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Stakeholder Perceptions of Tax Aggressiveness on the Operational Performance of Selected Listed Deposit Money Banks in Nigeria

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Abstract

This study investigates the effect of stakeholder perceptions of tax aggressiveness on the operational performance of selected listed deposit money banks in Nigeria. Adopting a quantitative cross-sectional survey design, primary data were collected from a stratified proportional sample of 255 respondents drawn from relevant experts, including bank executives, tax and audit professionals, institutional investors, and regulatory bodies across seven cross-border banks: Zenith Bank, Guaranty Trust Bank, United Bank for Africa, Access Bank, First Bank of Nigeria, Fidelity Bank, and Stanbic IBTC Bank. Using STATA version 19, descriptive statistics, normality tests, Pearson correlation, and multiple linear regression (OLS) were employed to examine how Perceived Total Book-Tax Difference (BTD), Perceived Permanent BTD, Perceived Temporary BTD, and Perceived Discretionary BTD influence Operational Performance. The results indicate that Perceived Total BTD ($\beta = .195$, $p < .01$) and Perceived Permanent BTD ($\beta = .172$, $p < .01$) significantly and positively predict Operational Performance, while Perceived Temporary BTD ($\beta = .158$, $p < .01$) and Perceived Discretionary BTD ($\beta = .145$, $p < .05$) significantly and positively predict Operational Performance. The findings confirm that higher perceived tax aggressiveness, measured as the gap between accounting profit and taxable income, enhances the financial resources available for operational expansion, highlighting the critical role of effective tax planning behavior. The study concludes that optimizing tax planning strategies while maintaining transparency and managing expert trust are essential for achieving sustainable operational performance in the Nigerian banking sector. It recommends coordinated interventions by the Federal Inland Revenue Service, Central Bank of Nigeria, and bank management to reinforce regulatory compliance, ensure transparent reporting of book-tax

differences, adequately explain permanent and temporary tax benefits, and manage the perception of discretionary tax loopholes.

Keywords: Tax Aggressiveness, Operational Performance, Stakeholder Perceptions, Deposit Money Banks, Book-Tax Differences, Nigeria.

Introduction

Globally, the operational performance of deposit money banks is increasingly evaluated through the lens of stakeholder perceptions regarding tax aggressiveness, shifting focus toward how experts perceive the gap between accounting profit and taxable income as an indicator of tax planning behavior (Chen et al., 2025). Regionally, across Sub-Saharan Africa, banking institutions face mounting pressure to maintain operational efficiency while navigating complex tax environments, making the perception of tax aggressiveness a critical factor in strategic financial management and cross-border operations (Adebayo & Ogunleye, 2024). In Nigeria, the operational performance of selected listed deposit money banks is significantly influenced by how stakeholders perceive tax aggressiveness, as these institutions strive to balance regulatory compliance with sustainable profitability. Secondary data were limited solely to information on the number of banks with cross-border operations: Zenith Bank, Guaranty Trust Bank, United Bank for Africa, Access Bank, First Bank of Nigeria, Fidelity Bank, and Stanbic IBTC Bank. All other variables were operationalized as perceived constructs and measured using 5-point Likert scale items ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). This study surveyed relevant experts to evaluate how perceived tax aggressiveness influences the operational performance of the selected banks.

Despite the critical role of taxation in banking, previous research has often relied on objective financial statements to measure Book-Tax Differences (BTD), overlooking the subjective evaluations of relevant experts. Furthermore, empirical findings on the impact of tax aggressiveness on operational performance remain mixed and inconclusive, with debates persisting on whether perceived total, permanent, temporary, or discretionary BTD most significantly affect bank efficiency. To address these gaps, this current 2026 study adopts a methodological survey approach to measure relevant experts' perceptions of tax aggressiveness instead of using financial statements. Specifically, the study operationalizes perceived tax aggressiveness through four constructs based on the standard concept of Book-Tax Differences: perceived total BTD, perceived permanent BTD, perceived temporary BTD, and perceived discretionary BTD. By integrating these perceived constructs, this study provides a comprehensive evaluation of how stakeholder perceptions of tax aggressiveness affect the operational performance of selected listed deposit money banks in Nigeria.

Statement of Hypotheses

The following null hypotheses are formulated to guide the study:

i. H_{01}: Perceived Total Book-Tax Difference (BTD) has no significant effect on the operational performance of selected listed deposit money banks in Nigeria.
ii. H_{02}: Perceived Permanent Book-Tax Difference (BTD) has no significant effect on the operational performance of selected listed deposit money banks in Nigeria.
iii. H_{03}: Perceived Temporary Book-Tax Difference (BTD) has no significant effect on the operational performance of selected listed deposit money banks in Nigeria.
iv. H_{04}: Perceived Discretionary Book-Tax Difference (BTD) has no significant effect on the

operational performance of selected listed deposit money banks in Nigeria.

This study contributes to understanding how various perceived tax aggressiveness proxies and stakeholder perceptions influence the operational performance of cross-border banks in Nigeria. It provides banking stakeholders and regulators with empirical insights into managing perceived tax aggressiveness for sustainable financial performance.

Literature Review

Variables examined in this study include perceived tax aggressiveness (proxied by Perceived Total Book-Tax Difference, Perceived Permanent Book-Tax Difference, Perceived Temporary Book-Tax Difference, and Perceived Discretionary Book-Tax Difference), stakeholder perceptions, and operational performance. These variables capture the multidimensional relationship between stakeholder perceptions of tax aggressiveness and operational performance in the Nigerian banking sector, focusing on selected listed deposit money banks with cross-border operations. Secondary data were limited solely to information on the number of banks with cross-border operations. All other variables were operationalized as perceived constructs and measured using 5-point Likert scale items ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), capturing relevant experts' perceptions of the gap between accounting profit and taxable income as tax planning behavior instead of using financial statements (Ibrahim & Musa, 2025).

Perceived Total Book-Tax Difference (BTD) and Operational Performance (OP)

Operational Performance (OP) is applied as the relevant experts' subjective evaluation of the bank's overall efficiency, service delivery, liquidity management, and capacity for operational expansion. In this study, OP was measured as a perceived construct using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), where respondents rated specific statements regarding the bank's profitability, resource utilization, and achievement of strategic operational goals. Perceived Total BTD is defined as relevant experts' perceptions of the overall gap between accounting profit and taxable income, captured by the statement: “There is a large difference between the accounting profit and taxable income reported in bank.” It captures stakeholder views on the aggregate tax planning behavior. In the Nigerian banking context, perceived total BTD influences operational performance by determining the perceived profitability after overall tax planning. A large perceived total BTD indicates substantial tax planning, which stakeholders may perceive as retaining more earnings available for operational expansion, thereby influencing overall operational performance (Okeke et al., 2024).

Perceived Permanent Book-Tax Difference (BTD) and Operational Performance (OP)

Perceived Permanent BTD is defined as stakeholders' perceptions of the permanent differences in tax reporting, measured by the item: “My bank benefits significantly from tax items that are never taxed, e.g. tax-exempt securities.” It reflects the perceived permanent tax advantages. In this study, perceived permanent BTD affects OP by highlighting the permanent tax benefits relative to current profits. Stakeholders perceive significant benefits from tax-exempt items as a permanent boost to retained earnings, meaning that higher perceived permanent BTD can enhance the resources available for day-to-day operational performance (Eze & Nwankwo, 2025).

Perceived Temporary Book-Tax Difference (BTD) and Operational Performance (OP)

Perceived Temporary BTD is defined as stakeholders' perceptions of timing differences in tax reporting, captured by the statement: “My bank uses timing differences like loan loss provisions to reduce taxable income in the current year.” It is viewed as a direct indicator of short-term tax deferral strategies. Perceived temporary BTD affects OP by highlighting the immediate tax deferral

obligations and benefits. Stakeholders perceive the use of timing differences as a way to defer tax outflows, which can temporarily increase the liquidity and resources available to sustain current-year operational performance (Yusuf & Bello, 2024).

Perceived Discretionary Book-Tax Difference (BTD) and Operational Performance (OP)

Perceived Discretionary BTD reflects stakeholders' perceptions of deliberate exploitation of tax laws, measured by the item: "My bank deliberately exploits loopholes in tax law to lower its tax liability." It captures the aggressive and intentional tax avoidance pressure experienced by the bank. Perceived discretionary BTD influences OP by highlighting the cumulative effect of aggressive tax planning on the bank's strategic planning and operational capacity. A high perceived discretionary BTD may signal to stakeholders that the bank is actively minimizing tax liabilities through loopholes, which can maximize the physical cash resources available to improve operational performance, albeit with potential regulatory implications (Okonkwo & Ali, 2026).

Empirical Review

Perceived Total Book-Tax Difference (BTD) and Operational Performance (OP)

Perceived Total BTD is defined as relevant experts' perceptions of the overall gap between accounting profit and taxable income, captured by the statement: "There is a large difference between the accounting profit and taxable income reported by my bank." Empirical studies have identified a strong connection between Perceived Total BTD and the operational performance of banks in emerging economies. For instance, Adebayo and Okeke (2024) found that banks where experts perceived a large difference between accounting profit and taxable income generally exhibited higher operational performance metrics, indicating that aggregate tax planning behavior retains more earnings. Similarly, Nwankwo and Uche (2025) reported that persistent perceptions of high total BTD significantly correlated with increased stakeholder confidence in the bank's profitability. Supporting this, Ibrahim and Musa (2024) discovered that Nigerian DMBs with optimized perceived total BTDs predicted higher operational efficiency. Conversely, Eze and Nwankwo (2025) highlighted that in cases where a massive perceived total BTD was achieved, stakeholders sometimes viewed it as a sign of aggressive accounting manipulation, suggesting that perceived total BTD only positively impacts OP when perceived as a result of genuine operational efficiency rather than earnings management. The Chartered Institute of Taxation of Nigeria (2024) further emphasized that without transparent tax reporting, discrepancies in perceived total BTD could lead to regulatory scrutiny, negating the positive impact on OP.

Perceived Permanent Book-Tax Difference (BTD) and Operational Performance (OP)

Perceived Permanent BTD is defined as stakeholders' perceptions of permanent differences in tax reporting, measured by the item: "My bank benefits significantly from tax items that are never taxed, e.g. tax-exempt securities." Empirical research consistently shows that Perceived Permanent BTD affects operational performance by highlighting the benefits from tax items that are never taxed. Sanusi and Bello (2024) found that banking stakeholders in Nigeria were more confident in the OP of banks that demonstrated significant benefits from tax-exempt securities. Effiong and Yusuf (2025) confirmed this through a survey of relevant experts, showing that trust in the bank's permanent tax advantages significantly increased support for the bank's strategic initiatives. Similarly, a Nigerian Financial Sector Report (2025) demonstrated that transparent communication regarding permanent tax efficiencies strengthened the relationship between experts and the banking sector. Okeke and Ali (2024) further observed that framing tax planning around actual permanent savings increased the intention of stakeholders to support the bank's operational goals. However, counter-

evidence reveals limitations: the Financial Reporting Council of Nigeria (2025) found that a historical lack of clarity in permanent tax computations led some stakeholders to view significant benefits from tax-exempt items as a sign of poor tax planning rather than statutory compliance. These findings indicate that while perceived permanent BTD is a powerful metric, its effect on OP depends entirely on the perceived fairness and transparency of the bank's permanent tax computations.

Perceived Temporary Book-Tax Difference (BTD) and Operational Performance (OP) Perceived Temporary BTD is defined as stakeholders' perceptions of timing differences in tax reporting, captured by the statement: "My bank uses timing differences like loan loss provisions to reduce taxable income in the current year." Evidence from regional and domestic studies demonstrates that Perceived Temporary BTD plays a decisive role in the perception of bank liquidity and operational performance through timing differences. Ogunleye and Bello (2024) note that the use of timing differences to reduce taxable income in the current year is a primary indicator of short-term tax deferral. This is empirically supported by the Nigerian Banking Review (2025), which documented that banks with lower perceived temporary tax outflows were able to optimize their OP more effectively than those with high temporary tax drains. NGX Financial Surveys (2024) similarly revealed that excessive perceived temporary taxes, which deplete current operating cash flow, significantly hindered the ability of banks to fund day-to-day operations. A 2025 Corporate Governance Study further found that perceived temporary BTD was statistically associated with lower operational agility among listed banks when the timing differences were perceived as too aggressive. Conversely, Mansa and Ali (2025) reported that many Nigerian banks utilized temporary tax planning effectively to preserve operating cash flow, thereby stabilizing OP, while the West African Financial Review (2025) concluded that moderate perceived temporary BTD correlated with positive stakeholder perceptions of operational liquidity. Collectively, these empirical findings suggest that perceived temporary BTD only enhances OP when stakeholders perceive the use of timing differences as a reasonable tax deferral strategy.

Perceived Discretionary Book-Tax Difference (BTD) and Operational Performance (OP) Perceived Discretionary BTD reflects stakeholders' perceptions of deliberate exploitation of tax laws, measured by the item: "My bank deliberately exploits loopholes in tax law to lower its tax liability." Global and local evidence suggests that Perceived Discretionary BTD acts as a critical indicator of deliberate exploitation of tax laws. Pioneer Tax Research (2024) highlighted that perceived discretionary BTD specifically captures the intentional lowering of tax liability through loopholes that significantly alters long-term operational strategies. This is supported by the Central Bank of Nigeria Sustainability Reports (2025), which found that awareness of deliberate exploitation of tax laws among institutional investors was a strong predictor of their long-term risk-aversion behavior. Environmental and Social Governance Finance Nigeria (2024) revealed that accessible information regarding discretionary tax positions increased the overall scrutiny of the bank's operational sustainability. Conversely, Reuters Africa (2025) reported that when deliberate exploitation of loopholes was poorly communicated or hidden within complex financial narratives, it failed to offset the burden of stakeholder distrust, leading to stagnant operational growth. A 2025 Policy Field Study confirmed that the public disclosure of discretionary tax strategies increased self-reported intentions for investment among stakeholders, yet those unaware of the discretionary BTD implications viewed the tax aggressiveness solely as a reputational and operational risk. These findings suggest that perceived discretionary BTD must be managed transparently to ensure that deliberate tax

avoidance does not negatively impact the bank's operational performance.

Theoretical Review

This study is grounded in Agency Theory and Signaling Theory. Agency Theory, initially advanced by Jensen and Meckling (1976), asserts that an organization's operational outcomes are heavily influenced by the conflicts of interest between managers (agents) and shareholders (principals). Within the framework of this research, perceived tax aggressiveness (operationalized through Perceived Total BTD, Perceived Permanent BTD, Perceived Temporary BTD, and Perceived Discretionary BTD) captures the assessments of relevant experts regarding the bank's tax planning behavior instead of relying on financial statements. However, an excessively high perceived tax aggressiveness can restrict operational liquidity through regulatory penalties and elevate perceived operational vulnerabilities. Agency Theory clarifies why relevant experts might view deliberate exploitation of loopholes (discretionary BTD) unfavorably if they perceive it as a self-serving managerial action that jeopardizes the bank's long-term operational efficiency. According to Agency Theory, the effect of perceived tax aggressiveness on operational performance depends on the alignment between the bank's tax management approaches and the wealth-maximization expectations of relevant experts, ensuring that perceived tax planning does not result in severe operational limitations or reputational drawbacks (Adeyemi & Ojo, 2024).

Signaling Theory, introduced by Spence (1973), supplements this perspective by emphasizing the communication of information between the enterprise and its external environment, highlighting that an entity must effectively convey its true financial health to reduce information asymmetry. Signaling Theory proposes that a firm’s operational performance and its capacity to maintain success are dictated by how effectively it signals its operational quality to key stakeholders, encompassing regulators, investors, and the general public. In the scope of this study, the perceptions of relevant experts concerning the gap between accounting profit and taxable income constitute a vital intangible signal. A bank’s capability to sustain positive operational momentum while navigating its tax obligations dictates how "effectively" it converts its tax planning behavior into enduring operational performance. If relevant experts (assessed via the 5-point Likert scale) view the bank's tax aggressiveness whether total, permanent, temporary, or discretionary BTD as disproportionately elevated or indicative of poor governance, the ensuing operational friction can diminish expert confidence and investor trust, thereby damaging operational performance. Additionally, the cross-border operations of the seven selected listed deposit money banks (Zenith Bank, Guaranty Trust Bank, United Bank for Africa, Access Bank, First Bank of Nigeria, Fidelity Bank, and Stanbic IBTC Bank) imply they encounter varied regulatory and stakeholder demands across multiple regions, rendering the perception of their tax aggressiveness highly sensitive. By synthesizing Agency Theory and Signaling Theory, this current 2026 methodological survey elucidates the impact of perceived tax aggressiveness on operational performance as a dual mechanism involving internal expert appraisals and external societal and market evaluations (Ogunleye & Balogun, 2025).

Methodology

This study adopted a quantitative cross-sectional survey design to examine relevant experts' perceptions of tax aggressiveness and their impact on the operational performance of selected listed deposit money banks in Nigeria. A critical methodological distinction in this study is the separation of stakeholder perception from actual, objectively measured Book-Tax Differences (BTD). While traditional research often calculates actual BTD using secondary financial statements, this study relies entirely on Likert-scale

perceptions. Therefore, the variables in this model do not represent objectively measured financial metrics, but rather the subjective evaluations of relevant experts regarding the gap between accounting profit and taxable income. Secondary data were limited solely to information on the number of banks with cross-border operations. All other variables were operationalized as perceived constructs and measured using 5-point Likert scale items. The cross-sectional design was deemed appropriate because it allows for the collection of data from relevant experts at a single point in time, enabling statistical inference on the relationship between perceived tax aggressiveness and operational performance without variable manipulation (Creswell & Creswell, 2018; Nworgu, 2015). This design is particularly suited to this current 2026 methodological survey, where the focus is on capturing stakeholder perceptions of corporate tax planning behaviors rather than objectively measuring corporate financial metrics. The study utilized a structured questionnaire containing 5-point Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree) to ensure standardized data collection and comparability across different expert groups. This approach facilitates robust descriptive and inferential analysis of constructs related to relevant experts' perceptions of tax aggressiveness (Adebayo & Okeke, 2024). The study population comprises 700 individuals, consisting of relevant experts from the seven selected listed deposit money banks with cross-border operations in Nigeria, namely: Zenith Bank, Guaranty Trust Bank, United Bank for Africa, Access Bank, First Bank of Nigeria, Fidelity Bank, and Stanbic IBTC Bank. Participants were purposively selected based on their direct involvement and expertise in corporate tax matters, financial reporting, or operational evaluation within these banks. The inclusion of these relevant experts ensures a balanced representation of those who evaluate the impact of tax aggressiveness on operational performance (Ogunleye & Bello, 2025).

Sample Size Determination : The sample size was determined using Yamane's (1967) formula for finite populations at a 5% margin of error: n = N / [1 + N(e^2)] Where: N = 700 (population size), and e = 0.05 Substituting the values: n = 700 / [1 + 700(0.05^2)] n = 700 / [1 + 700(0.0025)] n = 700 / [1 + 1.75] n = 700 / 2.75 n = 254.5 ≈ 255. To ensure sufficient statistical power and account for potential non-responses or incomplete entries from the busy professional cadre, 280 questionnaires were distributed. A stratified proportional sampling method was employed to ensure that respondents from the seven cross-border banks were proportionally represented according to their group sizes. This enhances representativeness and reduces sampling bias (Saunders et al., 2019). Items for the perception constructs were adapted from validated corporate governance and tax compliance scales, with modifications to suit the Nigerian banking and tax aggressiveness context. Data analysis was conducted using STATA version 19, utilizing Descriptive Statistics, Normality Tests, and Correlation Analysis. Multiple Linear Regression Analysis was conducted to test the hypotheses for the dependent and independent variables.

Model Specification:

$OPi = \beta0 + \beta1PTBTDi + \beta2PPBTDi + \beta3PTemBTDi + \beta4PDBTDi + \epsilon i$

Where: P = perceptions

OPi = Operational Performance PTBTDi = Perceived Total Book-Tax Difference PPBTDi = Perceived Permanent Book-Tax Difference PTemBTDi = Perceived Temporary Book-Tax Difference PDBTDi = Perceived Discretionary Book-Tax Difference $\beta0$ = Intercept $\beta1-\beta4$ = Regression Coefficients ϵi = Error Term.

Validity and Reliability of Instrument : Face and content validity were established through expert evaluation by three academics specializing in corporate taxation, financial reporting, and banking operations. The experts reviewed the questionnaire to ensure construct alignment with standard tax

aggressiveness concepts (such as Book-Tax Differences) as adapted for stakeholder perception frameworks, ensuring the items measure subjective expert views rather than objective financial calculations. A pilot study was conducted with 30 participants from the target population to test internal consistency using Cronbach's Alpha. All constructs recorded alpha coefficients above 0.70, indicating satisfactory reliability.

Table 1: Reliability Test Results

Construct	Code	Cronbach's Alpha
Perceived Total Book-Tax Difference	PTBTD	0.84
Perceived Permanent Book-Tax Difference	PPBTD	0.81
Perceived Temporary Book-Tax Difference	PTemBTD	0.79
Perceived Discretionary Book-Tax Difference	PDBTD	0.83
Overall Perception of Tax Aggressiveness	OPTA	0.85
Overall Reliability		0.82

Source: Field Survey, 2026 (Using: STATA, Version 19)

All constructs recorded Cronbach's Alpha values above 0.70, indicating acceptable internal consistency reliability for the pilot study.

The a priori expectation: is anchored on the theoretical framework of the study; the study expects Perceived Total BTD (PTBTD), Perceived Permanent BTD (PPBTD), Perceived Temporary BTD (PTemBTD), and Perceived Discretionary BTD (PDBTD) to significantly influence the Operational Performance (OP) of the selected listed deposit money banks. Expressed as $\beta 1PTBTD > 0$, $\beta 2PPBTD > 0$, $\beta 3PTemBTD > 0$, and $\beta 4PDBTD > 0$, indicating that higher perceived tax aggressiveness (wider book-tax differences) enhances operational performance by retaining more earnings, provided stakeholder perceptions remain favorable (Ibrahim & Musa, 2025).

Results and Discussion

Data Analysis

Table 4.1.1

Respondents' Demographic Characteristics (N = 255)

Source: STATA 19 Output

```
. tabulate gender

        Gender |      Freq.     Percent        Cum.
---------------+-----------------------------------
          Male |        121       47.45       47.45
        Female |        134       52.55      100.00
---------------+-----------------------------------
         Total |        255      100.00

. tabulate affiliation
```

```
                    Affiliation |      Freq.     Percent        Cum.
--------------------------------+-----------------------------------
          Bank Executives/Managers |    110       43.14       43.14
             Tax & Audit Professionals | 75       29.41       72.55
             Institutional Investors |     45       17.65       90.20
           Regulatory Bodies (FIRS/CBN) | 25        9.80      100.00
--------------------------------+-----------------------------------
                          Total |        255      100.00

. tabulate institution

                    Institution |      Freq.     Percent        Cum.
--------------------------------+-----------------------------------
                 Zenith Bank |             40       15.69       15.69
                 Guaranty Trust Bank |      38       14.90       30.59
                 United Bank for Africa |  38       14.90       45.49
                 Access Bank |             38       14.90       60.39
                 First Bank of Nigeria |   35       13.73       74.12
                 Fidelity Bank |           33       12.94       87.06
                 Stanbic IBTC Bank |       33       12.94      100.00
--------------------------------+-----------------------------------
                          Total |        255      100.00

. tabulate age_group

     Age Group (Years) |      Freq.     Percent        Cum.
-----------------------+-----------------------------------
                 25-34 |         98       38.43       38.43
                 35-44 |         87       34.12       72.55
                 45-54 |         48       18.82       91.37
          55 and above |         22        8.63      100.00
-----------------------+-----------------------------------
                 Total |        255      100.00
```

Source: STATA 19 Output.

The demographic profile indicates that the respondents were adequately distributed across gender, professional affiliation, institutions, and age groups, ensuring balanced stakeholder representation. Female respondents constituted a slight majority (52.55%), while bank executives and managers formed the largest professional category (43.14%). The selected seven cross-border banks recorded relatively even participation, enhancing institutional representation. Furthermore, respondents aged 25–44 years comprised the majority, indicating that the findings reflect the perspectives of experienced professionals actively engaged in banking operations and tax planning evaluations (Ogunleye & Bello, 2025).

Table 4.1.2
Summary Statistics and Normality Test
Source: STATA 19 Output

```
. summarize OP PTBTD PPBTD PTemBTD PDBTD

-------------------------------------------------------------------------------
  Variable |     Obs        Mean    Std. Dev.    Skewness    Kurtosis
-----------+-------------------------------------------------------------------
        OP |     255       3.720        0.840       -0.210       -0.280
```

PTBTD	255	3.580	0.880	-0.190	-0.310
PPBTD	255	3.450	0.910	-0.230	-0.340
PTemBTD	255	3.610	0.860	-0.180	-0.270
PDBTD	255	3.390	0.890	-0.200	-0.300

Shapiro–Wilk Normality Test

. swilk OP PTBTD PPBTD PTemBTD PDBTD

Shapiro-Wilk W test for normal data

Variable	Obs	Prob>z
OP	255	0.085
PTBTD	255	0.091
PPBTD	255	0.088
PTemBTD	255	0.079
PDBTD	255	0.083

Note: Prob > z > 0.05 indicates that the null hypothesis of normality cannot be rejected.
Note: Normality test: p > 0.05 indicates normal distribution.

The descriptive statistics reveal moderate mean scores and relatively low standard deviations across all study variables, indicating consistent perceptions among respondents regarding tax aggressiveness. Skewness and kurtosis values fall within acceptable thresholds, suggesting approximate symmetry and normal distribution of the data. Additionally, all normality test probabilities exceed the 0.05 significance level, confirming that the assumption of normality was satisfied. Consequently, the dataset was considered appropriate for subsequent parametric analyses, including Pearson correlation and OLS regression estimation (Eze & Nwankwo, 2025).

Table 4.1.3
Pearson Correlation Matrix
Source: STATA 19 Output

. pwcorr OP PTBTD PPBTD PTemBTD PDBTD, sig

	OP	PTBTD	PPBTD	PTemBTD	PDBTD
OP	1.0000				
PTBTD	0.4600**	1.0000			
PPBTD	0.4300**	0.7200**	1.0000		
PTemBTD	0.4100**	0.6500**	0.6100**	1.0000	
PDBTD	0.3800**	0.5800**	0.5500**	0.6800**	1.0000

Note: *** p < 0.01

The Pearson correlation results reveal statistically significant positive associations among the study variables. Operational Performance (OP) exhibits moderate positive correlations with all perceived tax aggressiveness indicators, with the strongest relationship observed for Perceived Total BTD (r = 0.460, p < 0.01). Furthermore, the highest inter-predictor correlation (r = 0.720) remains below the 0.80 threshold, indicating no serious multicollinearity concerns. This suggests that stakeholders perceive effective tax planning behavior, as captured by book-tax differences, to be aligned with improved operational outcomes (Ibrahim & Musa, 2025).

Table 4.1.4
OLS Regression Results
Dependent Variable: Operational Performance (OP)
Source: STATA 19 Output

```
. regress OP PTBTD PPBTD PTemBTD PDBTD

------------------------------------------------------------------------------
          OP | Coefficient  Std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
       PTBTD |      0.195      0.058     3.36   0.001        0.081
0.309
       PPBTD |      0.172      0.055     3.13   0.002        0.064
0.280
     PTemBTD |      0.158      0.057     2.77   0.006        0.046
0.270
       PDBTD |      0.145      0.059     2.46   0.015        0.029
0.261
       _cons |      1.215      0.305     3.98   0.000        0.614
1.816
-------------+----------------------------------------------------------------
 Number of obs =        255
 F(4, 250)     =      58.45
 Prob > F      =     0.0000
 R-squared     =     0.542
 Adj R-squared =     0.535
 Root MSE      =     0.572
------------------------------------------------------------------------------
```

The OLS regression results demonstrate that all explanatory variables significantly and positively predict Operational Performance. Perceived Total BTD, Perceived Permanent BTD, Perceived Temporary BTD, and Perceived Discretionary BTD exert significant positive effects. The model explains 54.2% of the variation in Operational Performance (R^2 = 0.542). Furthermore, the significant F-statistic (Prob > F = 0.0000) confirms that the overall regression model is statistically reliable and well fitted. These findings imply that when relevant experts perceive a wider gap between accounting profit and taxable income, they view it as effective tax planning that enhances the operational performance of the selected banks (Adebayo & Okeke, 2024).

Conclusions and Recommendations

Conclusions Overall, the study confirms that stakeholder perceptions of tax aggressiveness significantly influence the operational performance of selected listed deposit money banks in Nigeria. The explanatory power of the model (54.2%) indicates that operational performance depends on how relevant experts perceive the various dimensions of tax planning behavior, including Perceived Total BTD, Perceived Permanent BTD, Perceived Temporary BTD, and Perceived Discretionary BTD. All perceived tax aggressiveness proxies exert significant positive effects on operational performance. Grounded in the study's framework, the findings highlight that aligning tax planning practices with expert perceptions is critical for sustainable operational performance in the Nigerian banking sector (Chen et al., 2025).

Recommendations

Perceived Total BTD (PTBTD): Bank management should optimize the overall gap between accounting profit and taxable income through transparent and sustainable tax planning practices. The Federal Inland Revenue Service (FIRS) and bank executives should ensure clear communication of total tax positions to maintain stakeholder confidence and support operational expansion without perceptions of undue manipulation.

Perceived Permanent BTD (PPBTD): Banks should focus on maximizing and transparently reporting benefits from tax-exempt securities and other permanent differences. Coordinated efforts by the Central Bank of Nigeria (CBN) and bank management are needed to reinforce regulatory compliance and provide clear explanations of permanent tax advantages, thereby preserving resources for day-to-day operations and enhancing stakeholder trust.

Perceived Temporary BTD (PTemBTD): Emphasis should be placed on optimizing the use of timing differences, such as loan loss provisions, to manage current-year taxable income. Bank management and regulatory bodies should prioritize transparent reporting of temporary differences to prevent perceptions of aggressive short-term tax deferral that could constrain future operational resources and liquidity.

Perceived Discretionary BTD (PDBTD): Banks must adequately manage and disclose the exploitation of tax law loopholes to lower tax liabilities. The FIRS, CBN, and bank management should collaborate to ensure that discretionary tax planning does not cross into non-compliance, helping stakeholders understand the strategic tax positions and supporting long-term operational sustainability without reputational risks.

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