not different from companies without family-CEO duality; this result does not indicate a significant role of family-CEO duality on the effect of concentrated ownership on corporate tax planning, so Hypothesis 2 is rejected. The effect of foreign ownership on tax planning in companies with family-CEO duality is different from companies without family-CEO duality; this result shows the role of family-CEO duality on the effect of foreign ownership on corporate tax planning, so Hypothesis 3 is accepted.

5. DISCUSSION

5.1. Structural Ownership and Tax Planning

Based on Table 5, it is found that institutional ownership plays a role in encouraging management to adopt tax planning policies that aggressively minimize the tax burden. Stakeholder theory explains that companies will try to fulfill stakeholder needs; in the case of profit-oriented institutional investors, companies generally follow investors' desires to maximize profits. One way to do this is through tax planning policies aimed at minimizing the tax burden aggressively (Boussaidi & Hamed-Sidhom, 2021; Kałdoński & Jewartowski, 2020). Even so, this study did not find the effect of consolidated ownership on tax planning. Although on average the highest share in the analysis unit is at 51% of the company's share ownership, the role of the owner is not visible in corporate tax planning. This is thought to be because the majority shareholder is not too concerned with tax burdens and tax procedures, literacy and rules on corporate taxes that are complex and often change are thought to be the main reason the majority shareholder does not intervene in corporate tax policy (Chytis et al., 2020). However, it contradicts the literature that finds a positive effect of concentrated ownership on tax planning to minimize the tax burden so that the expected return is achieved (Medioli et al., 2023; Ying et al., 2017) or literature that finds that majority owners encourage companies in tax planning to be careful in minimizing the tax burden because there is an image at stake that exceeds the calculation of the tax burden (Ouyang et al., 2020). Other findings explain that foreign owners have a role in encouraging management in tax planning policies to comply with applicable tax regulations. This shows that foreign owners encourage management to be careful with business policies in relation to applicable tax rules, so as to avoid tax risks in the future that are detrimental to investors (Hasan et al., 2022) corporate image and business sustainability, as well as organizational culture are thought to be reasons for foreign owners to encourage management to comply with applicable tax rules.

5.2. Structural Ownership, Tax Planning, and Family-CEO Duality

Table 5 explains that there are differences in the effect of institutional ownership and the effect of foreign ownership on tax planning in companies with family-CEO duality and in companies without family-CEO duality. In companies with family-CEO duality, management information and policies, especially on tax planning, are not aligned with the target or direction of institutional investors, who generally seek maximum profit. Correspondingly, the encouragement of foreign owners toward tax planning is also weak in companies with family-CEO duality. The role of directors as agents generally carries out the will of investors as a principle, as well as commissioners whose role is to supervise management so that every policy aligns with investor goals. However, family-CEO duality obscures the supervisory function of commissioners, while directors take advantage of the dual roles to hide internal company information, resulting in information asymmetry between directors and investors as described in agency theory. These results are also consistent with the literature on family-CEO duality, which from an agency theory perspective, has the potential to increase the risk of moral hazard due to the lack of checks and balances in tax decision-making (Jensen & Meckling, 1976). The only similarity in ownership influence is that in a concentrated ownership structure, the high authority of the majority owner cannot be restrained by management, even if management also functions as commissioners.

As the literature explains, there are consequences arising from family-CEO duality that are important to analyse (Krause, Semadeni, & Cannella, 2014). The agent function and supervisory function, which should be independent, become dependent when carried out by members of the same family, thereby influencing tax policy (Kolias & Koumanakos, 2022).

6. CONCLUSION

As was the initial objective of this study, it found differences in the influence of constitutional ownership and foreign ownership on tax planning in companies with family-CEO duality and in companies without family-CEO duality. Meanwhile, no differences were found in the influence of concentrated ownership on corporate tax planning.

7. PRACTICAL IMPLICATION AND CONTRIBUTION

The results of this study confirm that family-CEO duality has the role of supporting or counteracting the encouragement of company owners towards corporate tax planning. This study found that there is a difference in the effect of institutional ownership structure and foreign ownership on corporate tax planning with family-CEO duality and on companies without family-CEO duality. These results contribute to investment practice by analyzing family-CEO duality alongside corporate tax planning. The role of the BOD as agent and the family as supervisor gives the BOD considerable leeway in making tax policy decisions and prevents investor interference. This explains the lack of good corporate governance due to the superficial nature of the supervisory role that should be performed by the commissioners. Investors should therefore prevent the occurrence of family-CEO duality.

8. LIMITATION AND DIRECTION FOR FUTURE STUDY

Future research can analyze other forms of ownership besides concentrated ownership because, in this study, no significant effect was found. Further research can also use ETRP as an alternative indicator of tax planning.

Finally, we faced limitations in collecting research data, particularly information on tax disputes or the amount of corporate tax penalties for the current year and the next five years, as this information is not required to be published under Indonesian financial accounting standards and is therefore voluntary. Further research is recommended to conduct a similar analysis but with the addition of a comparative analysis between Indonesia and other countries that already have standards for presenting tax disputes and penalties in financial reports, or further research could also develop alternative tax-planning metrics based on data commonly provided by companies.

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