THE INFLUENCE OF LEVERAGE, EXECUTIVE INCENTIVES, MANAGERIAL OWNERSHIP ON TAX AGGRESSIVENESS (STUDY IN MANUFACTURING COMPANIES LISTED ON IDX YEAR 2012-2014)

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Abstract
This study aims to examine the influence of leverage, executive incentive and managerial ownership on tax aggressiveness. For measuring tax aggressiveness, this study uses Effective Tax Rates (ETR) as a proxy of tax aggressiveness. The samples of this study are the manufacturing companies listed on IDX (Indonesia Stock Exchange) in 2012-2014. The samples are collected using purposive sampling method and resulted 60 companies as the final samples. The data needed for this study are collected from the companies’ annual report. Then, the data analyzed by multiple regression analysis. The results of this study show that (1) The leverage, executive incentives, and managerial ownership simultaneously influence the tax aggressiveness, (2) The leverage does not have influence on the tax aggressiveness, (3) The executive incentives does not have influence on the tax aggressiveness, (4) The managerial ownership have influence on the tax aggressiveness.

Keywords: Leverage, Executive Incentive, Managerial Ownership, Tax Aggressiveness

1. Introduction
Indonesia is the largest country in Southeast Asia and the 4th biggest country in the term of population number. Because of its abundant natural resources and strategic geographic conditions, Indonesia entitled as the world trade traffic area. This condition will give such a huge chance to attract foreign investors to set up their business in Indonesia. Even the national and/or multinational company scale, also want to spread up their business in this world trade area The existence of these companies will give an enormous advantage for Indonesia because it can increase the country’s revenue, especially in taxes. Tax is one of the largest revenue for the country, so the government needs to put more attention in the taxation sector. Indonesia Government has made various policies on taxation to maximize revenue from taxes because tax revenues can affect the magnitude of the state budget significantly.

In the period of 2011-2014, Indonesia has increased its tax revenues as much as Rp272.991 billion, which the total revenues in 2011 is Rp873.874 billion. Then, in 2014, the tax revenue has became Rp1.146.865 billion. It is important for the government to know the factors that can affect the amount of tax revenue so that it can formulate the policies that are appropriate and in accordance with tax regulations.

Company as a taxpayer has an obligation to pay tax in accordance with the provisions of taxation, which is calculated from the amount of net profit before tax multiplied by the applicable tax rate. The greater the tax paid by the company, the greater the revenue that the government got from taxation sector. The government's aim to maximize revenues from the tax sector which is contrary to the goals of the company as a taxpayer that seeks to minimize the costs incurred in obtaining the maximum profit that can provide accountability to owners or shareholders and the continued viability of the company (Yoehana, 2013).

Payment of taxes in accordance with the provisions, would be contrary to the company's main objectives, namely to maximize profits or earnings, so the company sought to minimize tax costs borne. Therefore, it can be said that the payment of income tax is the expenditure for the company and the owner of the company. As the results, the owner of the company prefer asks the management to do the tax aggressiveness (Sari and Martani. 2010).
Tax aggressiveness is part of the tax management. Where an effort to minimize the tax burden carried by making tax planning. Tax planning was an attempt by the taxpayer to minimize tax payable. Tax planning can be done in various ways, either comply with the provisions of taxation (tax avoidance) or in violation tax regulations (tax evasion).

Tax aggressiveness action can reduce taxable income through a well-manner way or, which is respectively classified as the tax planning or tax evasion (Frank et al., 2009). The lack of clear rules regarding the tax aggressiveness, tax planning and tax avoidance leads to different perceptions between the government and the taxpayer. From the side of the taxpayers, if they minimize taxes without violating tax laws, then thing to do is fine. For the government, the rules must not be misused in a way to minimize tax avoidance or tax companies to make a profit.

Several previous studies have shown the different terms used in explaining the aggressiveness of corporate taxes. Khurana and Moser (2009) defined that it the tax aggressiveness as the activities of the tax avoidance and the tax sheltering. In addition, Timothy (2010) expressed that the tax aggressiveness can be evaluated into two ways which are tax avoidance and tax sheltering. Tax avoidance is done in a legal way and in accordance with the applicable laws that regulated by the government. In contrast, tax sheltering is done in illegal way and incompatible with the provision of regulated laws. In addition, the tax aggressiveness is a company's efforts to minimize tax expenses through tax planning with the aim of maximizing profits. Tax Aggressiveness can be done by means of legal, illegal or both. From previous research, there are several variables that influence tax aggressiveness, such as leverage, executive incentives, and managerial ownership.

Leverage ratio shows that the debt of a company will reflect the value of the company become higher. This ratio is used to measures the company's ability to meet their long-term liabilities. Leverage is the additional amount of debt of the company that causes the additional expenses which is interest. With the existence of this interest expenses, the income tax expense of taxpayers or corporation will be reduced. Therefore, the higher level of the company’s debt will minimize the tax burden that would be paid by the company.

Prior studies have stated that the executive incentive also affects the tax aggressiveness. Executive incentive or executive payment consisted of the financial compensation and other non-financial awards. The company gives the compensation to their executive directors as the appreciation for their services to the company itself. Generally, the company may give a mixture of salary, bonuses, shares of or call options on the company stock, benefits, and perquisites. Ideally, the compensation is arranged in accordance with the government regulations and/or tax law.

Another variable that affected tax aggressiveness is managerial ownership. Managerial ownership is the situation where such dual role between managers and shareholders exist. In other words, a company manager owns the shares of the company. According to William and Sen (1997) in Hadi and Mangonting (2014), when the shareholders increase their shares in the company, the role of the board of directors to take decisions is less effective. As a manager at the same time shareholders will align the interests of shareholders and managers in decision-making. The company's shares owned by members of the board of directors will look for potential increasing and a bonus dividend of the decision of the directors for the benefit of the company which in turns increases the level of tax aggressiveness.

This research is modification of the research that has been done by Hadi and Mangonting (2014) about the influence of ownership structure and board of characteristics on tax aggressiveness. The differences of this study with previous research are the addition of independent variables such as leverage and executive incentives. The differences were also found in the selection of the research object narrowed down to manufacturing company. Another differences was also found in the study used, it is years 2012-2014. The similarity with previous research is managerial ownership as the independent variable.

2. Literature Review, Theoretical Framework And Hypotheses
Tax Aggressiveness

The definition of tax aggressiveness in this study refers to the notion of tax aggressively used by
Frank et al. (2009), which is an act that aims to lowering taxable income through tax planning using either classified or not classified as tax evasion. While not all the actions performed are considered breaking the rules, but the more loopholes that companies use tend to be more aggressive. Based on the explanation by Frank et al. (2009), it can be concluded that the transaction and decision making of tax aggressive may potentially be a problem of tax avoidance or tax evasion. Harari et al. (2012), suggested that the aggressiveness of the tax can be defined as the main purpose of the activity or activities that are the object of tax planning is to avoid paying taxes or to lower taxes significantly and the commercial reason for that activity, if any, is marginal. Desai and Dharmapala (2006) stated that the tax burden borne by the subject of corporate tax, required good planning, therefore taxation strategy become absolutely necessary to achieve optimal business. Strategy and tax planning must be acceptable and legal that encourages companies to be able to compete with other companies. Tax aggressiveness reporting is a situation when companies perform certain tax policy and one day there is a possibility that tax measurement will not be audited or question from a legal standpoint, but this action is risky because of the vagueness position (Hite and McGill, 1992; Murphy, 2004; and Balakrishnan et al., 2011).

**Leverage**

Leverage shows that the total debt used by company to finance investment. Leverage is a ratio that indicates to measures the extent of company's ability to pay their long-term liabilities. Leverage depicts the relationship between total liabilities and stockholders' equity. The reduction of funds in the companies may lead conflict between principal and agent. There is a possibility that the principal does not agree with the funding requests from management for corporate purposes. As a result, the management (agent) will cover the financing needs of the company by borrowing the money. Generally, the companies with the higher leverage ratio will try to give more information as the instrument for reducing the monitoring costs on behalf of investors. They provide more detailed information in the annual report to meet those needs compared to the company with the lower leverage level. Lanis and Richardson (2007) stated that when the companies rely more on the debt financing than equity financing for their operation, the company will have lower effective tax rate. It happens because the companies with the higher debt levels will pay higher tax interest as the results it makes the value of effective tax rate is becoming low.

**Executive Incentive**

According to Yunita (2013) in Syoraya (2014), incentives are the earnings which may take the form of money and/or goods that directly or indirectly received by employees as the reward for services provided by the company. In addition Dessler (1997) defined incentives as any form of payment or compensation to employees by the company as remuneration of their contribution to the company. Mond and Neo (1993) remuneration to employees can be both financial and non financial compensation. Executive incentives are usually in the form of base salary, annual bonus, stock options or to appreciate their long-term performance, benefits and project control. Komari and Faisal (2007) argued incentives program is intended to reduce conflicts of interest between the owner and the management for their profit maximization the value of the company (through a incentives program) will enhance the welfare of the management.

**Managerial Ownership**

Managerial ownership is ownership by the management of the company. Managerial ownership is also an effort that can be taken to reduce the conflict between principal and agent. Managerial ownership is the shareholder who is a party to internal company actively participates in the company's operations (Hanafi, 2004). According to Wahidahwati (2002) managerial ownership is the level of management ownership and actively participates in decision-making, such as directors and commissioners. Managerial ownership provides an opportunity manager involved in ownership so that with this engagement manager position aligned with shareholders. The manager was treated not only as an external party in salary for the benefit of the company but is treated as shareholder, so expect the involvement of managers in the shareholding may be effective to improve the performance of managers.
Based on theoretical framework, the hypotheses that can be drawn are:

H1: Leverage, executive incentives and managerial ownership simultaneously influence the tax aggressiveness on manufacturing company listed on the Indonesian Stock Exchange.

H2: Leverage influences the tax aggressiveness on manufacturing company listed on the Indonesian Stock Exchange.

H3: Executive incentives influences the tax aggressiveness on manufacturing company listed on the Indonesian Stock Exchange.

H4: Managerial ownership influences the tax aggressiveness on manufacturing company listed on the Indonesian Stock Exchange.

3. Research Design

Data and Sample

This research exerts secondary data from the published audited financial statements of manufacturing companies listed on Indonesian Stock Exchange for the period of 2012-2014. The published annual financial reports can be obtained by downloading directly from official website of Indonesian Stock Exchange.

Purposive sampling method is used because it confirms to specific types of parties who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set. The criteria set by the researcher are as follows:

1) The manufacturing companies listed on the Indonesia Stock Exchange during the period of observation on 2012-2014
2) The companies that provide the annual report for the consecutive period of 2012-2014
3) Companies that suffered losses during the year of observation.
4) The companies that has managerial ownership by Directors and Commissioners.
5) The companies that publish the total of remuneration or compensation.
6) Manufacturing companies that present Rupiah as currency in financial report for the consecutive period of 2012-2014.

Based on the two criteria cited above, the sample for manufacturing companies used in this research is describe in the Table

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manufacturing companies that listed on the Indonesia Stock Exchange (IDX) for the consecutive period of 2012-2014</td>
<td>133</td>
</tr>
<tr>
<td>2</td>
<td>The companies that not provide the annual report for the consecutive period of 2012-2014</td>
<td>23</td>
</tr>
<tr>
<td>3</td>
<td>The companies that not has stocks ownership by Directors and Commissioners</td>
<td>59</td>
</tr>
<tr>
<td>4</td>
<td>Companies that suffered losses during the year of observation.</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>The companies that not publish the total of remuneration or compensation.</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>Manufacturing companies that do not presents Rupiah as currency in financial report for the consecutive period of 2012-2014</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>Total of Sample</strong></td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>The Total Observations for 3 years</strong></td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Data Processed (2016)

Variables

Tax Aggressiveness

The dependent variable is a variable that the value is affected by the independent variable. The dependent variable in this study is the aggressiveness of the tax. Aggressiveness tax is the company's desire to minimize the tax burden paid by a legal, illegal, or both (Yoehana, 2013). This study measures the aggressiveness from the tax by proxy Effective Tax Rates (ETR) is calculated from:
ETR = \frac{\text{Tax Expense}}{\text{PreTaxable Income}} \times 100%

ETR represents the percentage of total income tax paid by the company of the total profit before tax from the company. ETR is measured using proxy models Lanis and Richardson (2011).

**Leverage**

Leverage depicted with the proportion of long term liabilities to total assets that owned by the company. The aim is to know the financing decision that used by the company. According to Lanis and Richardson (2011), leverage is calculated by:

\[ \text{Lev} = \frac{\text{long term debt}}{\text{Total asset}} \]

**Executive Incentive**

Companies with good corporate governance will provide incentive to executive for the performance he has done, not because of a fluke (Bertrand and Multhinatan, 2001). The purpose of incentive is to align the interests of shareholders with the interests of asset managers. Compensation may provide incentives long-term use of incentives.

Tock option and incentive short term by using monetary compensation. Several studies have prove that the tax management is an activity that can increase the value companies and provide benefits to shareholders (Graham and Tucker, 2006; Desai and Dharmapala, 2006).

\[ EI = \frac{\text{Total of executives incentives}}{\text{Total sales}} \]

**Managerial Ownership**

Managerial ownership is the amount of stock ownership by parties management of the entire share capital of the company managed (Gideon, 2005). Managerial ownership is calculated using the percentage of shares owned by the management company that actively participate in business decisions (commissioners and directors). Managerial ownership is formulated as follows (Masdupi 2005):

\[ \text{Managerial ownership} = \frac{\text{total of managerial shares}}{\text{total outstanding shares}} \times 100\% \]

**3.3 Research Model**

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \varepsilon \]

\( TA \quad = \) Tax Aggressiveness
\( a \quad = \) Constant
\( b_1, b_2, b_3, b_4 \quad = \) Regression Coefficients
\( X_1 \quad = \) Leverage
\( X_2 \quad = \) executive incentive
\( X_3 \quad = \) Managerial Ownership
\( \varepsilon \quad = \) Error term

**4. Result and Discussion**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>DF</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.081</td>
<td>3</td>
<td>.027</td>
<td>4.527</td>
<td>.007</td>
</tr>
<tr>
<td>Residual</td>
<td>.335</td>
<td>56</td>
<td>.006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>.417</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.269</td>
<td>.020</td>
<td></td>
<td>13.423</td>
<td>.000</td>
</tr>
<tr>
<td>LEV</td>
<td>.036</td>
<td>.090</td>
<td>.051</td>
<td>.396</td>
<td>.694</td>
</tr>
<tr>
<td>EI</td>
<td>-.426</td>
<td>.417</td>
<td>-.124</td>
<td>-1.023</td>
<td>.311</td>
</tr>
<tr>
<td>MOW</td>
<td>-.283</td>
<td>.088</td>
<td>-.408</td>
<td>-3.212</td>
<td>.002</td>
</tr>
</tbody>
</table>

Based on the results of the F-Statistic Test (Table 2), it can be seen that the significant value is 0.007 and lower than the significance level of 0.05 (5%). As the results, all the independent variables
simultaneously influence the dependent variable. Thus, the independent variable of leverage, executive incentive and managerial ownership have simultaneously influence the tax aggressiveness. Therefore $H_1$ is accepted because the independent variables are simultaneously affected the tax aggressiveness.

Based on the results of the T-Statistic Test (Table 3), Leverage has a value of $t$ 0.396 with the significance level of 0.694 is higher than the significance level of 0.05 (5%). It shows that the leverage does not have influence on the tax aggressiveness in companies sampled in this study. This result is contradictory with the results from Zhou (2011) and Chen et al (2008) which stated that the leverage index positively influences tax aggressiveness. However, this results are the same with the results from Tiaras and Wijaya (2015) that conducted the research in Indonesia on period 2010-2011 and Lanis dan Richardson (2007) that conducted the research in Australia on period 1997-2003. Therefore, $H_2$ is rejected. So, it can be concluded that there is no influence between the leverage and tax aggressiveness.

The executive incentive has value of $t$ -1.023 with the significance level of 0.311. The significance value is higher than the significance level of 0.05 (5%). Therefore, it shows that the executive incentive does not has influence on tax aggressiveness. The executive incentive does not influence tax aggressiveness in this study. This result is contradictory with the results from Rego and Wilson (2008) and Minnick and Noga (2010) which stated that the executive incentive is significant in explaining the tax aggressiveness. Meanwhile, this result is in accordance with the results from Putri (2014) the result of spss showed the significance is over 0.05, it means no influence, it is not negative significant. In making policy decisions, it is desirable to obtain reliable results in carrying out the strategy of the company, so the Executive as the leader of the company's operations will be willing to make policy in the efficient payment of taxes only if executive also gained an advantage. For it by having a high executive incentives would be benefitted, so executive will improve the company's performance better. Thus the results of this research show that executive compensation has no effect against tax aggressiveness.

This is because low levels of grant of reward in recognition of work in carrying out the task so that the Executive is not motivated in decision making corporate tax. As the results, $H_3$ is rejected. So, it can be concluded that there is no influences between the executive incentives and tax aggressiveness.

The managerial ownership ($X_3$) has a value of $t$ -3.212 with the significance level of 0.002. The significance value is lower than the significance level of 0.05 (5%). Therefore, it shows that the managerial ownership have influence on the tax aggressiveness. This result is contradictory with the results from Hadi and Mangoting (2014) which stated that the managerial ownership is not significant in explaining the cost of debt. Meanwhile, this results are in accordance with the results from Boussaidi and Hamed (2015), Zhou (2011), and Timothy (2010) which there are positive significant influences relationship between the managerial ownership and the tax aggressiveness. Managerial ownership in the company does not guarantee the manager to lower incentives and their dividends, as managers in internal party to increase its ownership in the company, the role of the board of directors took the decision less effective. As managers and shareholders will align with their own interests in decision-making. The company that has managerial ownership will look for potential increase and a bonus dividend of the decision of the directors for the benefit of the company which in turn increases the level of tax aggressiveness. Therefore $H_4$ is rejected. So, it can be concluded that there is influence between managerial ownership and tax aggressiveness.

5. Conclusion and Suggestion

Conclusion

Based on the discussions of the research that previously have been explained, it can be concluded that:

1) The leverage, executive incentives, and managerial ownership simultaneously influence the tax aggressiveness in the manufacturing companies listed on IDX year 2012-2014.

2) The leverage does not have influence on the tax aggressiveness in the manufacturing companies listed on IDX year 2012-2014.
3) The executive incentives does not have influence on the tax aggressiveness in the manufacturing companies listed on IDX year 2012-2014.

4) The managerial ownership have influence on the tax aggressiveness in the manufacturing companies listed on IDX year 2012-2014.

**Suggestion**

Based on findings of this study, it is recommended that:

1) The research can be conducted in different sectors or broaden the research subjects to get more representative data from the population and the findings can be generalized to all types of companies.

2) Future researchers can use another proxy to measure the Effective Tax Rate (ETR). For example, using the book tax different (BTD) to obtain the results of the company's debt costs more accurately.

3) Further researchers should use more number of observations which can provide valid and representative results.

4) The research can be conducted by increasing another independent variables that exist. The research can be done in the longer period to give more accurate and valid results.

**References**


Chen, Shuping; Chen, Xia; Cheng, Qiang; and Shevlin, Terry. 2010. Are Family Firms more Tax Aggressive than Non-family Firms?. *Journal of Financial Economics.*, 91(1): 41.


Appendix A. Descriptive Statistics Test Results

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA</td>
<td>60</td>
<td>.02910</td>
<td>.49150</td>
<td>.2433282</td>
<td>.08402612</td>
</tr>
<tr>
<td>LEV</td>
<td>60</td>
<td>.02076</td>
<td>.58786</td>
<td>.1270007</td>
<td>.11863896</td>
</tr>
<tr>
<td>EI</td>
<td>60</td>
<td>.00043</td>
<td>.12988</td>
<td>.0133432</td>
<td>.02441967</td>
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<tr>
<td>MOW</td>
<td>60</td>
<td>.00002</td>
<td>.46406</td>
<td>.0862523</td>
<td>.12103511</td>
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<tr>
<td>Valid N (listwise)</td>
<td>60</td>
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<td></td>
<td></td>
<td></td>
</tr>
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Source: Output SPSS 23.0 (2016)

Appendix B. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th></th>
<th>TA</th>
<th>LEV</th>
<th>EI</th>
<th>MOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Mean</td>
<td>.2433282</td>
<td>.1270007</td>
<td>.0133432</td>
<td>.02441967</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.08402612</td>
<td>.11863896</td>
<td>.02441967</td>
<td>.12103511</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
<td>.159</td>
<td>.185</td>
<td>.322</td>
</tr>
<tr>
<td>Positive</td>
<td>.151</td>
<td>.158</td>
<td>.322</td>
<td>.238</td>
</tr>
<tr>
<td>Negative</td>
<td>-.159</td>
<td>-1.185</td>
<td>-.298</td>
<td>-.238</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>.159</td>
<td>.185</td>
<td>.322</td>
<td>.238</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.001⁵</td>
<td>.000⁵</td>
<td>.000⁵</td>
<td>.000⁵</td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Output SPSS 23.0 (2016)

Appendix C. Multicollinearity Test Results

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
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<td>-.408</td>
<td>-3.212</td>
<td>.002</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TA

Source: Output SPSS 23.0 (2016)
Appendix D. Heteroscedasticity Test Results

![Scatterplot](image.png)

Source: *Output SPSS 23.0 (2016)*

Appendix E. Autocorrelation Test Results

**Durbin-Watson Test Result**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.442(^a)</td>
<td>.195</td>
<td>.152</td>
<td>.07737397</td>
<td>1.694</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MOW, EI, LEV  
b. Dependent Variable: TA  
Source: *Output SPSS 23.0 (2016)*

Appendix G. Coefficient of Determination (R\(^2\))

**Coefficient Determination Result**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.442(^a)</td>
<td>.195</td>
<td>.152</td>
<td>.07737397</td>
<td>1.684</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), MOW, EI, LEV  
b. Dependent Variable: TA  
Source: *Output SPSS 23.0 (2016)*