Conference Paper

Factors Influencing Islamic Social Reporting Disclosure in Some Selected Countries

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Abstract

This study aims to determine factors to influence Islamic Social Reporting (ISR) in Islamic Banks from Indonesia, Malaysia and Gulf Corporate Council (GCC). The population in this study was Islamic Bank from 2013–2016. Nineteen samples were selected using purposive sampling technique. The concept of ISR in this study uses an Index developed by Othman et al. (2009). The variable in this study is Muslim population ratio, Islamic Governance Score, Leverage and Profitability. The result of this study indicates that only Islamic Governance Score significance to influence ISR, while other variables—Muslim Population Ratio, Leverage and Profitability—are not significant to influence the ISR.

Keywords: Islamic social reporting, Muslim population, Islamic Governance Score, Leverage, Profitability

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1. Introduction

The development of increasingly tight business world characterized by the emergence of large-scale enterprise with the business areas are increasingly diverse, so the jobs available is quite extensive for the community. This is a positive impact of *berkembanganya* (growing) industrial companies. However, the company also produces a negative impact on the environment. Cases in Indonesia like mud volcano Lapindo Brantas Inc. in Sidoarjo, East Java, pollution of Buyat Bay in the South Minahasa by NMR, burning of forest by oil palm plantation companies in Sumatera and Kalimantan, the issue of empowerment of tribal communities in mining areas Freefox in Papua, and the people of Aceh conflict with Exxon Mobil that manage gas in Arun are some cases of business entities that do not care about the natural environment [40].

Looking at the negative side of industrialization, it is not fair to the people who have to bear the social burden. Therefore, a business entity is required to maintain the social environment and the natural environment.

Every company has a social responsibility to the community relating to the operations of business including economic (Profit), social (People) and the environment (planet) aspects or the so-called Triple Bottom Line (3P), which is manifested in the form of Corporate Social Responsibility (CSR). This means that CSR is a concern that the company set aside in part the gain (profit) for the benefit of human pembangungan (People) and the environment (Planet) on an ongoing basis [13].

Issues of social and environmental responsibility has also been clearly defined by the Qur'an contained in suroh Al-Baqarah, verse 177, which means:

'It is not your faces to the West and the East is a virtue, but the real virtue is to believe in Allah and the Last Day, the angels, books, prophets and gives wealth a loved one to relatives, orphans, the -the poor, the traveler (who require assistance) and those who beg, and memerdekan bondsmen, establish regular prayers and practice regular charity; and the people who kept his word when he promised, and those who are patient in kesempita, suffering and in war. They are the people who really (faith); and they are the ones who fear Allah'.

One type of business that is doing business with the basic principles of Islamic economics is Islamic bank. CSR implementation in Islamic banking not just fulfills the obligations mandated by law, only your invitation, CSR program tidah only be a desire to gain legitimacy in the operational sector in the region or be a mask to pursue the maximum profit (Joseph, 2010).

Islamic banking gained popularity since the early 1970s and registered substantial growth over the years. The combined balance sheet of Islamic banks grew from $150 million in 1990 to approximately $1 billion in 2010 with more than 300 institutions operating Sharia in 80 countries (Siraj and Pillai, 2012).

In the assessment of the Global Islamic Financial Report (GIFR) 2016, Indonesia ranks sixth among the countries that have potential and are conducive to the development of the Islamic finance industry after Malaysia, Iran, Saudi Arabia, United Arab Emirates and Kuwait. As noted in Scientific Lectures Association of Islamic Economics (IAEI), by looking at some aspects of the calculation of the index, such as the number of Islamic banks, the number of financial institutions of non-Islamic banks, as well as the size of the assets of Islamic finance has the greatest weight, Indonesia is projected to occupy the first rank in the next few years. Table 1 ranks Islamic bank based on the Islamic Finance Country Index.

International Regulations institutions such as AAOIFI (Accounting and Auditing of Islamic Financial Institution) has set the standard of Islamic banking in social responsibility disclosure. CSR ratings in Islamic banking Islamic Social Reporting (ISR) using the

Table 1: Islamic Finance Country Index (IFCI) Ranks for 2011–2016.

Rank	2011	2012	2013	2014	2015	2016
1	Iran	Iran	Iran	Iran	Iran	Malaysia
2	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia	Iran
3	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia	Saudi Arabia
4	Indonesia	Kuwait	UAE	Bahrain	UAE	UAE
5	Kuwait	UAE	Indonesia	Kuwait	Kuwait	Kuwait
6	Pakistan	Bahrain	Bahrain	UAE	Bahrain	Indonesia
7	UAE	Indonesia	Kuwait	Indonesia	Indonesia	Qatar
8	Bahrain	Pakistan	Pakistan	Sudan	Qatar	Bahrain
9	Bangladesh	Qatar	Sudan	Pakistan	Sudan	Pakistan
10	Sudan	Sudan	Bangladesh	Qatar	Pakistan	Bangladesh

Source: Global Islamic Financial Report (GIFR) 2016

Index. The use of this index has been adjusted with AAOIFI standards that were then developed by several researchers such as Haniffa (2002), T and Ghani Othman (2009) and Farook and Lanies (2005).

The study of the disclosures about social responsibility do Islamic banks is still very limited. According to Mulyanita (2009), the reason for the company especially in the banking sector to do social reporting is due to a paradigm shift in the responsibility from management to shareholders into management to all stakeholders. Then, Haniffa (2002) explains that in the perspective of Islam, transparency is one of the organization's mandate that led to the disclosure, whether mandatory or voluntary. One part of the voluntary disclosure is the disclosure that prioritizes social responsibility elements of Islamic Sharia banking.

But according to Maali (2006), there are several Islamic banking in the world to give freedom in presenting social information in the annual report because regulators did not regulate and require explicitly that each Islamic banking provides information on social responsibility, so that there is a level of high variations in social reporting between one bank and another. While Harahap (2010) conducted research on disclosure of Islamic values on bank Muamalat Indonesia by analyzing the annual report of the year 1993–2000. This study is a comparative study by comparing the disclosure of which is used in conventional accounting disclosures used in AAOIFI standards. The result shows that Muamalat banks still use conventional accounting standards that are not yet fully in accordance with the principles of Islam.

Farook and Lanies (2005) identify the factors that may affect the reporting of social responsibility in Islamic banks. These factors are social and political pressure state of a country's population was Muslim, Islamic governance score (IGS) and ownership structure with variable control of the size of the company. The study revealed 47 sample banks from 14 countries, namely, Bahrain, Bangladesh, Egypt, Iran, Jordan, Kuwait, Malaysia, Pakistan, Qatar, Saudi Arabia, Sudan, Turkey, United Arab Emirates and Yemen. The results of this study indicate that the state of social and political pressures of a country, the number of Muslim population, Islamic governance score and ownership structure show significant results in influencing the disclosure of social responsibility. While the size of the company does not affect significantly the disclosure of financial reporting. Meanwhile, IGS is a proxy of the characteristics of Sharia supervisory board (DPS) as the number of DPS, cross membership, educational background and reputation of DPS.

Masruki and Zakaria (2009) identifies the factors that affect the reporting of social responsibility in Islamic banks in Malaysia. Factors in the test is leverage, bank size and profitability. The results show that only the size of the bank has a positive relationship with the disclosure of social responsibility. While leverage and profitability do not have a significant effect on the disclosure of social responsibility.

Based on previous studies, it can be explained that disclosure of ISR good Brazilians is important for Islamic banks in fulfilling social responsibilities either to God or their fellow human beings.

ISR is important for Islamic banks to meet the expectations of the stakeholders, particularly the Muslim community. The author conducted a study to *mengidentfikasi* (identify) factors—factors affecting Islamic banks to disclose the ISR in its annual report on Islamic banks in Indonesia, Malaysia and the Gulf States Corporate Council. Pemlihan samples against these countries for their concentration of assets of Islamic banks GCC States which accounted for two-thirds (2/3) of the total assets of Islamic banking International and the rest are in the countries of Southeast Asia (Qatar Islamic Bank Annual Report, 2013).

2. Literature Review and Hipotesys

2.1. Theory of disclosure

Disclosure according to Haniffa (2002) is making something known. Disclosure level is strongly influenced by the source of financing, legal, economic and political situation, the level of economic development, education and culture. As for the cost to be incurred to make such disclosures according to Cooke (1993) in Ayu D.F (2010) is the cost of information collection, management supervision costs, the cost of auditors and legal counsel and the cost of dissemination of information.

In practice, the disclosure is based on its relationship to the requirements specified by the standard (Darugh 1998) [22], consisting of two kinds:

1. Mandatory Disclosures (mandatory disclosure): which is a requirement of disclosure required by the applicable accounting standards and by the Capital Market Supervisory Agency (BPPM) authorities in the country concerned. If the company is not willing to disclose information voluntarily, mandatory disclosure would force companies to reveal it.
2. Voluntary disclosure (voluntary disclosure): voluntary disclosure is when the disclosure of the components is done voluntarily by companies without required by regulations.

The decision of a company to conduct a voluntary disclosure depends on the incentives granted. However, voluntary disclosure is usually done to reduce the information asymmetry and conflict of interests between management and shareholders.

2.2. Syariah enterprise theory

Sharia Enterprise Theory refers to that God is the source of primary mandate, whereas the resources dimiki by stakeholders is the mandate of God in which is attached a responsibility to use the means and goals set by the Grantor Amanah [28].

Triwiyono (2012) later explained that Sharia accounts not only as a form of Accountability (accountability) management to the owners of the company (shareholders), but also as accountability to its stakeholders and God. Sharia Enterprise Theory contains the values of justice, truth, honesty, trust and accountability of principal to God.

The Enterprise Theory according to Sharia is also explained by Hasanah (2015) that the resources owned by the stakeholders on the principles of God therein inherent responsibility to be used in a way and the goals set by the giver of the mandate. Thus, in the distribution of wealth (wealth) or value-added (value-added) does not only apply to participants associated directly or participants who contribute to the operation of the company (shareholders, creditors, employees and the government) but also to other related parties directly against the company's operations. Therefore, the theory of enterprise Sharia will bring kemashalatan for shareholders, stakeholders, communities and the natural environment without leaving the important obligations give charity as a manifestation of worship to God.

The concept and characteristics of CSR disclosure in Sharia Enterprise Theory:

1. Disclosure of social responsibility is a form of human accountability to God and therefore is shown to receive a blessing (legitimacy) of God as a primary goal.
2. Disclosure of liability should have a purpose as a means of providing information to all stakeholders (direct, indirect and nature) the extent to which the institution has fulfilled its obligations to all stakeholders.
3. Disclosure of social responsibility is compulsory (mandatory), seen from Syaraiah bank functions as one of the instruments to realize the goal syriah.
4. Disclosure of social responsibility must load the material and spiritual dimensions of the interests of the stakeholders-related premises.
5. Social responsibility disclosure should contain not only information that is qualitative but also quantitative information berifat.

Impilkasi enterprise application of Sharia in Islamic commercial bank theory refers to the execution of their duties, because Islamic banks are responsible not only to the owners but to stakeholders and God. The application of Islamic principles of enterprise theory in Islamic banks will create a healthier bank performance because management will adhere to the principles that have been established. The higher level of compliance of Islamic banks and ISR disclosures in applying these principles enables the bank to provide accurate information and transparency so that both the owners of capital or society are convinced of the truth of the financial statement information issued by the Islamic banks.

Thus, the obtained hypothesis of this study are as follows:

H1: Muslim Population Positive (+) of the Disclosure ISR

Farook, Hassan and Lanis (2011) state that the relative size of the population to Islam in a country can affect the level of social disclosure of Islamic banks. This is according with Newson and Deegan (2002), according to whom the concept of relevant public is actually an organization to whom it is responsible. In this case, the relevant public for Islamic banks is the Muslim community itself. If there is a limit to social disclosure in a particular country but Islamic banks rely on the support of the Muslim community, then Islamic banks must meet the expectations of the Muslim community.

H2: Islamic Governance Score positive effect (+) to the ISR disclosure

The fundamental difference between conventional financial institutions and Islamic financial institutions is the Sharia supervisory board. The existence of Sharia supervisory board is an effort to enhance corporate governance in Islamic institutions. However, in practice, sometimes also supported by Islamic banking experts who also understand Islamic law because these two things are related to Islamic financial institutions. The main function of this board is to direct, review and supervise the activities of Islamic banks. In other words, they must *memastikaan* (make sure) that Islamic banks have been in accordance with the Islamic law, in accordance with the expected community [12].

As the board of directors, the functions and duties of Sharia supervisory board can be shared with the members, allowing members to focus on certain members of both the reporting company. The supervisory board of Sharia in considerable amounts with diverse perspectives and observations could lead to a review on the company's financial reporting better, especially in terms of corporate governance and corporate social reporting [2].

H3: Leverage Negative Effect (-) to the ISR Disclosure

A company can carry out funding in two ways through a shareholder or creditor premises through borrowed funds, both ways can affect the level of corporate disclosure.

The results of the study of Widayuni and Harto (2014) and Lucyanda (2012) found that there is a significant and negative effect of leverage on the disclosure of corporate social responsibility. This conformed to the agency theory that management with a high level of leverage will reduce social disclosure in order to avoid examination of creditors. The results of his research also support the hypothesis that higher leverage has a negative correlation to social disclosure.

H4: Profitability Positive Effect (+) of ISR Disclosure

A positive relationship between profitability and social broader disclosure can be seen from the increasing number of profits derived by an enterprise the company can bear a higher cost to make a social statement disclosure wider (Hannifa & Cooke, 2005).

The previous study on the effect of profitability on the disclosure of ISR had mixed results. T. and Ghani Othman (2009) showed that a positive correlation between profitability and disclosure of ISR on companies listed on Bursa Malaysia Securities. While the research conducted by Hussain and Hammami (2009) on Qatar companies shows that profitability does not affect the social disclosure. Results of the study of Rizkyningsih (2012) showed that of the five countries studied, profitability has an influence on social disclosure.

3. Research Methods

3.1. The scope of research

This study aims to obtain empirical evidence of the influence of four independent variables, Muslim Population, Islamic Governance Score, Leverage and Profitability of the dependent variable is the the disclosure of ISR at Islamic Banks in Indonesia, Malaysia and the Gulf Corporate Council (GCC) during the 2013–2015 period. In addition, this study also uses the techniques of content analysis of the annual reports of companies in the index calculation ISR.

3.2. Sampling method

The samples of the population in this study were obtained by purposive sampling. Then acquired 19 Islamic Banks in Indonesia, Malaysia and the GCC in accordance with purposive sampling conducted in this study.

Based on the results of the aforementioned sampling purposive, it 19 banks were acquired in the sample study, namely:

Table 2: Sampling.

No.	Criteria	Total
1	Islamic Banks that publish annual reports on their websites	42
2	Islamic Banks that do not present data for the period 2014–2016 Annual Report	(7)
3	Islamic Bank that did not present its Social Responsibility Report on their website	(5)
4	Islamic Banks whose Annual Report did not ended at December	(2)
5	Islamic Bank that did not present Annual Report in English or Bahasa Indonesia	(9)
	Sample of Islamic Banks	19
Period (Years)		3
Total Samples		57
Source: Data from the author		

3.3. Method of collecting data

Data used in this research is secondary data that has been published in the form of annual reports (annual report) or sustainability report (sustainability reporting) companies obtained from the official website of each Islamic Bank in Indonesia, Malaysia and GCC. While the population data analysis reports are taken from data published by the official website of the CIA World Facebook website.

3.4. Data analysis method

Data analysis methods used in research are content analysis to measure ISR and multiple linear regression analysis with SPSS 22 (Statistical Package for Social Science). However, before doing the linear regression analysis first tested the descriptive statistics, Classical asusmsi test and the test of significance.

4. Results and Discussion

4.1. Results content analysis ISR index

ISR index measurement results obtained by using the method of content analysis of the annual reports (annual report) 19 Islamic banks in Indonesia, Malaysia and the

Table 3: List of Banks.

No.	List of Banks	Website
1.	Bank Syariah Mandiri (Indonesia)	www.syariahmandiri.co.id
2.	Bank Mega Syariah (Indonesia)	www.megasyariah.co.id
3.	Bank Muamalat (Indonesia)	www.bankmuamalat.co.id
4.	RHB Islamic Bank (Malaysia)	www.rhb.ae
5.	HSBC Amanah (Malaysia)	www.hsbc.com.my
6.	Affin Islamic Bank (Malaysia)	www.affinislamic.com.my
7.	Al-Rajhi (Malaysia)	www.alrajhibank.com.my
8.	Al-Rajhi (Arab Saudi)	www.alrajhibank.com.as
9.	Standard Chartered Sadiq	www.standardcharteredsadiq.com.my
10.	ABC Islamic Bank (UEA)	www.bank-abc.com.ae
11.	Emirates Islamic Bank (UEA)	www.emiratesislamic.ae
12.	Abu Dhabi Islamic Bank (UEA)	www.abudhabiislamicbank.com.sa
13.	Qatar Islamic Bank (Qatar)	www.qib.com.qa
14.	Public Islamic Bank (Malaysia)	www.publicislamicbank.com.my
15.	Bahrain Islamic Bank (Bahrain)	www.bisb.com.bh
16.	Mashraf Al-Rayan (Qatar)	www.alrayan.com
17.	Al-Salam Bank (Bahrain)	www.alsalambahhrain.com.bh
18.	Al-Baraka Islamic Bank (Bahrain)	www.albarakah.bh
19.	Boubyan Bank (Kuwait)	www.bankboubyan.com

GCC during the period 2013–2015. Results of content analysis from ISR index scores are presented in the appendix.

Results of content analysis-based themes are as follows in Table 4.

Table 4 shows the total index ISR based on themes from the research sample. The theme that discloses the highest value is the corporate governance. This shows that Islamic banks resulting sample is already quite high in the theme of corporate governance disclosure. While the theme of the disclosure that still has a value but is still quite low compared to other themes is the theme of the environment.

Low value shows that Islamic banks sampled in this study are still not good in the ISR disclosure, especially in the environmental theme. But there is a positive thing, that is, the increase of each theme disclosure from year to year, which shows that from year to year Islamic banks continue to strive to improve the disclosure of ISR.

Table 4: Result of content analysis-based on themes.

	THEMES	2013	2014	2015
A	Finance and Investment Theme	54	74	72
B	Product and Service Theme	7	15	18
C	Employee Theme	20	32	35
D	Society (Community Involvement) Theme	56	76	88
E	Environment Theme	3	6	9
F	Corporate Governance Theme	137	148	166
	TOTAL	**277**	**354**	**388**

Source: Data processing

Furthermore, *t*-test. This test aims to determine the relationship of the significance of each independent variable on the dependent variable. The *t*-test is conducted to further examine which of the four independent variables significantly influences the disclosure of Islamic banking ISR. Based on these results, of four independent variables included in the model with a 5 percent significance can be concluded that the only variable is Muslim population, Islamic governance score, leverage and profitability.

Table 5: *T*-test.

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
1	(Constant)	−0.597	4.016		−0.149	0.882
	PPM	0.089	0.046	0.175	1.919	0.061
	IGS	3.967	0.492	0.706	8.065	0.000
	LEV	−0.069	0.113	−0.058	−0.610	0.544
	PROF	3.217	2.422	0.105	1.328	0.190

Source: Data processing

4.1.1. Muslim population ratio

The Variable Ratio of the Muslim population has amounted to 1.919 $t < t$ table 2.006 and 0.061 Significant value > 0.05. This means that the variable ratio of the Muslim population had no significant effect (0.05) on the disclosure of ISR. However, when using a significance value of 10 percent (0.10), the Muslim population still have a significant influence on the disclosure of ISR.

Thereby, H1 'Muslim Population positive effect on the disclosure of Islamic Social Reporting' rejected. This contrasts with research of Farook and Lanies (2005) stating that the Muslim population has a positive influence on the disclosure of ISR.

The absence of significant influence can occur because the disclosure of the current ISR is no longer merely influenced by the Muslim population in the area in accordance with the relevant pubic theory that states that the number of the residents in a State proposri then semkin exerts greater pressure. However, based on research results disclosure, ISR is no longer just limited to public pressure alone but is also the responsibility of the company to the public. ISR can show the extent of the company's concern for the environment and surrounding communities.

4.1.2. Islamic governance score on the disclosure of ISR

Variable Islamic Governance Score has thitung 8.065 > *t* table 2.006. Significant value 0.000 < 0.05. This means Islamic Governance Score variables are significant at the level of 5 percent, and therefore it can be concluded that the variables of Islamic Governance Score have a positive significant effect on the disclosure of ISR in Islamic banks in Indonesia, Malaysia and the GCC Countries. Thus, H2 'Islamic Size Governance Score have a positive effect on the disclosure of Islamic Governance Score' is acceptable.

The results support previous studies that claimed Islamic Governance Score covering total Sharia supervisory Board (DPS), Reputation DPS, Cross membership and Background Education has a significant positive effect on the disclosure of ISR, including the researches of Farook and Lanies (2005), Charles and Chariri (2012) and Othman and Thani (2010).

Islamic Governance Score include that the elaboration of the Sharia Supervisory Board is also one of the items that must be disclosed in the ISR. The board of trustees who have experience and a good reputation will have an important role in the company. Sharia Supervisory Board will have the authority to oversee the company's compliance with Islamic principles, such as overseeing the distribution of zakat, donation and alms bias ISR items recognized in the company.

Sharia Supervisory Board in an amount appropriate to the background and experience that can either lead to a review in a better corporate reporting, especially in terms of governance and reporting company social enterprises. Thereby, H2 'Islamic

Governance Score has a positive effect on the disclosure of Islamic Social Reporting' is received.

4.1.3. Leverage on the disclosure of ISR

Variable Leverage has t –6.10 < t table 2.006. Significant value 0.544 > 0.05, this means that the variable size is not significant leverage at the level of 5 percent. Leverage can be concluded that the variables did not significantly affect the disclosure of ISR. Thus, H3 'Leverage has a negative effect on the disclosure of Islamic Social Reporting' is received.

The results support the results from Charles and Chariri (2012) and Lucyanda, Gracia and Siahaan (2012) who found to have no significant effect on the Islamic Social Leverage Reporting. This means that the rate of return on equity shares does not affect the disclosure of ISR to the general public.

4.1.4. Profitability on the disclosure of ISR

Variable Profitability has 1.328 t < t table 2.006. Significant value 0.190 > 0.05, this means that the profitability of variable size is not significant at 5 percent level. Profitability can be concluded as that the variables did not significantly affect the disclosure of ISR. Thus, H3 'Profitability has a positive effect on the disclosure of Islamic Social Reporting' is rejected.

The results of this study are not consistent with the results of the study of Charles and Chariri (2012), Widayuni and Harto (2014) and Rizkyningsih (2012), but according to the study of Hussain and Hammami (2009), Astuti (2014) and Son, Takidah and Arafat (2014) stating that profitability does not significantly influence the profitability disclosure.

5. Closing

5.1. Conclusions

This study aims to determine the extent of disclosure of ISR that Islamic banks in Indonesia, Malaysia and GCC do. In addition, to determine the factors—factors that affect the disclosure of ISR, the samples used were 19 Islamic banks in Indonesia, Malaysia and the GCC countries during the period of 2013–2015.

Based on the results of testing that has been done, we can conclude several things; namely:

1. The level of disclosure of social reporting based on the principles of Islam portrayed by the ISR indexes showed gains in every year. Islamic Bank that has a fairly high index ISR was in Indonesia who managed to score more than half (24 items) of the disclosure each year. Besides the highest index in the year 2013–2015 achieved by Islamic banks originating from Indonesia, Mandiri Islamic Bank.
2. Based on the results of the regression models, it can be concluded that the Islamic Governance Score variables have a significant positive effect on the disclosure of ISR. As for the Muslim population, Leverage and Profitability does not have a significant impact on the disclosure of ISR.
3. Governance Score Islamic variables have a significant impact because it is based on the fact that disclosure of corporate social responsibility has become a liability to companies to the general public, not just an obligation when companies get a higher profit nor the demands of the Muslim population in a country. In addition to the knowledge and experience of the Sharia Supervisory Board was also able to improve the disclosure of ISR.
4. Low disclosure of ISR on Islamic Banking in the GCC Countries does not mean they are bad in the reporting of ISR, but it is possible that they do not reveal all its social responsibility in the financial statements and annual reports. In addition, it was also found that some banks in the GCC Countries' disclosure combine multiple items at once.

5.2. Implications

1. For Islamic Banks, this study can give an idea that there is an increase in disclosures made by Islamic banks during the last three years, this suggests many Islamic banks to consider that disclosure of social responsibility is no longer a voluntary responsibility of companies, but it has become a liability to the company.
2. For the Government, especially in Indonesia, this research can obtain information about the application of ISR on Islamic banking in Indonesia, that Sharia banks in Indonesia are quite good in the delivery of social responsibility, especially with good corporate governance disclosure system implemented by the government in accordance with item ISR disclosure.

3. For the public, this research could be information about the development of Islamic banking at the moment, especially regarding disclosure of social responsibility.

5.3. Suggestions

Some suggestions that could be considered for future research are as follows:

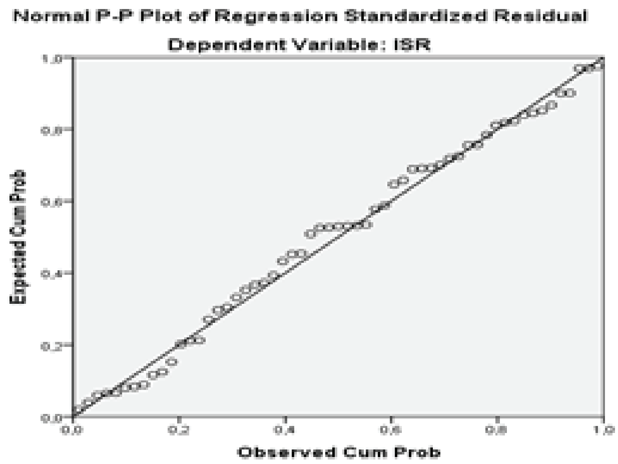
1. Further research is recommended to increase the number of years in a minimum of five years of research to be able to see changes in ISR better disclosure.
2. Subsequent research has also suggested to increase the number of samples used.
3. Further research is recommended to add more independent variables that may affect the disclosure of ISR such as company size, listing or failure of a company, the firm used whether or not the big four, the accounting standards used by these companies and can use another proxy for the calculation of leverage as temporary syirkah fund comparison by total assets.
4. The government should impose regulations aimed specifically at an Islamic banking practices and disclosure regarding CSR in accordance with Islamic principles.

Appendix

1. Descriptive analytic

	N	Minimum	Maximum	Mean	Std. Deviation
ISR	57	6,00	30,00	15,7193	6,17817
IGS	57	1,00	4,00	2,4035	1,09967
PPM	57	61,00	100,00	76,6316	12,17379
LEV	57	,0029	18,1399	6,253648	5,2553811
PROF	57	-,5391	,5469	,124457	,2013407
Valid N (listwise)	57				

2. Normality test



3. Heterokedasticity test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,148	2,221		,066	,947
	PPM	,016	,026	,098	,632	,530
	IGS	,419	,272	,228	1,538	,130
	LEV	,029	,062	,076	,468	,642
	PROF	1,825	1,340	,182	1,362	,179

4. Multicolinearity test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,597	4,016		-,149	,882		
	PPM	,089	,046	,175	1,919	,061	,731	1,368
	IGS	3,967	,492	,706	8,065	,000	,794	1,259
	LEV	-,069	,113	-,058	-,610	,544	,664	1,506
	PROF	3,217	2,422	,105	1,328	,190	,978	1,023

Sumber: Data Olah SPSS

5. Autocorrelation test

a. Durbin Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,827[a]	,683	,659	3,608	1,460

b. Breush-Godfrey

F Statistic	0,967850	Prob F (5,51)	0,3870
Obs*R-squared	2,166160	Prob Chi-squared (5)	0,3386

6. Test of determinant coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,827[a]	,683	,659	3,60781

7. F test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1460,661	4	365,165	28,054	,000[b]
	Residual	676,848	52	13,016		
	Total	2137,509	56			

8. T test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,597	4,016		-,149	,882
	PPM	,089	,046	,175	1,919	,061
	IGS	3,967	,492	,706	8,065	,000
	LEV	-,069	,113	-,058	-,610	,544
	PROF	3,217	2,422	,105	1,328	,190

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