Female Directors and Tax Aggressiveness of Listed Banks in Nigeria

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Abstract—**The study examines the relationship between the board of directors' gender diversity and tax aggressiveness of banks listed on the Nigerian Stock Exchange (NSE). Using cross sectional time-series research design as the blue print for data collection in this study, data collected were analysed using Statistical Package for Social Sciences (SPSS) 21. The study provides evidence that a positive and non-significant association exist between female directors and tax aggressiveness after controlling for firm characteristics and governance mechanisms. In addition, the interaction of board size with female directors is significantly associated with the reduced level of tax aggressiveness. The results are consistent with the 'women risk aversion' theory which stipulates that the different attitude of females to excessive risks can project upon corporate policies and decisions. However, the low representation of women in executive positions and on the board limits how their influence is perceived. The study also made some recommendations amongst which include that banks should be encouraged, or otherwise mandated to appoint women as board members to take advantage of their expected benefits.**

Keywords— ***Tax aggressiveness, female directors, board size, board gender diversity, risk averse***

I. INTRODUCTION

The board of directors is widely known to ensure the credibility of the financial reporting process and quality information for the computation of tax liability which is highly significant to public revenue and national development. Even with this, income taxes are seen as major source of cash outflow and significant amount of time, energy, and money may be employed reducing its impact on financial results. Thus, the decisions of managers and tax accountants may possibly favour incorporating actions that decrease taxes [30]. Therefore, tax aggressiveness refers to the aggressive side of tax avoidance practices [21]. Given the oversight role of the board on executive decisions, they may impact on tax reducing activities and should be considered as a key factor in the success or termination of aggressive tax behavior [39].

While much attention has been placed on the effects of board features on firm outcomes, prior theoretical and empirical research have neglected the relevance of diversity in attributes of board members. The board competence is likely to depend as much on the board attributes as on expertise, skills and demographic qualities of the directors in terms of age, nationality, experience, ethnicity amongst others, however, there is a growing interest on gender diversity in recent literature [6, 32]. Female board participation connotes when at least one female director exists on the board. Various suggestions advocate less risky policies and outcomes for female directors given that the higher risk avoidance behaviour of women compared to men could drive financial decisions and results.

On this basis, this study posits that the ability of the board of directors to reduce the tax aggressive behaviour can be potentially increased when a female is present on the board. An alternative view on how gender diversity of the board influences tax behaviour suggests that female directors serve better in controlling and monitoring the actions and reports of management [45] [46] through better board attendance and greater monitoring by sitting on audit, nominating, and corporate governance committees which may limit the avenue to perform rent extraction. A substantial number of prior studies have examined whether women involvement within the board can lead to improved corporate governance and company results [33], risk portfolio [36], financial reporting [6], and company acquisitiveness [26]. However, there is a dearth of research addressing the influence of board gender diversity on the tax aggressive behaviour to reflect the extent of tax planning activities. This also opens an opportunity to assess gender diversity on bank board effects on tax planning since extensive research focused on firms in non-financial sectors.

As the increased clamor for gender diversity resulted in greater female participation on the board of directors across countries [33], it is necessary and imperative to identify the benefits of women directors on corporate and financial decisions. Besides, no prior evidence exists on the link between bank female directors and tax aggressiveness in Nigeria. Based on this background, the purpose of the study is to examine the association between female board members and tax aggressiveness. Using listed Nigerian banks between 2012-2014 periods, the empirical evidence revealed that the ratio of women the board, though positively related to effective tax rate, does not have a significant effect on tax aggressiveness. This result provide evidence that the female board members are not significant in reducing tax aggressiveness which may be attributed to the fact that few women on board may be inadequate to drive the expected gender benefits on tax avoidance policies.

Contributing to literature in diverse ways, this study reports on an emerging research related to board gender diversity and tax aggressiveness in emerging economies [3] [32]. This is necessary to consider whether prior findings can be observed in another environment different in respect of culture, tax policies and governance efficiency. The study is also important to tax policy makers since tax aggressiveness could possibly lead to tax evasion that is detrimental to a country's revenue base and its public spending. The study also improves awareness of the users of financial statement and tax collection bodies on the extent of tax aggressiveness by which huge amounts may be lost [11]. The substantial reduction in the pre-tax earnings of firms which subsequently reduces their distributable profits may incline managerial actions towards tax aggressive behaviour on the basis of the regulatory 30% corporate tax.

The planning of remaining sections of the research is seen as follows: section 2 provides an overview of prior literature and hypotheses developed on gender diversity and tax aggressiveness as well as the theoretical framework. Section 3 indicates the methods, data and model specifications underlying the study while section 4 shows the empirical results and discussions. Section 5 concludes the paper with the contribution, recommendation and limitations.

II. Tax aggressiveness

Tax aggressive practices are usually implemented to minimise the tax burden to achieve greater after-tax earnings per share and cash available for shareholders [31]. Thus, it could also reflect a decline in taxable income when managed through tax planning practices that are legal as well as activities that may be viewed as illegal in some circumstances [13] [31] to reduce tax liability. Reference [28] [32] provide that tax aggressiveness can be substituted with tax avoidance, tax planning and tax sheltering. Since tax aggressiveness is a form of corporate decision and action that could reflect both executives and non-executives aversion to risk, it presents a suitable setting to assess gender differences in risk taking for board members [21].

When making board decisions, paramount interest is shifted to the benefits and penalties linked with the engagement of avoidance practices. In other words, engaging in tax aggressive activities is accompanied by costs and benefits. The benefits cut across corporate tax efficiency resulting in larger cash retention for owners or shareholders as well as managerial rewards for obtaining compensations from owners and shareholders for their tax aggressive actions [13]. This indicates that higher net cash flow retained in form of direct tax savings is a major form of marginal gain which favours the shareholders. This is even more obvious in private family firms where the maintenance of public status and socio-emotional wealth are mostly seen as insignificant [42].

On the opposite side, the complexity and obscure nature of tax aggressiveness may promote activities that causes diversion of rent from shareholders such as earnings management, perk consumptions and excessive compensation to be concealed [13][28][42]. This is possible when the shareholders are unable to evaluate the managers' performance as a result of unclear corporate structure from the adoption of elaborate tax planning schemes; this form of actions were prominent in the Enron scandal [18]. Here, the monitoring role of the board is very significant as managers may tend to over compensate in the event of huge cash savings. Tax aggressive firms may bear implementation costs, political costs, costs of defending aggressive tax positions [5] [37] and adverse public image [24]. Likewise, the reputation of the board members may also be smeared.

Similarly, the survey of [22] also disclosed that in the process of determining the appropriate tax schemes, the opinions of the majority of tax executives were similar on the significance of its impact on the reputation of a company. A major detriment attributed to tax aggressive conduct is the possibility of imposition of tax fines or large penalties by the tax officials or regulatory bodies [43] [22] when found guilty. There may be loss of efficiency in internal control and potential stock price discount when the shareholders perceive that the purpose of tax aggressive actions of the firm is for rent extraction and when bad news that have been hoarded are exposed [5] [17].

Moreover, a large body of research focused on corporate governance mechanisms such as board of director features [30], form of ownership [13] [40], ownership structure [34] and tax aggressiveness have led to inconclusive results. However, the strength of existing corporate governance may influence the final outcomes [24]. In comparison to other corporate offences, [24] observe a smaller, significant fall in stock price around the period of tax sheltering reports; but a smaller impact on stock price in high governance firms. Moreover, well-governed (or poorly governed) firms experience significantly higher (or reduced) abnormal stock returns before, during, and after the tax shelter activity [43].

A firm's ownership structure which affects the nature of the agency problems arising in corporate settings also influences the outcomes of tax aggressiveness [5] [13]. These findings suggest that not all shareholders want managers to engage in substantial tax avoidance activities. Reference [28] also observed that the incentives encouraging tax sheltering activities may vary across different groups of shareholders, including institutional shareholders with various investment horizons.

III. Gender diversity of directors

The board is responsible for monitoring and evaluating management to act in the best interest of the shareholders through an effective corporate governance structure. To perform this task effectively, the directors should be adequately diverse to ostensibly mitigate the expropriation of firm resources for example by rent extraction. As [19] [39] indicate that the directors can influence a firm's tax aggressive position, the presence of female directors creates an avenue to study the extent of tax aggressiveness. Therefore, female directors are governance mechanism that shows women represented on the board.

Thus, there have been arguments that diversity could improve the effectiveness of the board and specifically recommends that companies can benefit from the existence of professional women in their boards. Higher participation of women on corporate board is generally promoted as women members are believed to bring important information and knowledge to the board due to more wide-ranging professional experiences [9] [41]. Given that more alternatives are regarded, [32] [46] suggest that firms with diverse boards regarding gender embody innovation and quality process for deliberations to make board decisions. Thus, such firms encounter quality problem-solving, effective leadership; better understanding of the business market and benefits from global relationships [1] [11].

Reference [45] argued that the chance of gaining more profit and adding to shareholders' value makes gender-diverse board more favoured which improves the image of the firm. Reference [32] also noted that board comprising of female directors are likely promote honesty and high ethical values, greater independent reasoning, more informed decisions that increase the level of transparency at the board level and higher credibility within the board. However, some drawbacks of gender diverse boards suggest that reaching unanimous decisions may take longer periods and conflicts may arise more frequently. Reference [27] concludes that women risk aversion results in low financial performance in the stock market.

Gender-based behavioural differences between women and men are exhibited and observed from the decisions made by directors which tend to impact the major strategic and financial decisions taken [36]. Women are also likely to more compliant with legal requirements and specifically interested in tax matters when present on the board [3] [4]. Linked to gender differences, the interpretations of tax regulations and tax compliance levels may be dependent on the masculine traits: dominance, competitiveness, aggressiveness and feminine characters such as kindness, value for life, risk avoidance [1] [21].

Majority of previous studies have documented the positive influence of gender diversity on the corporate governance activities and firm performance in various contexts of developed countries [33] and developing countries [45]. Reference [6] [41] also suggest that women exercise intense monitoring over manager actions, have a higher attendance and hold more positions in monitoring committees such as the audit, nomination and compensation. Recent studies have also assessed the influence of female directors on environmental reporting and corporate social responsibility reporting [7].

IV. Hypothesis Development

Reference [11] [16] expressed that expansive research has dwelt on gender differences on attitudes toward risk and in risk-related behaviour from psychology and economics. Generally, it is believed that women are more risk averse than men [12] [14]. On the basis of risk attitude, gender differences in economic experiments have been reviewed in the survey of [14]. Moreover, the differences in the behaviour of women and men may have essential effects on corporate financial decisions and outcomes [36]. Providing support for more women in the labour market, the differences in risk attitudes of female professionals have also been established.

In line with this, empirical literatures have found a negative association between the number of women on boards and bank risk. Reference [10] finds that, among other factors, gender diversity helped reduce ex-post risk for Italian banks. Reference [23] also shows that risk is negatively linked to women directors in OECD banks. Research reports that firms with women directors had lower portfolio risks in Italy [16]. However, on the sample of listed firms in Sweden, [1] survey of directors provide evidence that female directors may be even more risk prone than their male counterparts.

Given that women are generally more cautious and less motivated to bear excessive risks, the gender of the firm's directors have been suggested to affect corporate polices and outcomes. Reference [6] [41] indicate that firms with female directors have lower absolute discretionary accruals (or earnings management). Reference [20] [27] document that female executives and directors are more conservative in financial reporting. Female executives are more cautious in making significant acquisitions and issuing debt [26]. Reference [36] provide robust evidence that banks led by female executive take more conservative policies and maintain higher levels of capital. Reference [16] shows that females on board positively impact on the quality of credit. They support the opinion of women being more inclined to monitor and control activities.

In addition, empirical evidence relating to gender diversity among professionals in the workforce supports the negative relationship. Unlike male investors, [26] observed that more attention is given to downside risk by female professional investors. Reference [9] noted that female loan officers are more risk averse than the male officers and are likely to limit credit to newly established firms. Reference [8] also revealed that loan officers that are women better oversee their loan portfolio and have reduced chances of being unpaid and defaulted on these loans.

Research in the accounting literature has addressed the link between board gender diversity and tax aggressiveness. On a sample 300 S & P 500 firms, [4] examined the effect of gender diversity on corporate tax planning for 1996- 2009. They observed no significant effect of board gender diversity on tax planning. This is in agreement with the notion that the low proportion of women directors and dominance of masculine strategies for tax planning impedes higher gender diverse influence on board decisions. Among other three measures of board attributes, [3] showed that the percentage of women on the board was positively and significantly related to tax planning for 32 listed Tunisian companies during 2000 to 2007.

On the contrary, [2] found that there is a negative effect between board gender diversity and tax optimization. They concluded that the presence of women does not enhance the tax planning strategy within the firm but leads to further increases in effective tax rates. Between the periods of 1988 to 2007, [21] examined the executives' gender effect on tax aggressiveness and compare the extent of tax aggressiveness between the different transition periods for male-to-female CFO turnover firms for most S & P 1500 companies. Using three measures of tax aggressiveness, female CFOs were related to lower tax aggressiveness than their male counterparts. Similar results were obtained for subsequent male-to-female CFO transition.

Reference [11] noted significant evidence of a negative link between board gender diversity and tax aggressive actions using 39 Tunisian listed firms over the period of 2006–2012.

They concluded that the higher percentage of women increases the effective tax rate signifying low tax aggressiveness. Reference [44] also established that the percentage of female directors influences the tax aggressive activities on a sample of SBF 120 index French companies amongst other governance variables. On a sample of U.S firms over the period of 2006-2009, [32] revealed that a negative and significant association exists between board gender diversity and tax aggressiveness.

Similarly, it is expected that when more women are represented on the board, it is highly probable that monitoring and oversight function over managerial choices on tax liability improves to reflect on the decisions related to tax aggressive activities. Therefore, the paper proposes the following hypothesis that:

Hypothesis 1: There is a positive relation between female directors and tax aggressiveness in Nigerian banks.

On the other hand, the size of the board firm can be argued to be an essential moderator in the perspective of tax aggressive behaviour. The relative sizes of corporate boards can be a key factor for firms that exhibit tax aggressive tendencies [30] [44]. Small boards of firms may have greater incentives to engage in tax aggressiveness and they are likely to be smaller in size and face less public scrutiny. However, [35] provide evidence that the small boards of directors support the good tax management, while large boards are proving ineffectiveness because of the difficulties in decision-making about tax aggressiveness policy.

In spite of this, extensive prior evidence shows that larger boards should perform better, efficiently discharge its functions and have more women represented on the board. As well, they should consist of a seasoned group of individuals with adequate knowledge and expertise to supervise firm activities. Hence, the strengthened position of the board from size and gender diversity of the board on managerial supervision should lead to reduce the motivation for aggressive tax policies by top executives. Therefore,

Hypothesis 2: The association between female director and tax aggressiveness will be positively influenced by the relative board size.

V. METHODS

The choice of target sample for data collection consists of the 15 listed banking institutions on the Nigerian Stock Exchange because they are under the strict monitoring of the body and are highly regulated. This indicates the relative significance of the banking sector within the economy and prompts their preferred selection. Similar to [32] [34], banks with negative pre-tax income and tax credit were excluded to produce a reduced final sample of 11 banks. The data on the study variables was collected from the annual reports sourced from the company's website and African financials website for the periods of 2012 to 2014 which was the latest and most complete financial period available for data collection at the time this study was carried out.

There has been a number of measures of tax aggressiveness used in the prior literature and are usually centered on the financial statements estimates [5]. Several previous studies assess firms' tax aggressiveness using the degree of their unrecognised tax benefits. Effective Tax Rates (ETR) which is a common proxy has the following measures: accounting or GAAP, current, cash and long-run cash ETR. It could also be measured as the income tax expense divided by operating cash flow; ratio of cash taxes paid by operating cash flow and ETR differential [25] [37].

The dependent variable used, the effective tax rate is defined as current reported tax divided by profit before tax. Firms that allow more aggressive policies should exhibit lower effective tax rates (ETRs) which are aggressive tax planning indicators through permanent book-tax differences [13] [40]. The independent variable, female directors, is also measured as percentage of women on the board to the total directors following [15]. In order to perform the regression analysis, six control variables: firm size (SIZE), financial performance (ROA), capital intensity (CINT), and leverage (LEV); independent board (INDB) and board size (BSIZE) are used that are previously linked to tax aggressiveness. This ensures that firm characteristics and governance mechanisms do not drive the results of the study.

The economic and political power advantage of larger firms relative to small companies makes them more prone to tax aggressiveness [25]. SIZE is measured as the natural logarithm of firms' total assets. Financial performance based on the Return on assets (ROA) is defined as the ratio of profit before tax income to total assets which should lead to an increase in ETRs [2] [31]. Tax aggressive actions may be lower in highly leveraged firms as they sustain tax deductible interest payments. Leverage is measured as total liabilities divided by total assets. CINT is the ratio of property, plant and equipment to the total assets [31] as long term capital investments may produce lower ETRs. Prior evidence mostly indicates that as the strength of governance mechanisms increases, managerial opportunism decreases to reduce tax aggressive behavior [42]. Similar to [35], the percentage of independent outside directors on the board as well as the total board number measure board independence and board size respectively.

To examine the association between the female directors and tax aggressiveness, a fixed effect panel regression model was used in order to perform an analysis regarding various parameters included in our model. Therefore, similar to [4] [25], the following regression model was estimated:

$$ETR_{it} = \propto_0 + \beta_1 DIV_{it} + \beta_2 B\mathrm{SIZE}_{it} + \beta_3 \mathrm{INDEP}_{it} + \beta_4 SIZE_{it} + \beta_5 \mathrm{LEV}_{it} + \beta_6 ROA_{it} + \beta_7 \mathrm{CINT}_{it} + \mu_{it} + \varepsilon_{it} \quad (1)$$

VI. RESULTS

This section presents the descriptive and inferential results obtained from the study and findings from the results are discussed on the basis of the literature.

Table I presents the descriptive statistics of the explanatory and dependent variables in the sample firms. The mean and standard deviation of effective tax rate is 0.1210 (12.10%) and 0.8688 showing that the effective tax rate of the sample is under the statutory tax rate of 30%. It can be implied from the low average effective tax rate that Nigerian banks are tax aggressive and the nature of payment of taxes fail to signify the statutory tax rates displayed by the government. The average proportion of female directors is 18.7% which signals for higher participation of women on bank boards in Nigeria. The highest number of board members that were women is 4 while some boards did not have women presence.

As regards the corporate governance variables, the average board size is 15 and does not surpass the stipulated 20 members and on average, independent directors ratio is 15.44% of board members. This low value shows the need for more directors without direct or indirect financial interest on corporate boards. With the minimum number of 0, some board failed to include independent directors while others had as many as 4. However, the mean of firm size, leverage, ROA and capital intensity was 21.02, 0.8166, 0.0242 and 0.2783 respectively.

TABLE I: Descriptive Statistics

	N	Min	Max	Mean	Std. Dev.
ETR	33	0.0099	0.493	0.1210	0.0869
FD	33	0.00	0.333	0.1869	0.0829
BIZE	33	10	19	14.82	2.443
BIND	33	0.00	0.4	0.1544	0.0853
SIZE	33	19	22	21.02	0.753
LEV	33	0.0035	0.9196	0.8166	0.2112
ROA	33	0.0039	0.0618	0.0242	0.0142
CINT	33	0.0001	0.0438	0.02	0.01

Table II provides a correlation matrix of the variables. The proportion of female director reveals a positive relationship with effective tax rate. The same was observed for board size, firm size, leverage and capital intensity whereas board independence, and Return on assets (ROA) showed opposite relation to ETR in respect of the control variables. However, only capital intensity was significant to ETR.

The analysis also provide evidence that female directors is positively correlated to firm size, implying that higher proportion of women is more likely to belong to larger firms. Furthermore, the significant positive relation with leverage indicates that the higher the leverage, the higher proportion of women on boards. The positive significant relation also denotes that larger boards which tend to fit in with larger firms may lead to higher number of female board members. This implies that firms that are larger in size are more likely to open more opportunities to improve board gender diversity. The intensity of long term investment in property and equipment is related positively to women on boards. This significant evidence suggest that capital intensive banks are prone to possess women as board members; a significant negative relationship also exists for independent boards and ratio of female directors suggesting that more board independence leads to significantly lower women board appointment.

However, in terms of performance, the table II reveals that the proportion of female directors has no significant relationship with ROA. In addition, the correlation coefficient of 0.768 between firm size and leverage carries the highest value. This implies that larger banks are likely to hold higher form of leverage.

TABLE II: Correlation matrix

	ETR	FD	BSIZE	BIND	SIZE	LEV	ROA	CINT
ETR	1							
FD	0.299	1						
BSIZE	0.186	0.360*	1					
BIND	-0.172	-0.439*	-0.556**	1				
SIZE	0.252	0.615**	0.475**	-0.398*	1			
LEV	.318	.565**	0.467**	-0.558**	0.763**	1		
ROA	-0.177	-0.090	-0.251	0.236	-0.018	-0.43*	1	
CINT	0.394*	0.575**	0.535**	-0.497**	0.575**	0.65**	-0.22	1

**Significant at 1% level and *Significant at 5% level

From the regression (1) in table III, the adjusted R square of 0.154 indicates that the independent variables explain 15.40% of the changes in the ETR. The positive sign of the coefficient of the female directors implies that the increase in the percentage of women seating on the board increases the ETR. Even though at 5% level of significance, the coefficient was not significant, the hypothesis of the study is accepted. This is similar to the results of [3] [44] for low female presence on boards which provide evidence of no significant effect on tax management. The significant coefficient of the control variable, board independence relates to the opinion that the presence of independent directors can mitigate tax aggressive positions of managers. Similar to [30], the inclusion of a higher proportion of board independence reduces the likelihood of tax aggressiveness. Meanwhile, the studies of [39][35]showed evidence of increased tax planning activities.

However, the study found no significant evidence for the rest of the other control variables. The negative sign for the board size coefficient is not significant to suggest that a larger board size would cause an increase in tax aggressiveness. Finally, the regression coefficients for LEV, FSIZE, ROA and CINT were found to be insignificant. These results are contrary to [32] [35] [38] [44]. As the firm size is also not significant, this indicates that tax aggressive behaviour is not limited as regards to the size of bank operations and smaller banks may even be more tax aggressive than larger banks.

In regression (2), the moderating effect of board size was based on the relationship between female directors and ETR. Including the variable, FD * BS, greatly improved the explanatory power of the model as the adjusted R^2 increased to 30.8%. The FD variable coefficient carried a negative value while the moderating term bears a positive sign, both significant at 10% level. Therefore, the ratio of female directors significantly affects tax aggressiveness when they are occupying positions on large boards. It can be implied that if women are part of large boards, they are likely to be larger in size which allows the risk avoidance behaviour of women to be significantly felt on the board decisions.

TABLE III: Regression results

Variables	(1)			(2)		
	β	F-stat	Sig.	B	F-stat	Sig.
FD	0.154	0.076	0.787	-7.191	3.658	0.08*
FD * BS				0.478	3.886	0.07*
BSIZE	-0.020	0.495	0.494	-0.102	4.361	0.05**
INDB	0.944	1.312	0.048**	1.831	4.422	0.05**
FSIZE	0.070	0.053	0.821	0.511	2.095	0.173
LEV	-0.711	0.759	0.399	-1.713	3.651	0.08*
ROA	-5.290	0.954	0.346	-3.166	0.398	0.540
CINT	11.826	1.766	0.207	24.113	5.608	0.03**
Intercept	-1.002	0.021	0.871	-9.119	1.74	0.207
R^2	0.656			0.741		
Adjusted R^2	0.154			0.308		
	* and ** significant at 10% and 5% respectively					

VII. Discussion

This study considers the effect of female directors on corporate tax aggressiveness on a sample of 11 listed banks over the period of 2012 -2014. Employing a panel regression analysis, the higher proportion of female directors does not significantly reduce the possibility of tax aggressiveness. Female directors on bank boards are noted to be positively correlated to effective tax rate, thus, higher ratio of women as directors should lead to lower tax aggressiveness as ETR increases. This study found that the women presence in board of directors has a negative but insignificant effect on managerial tax aggressiveness in banks.

On the basis of the study findings, the percentage of women sitting on corporate boards is negligible in comparison to the men. This inadequacy of female directors stems from the under-representation and insufficiency of professional women in senior and key management positions [4]. Therefore, this may boil down to the reason for women directors to be insignificant in minimising tax aggressive behaviour. As a result of this, the proportion of female sitting on board may be insignificant to cause an adequate influence on the board tax policies. It has been observed that women may be placed on the board as "tokens" to channel no real value to the board. As tokens, firms may just slightly improve gender diversity of the board to satisfy increased support for boardroom diversity. In line with this, a pool of at least three female directors is viewed to be able to influence corporate outcomes to constitute a 'critical mass' [29] [45].

Moreover, the size of the board has a positive moderating effect on the tax aggressiveness of female occupied boards within the banking industry. It can be implied that better governance structure goes favourably with increased board gender diversity; given this, further increase in female directors should be accompanied with adequate governance means required to function at an efficient capacity.

VIII. Recommendations

In light of the above findings, banks should strongly apply the policy encouraging or otherwise mandating women as board members to take advantage of their expected benefits. This can be more beneficial when a sufficient pool of qualified women is available to occupy these positions. This indicates the urgent need for gender equality in accessing education and learning opportunities. Relating to societal influence, the female gender across all age groups has to be encouraged to pursue their work goals and not be constrained by traditional values and customs. Regarding Nigerian policy, the study recommends that the gender and equal opportunities bill should be re-introduced, accepted and become legally binding across the nation.

This research opens an avenue in an emerging research area for future studies to examine gender effect on other sectors or the entire firms listed on the stock exchange. This may be women board members, executives and those in top management. In addition, other measures of diversity can be taken together with gender diversity to study tax aggressive behaviour. The study suggests that empirical evidence on the determinants of tax planning activities among Nigerian banks and other firms is obtained.

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