

# Role of Accounting Conservatism in Corporate Governance on Tax Avoidance

**Heni Agustina, Mohamad Rijal Iskandar Zhulqurnain, Rizki Amalia Elfita, Hidayatul Khusnah, and Riyan Sisiawan Putra**

Universitas Nahdlatul Ulama Surabaya, Surabaya, Indonesia  
[heni@unusa.ac.id](mailto:heni@unusa.ac.id), [rijal.iskandar@unusa.ac.id](mailto:rijal.iskandar@unusa.ac.id), [elfita@unusa.ac.id](mailto:elfita@unusa.ac.id),  
[hidayatul.khusnah@unusa.ac.id](mailto:hidayatul.khusnah@unusa.ac.id), [riyan\\_sisiawan@unusa.ac.id](mailto:riyan_sisiawan@unusa.ac.id)

## Abstract

This present research based on the many phenomena of companies that are still not aware of the importance of reporting and paying taxes. This statement is in contrast to the existing legal tax regulations in Indonesia. One of the rules that can ease the company's tax burden is the tax avoidance rule. Where tax avoidance has the aim of minimizing the tax burden payable and maximizing profit after tax but still fulfilling tax obligations that do not violate the laws in Indonesia. By taking tax avoidance measures, management can also choose to apply accounting conservatism measures or choose not to use them. By applying the rules legally, it can show that the company has good corporate governance.

The purpose of this study is to determine the role of accounting conservatism in moderating corporate governance on tax avoidance. The data used are the financial statements of mining companies listed on the Indonesian stock exchange from 2017 to 2020 as many as 47 companies and 38 companies that consistently publish financial reports.

Based on data from 38 companies that were collected and processed using warppls 8.0, it was found that institutional ownership and managerial ownership have a significant influence on tax avoidance. Institutional ownership has a significant effect on accounting conservatism and managerial ownership has no significant effect on accounting conservatism. However, institutional ownership and managerial ownership if moderated by accounting conservatism have no significant effect on tax avoidance.

## Keywords:

Institutional Ownership; Managerial ownership; Tax Avoidance; Accounting Conservatism

## Biographies

**Heni Agustina** is a lecturer in the Department of Accounting at Universitas Nahdlatul Ulama Surabaya, Indonesia. She received her Bachelor of Accounting and Master of Accounting from Universitas Pembangunan Nasional Veteran Jawa Timur, Surabaya, Indonesia. She has an extensive interest in financial accounting, taxation and sharia accounting. Previously, she worked as Auditor in Riza, Adi, Syahril public accounting firm (KAP RAS) in Surabaya, Indonesia. She was also previously worked as tax accountant in Toyota Indonesia under PT. Liek Motor. Heni has contributed to internationally published and national published. Her research interests include tax, management accounting, behavioral accounting, and financial accounting.

**Mohamad Rijal Iskandar Zhulqurnain** is a lecturer in the Department of Management at Universitas Nahdlatul Ulama Surabaya, Indonesia. He earned his Bachelor of Management from Universitas Airlangga Surabaya, Indonesia, Master of Commerce in Business Management and Organization from Macquarie University Sydney, Australia. During his last year of study in 2020, Rijal received an award mentioned as the "best achievement in Managing Customer Relationship courses" From the Department of Marketing, Macquarie Business School. He has contributed into several research projects such as Strategic Management handbook with Universitas Airlangga, and the social research regarding the effects of socioeconomic status on cognitive brain function in Southeast Asian countries. Rijal

also becomes part of business and entrepreneurial student development team in Universitas Nahdlatul Ulama Surabaya.

**Rizki Amalia Elfita** is a lecturer in the Department of Accounting at Universitas Nahdlatul Ulama Surabaya, Indonesia. She received her Bachelor of Accounting and Master of Accounting from Universitas Airlangga, Indonesia. Rizki has contributed to internationally published and national published. Her research interests include tax, management accounting, behavioral accounting, and financial accounting.

**Hidayatul Khusnah** is a lecturer at the Faculty of Business Economics and Digital Technology, Universitas Nahdlatul Ulama Surabaya. She has published many research articles. Her research interests include (1) management accounting, (2) behavioral accounting, (3) financial accounting, and (4) business management.

**Riyan Sisiyawan Putra** is a lecturer at Universitas Nahdlatul Ulama Surabaya, he is the Head of the Study Program at S1 Management at Universitas Nahdlatul Ulama Surabaya. Undergraduate education is taken at Airlangga University, as well as his S2 education. Currently taking doctoral education at the same university. Joined in the Indonesian Management Forum (FMI), his fields of study are Human Resource Management and Entrepreneurship.