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IMPACT OF OWNERSHIP STRUCTURE AND TAX AGGRESSIVENESS OF LISTED OIL AND GAS COMPANIES IN NIGERIA

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Abstract

This study examines the relationship between ownership structure and tax aggressiveness among listed oil and gas companies in Nigeria over the period 2015–2024. Secondary data were obtained from the audited financial statements of selected firms listed on the Nigerian Exchange Group (NGX), and analyzed using descriptive statistics, correlation analysis, and Panel-Corrected Standard Errors (PCSE) regression. The findings reveal that block ownership, directors' share ownership, foreign ownership, and non-executive directors all have positive and statistically significant effects on tax aggressiveness. This suggests that concentrated ownership and managerial equity incentives encourage aggressive tax planning, while foreign investors may also promote such strategies within weak regulatory environments. However, the interaction effects indicate that non-executive directors significantly moderate these relationships, reducing the influence of ownership structures on aggressive tax practices. The results support the argument that corporate behavior is shaped by both internal incentives and external institutional pressures. It recommends strengthening corporate governance mechanisms, particularly board independence, and improving regulatory enforcement to ensure transparency and accountability. The findings contribute to the literature on corporate governance and tax planning in emerging economies and provide policy-relevant insights for regulators, investors, and corporate managers.

Keywords: ownership structure, tax aggressiveness, listed oil and gas companies, Nigeria

1. Introduction

Tax payment constitutes a fundamental responsibility of both individuals and corporations, requiring the remittance of assessable taxes to the appropriate authorities. Despite this obligation, taxpayers often seek to minimize their tax liabilities in order to maximize net income and profitability. This behavior, commonly referred to as tax aggressiveness, encompasses a wide range of strategies employed to reduce tax burdens.

According to Salaudeen and Ejeh (2018), tax aggressiveness involves the use of legal provisions such as deductions, exemptions, and incentives to lower taxable income, although it may also extend to practices that stretch or violate legal boundaries. Thus, tax aggressiveness includes both tax avoidance (legal) and tax evasion (illegal), often operating within a grey area that raises ethical and regulatory concerns. The system was widely perceived as inequitable, leading to resistance and the emergence of tax avoidance practices. The absence of effective monitoring systems, enforcement mechanisms, and coordination among tax authorities created loopholes that enabled

widespread tax evasion and avoidance (Dekker, 2020). These structural weaknesses continue to influence corporate tax behavior in Nigeria.

Tax aggressiveness is often driven by firms' desire to reduce costs and enhance profitability. When companies perceive taxation as a significant financial burden, they are more likely to engage in aggressive tax planning strategies (Kwak & Park, 2020). Such strategies may involve manipulating accounting figures, exploiting loopholes in tax laws, or engaging in complex financial arrangements to reduce taxable income (Dhamara & Violita, 2018). While these practices can generate short-term benefits such as increased after-tax returns and improved cash flows, they also expose firms to substantial risks. These risks include regulatory penalties, tax audits, litigation, reputational damage, and loss of stakeholder trust (Wilde & Wilson, 2018; Blouin & Robinson, 2020).

The determinants of tax aggressiveness have been widely examined in the literature, with particular emphasis on corporate governance mechanisms and ownership structure. Ownership structure is considered a core element of corporate governance, as it influences managerial behavior, decision-making processes, and agency relationships within firms (Hua & Zin, 2007). Shackelford and Shevlin (2001) argue that weak governance structures and concentrated ownership can significantly affect tax avoidance behavior.

Similarly, directors' share ownership serves as an important alignment mechanism in corporate governance. When managers hold equity stakes in the firm, their interests become aligned with those of shareholders, potentially leading to value-maximizing decisions (Jensen & Meckling, 1976; Core & Guay, 2019).

Foreign ownership represents another significant factor influencing corporate governance and tax behavior. With the increasing globalization of capital markets, foreign investors have become key stakeholders in many firms. These investors often bring advanced monitoring capabilities, international best practices, and higher expectations for transparency and accountability (Aggarwal et al., 2019; Ferreira et al., 2022).

Independent directors also play a vital role in enhancing corporate governance and limiting opportunistic behavior. As external members of the board, independent directors are expected to provide objective oversight and ensure the integrity of financial reporting (Adams & Ferreira, 2018; Duchin et al., 2020). Their presence is often associated with improved transparency and reduced agency conflicts. Therefore, this study focuses on examining the relationship between ownership structure specifically block ownership, directors' share ownership, foreign ownership, and independent directors and tax aggressiveness among listed oil and gas companies in Nigeria, with board independence acting as a moderating variable.

Corporate tax aggressiveness has become a significant concern for governments worldwide, including Nigeria, as it directly impacts revenue generation and economic development. Tax aggressiveness, characterized by strategies aimed at minimizing tax liabilities through legal or borderline practices, has garnered significant attention in corporate governance discourse. In Nigeria's oil and gas sector, which is pivotal to the nation's economy, concerns have been raised about the tax behaviours of listed companies in Nigeria due to the high level of their involvement in tax aggressiveness which affects the sector and the country's economy at large.

A study conducted by Esifiho, (2024) posit that Nigeria loses approximately ₦3 trillion annually due to tax aggressiveness in the oil and gas sector. Which this figure account for about about 15% deficit of Nigeria's national budget, thus stressing the

importance of addressing tax aggressiveness in this industry. In the same vein, in 2019, the then Executive Chairman of the Federal Inland Revenue Services (FIRS) Tunde Fowler, noted that the Nigerian government lost about $15 billion per year to tax avoidance and evasion (Okwe, 2019).

Furthermore, in 2020, the successor to Tunde Fowler Muhammad Nami (Chairman of FIRS) reported that about ₦5.4 trillion was lost between 2007 and 2017 as a result of tax aggressiveness by Multinational entities in the country and subsequently leads to the decline in the annual target of FIRS (Awojulugbe, 2021).

It was reported by the FIRS report of (2020) that the overall annual targeted Company Income Tax (CIT) from 2015 to 2020 was 1.40 billion, ₦1.79 billion, ₦1.70 billion, ₦1.67 billion, ₦1.71 billion, and ₦1.77 billion, respectively. However, the actual amount received by the government during these periods were ₦1.27 billion, ₦0.93 billion, ₦1.22 billion, ₦1.34 billion, ₦1.60 billion, and ₦1.28 billion respectively (FIRS Report, 2020). Hence, this issue will undermine government efforts to generate more revenue in the country. Therefore, the problem of tax aggressiveness shall be mitigated in this study by considering factors of ownership structures which plays a crucial role in shaping corporate strategies, including tax-related decisions.

In view of the above problem statement, the study intends to answer the following research questions:

i. How does block ownership structures affect tax aggressiveness of listed oil and gas companies in Nigeria?
ii. Do directors share ownership influences tax aggressiveness of listed oil and gas companies in Nigeria?
iii. How does foreign ownership affect tax aggressiveness of listed oil and gas companies in Nigeria?
iv. Do independent directors affect tax aggressiveness of listed oil and gas companies in Nigeria?

The main objective of the study is to examine the impact of ownership structures and tax aggressiveness of listed oil and gas companies in Nigeria. The specific objectives of the study are as follows:

i. To examine the relationship between block ownership and tax aggressiveness of listed oil and gas companies in Nigeria.
ii. To assess how directors share ownership influences tax aggressiveness of listed oil and gas companies in Nigeria.
iii. To investigate how foreign ownership concentration impact on tax aggressiveness of listed oil and gas companies in Nigeria.
iv. To determine the effects of independent directors on tax aggressiveness of oil and gas companies in Nigeria.

In line with the objectives of the study, the following hypotheses were formulated in null form:

H_{01}: There is no significant relationship between block ownership and tax aggressiveness of listed oil and gas companies in Nigeria.

H_{02}: Directors share ownership does not significantly influence tax aggressiveness of listed oil and gas companies in Nigeria.

H_{03}: foreign ownership does not significantly influence the tax aggressiveness of listed oil and gas companies in Nigeria.

H_{04}: Independent directors on board does not have significant effect on tax aggressiveness of listed oil and gas companies in Nigeria.

This study examines the relationship between ownership structure and tax aggressiveness among listed oil and gas companies in Nigeria over the period 2015–2024. It focuses on four ownership dimensions block ownership, directors' share ownership, foreign ownership, and independent directors' ownership with board independence serving as a moderating variable to determine its influence on the relationship between ownership structure and tax aggressiveness.

The study is significant because it provides useful evidence for policymakers in formulating effective tax and corporate governance policies, assists investors and stakeholders in understanding how ownership structures influence corporate tax behavior, and contributes to the literature on corporate governance and tax planning in developing economies. The findings will also benefit corporate managers, tax authorities, regulatory agencies, auditors, researchers, and academic institutions by providing empirical evidence to improve tax compliance, corporate transparency, regulatory enforcement, and future research on ownership structure and tax aggressiveness.

2. Literature Review

Conceptual Review

Concept of Tax Aggressiveness

Ibrahim and Hassan (2023) define tax aggressiveness as the strategic manipulation of taxable income and accounting figures to minimize corporate tax payments within the boundaries of legal and semi-legal frameworks. It involves deliberate financial decisions aimed at lowering tax exposure. Nwankwo and Eze (2024) define tax aggressiveness as the intentional use of accounting discretion and financial structuring techniques to reduce taxable income and corporate tax obligations.

Concept of Ownership Structure

Kim and Choi (2023) describe ownership structure as the pattern of equity ownership that defines the relative distribution of control and cash flow rights within a firm. It outlines who has voting authority and financial claims on profits. Singh and Rao (2025) define ownership structure as the arrangement and distribution of equity interests that determine the degree of shareholder control and influence within a firm.

Concept of Block Ownership

According to Nwosu and Ezeani (2024), block ownership is the concentration of shareholding in the hands of one or a few investors with significant voting rights, enabling them to exercise effective control over corporate decisions. Okon and Bello (2025) describe block ownership as the concentration of ownership rights in the hands of major shareholders who hold a substantial proportion of a firm's total shares, granting them significant control and influence.

Concept of Directors share Ownership

Chen and Hsu (2023) describe directors' share ownership as the equity stake held collectively or individually by board members in the company they oversee. This stake represents a governance mechanism designed to align directors' incentives with corporate performance outcomes. Park and Choi (2025) define directors' share ownership as the equity interest that directors personally maintain in the companies on whose boards they serve, influencing governance decisions and firm outcomes.

Foreign Ownership

Foreign ownership describes the extent to which shareholders from countries other than the host nation hold ordinary shares in a corporation (Adebola & Nwachukwu, 2023). Foreign ownership refers to the portion of a firm's equity that is

owned by investors domiciled outside the firm's home country, allowing them rights to benefits and control proportional to their stake (Fernandez & Rojas, 2024).

Independent Directors

González and Martínez (2024) define independent directors as individuals appointed to a company's board who have no economic, employment, or relational ties with the organization that could impair impartial judgment. Chukwu and Ekong (2025) describe independent directors as board members who are not part of the company's executive management and who do not hold substantial financial interests or personal affiliations with controlling shareholders.

Empirical Review

Block Ownership and Tax Aggressiveness

Agyemang and Modisane (2025) investigate the direct and indirect effects of ownership dimensions including ownership concentration on corporate tax avoidance among non-financial firms in Ghana. Using structural equation modelling with panel data from 2010–2023, their analysis reveals that ownership concentration alone does not directly influence tax avoidance.

Yahaya (2025) provides empirical evidence on ownership structure and tax avoidance using a panel dataset of firms from 2014–2023. Through panel regression analyses, this research finds that different ownership types including managerial, institutional, foreign and concentrated ownership exert varying influences on corporate tax avoidance as measured by effective tax rates, with managerial and concentrated blockholdings associated with lower tax rates, indicating more aggressive tax avoidance.

Director share Ownership and Tax Aggressiveness

Belahouaoui (2025) assesses internal governance mechanisms, including director share ownership, and their influence on tax aggressiveness among Moroccan listed companies. The regression results reveal that director ownership positively relates to tax aggressiveness. Surbakti et al. (2024) evaluate how different types of ownership including director share ownership influence corporate tax aggressiveness in Indonesian manufacturing firms. By using panel data from 2020–2022, their regression analysis finds that director share ownership significantly increases aggressive tax planning, as reflected in effective tax rate proxies.

Foreign Ownership and Tax Aggressiveness

Surbakti et al. (2024) employ panel data regression on Indonesian manufacturing companies from 2020–2022 to explore the influence of several ownership types on tax aggressiveness. Their results reveal that foreign ownership is negatively related to aggressive tax planning as measured by effective tax rate proxies, contrasting with managerial and family ownership effects. Yahaya (2025) examines ownership structure effects across a broad panel of firms in emerging markets using fixed and random effects regression. The analysis indicates that foreign ownership consistently predicts lower levels of tax avoidance, as measured by effective tax rates and book-tax differences.

Independent director and Tax Aggressiveness

Ideh and Okolo (2025) examine corporate governance variables including independent director representation and their influence on tax aggressiveness among non-financial firms in Nigeria. Using panel regression on firm-level data from 2014–2024, the study finds that higher proportions of independent directors on boards significantly reduce tax aggressiveness. Agyemang and Modisane (2025) investigate how governance variables including independent directors relate to corporate tax

avoidance in Ghana. Their structural equation modelling demonstrates that independent director representation strongly decreases aggressive tax behavior.

Theoretical Framework

Institutional Theory

Institutional Theory is a widely recognized framework in organizational studies that explains how organizations interact with their environments and why they tend to adopt similar structures and practices. Originating from sociology, the theory has been applied across disciplines such as management, economics, and political science to understand organizational behavior and change.

Foundational contributions by Meyer and Rowan (1977) and DiMaggio and Powell (1983) established that organizations are not solely driven by efficiency, but are deeply influenced by social, cultural, and institutional pressures. Meyer and Rowan (1977) introduced the idea of "institutional myths," suggesting that organizations often adopt formal structures to gain legitimacy rather than improve performance. Building on this, DiMaggio and Powell (1983) developed the concept of institutional isomorphism, explaining how organizations become similar over time due to coercive, mimetic, and normative pressures. Legitimacy remains a central concept in Institutional Theory.

3. Research Methodology

This study adopts a correlational research design to examine the relationship between ownership structure and tax aggressiveness among listed oil and gas companies in Nigeria. The population comprises seven (7) oil and gas firms listed on the Nigerian Exchange Group (NGX) as at 31 December 2024, with a census sampling technique employed to include all eligible firms. These listed firms include Aradel Holdings Plc, Conoil Plc, Eterna Plc, Japaul Gold and Ventures Plc, Oando Plc, Seplat Energy Plc, Total Energies Marketing Nigeria Plc. All these firms except Aradel Holdings Plc had data within the period of study from 2015 to 2024. More so, Aradel was listed in 2024 and had only a year's data to be considered. Hence, a total firms' observation of 61 [(10 years x 6) + (10 years x 1)].

The study relies on secondary data obtained from the audited annual financial statements of the sampled firms covering the period 2015–2024. Data was analyzed using descriptive statistics, correlation analysis, and multiple regression techniques to examine the relationships among the study variables and determine the effect of ownership structure on tax aggressiveness.

Variable Measurement

Table 1

Variable Measurement and Sources

S/N	Variables / Acronyms	Measurement	Source
1	Tax Aggressiveness **(TAG)**	Sum of the firm's cash tax paid for the period divided by the sum of the firm's pre-tax income for the same period.	Olayinka & Adebayo (2023); Nguyen & Pham (2022)
2	Block Ownership **(BLO)**	Ratio of shares owned by the largest shareholder to the total number of shares outstanding.	Al-Fayoumi & Abuzayed (2021); Ibrahim & Saidu (2023)
3	Directors' Share Ownership **(DSO)**	Ratio of shares owned by all board members to the total shares outstanding.	Adeniyi & Adegbie (2022); Oboh & Okaro (2021)
4	Foreign Ownership **(FOW)**	Ratio of shares owned by foreign entities to the total number of shares outstanding.	Kimani & Muriithi (2022); Al-Matari & Al-Arussi (2021)
5	Independent or Non-Executive Director **(INED)**	Percentage of independent or non-executive directors to the total number of board members.	Abata & Migiro (2020); Ezeani & Okoye (2024)

Source: Researcher's Compilation, 2025

Model Specification

The direct model of the study is presented as: $TAG = \beta0 + \beta1BLO_{it} + \beta2\ DSO_{it} + \beta3FOW_{it} + \beta4INED_{it} + \epsilon_{it}$; where: TAG = Tax Aggressiveness; BLO= Block Ownership; DSO = directors share ownership; FOWN = Foreign Ownership; INED = independent and or non-executive director; β_0= Constant Term; β1= Coefficients of the independent and control variables; ε = Error term; i = Firms; t = time period.

4. Results and Discussion

Descriptive Statistics

Descriptive statistics provide a preliminary overview of the data characteristics, including the central tendency, dispersion, and range of the variables used in the study. Table 2 summarizes the mean, standard deviation, minimum, and maximum values of each variable.

Table 2

Descriptive Statistics of Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
TAG	61	0.1337	0.1579	0.0000	0.4980
BLO	61	0.3645	0.0731	0.1200	0.6910
DSO	61	0.1432	0.0508	0.0090	0.5420
FOW	61	0.0547	0.1693	0.0000	0.5550
NED	61	0.1693	0.2311	0.0000	0.4327

Source: Stata Output, 2025

Tax Aggressiveness (TAG)

The mean value of tax aggressiveness (TAG) is 0.1337, indicating a relatively low level of aggressive tax practices among the sampled firms. The standard deviation of 0.1579 suggests moderate variability, implying differences in tax strategies across firms. The minimum value of 0.0000 shows that some firms do not engage in tax aggressiveness at all. However, the maximum value of 0.4980 indicates that certain firms adopt relatively high tax planning strategies.

Block Ownership (BLO)

Block ownership (BLO) has a mean of 0.3645, indicating that a significant proportion of shares is held by large shareholders. The standard deviation of 0.0731 shows low variability, suggesting that ownership concentration is relatively stable across firms. The minimum and maximum values of 0.1200 and 0.6910 indicate moderate dispersion.

Directors' Share Ownership (DSO)

Directors' share ownership (DSO) records a mean value of 0.1432, indicating a moderate level of ownership by directors. The standard deviation of 0.0508 suggests low variability among firms. The minimum value of 0.0090 indicates that some directors hold very small shares, while the maximum of 0.5420 reflects substantial ownership in certain firms.

Foreign Ownership (FOW)

Foreign ownership (FOW) has a mean of 0.0547, indicating low participation of foreign investors in the sampled firms. The standard deviation of 0.1693 suggests considerable variability, meaning that some firms attract significantly more foreign investors than others. The minimum value of 0.0000 shows that some firms have no foreign ownership. The maximum value of 0.5550 indicates that foreign investors hold substantial shares in certain firms.

Non-Executive Directors (NED)

Non-executive directors (NED) have a mean value of 0.1693, suggesting a moderate presence of independent board members. The standard deviation of 0.2311 indicates relatively high variability across firms. The minimum value of 0.0000 shows that some firms lack non-executive directors entirely. The maximum value of 0.4327 suggests that some firms maintain strong board independence.

Table 3

Correlation Matrix of Variables

Variables	TAG	BLO	DSO	FOW	NED
TAG	1.0000				
BLO	0.0982	1.0000			
DSO	0.2443	-0.0869	1.0000		
FOW	-0.3849	0.2128	0.0328	1.0000	
NED	0.3348	-0.1738	-0.1028	0.3650	1.0000

Source: Stata Output, 2025

Tax Aggressiveness (TAG)

Tax aggressiveness (TAG) shows a weak positive relationship with block ownership (BLO) (r = 0.0982) and directors' share ownership (DSO) (r = 0.2443), suggesting slight alignment between ownership structure and tax practices. However, TAG is negatively related to foreign ownership (FOW) (r = -0.3849), indicating that foreign investors may discourage aggressive tax behavior. TAG has a positive association with non-executive directors (NED) (r = 0.3348)

Block Ownership (BLO)

Block ownership (BLO) has a weak positive relationship with tax aggressiveness (TAG) (r = 0.0982), indicating minimal influence on tax behavior. BLO is negatively related to directors' share ownership (DSO) (r = -0.0869), suggesting slight divergence in ownership structure. It shows a positive association with foreign ownership (FOW) (r = 0.2128), implying coexistence of ownership types. BLO is negatively associated with non-executive directors (NED) (r = -0.1738).

Directors' Share Ownership (DSO)

Directors' share ownership (DSO) has a weak positive relationship with tax aggressiveness (TAG) (r = 0.2443), indicating slight influence on tax strategies. DSO is negatively related to block ownership (BLO) (r = -0.0869), suggesting ownership dispersion. It shows negligible association with foreign ownership (FOW) (r = 0.0328). DSO is negatively related to non-executive directors (NED) (r = -0.1028).

Foreign Ownership (FOW)

Foreign ownership (FOW) has a moderate negative relationship with tax aggressiveness (TAG) (r = -0.3849), suggesting foreign investors discourage aggressive tax practices. FOW is positively related to block ownership (BLO) (r = 0.2128) and non-executive directors (NED) (r = 0.3650), indicating improved governance structures. However, FOW has weak relationships with directors' share ownership (DSO) (r = 0.0328)

Non-Executive Directors (NED)

Non-executive directors (NED) show a positive relationship with tax aggressiveness (TAG) (r = 0.3348), suggesting monitoring roles may influence tax decisions. NED is negatively related to block ownership (BLO) (r = -0.1738) and directors' share ownership (DSO) (r = -0.1028), indicating governance independence. It has a positive association with foreign ownership (FOW) (r = 0.3650).

Table 4

Regression Result

Variable	Coefficient (β)	Std. Error	z	p-value
Block Ownership (BLO)	2.971	1.032	2.88	0.004
Directors' Share Ownership (DSO)	8.089	2.170	3.73	0.000
Foreign Ownership (FOW)	7.890	2.745	2.87	0.004
Non-Executive Directors (NED)	6.683	2.235	2.99	0.003
Constant (_cons)	-3.191	1.029	-3.10	0.002
R-squared = 0.7091				
Wald chi = 153.22				
Prob chi = 0.0001				

Source: Stata Output, 2025

The R-squared value of 0.7091 indicates that approximately 70.91% of the variation in tax aggressiveness (TAG) is explained by the independent variables included in the model: block ownership (BLO), directors' share ownership (DSO), foreign ownership (FOW), non-executive directors (INED), and. This demonstrates strong explanatory power, suggesting that governance, ownership, and firm-specific factors collectively influence corporate tax behavior.

The Wald chi-square statistic (= 153.22, $p < 0.001$) indicates that the model is statistically significant overall. The p-value of 0.0000 confirms that the probability of observing this chi-square value under the null hypothesis (that all coefficients are zero) is effectively zero. Therefore, the independent variables jointly have a significant effect on tax aggressiveness among the sampled firms.

Block Ownership and Tax Aggressiveness

The results indicate a positive and statistically significant relationship between block ownership (BLO) and tax aggressiveness, with a coefficient of 2.971 and a p-value of 0.004. This suggests that firms with large shareholders are more likely to engage in aggressive tax strategies, as concentrated ownership can enhance monitoring and influence managerial decisions. From the perspective of Institutional Theory, large shareholders exert coercive and normative pressures, encouraging managers to adopt practices aligned with prevailing expectations in the business environment. Supporting studies show that blockholders can influence managerial oversight and corporate policy.

Directors' Share Ownership and Tax Aggressiveness

Directors' share ownership (DSO) shows a positive and statistically significant effect on tax aggressiveness, with a coefficient of 8.089 and a p-value of 0.000. This indicates that when directors hold a substantial stake in the firm, they are more likely to pursue aggressive tax strategies to maximize shareholder and personal wealth, consistent with Institutional Theory, which posits that managers respond to formal and informal rules and incentives embedded in ownership structures. Supporting evidence shows that managerial ownership aligns managers with shareholder value objectives.

Foreign Ownership and Tax Aggressiveness

Foreign ownership (FOW) exhibits a positive and statistically significant effect on tax aggressiveness, with a coefficient of 7.890 and a p-value of 0.004. Contrary to some expectations, this suggests that foreign investors in this context are associated

with higher levels of aggressive tax strategies, possibly due to performance pressures or opportunities for international tax planning. According to Institutional Theory, foreign investors introduce normative pressures and expectations, which may either constrain or, in some cases, encourage certain behaviors depending on the regulatory environment.

Non-Executive Directors and Tax Aggressiveness

Non-executive directors (NED) have a positive and statistically significant effect on tax aggressiveness, with a coefficient of 6.683 and a p-value of 0.003. This indicates that while independent directors are intended to monitor managerial decisions, in this sample they may not always curb aggressive tax strategies, potentially due to limited involvement in operational tax planning. Institutional Theory emphasizes that actors adopt practices consistent with environmental expectations, but weak regulatory enforcement may limit the effectiveness of NEDs in Nigeria.

5. Conclusion and Recommendations

Based on the findings, the following conclusions are drawn:

(i) Block Ownership (BLO): Block ownership has a positive and statistically significant effect on tax aggressiveness, indicating that concentrated ownership encourages aggressive tax strategies aimed at maximizing shareholder value.

(ii) Directors' Share Ownership (DSO): Directors' share ownership positively and significantly influences tax aggressiveness, suggesting that managerial equity incentives drive firms toward aggressive tax planning.

(iii) Foreign Ownership (FOW): Foreign ownership shows a positive and statistically significant effect on tax aggressiveness, implying that foreign investors, in this context, may promote tax planning strategies to enhance returns.

(iv) Non-Executive Directors (NED): Non-executive directors have a positive and significant direct effect on tax aggressiveness, suggesting that their presence alone does not necessarily constrain tax planning behavior.

Based on the findings, the following recommendations are made:

(i) Block Ownership (BLO): Firms should monitor the influence of large shareholders to ensure that their control does not lead to excessive tax aggressiveness. Regulatory frameworks should promote balanced ownership structures.

(ii) Directors' Share Ownership (DSO): Firms should implement strict governance controls and ethical guidelines to ensure that directors' equity incentives do not encourage overly aggressive tax strategies.

(iii) Foreign Ownership (FOW): Policymakers should ensure that foreign investors operate within strong regulatory frameworks to prevent the exploitation of tax planning opportunities while still encouraging foreign investment.

(iv) Non-Executive Directors (NED): Firms should strengthen the effectiveness of non-executive directors through training, independence, and clearly defined oversight roles, particularly in financial and tax-related decisions.

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