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Effect of Selected Board Attributes on Tax Aggressiveness of Quoted Insurance Companies in Nigeria

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Abstract: *The main objective of this study is to examine the effect of selected board attributes on tax aggressiveness of quoted insurance companies in Nigeria. Specifically, the study examines the combined effect of female directors and board financial expertise on tax aggressiveness of quoted insurance companies in Nigeria. Tax aggressiveness was measured using effective tax rate while female directors and financial expertise were measured using proportion of female directors on the board to the total number of independent directors and proportion of financial experts on the board to the total number of independent directors respectively. This study uses the longitudinal research design. The population of the study is the entire twenty-three listed companies in the Nigerian insurance sector. The sample size of twenty-two was selected after eliminating one without complete data. Data were sourced from the annual financial statements of the listed insurance companies for the period 2011-2022. To be able to examine the effect of female directors and financial expertise on tax aggressiveness, the study used panel multiple regression model for the analysis. The result of the study shows that female directors have negative and insignificant effect on tax aggressiveness. However, the study finds statistical evidence which suggests that boards financial expertise has significant effect on tax aggressiveness in the insurance sector. From the findings, it was concluded that board attributes have strong explanatory power on tax aggressiveness. The study recommends that since management could aspire to avoid more taxes, because they estimate the tax benefits too high, more external board members with accounting and corporate reporting knowledge should be admitted on the boards to curtail managerial aggressive tax planning.*

KEY WORDS: tax aggressiveness, female directors, financial expertise, insurance companies.

INTRODUCTION

The board of directors is widely known to ensure the credibility of the financial reporting process and quality information for the computation of tax liability which is highly significant to public revenue and national development. Even with this, income taxes are seen as major source of cash outflow and significant amount of time, energy, and money may be employed reducing its impact on financial results. Thus, the decisions of managers and tax accountants may possibly favour incorporating actions that decrease taxes (Lanis & Richardson, 2012). Therefore, tax aggressiveness refers to the aggressive side of tax avoidance practices. Given the oversight role of the board on executive decisions, they may impact on tax reducing activities and should be considered as a key factor in the success or termination of aggressive tax behavior.

Female directors over time appear to be over marginalized and grossly under represented on the board of listed firms particularly in developing countries like Nigeria. This is despite the fact majority of them are attentive to details in their duties, have the educational qualifications, professional trainings and stable emotional status (Ogbeide, 2018). There are some women who have been endowed with managerial skills, experiences and political clouts to engender uncommon significant positive influence on firms, yet they are not permitted to show case such perhaps due to policy biasness. Some countries of the world like France, Belgium, Germany and others have since begun through legislation, the inclusion of a certain quota of female member on the board of companies. This is to promote quality advocacy and to ensure the promotion of gender friendliness which ultimate goal has spiral positive effects such as reduction of significant cost like tax expenses.

Also, financially expert outside directors on the board are able to identify firm's optimal level of tax avoidance and discourage managers from deviating from value-maximized tax policy. It is argued that directors with sufficient business and financial expertise are able to assess firms' business strategy and effectively intervene in corporate tax avoidance strategy. Literatures further posits that financial expert directors on the board will encourage companies (cost leadership and risk aversion) to be more aggressive in their tax planning (Rego & Wilson, 2012). Krishnan, & Visvanathan (2008) avers that companies will have lower cash and GAAP effective tax rate (ETR) and larger book tax difference when there is a presence of financial expert on the board. Conversely, other proponents affirm that financial expert directors will discourage prospectors (innovation and risk seeking) to be less aggressive on their tax planning. This will lead to companies having higher cash and GAAP ETR and smaller book tax difference when there is a presence of financial expertise on the non-executive directors.

Tax aggressive activities often differ from firm to firm mainly by way of size and industry disparities (Onyali & Okafor, 2018). A larger firm for instance may drive tax aggressiveness

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perhaps because of its investment in assets which assist it to take advantage of loan facilities in banks. Larger firms may enjoy allowable items like capital allowance and tax shield arising from the use of fixed assets to reduce tax liability. Intuitively, insurance firms irrespective of size naturally ought to be tax aggressive so as to maximize earnings given the numerous claims, they need to settle to policies holders. The occurrence of this through the instrumentality of female directors and board financial expertise in the insurance sector of Nigeria lacks empirical evidences; hence this research.

Similarly, a glance at the yearly annual reports of companies including insurance companies in Nigeria does reveal very few or no female board directors in the segment of directors' report and at most just a single director with vast accounting and financial reporting knowledge. For the female directors where they do, it is either one or at most three out of a large board size. For instance, there is very scanty or zero proportion in the composition of the non-executive director of quoted insurance companies in the Nigerian context. There is no doubt exclusion of the female counterparts in the non- executive director composition in the corporate board may stunt the expected oversight function, have adverse effect in the strategic management of the insurance company, including tax liability reduction.

Furthermore, the different committees that assist in the attainment of strategic goals in a firm hardly have female as the head in developing countries like Nigeria; even in the audit committee, risk management committee and other sub committees in the Nigerian quoted insurance companies, hardly do female board members feature prominently in terms of occupying notable position (Ogbeide, 2018). This observable gap is what this study seeks to address by examining the influence of female directors and financially literate directors on tax liability minimization and adequacy of their representation on the board of listed insurance companies in the Nigerian context with a view to contributing to literature on tax aggressiveness globally.
The study will rely on two hypotheses
H_O1: Female directors have no significant effect on tax aggressiveness of quoted insurance companies in Nigeria
H_O2: Directors financial expertise have no significant effect on tax aggressiveness of quoted insurance companies in Nigeria

Conceptual Framework

Concept of Tax Aggressiveness

Tax aggressiveness refers to the effort of corporate entities to reduce tax payments using aggressive tax planning activities and tax avoidance (Chen, Chen, Cheng & Shevlin, 2010). Chen et al. (2010) noted that tax aggressiveness is the corporate manipulation entities engage themselves in order to lower tax income due to a kind of tax planning that can be considered as tax management. This

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concept may have multiple conceptualizations, references and even different ways to measure, but most of them have the same meaning and the same purpose but differs in their repercussions on the companies' health. According to Onyali and Okafor (2018), tax aggressiveness can be defined as a simple trigger tax management activity that corporate entities utilized for tax planning and is that tax aggressiveness reduces tax returns. Aggressive tax represents different handling activities to lower taxable income that can be legal or illegal. The implementation of this kind of strategies is geared towards reducing the tax base which allows generation of high potential non-tax cost that arises from agency conflicts or tax-authority, such as penalties and rent extraction (Desai & Dharmapala, 2009).

In fact, the most significant aim of tax aggressiveness as observed by Boussaidi and Hamed (2015), is aimed at increasing the net income of companies which creates a positive signal to investors. It is worthy to note that tax aggressiveness has similar meaning as tax planning, tax avoidance and tax shelters in that they meet the legal and ethical provisions established by the tax authorities. However, the extreme level of tax aggressiveness is tax avoidance. Tax aggressiveness is characterized by an excessive use of tax avoidance's acts (Khurana & Moser, 2013).

In particular, it is admitted that tax aggressiveness is not only the reduction of the tax due. However, the implementation of such strategies to reduce the tax base allows the generation of high potential non-tax cost that arises from agency conflicts or tax-authority, such as penalties and rent extraction. For that, tax aggressiveness is a very specific and complex range of activities because it is always being surrounded by chaotic economics transactions which are primarily organized by managers and have the objective of reducing the corporate tax income and consequently increase the net income. In the same order of idea, Desai and Dharmapala (2006) indicated that tax aggressiveness activities are characterized by complexity and obfuscation, which is practically difficult to detect. In fact, the most significant goal is to increase the net income of the company which creates a positive signal to foreign investors (Chen, Chen, Cheng & Shevlin, 2010).

From the foregoing it can be seen that this concept has the same meaning as tax planning, tax avoidance and tax shelters in terms that they meet the legal and ethical provisions established by the tax authorities. But obviously tax aggressiveness is characterized by an excessive use of tax avoidance's acts. Tax avoidance is a concept that does not hinder the regulation. English term "tax evasion" embraces the French term "tax fraud", while the concept "tax avoidance" in all cases point the intention to avoid or reduce tax in a legal way. Ogbeide (2018) avers that tax evasion is the act of deliberately ignoring a specific part of law, unlike tax avoidance, it can affect the criminal plan. However, tax aggressiveness may create tax risks due to the exposure of the business to unexpected results and may also create an incentive for management opportunity and misappropriation of rent-extraction (Khurana & Moser, 2013).

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In this study, the researcher considered tax aggressiveness as a strategy employed by the management of corporate organizations, a set of processes, practices, resources and choices whose objective is to maximize income after all corporate entities as well as their liabilities owed to the state and other stakeholders by minimizing tax payments.

Kessler (2005) explains that tax avoidance is the practice of avoiding taxes without violating taxation provisions. Furthermore, the Organisation for Economic Co-operation and Development (OECD) describes tax avoidance as a taxpayer effort to minimise tax payable. Although this effort may not violate the taxation provisions, it contradicts the purpose of the regulation. In this case, the board of directors plays a vital role in making decisions, whether it is avoiding taxes or not. The board of directors is a corporate organ that is responsible for all company activities fitting a company's goals. Therefore, directors have a high level of responsibility compared to other company members.

Female Directors

Female directors are women who are independent non-executive directors on the board of companies. Gul et al. (2011) explain that the existence of women as directors can improve decision making and instigate higher ethical and moral standards. Female directors are known to tend to be more careful and avoid risks, have high morals and ethics, have independent thinking, provide more transparent information, and be more cautious about decision making than males (Richardson et al., 2015). Companies with female executive managers adopt more conservative financial reporting styles, avoid risks, and are more prudent than companies with male executive managers (Kusumastuti et al., 2008; Peni & Vähämaa 2010; Harymawan et al., 2019). Rafiki and Nasution (2019) also explain that women tend to be more careful in their work than men, so the success level of women in running businesses or jobs tends to be greater than that of men.

Several previous studies found that the presence of female directors can reduce the likelihood of tax aggressiveness within a company (Richardson et al., 2016; Oyenike et al., 2016). The presence of female directors creates a way to learn the extent of tax aggressiveness' negative consequence. Therefore, women's leadership can help companies avoid tax aggressiveness. Hoseini et al. (2019) and Lumbanraja et al. (2018) explain that women and men will act differently in dealing with the same conditions or problems. A female director is more transparent, has fewer weaknesses in internal control, and can indirectly influence company performance positively (Alhejji et al., 2016; Sepasi & Abdoli, 2016). The presence of a female director provides effective oversight in a company. Female directors are more risk-averse and have higher ethical and moral standards. They can facilitate information in decision making, thereby increasing the level of transparency on a board of directors and increasing the level of trust of shareholders (Rahimipour et al., 2018; Barber & Odean, 2001). Tax avoidance is one form of risk that a company will face, and the presence of a female director makes it possible to reduce the level of tax avoidance in a company.

Board Financial Expertise

This means a member or members of the board possess accounting knowledge sufficient to ensure that management comply with specified accounting standards. This is based on the fact that specialized knowledge allows expert directors to provide valuable advice while simultaneously monitoring managers. Consistent with the advising function, firms whose board of directors have high levels of accounting expertise are associated with higher levels of tax planning. Consistent with the monitoring function, firms with higher levels of accounting expertise on the board are associated with a lower likelihood of engaging in risky tax planning.

Conversely, unlike the size criteria that was specified by CAMA (2004), the expertise criteria were specified in Nigeria by the 2011 and 2018 SEC Codes, 2006 Post consolidation CBN code amongst other codes. These codes specify that at least, a member of the external director must possess financial management and accounting knowledge. The US SEC also has a similar condition as it expects that firms must have at least one person with financial expertise. Juhmani (2017) asserted that the availability of an accounting and financial knowledge in the board would enhance its efficiency and its ability in detecting and preventing earnings management. Kibiyaa, Ahmada and Amran (2016) also buttressed in their study that the presence of a member with financial literacy or knowledgeable in accounting, finance or financial management will enhance the quality of the financial report. However, Dhaliwal (2006) noted that the expertise criterion given is broad in terms of definition. They claim that persons with financial expertise can mean any of the following (1) certified public accountant, auditor, financial officers, or controllers (2) anyone that has worked in a supervisory role that involves financial statement preparation. Thus, expertise can be technical or supervisory in nature but the contention is that which of this nature of expertise is fundamental to financial reporting quality.

Empirical Review

Anggraeni and Kurnianto (2020) examine the effect of board size and the existence of female directors on tax avoidance. This study uses 370 observations consisting from 114 manufacturing companies listed on the Indonesia Stock Exchange from 2013-2017. The analysis technique used is multiple linear regression analysis with SPSS 22 software. The results of this study indicate that the existence of a female director is negatively related to tax avoidance, which means that if a company has a female director, it will reduce the amount of tax avoidance that occurs.

Ogbeide and Ayunku (2020) examine the effect of female director on tax aggressiveness of listed insurance firms in Nigeria. The main objective of this research was to empirically investigate the effect of female board members on tax aggressiveness, determine the composition and representation of female directors on the board of insurance companies, find out how tax aggressive are listed insurance firms and apply the BLAU (1977) index method to measure female director representation as a departure from conventional approaches specifically in the Nigerian context in the reference period, 2014 to 2018. The population of the study consists of all the quoted insurance firms as at 31st December, 2016. A sample of twenty-eight (28) quoted insurance firms was selected and data were collected over the period. Inferential statistic consisting of the General Method of Moment was used for the data analysis. The results obtained reveal that board size is negative and exerts significant impact on tax aggressiveness in insurance firms in Nigeria. Female director is significant and positively related with tax aggressiveness of firms in the insurance sector in Nigeria. This seems similar to the present study but time period is more updated and tax aggressiveness varies over time.

Lanis, Richardson, Govendir and Pazmany (2020) ascertain the effect of board of directors' expertise and tax avoidance on corporate debt. We find that there is no association between financially expert outside directors on the board and corporate debt, which is contrary to some prior research findings. However, we do find a positive association between the proportion of financially expert inside directors on the board and debt. We also find that the debt substitution effect is significantly intensified by the presence of outside directors on the board with financial expertise, which suggests that the advice offered by these directors better informs managers to make decisions about the trade-off between the benefits and costs of debt and non-debt tax shields.

Uniamikogbo, Bennee and Adeusi (2019) investigate the effect of corporate governance on tax aggressiveness in Nigeria. Specifically, four variables; gender diversity, board size, CEO duality, and ownership structure were used as proxy for Corporate Governance while Effective Tax Rate was used to represent Tax aggressiveness in the Oil & Gas marketing firms in Nigeria. The population of study consists of all Oil & Gas marketing firms listed on the Nigerian Stock Exchange as at 31st December 2017.The entire population was adopted as the study sample using the census sampling approach. The secondary source of data collection method was used in generating data from the annual reports and accounts of the selected firms for the period 2013-2017. Data generated were analysed using descriptive statistics and Ordinary Least Square (OLS) regression. Findings from the study showed that a positive and significant relationship exists between gender diversity, board size and tax aggressiveness in the Nigerian Oil & Gas marketing firms.

Ogbeide and Obaretin (2018) examine corporate governance mechanisms and tax aggressiveness of listed firms in Nigeria. Eighty- five (85) quoted non- financial firms were selected and data were collected over the period 2012 to 2016. Inferential statistics consisting of General Method of Moment was used for the data analysis. This was after carrying out unit root test and other diagnostic tests respectively. The results obtained reveal that corporate governance mechanisms exert significant impact on tax aggressiveness in Nigeria. Specifically, ownership concentration and managerial ownership were positive and significantly impacts tax aggressiveness of listed non-financial firms in Nigeria whereas board size negatively and significantly impact tax

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aggressiveness over the reference period. Board gender diversity and board independence were significant and exert negative influence on tax aggressiveness of firms in Nigeria.

Oyeleke, Erin and Emeni (2016) assess the relationship between the board of directors' gender diversity and tax aggressiveness of banks listed on the Nigerian Stock Exchange (NSE). Using cross sectional time-series research design as the blue print for data collection in this study, data collected were analysed using Statistical Package for Social Sciences (SPSS) 21. The study provides evidence that a positive and non-significant association exist between female directors and tax aggressiveness after controlling for firm characteristics and governance mechanisms.

Theoretical Framework

Positive Accounting Theory

The Positive Accounting Theory (PAT) is a theory which is developed by Watts and Zimmermann (1986). With this theory the reason behind a choice for the use of certain accounting principles is explained. This theory is also used to give a prediction of which accounting method is preferred over other methods. Prior to the PAT, normative accounting research was the dominant type of accounting research (Hamayun & Kabir, 2010). With the convergence of the PAT, normative theory was relegated to the background. The theory of Watts and Zimmermann discusses why managers make specific decisions. This theory uses different relations between groups of people, such as managers versus owners, managers versus investors and an organization versus the society. All of these different groups of people, also called stakeholders, have different needs and behave in different ways in order to fulfil their own needs. Therefore, managers will use accounting methods that maximize their own benefits.

The PAT makes a distinction between three hypotheses that have been developed by Watts and Zimmermann to explain the choice of managers for certain accounting methods. These hypotheses are the 'bonus-plan' hypothesis, the 'debt covenant' hypothesis and the 'political cost' hypothesis. The predictions that are made with these three hypotheses have been empirically verified in several studies. However, this study will explain these hypotheses briefly.

The 'political cost' hypothesis argues that increasing political costs are a motivation for the management to take current earnings later instead of waking future profits now, as stated in the first two hypotheses. For big organizations with brand awareness and impact on society extra attention of society and social institutions will be generated, when profits are relatively high. This could lead to higher political costs in the form of negative publicity, higher taxes, more regulatory costs, costs related to union demands regarding a higher profit share or higher salaries for workers, decreasing subsidies etc. These examples could lead to 'income smoothing'. Income smoothing is the shifting of the recognition of some of the firm's income by a manager. It occurs for example

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when a manager shifts the income from the second period to the first period, if the first period's economic earnings are less than the expected per period economic earnings (Trueman & Titman, 1988).

METHODOLOGY

This study uses the longitudinal research and causal effect research designs. The population of the study is the entire listed companies in the insurance companies in Nigeria. The sample size of the study is twenty-three listed insurance firms. The sample size twenty-two was selected after eliminating one company with incomplete data. Data were sourced from the secondary source, basically from the annual financial statements of the listed insurance companies for the period 2011-2020. To be able to examine the effect of board gender diversity and financial expertise on tax aggressiveness, the study used panel multiple regression model for the analysis. However, the study carried out diagnostic test of variance inflation factor, heteroskedasticity test, normality test, correlation matrix and descriptive statistics of the variables.

Model Specification and Method of Data Analysis

The models used in this study adapt to the framework of Oyeleke, Erin and Emeni (2016) and Ogbeide and Ayunku (2020). The models principally relate to female directors and tax aggressiveness in the Nigerian banking sector. The mathematical and stochastic form of the models is stated algorithm as follows:

Tax aggressiveness = f (female directors, board expertise, firm size) ………… 1

This is stated in econometric form as:

$ETR_{it} = \beta o + \beta_1 FD_{it} + \beta_2 BFE_{it} + \beta_3 FZ_{it} + e_{it}$

Where;

ETR_{it} = Effective Tax Rate of firm I at time t, FD_{it} = Female Directors of firm I at time t, BFE_{it} = Board Financial Expertise of firm I at time t, FZ_{it} = firm size of firm I at time t, βo = constant, $\beta 1$-$\beta 3$ = coefficients of estimates, E= error term

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Table 1: **Variables Measurement**

S/N	Variable Name	Symbol	Variable Measurement
1	Tax Aggressiveness	ETR	Total tax expenses/earnings before taxes.
2	Female Directors	FD	Proportion of female directors to the total number of non-executive directors on the board.
3	Board Financial Expertise	BFE	Number of directors with financial expertise to the total number of non-executive directors on the board.
2	Firm Size	FZ	Natural Log of total assets

Source: Researcher's compilation, 2022.

RESULTS AND DISCUSSIONS

This section presents and analyses the results obtained from the data. The section begins with descriptive statistics and correlation analysis of the variables. This was followed by the presentation and discussion of the regression results for the purpose of estimating the model used in the study.

Descriptive Statistics

The data for the study were sourced from annual report of quoted insurance companies in Nigeria, which covers tax aggressiveness, board gender diversity, board financial expertise and firm size (control variable). Furthermore, tax aggressiveness was measured using effective tax rate.

Table 2: Descriptive Statistics

	ETR	FD	BFE	FZ
Mean	0.072749	0.336579	2.090909	10.27682
Median	0.110834	0.333333	2.000000	10.10114
Maximum	0.295890	0.777778	5.000000	13.23902
Minimum	-0.391938	0.090909	1.000000	9.104840
Std. Dev.	0.137857	0.159487	0.931885	0.754416
Skewness	-0.704737	0.322011	0.463550	2.566417
Kurtosis	3.009122	2.242536	2.461896	9.729280
Jarque-Bera	18.21144	9.061387	10.53314	656.6009
Probability	0.000111	0.010773	0.005161	0.000000
Sum	16.00474	74.04733	460.0000	2260.900
Sum Sq. Dev.	4.161995	5.570487	190.1818	124.6423
Observations	220	220	220	220

Source: Eviews Output, 2022.

Table 2 shows the descriptive statistics of the 220 observations in the data set. The table shows minimum values, Maximum values, Mean and standard deviation for the variables. The mean effective tax rate of the selected insurance firms is 0.072749 and it deviates from both sides of the mean value by 0.137857. Managers action in tax aggressiveness has a lowest value of -0.391938 and the highest value of 0.295890 for the selected insurance firms. this signifies that the Insurance firms had low tax aggressiveness based on the effective tax rate from the summary of the data.

The mean value of female directors is 0.336579 which signify an average of 33% female involvement as independent non-executive directors of the companies. The value of standard deviation which is about 15% indicates a level of agreement with output. The maximum and minimum values were 77% and 9% respectively.

The average financial expert directors of the selected insurance firms stood at 2.090909 and it deviates from both sides of the mean value by 0.931885. The high disparity in value standard deviation shows the differences in composition of the boards in respect to financial expertise. It further reveals that the minimum and maximum values are 1.000000 and 5.000000 respectively for the selected insurance firms.

Furthermore, the average firm size is 10.27682 with a standard deviation of 0.754416. This implies that the data deviates from both sides of the mean by 75%. Which shows a high level of difference

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between the assets base of the companies. The maximum and minimum values were 13.23902 and 9.104840 respectively for the selected insurance firms.

Table 3: Correlation Matrix

	ETR	FD	BFE	FS
ETR	1.000000			
FD	-0.099907	1.000000		
BFE	0.202133	-0.098565	1.000000	
FZ	-0.052946	0.073063	-0.288032	1.000000

Source: Generated from E-view, 2022

Table 3: shows the correlation between the study variables. The result shows that the relationship between effective tax rate and independent variables (female directors, board financial expertise and firm size). The corresponding correlation value shows -0.099907 and -0.052946 for female directors and board financial expertise respectively. This means as the value of this variables increases the effective tax rate decreases by their corresponding values for selected insurance firms in Nigeria. However, board financial expertise shows a positive relationship with tax aggressiveness.

Table 4: Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
FD	0.003335	5.539949	1.012034
BFE	0.000106	6.649166	1.097700
FZ	0.000161	204.8173	1.092870
C	0.019340	231.8021	NA

Source: Eviews, 2022.

This is to check whether there is a correlation between the predictor variables which will mislead the result of the research. To formally validate the absence of multicollinearity among the independent variables, collinearity diagnostics are observed and presented using the VIF and

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tolerance values. As well-known if the variables have VIF above 10, and tolerance values above 1, then there is strong sign of multicollinearity. Using Eviews 10, the variance inflation factors were computed and found to be consistently smaller than ten. The tolerance values are also, computed and found to be consistently smaller than one. The outcomes of the above table thus provide strong evidence indicating absence of multicollinearity.

Table 5: Hausman Specification Test

Considering the fact that the study used cross-sectional panel data, fixed and random effect models were conducted. The result is presented below;

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random	1.737186	3	0.6287

** WARNING: estimated period random effects variance is zero.

Period random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
FD	-0.064161	-0.070193	0.000023	0.2083
BFE	0.030183	0.029132	0.000001	0.3808
FZ	0.003474	0.001774	0.000002	0.2638

Source: Eviews, 2022.

From the result shown in table 5 above, the probability (P) value is very high (0.6287) meaning that it is more than 5% (<0.05). This study therefore suggests the random effect is more appropriate for interpretation.

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Table 6: Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FD	-0.070193	0.058441	-1.201099	0.2310
BFE	0.029132	0.010417	2.796699	0.0056
FZ	0.001774	0.012839	0.138181	0.8902
C	0.017231	0.140738	0.122431	0.9027

	Weighted Statistics		
R-squared	0.047404	Mean dependent var	0.072749
Adjusted R-squared	0.034174	S.D. dependent var	0.137857
S.E. of regression	0.135481	Sum squared resid	3.964699
F-statistic	3.582954	Durbin-Watson stat	0.567942
Prob(F-statistic)	0.014666		

Source: Eviews, 2022.

The cumulative R^2 of the research which is the coefficient of determination gives the proportion of the total change in the explained variable described by the independent variables conjointly. The R^2 of 0.047404 indicates that the predictor variables explain 5% variations in the whole panel. Signifying that 5% of total changes in the tax aggressiveness is caused by the explanatory variables jointly. The model is also, fitted as indicated by F-statistics of 3.582954 and a corresponding probability of 0.014666 which is below 5% level of significance.

Based on the individual explanatory variables, the study finds evidence which suggest that female directors have negative and insignificant effect on tax aggressiveness. This is evidenced by the coefficient of -0.070193 and probability of 0.2310 which is greater than 5% level of significance. Thus, any increase in the proportion of female directors by quoted insurance firms in Nigeria will have no effect on tax aggressiveness. The study therefore, failed to reject the null hypothesis.The study also, reveals that board financial expertise has a positive and significant effect on tax aggressiveness of quoted insurance firms in Nigeria with a p-value less than 5% (0.0056) and a coefficient of 0.029132. This study statistical evidence that financial expertise on the board exert positive and significant effect on the tendencies of management to involve in aggressive tax policies. Therefore, the study rejects the null hypothesis and accept the alternate hypothesis.The result reveals that firm size has a negative significant effect on tax aggressiveness on quoted insurance firms in Nigeria with p-value less than 5% level of confidence. Thus, any increase in firm size by quoted insurance firms in Nigeria will have significant effect on tax aggressiveness.

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CONCLUSION AND RECOMMENDATION

Based on the findings the following conclusions were drawn:
The study shows that female directors have a negative and insignificant effect on tax aggressiveness of insurance companies quoted on the Nigerian stock exchange. Based on this finding it can be inferred that female directors are not an important determinant of tax aggressiveness in quoted insurance companies in Nigeria.

Furthermore, the study finds board financial expertise has a positive significant effect on tax aggressiveness of quoted insurance companies. Given this result, the study has statistical evidence to conclude that board financial expertise is an important determinant of tax aggressiveness in quoted insurance companies in Nigeria.

The following recommendations are made:

Hence, there is an inverse relationship between female directors and tax aggressiveness, it is recommended that insurance companies can only make females directors a priority when there is perceived weak corporate governance. This is consistent with the prediction that female directors add more value when there is need for improved monitoring in a firm to better align preferences of shareholders with management.

However, the number of financial experts among the boards independent non-executive directors is found to be consistent with decreased tax aggressive policies adopted by management. It is recommended the preferred choice of these directors should be the one with financial accounting and reporting knowledge.

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