

The Influence of Related Party Transaction, Profitability, Leverage and Company Size on Firm Value with Tax Avoidance as an Intervening Variable in Telecommunications and Media Companies Listed on Bursa Malaysia and IDX 2010-2018

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ABSTRACT

The purpose of this research is to examine and analyze the impact of related party transaction, profitability, Leverage and size of a company on firm value with tax avoidance as an intervening variable. The telecommunication and media sector in Bursa Efek Indonesia and Bursa Malaysia is chosen as the research object. The population is all the telecommunication and media companies listed in Indonesia stock exchange (IDX) and Bursa Malaysia within 2010-2018. It consists of 6 Telecommunication Company and 19 Media Company on IDX within 2010-2018. There exist a total of 33 companies in both the telecommunication and media sector in Bursa Malaysia. The sample's determination in this study is based on the nonprobability sampling method with the purposive sampling technique, in which the sample is selected with certain considerations or specific criteria. So that the sample of Malaysia is 248 and Indonesia is 139 data. Malaysia's telecommunications sector has 18 companies, and Indonesia has five companies.

Meanwhile on media sector Indonesia consist of 15 company and Malaysia 12 company. This research adopts secondary data and multiple regression analysis for the regression to substructure I and II. The hypothesis mediation analysis is used to prove the mediation influence. Malaysia and Indonesia's results on Firm value: (1) Related party transaction has a positive but not significant impact. In contrast,

Indonesia has a significant positive impact (2) Profitability has a significant negative impact both in Indonesia and Malaysia (3) Leverage has positive. However, not significant impact in Malaysia and Indonesia (4) Size of the company has a negative and significant impact for both countries (5) Tax Avoidance has a negative but not significant impact.

In contrast, Indonesia has a positive and significant impact on firm value. Related to the impact of variable independent toward tax avoidance, based on Malaysia's result, just the size of a company has the impact but negative and significant. Meanwhile, in Indonesia, Related party transaction and Leverage were known to have a negative and significant impact, and the size of the company has positive and significant toward tax avoidance. Based on Malaysia's result, tax avoidance does not impact all the independent variables on firm value. Based on Indonesia's result, the impact of company size on firm value is mediated by tax avoidance (Z). Based on the independent t-test, the variables that have different mean values are related to party transactions and company size.

Keywords: Related Party Transaction, Profitability, Leverage, Size of company, Tax avoidance, Firm value

INTRODUCTION

In general, a company in every period always tries to increase the value of

their company. It occurs because it refers to the company's high value, projected through the value of the share price, increasing the shareholders' prosperity. It will make shareholders maintain their investment and potential investors invest their capital in the company. One way management has done in increasing company value is by reducing the cost of taxes that affect its value. The company value is the actual value per share that will be received if its assets are sold according to the share price (Gitman, 2006).

Management is considered to be dealing with the emergence of agency problem conflicts to maximize firm value. The agency problem is a conflict of interest between managers and shareholders, where each party is concerned only with personal interests. Investors as principals who invest their funds in companies tend to give a low valuation to companies known to be tax avoidant, namely by withdrawing funds placed in the company (Ilmiani & Sutrisno, 2014). In this study, the researcher's view does not lead to agency theory but stewardship theory. Managers are considered workers with a steward who works to maximize the company's wealth and prosper shareholders. This view negates conflict of interest in agency theory, where there are different goals between managers and owners.

In Indonesia, research on company value has not taken many comparisons from one country to another in general. However, researchers want to develop previous research by adding comparisons between Malaysia and Indonesia. The research object chosen was the telecommunications and media sector because this sector is a sector that continues to overgrow from time to time and considers telecommunications a sticky matter and an absolute necessity for all Indonesian and Malaysian people.

Based on data from the Central Statistics Agency (BPS), the largest share revenue for Gross Domestic Product in the information and communication sector is owned by the telecommunications services sector. Based on the research and

development agency for human resources by the Ministry of Communication and Information Technology of the Republic of Indonesia, the Information and Communication Sector consists of the Publishing Results sector; Broadcasting and Programming Services, Films, and Sound Recording Results; Computer and Information Technology Consulting Services; and Telecommunication Services sector. There has been a decline in the share of telecommunication services to Information and Communication GDP until 2017 considering that the resulting trend is perfect, namely in 2010 reaching 76.53%. In 2018 the information and communication sector contributed around 3.77 percent to national GDP, 3.78% in 2017, 3.62% in 2016, 3.53% in 2015, 3.50% in 2014 and 3.57% in 2013. It is known that the growth rate of this sector in 2018, namely 7.04%, exceeded the average value in other sectors, namely the national GDP growth rate reported by the Central Statistics Agency in 2018, which was 5.17% (BPS, 2018). The Indonesian cellular telecommunications industry's development is starting to experience saturation, which can be seen from the teledensity of cellular subscribers and the number of users, which reached more than 140% in 2017, reaching 319.43 million subscribers (BPS, 2018). The current trend of telecommunication technology has shifted into data for internet usage. The telecommunications market in Indonesia is contested by several cellular operators, namely PT Hutchison 3 Indonesia (Tri), PT XL Axiata (XL), PT Indosat (Indosat), PT Telekomunikasi Selular (Telkomsel), and PT Smartfren. The number of telecommunication operators is considered inefficient because 90% of the market share is controlled by the three largest service providers, namely Telkomsel, XL and Indosat. Although data services are experiencing rapid growth, they cannot increase the income of service providers. Based on the news reported by CNN Indonesia in 2019 through their official website, according to the All

Indonesian Telecommunications Association (ATSI) Chairman, Ririek Adriansyah, Indonesia is considered one of the markets that offer the cheapest data service rates. This decline in income was also driven by the relatively low consumption of data services per user compared to comparable countries, such as Malaysia, which is 3.5GB per month.

The existence of a phenomenon in the income inequality of telecommunications service providers and the number of service users is related to the company's value in investors and shareholders' eyes. In essence, investors or shareholders will be interested in continuing their investment in a company if their performance increases from year to year. Shareholders' decisions in providing company value alleged can be affected by the declining income. Given that the most significant contributor to income is internet service users, we have explained that now we are in a digital era where everything is closely related to the internet. The internet is like a basic need other than food and clothing. Through industrial growth, which tends to decline (negative), the researcher analyses the telecommunications industry's current performance. The performance referred to is the financial performance of the telecommunications industry.

Meanwhile, the media sector has also experienced several concerns considering that now all have switched to digital platforms. According to the CEO of MNC Group Henry Tanoe, quoted from Kominfo in 2017, the media is most easily influenced by the internet's advancement. It makes the media industry, which consists of electronic media and printed media, is encouraged to make efforts to add features to the digital platform that will facilitate access to be watched by users or viewers of favourite shows whether they are television broadcasts, listening to favourite radio broadcasts via streaming, and access favourite tabloid or magazine reading via the gadget. In this digital transformation era, business actors in the media sector must

look more broadly to reach all demands from various Indonesian society levels. It is, of course, not only experienced by Indonesia, Malaysia and the rest of the world experiencing technological changes like this. Advances in technology, digital and the internet are certain things that affect the media industry's sustainability. It can affect the media sector's income by reducing advertisers' interest in platforms such as television, radio, and print media. The shifting of people's habits in accessing information makes business people follow the flow of rapid digital development to maintain the company's progress. The two sectors taken as research objects have similar uses, namely in the information sector. According to the Chairman of the National Economic and Industry Committee, Soetrisno Bachor, quoted from the Legal News portal (2018), the media plays a vital role in Indonesia's economic growth. It is also considered an industry that has a high potential to influence the high and low economic growth levels.

The company's performance, in this case, is considered to have played a part in influencing the company's value. Sawir (2003) states that financial performance is a process to determine the company's financial condition, namely by making rational decisions by using specific analytical tools. The company's financial performance in this study will be projected through profitability (return on assets ratio), Leverage (debt-equity ratio) and company size. Handayani (2018) states that Return on Assets (ROA) is an indicator that displays a company's financial performance, where the higher the value, the better the company's performance. Ann & Manurung (2019) stated that through ROA, it could be seen that the company's ability to use its assets efficiently in generating company profits. Investors' expectations of a company will be high if this ratio also indicates the high value. It is because the stock price in the market is getting higher. According to Haryanto et al. (2018), financial

performance has a positive effect on firm value.

Companies exchange the tax benefits of debt financing with problems arising from potential bankruptcies following the trade-off theory or leverage exchange theory (Brigham and Houston, 2011). Handayani (2018) states that the leverage ratio's value can explain the costs incurred by a company from debt, reflecting the higher company value. Leverage is referred to as an increase in the amount of debt which results in additional expense items in the form of interest and a reduction in income tax expense for corporate taxpayers (Kurniasih & Sari, 2013). Large companies can make the most of their resources and minimize financing originating from debt. Company managers will behave more aggressively or obediently because the government pays more attention to large companies (Kurniasih & Sari, 2013). According to research, Haryanto et al. (2018) stated that the debt to equity ratio has a significant but negative effect on firm value.

The size of the company (Size) is projected through the log value (Ln) of the total assets contained in a company in a certain period. Companies that are in the large firm category are more likely to have easy access to funding sources. Large firms are considered to have greater certainty than smaller companies. It is considered to be effective in reducing the level of uncertainty regarding the company's prospects. Thus, when measuring the value of company size, namely through total assets, investors will find it easier to predict the risks that may occur. Dewinta & Setiawan (2016) revealed that companies with large total assets tend to be more stable in generating profits than companies with smaller total assets. Downs et al. (2016) revealed that company size is known to have a significant positive effect at the 1% level on firm value. In contrast to Panggabean (2018) results, company size has a significant negative effect on firm value. This result is in line with Haryanto et al. (2018).

The variables that are not included in financial performance are related party transactions or related party transactions. In the Statement of Financial Accounting Standards (PSAK) 7 regarding related party disclosures, related parties can be defined as a person or entity that is related to the entity that prepares its financial statements (referred to in this Statement as "reporting entity"). An individual or entity can be classified as a related party if it fulfils the matters specified in the definition of related parties in PSAK 7. A related party transaction can be defined as a transaction between a company and a branch of the company, affiliates, principal owners, employees or relatives, directors or relatives, or companies owned or controlled by their employees or their relatives (Statement of Financial Accounting Standards No.57, 1982). Related party transactions are common for affiliated companies and business groups, where often members of the company group carry out many related party transactions against their group (Chen et al., 2009). According to Gordon et al. (2004), there are two alternative angles of related party transactions that are consistent with economic theory, as follows:

1. The conflict of interest view

Transactions with related parties compromise agency responsibilities from management to shareholders or the board of directors' supervisory functions.

2. The efficient transactions view

An efficient transactions view is related to party transactions that meet the company's fundamental economic needs between parties who have built trust and shared personal information.

Pratama (2018) found that related party transactions had a positive effect on firm value. It indicates that debts made to related parties will increase firm value. In contrast to the research results by Nekhili & Cherif (2011), it shows that RPT does not influence firm value. This study's results are in line with Suryani et al. (2019) and Bona-Sánchez et al. (2017). Meanwhile, according

to Jian & Wong (2003), it is revealed that loans collected from related parties have a significant negative effect on firm value. The results of this study are in line with Elkelish (2017).

Taxes are a source of state revenue and have a role as a source of funds for state financing from the non-oil and gas sector, so that the role of taxes should be increased optimally to accelerate the rate of growth in Indonesia. One way to streamline the tax burden is to do tax avoidance. Tax avoidance is referred to as tax planning, which is a process of controlling actions used to avoid unwanted tax consequences. Tax avoidance is a tax saving action that is still within the statutory limits (lawful fashion). It is confirmed that tax avoidance is not a legal violation committed by a company. Tax avoidance will make companies get tax savings by regulating the necessary actions to avoid tax imposition applications. The company can do it by controlling the facts so that it avoids the imposition of a higher tax or is not taxable (Zain, 2007). When referring to traditional theories, tax avoidance is an activity to transfer welfare from the state to shareholders (Kim et al., 2010). In this study, researchers tried to see the side of tax avoidance by companies as an effort related to stewardship theory. It is driven by the manager's desire to exert the best results, maximizing the company's profit by maximizing tax avoidance. One of the ways stated by Amidu (2019) is that multinational companies often take advantage of this opportunity to maximize global profits and minimize their global taxes by placing subsidiaries in countries that have lower tax rates or are not even taxable. Campbel (2019) reveals that multinational companies can reduce their income tax by placing subsidiaries in countries with tax breaks. Besides, this subsidiary is also used as a supplier for other company branches located in countries with higher tax rates. Tax advantages like this can be increased again by increasing supply prices, lowering the profit reported by the branch companies that

buy these supplies in high tax countries and increasing it to suppliers in low tax countries. Through this fact, the researcher wants to know whether the company under study has subsidiaries or branch companies in countries with low tax rates. With this, the researchers identified the number of subsidiaries located in low-tax countries each year. Researchers identify through the company's annual report by looking at the list of related parties that have been equipped with the location of establishment and company operations.

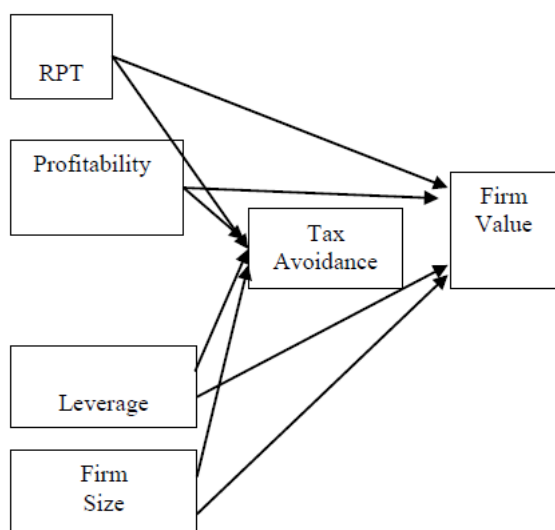
Furthermore, the researchers analyzed countries recognized as having low tax rates and were not even taxed. It shows whether the subsidiary is established in a lowly country located very far from its parent company and is only based on an investment holding company in general. However, the practice of tax avoidance is not, in fact, illegal or illegal. However, some unscrupulous companies often overstepped the limits and caused great losses to the state. Tax avoidance is certainly not the same as tax evasion. Companies that carry out tax avoidance will be subject to sanctions by the state. Such as the Google case with taxation in Europe and be subject to administrative sanctions because they admit that they do not reap profits, so they do not pay taxes according to actual income. Multinational companies take advantage of this opportunity to maximize their profits globally and minimize their overall taxes by placing subsidiaries in countries with low or no tax rates. In research (Ann & Manurung, 2019), related party transactions do not significantly affect tax aggressiveness.

In contrast, Park (2018) found that the total amount of RPT has an influence or relationship on tax avoidance. Handayani (2018) states that profitability has a positive effect on tax avoidance. This result is in line with Agustina & Aris (2016). Ann & Manurung (2019) found that profitability has a significant negative effect on tax aggressiveness. Dewinta & Setiawan (2016) stated that Leverage does not affect tax

avoidance. These results are in line with research (Agustina & Aris, 2016). Kurniasih & Sari (2013) found that company size has a negative effect on tax avoidance. This result is in line with Ann & Manurung (2019) research and Agustina & Aris (2016). In contrast to research conducted by (Dewinta & Setiawan 2016), company size positively affects tax avoidance.

Framework

Following the description of the background of the problem, literature review and previous research, a conceptual research framework is prepared as follows:



- H1: Related party transactions have a negative effect on firm value.
- H2: Profitability has a positive effect on firm value.
- H3: Leverage has a positive effect on firm value.
- H4: Firm size has a negative effect on firm value.
- H5: Tax avoidance has a negative effect on firm value.
- H6: Related party transactions have a negative effect on tax avoidance.
- H7: Profitability has a positive effect on Tax Avoidance
- H8: Leverage has a negative effect on tax avoidance.
- H9: Firm size has a positive effect on tax avoidance.

H10: Tax avoidance mediates the effect of related party transactions on firm value.

H11: Tax avoidance mediates the effect of profitability on firm value.

H12: Tax avoidance mediates the effect of Leverage on firm value.

H13: Tax avoidance mediates the effect of firm size on firm value.

H14: There is an average difference in the value of related party transactions, profitability, Leverage and company size on firm value with tax avoidance as an intervening variable.

RESEARCH METHODS

This type of research is causal associative research to analyze the impact of related party transaction, profitability, Leverage, and company size on firm value with tax avoidance as an intervening variable. The causal associative study aims to analyze the relationship between one variable and another to know how one variable affects other variables (Sugiyono, 2012).

This study's population were all telecommunications and media companies listed on the IDX and Bursa Malaysia in 2010-2018. The population consists of 6 telecommunication companies and 19 media companies listed on the IDX, respectively, from 2010-2018. The population of companies listed on Bursa Malaysia is 33 companies. The samples in this study were all telecommunications and media companies listed on the IDX in 2010-2018. The samples of Malaysia were 248, and Indonesia had 139 data. Malaysia's telecommunications sector has 18 companies, and Indonesia has five companies. Meanwhile, for the media sector, there were 15 companies from Indonesia and 12 companies from Malaysia. The sampling technique used in this study was purposive sampling. In this study, the data analysis method used is path analysis using the Statistical Package for the Social Science (SPSS) software 24. Data analysis performs by testing standard assumptions and testing hypotheses.

RESULT AND DISCUSSION

Normality Test Substructural 1 (Malaysia)

Table 1 Kolmogorov-Smirnov One-Sample Test Results

		Un. Residual
N		248
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Dev	20.64257648
Most Extreme Differences	Absolute	.337
	Positive	.337
	Negative	-.307
Kolmogorov-Smirnov Z		5.303
Asymp. Sig. (2-tailed)		0.252
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Results of SPSS 24 Software Processing

Through the normality test, it can be seen that the Asymp sig two-tailed value of 0.252 means that the data is normally distributed.

Hypothesis Test Results Substructure 1 (Malaysia)

Determination Coefficient Test

Table 2 The Results of the Determination Coefficient Test

Model		R ²	Adj. R ²
dimension0	1	.996	.996

Source: Results of SPSS 24 Software Processing

The R Square value of 0.996 means that the independent variables' influence in this study can explain the company value of 99.6%. While the remaining 0.4% is explained by other variables not included in this research model.

Simultaneous Test (Test F)

Table 3 ANOVA test results

Model		F	Sig.
1	Regression	11155.829	.000 ^a
	Residual		
	Total		

Source: Results of SPSS 24 Software Processing

Simultaneously Related Party Transaction (X1), Profitability (X2), Leverage (X3), Firm Size (X4), and Tax Avoidance (Z) affect firm value (Y).

Partial Test (t-test)

Based on table 4, it can be concluded that RPT and Tax Avoidance have a negative and insignificant effect on Firm Value. Profitability and Firm Size have a negative and significant effect on Firm

Value. While Leverage has a positive and insignificant effect on Firm Value.

Table 4 t-test results

Model		t	Sig.
1	(Constant)	3.133	.002
	X1	-.264	.792
	X2	-234.988	.000
	X3	1.816	.071
	X4	-2.785	.006
	Z	-1.046	.297

Source: Results of SPSS 24 Software Processing

Normality Test Substructural 2 (Malaysia)

Table 5 Results of the One-Sample Kolmogorov-Smirnov Test

		Un. Residual
N		248
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Dev	1.83512015
Most Extreme Differences	Absolute	.237
	Positive	.237
	Negative	-.205
Kolmogorov-Smirnov Z		3.735
Asymp. Sig. (2-tailed)		0.176
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Results of SPSS 24 Software Processing

It is known that the significant value > 0.05 is 0.176, so the data is normally distributed.

Hypothesis Test Results Substructure 2 (Malaysia)

Determination Coefficient Test

Table 6 Results of the Determination Coefficient Test

Model		R ²	Adj R ²
dimension0	1	.077	.062

Source: Results of SPSS 24 Software Processing

Based on the table above, the R square value is 0.077. It means that as much as 7.7% of the variables studied could explain their effect on firm value. Meanwhile, 92.3% came from variables outside the study.

Simultaneous Test (Test F)

Table 7 ANOVA Test Results

Model		F	Sig.
1	Regression	5.096	.001 ^a
	Residual		
	Total		

Source: Results of SPSS 24 Software Processing

Simultaneously, Related Party Transaction (X1), Profitability (X2), Leverage (X3), Firm Size (X4) affect Tax avoidance (Z).

Partial Test (t-test)

Table 8 t-test results

Model		T	Sig.
1	(Constant)	5.122	.000
	X1	-.632	.528
	X2	.490	.625
	X3	.805	.421
	X4	-4.411	.000

Source: Results of SPSS 24 Software Processing

Based on table 8, it can be concluded that RPT has a negative and insignificant effect on tax avoidance. Profitability and Leverage have a positive and insignificant effect on tax avoidance. Meanwhile, company size has a negative and significant effect on tax avoidance.

Hypothesis Test Results Substructure 1 (Indonesia)

Determination Coefficient Test

Table 9 The Result of Determination Coefficient Test

Model		R ²	Adj. R ²
dimension0	1	.145	.112

Source: Results of SPSS 24 Software Processing

Through this research, the variables under study can explain as much as 11.2% of their effect on the firm value of the whole 100%. While 88.8% through other variables which were not researched.

Simultaneous Test (Test F)

Table 10 ANOVA Test Results

Model		F	Sig.
1	Regression	4.498	.001 ^a
	Residual		
	Total		

Source: Results of SPSS 24 Software Processing

Simultaneously the independent variables, namely Related Party Transaction, Profitability, Leverage, Company Size and Tax Avoidance (Z), affect the dependent variable, namely Firm Value (Y).

Partial Test (t-test)

Table 11 t-test results

Model		t	Sig.
1	(Constant)	3.020	.003
	X1	3.060	.003
	X2	-3.229	.002
	X3	.124	.902
	X4	-2.788	.006
	Z	2.870	.005

Source: Results of SPSS 24 Software Processing

Based on table 11, it can be concluded that RPT and Tax Avoidance have a positive and significant effect on firm value. Profitability and firm size have a negative and significant effect on firm value. Meanwhile, Leverage has a positive and insignificant effect on firm value.

Hypothesis Test Results Substructure 2 (Indonesia)

Determination Coefficient Test

Table 12 Determination Coefficient Test Results

Model		R ²	Adj. R ²
dimension0	1	.331	.311

Source: Results of SPSS 24 Software Processing

The independent variable's ability in this study was 33.1% in explaining its effect on the dependent variable, namely Tax Avoidance (Z).

Simultaneous Test (Test F)

Table 13 ANOVA Test Results

Model		F	Sig.
1	Regression	16.604	.000 ^a
	Residual		
	Total		

Source: Results of SPSS 24 Software Processing

Simultaneously Related Party Transaction, Profitability, Leverage and firm size affect tax avoidance (Z).

Partial Test (t-test)

Table 14 t-test results

Model		t	Sig.
1	(Constant)	-6.335	.000
	X1	-1.992	.048
	X2	1.089	.278
	X3	-2.206	.029
	X4	7.297	.000

Source: Results of SPSS 24 Software Processing

Based on table 14, it can be concluded that RPT and Leverage have a negative and significant effect on tax avoidance. Profitability has a positive and insignificant effect on tax avoidance. Meanwhile, company size has a positive and significant effect on tax avoidance.

Mediation Hypothesis Testing Results (Malaysia)

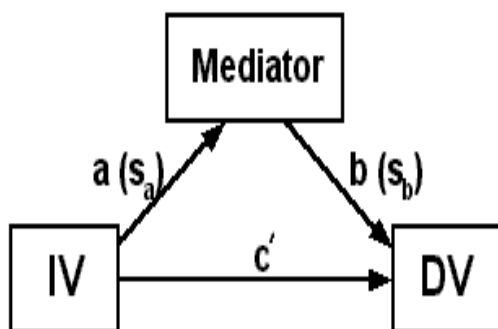


Figure 1 Illustration of mediation

The following is the formula used based on Sobel (1982):

$$Z = \frac{ab}{\sqrt{b^2s_a^2 + a^2s_b^2 + s_a^2s_b^2}}$$

In the variable Related party transactions (X1) the direct effect on tax avoidance (Z) the value of a -.113 and Z on Y is -.756, while Sa = 0.179 and Sb = 0.723 and the p-value is 0.588 > 0.05. It means that X1 affects Y directly without going through the intervening variable (Z).

Profitability (X2) in its direct effect on tax avoidance (Z) has a value of a 0.000, and Z for Y is -.756, while Sa = .001 and Sb = 0.723 and the p-value obtained is 1 > 0.05. Thus the effect of X2 on Y is direct because the mediation result is more than 5%. It can be concluded that tax avoidance does not mediate the effect of profitability (X2) on firm value (Y).

Leverage (X3) in its direct effect on tax avoidance (Z) has a value of 0.083, and Z for Y is -.756, while Sa = 0.103 and Sb = 0.723 and the p-value obtained is 0.523 > 0.05. Thus the effect of X2 on Y is direct because the mediation result is more than 5%. Thus, Tax avoidance does not mediate the effect of Leverage (X3) on Firm Value (Y). Company size (X4) in its direct effect on tax avoidance (Z) has a value of a -0.184, and Z for Y is -.756, while Sa = 0.042 and Sb = 0.723 and the p-value obtained is 0.31 > 0.05. Thus the effect of X2 on Y is direct because the mediation result is more than 5%. So that tax avoidance (Z) does not mediate the effect of firm size (X4) on firm value (Y).

Mediation Hypothesis Testing Results (Indonesia)

In the variable Related party transactions (X1) the direct effect on tax avoidance (Z) the value of a = -0.630 and Z for Y is 2.007, while Sa = 0.316 and Sb = 0.699 and the p-value is 0.101 > 0.05. It means that X1 affects Y directly without going through the intervening variable (Z).

Profitability (X2) has a direct effect on tax avoidance (Z) with a value of a = 0.021 and Z against Y = 2.007, Sa = 0.020, Sb = 0.699 and the p-value is 0.3238 > 0.05. It can be concluded that tax avoidance does not mediate the effect of profitability (X2) on firm value (Y).

Leverage (X3) has a direct effect on tax avoidance (Z), the value of a = -0.020 and Z for Y is 2.007, while Sa = 0.009, Sb = 0.699 and the p-value is 0.078 > 0.05. Thus Leverage (X3) directly affects firm value (Y) without going through tax avoidance (Z). Company size (X4) has a direct effect on tax avoidance (Z), the values of a = 0.123 and Z for Y are 2.007, while Sa = 0.017, Sb = 0.699 and the p-value is 0.007 < 0.05. It means that firm size (X4) affects firm value (Y) indirectly through tax avoidance (Z). Tax avoidance (Z) mediates the effect of firm size on firm value.

Comparison of the results of Malaysia and Indonesia

Table 15 Malaysia's Results

Hypothesis	Malaysia		
	Koef	P-Val	Conclusion
1. X ₁ → Y	-.001	.792	(+) and not significant
2. X ₂ → Y	-.998	.000	(-) and significant
3. X ₃ → Y	.008	.071	(+) and not significant
4. X ₄ → Y	-.013	.006	(-) and significant
5. Z → Y	-.005	.297	(-) and not significant
6. X ₁ → Z	-.039	.528	(-) and not significant
7. X ₂ → Z	.030	.625	(+) and not significant
8. X ₃ → Z	.052	.421	(+) and not significant
9. X ₄ → Z	-4.411	.000	(-) and significant
10. X ₁ → Y through Z		0.588	-
11. X ₂ → Y through Z		1	-
12. X ₃ → Y through Z		0.523	-
13. X ₄ → Y through Z		0.31	-

Sumber: Hasil Olah Software SPSS 24

Table 16 Indonesia's Results

Hypothesis	Indonesia		
	Koef	P-Val	Conclusion
1. $X_1 \rightarrow Y$	0.281	0.003	(+) and significant
2. $X_2 \rightarrow Y$	-0.294	0.002	(-) and significant
3. $X_3 \rightarrow Y$	0.010	0.902	(+) and not significant
4. $X_4 \rightarrow Y$	-0.279	0.006	(-) and significant
5. $Z \rightarrow Y$	0.281	0.005	(+) and significant
6. $X_1 \rightarrow Z$	-0.159	0.048	(-) and significant
7. $X_2 \rightarrow Z$	0.087	0.278	(+) and not significant
8. $X_3 \rightarrow Z$	-0.159	0.029	(-) and significant
9. $X_4 \rightarrow Z$	0.544	0.000	(+) and significant
10. $X_1 \rightarrow Y$ through Z		0.101	-
11. $X_2 \rightarrow Y$ through Z		0.324	√
12. $X_3 \rightarrow Y$ through Z		0.078	-
13. $X_4 \rightarrow Y$ through Z		0.007	√

Source: Results of SPSS 24 Software Processing

Independent t-Test Result

Researchers use an Independent t-test to test the 14th hypothesis. This test is used to see whether there is a difference in the average value of the studied variables in Malaysia and Indonesia. The independent t-test was chosen because the unpaired group was the object of the study. In each different test carried out on each variable studied, there were two groups: group 1, namely Malaysia, with 248 and Indonesia as group 2, 139 samples. It is known that only Related Party transactions and company size have significant differences in Malaysia and Indonesia's average values. Significant results are seen from the sig two-tailed value <5% (0.05). Meanwhile, profitability, Leverage, and tax avoidance do not have a significant difference in the average values of the two countries.

CONCLUSION

Based on the results of data analysis and research discussion, the following conclusions can be drawn:

Malaysia

1. Related party transactions (X1) have a positive and insignificant effect on Firm Value (Y)
2. Profitability (X2) has a significant negative effect on Firm Value (Y)
3. Leverage (X3) has a significant positive effect on Firm Value (Y)

4. Firm Size (X4) has a significant negative effect on Firm Value (Y)
5. Tax Avoidance (Z) has a negative and insignificant effect on Firm Value (Y)
6. Related party transactions (X1) have no significant and negative effect on Tax Avoidance (Z)
7. Profitability (X2) has a positive and insignificant effect on Tax Avoidance (Z)
8. Leverage (X3) has a positive and insignificant effect on Tax Avoidance (Z)
9. Company size (X4) has a significant negative effect on Tax Avoidance (Z)
10. Tax Avoidance (Z) does not mediate the effect of Related Party Transaction (X1) on Firm Value (Y)
11. Tax Avoidance (Z) does not mediate the effect of Profitability (X2) on Firm Value (Y)
12. Tax Avoidance (Z) does not mediate the effect of Leverage (X3) on Firm Value (Y) indirectly
13. Tax Avoidance (Z) does not mediate the effect of Company Size (X4) on Firm Value (Y) indirectly

Indonesia

1. Related party transactions (X1) have a significant positive effect on Firm Value (Y)
2. Profitability (X2) has a significant negative effect on Firm Value (Y)
3. Leverage (X3) has a positive and insignificant effect on firm value (Y)
4. Firm Size (X4) has a significant negative effect on Firm Value (Y)
5. Tax Avoidance (Z) has a significant positive effect on firm value (Y)
6. Related party transactions (X1) have a significant positive negative against Tax Avoidance (Z)
7. Profitability (X2) has a positive and insignificant effect on Tax Avoidance (Z)
8. Leverage (X3) has a significant negative effect on Tax Avoidance (Z)
9. Company size (X4) has a significant positive effect on Tax Avoidance (Z)

10. Tax Avoidance (Z) does not mediate the effect of Related Party Transaction (X1) on Firm Value (Y) indirectly
11. Tax Avoidance (Z) does not mediate the effect of Profitability (X2) on Firm Value (Y)
12. Tax Avoidance (Z) does not mediate the effect of Leverage (X3) on Firm Value (Y) indirectly
13. Tax Avoidance (Z) mediates the influence of Company Size (X4) on Firm Value (Y)

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