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## RESEARCH ARTICLE

## The Impact of Strategic Corporate Social Responsibility on Tax Avoidance via Job Meaningfulness and the Mediating Role of Ethical Leadership

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### Abstract

Purpose of the paper: This research aims to examine the impact of strategic corporate social responsibility on work meaningfulness and tax avoidance through ethical leadership. Standard questionnaires based on [Turker \(2009\)](#), [De Hoogh and Den Hartog \(2008\)](#), and [Arnoux-Nicolas et al. \(2017\)](#) with 84 items were employed to measure the variables. A team of experts confirmed the content validity of the questionnaires, and the reliability of the four questionnaires was supported by Cronbach's alpha, which was equal to 0.902. The statistical population consisted of 90 finance directors at the headquarters of listed companies on the Tehran Stock Exchange in 2021. 73 completed questionnaires were returned, and data analyses were done using structural equation modelling. The results showed that corporate social responsibility significantly affected tax avoidance. In addition, the meaningfulness of work had a significant effect on the inverse relationship of social responsibility and tax avoidance. Moreover, ethical leadership improved this relationship. According to the previous studies and the applied study results, the researcher would like to submit a proposal to the directors and heads of the boards of directors of the Tehran Stock Exchange companies under study. This paper provides new evidence on CSR and tax avoidance in Iranian companies and sheds light on the importance of considering job meaningfulness and mediating the role of ethical leadership. Indeed, this study adds to the CSR literature and integrates it with tax avoidance by signifying the role of job meaningfulness and ethical leadership in the CSR process. By presenting a refined analysis of CSR in a developing country, this research expands the understanding of CSR's expression and the effects on Iranian companies.

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## 1. Introduction

Sustainable development of society and business has become a magical formula in solving both social problems and the problems of preserving the safe environment necessary for human existence. The ideas of social responsibility are highlighted (Žukauskas, Vveinhardt and Andriukaitienė, 2018). Accepting social responsibilities and observing business ethics by firms and private/public organisations can minimise the risk of a real economic crisis (Amiri, 2008). Social responsibilities have direct and indirect effects on the economic activities of any organisation. Social responsibility leads to social benefits. To meet their goals, economic units need a framework to balance the firm's interests and stakeholders. One of the financial interests of a firm is earning more profit. A wide range of variables affects a company's profitability, such as sales and cost. These variables depend on human force and financial resources, and eventually profitability. However, some managers use gaps in the laws and report a higher profit in financial statements. Such measures are known as tax avoidance activities. Also, the costs incurred for CSR can be used by managers to consider taxation interests related to their corporate tax strategy. In real terms, it can reduce profits and make a lower tax avoidance level (Watson, 2015). Managers need to convince their finance affairs directors to cooperate to do these activities. Therefore, they focus on the psychological characteristics of these directors. One of these characteristics is feeling the meaningfulness of work. According to Albrecht (2013), the meaningfulness of work is a psychological mood in which individuals feel that by doing their job, they contribute to realising a worthwhile cause, which is organisational goals. If individuals see their job as meaningful, they will try their best to fulfil their tasks. In addition, tax avoidance can be considered an essential factor. An ethical leader does not only take their interests into account; they need to assess the impacts of their decisions on everyone (Stansbury, 2009). With this definition, tax avoidance by finance managers can be rooted in one's psychological characteristics or management style.

With this introduction, this study's central question is whether a firm that respects its social responsibility might try tax avoidance. In addition, is there a risk of tax avoidance when an individual sees their job as meaningful and their managers have an ethical management style?

## 2. Literature Review

### 2.1. Social responsibility and its strategic effect

Corporate social responsibility (CSR) is considered an umbrella that covers all the relationships between the business, society, and business ethics (Matten and Moon, 2004). Today, CSR engagement requires more complex and continuous stakeholder awareness and better modernised CSR communication strategies (Amoako, Lord and Dixon, 2017). This has also sharpened the importance of CSR and stakeholder engagement among businesses worldwide (Abugre and Anlesinya, 2019). CSR is the main factor in the survival of any organisation. Companies and institutes function in a society where they find different opportunities to profit and meet their goals. In return for these opportune organisations, the organisation commits to meeting society's needs and demands preferred by stakeholders. Indeed, social responsibility is a concept to define such commitment that organisations should fulfil.

In general, social responsibility is defined as how businesses integrate economic, social, and environmental approaches into values, culture, strategies, decision-making structure, and operations in a transparent and auditable manner. As a result, better processes and procedures are implemented in the organisation to create wealth and improve society's general condition. This concept is widely accepted today, and it is seen in fields such as safety, product, honesty in the advertisement, employees' rights, environmental sustainability, ethical behaviour, and global responsibility. In addition, there is a wide range of stakeholders, including employees, customers, communities,

environment, competitors, business partners, investors, shareholders, and states. In the field of competition, to gain competitive advantage, create value for customers, and win their satisfaction, CSR has been a critical subject over the past few years so that the institutes that measure quality in different markets perceive CSR as a factor in excellence and their assessments (Heidarian, 2010).

The question about the strategic value of CSR for companies has triggered extensive debates (Heikkurinen, 2012). Researchers have approached this by emphasising that CSR can have a strategic effect through its capacity to alter competitive position in the industry. In addition, CSR can help companies to develop their competitive advantage. Therefore, in general, it has to do with business strategy (Galbreath, 2009).

By adopting a strategic approach, companies can determine their activities and allocate resources to social responsibility. In this way, they can choose to improve their competitive advantage. By accepting CSR as a part of their immediate plan, an organisation can ensure that gaining profit and increasing share values do not compromise treating shareholders ethically.

Strategic CSR brings in the following solutions for companies:

- Creating a balance between creating economic value and social value;
- Management of relationships with stakeholders;
- Identifying and responding to threats and opportunities created by stakeholders;
- Developing sustainable business approaches; and
- Using organisational capacities for humanitarian activities.

Akdoğan, Arslan and Demirtaş (2016) concluded that the strategic effect of CSR on the meaningfulness of work and organisational identity was significant. Aghaie and Kazempour (2016) maintained a positive and significant relationship between social responsibility and the company's performance. Darabi et al. (2016) showed a significant relationship between social responsibility reporting and the risk and value of a company. Moreover, Rhee et al. (2021) concluded that firms engaging in CSR activities improve more in terms of sustainable employability than firms not engaging in CSR activities.

## 2.2. Tax avoidance

In recent years, corporate tax avoidance has gained increasing prominence as a subject of discussion (Beer, de Mooij and Liu, 2020). While corporate tax avoidance had already been a significant issue in political and academic debates in the USA as an aftermath of the corporate scandals in the early 2000s (McGill and Outslay, 2004), it took more time in other OECD countries to place tax avoidance on the political agenda. Meanwhile, the public became aware that well-known firms like Google, Apple or Facebook pay almost no taxes outside the U.S., where they earn substantial proportions of their income (Chew, 2016), and many empirical studies support the notion that most enterprises engage in tax avoidance to a substantial effect (Beer, de Mooij and Liu, 2020).

Hanlon and Hitzman (2010) defined tax avoidance as an apparent tax decrease for each accounting profit or cash flow unit. A review of accounting and financial literature showed two general viewpoints about tax avoidance.

The first viewpoint argues that the objective of tax avoidance activities is only to decrease companies' tax debts and liabilities. The proponents of this viewpoint believe that from investors' perspective, tax avoidance is an activity to increase the company's value, and managers should be rewarded for such activities. A clear instance of this viewpoint is manager bonus plans based on profit after tax, which motivates managers to lower the effective tax rate. A great deal of time spent by managers to avoid tax and the risk of penalty if found by regulating institutes are the potential

costs of this approach. Therefore, based on this viewpoint, conflict of interests between managers and shareholders, according to agency theory, is eliminated. At the same time, the company and state relationship is challenged based on stakeholders' theory.

In the second viewpoint, tax avoidance activities cover a broader aspect of agency between managers and shareholders, such as the opportunistic approach of managers and abusing corporate resources. [Desai and Dharmapala \(2009\)](#) believed that the complicity of tax avoidance activities could provide managers with tools, coverages, and insight that prepare the ground for opportunistic behaviours such as profit manipulation, a transaction with dependents, and abusing corporate resources in managers' favour. In other words, from this viewpoint, tax avoidance and managers' divergence from organisational goals become two sides of one coin. Tax avoidance is considered activities with direct and indirect effects on business units and society. [Hanlon and Hitzman \(2010\)](#) argued that a decrease in tax expenses, increase in cash flows, and increase in shareholders' wealth were among the direct consequences of tax avoidance; and reduction of tax havens, risk of tax increase, increase in tax crimes, decrease in social responsibility, and decrease in the value of firm were the indirect consequences of tax avoidance.

The issue that researchers have primarily considered in this study is the impact of corporate social responsibility on tax avoidance. The association between CSR and tax avoidance is both theoretically and empirically ambiguous. However, most studies find a negative association between CSR and tax avoidance. Nevertheless, results are highly dependent on measuring the respective constructs and other marginal conditions. The comparability of recent research on the issue is limited due to heterogeneous CSR and tax avoidance metrics and a potentially bidirectional relationship ([Kovermann and Velte, 2021](#)). [Hasseldine and Morris \(2013\)](#) argued that CSR and tax avoidance are significantly related. [Jafari and Isfahani \(2013\)](#) showed that social responsibility did not affect tax avoidance. [Dianati and Rezapour \(2014\)](#) showed no significant relationship between finance managers' belief in corporate ethics and CSR and their reluctance to follow tax avoidance plans. Still, there was a negative relationship between finance managers' resistance to tax avoidance plans and their participation in tax avoidance plans. [Lari Dasht Bayaz, Ghaem Maghami and Kahromi. \(2016\)](#) showed a positive and significant relationship between cultural, economic, and political-legal elements and tax avoidance. Also, [Timbate \(2021\)](#) revealed that as firms' performance rises further above their aspiration level, they are less likely to show better CSR performances and are also less likely to avoid taxes. Moreover, [Chouaibi, Rossi and Abdessamed \(2021\)](#) showed that companies with no conduction of CSR activities are more aggressive in avoiding taxes than others, confirming the idea that CSR could be seen as a facet of corporate culture that affects business corporate tax avoidance.

The following hypotheses were designed to achieve the objective of the study:

**H<sub>1</sub>:** Social responsibility has a significant impact on tax avoidance.

### 2.3. Work meaningfulness as a mediator variable

Work meaningfulness means a friendly relationship between the individual and organisation in commitment, loyalty, and sacrifice. In other words, it is a comprehensive mood that contains meaning and objective of personal life through the work. It also includes the number of hours individual works and stays awake ([Chalofsky, 2010](#)). [Albrecht \(2013\)](#) defines work meaningfulness as a psychological mood through which people feel they have a positive and valuable role in realising a worthy cause.

[Leal, Rego and Cunha \(2015\)](#) showed that the so-called institutionalisation process that specifically and individually covers individuals in an organisation might impact the meaningfulness of work. [Leal, Rego and Cunha \(2015\)](#) found that the positive effects of meaningful work trivially

mediate between perceptions of CSR and psychological capital. [Onkila and Siltaoj \(2017\)](#) believed that most companies fulfil CSR as a show for the public and highlight it in financial statements; while, it is not completely fulfilled in practice. The reason for this is the formal laws of CSR that are inconsistent with organisational laws. They argued that integrated official rules and hierarchical processes from top to bottom that act as the determinant of social responsibility explain the problem. CSR must be institutionalised in all organisation members as a general census that concentrates on commitment, cooperation, and unity. This means that people should see their work as meaningful before fulfilling CSR. [Raub and Blunski \(2014\)](#) showed that personnel's awareness of CSR activities has a positive relationship with job satisfaction, participation at work, and creativity. In addition, awareness of CSR has a negative relationship with emotional burnout. These relationships are affected by the perceived importance of tasks. [Surajdeep \(2016\)](#) showed that meaningfulness of work and CSR are significantly related. [Akdoğan, Arslan and Demirtaş \(2016\)](#) demonstrated that meaningfulness of work improves the relationship between CSR and organisational identity. [Afsar, Al-Ghazali and Umrani \(2020\)](#) showed that incremental morality beliefs strengthened the effect of CSR perceptions on work meaningfulness, especially when moral identity centrality was weaker.

The following hypotheses were designed to achieve the objective of the study:

**H<sub>2</sub>:** Social responsibility significantly impacts tax avoidance with work meaningfulness as a mediating variable.

#### **2.4. Ethical leadership as a moderator variable**

Respecting ethical concerns is considered a critical factor in some leadership styles. As an independent leadership style, ethical leadership is a relatively new topic of which every aspect is not thoroughly examined. To explain ethical leadership, researchers have argued that leaders shall not only consider their interests when they make decisions ([Stansbury, 2009](#)). Several studies have listed the characteristics of ethical leadership such as fairness, honesty, solidarity with followers, etc. Given these characteristics, it is expected that ethical leadership positively affects personnel's attitudes and behaviours. Still, there is limited practical evidence about the effects and outcomes of ethical leadership ([Kalshoven and Den Hartog, 2009](#)). Due to the special impacts of leaders' behaviour on their followers' behaviours. Through this, we can determine the probable impacts on other organisational variables and affect them by controlling leadership style ([Doustar, Mostaghimi and Ismaielzadeh, 2015](#)).

[Brown, Treviño and Harrison \(2005\)](#) took ethical leadership as a one-dimensional phenomenon and listed several behaviours for ethical leadership. They demonstrated an ethical leader as honest, reliable, fair, and considerate. [De Hoogh and Den Hartog \(2008\)](#) showed that each of these ethical behaviours of leaders has its own specific impact. Therefore, based on the mentioned characteristics by [Brown, Treviño and Harrison \(2005\)](#) and other studies, they introduced three aspects of ethical leadership. The first aspect (ethics and fairness) states that ethical leaders make decisions based on principles and fairness and extent justice at work. The second aspect (transparency of roles) states that these leaders have transparency in their work, promote transparent relationships, and invite their followers to behave ethically. The third aspect is sharing power so that ethical leaders give room to the inferiors to express their ideas and hear their concerns and ideas ([De Hoogh and Den Hartog, 2008](#)).

[Seif Panahi et al. \(2015\)](#) argued that ethical leadership has a significant relationship with social responsibility. [Wu et al. \(2015\)](#) studied Chinese companies and showed that ethical leadership positively affects CSR via ethical organisational culture. [Zhu, Sun and Leung \(2013\)](#) showed that ethical leadership affects CSR, which improves the firm's performance and credibility. [Ponnu and](#)

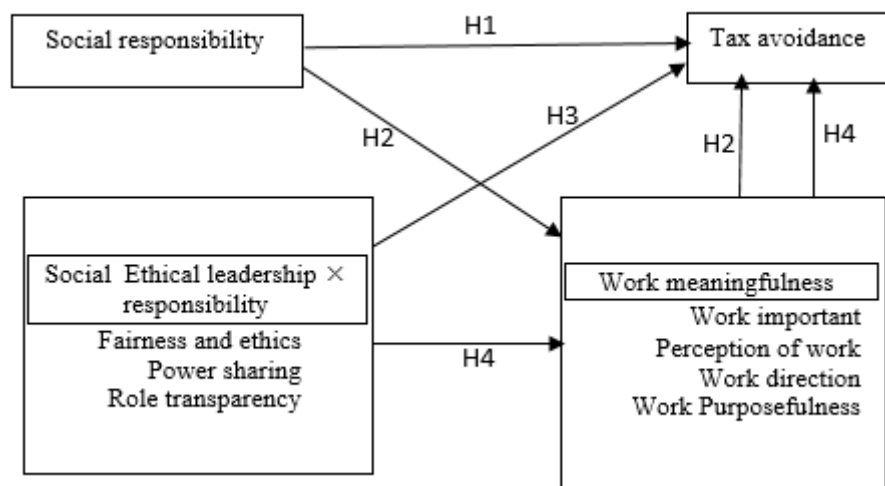
Tennakoon (2009) examined the effects of ethical leadership on the attitudes of personnel, such as organisational commitment and trust in leaders. They used the data from 172 middle managers in Malaysian organisations. Their results also supported the positive impact of ethical leadership on organisations commitment and trust in leadership among personnel. Akbari and Faham (2016) argued that personal values positively and significantly impact business ethics and CSR. Also, Business ethics has a positive and significant impact on CSR. Chaudhary (2021) showed authentic leadership leads to more favourable perceptions of Corporate Social Responsibility (CSR), which, in turn, results in enhanced experiences of meaningfulness at work.

The following hypotheses were designed to achieve the objective of the study:

**H<sub>3</sub>**: Social responsibility significantly impacts tax avoidance with ethical leadership as moderator.

**H<sub>4</sub>**: Social responsibility significantly impacts tax avoidance with ethical leadership as a moderator and work meaningfulness as a mediating variable.

A research model was developed to test the hypotheses (Figure 1).



**Figure 1.** Research operational model (based on Akdoğan, Arslan and Demirtaş, 2016)

### 3. Methodology

In terms of nature and method, the study is a descriptive-correlational work, and as to objective, it is an applied work. Data gathering was done through library review so that the theoretical ground of the study was determined using the literature in Farsi and English. Afterwards, data gathering was carried out by administering questionnaires among 90 finance managers working at the headquarters of firms in TSE. Experts had confirmed the questionnaire in terms of content validity. The questions were standard questions based on Turker (2009), De Hoogh and Den Hartog (2008), and Arnoux-Nicolas et al. (2017). Other studies have supported the validity of the questionnaires, and to be on the safe side, the content validity of the questionnaires was also checked. Cronbach's alpha of the tool was determined to equal 0.902 in SPSS (v.20). The data collected in the study were managed in Excel. Data analyses and hypotheses tests were done using structural equations modelling (SEM) in Smart.PLS.03.

The study population consisted of all finance managers in TSE firms in 2021. Based on inclusion criteria, 90 managers were selected, and 73 questionnaires were returned completed by the participants.

To keep the items consistent, Likert's five-point scale was used. The questionnaire contains four sections; section one measures social responsibility based on [Turker \(2009\)](#) standard questionnaire. Section two measures the meaningfulness of work (based on [Arnoux-Nicolas et al. 2017](#)) with four aspects: the importance of work, perception of work, work direction, and work purposefulness). Section three measures tax avoidance (researcher-designed), of which content validity was supported. And section four is dedicated to ethical leadership, namely fairness, ethics, transparency, and power-sharing.

## 4. Research Findings

### 4.1. Construct indices

Table 1 lists the descriptive indices of the constructs or questions of the questionnaire.

**Table 1.** Descriptive indices

Variables	Constructs	Items (n)	Mean	SD	Min	Max
Social responsibility	Social responsibility	20	3.38	0.51	2.05	4.50
	Work important					
Meaningfulness of work	Perception of work	15	3.67	0.40	2.20	4.67
	Work direction					
	Work purposefulness					
Tax avoidance	Tax avoidance	16	3.60	0.36	2.63	4.13
	Fairness and ethics					
Ethical leadership	Role transparency	33	3.59	0.47	2.06	4.30
	Power-sharing					

As listed in the table above, the lowest dispersion is seen with tax avoidance, and the highest dispersion is seen with social responsibility.

### 4.2. Normal distribution of variables (Kolmogorov-Smirnov test)

Table 2 lists the results of Kolmogorov-Smirnov (K-S) test.

**Table 2.** K-S test results

Variables	K-S test	Sig.	Result
Social responsibility	0.658	0.779	Normal
Meaningfulness of work	1.79	0.003	Non-normal
Tax avoidance	1.07	0.197	Normal
Ethical leadership	1.47	0.025	Non-normal

Given the fact that sig. The value of meaningfulness of work and ethical leadership is less than 0.05; the normal distribution of the questions is not supported. When data distribution is not normal and the sample size is not large enough, PLS is the best choice for data analysis ([Davari and Rezazadeh, 2013](#)).

### 4.3. Internal reliability, combined reliability, and convergent validity of variables

To check internal reliability, combined reliability, and convergent validity, Cronbach's alpha, Dillon-Goldstein, and AVE index were used, respectively. The cutoff point for factor load coefficients was 0.4 ([Hulland, 1999](#)). All coefficients between the items and latent variables were acceptable. Cronbach's alpha and combined reliability higher than 0.7 were acceptable, confirming the instrument's reliability.

Convergent validity measures the correlation of each construct with its variables (indices), which

was determined based on the AVE coefficient in PLS. The value of AVE was slightly higher than 0.5, so the instrument's validity was supported.

**Table 3.** Internal reliability, combined reliability, and convergent validity

Variables	Constructs	Internal reliability		Combined reliability		Validity		p-value
		Cronbach's alpha	t-value	CR	t-value	AVE	t-value	
Social responsibility	Social responsibility	0.90	46.68	0.90	37.58	0.44	7.58	0.000
	Work important	0.52	4.79	0.73	11.52	0.56	13.77	0.000
	Perception of work	0.79	12.06	0.86	24.20	0.61	9.70	0.000
Meaningfulness of work	Work direction	0.48	3.54	0.75	14.50	0.62	18.19	0.000
	Work purposefulness	0.68	6.19	0.80	13.06	0.51	6.55	0.000
	Meaningfulness of work	0.87	18.82	0.90	27.93	0.54	8.80	0.000
Tax avoidance	Tax avoidance	0.88	39.61	0.89	16.98	0.57	7.51	0.000
Ethical leadership * social responsibility (moderating role)	Fairness and ethics	0.95	80.84	0.96	76.04	0.46	7.90	0.00
	Role transparency	0.81	19.96	0.87	27.79	0.47	8.38	0.000
Ethical leadership	Power sharing	0.90	31.97	0.93	44.51	0.58	10.15	0.000
		0.83	14.43	0.86	17.12	0.42	7.71	0.000

#### 4.4. Estimate of study model

Based on the data analysis algorithm in the PLS method and based on the estimate made by measurement models, the structural model was estimated in this section. The structural model examines latent variables and their relationships despite the measurement model. Several measures are used to estimate the structural model, and the most important is significant path coefficient (Z) and t-value. To estimate the structural model using t-value, values higher than 1.96 are considered significant with a level of confidence of 95% (Davari and Rezazadeh, 2013). Table 4 lists the results of the estimate of the study model. The coefficient of path variables is higher than 1.96, indicating the significance of the model's paths and fitness. That is, none of the four hypotheses is rejected.

#### 4.5. Coefficient of determination (R<sup>2</sup>)

The second measure to estimate the structural model is the R<sup>2</sup> coefficient. It determines the effect of an extrinsic variable on an intrinsic variable. As listed in Table 5, the value of R<sup>2</sup> for all variables is higher than 0.6, which indicates a good estimate of the structural model.

#### 4.6. Prediction relationship measure (Q<sup>2</sup>)

Prediction relationship Q<sup>2</sup> is an index of the structural model and its quality. The index measures



the model's capability to predict (Davari and Rezazadeh, 2013). As listed in Table 6, the redundancy validity check for all latent dependent variables is positive. Therefore, the quality of the model is confirmed, which also indicates a good estimate of the structural model.

**Table 4.** Estimated results of the research model

Independent variable	Dependent variable	Path analysis	t-value
Social responsibility	Tax avoidance	-0.462	2.317
Social responsibility	Meaningfulness of work	-0.327	1.98
	Importance of work	0.876	25.95
Meaningful work	Perception of work	0.909	27.004
	Work direction	0.944	62.43
	Purposefulness of work	0.748	10.41
Meaningfulness of work	Tax avoidance	0.808	2.042
Ethical leadership * social responsibility	Meaningfulness of work	1.137	9.614
Ethical leadership * social responsibility	Tax avoidance	0.864	3.251
	Fairness and ethics	0.936	66.046
Ethical leadership	Transparency of roles	0.929	51.14
	Sharing power	0.943	70.79

**Table 5.** Coefficient of determination (R2)

Variables	Constructs	R2	T-statistics	P-values
Meaningfulness of work	Importance of work	0.767	12.73	0.000
	Perception of work	0.826	14.67	0.000
	Direction of work	0.892	28.23	0.000
	Purposefulness of work	0.559	5.49	0.000
Meaningfulness of work	Meaningfulness of work	0.878	22.23	0.000
Tax avoidance	Tax avoidance	0.66	7.43	0.000
	Fairness and ethics	0.876	30.66	0.000
Ethical leadership	Transparency of roles	0.864	26.90	0.000
	Sharing power	0.890	31.31	0.000

**Table 6.** Redundancy validity

Variables	Constructs	SSO	SSE	1-SSE/SSO
Meaningfulness of work	Importance of work	207	124.09	0.401
	Perception of work	276	156.95	0.431
	Direction of work	276	136.73	0.505
	Purposefulness of work	276	211.83	0.232
Meaningfulness of work	Meaningfulness of work	690	376.35	0.455
Tax avoidance	Tax avoidance	483	326.54	0.324
	Fairness and ethics	759	480.59	0.367
Ethical leadership	Transparency of roles	759	421.64	0.444
	Sharing power	759	511.53	0.326

#### 4.7. The goodness of fit (GOF) index

The main model covers both measurement and structural models, and by confirming its capability to estimate, the estimation would be completed in the general model.

To examine the estimating capability of the main model, only one measure was used, called GOF. Three GOF values of 0.01, 0.25, and 0.36 are interpreted as low, moderate, and high GOF, respectively. Here, GOF was equal to 0.615, which supported the strong estimating capability of the main model.

## 5. Conclusion and Discussion

The results showed that social responsibility had an inverse effect on tax avoidance. Companies can earn more profit by paying more attention to social responsibility as a competitive edge and remaining committed to social responsibility to gain more market share. In addition, the company's commitment to meet the needs of all stakeholders, including the government, decreases tax avoidance. Social responsibility significantly impacted tax avoidance with work meaningfulness as a mediating variable. A meaningful work increases the strength of the inverse relationship between social responsibility and tax avoidance. When a finance director finds their job highly important, has an extensive and right perception of the job, has a right perception of the direction of the assigned task, and follows his mission consistent with the organisational goals (i.e. increasing satisfaction in stakeholders), they would feel more committed to social responsibility and more reluctant to avoid tax. The results showed that social responsibility significantly impacted tax avoidance with ethical leadership as a moderating variable. In other words, when the leadership emphasises ethical codes, treats the inferiors with fairness, respects transparency in the tasks assigned to employees, and shares responsibilities and power, the relationship between social responsibility and tax avoidance is moderated so that the inverse relationship between them becomes stronger. Social responsibility significantly impacts tax avoidance with ethical leadership as a moderator and works meaningfulness as a mediating variable. An organisation has a stronger commitment to social responsibility when finance managers find their work meaningful, and the leadership emphasises ethics. In this case, the finance managers avoid using tax avoidance tricks and prepare financial statements as clearly and accurately as possible.

To compare the findings in this work and similar studies, our findings are consistent with Hasseldine and Morris (2013), who found a significant relationship between CSR and tax avoidance. In addition, our results are consistent with Surajdeep (2016), who found that work meaningfulness affects CSR; Ponnu and Tennakoon (2009), who reported that ethical leadership affected personnel's attitudes and refused unethical actions.

Given the findings, more ethics is recommended to managing directors in TSE companies. In addition, the role assignment to inferiors should be clear and transparent to ensure meaningful work from the finance managers' viewpoint. Finance managers need to have a good perception of purposefulness and transparency of their job and be interested in their job. Through these, firms can better fulfil their social responsibilities and enjoy the positive strategic effect of social responsibility on all their activities through obtaining such a competitive advantage. As the results showed, one of the outcomes would be a decrease in tax avoidance.

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