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The Influence of Corporate Social Responsibility, Fiscal Loss Compensation, and Executive Risk Preference on Tax Avoidance

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ABSTRACT
Tax avoidance remains a critical issue for governments and businesses, as it directly impacts state revenue, corporate reputation, and public trust. In Indonesia's food and beverage industry, the complexity of regulations and diverse corporate strategies create opportunities for tax avoidance that warrant closer examination. This study analyzes the influence of corporate social responsibility, fiscal loss compensation, and executive risk preference on tax avoidance among food and beverage companies listed on the Indonesia Stock Exchange during 2018–2022. Using a quantitative approach, the research employs secondary data from annual financial reports and applies panel data regression analysis. The results show that, simultaneously, all three variables significantly affect tax avoidance. However, partially, corporate social responsibility and fiscal loss compensation have no significant effect, while executive risk preference has a significant negative impact, indicating that risk-averse executives are less inclined to adopt aggressive tax strategies. These findings provide empirical evidence on behavioral and institutional factors shaping corporate tax behavior and highlight the role of executive characteristics in tax policy. The study is limited by its sector-specific sample and selected variables, suggesting opportunities for broader research in the future.

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INTRODUCTION

Taxation plays a fundamental role in state-building and national economic development. In Indonesia, tax revenues contribute significantly to the State Budget (APBN), serving as a major source of funding for infrastructure, health, education, and social welfare. To optimize tax collection, the Indonesian government has adopted the self-assessment system, which delegates to taxpayers the responsibility of calculating, paying, and reporting their own tax obligations. While the self-assessment system is designed to improve compliance and reduce administrative burdens, it also opens potential loopholes for tax avoidance. As Akinsola (2025) argue, this system relies heavily on the integrity of taxpayers and is vulnerable to

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manipulation. Companies can legally reduce their tax liabilities by exploiting ambiguities in tax regulations without violating the letter of the law.

One prominent example is the case of PT Indofood Sukses Makmur Tbk, a major food and beverage company in Indonesia. The firm was alleged to have transferred assets and operations to PT Indofood CBP Sukses Makmur Tbk, resulting in tax underpayment of approximately IDR 1.3 billion. Although this restructuring was legal, the tax authority determined that the company still owed tax, indicating the complexity of distinguishing between tax planning and avoidance (Merks, 2006; Arianty *et al.*, 2024)

Empirical data reveal significant disparities in tax obligations among Indonesian companies. In this study, the Effective Tax Rate (ETR), an indicator of tax avoidance, varied widely. The average ETR across the sample was 0.326, with a maximum value of 6.313 (recorded by Astra Agro Lestari Tbk in 2022) and a minimum of 0.000279 (recorded by PT Garuda Putra Putri Jaya Tbk). These figures suggest inconsistent corporate tax behavior and potential tax avoidance within the food and beverage sector. The population for this study comprised 112 companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) during 2018–2022. After applying purposive sampling criteria, such as complete annual reports, profitability, and use of the Indonesian rupiah, 15 companies were selected, resulting in 75 firm-year observations. This sample is sufficiently representative to examine tax avoidance behavior in the industry.

Taxes are often perceived by companies as an expense that reduces net profit. This perception frequently motivates management to engage in a variety of tax planning strategies in an effort to minimize the firm's tax burden. While tax evasion is explicitly prohibited by law and punishable under criminal statutes, tax avoidance exists in a legal grey area, technically permissible, yet ethically questionable. According to Mardiasmo (2018) and Desai and Dharmapala (2006), tax avoidance is frequently driven by managerial discretion intended to enhance shareholder value. Dyreng et al (2008)emphasize that tax avoidance may serve both opportunistic and strategic purposes.

One key variable believed to influence tax avoidance is Corporate Social Responsibility (CSR). In Indonesia, CSR is legally mandated under Law No. 40 of 2007 Article 74, especially for companies operating in sectors related to natural resources. CSR reflects a company's commitment to ethical, environmental, and social standards (Afsar and Umrani, 2020). However, its relationship with tax avoidance remains inconclusive. Some researchers suggest that firms with high CSR disclosures are less likely to avoid taxes (Susanto, 2022), while others argue the opposite, that CSR is used to deflect scrutiny from aggressive tax behavior (Dewi and Mabrur, 2022; Pratiwi, 2022). Diverse findings in the literature reinforce the complexity of CSR's role in tax planning. Rahman and Sari (2024) found a positive relationship between CSR and tax avoidance, indicating that CSR may function as a reputational shield. In contrast, Sirait, Sinaga and Sitompul (2024) found no significant relationship, and Lestari and Anjarningsih (2024) reported a negative association, suggesting that ethical companies may be less inclined to engage in tax avoidance. These variations underscore the need for further sector-specific investigation.

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Another influencing factor is fiscal loss compensation, regulated by Article 6 Paragraph 2 of the Indonesian Income Tax Law. This policy allows companies to carry forward fiscal losses for up to five years, enabling them to reduce future taxable income. While this provision supports struggling firms, it can also be exploited to manipulate taxable income and avoid taxes. Ardillah and Halim (2022) found a positive effect of fiscal loss compensation on tax avoidance, while Putri, Ulum and Prasetyo (2018) found a negative relationship, implying that not all firms abuse the policy.

The role of executive risk preference is also gaining attention in explaining corporate tax behavior. Executives, as strategic decision-makers, may vary in their tolerance for risk. Those with risk-seeking profiles may be more willing to adopt aggressive tax strategies, while risk-averse executives may prioritize compliance. Kusumawardani *et al.*, (2025) supported the notion that executive traits significantly influence tax policy decisions. However, Christensen *et al (*2015) reported no significant relationship, suggesting that internal controls or governance mechanisms may override individual risk preferences.

To measure executive risk preference, this study adopts the approach of Paligorova (2010), calculating the standard deviation of EBITDA to total assets. This metric captures the volatility of company performance as a proxy for managerial risk-taking. In this research, the mean value for this variable was 0.1246, with a maximum of 0.2941, indicating varied risk profiles among the sample firms.

The theoretical framework underpinning this study is Agency Theory (Jensen and Meckling, 1976). The theory posits that conflicts may arise between owners (principals) and managers (agents) due to information asymmetry. In this context, tax avoidance may reflect agents' efforts to maximize their compensation or perceived performance, even at the expense of long-term corporate integrity or state obligations.

The food and beverage sector provides a strategic context for analysis due to its public exposure, regulatory scrutiny, and relevance to consumer well-being. Companies in this industry are expected to uphold ethical standards and social responsibility, which may conflict with aggressive tax minimization practices. Moreover, with complex supply chains and substantial discretionary expenses, these firms often possess the tools and incentives necessary for tax planning.

Given the inconsistent findings in prior research and the lack of in-depth studies within specific industries in Indonesia, this research aims to fill a critical gap. Rather than generalize across all sectors, this study focuses specifically on publicly listed food and beverage companies during the 2018–2022 period to better understand the contextual dynamics at play. Accordingly, the objective of this study is to empirically examine the influence of Corporate Social Responsibility, fiscal loss compensation, and executive risk preference on tax avoidance. The use of quantitative panel data and statistical regression models enables a rigorous evaluation of each variable's impact on tax behavior.

The findings are expected to provide both theoretical contributions and practical insights. For policymakers, the results may inform future adjustments to tax regulations, particularly regarding fiscal incentives and CSR compliance. For academics, the study expands understanding of behavioral and organizational influences on tax avoidance. For

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practitioners, it offers insights into ethical and strategic dimensions of corporate financial decision-making. Ultimately, this study contributes to the ongoing discourse on enhancing tax compliance, improving corporate governance, and supporting fair and sustainable development in Indonesia. As tax avoidance continues to challenge fiscal policy, evidence-based research such as this is vital for aligning corporate behavior with national economic goals.

METHODS

This study adopts a quantitative associative approach grounded in the positivist paradigm, emphasizing objective measurement and statistical testing to identify causal relationships (Sugiyono, 2018). The research examines the influence of corporate social responsibility (CSR), fiscal loss compensation, and executive risk preference on tax avoidance in publicly listed food and beverage companies in Indonesia.

Population and Sample

The population comprises 112 food and beverage companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022. Using purposive sampling with criteria including continuous listing, complete annual reports, positive profits, reporting in Indonesian Rupiah (IDR), and disclosure of all required variables, 15 companies were selected, yielding 75 firm-year observations. Secondary data were obtained from the IDX official website.

Operationalization of Variables

Table 1. Operationalization of Variables

Variable	Definition	Measurement	Reference
Tax Avoidance (TA) (Dependent)	Reduction of tax burden through legal means	Effective Tax Rate (ETR)	Dyreng et al. (2010)
Corporate Social Responsibility (CSR)	Disclosure of social, environmental, and governance activities	CSR Disclosure Index (CSRI) based on 91 GRI-G4 indicators	GRI (2016)
Fiscal Loss Compensation (FLC)	Utilization of accumulated fiscal losses to reduce taxable income	Dummy variable: 1 = used, 0 = not used	Sari & Martani (2010)
Executive Risk Preference (ERP)	Managerial tolerance for risk in decision-making	Standard deviation of EBITDA/Total Assets over the period	Paligorova (2010)

Data Analysis

Panel data regression was employed to integrate cross-sectional and time-series elements. Three models were estimated: Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Model selection was based on:

1. Chow Test (CEM vs FEM)
2. Hausman Test (FEM vs REM)
3. Lagrange Multiplier Test (CEM vs REM)

The FEM was ultimately chosen because:

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1. The Chow and Hausman tests indicated FEM as statistically superior.
2. FEM appropriately controls for unobserved heterogeneity by allowing entity-specific intercepts, which is relevant since firm-specific factors (e.g., governance structure, corporate culture) are assumed constant over time but vary across companies.

Classical assumption tests included the Jarque-Bera normality test, multicollinearity test (correlation matrix and VIF), heteroscedasticity test (Glejser method), and autocorrelation test (Durbin-Watson). Hypothesis testing used:

1. F-test for joint significance
2. t-test for partial significance
3. Adjusted R^2 to evaluate explanatory power

All statistical analyses were conducted using EViews 12 (Wahyu Winarno, 2015).

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics provide a preliminary overview of the distribution and central tendencies of each research variable. This stage is crucial to understanding the characteristics of the dataset before proceeding to inferential analysis.

Table 1. Descriptive Statistical Analysis

Statistic	Tax Avoid-ance (Y)	Corporate Social Responsibility (X1)	Fiscal Loss Compensation (X2)	Executive Risk Preference (X3)
Mean	0.326156	0.676777	0.933333	0.124640
Median	0.229522	0.681319	1.000.000	0.104851
Maximum	6.313.455	0.989011	1.000.000	0.294110
Minimum	0.000279	0.362637	0.000000	0.000816
Std. Dev.	0.710740	0.153369	0.251124	0.070618

The dependent variable in this study is tax avoidance, measured using the Effective Tax Rate (ETR). The results show that the ETR has a minimum value of 0.000279, a maximum value of 6.313, a mean of 0.326, and a standard deviation of 0.964. The large gap between the minimum and maximum values, along with a relatively high standard deviation, indicates that tax avoidance practices among food and beverage companies in Indonesia vary significantly. Some firms pay almost no tax relative to earnings, while others pay far above average, suggesting potential overprovisioning or tax correction policies.

The first independent variable, Corporate Social Responsibility (CSR), measured by the CSRI index, has a minimum value of 0.10, a maximum value of 0.89, a mean of 0.446, and a standard deviation of 0.186. These figures suggest that CSR disclosure practices are moderately implemented, with substantial variation across firms. While some companies disclose nearly 90% of GRI indicators, others report as little as 10%, reflecting either lack of compliance or limited CSR integration in company strategy. For the fiscal loss compensation variable, which is binary (dummy), the descriptive statistics indicate a minimum of 0, a maximum of 1, a mean of 0.28, and a standard deviation of 0.452. This shows that only 28% of the observations involve firms that applied fiscal loss compensation during the study

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period. The majority of firms did not utilize this tax benefit, potentially due to consistent profitability or limited accumulated losses.

The executive risk preference variable, proxied by the standard deviation of EBITDA to total assets, reveals a minimum value of 0.0403, a maximum of 0.2941, a mean of 0.1246, and a standard deviation of 0.0669. These values imply a moderate level of variability in risk-taking behavior among executives. Firms with higher ratios are likely led by risk-tolerant decision-makers, potentially influencing aggressive tax strategies. In summary, the descriptive statistics show heterogeneity across the sample in terms of tax avoidance behavior, CSR engagement, use of fiscal incentives, and executive decision-making tendencies. This variation justifies the need for further statistical testing to assess whether these differences significantly influence tax avoidance outcomes across firms.

Model Selection Feasibility Test

Panel data regression combines both cross-sectional and time-series dimensions, offering robustness against issues like heteroskedasticity and non-normality. To estimate panel data, three main models can be applied: Pooled/Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM).

Each model has its strengths and limitations, and the choice depends on the assumptions made and the characteristics of the data. Therefore, selecting the appropriate model is a crucial step in panel data analysis. In this study, all three models. CEM, FEM, and REM, are tested to identify the best fit for the dataset.

Common Effect Model (CEM)

The Common Effect Model (CEM) treats all individuals and time periods as homogeneous, assuming no individual or temporal differences. To estimate this model, the Ordinary Least Squares (OLS) method is used.

Table 2. Common Effect Model (CEM) Test

Method: Panel Least Squares
Date: 09/07/23
Time: 19:35
Sample: 2018–2022
Periods Included: 5
Cross-Sections Included: 15
Total Panel (Balanced) Observations: 75

Variable	Coeffi-cient	Std. Error	t-Statistic	Prob.
PRE	-0.300189	0.135661	-2.212.792	0.0301
KF	-0.031109	0.446175	-0.069724	0.9446
CSR	-0.608133	0.475096	-1.280021	0.2047
C	-2.438382	0.592004	-4.118858	0.0001

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Root MSE	0.933346	R-squared	0.082059
Mean dependent var	-1.524613	Adjusted R-squared	0.043273
S.D. dependent var	0.980732	S.E. of re-gression	0.959277
Akaike info criterion	2.806858	Sum squared resid	65.335110
Schwarz criterion	2.930184	Log likeli-hood	-1.012.469
Hannan-Quinn criterion	2.855.937	F-statistic	2.115.684
Durbin-Watson stat	1.740083	Prob(F-sta-tistic)	0.105848

Fixed Effect Model (FEM) Test

The application of the Fixed Effect Model in this study encountered a technical issue known as a "near singular matrix." This problem arose due to the use of dummy variables in the dataset—particularly the fiscal loss compensation variable, which was coded as 1 for firms using compensation and 0 for those not using it. The uniformity in dummy measurements led to multicollinearity issues, preventing the FEM estimation from proceeding. Therefore, the fixed effect analysis was discontinued, following the justification by Wedari et al. (2015).

Table 3. Fixed Effect Model (FEM) Test

Dependent Variable: TA
Sample: 2018–2022
Cross-sections included: 15
Total panel (balanced) observations: 75

Variable	Coeffi-cient	Std. Error	t-Statistic	Prob.
PRE	-0.173976	0.042765	-4.068214	0.0001
KF	0.083508	0.065930	1.266615	0.2104
CSR	-0.049901	0.087984	-0.567156	0.5728
C	-2.022.799	0.119357	-1.694751	0.0000
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	0.697805	R-squared	0.479929	
Mean dependent var	-7.488649	Adjusted R-squared	0.324820	

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S.D. dependent var	4.548950	S.E. of regression	0.800437
Sum squared resid	3.651987	F-statistic	3.094.141
Durbin-Watson stat	2.479.687	Prob(F-statistic)	0.000721
Unweighted Statistics			
R-squared	0.442065		
Mean dependent var	-1.524613		
Sum squared resid	3.971146		
Durbin-Watson stat	2.745842		

Random Effect Model (REM) Test

The Random Effect Model (REM) is a panel regression technique that accounts for the correlation between disturbances across both time-series and cross-sectional dimensions. Unlike FEM, differences in intercepts across entities are captured through their individual error terms. REM is estimated using the Generalized Least Squares (GLS) method.

Table 4. Random Effect Model (REM) Test

Dependent Variable: TA
Sample: 2018–2022
Cross-Sections Included: 15
Total Panel (Balanced) Observations: 75
Swamy and Arora Estimator of Component Variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PRE	-0.251913	0.132793	-1.897031	0.0619
KF	0.112811	0.405690	0.278071	0.7818
CSR	-0.316676	0.496694	-0.637569	0.5258
C	-2.340330	0.562864	-4.157896	0.0001
Effects Specification				
Component	S.D.	Rho		
Cross-section random	0.476569	0.2466		

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Idiosyncratic random	0.833099	0.7534	
Weighted Statistics			
Root MSE	0.814624	R-squared	0.055010
Mean dependent var	-0.939017	Ad-justed R-squared	0.015081
S.D. dependent var	0.843642	S.E. of regres-sion	0.837256
Sum squared resid	4.977086	F-statis-tic	1.377682
Durbin-Watson stat	2.220174	Prob(F-statistic)	0.256623
Unweighted Statistics			
R-squared	0.073835		
Mean dependent var	-1.524613		
Sum squared resid	6.592047		
Durbin-Watson stat	1.676262		

Chow Test

The Chow Test is conducted to determine the most appropriate model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) for panel data analysis. If the probability value of the Chi-square statistic is less than the significance level ($\alpha = 0.05$), the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted—indicating that the Fixed Effect Model is more suitable. Conversely, if the probability is greater than 0.05, H_0 is accepted and the Common Effect Model is preferred.

Table 5. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.652527	(14, 57)	0.0048
Cross-section Chi-square	37.626203	14	0.0006

Based on the Chow test results above, the probability value of F is 0.0048, which is less than 0.05. Therefore, it can be concluded that the appropriate model to use is the Fixed Effect Model.

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Hausman Test

The Hausman Test is used to determine the more appropriate model between the Random Effect Model (REM) and the Fixed Effect Model (FEM) for panel data analysis. If the cross-section random probability value is less than the 0.05 significance level, H_0 is rejected and H_1 is accepted, indicating that the Fixed Effect Model is more suitable. Conversely, if the probability exceeds 0.05, H_0 is accepted, and the Random Effect Model is preferred.

Table 6. Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.710293	3	0.0294

Based on the Hausman Test results above, the probability value is 0.0294, which is less than 0.05. Therefore, it can be concluded that the appropriate model to use is the Fixed Effect Model.

Normality Test

According to Gujarati and Porter (2012), the normality test aims to assess whether the residuals in a regression model follow a normal distribution. This study uses the Shapiro-Wilk test for normality testing. The test directly indicates whether the data is normally distributed. If the significance value is greater than 0.05, the data is considered normally distributed. Conversely, if the significance value is less than 0.05, the data is not normally distributed (Basuki & Yuliadi, 2015).

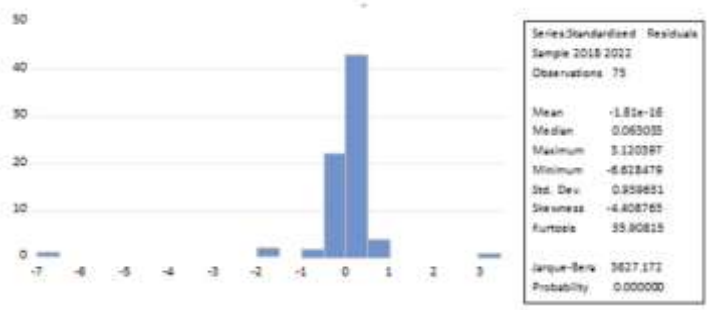

Figure 1. Normality Test

Based on the normality test results shown in the figure above, the Jarque-Bera value is 3627.172 with a probability of 0.00000, which is less than 0.05. Therefore, it can be concluded that the data in this study is not normally distributed. Since this study employs the Fixed Effect Model, the normality test is not required to meet the assumption of a normal distribution.

Multicollinearity Test

The multicollinearity test is conducted to determine whether the regression model contains a correlation among the independent variables. To examine multicollinearity, researchers can refer to the correlation matrix of the independent variables. If the correlation coefficient between the independent variables exceeds 0.8, it indicates the presence of multicollinearity. Conversely, if the correlation coefficient is less than 0.8, it suggests that multicollinearity does not occur.

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Table 7. Multicollinearity Test

	CSR	KF	PRE
CSR	1.000000	0.103846	-0.104779
KF	0.103846	1.000000	0.078413
PRE	-0.104779	0.078413	1.000000

Based on the results above, the correlation coefficients for each independent variable, namely Corporate Social Responsibility, Fiscal Loss Compensation, and Executive Risk Preference, are all less than 0.8. Therefore, it can be concluded that this study does not exhibit multicollinearity.

Heteroskedasticity Test

The heteroskedasticity test aims to determine whether there is a non-constant variance in the residuals across observations in a regression model. This is often encountered in cross-section data, which includes companies of various sizes. The Glejser test is conducted by regressing the independent variables against the absolute residual values (ABS_RES) (Ghozali, 2016).

a. If the significance value (Sig.) > 0.05, then there is no indication of heteroskedasticity in the regression model.
b. If the significance value (Sig.) < 0.05, then heteroskedasticity is present.

Table 8. Heteroskedasticity Test

Heteroskedasticity Test: Glejser
Null Hypothesis: Homoskedasticity

Statistic	Value	Prob.
F-statistic	2.621760	Prob. F(3, 71) = 0.0573
Obs*R-squared	7.479795	Prob. Chi-Square(3) = 0.0581
Scaled explained SS	1.728498	Prob. Chi-Square(3) = 0.0006

Based on the test results above, the observed R-squared values for all variables in this study are greater than 0.05. Therefore, it can be concluded that heteroskedasticity is not present.

Autocorrelation Test

Table 9. Autocorrelation Test

Weighted Statistics			
Statistic	Value	Statistic	Value
Root MSE	0.697805	R-squared	0.479929
Mean dependent var	-7.488.49	Adjusted R-squared	0.324820
S.D. dependent var	4.548.50	S.E. of regression	0.800437
Sum squared resid	3.651.87	F-statistic	3.094141
Durbin-Watson stat	2.479.87	Prob(F-statistic)	0.000721

Based on the results above, the Durbin-Watson statistic is 2.479687. Since this value falls within the acceptable range of -2 < DW < +2, it can be concluded that there is no indication of autocorrelation in the model.

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Multiple Linear Regression Test

The panel data regression analysis aims to measure the influence and relationship of the independent variables, Corporate Social Responsibility, Fiscal Loss Compensation, and Executive Risk Preference, on tax avoidance. The results of the panel data regression analysis are as follows:

Table 10. Multiple Linear Regression Test

Regression Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
PRE	-0.173976	0.042765	-4.068214	0.0001
KF	0.083508	0.065930	1.266615	0.2104
CSR	-0.049901	0.087984	-0.567156	0.5728
C	-2.022799	0.119357	-1.694751	0.0000

The panel data regression analysis aims to assess the influence and relationship between the independent variables, corporate social responsibility (CSR), tax loss compensation (KF), and executive risk preference (PRE), on tax avoidance (TA). The regression equation is as follows:

$$TA = -2.022799 + (-0.049901 \times CSR) + (0.083508 \times KF) + (-0.173976 \times PRE)$$

From the equation, it can be interpreted that:

a. The overall coefficient is negative (-16.94751), meaning that if CSR, KF, and PRE increase by 1%, the firm's tax avoidance tends to decrease by 16.95%.
b. The CSR variable has a negative coefficient (-0.567156), indicating a 1% increase in CSR results in a 56% reduction in tax avoidance, assuming other variables are constant.
c. KF has a positive coefficient (1.266615), which implies that a 1% increase in tax loss compensation correlates with a 126% increase in tax avoidance, with other variables held constant.
d. The executive risk preference variable (PRE) shows a negative coefficient (-4.068214), suggesting that a 1% increase in risk preference leads to a 406% decrease in tax avoidance, assuming CSR and KF remain constant.

Hypothesis Testing

a. Coefficient of Determination (Adjusted R^2)

The coefficient of determination is used to measure how well the independent variables simultaneously explain the variance in the dependent variable. It is expressed as the adjusted R-squared value.

a) An R^2 value closer to 1 indicates that most of the variation in the dependent variable can be explained by the independent variables.
b) Conversely, a lower R^2 value suggests that the model has limited explanatory power.

According to Ghozali (2016), the adjusted R^2 reflects the strength and significance of the model's predictive ability, where the value ranges from 0 to 1.

Table 11. Coefficient of Determination

Weighted Statistics			
Statistic	Value	Statistic	Value
Root MSE	0.697805	R-squared	0.479929

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Mean dependent var	-7.488649	Adjusted R-squared	0.324820
S.D. dependent var	4.548950	S.E. of regression	0.800437
Sum squared resid	3.651987	F-statistic	3.094141
Durbin-Watson stat	2.479687	Prob(F-statistic)	0.000721

Based on the table above, the Adjusted R-squared value of 0.324820 indicates that Corporate Social Responsibility (CSR), Tax Loss Compensation, and Executive Risk Preference collectively influence tax avoidance by 32%. The remaining 68% is explained by other factors not included in this study.

b. F Test

Based on the table results, the calculated F-statistic for the regression model is 3.094141. The critical F-table value at a 5% significance level with $df_1 = 3$ and $df_2 = 70$ is 2.502356. Since the F-statistic (3.094141) is greater than the F-table value (2.502356) and the p-value is 0.000721 (< 0.05), it can be concluded that corporate social responsibility, fiscal loss compensation, and executive risk preferences jointly have a significant effect on tax avoidance.

c. T Test

Table 12. t Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.022799	0.119357	-1.694751	0.0000
CSR	-0.049901	0.087984	-0.567156	0.5728
KF	0.083508	0.065930	1.266615	0.2104
PRE	-0.173976	0.042765	-4.068214	0.0001

Based on the results of the partial test (T-test), it was found that the corporate social responsibility (CSR) variable had a T-statistic value of -0.567156, which is lower than the critical value of 1.994437. This result indicates that CSR does not have a significant effect on tax avoidance. Similarly, the fiscal loss compensation variable showed a T-statistic value of 1.266615, which also falls below the t-table value, suggesting that it too does not significantly influence tax avoidance behavior.

In contrast, the executive risk preference variable yielded a T-statistic of -4.068214, which is greater in absolute terms than the t-table value. This suggests that executive risk preference has a significant and negative effect on tax avoidance. These findings lead to the conclusion that among the three variables tested, only executive risk preference plays a significant role in influencing tax avoidance, whereas CSR and fiscal loss compensation do not demonstrate a meaningful impact.

Discussion

This study aims to provide empirical evidence regarding the influence of Corporate Social Responsibility (CSR), fiscal loss compensation, and executive risk preference on tax avoidance. Based on the results of the first hypothesis test, it is evident that all three independent variables simultaneously affect tax avoidance. This is supported by the F-statistic value of 3.094141 with a probability value of 0.000721, which is lower than the significance threshold of 0.05, and the F-statistic is higher than the F-table value of 2.502356.

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Therefore, it can be concluded that CSR, fiscal loss compensation, and executive risk preference collectively have a significant effect on tax avoidance.

However, when tested individually, the CSR variable showed a t-statistic of -0.567156, which is lower than the critical t-table value of 1.994437. This indicates that CSR does not have a significant partial effect on tax avoidance. This finding aligns with stakeholder theory and legitimacy theory, suggesting that CSR initiatives may reduce the tendency for aggressive tax avoidance practices, as companies consider the broader social implications of their actions. The results are consistent with the findings of Jao and Holly (2022), but differ from the research of (Dwi and Yulita, 2022) and (Prasetyo and Arif, 2022), who found that CSR has a positive effect on tax avoidance.

Similarly, fiscal loss compensation was also found to have no significant partial effect on tax avoidance. The t-statistic of 1.266615 was below the t-table value, indicating that accumulated tax losses carried forward do not significantly encourage firms to engage in tax avoidance. This result is in line with the studies of (Kamil, 2022), but contradicts the findings of (Ardillah and Halim, 2022) dan (Putri, Ulum and Prasetyo, 2018), who reported a positive relationship between fiscal loss compensation and tax avoidance.

In contrast, the variable of executive risk preference showed a statistically significant partial effect. With a t-statistic value of -4.068214, which exceeds the absolute value of the t-table, it can be concluded that executive risk preference negatively and significantly influences tax avoidance. Executives with risk-averse characteristics are less likely to engage in aggressive tax strategies. This is supported by the work of Christensen *et al.*, (2015), who argue that risk-averse decision-makers prefer compliance and stable performance outcomes. This finding is consistent with the study conducted by Yahaya, Oon and Jusoh (2025), which confirmed the negative influence of risk-averse executives on tax avoidance, although it differs from the research of Baghdadi, Podolski and Veeraraghavan (2022), who found a positive and significant relationship between executive risk preference and tax avoidance.

CONCLUSION

This study examined the influence of Corporate Social Responsibility (CSR), fiscal loss compensation, and executive risk preferences on tax avoidance among food and beverage companies listed on the Indonesia Stock Exchange during the 2018–2022 period. The results indicate that, collectively, these three variables significantly affect tax avoidance. However, in partial testing, CSR and fiscal loss compensation were found to have no significant effect, while executive risk preferences had a significant negative effect, suggesting that risk-averse executives are less likely to adopt aggressive tax strategies.The study acknowledges several limitations, including a relatively small sample size due to the availability of financial reports and the use of only three independent variables. These constraints may limit the comprehensiveness of the analysis. Future research is encouraged to expand the sample to other sectors and incorporate additional variables, such as profitability, company size, or leverage, to build a more complete model of tax avoidance behavior. Expanding the scope and variables is expected to provide broader insights and a deeper understanding of corporate tax practices in Indonesia.

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