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| RESEARCH ARTICLE

CEO Tenure, Narcissism, and Greed: Do They Influence Corporate Tax Avoidance?

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| ABSTRACT
This study aims to analyze the influence of the existence of independent commissioners, tenure CEOs, narcissism CEOs, and greedy CEOs on tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019–2023 period. Tax avoidance is a company's strategy to reduce the tax burden legally, but it often causes controversy related to business ethics. This study uses secondary data from the company's annual report which is analyzed by multiple regression method. The results show that CEO narcissism and greedy CEOs have a significant positive influence on tax avoidance, indicating that the higher the level of narcissism and greed of CEOs, the greater the tendency of companies to avoid taxes. Furthermore, the existence of independent commissioners and the CEO's tenure have a significant positive effect on tax avoidance. This finding has implications for regulators and stakeholders to strengthen the supervisory mechanism over the CEO's strategic decisions in corporate tax management. In addition, this study emphasizes the importance of the role of independent commissioners in maintaining corporate tax transparency and accountability.

| KEYWORDS

Tax Avoidance, CEO Narcissism, CEO Greed, CEO Tenure, Independent Commissioner

| ARTICLE INFORMATION

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1. Introduction

Taxes are the main source of state revenue for development and public services. However, many companies utilize various tax avoidance strategies to minimize their tax liability. This phenomenon has become a global concern, including in Indonesia, especially in the context of Foreign Investment (FDI). According to *the World Investment Report 2024* by UNCTAD, foreign direct investment (FDI) in Southeast Asia will reach US$240 billion in 2023, with Indonesia as the second largest recipient of investment.

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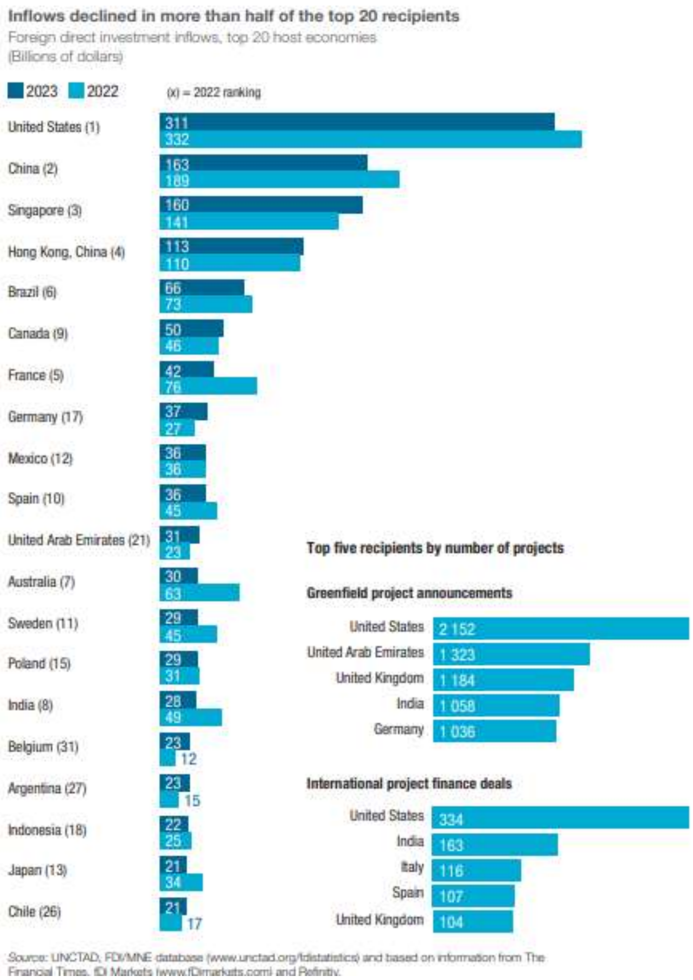
Figure 1: Foreign Direct Investment Inflows 2022 – 2023



Source : UN Trade and Development (UNTCAD) https://unctad.org/

However, this increase in investment does not always have an impact on increasing tax revenues because many FDI companies claim losses on an ongoing basis to avoid taxes.

Tax avoidance is carried out through legal loopholes in tax regulations, such as *treaty shopping*, *controlled foreign corporations* (CFCs), and the use of *tax haven countries* (Dhiyaulhaq & Fadjarenie, 2023). This practice, although legal, still reduces state revenue and is often carried out by large companies through complex transactions (Fadjarenie & Anisah, 2016). The Prakarsa estimates that Indonesia suffers tax losses of Rp 4.3 trillion per year due to *trade misinvoicing*, royalties, and transfer pricing mechanisms (Praha et al., 2023).

Table 1 Estimated Tax Loss

Estimated Tax Loss	Jutaan Dollar	Millions of Rupiah
Export	5,990	94,228,690
Royalty	2,961	46,579,491
Total	**8,951**	**140,808,181**

Data: (Processed by the author, 2024)

Source : https://theprakarsa.org/

An example of a tax avoidance case in Indonesia is PT Bentoel Internasional Investama, which in 2019 used an intra-company loan scheme through Rothmans Far East BV in the Netherlands to reduce tax liabilities by paying loan interest of Rp 2.25 trillion. Similar cases have occurred abroad, such as *Banque Pictet* in Switzerland, which helped its client evade U.S. taxes through a confidential account.

This research highlights the role of independent commissioners as well as the characteristics of CEOs in tax avoidance strategies. Several studies show that independent commissioners can affect *tax avoidance*, depending on the effectiveness of the supervision carried out (Tarmidi et al., 2020); (Doho & Santoso, 2020). In addition, CEOs with long tenure, narcissism, and greed are also major factors in tax avoidance decisions.

Several studies show that CEOs with long experience understand tax regulations better, so they tend to be more aggressive in tax planning (Meita Oktaviani et al., 2022). Narcissistic CEOs are more daring to take business risks, including aggressive tax strategies (Amran & Mira, 2020). Greedy CEOs are more concerned with personal profits and often take advantage of tax loopholes (Xu, 2024).

Based on the research gap found, this study aims to examine more deeply the influence of independent commissioners, tenure CEOs, narcissism CEOs, and greedy CEOs on tax avoidance in manufacturing companies on the Indonesia Stock Exchange for the 2019–2023 period. By using quantitative methods and measuring *Book-Tax Difference*, this study is expected to provide new insights for regulators in tax policy-making.

2. Literature Review

2.1 Agency Theory

Agency theory explains the relationship between the principal and the agent. The agent is asked to represent the principal in decision-making (Jensen & Meckling, 1976). The tax system in Indonesia adheres to *self-assessment system* Giving companies the authority to calculate and report their own taxes. This system opens up opportunities for agents to manipulate taxable income to appear lower, thereby reducing the company's tax burden (Dhiyaulhaq & Fadjarenie, 2023).

2.2 Upper Echelon Theory

Theory *upper echelon* highlights the role of managers in creating company value through their management style and personal abilities. The personal ability of the manager has an effect on the strategic decisions taken by the top manager, which has an impact on the company's performance. The upper echelon theory focuses more on the real background of the manager, such as age, education, and other factors (Astutik & Venusita, 2020).

2.3 Teori Psychoanalysis Sigmund Freud

Psychoanalytic theory is a theory that seeks to explain the nature and development of human personality. This theory assumes that personality develops when conflicts occur from these psychological aspects (Bertens, 2016). The narcissistic attitude of CEOs in the context of tax avoidance can also be studied with the same theory, but with a different approach. *Narcissistic Personality Disorder* (NPD) is a personality disorder characterized by a high sense of superiority, lack of empathy, and a constant need for recognition. CEOs with NPD characteristics are more likely to engage in aggressive practices such as tax avoidance due to high ego drive and excessive self-confidence.

2.4 Tax Avoidance

Tax avoidance It is usually interpreted as a scheme to avoid paying taxes for the purpose of minimizing the tax burden by taking advantage of the loophole in a country's tax provisions (Mappadang, 2021). *Tax avoidance* can be measured using the BTD model, which is the difference between accounting profit and fiscal profit which is only a temporary difference and is shown by the deferred tax expense (benefit) account (Sutrisno et al., 2022).

2.5 Independent Commissioner

Financial Services Authority Regulation Number 17 of 2023 concerning the Implementation of Governance states that: “Independent Commissioners are members of the Board of Commissioners who come from outside the Issuer or Public Company and meet the requirements as Independent Commissioners", Independent Commissioners must be at least 50% (fifty percent) of the total number of members of the Board of Commissioners. A Pressure and supervision from external parties of the company, including from independent commissioners, encourage management to be more serious in maximizing the company's profits by doing tax evasion (Tarmidi et al., 2020).

H1: Independent Commissioners have an effect on tax avoidance

2.6 CEO Narcissism
The Board and *CEO* hold overall responsibility for the company's tax strategy, including determining the level of tax avoidance (García-Meca et al., 2021). *Narcissism* It can be interpreted as the ability to maintain a positive self-image with a lot of effort so that self-satisfaction can be achieved (Amran & Mira, 2020). CEOs with NPD are more likely to engage in decision-making that benefits them financially despite harming others.
Q2: CEO Narcissism influences tax avoidance decisions

2.7 CEO Tenure
CEO confidence tends to increase as the term of office increases, so CEOs are more daring to make risky decisions. This study concludes that the longer the CEO's tenure, the higher the tendency of tax aggressiveness (Meita Oktaviani et al., 2022).
H3: CEO Tenure affects tax avoidance decisions

2.8 CEO Greed
Greed, based on the theory of motivational psychology, is a strong desire to earn more than is materially or financially necessary (Seuntjens et al., 2015). Greedy CEOs often prioritize personal profits over the interests of the company or other stakeholders, which encourages them to look for ways to minimize taxes for personal financial gain. CEO with Certain personality disorders make decisions based on subconscious impulses, including in economic behavior.
H4: CEO Greed influences tax avoidance decisions

Figure 2 illustrates the relationship between the independent variables—Existence of Independent Commissioners (X1), CEO Tenure (X2), CEO Narcissism (X3), and CEO Greed (X4)—and their bound variables, namely Tax Avoidance. The purpose of this study is to analyze the influence of these factors on the level of tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange during the period 2019–2023. Specifically, this research focuses on understanding how the characteristics of corporate leadership and governance contribute to tax avoidance strategies. By examining these dynamics, this study aims to identify the main factors that affect tax avoidance patterns during the period.
Figure 2 : Research Outline

3. Research Method
This research is quantitative research. Quantitative research is a scientific method whose data is in the form of numbers or numbers that can be processed and analyzed using mathematical calculations or statistics (Sekaran, 2019). The quantitative research used is causal quantitative, which is research that aims to determine the influence of Independent Commissioner, CEO Tenure, CEO Narcissism, and CEO Greed against Tax Avoidance through annual financial report data and annual reports on manufacturing companies on the Indonesia Stock Exchange for the 2019–2023 period.

3.1 Population and Sample
The population used in this study is a manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023 as many as 156 companies. The sample used in this study is part of the population of manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023.

3.2 Hypothesis Test
The data analysis technique used in this study is by using Panel regression analysis. As a data processing tool using STATA 18 software. The regression equation model in this study is as follows :

$$TA=\alpha+\beta_1 IND+\beta_2 PIC+\beta_3 GREED+ \beta 4TEN + \varepsilon$$

Information:

TA	: *Tax Avoidance*
α	: Constant
$\beta_1 - \beta 4$	: Coefficient of regression
IN	: Independent Commissioner
PIC	: *CEO Narcissism*
GREED	: *CEO Greed*
TEN	: *CEO Tenure*
ε	: *Error Term*

3.3 Research Variable Operationalization

3.3.1 Tax Avoidance

Proxied with TA measured using the value book-tax Difference (BTD) which is a strong proxy in showing tax avoidance because BTD can reflect temporary and permanent differences (Sonda & Sutrisno, 2022).

3.3.2 Independent Commissioner

Proxied with IND can be measured by looking at the number of independent commissioners divided by the total commissioners in a company (Saqib & Tarmidi, 2024).

3.3.3 CEO Tenure

Proxied with TEN measured by the length of the CEO's tenure in a company (Ulfa et al., 2021).

3.3.4 CEO Narcissism

Proxied with PIC, a CEO's narcissism is measured by giving value to the CEO's photo contained in the company's annual report. By (Olsen & Stekelberg, 2016) The score on the CEO photo can be divided into four criteria as follows:

Table 3 Criteria for CEO Photo

No	Criteria
1	Annual report does not contain a photo of the CEO
2	CEO photographed with other executives
3	The CEO photographed himself, and the photo occupied less than 1/2 of the yard
4	The CEO is photographed himself, and the photo occupies at least 1/2 pages and sharing pages with text
5	The CEO photographed himself, and the photo occupied the entire yard

Source : Obtained by the Author

3.3.5 CEO Greed

Proxied with Greed, the Greed of a CEO is measured using the modified jones model from Dechow et al. (2012) with the following formula :

$$TA_{it} = NI_{it} - CFO_{it}$$

$$\frac{TA_{it}}{A_{it-1}} = \beta_1 \frac{1}{A_{it-1}} + \beta_2 \frac{\Delta Rev_{it}}{A_{it-1}} + \beta_3 \frac{\Delta PPE_{it}}{A_{it-1}} + e$$

$$NDA_{it} = \beta_1 \left(\frac{1}{A_{it-1}}\right) + \beta_2 \left(\frac{\Delta Rev_{it}}{A_{it-1}} - \frac{\Delta Rec_{it}}{A_{it-1}}\right) + \beta_3 \left(\frac{PPE_{it}}{A_{it-1}}\right)$$

$$DA_{it} = \left(\frac{TA_{it}}{A_{it-1}}\right) - NDA_{it}$$

4. Result and Discussion

4.1 Research Data

From a total sample of 156 manufacturing companies listed on the IDX from 2019 to 2023, 139 companies were obtained that met the research criteria with a total of 5 years of research, namely from 2019 to 2023, the number of data obtained was 695.

4.2 Research Result

4.2.1 Descriptive Statistical Analysis

Table 4 Descriptive Statistical Analysis

	And	X1	X2	X3	X4
Mean	-.0187482	.4301727	.0961583	.0291511	.0264173
Max	.89	1	.52	.05	.75
Min	-1.19	0	.01	0	-.48
Std. Dev.	.1135199	.1216812	.1134667	.0065527	.1214548
N	695	695	695	695	695

Tax avoidance (Y) with a total of 695 data has a mean value of minus 0.0187482 and a standard deviation of 0.1135199. The minimum value for tax avoidance of minus 1.19 is found in Indofarma (Persero) Tbk (INAF) in 2023, while the maximum value of 0.89 is in Tiga Pilar Sejahtera Food Tbk (AISA) in 2020.

Independent commissioner (X1) with a total of 695 data has a mean value of 0.4301727 and a standard deviation of 0.1216812. The minimum value for independent commissioners is 0 (zero), namely at PT Alumindo Light Metal Industry Tbk (ALMI) in 2019 – 2021, this is because there are no independent commissioners during 2019 – 2021, while the maximum value of 1.00 is for PT Sinergi Inti Plastindo Tbk (ESIP) in 2023, and PT Pan Brothers Tbk (PBRX) in 2022.

CEO tenure (X2) with a total of 695 data has a mean value of 0.0961583 and a standard deviation of 0.1134667. The minimum value for CEO tenure of 0.01 is found in each year from 2019 - 2023, this is because the CEO's tenure only lasts for 1 year, while the maximum value of 0.52 is at PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) in 2023, the CEO is currently 79 years old and has served for 52 years.

CEO narcissism (X3) with a total of 695 data has a mean value of 0.0291511 and a standard deviation of 0.0065527. The minimum value for CEO narcissism of 0 (zero) is found in PT Ekadharma International Tbk (EKAD), this is due to the absence of a CEO photo in the CEO's profile in the annual report from 2019 - 2023, while the maximum value of 0.05 is in PT Wijaya Karya Beton Tbk (WTON) and Mega Perintis Tbk (ZONE) in 2019 - 2023, this is because the CEO's profile photo fills almost a full page and is alone in the annual report.

CEO greed (X4) with a total of 695 data has a mean value of 0.0264173 and a standard deviation of 0.1214548. The minimum value for greed CEOs of minus 0.48 is found in Alaska Industrindo Tbk (ALKA) in 2021, while the maximum value of 0.75 is in Tiga Pilar Sejahtera Food Tbk (AISA) in 2020.

4.2.2 Hypothesis Testing

Source	SS	df	MS			
				Number of obs	=	695
				F(4, 690)	=	27.31
Model	1.22222341	4	.305555852	Prob > F	=	0.0000
Residual	7.72118756	690	.011190127	R-squared	=	0.6445
				Adj R-squared	=	0.5445
Total	8.94341097	694	.012886759	Root MSE	=	.10578

btd	Coefficient	Std. err.	t	P>|t|	[95% conf.	interval]
ind	.0052621	.0006905	7.62	0.000	-.0605463	.0066260
ten	.0455537	.0041959	10.86	0.000	-.0206066	.1210799
pic	.119387	.0142428	8.38	0.000	-.4295522	2.019941
ceo_greed	.3365882	.0331459	10.15	0.000	.2715094	.4016671
_cons	.0575646	.0239355	2.40	0.016	-.1045597	.0645545

The R-squared is 0.6445 or 64.45%, which shows that tax avoidance can be explained by 64.45% by the variables of independent commissioner, CEO Tenure, CEO Narcissm, and CEO Greed while the remaining 35.55% is influenced by other variables that are not studied.

4.2.3 **Panel Data Regression Analysis**

Based on the results of the table above, the form of the regression equation is obtained as follows:

$$TA=0.057+0.005IND+0.045TEN+0.119PIC+0.337GREED$$

4.2.4 Testing of Partial Hypothesis (t-Test)

btd	Coefficient	Std. err.	t	P>|t|	[95% conf.	interval]
ind	.0052621	.0006905	7.62	0.000	-.0605463	.0066260
ten	.0455537	.0041959	10.86	0.000	-.0206066	.1210799
pic	.119387	.0142428	8.38	0.000	-.4295522	2.019941
ceo_greed	.3365882	.0331459	10.15	0.000	.2715094	.4016671
_cons	.0575646	.0239355	2.40	0.016	-.1045597	.0645545

1. Hypothesis Testing 1
   H1: Independent Commissioners influence Tax Avoidance decisions
   The results of the partial test show that the independent commissioner variable (IND) obtained a probability of 0.000 < less than 0.05 so that hypothesis 1 was accepted. This means that independent commissioners (IND) influence tax avoidance.
2. Hypothesis Testing 2
   H2: CEO Tenure affects Tax Avoidance decisions
   The results of the partial test show that the CEO Tenure (TEN) variable obtained a probability of 0.000 < less than 0.05 so that hypothesis 1 was accepted. This means that CEO Tenure (TEN) has an effect on tax avoidance.
3. Hypothesis Testing 3
   H3: CEO Narcissism influences Tax Avoidance decisions
   The results of the partial test show that the CEO Narcissism (PIC) variable obtained a probability of 0.000 < less than 0.05 so that hypothesis 1 was accepted. This means that the CEO of Narcissm (PIC) has an effect on tax avoidance.
4. Hypothesis Testing 4
   Q4: CEO Greed affects Tax Avoidance decisions

The results of the partial test show that the CEO Greed (Greed) variable obtained a probability of 0.000 < less than 0.05 so that hypothesis 1 was accepted. This means that CEO Greed (EDU) has an effect on tax avoidance.

4.3 Discussion

4.3.1 Influence of Independent Commissioners on Tax Avoidance:

The results of the study show that independent commissioners have a significant and positive influence on tax avoidance. Thus, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted.

Data shows that the lowest number of independent commissioners occurred in Alumindo Light Metal Industry Tbk (2019-2021) with zero independent commissioners, while the highest number was recorded in Pan Brothers Tbk (2022) and Sinergi Inti Plastindo Tbk (2023), where all or most of the commissioners are independent. The increase in the number of independent commissioners contributes to the improvement of the company's performance positively and effectively. If you look at all sample data, the number of independent commissioners from 141 samples shows that the average number of independent commissioners has reached 30% and is in accordance with POJK regulation No. 33 /POJK.04/2014, only 13 companies in 2023 have the proportion of independent commissioners exceeding 30% but still not reaching 50%.

These findings are consistent with agency theory, which states that the difference in interests between principals and agents affects company performance. This performance improvement encourages companies to optimize tax policies, including through tax avoidance by taking advantage of tax loopholes.

This research is in line with the study of (Tarmidi et al., 2020)**,** but is different from the results of the study of (Doho & Santoso, 2020), which found that independent commissioners do not always have an effect on tax avoidance. This is due to the possibility that independent commissioners do not fully carry out their roles independently or have certain agendas that can affect the company's performance.

4.3.2 Effect of CEO Tenure on Tax Avoidance:

The results of the study show that CEO tenure has a significant and positive influence on tax avoidance. Thus, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. The effective term of office of CEOs according to OJK regulations is 5 years although it depends on the policies of each company, so if you look at the research data until 2023, there are 84 companies with the length of the CEO's term of office that exceeds 5 years.

These findings are in line with the upper echelon theory, which emphasizes that a company's strategic decisions are strongly influenced by the managerial characteristics and experience of the CEO. The longer a CEO is in office, the more experience and insight he has, which improves his ability to optimize the company's strategy, including in tax avoidance. CEOs with longer tenures tend to take advantage of tax policies to reduce tax burdens, increase net income, and strengthen after-tax cash-flow.

This study supports the results of the study of (Faith Ogagaoghene et al., 2023) and (Meita Oktaviani et al., 2022), which also found a positive relationship between CEO tenure and tax avoidance. However, this finding is different from the research of (Agus Arianto et al., 2023)**,** which concluded that the tenure of CEOs has no influence on tax avoidance.

4.3.3 Effect of CEO Narcissism on Tax Avoidance:
The results of the study show that CEO narcissism has a significant and positive influence on tax avoidance. Thus, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. CEO photo of the CEO from research data that meets 1/2 to 1 page until 2023 there are 12 companies
These findings are in line with psychoanalytic theories, which state that narcissistic CEOs tend to focus more on the company's personal interests or financial gains, often ignoring ethical values. In this theory, id encourages the CEO to make decisions that benefit him, while the superego (the moral aspect of the personality) may try to restrain the behavior. However, if the CEO uses defensive mechanisms such as rationalization, tax avoidance measures can be considered an acceptable strategy.
In this context, CEO narcissism is associated with a feeling of superiority and a tendency to commit ethically questionable actions, including tax evasion. This is in line with the principle of psychological egoism, where narcissistic CEOs are more likely to make decisions that favor their financial interests.
This study supports the findings of (Pan et al., 2023)**,** which found a positive relationship between CEO narcissism and tax avoidance. However, these results are different from the study of (Sugiono & Anggraeny, 2022), which concluded that CEO narcissism has no significant influence on tax avoidance

4.3.4 Effect of CEO Greed on Tax Avoidance:
The results of the study show that greedy CEOs have a significant and positive influence on tax avoidance. Thus, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. The data from the study shows that from the entire data has a DA value of < 1, this shows that all companies reduce the profit value from the actual profit value.
These findings are in line with psychoanalytic theory, which explains that greed is related to id**,** that is, the part of the human personality that is oriented towards instant gratification without considering moral consequences. Greedy CEOs tend to make strategic decisions that prioritize personal gain, such as increased compensation or recognition, even though such actions may harm other stakeholders.
In addition, the CEO's psychological factors and personal experience also play an important role in decision-making related to tax policy. In this context, greedy CEOs are more likely to take advantage of tax loopholes to reduce the company's tax liability, thereby increasing net profits that can be attributed to their personal interests.
This research supports the results of a study by (Xu, 2024)**,** which found that greedy CEOs contribute to increased tax avoidance. However, this result is different from the (Smeets, 2022) study, which concluded that CEO greed does not have a clear and significant influence on tax avoidance.

4 Conclusion

5.1 Conclusion

Independent commissioners have a positive and one-way effect on tax avoidance.

CEO Tenure has a positive and one-way effect on tax avoidance.

CEO Narcissism has a positive and unidirectional effect on tax avoidance.

CEO Greed has a positive and one-way effect on tax avoidance.

5.2 Implication

1. The more independent commissioners, the higher the likelihood that the company will carry out tax avoidance, this is because the increase in the number of independent commissioners will have a positive impact on the company's performance, making it better and more effective. This performance improvement will ultimately produce better output, so that the company will take steps that are considered necessary to achieve effectiveness in the company's activities, including in the determination of policies related to effective tax rates by taking advantage of tax loopholes through tax planning that encourages companies to carry out tax avoidance measures.
2. The longer the tenure, the more knowledge and experience the CEO has, which improves their ability to make strategic decisions, including tax avoidance. CEOs seek to pressure companies to avoid taxes to increase net profit and cash flow after taxes.
3. Narcissistic CEOs tend not to trust tax experts, so they will make their own decisions and policies for their tax avoidance. CEOs who are too narcissistic tend to care about the popularity and praise they get. In getting praise, the CEO must show good company performance. CEOs who are overconfident tend to be more courageous in making decisions with high risk through tax avoidance to improve the company's performance to get praise.

4. Greedy CEOs tend to engage in corporate tax evasion, with lower taxes. More greedy CEOs are more likely to make risky corporate decisions to achieve personal gain, even if it can be detrimental to stakeholders.

5.3 Suggestion

1. For the next researcher:
   a. The independent commissioner variable obtained using the formula of the number of independent commissioners divided by the total number of commissioners, for further research can use different proxies, namely by looking for other variables that are more influential on the supervision of independent commissioners, including the frequency of commissioners' meetings in the company and the frequency of commissioners' attendance in company meetings.
   b. The variables of CEO tenure, CEO narcissism, and CEO Greed can be re-examined by looking for other variables that have a large diversity of data, including variables that can be calculated from the company's financial statements, such as inventory intensity and capital intensity, because the data of the two variables varies greatly between companies. Then we re-examine companies other than manufacturing companies so that it can be known whether CEO tenure, CEO narcissism, and CEO Greed have a homogeneous distribution of data, for example in insurance companies or bank financial institutions.
   c. The tax avoidance variable can be re-examined using a formula other than book-tax-difference. The tax avoidance variable can be re-examined using the CETR (cash effective tax rate) formula because CETR reflects the actual amount of tax paid compared to the reported net profit while BTD is often covered by non-cash accounts such as depreciation and amortization in fiscal corrections
2. For Entities
   a. Companies should tighten supervision of decision-making involving CEOs and independent commissioners. This can be done by limiting the CEO's tenure and ensuring that independent commissioners are not overly involved in the company's tax policies which could lead to potential tax avoidance. Stricter oversight will reduce the risk of self-interest-driven decision-making.
   b. Companies need to build a culture that emphasizes the importance of tax compliance by involving all parties within the company, including CEOs and managers. Training on tax obligations and tax ethics must be carried out regularly, as well as strengthening internal control policies to prevent tax avoidance. By increasing awareness and commitment to tax compliance, companies can maintain integrity and avoid tax avoidance practices.
3. For the Government
   a. The government needs to strengthen tax regulations and close legal loopholes that allow tax avoidance. This will reduce the chances for companies to take actions that are detrimental to the state and create a fairer tax system.
   b. Using data-driven technology to improve tax oversight can help governments detect potential tax evasion early on. Stricter law enforcement against companies that commit excessive tax evasion also needs to be strengthened to provide a deterrent effect.
   c. Educating companies on the importance of tax contributions to the country's development, while offering incentives to companies that demonstrate high tax compliance, will create a more positive tax culture and encourage companies to play an active role in economic development without avoiding their tax obligations

5.4 Limitation

The limitations of this study are:

a. This study only took samples of manufacturing companies.
b. The measurement of the variable CEO narcissism uses a photo scale which can cause a difference in judgment between the researcher and the reader.
c. Measurement of the variable CEO tenure can cause a difference in assessment because in the annual report of the initial period of the study, the annual report often does not mention the first year of the CEO in office

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