CHIEF EXECUTIVE OFFICER (CEO) ATTRIBUTES AND TAX AGGRESSIVENESS

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A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF BENIN, BENIN CITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc) DEGREE IN ACCOUNTING, UNIVERSITY OF BENIN, BENIN CITY

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DECLARATION

I declare that:

I. This project is based on a study undertaken by me in department of accounting, University of Benin, under supervision of **Mr. F.N. Uwaifo.**

II. This work has not been previously submitted for the award of any degree elsewhere.

III. All ideas and views are products of my personal research and where the views of others have been expressed; they have been duly referenced and acknowledged.

IV. Any liability arising from this work is be wholly borne by me alone.

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Akpevwe VINCENT

CERTIFICATION

We certify that this work was carried out by **Akpevwe VINCENT** with matriculation number **MGS1611459** in the Department of Accounting, University of Benin, Benin City and do approve that it is adequate in scope and quality in partial fulfillment of the award of Bachelor of Science (B.Sc) degree in Accounting, University of Benin. Benin City.

_____ _____

Mr. F.N. Uwaifo

Date

Project Supervisor

_____ _____

Dr O. Obaretin Date

Head of Department

DEDICATION

This project is dedicated to God Almighty for his guidance, protection, mercy and favor upon my life throughout my years of study.

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I wish to express my profound gratitude to God Almighty who is the source of my strength and inspiration throughout this project.

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ABSTRACT

This study aims at determining the impact of CEO'S attributes on tax aggressiveness in Nigeria; The specific objective of the study is to determine the significant relationship between CEO'S age and tax aggressiveness, to examine the relationship between CEO's masculine face and tax aggressiveness, to examine the relationship between CEO's political connection and tax aggressiveness, to find out if there is a relationship between CEO's overconfidence and tax aggressiveness. The population of the study comprises of all manufacturing companies listed on the Nigeria Stock Exchange as at 31st December, 2022. The study employed data from secondary sources which are quantitative in nature. The data was obtained from the annual reports of individual manufacturing companies submitted to Nigerian Stock Exchange. The data were analyzed using ordinary least square (OLS) regression. It was found that CEO Age have a significant effect on Tax Aggressiveness, CEO Masculine Face have a significant effect on Tax Aggressiveness, CEO Political Connection have a significant effect on Tax Aggressiveness, and CEO Overconfidence does not have a significant effect on Tax Aggressiveness.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

A tax is an obligatory financial charge or levy that the government imposes on people, companies, or other entities. It is usually determined by the individual's income, assets, consumption patterns, or other transactions. At all levels of government—local, state, or federal—taxes are the main source of funding for public services and other government operations. These services include social welfare programs, healthcare, education, infrastructure development, and defense. Taxes are one of the biggest expenses businesses face, and they directly affect profitability and shareholder value. In fact, governments use taxes to take a portion of a company's profits, which is bad for management and shareholders. Firms have financial incentives to pursue tax techniques that minimize their taxes, given the primary goal of maximizing shareholder value.

Tax methods can take many forms; some are deemed aggressive, while others follow the rules. Because the savings are theirs, aggressive tax planning enables shareholders to maximize their value (Wisbach, 2002). However, when a business must pay a significant amount of tax, including penalties and interest after a tax audit, and when the ethical implications of tax aggressiveness are taken into account, tax aggressiveness does not always result in the maximization of firm value. According to Chen, Cheng, and Shevlin (2010), corporate tax aggressiveness is defined as the company's attempt to minimize tax payments through aggressive tax planning activities and tax avoidance. Various research

have provided different definitions of this term. The manipulation of aggressive tax returns—which can be categorized as tax management—to reduce tax revenue Rego (2003a). Tax aggression can be seen as basic trigger tax management actions that serve as a starting point for tax evasion and are utilized for tax planning. According to a 2007 study by Bruce, DESKINS, AND FOX, tax aggression is viewed as a series of steps businesses take to lower their public indebtedness. Different handling techniques to reduce taxable income—which may be legal or unlawful—are represented by aggressive taxation. Consequently, we might view tax aggressiveness as a tactic used by managers, consisting of a collection of procedures, tools, and decisions with the goal of maximizing revenue (Bruce, Deskins & Fox, 2007).

Tax aggressiveness can be a tax-saving strategy that lowers expenses and boosts shareholder wealth, according to studies (Graham & Tucker 2006; Hanlon & Heitzman, 2010, Hamlon and Slemrod 2009). Hence, enterprises weigh the marginal advantages against the management of taxes to decide the degree of tax aggression (Chen et al, 2010). Increased tax savings are among the marginal benefits, but potential administrative penalties, implementation costs (including time, effort, and transaction costs associated with executing tax transactions), and agency costs related to tax-aggressive activities are among the marginal costs (Desai and Dharmapala, 2006).

1.2 Statement of Research Problem

Relevant with this study, we posit that the attributes of CEOs, will reduce tax payable and therefore increase the incentives for companies to be tax aggressive sensitive. The study

examines the impact f managerial ownership, CEO's performance and the industry type on tax aggressive nature of companies in Nigeria.

Tax aggressiveness reduce the governments revenue (Chen, Chen, Cheng & Shevlin 2010) and it represents a value maximizing of firms. It is a transfer of wealth from government to the firm's stakeholders (Khurana & Maser, 2009). This study intends to critically evaluate some factors that could determine tax aggressiveness in some company's in Nigeria. The following are some research questions;

- What is the significant relationship between CEO's age and tax aggressiveness?
- What is the relationship between CEO's masculine face and tax aggressiveness?
- What is the relationship between CEO political connection and tax aggressiveness?
- What is the relationship between CEO's overconfidence and tax aggressiveness?

1.3 Objective of the study

The broad objective of this study is to associate the impact of CEO'S attributes on tax aggressiveness in Nigeria. While the specific objectives of the research are:

1. To determine the significant relationship between CEO'S age and tax aggressiveness
2. To examine the relationship between CEO's masculine face and tax aggressiveness
3. Examine the relationship between CEO's political connection and tax aggressiveness
4. To find out if there is a relationship between CEO's overconfidence and tax aggressiveness.

1.4 Research Hypothesis

In line with the research objectives, the following hypothesis are formulated and stated in null form:.

H_1: There is no significant relationship between CEO'S age and tax aggressiveness in Nigeria

H_2: There is no significant relationship between CEO's masculine face and tax aggressiveness.

H_3: There is no significant relationship between CEO's political connection and tax aggressiveness.

H_4: there is no significant relationship between CEO's overconfidence and tax aggressiveness

1.5 Scope of the study

The study examines the relationship between the CEO attributes and tax aggressiveness in Nigeria. The population of the study comprises of all manufacturing companies listed on the Nigeria Stock Exchange as at 31st December, 2022. The total number of manufacturing company listed on the Nigeria Stock Exchange (Nigeria Exchange Limited) as at December 2022 according to Nigeria exchange group.com is 21.

1.6 Significant of the study

The study of CEO's attributes and tax aggressiveness is significant for several reasons.

1.) Corporate governance: understanding how CEO's attributes influence tax aggressiveness can shed light on corporate governance practices. CEOs play a pivotal role in decision making and their personal traits can affect the company's tax strategies.

2.) Financial performance: research in this area can help determine whether certain CEO characteristic lead to better or worse financial performance. Tax aggressiveness can impact a company's bottom line, and studying CEO's attributes can provide insights into optimizing tax strategies

3.) Risk management: identifying CEO's attribute that are associated with tax aggressiveness can help in assessing risk management within organization aggressive tax practices may expose a company to legal or reputation risk

4.) Investor confidence: investors often considered corporate tax strategies when making investment decision. Research on CEO's attribute and tax aggressiveness and help investor assess the potential impact of CEO's leadership on their investment

1.7 Definition of terms

Tax aggressiveness: Numerous researchers have looked into tax aggression (Dunbar, Higgins, Philip & Plesko, 2010). Tax aggressiveness is the application of tax planning strategies for downward management of taxable income, according to Chen, Chen, Cheng, and Shelvin (2010). According to Frischmam, Shevlin, and Wilson (2008), it is defined as taking strong tax stances with comparatively less evidence to justify them. Lisowsky,

Robinson, and Schmidt (2010) provide an alternative description, characterizing tax avoidance actions as a range from lawful tax planning to the misuse of off-share tax shelters. Tax aggressiveness, as defined by Chen et al. (2010), is the "downward management of taxable income through tax planning activities; it can be assumed that these activities encompass both legal and illegal (as well as those in the inevitable grey area between the two) activities."

CEO'S AGE: The CEO is in charge of carrying out the organization's objectives and policies, strengthening the company's finances, assisting with the ongoing digital business transformation, and formulating the company's long-term strategy. CEOs are the oldest members of the C-suite on average, with an average age of 59 across all industries. With an average age of 60, the financial services area has the oldest CEOs, while the technology and energy industries have the youngest CEOs, averaging 57.

Masculine Face: this refers to facial features that are associated with male characteristics or traits. These features can include a strong jawline, prominent brow ridge, a square or chiselled appearance and facial fair. The perception of a masculine face can vary across cultures and individuals, but it generally aligns with traditional notions of male physical attributes.

Political Connection: this refers to relationship or associations that individuals or organization have with people in the political sphere. These connections can be valuable tin various government officials, influencing policy or favours. Political connection can be established through various means, including campaign donations, lobbying efforts,

personal relationships, or professional networks. They play a significant role in politics and can impact decisions and outcomes at local, national, and international levels.

Overconfidence: this refers to a cognitive bias or psychological state where an individual has an excessive or unwarranted belief in their abilities, knowledge, or judgement. It often involves an inflated sense of self confidence that goes beyond what is justified by a person's actual skills or capabilities. Overconfident individuals may underestimates, and make decisions without fully considering potential pitfalls or limitations. This bias can lead to poor decision-making, overestimate of one's performance, and a tendency to take on excessive risks. It's important to recognize and manage overconfidence to make more informed and rational choices.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The reluctance and negative disposition of taxpayers towards taxes can be understood by considering the perspective that taxes constitute a substantial portion of the overall business expenses which in turn, diminishes the profits accessible to the business owners (Salihu et al., 2013). Consequently, corporate taxpayers may want to explore diverse methods to avoid taxes, by employing strategies that defy both legal principles and societal norms. This behavior has notably hindered governments' ability to generate revenue for long-term and sustainable development (Bird & Davis-Nozemack, 2018; Sikka, 2010).

2.2 Concept of Tax Aggressiveness

Tax aggressiveness encompasses a broad spectrum of measures and strategies adopted by corporate entities to reduce their tax obligations and boost shareholders' value (Hanlon & Heitzman, 2010). When managerial actions extend beyond legal boundaries but cannot definitively be labeled as illegal, such behaviors are considered as aggressive forms of tax avoidance, this kind of behavior may raise ethical and moral concerns (Payne & Raiborn, 2018).

Tax aggressiveness refers to any initiatives aimed at reducing tax expenses. The first stage of tax aggressiveness involves tax planning, which can be conducted in a legal manner to

minimize tax expenses (tax avoidance) or conducted in an illegal manner which is termed tax evasion (Sari et al., 2019). Tax avoidance is usually done by redirecting transactions into non-tax objects categories as long as legally allowed without violating the tax regulations while tax evasion on the other hand, is done by lying on tax returns and falsifying tax documents (Sari et al., 2019)

The majority of aggresive organizations ensure that, whenever a transaction is made, the option that allows for the lowest possible tax is used. In situations where the tax code is ambiguous or subject to interpretation, it will typically adopt the tax stance that benefits it the best. The entity will always search for the forms and options that provide the largest tax savings when organizing its transactions. Certain circumstances may give rise to legally questionable positions for this behavior, which the tax authority may consider as abusive (Hanlon & Heitzman, 2010).

While pursuing more aggressive taxation does not always equate to abusive taxation, there is a chance that the company will adopt tactics that abuse the law, fraus legis, or defy the law's form in order to purposefully reduce explicit tax responsibilities (Lietz, 2013).

It is important to distinguish abusive tax planning from tax evasion because the latter is unquestionably unlawful. However, since the former might have emerged as a result of unusual business transactions or tax evasion, the tax authorities might interrogate him. The ultimate outcome will therefore rely on who views the tax transaction favorably and

whether the legislation supports it, even though aggressive fiscal planning is not always abusive (Hanlon & Heitzman, 2010).

2.2.1 Measures of Tax Aggression

Numerous studies have been conducted on tax aggressiveness, leading to the development of tax aggressiveness metrics. The conduct of tax aggression is seen in every measurement. ETR and CETR stand for Effective Tax Rate and Cash Effective Tax Rate, respectively, and are used by Dyreng et al. (2008), Hanlon & Slemrod (2009), and Hanlon & Heitzman (2010). The corporate tax expense is the main emphasis of ETR. A greater ETR is indicative of less aggressive tax avoidance on the part of the corporation; conversely, a lower ETR tends to indicate more aggressive tax avoidance. The company's cash outflows for income tax payment are the main focus of CETR. Income tax expense is deemed inadequate in demonstrating the tax aggressiveness of the company since it conceals the total amount of taxes paid during the tax year. Therefore, in order to determine how much a company pays in taxes, CETR uses the tax payments made in a particular year. Because the general goal of tax aggression is to lower corporate tax payments. It is often thought that corporations that pay higher taxes will engage in less active tax avoidance.

A common proxy for determining a company's tax aggressiveness is Book Tax Different (BTD), as Wilson (2009) found. The distinction that exists between fiscal profit and accounting profit is known as BTD. The extent of the fiscal profit differential from

accounting profit indicates that the corporation made several adjustments to its financial accounts. The changes are implemented in compliance with tax laws. According to Ayers et al. (2010), a corporation is deemed more aggressive the larger the disparity between its accounting and fiscal profits.

Additionally, by utilizing solely the Permanent Book Tax Different (PBTD), Rego & Wilson (2012) increased its specificity. It is thought that permanent disparities, or PBTD, are a better indicator of a company's tax-aggressive activity. The distinction between fiscal and accounting profit is displayed by PBTD. A business that has a high PBTD indicates that it has a significant accounting profit differential with a significant fiscal difference, and that this difference will not fluctuate over time. Temporary variations also generate variations in accounting profit and fiscal profit, but these are not factored into the measurement as eventually the amounts will revert to their original levels.

A Discretionary Permanent Different (DTAX) or discretionary item of permanent difference was created by Frank et al. (2009). Although PBTD also includes items unrelated to aggressive tax reporting, such local taxes and tax credits, Frank et al. (2009) believe that PBTD is a fairly trustworthy indicator of the aggressive behavior of corporate taxes. Frank et al. (2009), therefore, only employ DTAX, which is the residual value derived from the permanent difference regression equation's outcomes for the non-discretionary item that generates the permanent difference.

Desai & Dharmapala (2006) and Tang & Firth (2012) also employed an additional metric called Abnormal Book Tax Different (ABTD). According to Desai & Dharmapala (2006), there are distinctions between accounting profit and fiscal profit that derive from the company's tax preparation and those that do not. The company's tax planning efforts do cause ABTD to exist, which is why it is thought to be a better indicator of the company's aggressive tax practices.

2.3 Concept of CEO Attributes

2.3.1 Concept of Chief Executive Officer (CEO) Age

The age of a company's Chief Executive Officer (CEO), the highest-ranking executive in charge of overseeing operations, directing the organization, and making important business decisions, is referred to as the CEO's age. Serfling (2019) discovered that CEOs that are older tend to prioritize exceptional performance, which leads to increased stock value and higher internal wealth of shareholders' equity. Young CEOs frequently want to achieve high performance and profits through quicker thinking and better planning. Perhaps hiring new CEOs for companies is necessary because of the decline in performance. Alternatively, it's possible that a decline in performance is eroding a company's potential for high value. which typically discourage young CEOs from making large profits quickly by implementing riskier strategies Terpstra & Associates, 1993. substantial compensation incentives in an effort to draw in young, bright CEOs with a lot of qualifications. This

would suggest that aggressive attempts should be made to increase earnings in order to uphold high business values and target particular practices. Fink, Janson (2015).

2.3.2 Concept of CEO Masculine Face

One of the internal elements of the management that is assumed to affect his conduct is the masculinity of the CEO's face. The steroid hormone testosterone, which pushes a person to take greater chances in order to hold a strong position in a competition, has a direct impact on a person's face masculinity (Kamiya et al., 2019). Human testosterone levels are hypothesized to influence behavior through neurological processes (Dabbs & Mallinger, 1999; Mehta & Beer, 2010). According to a number of earlier studies, a CEO's biological traits—particularly the degree of masculinity on their face—have an impact on the financial performance and policies of the company (Hambrick & Mason, 1984). CEOs with a high facial width-height ratio (fWHR) outperformed CEOs with a low fWHR in terms of financial performance, according to research by Wong et al. (2011).

Male CEOs' facial masculinity was linked to their aggression and testosterone levels, and leverage is influenced by their social standing (Kamiya et al., 2018). The facial masculinity of a male CEO has an impact on how well he manages a firm (Tanjaya & Santoso, 2020). (Kamiya et al., 2018) assert that masculine-looking male CEOs has attributes that influence the management style of the organization. A person's face masculinity is a natural characteristic. The neuroendocrinology literature (Kamiya et al., 2018) reports that men's facial masculinity is associated with aggressive conduct and predicts habits of

masculine behavior. More aggressive management is linked to a high degree of male CEO masculinity (Tanjaya & Santoso, 2020).

2.3.3 Concept of CEO Political Connection

This refers to relationship or associations that individuals or organization have with people in the political sphere. The impact of CEO political connections can vary widely depending on the extent of the connections and the specific circumstances (Rego, 2003). Some potential implications of CEO political connections include regulatory favouritism where companies with political ties may receive favorable treatment or exemptions from certain regulations; legislative advocacy where CEOs with political connections can advocate for laws and policies that benefit their industry or company; political appointments where in some cases, CEOs themselves may transition into political roles, such as serving as government officials or members of presidential cabinets (Friedman, 2014). These individuals can bring their corporate perspectives and industry knowledge into government decision-making. It's essential to note that CEO political connections should be transparent, legal, and ethical. Companies are often required to disclose their political contributions and lobbying activities to promote transparency and accountability. Additionally, public perception and shareholder expectations can play a significant role in shaping how companies and CEOs handle their political connections (Haynes & Hillman, 2010).

2.3.4 Concept of CEO Overconfidence

This refers to a cognitive bias or psychological state where an individual has an excessive or unwarranted belief in their abilities, knowledge, or judgement. It often involves an inflated sense of self confidence that goes beyond what is justified by a person's actual skills or capabilities (Hirshleifer et al., 2012).

Although overconfidence has become a serious topic in finance and economics, its origins are in psychology (Malmendier & Tate, 2015). The idea of CEO overconfidence refers to an elevated sense of self-worth that the CEO possesses. Stated differently, overconfidence refers to a person's tendency to think more highly of themselves than they actually are in terms of abilities, judgment, forecasts, and predictions, for example (Hirshleifer, Low & Teoh, 2012). Moreover, even though the terms overconfidence and over-optimism have been used synonymously in the literature, it is possible to distinguish between the two by understanding that overconfidence originates from an internal evaluation of one's abilities and over-optimism is related to an external evaluation of circumstances and events (Chyz et al., 2019).

In general, a two-dimensional perspective provides a better understanding of overconfidence (Hribar & Yang, 2016). It is possible to look at overconfidence from the perspectives of miscalibration and over-optimism, respectively. Overconfidence has been explained by the illusion of control effect, although it can also be included in the over-optimism dimension. The "better than average" mentality and the illusion of control impact are components of the overoptimism facet of overconfidence. According to Larwood and

Whittaker (1977), the former occurs when a person overestimates their own competence and places it higher than the average capacity of others. Furthermore, a sense of control over uncertain events may give rise to this unduly optimistic attitude (Hribar & Yang, 2016). The irony is that unpredictable occurrences must be controlled even though they are typically uncontrollable because they typically stem from the company's external environment. On the other hand, over-optimism resulting from a delusion of control arises when someone has a strong idea that they can influence the course of unpredictable occurrences. Thus, due to the CEO's training (Aliani, 2014; Hambrick & Mason, 1984), managerial conceit (Roll, 1986), and experience (Hsieh et al., 2018), some CEOs have a propensity to overestimate their skills and abilities, even in situations where the likelihood of a particular outcome is high. This pattern of behavior is known as the overoptimism dimension of overconfidence.

In addition, miscalibration is a second aspect of overconfidence. Erroneous results are the main focus of miscalibration. If there is little chance that an outcome will occur or be accepted, it is considered uncertain. Underestimating uncertain outcomes leads to miscalibration (Hsieh et al., 2018). while people undervalue things too much while forecasting or making forecasts, they miscalibrate. When considering risk in decision-making, it is simple to identify miscalibration in relation to CEOs. The CEO who exudes confidence often underestimates the level of uncertainty surrounding a situation and proceeds with taking risks.

2.4 CEO Attributes and Tax Aggressiveness

2.4.1 CEO's Age and Tax Aggressiveness

Numerous academic research establish a connection between the age of the CEO and different business performance priorities, preferences, and risk-taking behaviors. According to current research, elder CEOs are more driven to achieve exceptional performance, which raises the intrinsic worth of shareholders' equity and the stock's value (Serfling, 2019). Moreover, a number of other studies (Terpstra et al., 1993; Janson Fink 2015) have to do with youthful CEOs who want to achieve high performance and profits by using quicker thinking and better planning.

In 2020, Cheema, S. attempted to determine whether the age of the CEO matters in the modern business environment. Tax aggression has been found to be influenced by the age of the CEO. In emerging economy countries, the intervening mechanism that controls the direct and indirect effects of CEO age on tax aggressiveness through CEO tenure has not received enough attention. In particular, this paper's test models imply that the relationship between CEO age and tax aggression directly affects performance, which in turn has an indirect impact on it. The study hypothesis is supported by the regression and pairwise correlation analysis results, which are also compatible with the model.

The relationship between the age of the CEO and business tax planning was examined by James, H. L. (2020). Based on 11,537 firm-year observations from the fiscal years 1997–2013, he discovered that the age of the CEO has a statistically significant impact on the tax

policies of the firms. CEO age is specifically correlated negatively with permanent book-tax difference and positively with cash and GAAP effective tax rates, indicating that older CEOs are less likely to take steps to reduce their tax burden.

Using the upper echelon theory of managerial impacts as a framework, Ilaboya and Aronmwan (2023) assessed the relationship between tax avoidance in Nigeria and the characteristics of the CEO. This study used a quantitative research design and collected data from the financial statements of sixty-six (66) non-financial companies that were listed on the NGX over a ten-year period (2009–2018). The generalized method of moments regression methodology, which assists with endogeneity, was used to estimate the study's model. The findings demonstrated a substantial correlation between tax avoidance in the Nigerian corporate climate and the CEO's age and years of experience. The study comes to the conclusion that the CEO's characteristics affect tax evasion tactics. This research shows that the physical characteristics of management teams play a role in tax avoidance in addition to firm-level characteristics.

2.4.2 CEO Masculine Face and Tax Aggression

Jia, LENT, and Zeng (2014) investigated the relationship between financial misreporting and a measure of the facial masculinity of male CEOs. In men, a variety of aggressive, egocentric, risk-taking, and status-maintaining behaviors are linked to facial masculinity. A plausible explanation for this correlation could be that testosterone affects both behavior and facial shape development. Between 1996 and 2010, the researchers found a positive

correlation between the facial masculinity of CEOs and a variety of misreporting proxies in a large sample of S&P1500 companies. Additionally, it was discovered that a CEO's facial masculinity indicates the possibility of an SEC enforcement action against his company. They also demonstrate a correlation between the likelihood that a CEO will be named as an offender by the SEC and the masculinity of his face. It was discovered that overconfidence is not correlated with facial masculinity. Lastly, the researchers showed that the likelihood of insider trading and option backdating is also predicted by facial masculinity.

Kim et al.'s empirical investigation of the connection between masculine-faced CEOs and corporate fraud sheds light on the negative aspects of these leaders. Furthermore, the findings indicate that CEOs with a high facial width-height ratio (Fwhr) are more prone than those with a low fWHR to perpetrate fraud. All three forms of fraud—tax evasion, collusion, and embezzlement—have a positive correlation.

The association between CEO face width—a surrogate for teenage testosterone levels—and financial management choices was investigated by Mills and Hogan (2020). The researchers gathered a sample of 968 S&P 500 CEO profiles and used previously developed methodology to examine them in order to calculate the facial width-to-height ratio (fWHR). It was anticipated that riskier, more aggressive financial practices would be linked to CEOs with wider faces. Higher CEO facial width-to-height ratios (fWHR) have been linked to more daring financial management choices. In particular, there is a negative

correlation between CEO fWHR and firm cash holdings and a positive correlation between CEO fWHR with firm leverage. These correlations are also shown in subsamples, such as long-tenured CEOs, where CEOs are probably in a position to exert significant influence over financial management practices. The observed association between financial policies and fWHR could not be explained by the CEO selection process, according to the available information. Therefore, it would seem that the associations between CEO fWHR and firm financial policies that have been observed are probably in line with management preference and that CEOs may be motivated to undertake aggressive financial policies by high testosterone levels.

Raharjo, Harymawan, Permatasari, and Kamarudin (2023) examined the connection between the readability of management discussion and analysis reports (MD&A) and the facial masculinity of the CEO. This study also looks at how age and CEO busyness interact in this relationship. From 2010 to 2019, 1,569 firm-years of non-financial enterprises registered on the Indonesia Stock Exchange were examined using cluster regression with fixed effects. The findings demonstrate that companies with CEOs that project a masculine image were statistically significant in improving the readability of MD&A reports, making them simpler to read and comprehend. Nevertheless, our results also indicate that the association between CEO facial masculinity and the readability of MD&A reports is weakened by CEO age and workload.

A study on "Do more masculine-faced CEOs reflect more tax avoidance? " was conducted by Harymawan, Anridho, Minanurohman, Ningsih, Kamarudin, & Raharjo in 2023. Indonesian evidence. The study offers fresh empirical data on the connection between tax evasion and CEO facial masculinity. The information was taken from non-financial businesses that were listed between 2010 and 2019 on the Indonesia Stock Exchange. According to the research, one of the riskier financial options is tax evasion, which is positively correlated with the CEO's facial masculinity. Future research employing artificial intelligence (AI) technology may improve the present measure of CEO masculinity, which is based on the fWHR of the CEO's headshot.

The CEO's fWHR is positively correlated with firm profitability, particularly in less cognitively difficult firms, according to research by Wong et al. (2011). A more manly CEO will also aim to outperform rivals in various ways, one of which is by making large profits (Kamiya et al., 2019). This is done in an effort to draw in investors who will then contribute money to the business so that it can fund its operations. A CEO with a masculine face will thus do every effort to triumph over the competitors.

2.4.3 Chief Executive Officer’s Political Connection and Tax Aggressiveness

CEO political connections can potentially influence a company's approach to tax aggressiveness. Tax aggressiveness refers to a company's willingness to engage in aggressive tax strategies or practices to minimize its tax liabilities, which can include activities such as tax avoidance, tax evasion, and the use of tax shelters. The relationship

between CEO political connections and tax aggressiveness can manifest in several ways. CEOs with political connections may use their influence to advocate for policies and regulations that are favorable to their industry or company (Leuz and Oberholzer-Gee, 2006). This can involve seeking tax incentives, loopholes, or preferential treatment that could reduce the company's tax burden. CEOs with political connections may have privileged access to government officials, including those responsible for shaping tax policies and regulations. This access can be used to directly influence tax-related decisions that benefit the company.

In their study, Leuz and Oberholzer-Gee (2006) investigated the connection between international finance and political ties. They discovered that enterprises with political ties typically raise domestic capital by opting for reduced transparency. It is also challenging to obtain political advantages for businesses who disclose their overseas financing practices. As a result, companies with strong domestic political ties frequently utilize their connections to influence crucial strategic decisions, which gradually reduces the transparency of their operations. Accounting records give clear evidence of this procedure.

Chaney, Faccio, and Parsley (2011) shown that companies with stronger political ties typically generate lower-quality profits than those with weaker ties. Because the linked companies don't have as much pressure from the market to be open, they typically reveal less accurate accounting data. They are shielded by politicians from being punished for their poor accounting information, even in the face of social pressure.

Companies led by CEOs with political connections may engage in more extensive lobbying efforts to shape tax legislation in their favor. This can involve spending substantial resources to influence tax laws and regulations that are favorable to the company's tax position. While not exclusive to political connections, companies may engage in more complex financial structures or offshore tax havens that could be influenced by CEO political connections (Zhang, Marquis, & Qiao, 2016). These structures can be used to reduce tax liabilities but may raise questions about tax ethics and transparency. We should note that there is a fine line between legitimate tax planning and aggressive tax practices. While companies have the right to minimize their tax liabilities through legal means, aggressive tax strategies that cross ethical or legal boundaries can lead to negative consequences, including legal actions, public backlash, and damage to a company's reputation (Brown, Drake, Wellman, 2015).

To maintain ethical and responsible tax practices, companies led by CEOs with political connections should ensure that their tax strategies are transparent, in compliance with tax laws, and align with the spirit of the law. Companies should also disclose their political contributions and lobbying activities to promote transparency and accountability. Ultimately, tax decisions should be made based on the best interests of the company while remaining within the boundaries of legal and ethical tax practices (Kim, & Zhang, 2016).

2.4.4 Chief Executive Officer's Overconfidence and Tax Aggressiveness

Ilaboya and Aronmwan (2022) evaluated the connection between CEO arrogance and company tax evasion. According to the upper echelon hypothesis, an organization's culture, procedures, and results should be influenced by the characteristics, dispositions, and abilities of its managerial cadre. The impact of CEO arrogance on tax evasion was studied by the researchers. Henry and Sansing's innovative metric was used to identify tax avoidance, while firm-level investment was used to identify CEO overconfidence. Relying on 660 firm-year observations from 66 non-financial organizations, the study discovered a correlation between corporate tax dodging and overconfident CEOs. This result clarifies the impact that an overconfident CEO has on tax evasion and is in line with the upper echelon theory. According to the report, tax authorities could utilize CEO profiling as a first-step screening method when choosing which businesses to target for ad hoc tax audits and inquiries.

Hsieh, Wang, and Demirkan (2018) conducted a combined study on tax evasion and overconfidence: The relationship between the CEO and CFO. The study examined the potential interactions between overconfident Chief Executive Officers (CEOs) and Chief Financial Officers (CFOs) that could impact tax avoidance by corporations. To detect corporations engaging in tax avoidance, a multi-measure approach was implemented, utilizing an equity measure to apprehend CEOs and CFOs who exhibited excessive confidence. It has been noted that CFOs, as business partners of CEOs, are crucial in carrying out and supporting overconfident CEO decisions pertaining to tax evasion. In

particular, it was discovered that, in line with the False Consensus Effect Theory, companies with overconfident CEOs and overconfident CFOs are more likely to engage in tax-avoidance activities than companies with other combinations of overconfidence in the CEO and CFO (e.g., an overconfident CEO with a non-overconfident CFO).

The impact of CEO overconfidence on the connection between tax avoidance and corporate social responsibility (CSR) was examined by Karavitis, Kazakis, and Xu (2021). There has been conflicting research on the connection between tax evasion and corporate social responsibility. It was discovered that corporations with better CSR scores consistently show larger tax avoidance using detailed data of Chinese listed companies. Significantly, it was noted that companies with CEOs that exude confidence tend to reduce this link. We argue that CEOs with an excessive amount of confidence are less likely to intentionally employ CSR as a risk-management tool. Further investigation reveals that non-state-owned companies (SOEs) are primarily responsible for this moderating effect. The results withstand a series of sensitivity testing, which also include the application of CSR subdimensions. In conclusion, the researchers consistently presented data regarding the moderating impact of CEO overconfidence on the relationship between tax avoidance and corporate social responsibility. The conflicting results of the pertinent empirical literature are somewhat resolved by these findings.

The goal of Dayuningtyas and Rahmiati's (2020) study on CEO Over-Confidence and Tax evasion is to investigate the connection between tax evasion in Indonesia and CEO

overconfidence. The dummy variable serves as a stand-in for the CEO over-confidence variable, which is quantified via overinvestment. The residual regression between asset growth and revenue growth yields the value of overinvestment. Current ETR is used as a proxy for tax evasion. Using a purposive sample technique, the study employed 260 firm-year observations from 86 manufacturing listed firms on the Indonesia Stock Exchange (IDX) for the 2013–17 period. Using SPSS 20.0 software, ordinary least square (OLS) multiple linear regression was the analytical technique employed in this study. According to the study, there is a strong correlation between CEO overconfidence and tax evasion.

2.5 Review of Theories

Upper Echelon Theory

The upper echelon theory, which describes how an organization's upper echelon cadre affects strategic organizational results and decision-making, is another source of inspiration for this work. According to Hambrick and Mason (1984), top management matters when it comes to strategic organizational outcomes because these outcomes are the product of difficult decisions that are influenced by the manager's behavior who has been given the authority and responsibility to make those decisions. The argument put forth was that decision-makers utilize their own "givens" to inform their conclusions, which are a reflection of their values and cognitive foundation. By "givens," they meant observable managerial characteristics, such as age, tenure, educational background, and functional background of managers. According to Hambrick (2007), the main idea of this theory is

that executives behave in certain ways depending on their perception of the strategic environment, which is based on their personality, experience, and values. Stated differently, comprehending the actions of organizations requires taking into account the beliefs, backgrounds, prejudices, and perspectives of the upper echelon cadre.

Using this theory, it is important to remember that decisionmakers' attitudes and backgrounds have an impact on organizational outcomes, as noted by Hambrick and Mason (1984) and Hambrick (2007). According to this idea, management qualities should therefore have an impact on strategic organizational outcomes, tax evasion being one of them. According to Su et al. (2016), management qualities might be psychological or physical. The statement "demographic indicators may contain more noise than purer psychological measures" was made by Hambrick and Mason (1984, p. 196). Thus, this study examines the effects of CEOs' tenure, education, and gender on tax evasion, based on the UET's forecast. Furthermore, in order to accommodate the psychological characteristics, the impact of CEO arrogance was also examined.

The Theory of Agency

According to the agency theory, there are two parties in a company: the principal, who is the owner, and the agent, who is another party that the owner has given permission to manage the business (Jensen dan Meckling, 1976; Eisenhardt, 1989). The principal, who is in charge of establishing the company's objectives and vision, is referred to as the owner.

In the meantime, the manager is the agent with the power to control the business's operations in order to fulfill the objectives of the owner.

When owners and managers do not have the same goals in mind for the company's development, a common issue occurs. In general, managers desire large incentives from these earnings, without considering the company's future status or its standing in the eyes of investors, while owners want their business to grow, which is demonstrated by big profits. While it is the duty of managers to show investors their substantial profits, they also understand that paying taxes contributes to lower profits. Its foundation is the idea that taxes are both expenses and a profit-sharing mechanism (Suandy, 2016). While the assumption of taxation as a distribution of profit indicated that taxes would impact the rate of return on investment, the assumption of taxation as an expense indicated that taxes would impact profit (profit margin). In order to ensure that taxes are paid efficiently and do not drastically impair corporate profits, managers will thus engage in tax planning.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methods that will be employed in the study and provides a full overview of how it will be conducted. The characteristics of Nigerian CEOs and their aggressive tax policies are the main subjects of this study. It is broken down into several components, such as population, sample size, sources and methods of data collecting, model formulation and operationalization of variables, and data analysis techniques.

3.2 Research Design

The plan and processes for conducting research that comprise the general hypotheses and specific techniques for gathering and analyzing data are called research design. It serves as a guide for data collection, measurement, and analysis. It entails the methods of data collection, analysis and interpretations that translate the approach into practice (Ibrahim, 2014; Kothari & Gaurav, 2014). This study will adopt expost-facto research design. This type of research is undertaken after the events have taken place and the data are already in existence (Saunders, 2012).

3.3 Population and Sampling

The population of the study comprises of all manufacturing companies listed on the Nigeria Stock Exchange as at 31st December, 2022. The total number of manufacturing

company listed on the Nigeria Stock Exchange (Nigeria Exchange Limited) as at December 2022 according to Nigeria exchange group.com is 21.

3.4 Sources of Data

Primary and secondary data are the two main types of data sources. Nonetheless, secondary data will be used in this investigation. The study will use quantitative data from secondary sources in order to meet the stated research objectives. The information would come from the yearly reports that each manufacturing company submits to the Nigerian Stock Exchange. Consequently, during the course of the study, the necessary data will be taken from the audited financial reports of the chosen companies.

3.6 Model Specification

The model for the study can be expressed as;

CEOATT = f(CEOAGE, CEOMASC, CEOPOL, CEOOVC)- - - (3.1)

The econometric form of the model above is stated as;

$$CEOATT = \beta_0 + \beta_1 CEOAGE_{it} + \beta_2 CEOMASC_{it} + \beta_3 CEOPOL_{it} + \beta_4 CEOOVC_{it} + U_t \quad (3.2)$$

Where:

CEOAGE = CEO Age

CEOMASC = CEO Masculine Face

CEOPOL = CEO Political Connection

CEOOVC = CEO Overconfidence

U_t = Error term.

3.7 Operationalization of Variables

S/N	Variable Type	Variable Names	Variable description	Measurement	Source
1	**Dependent variable:** TXAGG	Tax Aggressiveness	Effective Tax Rate (ETF) & Cash Effective Tax Rate (CETF) Effective tax rate focuses on the corporate tax expenses while cash effective tax rate focuses on the cash outflows from the company in order to pay income tax.	Cash ETR = <u>Cash tax paid</u> Pre-tax income	Can be obtained from the financial statements of companies. Aliani & Zarai, (2012)
	Independent Variable:				
2	CEOAGE	Chief Executive Officer's Age	CEO's age refers to the age of a company's Chief Executive Officer (CEO), who is the highest-ranking executive responsible for	The natural log of CEO age	CEO profiles, public records, or company filings Ayaba, (2012)

			making major corporate decisions.		
3.	CEOGEN	Chief Executive Officer's Gender	The CEO's gender shows whether the CEO is a male or a female.	*If the CEO is a male 1, otherwise 0	CEO profiles, public records, or company filings Ayaba, (2012)
4.	CEOPOL	Chief Executive Officer's Political Connection	It shows the extent of Contribution to political activities.	* If the CEO is a traditional ruler 1 otherwise 0	Public records of political affiliations, news articles and documented interactions with political figures Ayaba, (2012)
5.	CEOOVC	Chief Executive Officer's Overconfidence	CEO overconfidence refers to a situation where a chief executive officer (CEO) of a company holds an excessively optimistic view of their abilities	*CEO tenure	Volatility of CEO stock option, frequency of bold investment, Ilaboya & Aronmwan, (2022)

3.8 Method of Data Analysis

The study will employ the use of Ordinary Least Square (OLS) as the method of analysis. The study adopts this technique on the determinants of financial reporting quality in Nigeria. The data will be analyzed using E-views 9.0 and the outcome will be used to test the hypotheses of the study after conducting necessary test.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter contains the results from the analyzed data presented in table formats. The data were analyzed using the Eviews 10 software. The sections in this chapter include data presentation and interpretation, where, the results from each analysis are presented and explained; test of hypotheses and discussion of findings, where the three hypotheses formulated in chapter one are tested at 5% significance level and related with the position of other studies.

4.2 Data Presentation and Interpretation

Descriptive statistics

	TXAGG	CEOPOL	CEOOVC	CEOGEN	CEOAGE
Mean	0.174195	0.044944	4.100000	0.977528	51.57303
Median	0.211011	0.000000	3.100000	1.000000	51.00000
Maximum	11.85959	1.000000	10.00000	1.000000	65.00000
Minimum	-8.041857	0.000000	1.300000	0.000000	42.00000
Std. Dev.	1.184399	0.207765	2.341230	0.148631	4.992396
Skewness	3.830544	4.392842	1.441226	-6.443833	0.406088
Kurtosis	68.29101	20.29706	4.390596	42.52299	2.633432
Jarque-Bera	32051.93	2791.459	75.96362	12817.18	5.888844
Probability	0.000000	0.000000	0.000000	0.000000	0.052632
Sum	31.00679	8.000000	729.8000	174.0000	9180.000
Sum Sq. Dev.	248.2956	7.640449	970.2000	3.910112	4411.551
Observations	178	178	178	178	178

Looking at the descriptive statistics table, it could be observed that TAXAGG has a minimum value of -8.041857 which indicate that if we were to order all of our data in

ascending order, then the minimum would be -8.041857 The maximum value of TAXAGG-N is 11.85959 which indicate that if we were to order all of our data in ascending order the maximum value will be 11.85959. the probability value stand at 0.0000.

CEOPOL has a minimum value of 0.000000, maximum value of 1.0000000 with probability value of 0.000000. CEOOVC has a minimum value of 1.30000, maximum value put at 10.00000 with probability value of 0.000000. CEOGEN has a minimum value of 0.000000, maximum value of 1.000000 and probability value 0.000000. and CEOAGE has a minimum value of 42.00000, and maximum value of 65.00000 with probability value of 0.020658.

Correlation matrix

Covariance Analysis: Ordinary
Date: 04/03/24 Time: 12:00
Sample: 1 200
Included observations: 178
Balanced sample (listwise missing value deletion)

Covariance Probability	TXAGG	CEOPOL	CEOOVC	CEOGEN	CEOAGE
TXAGG	1.394919				

CEOPOL	0.001374	0.042924			
	0.9407	-----			
CEOOVC	-0.173384	0.005618	5.450562		
	0.4044	0.8777	-----		
CEOGEN	-0.011417	-0.010226	-0.017978	0.021967	
	0.3871	0.0000	0.4910	-----	

CEOAGE	-0.490154 0.2686	0.294470 0.0001	-0.067416 0.9387	-0.110718 0.0456	24.78399 -----

Correlation matrix was built in order to access the individual association level of explanatory variables with dependent variables and to test the linear relationship between the explanatory variables. Mainly, correlation explains dependence of an explanatory variables to another variable, in cases where there is a perfect correlation between explanatory variables, this means that two or more variables among whom they have correlation. From the correlation analysis above, all the independent variable (CEOPOL, CEOOVC, CEOGEN and CEOAGE) have a weak negative relationship with the dependent variable (TAXAGG).

Dependent Variable: TXAGG
Method: Robust Least Squares
Date: 04/03/24 Time: 11:40
Sample: 1 200
Included observations: 178
Method: M-estimation
M settings: weight=Bisquare, tuning=4.685, scale=MAD (median centered)
Huber Type I Standard Errors & Covariance

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.212786	0.300980	0.706977	0.4796
CEOPOL	-0.112046	0.118196	-0.947969	0.3431
CEOOVC	-0.011271	0.009583	-1.176159	0.2395
CEOGEN	-0.364408	0.160372	-2.272258	0.0231
CEOAGE	0.007286	0.004692	1.552903	0.1204

Robust Statistics

R-squared	0.035980	Adjusted R-squared	0.013691

Rw-squared	0.095125	Adjust Rw-squared	0.095125
Akaike info criterion	382.2442	Schwarz criterion	395.6011
Deviance	11.34803	Scale	0.175202
Rn-squared statistic	9.243393	Prob(Rn-squared stat.)	0.055296

From the above result, the R-square value stand at 0.035980, this indicate that for any change in the dependent variable TAXAGG__N, the independent variable contributed up to 35%. The probability value stand at 0.055296 which is more than 5%. This indicate that the independent variable (CEOPOL, CEOOVC CEOGEN and CEOAGE) jointly does not have a statistical relationship with the dependent variable (TAXAGG__N).

From the individual variable effect on TAXAGG, the CEOPOL probability value stand at 0.3431 which is more than 5% alpha significant value, therefore, it indicate that there is no statistical relationship between TAXAGG and CEOPOL.

The CEOOVC probability value stand at 0.2395 which is more than 5% alpha significant value, this indicate no statistical relationship.

The CEOGEN probability reviewed as 0.0231 which is less than 5% alpha significant value. This indicate that there is a statistical relationship between CEOGEN and TAXAGG-N. And also the CEOAGE probability value stand at 0.1204. This figure is higher than 5% alpha significant value, it indicate that there is not statistical relationship between TAXAGG-N and CEOAGE.

From the above, all the independent variable ((CEOPOL, CEOOVC CEOGEN and CEOAGE) jointly cannot influence the dependent variable (TAXAGGE-N), the result also indicate that there is no individual relationship with the dependent variable except CEOGEN.

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.153171	Prob. F(4,173)	0.9614
Obs*R-squared	0.628165	Prob. Chi-Square(4)	0.9599
Scaled explained SS	19.56922	Prob. Chi-Square(4)	0.0006

the above table review the heteroscedasticity in the variable. From the above the F-statistic value stand at 0.153171 with associate probability value stand 0.9614. This indicate that the variable is no homoscedasticity

Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.988665	Prob. F(2,171)	0.3742
Obs*R-squared	2.034745	Prob. Chi-Square(2)	0.3615

In the above Breusche-Godfrey serial correlation test the F-statistic value stand at 0.988666 and the Probability value stand at 0.3742 this indicate that this variable is not serially correlated

VARIANCE INFLATION FACTOR TEST

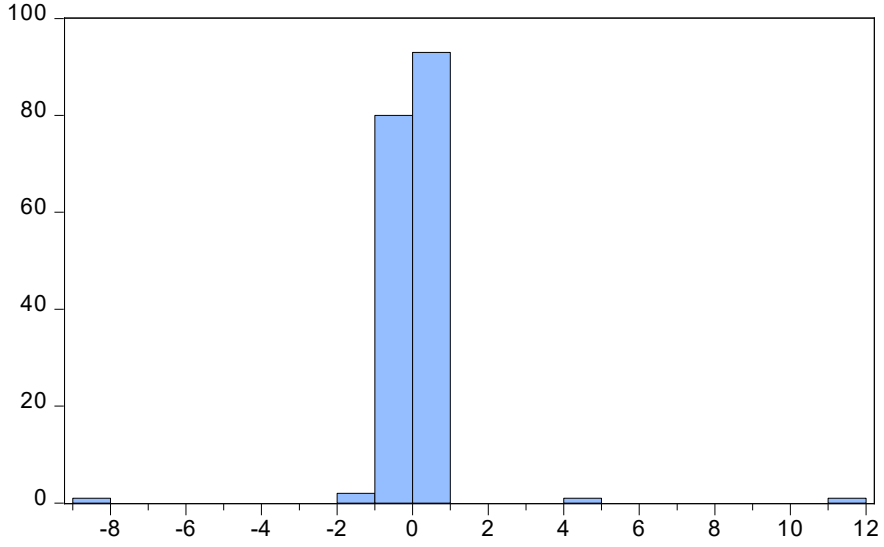
Variance Inflation Factors
Date: 04/05/24 Time: 08:59
Sample: 1 200
Included observations: 178

	Coefficient	Uncentered	Centered

Variable	Variance	VIF	VIF
C	1.437450	181.4971	NA
CEOPOL	0.221678	1.257970	1.201432
CEOOVC	0.001457	4.095945	1.002904
CEOGEN	0.408109	50.37122	1.131937
CEOAGE	0.000349	118.3880	1.092964

The above table showed the multicollinearity in the variable. The rule of multicollinearity says that when the multicollinearity is greater than 1 it mean that there is multicollinearity in the variable. In the case of this analysis the CEOPOL centered VIF figure stand at 1.201432, this means that there is a multicollinearity. The CEOOVC figure stand at 1.002904, the CEOGEN figure stand at 1.131937, the CEOAGE stand at 1.092964. All the variable showed the that there is multicollinearity.

Normality test



Series: Residuals	
Sample 1 200	
Observations 178	
Mean	4.96e-16
Median	0.020677
Maximum	11.51736
Minimum	-8.090577
Std. Dev.	1.173837
Skewness	3.811332
Kurtosis	66.95950
Jarque-Bera	30771.18
Probability	0.000000

From the above the normality test table review the probability value of 0.000000 which is less than 5% alpha significant level, it simply mean that the residual is normally distributed.

The Jarque Bera figure also review as 30771.18, this confirm that the variable is normally distributed.

4.3 Test of Hypotheses

Hypothesis One

H_01: There is no relationship between TAXAGG and CEOPOL

Base on the OLS result above the probability value stand at 0.4796 which indicate that there is no relationship between TAXAGG and CEOPOL. We therefore accept the null hypothesis and reject the alternative that there is no relationship between TAXAGG and CEOPOL

Hypothesis Two

H_{02}: There is no relationship between TAXAGG and CEOOVC.

The result in the OLS table reviewed that probability value stand at 0.3431 which indicate that there is no relationship. We accept the null hypothesis and reject the alternative

0.4796
0.3431
0.2395
0.0231
0.1204

Hypothesis Three

H_{03}: There is no relationship between TAXAGG and CEOGEN

Base on the result of robust OLS the probability value of CEOGEN to TAXAGG stand at 0.0231 which indicate that it is statistically significant. Therefore, we reject the null hypothesis and accept the alternative that there is a relationship between TAXAGG and CEOGEN

Hypothesis Four

H_{04}: A relationship does not exist between TAXAGG and CEOAGE

In the result of robust OLS, the probability value stand at 0.1204 which is greater than 5% level of alpha significant. Therefore we reject the alternative and accept the null. This mean that a relationship exist between TAXAGG and CEOAGE.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This study examined the impact of Chief Executive Office (CEO) attributes and tax aggressiveness in Nigeria. There is no doubt the survival of every nation is essential for crafting effective tax structures that promote both revenue generation and sustainable economic development. This tax plays a significant role in a nation's fiscal policy framework and influences investment decisions, entrepreneurial activities, and financial markets.

5.1 Summary of Findings

This study focus at examining the relationship between Chief Executive Office (CEO) attributes and tax aggressiveness in Nigeria. In this study, chief executive office attributes was further divided into four which are CEO Age, CEO Masculine Face, CEO Political Connection and CEO Overconfidence. It was found that CEO Age have a significant effect on Tax Aggressiveness, CEO Masculine Face have a significant effect on Tax Aggressiveness, CEO Political Connection have a significant effect on Tax Aggressiveness, and CEO Overconfidence does not have a significant effect on Tax Aggressiveness. The population of the study comprises of all manufacturing company in Nigeria. The data was be obtained from the annual reports of individual manufacturing companies submitted to

Nigerian Stock Exchange. Base on empirical analysis of this study it was discovered that no relationship exist between Tax Aggressiveness and other independent variables.

5.2 Conclusion

The specific focus of this study is to examine the impact of Chief Executive Office (CEO) attributes and tax aggressiveness in Nigeria, the estimation provided the following results:

1. CEO Age have no significant effect on Tax Aggressiveness.
2. CEO Masculine Face does not have a significant effect on Tax Aggressiveness.
3. CEO Political Connection have a significant effect on Tax Aggressiveness.
4. CEO Overconfidence does not have a significant effect on Tax Aggressiveness.

5.3 Recommendation

Base on the finding in this study, the following recommendation were made:

1. Establish a transparent system for allocating tax revenue to specific capital projects based on their socio-economic impact and alignment with national development goals. Prioritize projects that yield long-term benefits and contribute significantly to economic growth and social welfare.
2. Continuously review and reform tax policies to ensure they are efficient, equitable, and conducive to economic growth. Evaluate the impact of tax incentives and exemptions on revenue generation and adjust them accordingly to strike a balance between encouraging investment and maintaining a sustainable revenue stream for capital projects.

3. Invest in technology-driven tax administration systems to improve tax compliance and reduce tax evasion. Utilize data analytics and artificial intelligence to identify tax evaders and enforce tax laws effectively. Strengthen penalties for tax evasion to deter non-compliance and increase tax revenue.

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APPENDIX: DATA

FIRM	YEAR	Pre-Tax Income	Income Tax Paid	ETR (Income tax/Pre-tax income	CEO-AGE	CEO-GEN	CEO-POL (Traditional ruler)	CEO-OVC (Tenure)
1. BUA Food	2022	104,555,312	15,885,684	0.151936	63	1	0	3.1yrs
	2021	78,347,519	7,700,636	0.098288	62	1	0	3.1yrs
	2020	53,450,278	1,842,270	0.034467	61	1	0	3.1yrs
	2019	10,667,837	1,615,163	0.151405	60	1	0	3.1yrs
	2018	11,431,843	3,888,179	0.340118	59	1	0	3.1yrs
	2017	7,095,751	2,329,917	0.328354	58	1	0	3.1yrs
	2016	6,599,821	2,005,989	0.303946	57	1	0	3.1yrs
	2015	6,002,312	1,882,019	0.313549	56	1	0	3.1yrs
	2014	5,982,200	1,821,841	0.304544	55	1	0	3.1yrs
	2013	5,021,998	1,609,212	0.320433	54	1	0	3.1yrs
2. Cadbury Nig. Plc.	2022	1,298,410	715,299	0.550904	58	0	0	4.9yrs
	2021	1,097,917	648,205	0.590395	57	0	0	4.9yrs
	2020	408,065	523,762	1.283526	56	0	0	4.9yrs
	2019	1,538,877	468,032	0.304139	55	0	0	4.9yrs
	2018	1,222,831	399,746	0.326902	54	1	0	4.9yrs
	2017	350,317	50,319	0.000761	60	1	0	4.9yrs
	2016	-562,871	266.468	-0.00047	59	1	0	4.9yrs
	2015	1,577,412	424,117	0.268869	58	1	0	4.9yrs
	2014	2,385,891	248,572	0.104184	57	1	0	4.9yrs
	2013	8,278,526	1,672,514	0.20203	56	1	0	4.9yrs
3. Champion Breweries Plc.								
	2022	2,248,908	662,930	0.294779	58	1	0	4.2yrs
	2021	1,842,177	768,784	0.417324	57	1	0	4.2yrs
	2020	436,045	277,252	0.635833	56	1	0	4.2yrs
	2019	241,480	72,972	0.302187	55	1	0	4.2yrs
	2018	-209,591	54,216	-0.25868	54	1	0	4.2yrs

	2017	648,243	130,681	0.201593	53	1	0	4.2yrs
	2016	681,284	150,895	0.221486	52	1	0	4.2yrs
	2015	248,443	171,303	0.689506	51	1	0	4.2yrs
	2014	-1,061,783	-307,260	0.289381	50	1	0	4.2yrs
	2013	-1,730,432	-552,407	0.319231	49	1	0	4.2yrs
4. Dangote Sugar Plc	2022	81,907,076	27,560,686	0.336487	65	1	0	4yrs
	2021	34,975,396	11,968,921	0.34221	64	1	0	4yrs
	2020	35,096,570	11,968,921	0.341028	63	1	0	4yrs
	2019	34,829,241	10,726,425	0.307972	62	1	0	4yrs
	2018	38,455,530	12,624,589	0.328291	61	1	0	4yrs
	2017	54,882,983	17,060,375	0.31085	60	1	0	4yrs
	2016	20,759,524	6,560,831	0.31604	59	1	0	4yrs
	2015	18,144,955	5,485,100	0.302293	58	1	0	4yrs
	2014	17,472,841	5,564,151	0.318446	57	1	0	4yrs
	2013	20,099,517	6,561,905	0.326471	56	1	0	4yrs
5. Flour Mills Nig. Plc.								
	2022	29,748,892	7,929,013	0.266531	55	1	0	2yrs
	2021	28,183,601	8,011,112	0.284247	54	1	0	2yrs
	2020	17,537,684	4,955,115	0.282541	53	1	0	10yrs
	2019	18,536,249	986,742	0.053233	52	1	0	10yrs
	2018	14,153,983	4,909,254	0.346846	51	1	0	10yrs
	2017	10,979,579	1,150,533	0.104788	50	1	0	10yrs
	2016	6,248,497	-1,150,533	-0.18413	49	1	0	10yrs
	2015	867,207	-1,508,560	-1.73956	48	1	0	10yrs
	2014	12,457,541	2,257,664	0.181229	47	1	0	10yrs
	2013	11,459,537	3,259,081	0.284399	46	1	0	10yrs
6. Golden guinea brew. Plc								
	2022	-527,205,713	28,539,440	-0.05413	51	1	0	2.6yrs
	2021	-247,090,477	21,210,959	-0.08584	50	1	0	2.6yrs
	2020	-146,042,647	8,768,089	-0.06004	49	1	0	2.6yrs

	2019	-274,015,928	-1,254,180	0.004577	48	1	0	2.6yrs
	2018	-148,744,217	-13,920,493	0.093587	47	1	0	2.6yrs
	2017	-274,015,928	-1,254,180	0.004577	46	1	0	2.6yrs
	2016	-148,744,217	-13,920,493	0.098288	45	1	0	2.6yrs
	2015	-185,154,732	-26,831,633	0.144915	44	1	0	2.6yrs
	2014	-615,177,368	--	--	43	1	0	2.6yrs
	2013	-274,586,949	--	--	42	1	0	2.6yrs
7. Guinness Nig Plc	2022	23,674,161	8,022,799	0.338884	54	1	0	3yrs
	2021	5,769,510	4,514,172	0.782419	53	1	0	3yrs
	2020	-17,073,641	-4,494,823	0.263261	52	1	0	3yrs
	2019	7,103,630	1,619,898	0.228038	51	1	0	3yrs
	2018	9,943,164	3,225,559	0.3244	50	1	0	3yrs
	2017	2,662,081	738,361	0.277362	49	1	0	3yrs
	2016	-2,347,241	-331,355	0.141168	48	1	0	3yrs
	2015	10,795,102	3,000,203	0.277923	47	1	0	3yrs
	2014	11,681,560	2,108,080	0.180462	46	1	0	3yrs
	2013	17,008,875	5,145,149	0.302498	45	1	0	3yrs
8. Honeywell Flour Mill Plc								
	2022	-172,141	-811,671	4.715152	55	1	0	5yrs
	2021	1,576,746	450,826	0.285922	54	1	0	5yrs
	2020	1,270,237	629,712	0.495744	53	1	0	5yrs
	2019	575,123	539,423	0.937926	52	1	0	5yrs
	2018	4,872,292	445,314	0.091397	51	1	0	5yrs
	2017	5,469,833	1,164,878	0.212964	50	1	0	5yrs
	2016	-2,869,342	-154,510	0.053849	49	1	0	5yrs
	2015	1,434,828	314,561	0.219233	48	1	0	5yrs
	2014	4,237,432	885,868	0.209058	47	1	0	5yrs
	2013	3,814,599	971,079	0.254569	46	1	0	5yrs
9. International Breweries Plc.								
	2022	-26,844,464	5,218,174	-0.1943855	51	1	0	5.1yrs

	2021	-19,836,278	2,179,768	-0.109888	50	1	0	5.1yrs
	2020	-28,590,319	12,507,983	-0.4375	49	1	0	5.1yrs
	2019	-36,166,949	8,376,283	-0.2316005	48	1	0	5.1yrs
	2018	-8,049,312	4,183,014	-0.5196735	47	1	0	5.1yrs
	2017	2,891,749	1,857,392	0.64230748	46	1	0	5.1yrs
	2016	3,656,826	1,004,078	0.27457637	45	1	0	5.1yrs
	2015	2,815,554	869,064	0.30866536	44	1	0	5.1yrs
	2014	3,925,500	1,820,000	0.46363521	43	1	0	5.1yrs
	2013	3,555,546	1,228,204	0.3454333	42	1	0	5.1yrs
10. Mcnichols Plc	2022	25,568,647	5,807,460	0.22713208	55	1	0	10yrs
	2021	17,578,822	3,282,417	0.18672565	54	1	0	10yrs
	2020	19,870,338	2,088,764	0.1051197	53	1	0	10yrs
	2019	18,768,307	1,640,000	0.08738135	52	1	0	10yrs
	2018	42,502,246	3,361,334	0.07908603	51	1	0	10yrs
	2017	41,520,583	3,292,936	0.07930852	50	1	0	10yrs
	2016	70,181,029	12,332,276	0.17572093	49	1	0	10yrs
	2015	65,276,330	4,938,612	0.07565701	48	1	0	10yrs
	2014	45,472,992	4,934,246	0.10850938	47	1	0	10yrs
	2013	26,834,567	3,427,456	0.12772541	46	1	0	10yrs
11. Multi-Trex Integrated Foods Plc								
	2022	2,856,399	1,338,863	0.468724082	51	1	0	--
	2021	4,038,405	1,270,030	0.314488022	50	1	0	--
	2020	7,103,630	1,619,898	0.228038	49	1	0	--
	2019	9,943,164	3,225,559	0.3244	48	1	0	--
	2018	11,701,741	11,371,364	0.971766851	47	1	0	--
	2017	2,856,399	1,338,863	0.468724082	46	1	0	--
	2016	4,038,405	1,270,030	0.314488022	45	1	0	--
	2015	5,021,998	1,609,212	0.320433	44	1	0	--
	2014	3,555,546	1,228,204	0.3454333	43	1	0	--
	2013	5,982,200	1,821,841	0.304544	42	1	0	--

12 N Nig. Flour Mills Plc								
	2022	261,213,000	103,859,000	0.397602723	51	1	0	2.5yrs
	2021	156,015,000	86,097,000	0.551850784	50	1	0	2.5yrs
	2020	120,675,000	56,040,000	0.464387819	49	1	0	2.5yrs
	2019	-41,498,000	9,802,000	-0.236204154	48	1	0	2.5yrs
	2018	-103,964,000	42,976,000	-0.41337386	47	1	0	2.5yrs
	2017	-1,403,000	-16,639,000	11.8595866	46	1	0	2.5yrs
	2016	-233,072,000	-35,831,000	0.15373361	45	1	0	2.5yrs
	2015	10,529,075	10,744,505	1.020460487	44	1	0	2.5yrs
	2014	11,392,017	11,050,217	0.969996534	43	1	0	2.5yrs
	2013	11,701,741	11,371,364	0.971766851	42	1	0	2.5yrs
13. Nascon Allied Industries Plc								
	2022	8,374,191	-2,904,943	-0.346892374	56	1	0	1.9yrs
	2021	4,238,043	-1,267,061	-0.298973135	55	1	0	1.9yrs
	2020	3,906,716	-1,216,406	-0.311362792	54	1	0	1.9yrs
	2019	2,769,079	-923,836	-0.333625729	53	1	0	1.9yrs
	2018	6,449,384	-2,029,168	-0.314629738	52	1	0	1.9yrs
	2017	7,909,487	-2,565,896	-0.324407386	51	1	0	1.9yrs
	2016	3,516,331	1,101,148	0.313152545	50	1	0	1.9yrs
	2015	3,017,563	911,918	0.302203467	49	1	0	1.9yrs
	2014	2,856,399	1,338,863	0.468724082	48	1	0	1.9yrs
	2013	4,038,405	1,270,030	0.314488022	47	1	0	1.9yrs
14. Nestle Nigeria Plc								
	2022	71,109,371	22,143,883	0.311405975	55	1	0	2.6yrs
	2021	61,875,342	21,838,065	0.352936473	54	1	0	2.6yrs
	2020	60,638,443	21,426,418	0.3533471	53	1	0	2.6yrs
	2019	71,123,824	25,440,711	0.357696051	52	1	0	2.6yrs
	2018	59,750,846	16,742,820	0.280210593	51	1	0	2.6yrs
	2017	46,828,682	13,104,952	0.279848833	50	1	0	2.6yrs
	2016	21,548,408	13,623,440	0.632224896	49	1	0	2.6yrs
	2015	29,322,477	5,585,700	0.190492092	48	1	0	2.6yrs

	2014	24,445,978	2,210,338	0.090417246	47	1	0	2.6yrs
	2013	26,047,590	3,789,311	0.145476453	46	1	0	2.6yrs
15. Nigerian Brew. Plc.								
	2022	17,340,549	4,153,788	0.239541897	54	1	0	2.4yrs
	2021	23,701,140	11,029,181	0.465343903	53	1	0	2.4yrs
	2020	11,576,545	4,208,176	0.363508802	52	1	0	2.4yrs
	2019	23,351,754	7,245,842	0.310291124	51	1	0	2.4yrs
	2018	29,421,952	9,984,008	0.339338736	50	1	0	2.4yrs
	2017	46,572,313	13,563,021	0.291224982	49	1	0	2.4yrs
	2016	39,622,914	11,226,137	0.283324366	48	1	0	2.4yrs
	2015	54,508,368	16,458,850	0.301950886	47	1	0	2.4yrs
	2014	61,461,821	18,941,568	0.308184295	46	1	0	2.4yrs
	2013	62,240,317	11,428,019	0.183611195	45	1	0	2.4yrs
16. Nigerian Enamelware Plc	2022	-443,850,000	12,626,000	-0.028446547	51	1	0	2.7yrs
	2021	-289,397,000	13,864,000	-0.047906509	50	1	0	2.7yrs
	2020	-341,930,000	-8,876,000	0.02595853	49	1	0	2.7yrs
	2019	-238,940,000	-2,694,000	0.011274797	48	1	0	2.7yrs
	2018	-8,482,000.45	5,149,000	-0.607050192	47	1	0	2.7yrs
	2017	67,849,000	-22,791,000	-0.335907677	46	1	0	2.7yrs
	2016	176,961,000	-43,485,000	-0.24573211	45	1	0	2.7yrs
	2015	122,141,000	-47,784,000	-0.391219983	44	1	0	2.7yrs
	2014	111,658,000	-25,503,000	-0.228402801	43	1	0	2.7yrs
	2013	117,678,000	-43,708,000	-0.371420316	42	1	0	2.7yrs
17. P Z Cussons Nigeria Plc								
	2022	4,106,422	1,034,537	0.251931487	55	1	0	1.3yrs
	2021	1,771,063	578,697	0.326751222	54	1	0	1.3yrs
	2020	2,285,000	347,000	0.151859956	53	1	0	1.3yrs
	2019	8,732,600	290,000	0.00332089	52	1	0	1.3yrs
	2018	12,104,000	290,000	0.023959022	51	1	0	1.3yrs
	2017	11,207,213	3,757,128	0.335241955	50	1	0	1.3yrs

	2016	4,106,422	1,034,537	0.251931487	49	1	0	1.3yrs
	2015	14,852,722	4,300,582	0.289548407	48	1	0	1.3yrs
	2014	2,873,235	460,892	0.160408738	47	1	0	1.3yrs
	2013	6,793,615	2,069,186	0.304578049	46	1	0	1.3yrs
18. Unilever Nigeria Plc	2022	7,811,903	-3,344,820	-0.428169679	55	1	0	6.2yrs
	2021	1,878,684	-1,190,417	-0.633644083	54	1	0	6.2yrs
	2020	-4,537,052	779,163	-0.171733319	53	1	0	6.2yrs
	2019	-10,071,943	2,652,269	-0.263332408	52	1	0	6.2yrs
	2018	14,852,722	-4,300,582	-0.289548407	51	1	0	6.2yrs
	2017	11,207,213	-3,757,128	-0.335241955	50	1	0	6.2yrs
	2016	4,106,422	-1,034,537	-0.251931487	49	1	0	6.2yrs
	2015	1,771,063	-578,697	-0.326751222	48	1	0	6.2yrs
	2014	2,873,235	-460,892	-0.160408738	47	1	0	6.2yrs
	2013	6,793,615	-2,069,186	-0.304578049	46	1	0	6.2yrs
19. Union Dicon Salt Plc.								
	2022	-44,959,000	33,523,000	-0.745634912	55	1	0	--
	2021	39,974,000	-1,423,000	-0.035598139	54	1	0	--
	2020	685,961,000	-2,088,000	-0.003043905	53	1	0	--
	2019	-117,181,000	-341,000	0.002910028	52	1	0	--
	2018	-83,433,000	-341,000	0.004087112	51	1	0	--
	2017	-83,433,000	-10,929,000	0.130991334	50	1	0	--
	2016	371,995,000	-10,929,000	-0.029379427	49	1	0	--
	2015	-2,285,000	-347,000	0.151859956	48	1	0	--
	2014	-87,326,000	-290,000	0.00332089	47	1	0	--
	2013	12,104,000	-290,000	-0.023959022	46	1	0	--
20. Vitafoam Nig. Plc								
	2022	6,748,246,000	-2,337,135,000	-0.346332217	62	1	0	3.6yrs
	2021	6,779,894,000	-2,395,035,000	-0.353255523	61	1	0	3.6yrs
	2020	4,963,946,000	-1,507,252,000	-0.303639886	60	1	0	3.6yrs
	2019	2,496,008,000	-921,099,000	-0.369028865	59	1	0	3.6yrs

	2018	619,233,000	-133,113,000	-0.214964319	58	1	0	3.6yrs
	2017	18,133,000	-145,823,000	-8.041857387	57	1	0	3.6yrs
	2016	61,198,000	-93,230,000	-0.013815442	56	1	0	3.6yrs
	2015	213,096,000	-285,078,000	-1.337791418	55	1	0	3.6yrs
	2014	615,254,000	-225,879,000	-0.367131299	54	1	0	3.6yrs
	2013	812,729,000	-311,135,000	-0.382827486	53	1	0	3.6yrs