*Characteristics of Islamic Corporate Social Responsibility (ICSR) Disclosures*

Dedik Nur Triyanto1, Lutfi Kurniatir Rohmah2

1 Telkom University, Dayeuhkolot Telecommunications Street, Bandung, West Java

2 Telkom University, Dayeuhkolot Telecommunications Street, Bandung, West Java

|  |  |  |
| --- | --- | --- |
| ARTICLE INFO  **Article history:**  Received  Revised  Accepted  **JEL Classification:**  Keywords:  Two until five,  Keywords.  **DOI:**  10.14414/jebav. |  | ABSTRACT  ICSR is a corporate practice as a form of corporate responsibility to the community and the environment based on sharia. The company's CSR activities illustrate that the company in addition to carrying out its operational activities is also responsible for the surrounding environment. This sharia-based social performance reporting is assessed based on the sharia index developed from AAOFI (Accounting and Auditing Organization for Islamic Financial Institutions). The purpose of this study was to determine the effect of public share ownership, firm size, leverage, profitability, and corporate governance on the disclosure of Islamic Corporate Social Responsibility (ICSR). The sample in this research is a sharia company registered on the Jakarta Islamic Index (JII) for the 2015-2020 period using a purposive sampling technique with a sample size of 12. The data were analyzed using panel data regression analysis through the views 11 application. The results showed that the variable Public Share Ownership, Company Size, and Profitability affect the Disclosure of Islamic Corporate Social Responsibility (ICSR), while the leverage and corporate governance variables do not affect the disclosure of Islamic Corporate Social Responsibility (ICSR). With this result, it is hoped that it can encourage Islamic companies in implementing CSR based on sharia principles in more depth to maintain the company's image. |
|  | ABSTRAK  ICSR merupakan amalan perusahaan sebagai wujud tanggung jawab perseroan kepada masyarakat dan lingkungan sekitar berbasis syariah. Kegiatan CSR perusahaan memberikan gambaran bahwa perusahaan selain menjanlankan kegiatan operasionalnya juga tetap bertanggungjawab terhadap lingkungan sekitar. Pelaporan kinerja sosial berbasis syariah ini dinilai berdasarkan indeks syariah yang dikembangkan dari AAOFI (Accounting and Auditing Organization for Islamic Financial Institusions). Tujuan penelitian ini adalah untuk mengetahui pengaruh kepemilikan saham publik, ukuran perusahaan, leverage, profitabilitas dan corporate governance terhadap pengungkapan Islamic Corporate Social Responsibility (ICSR). Sampel pada riset ini adalah perusahaan syariah yang terdaftar pada Jakarta Islamic Indeks (JII) periode 2015-2020 dengan menggunakan teknik pengambilan sampel melalui purposive samping dengan jumlah sampel 12. Data dianalisis menggunakan analisis regresi data panel melalui aplikasi eviews 11. Hasil penelitian menunjukkan bahwa variabel Kepemilikan Saham Publik, Ukuran Perusahaan dan Profitabilitas berpengaruh terhadap Pengungkapan Islamic Corporate Social Responsibility (ICSR), sedangkan variabel leverage dan corporate governance tidak berpengaruh terhadap pengungkapan Islamic Corporate Social Responsibility (ICSR). Dengan adanya hasil ini, diharapkan dapat memberikan dorongan bagi perusahaan syariah dalam mengimplementasikan CSR yang berlandaskan prinsip syariah secara lebih mendalam untuk mempertahankan citra perusahaan. |

1. Introduction

\* Corresponding author, email address: 1 author\_email@domain.ac.id, 2 author\_email@domain.ac.id.

The company has the responsibility to report on every activity carried out to stakeholders as evidence that the company has carried out its operational activities properly and responsibly. In addition to corporate financial reporting, companies must report on their social responsibility activities. This aims to keep the company focused on all related aspects from the monetary, social, and environmental points of view (Sawitri et al., 2017).

Disclosure of ICSR is the company's commitment to creating new value to build the economy and improve the living status of employees, communities, and the environment that has an impact. Disclosure of social responsibility is a form of corporate environmental social activities that need to be included in the annual report as tangible evidence that there are CSR activities in business (Qoyum et al., 2017). This is supported by government regulations regarding the disclosure of CSR activities in Law No. 40/2007 concerning limited liability companies having an obligation to carry out and disclose CSR activities.

The development of companies that use sharia principles in Indonesia has caused the public's assessment to move from conventional activities to activities that have sharia elements. This triggers the public to assess the performance of Islamic companies based on corporate social activities as a form of muamalah practice and corporate responsibility to the environment. The concept of CSR in Islam has a broad meaning where companies are aware of their roles and responsibilities as servants who carry out responsibilities based on the commands of Allah SWT. Two factors must be included in CSR based on an Islamic perspective: full disclosure and social accountability (Riyani & Dewi, 2018).

The increasing implementation of CSR based on sharia principles has led to many changes in Islamic social responsibility reporting, especially for companies that use sharia principles. Islamic Social Reporting (ISR) is the development of a CSR index based on sharia principles, which was later developed by many previous researchers as the basis for CSR disclosure with sharia principles and later developed into the ISR index. Assessment using the ISR index is currently still rarely carried out on non-financial companies in the capital market, so in this study, the development of a sharia index assessment was carried out on non-financial companies that had been designated as sharia companies such as the Jakarta Islamic Index (JII).

In general, corporate social disclosures use the GRI Index as a reference for companies in presenting social responsibility reports, while disclosures based on ISR are still voluntary. In the Islamic concept, organizations should disclose any given mandate, either mandatory or voluntary so that each organization has differences in making disclosures. The absence of specific standards that explain sharia-based CSR causes many stakeholders to be unable to distinguish between sharia and non-sharia company CSR reporting.

Public shareholding is a quasi-public distribution of company shareholdings. The wider community or the public needs company information as a guide for the community in reviewing company performance, especially decision making. The number of shares outstanding to the public is expected to be able to monitor management activities in disclosing company information, especially in disclosing ICSR. This statement is supported by research by Rahayu & Aniskurillah, (2015) and Kusuma (2016) which state that public share ownership has a significant influence. However, the research of Usmar, (2014) dan Jannah & Asrori (2016), disagree which states that public share ownership does not affect ICSR.

Company size is the size of the company which is assessed based on the logarithm of total assets. Large-scale companies are companies that tend to have large amounts of assets so that their operational activities are more complex. Disclosure of ICSR information of large companies tends to have a broad scope. This statement is supported by Qoyum et al., (2017) and Putri & Cahya, (2020) that firm size has a significant positive effect on ISR disclosure. Meanwhile, the research of Cahya et al., (2017) and Fitranita & Wijayanti, (2020) stated that company size has a negative effect on ISR disclosure.

Leverage is a reflection of the financing of the company's operational activities originating from debt. The amount of the company's debt reflects how much the company's obligations and responsibilities are in ensuring the credibility of the creditors so that the company will make disclosures, especially on ICSR widely. This statement is supported by Mukhibad (2018) and Fitranita & Wijayanti (2020). However, contrary to research by Nugraheni & Permatasari, (2016) and Riyani & Dewi (2018) that leverage affects ICSR disclosure.

Profitability is the profit earned by the company during operational activities. Large company profits can cause high funds disbursed by companies for CSR activities so that company profitability has an impact on ICSR disclosure. This statement is supported by Rahayu & Cahyati (2014) and Kurniawati, (2017). However, research by Fajrul Novrizal & Fitri, (2016) and Wahyono et al. (2020) states that profitability does not affect ICSR disclosure.

Components in the corporate governance structure have an important role in every corporate decision-making, where each level of management has its role and function that causes differences in information disclosure. The size composition of each management structure is expected to be able to provide broad disclosure of corporate social information as evidence of management responsibility. This statement is supported by Riyani & Dewi (2018) and Budi et al. (2019) which states that the corporate governance component affects ICSR disclosure. However, the study of Qoyum et al., (2017) and Kurniawati & Yaya (2017) state that the corporate governance component does not affect ICSR disclosure.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

**Stakeholder Theory**

According to Freeman (1994) stating Stakeholder theory or referred to as stakeholder theory states that all company activities are activities based on mutual interests between the company and stakeholders such as shareholders, creditors, consumers, and the government, and other related parties (Ghozali, 2020:136). Stakeholders are considered to be able to regulate or influence every trading activity of the company. Therefore, companies also need to disclose ICSR as a form of corporate communication with stakeholders.

The Company should provide detailed information to stakeholders, both mandatory and voluntary information. Based on sharia principles, the company's compliance with sharia provisions can maintain trust between the company and stakeholders in the company's sharia operations (Nugraheni, 2018). The CSR report or the company's sustainability report is one of the information needed by stakeholders in providing a special assessment of the company, namely by looking at the company's responsibilities and roles towards the surrounding environment. Companies that carry out and practice their social activities have added value among investors. This is to make the company's consideration to always prioritize corporate social responsibility.

**Legitimacy Theory**

According to Deegan (2002) states Legitimacy theory or referred to as legitimacy theory is a theory that has relevance to the disclosure of social responsibility (Nugraheni & Permatasari, 2016). In the theory of legitimacy, companies are considered to have a social commitment between the company and the community around the company's environment to get support from the community. Legitimacy theory is the company's initial foundation in building company values or norms in conducting social interactions and the surrounding environment (Kurniawati & Yaya, 2017). The implementation of CSR for companies is a form of corporate responsibility to the surrounding environment both in terms of nature and the community environment. The company's operational activities have an impact either directly or indirectly on the environment so that the company must continue to pay attention to its environment as a form of social responsibility.

**Islamic Corporate Social Responsibility**

ICSR disclosure is information about the activities of Islamic companies in creating social and environmental sustainability (Nugraheni & Permatasari, 2016). Implementation of CSR based on sharia principles, namely by prioritizing Islamic ethics and business (Fitranita & Wijayanti, 2020). Therefore, the company's operational activities are not corrupt activities and activities that provide guarantees that are not following their portion. The implementation of ICSR is a manifestation of the practice of Islamic companies in practicing the basic philosophy of the Qur'an and As-Sunnah (Sawitri et al., 2017).

Islamic Social Reporting (ISR) is the entire activity of a sharia company which includes religious, economic, legal, ethical interests, and discretionary responsibilities as intermediary financial institutions for individuals and institutions. Islamic Social Reporting (ISR) is a special criterion that serves as the basis for making investment decisions in sharia-based companies in fulfilling accountability to Allah SWT and society (Kurniawati & Yaya, 2017).

The classification of the ISR index was obtained based on modifications from previous studies with indicators; investment and finance, products and services, labor, social, environment, and corporate governance with total disclosure of 58 items (Qoyum et al., 2017).

**Public Share Ownership on Islamic Corporate Social Responsibility**

Public Shared Ownership is the number of distributions of company shares which are the rights of the public or the public. The sale of shares to the public indicates that more public investors are owned by the company. Therefore, the larger the company's shares are owned by the public, the greater the disclosure that should be made by the company. A large percentage of public shares is expected to be able to encourage companies to go public in disclosing overall social responsibility due to a lot of pressure from investors (Hamdani et al., 2017).

This statement agrees with research by Rahayu & Aniskurillah (2015) and Kusuma (2016) which states that public ownership has a positive influence on corporate CSR disclosure. It can be concluded that companies with a large percentage of public ownership tend to have greater pressure to disclose information in sustainability reports and annual reports.

Hypothesis 1: Public Share Ownership has a positive effect on ICSR Disclosure.

**Company Size on Islamic Corporate Social Responsibility**

Company size is a company benchmark based on a size that can indicate a company is declared as a small or large company. The size of the company identified can affect the extent of disclosure of company information in the annual report. The bigger a company, the more interested stakeholders are, in such conditions the company must make great efforts in shaping the alignment of social values ​​activities with behavioral norms in people's lives so that the larger the company will prioritize these interests to disclose wider information (Fajrul Novrizal & Fitri, 2016).

This statement agrees with the research of Qoyum et al., (2017), Fitranita & Wijayanti (2020), and Rahayu & Cahyati (2014)that firm size has a positive effect on ICSR disclosure. That is, the larger the company, the greater the level of ICSR disclosure made by the company. Larger companies tend to have a greater responsibility to make extensive disclosures.

Hypothesis 2: Firm Size has a positive effect on ICSR Disclosure

**Leverage on Islamic Corporate Social Responsibility**

Leverage is the ratio of total debt to total assets. The leverage ratio shows the company's ability to make debt as company financing so that the greater the leverage ratio value, it can be concluded that the larger the company is funded by debt (Wahyuningsih & Mahdar, 2019). The large leverage ratio indicates that the company has a greater obligation to expand the level of ICSR disclosure. This is motivated by companies who want to show their good image by continuing to carry out ICSR activities accompanied by a high level of leverage.

This statement agrees with research that states that leverage has a positive effect on ICSR as did Nugraheni & Permatasari (2016), Riyani & Dewi (2018), and Fitranita & Wijayanti, (2020). It can be interpreted that ICSR disclosure is influenced by leverage. This is because the higher the company's debt causes the company's responsibility to increase, especially the disclosure of ICSR. In addition, the disclosure of ICSR can be added value as well as a company guarantee to creditors.

Hypothesis 3: Leverage has a positive effect on ICSR Disclosure.

**Profitability on Islamic Corporate Social Responsibility**

Profitability shows the company's ability to earn profits after utilizing several company resources it has (Wahyono et al., 2020). The value of the profitability ratio can describe the condition of the company's performance on its operational activities. The amount of profit after tax obtained by the company will indicate whether or not the operational management has been carried out so that it will cause the company to expand in overall information disclosure.

This statement agrees with research by Rahayu & Cahyati (2014) and Kurniawati & Yaya, (2017) which state that profitability has a positive effect on ICSR disclosure. This means that companies with large margin capabilities can trigger ICSR disclosures. Companies that have high profits will have an impact on the high company funds allocated to social activities.

Hypothesis 4: Profitability has a positive effect on ICSR disclosure.

**Corporate Governance on Islamic Corporate Social Responsibility**

According to the Organization for Economic Cooperation and Development in Riyani dan Dewi (2018) research, it is stated that the structural responsibility relationship between related parties from shareholders, members of the board of directors, commissioners, and managers is formed to encourage the creation of competitive performance in achieving the company's main goals. The corporate governance variable was chosen to see how much influence the size of each structure in the organization affects the disclosure of social responsibility.

The size of the structural component of corporate governance illustrates how an idea given by each individual affects decision-making, especially in the social and environmental aspects. In this study, the structural size of the entity is measured by looking at the size of the board of commissioners, board of directors, and audit committee (Budi et al., 2019). This is supported by the research of Kurniawati & Yaya (2017) and Riyani & Dewi (2018) which states that the board of commissioners influences the disclosure of ICSR. The research of Budi et al., (2019) stated that the audit committee and the board of directors have a role in disclosing ICSR.

Hypothesis 5: Corporate Governance has a positive effect on ICSR disclosure.

The rationale underlying this research is depicted in Figure 1



3. RESEARCH METHOD

**Sample Classification**

This study uses a population of companies listed in the Jakarta Islamic Index (JII). The sample of this research is the companies listed in the Jakarta Islamic Index with a research period of 2015-2020. Sampling was carried out using a purposive sampling technique, namely by providing criteria relevant to the research (Indrawati 2015:170). The following are the criteria that have been determined in sampling:

1. Entities listed in the Jakarta Islamic Index (JII) 2015-2020
2. Entities that consistently pass the Jakarta Islamic Index (JII) in the 2015-2020 period.
3. Entities listed on the Jakarta Islamic Index (JII) consistently publish annual reports and sustainability reports for the 2015-2020 period.

Table 1 Research Sample



**Research data**

This study takes a sample of companies listed on the Jakarta Islamic Index (JII) in 2015-2020. This research is quantitative research, This research is quantitative research, and determines the variables of theory testing based on data measurement and statistical analysis. Test analysis is carried out using secondary data such as annual reports and company sustainability reports on the stock exchange website and the company's official website as well as the relevant supporting journals.

**Research variable**

This study uses the dependent variable disclosure of Islamic Corporate Social Responsibility and the independent variables are Public Share Ownership, Company Size, Leverage, Profitability, and Corporate Governance.

**Variable Operational Definition**

**Public Share Ownership**

Public share ownership is the distribution of company shares owned by the public or the public with ownership of less than 5%. Public share ownership is assessed based on the ratio of outstanding shares to the public by the total number of shares of the company as a whole.

**Company Size**

Company size is the determination of the size of the company which is seen based on the total value of the total assets owned by the company. Large sizes tend to have complexities in their business operations.

**Leverage**

Leverage is a measurement of a company's ability to finance its debts for operational activities by indicating the level of creditor security. Leverage can be measured using DAR (Debt to Asset Ratio) to determine the amount of ownership of company assets financed by debt.

**Profitability**

Profitability is a ratio that reflects the company's ability to obtain a margin. According to Henry (2016:199), net profit margin (NPM) is a profitability ratio that is calculated based on the percentage of net profit with the level of sales obtained by the company.

**Corporate Governance**

The components that incorporate governance consist of the board of commissioners, the board of directors, and the audit committee. Where these components have an important role in decision making. The dose of each board of directors is expected to be able to provide wiser decisions in the company. As for in this study, indicators of corporate governance are the number of doses of the Board of Commissioners (BC), Board of Directors (BD), and Audit Committee (AC).

**Analysis Tools**

Panel data regression is used to examine the effect of Public Share Ownership (Public), Company Size (Size), Leverage (Lev), Profitability (Prof), and Corporate Governance (CG) on the disclosure of Islamic Corporate Social Responsibility (ICSR). companies registered with JII in 2015-2020. The regression equation used is as follows:

ICSR = β0 + β1.PS + β2.SIZE + β3.DAR + β4.NPM + β5.CG + ɛ

Notes:

Y : Disclosure of ICSR

β0 : Constant

β1-5 : Regression coefficient of independent variables

Public : Public share ownership

SIZ: Company Size

DAR : *Leverage*

NPM : Profitability

CG : *Corporate governance*

ɛ : *Error term*

4. DATA ANALYSIS AND DISCUSSION

**Descriptive statistics**

Descriptive analysis is used to explain the variables used in the study, such as Islamic Corporate Social Responsibility (ICSR), Public Share Ownership (Public), Company Size (SIZE), Leverage (DAR), Profitability ( NPM), and Corporate Governance (CG).

Table 2 Descriptive Analysis Results



Source: Data Analysis

Based on table 2, shows that the minimum value of ICSR disclosure is 0.379310 owned by PT Wijaya Karya Tbk (WIKA) in 2015. The maximum value is 0.620890 owned by PT Astra International Tbk (ASII) in 2020. The mean value is 0.506944 and the standard deviation of 0.062578. This shows that the mean value is greater than the standard deviation, which means that the Islamic Corporate Social Responsibility in this study does not vary or the data is grouped.

The minimum value of Public Shareholding is 0.150082 owned by PT Unilever Indonesia Tbk (UNVR) in 2015. The maximum value is 0.825217 owned by Matahari Department Store Tbk (LPPF) in 2018. The mean value is 0.417119 and the standard deviation is 0.154305. This shows that the mean value is greater than the standard deviation, which means that the Public Share Ownership in this study does not vary or the data is grouped.

The minimum value of Company Size is 15.173740 which is owned by Matahari Department Store Tbk (LPPF) in 2015. The maximum value is 31.739650 which is owned by PT. Bumi Serpong Damai Tbk (BDE) in 2020. The mean value is 23.461230 and the standard deviation is 0.761456. This shows that the mean value is greater than the standard deviation, which means that the size of the company in this study does not vary or the data is grouped.

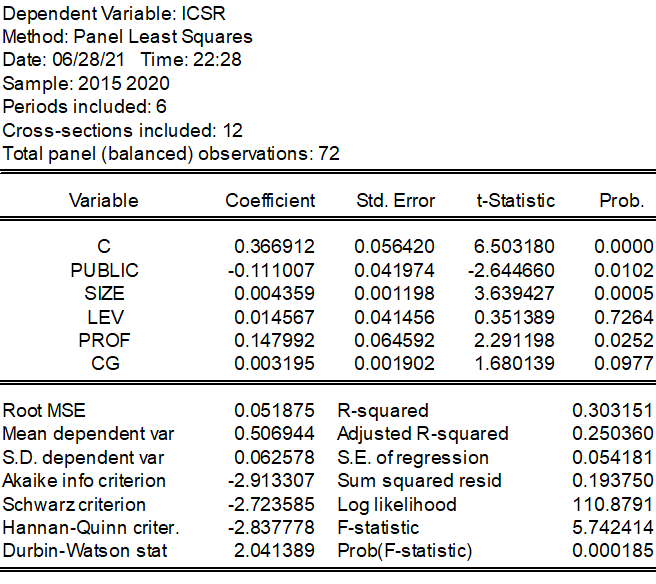
The minimum leverage value is 0.157146 which is owned by PT Kalbe Farma Tbk (KLBF) in 2018. The maximum value is 0.908037 which is owned by Matahari Department Store Tbk (LPPF) in 2020. The mean value is 0.496344 and the standard deviation is 0.167030. This shows that the mean value is greater than the standard deviation, which means that the leverage in this study does not vary or the data is clustered.

The minimum Profitability value is -0.282202 owned by Matahari Department Store Tbk (LPPF) in 2020. The maximum value is 0.499328 owned by PT Bumi Serpong Damai Tbk (BSDE) in 2017. The mean value is 0.136291 and the standard deviation is 0.104213. This shows that the mean value is greater than the standard deviation, which means that the profitability in this study does not vary or the data is grouped.

The minimum value of Corporate Governance is 10,000000 owned by PT Bumi Serpong Damai Tbk (BSDE) in 2015. The maximum value is 27,000,000 owned by PT Astra International Tbk (ASII) in 2017. The mean value is 17.736110 and the previous standard deviation is sar 3.500475. This shows that the mean value is greater than the standard deviation, which means that Corporate Governance in this study does not vary or the data is grouped.

**RESULT AND DISCUSSION**

Table 3 Research Result

******

*Source: Data Analysis*

**Effect of Public Share Ownership on ICSR disclosure**

Based on the results of the analysis, the coefficient of Public Share Ownership (Public) is -0.111007, meaning that each increase of one unit of Public Shareholding will decrease the ICSR regression coefficient of 0.111007, assuming other independent variables of Public Shareholding are considered constant. This statement contradicts previous research and stakeholder theory, which states that a large number of company stakeholders or shares outstanding to the public requires companies to disclose ICSR widely.

The results of the t-statistical test showed a significant value of fish 0.0102 < 0.05. so it can be concluded that hypothesis H1 is accepted, which means that public share ownership affects the disclosure of ICSR. This can be caused by the more shares outstanding in the community, the greater the company's pressure to disclose ICSR widely.

The results of this study are in line with the stakeholder theory which explains that the company carries out its operational activities based on the aims and objectives of the stakeholders. This requires that the company cannot do anything without the consent of the stakeholders.

**Effect of Firm Size on ICSR Disclosure**

Based on the results of the analysis, the coefficient of Firm Size (Size) is 0.00439, meaning that each increase of one unit of Company Size will increase the ICSR regression coefficient by 0.00439, assuming the other independent variables of Size are considered constant. This statement agrees with previous research and supporting theory which states that the larger the size of the company, the more complex its operational activities are so that the company has the responsibility to make extensive disclosures.

The results of the t-statistical test showed a significant value of fish 0.0005 < 0.05. so it can be concluded that hypothesis H2 is accepted, which means that the size of the company affects the disclosure of ICSR. This is because large companies carry out their operational activities optimally to realize the goals and objectives of the stakeholders.

Disclosure of ICSR carried out by large-scale companies is a form of company commitment in showing its existence to stakeholders as well as potential investors and also the public that the company has carried out its operational activities well so that it can add to the company's image.

**Effect of Leverage on ICSR disclosure**

Based on the results of the analysis, the Leverage coefficient (DAR) is 0.014567, meaning that each increase in one DAR unit will increase the ICSR regression coefficient by 0.014567, assuming other independent variables from DAR are considered constant. This is in line with previous research and supporting theories that already exist, according to Bimaswara et al. (2018), the higher the company's leverage level, the higher the company's responsibility so that the greater the disclosure of ICSR.

The results of the t-statistical test showed a significant value of fish 0.7264 > 0.05. so it can be concluded that hypothesis H3 is rejected, which means that leverage does not affect ICSR disclosure. This shows that the high level of corporate debt does not increase the company's obligation to disclose ICSR widely. Thus, CSR disclosure is not the main criterion for creditors, meaning that creditors can obtain information related to the company other than the company's annual report.

Creditors can pocket information through management directly by asking about the financial condition or the company without having to read the financial statements so that creditors do not demand that the company discloses ICSR extensively. The results of this study are in line with Nugraheni & Permatasari (2016) and Riyani & Dewi (2018) which state that leverage does not affect ICSR disclosure.

**Effect of Profitability on ICSR disclosure**

Based on the results of the analysis, the coefficient of Profitability (NPM) is 0.147992, meaning that every increase of one unit of NPM will increase the ICSR regression coefficient of 0.147992, assuming other independent variables of NPM are considered constant.

The results of the t-statistical test showed a significant value of fish 0.0252 < 0.05. so it can be concluded that hypothesis H4 is accepted, which means that profitability affects ICSR disclosure. This is because companies that have high profits will allocate more funds for social activities, thereby expanding the disclosure of ICSR.

The allocation of corporate CSR funds is a distinct entity so that companies with large margins tend to allocate more CSR funds. The large allocation of CSR funds causes companies to be able to disclose CSR widely.

**Effect of Corporate Governance on ICSR disclosure**

Based on the results of the analysis, the coefficient of Corporate Governance (CG) is 0.003195, meaning that every increase of one unit of Corporate Governance (CG) will increase the ICSR regression coefficient by 0.003195 with the assumption that other independent variables of CG are considered constant.

The results of the t-statistical test showed a significant value of fish 0.0977 > 0.05. so it can be concluded that the H5 hypothesis is rejected, which means that Corporate Governance (CG) does not affect ICSR disclosure. This shows that

Components in Corporate Governance have their respective responsibilities in carrying out their duties so that differences in interests between management structures cause companies not to disclose ICSR widely.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the results of the study indicate that the first hypothesis (H1), hypothesis (H2), and fourth hypothesis (H4) are accepted, it can be said that public share ownership, company size, and profitability affect Islamic Corporate Social Responsibility (ICSR) with a significant level of less. of 0.05 while the third hypothesis (H3) and hypothesis (H5) are rejected, it can be said that leverage and corporate governance do not affect the disclosure of Islamic Corporate Social Responsibility (ICSR).

Weaknesses in this study include: (1) the adjusted R2 test which shows a value that is still relatively low at 25% so that there are still 75% of other variables that can affect the disclosure of ICSR; (2) ISR disclosure index that still uses the old index standard that has not been developed yet by researchers.

Based on the test results and research limitations, suggestions that can be submitted are as follows: (1) in the next research, it is expected to expand new variables that can be expected to strengthen the relationship of independent variables with ICSR disclosures such as accounting conservatism, industry type, and sharia compliance; (2) in the next research it is expected to use other sharia indices such as the ISSI index, JII 70 or by developing the number of research periods; (3) for sharia-based companies, there are still many sharia-based companies, especially those listed in JII, it is still found that companies have not fully implemented sharia principles as the basis of operational activities, it is hoped that companies will be able to implement sharia principles as a form of embodiment of companies that are Sharia-based.

REFERENCES

Bimaswara, Suzan, L., & Mahardika, D. P. K. (2018). Pengaruh Ukuran Perusahaan, Likuiditas, Risiko Keuangan, dan Profitabilitas terhadap Pengungkapan Tanggung Jawab Sosial (Studi Pada Perusahaan Tekstil dan Garmen yang Terdaftar di BEI Tahun 2013-2016). *E-Proceeding of Management*, *5*(2), 2425. file:///C:/Users/Lutfi/Downloads/18.04.1733\_jurnal\_eproc (1).pdf

Budi, I. S., Rahmawati, Falikhatun, Muthmainah, & Gunardi, A. (2019). Financial Performance Mediation in the Influence of Islamic Corporate Governance Disclosure on the Islamic Social Reporting. *Indonesian Journal of Sustainability Accounting and Management*, *3*(1). https://doi.org/10.28992/ijsam.v3i1.77

Cahya, B. T., Nuruddin, A., & Ikhsan, A. (2017). Islamic Social Reporting: From the Perspectives of Corporate Governance Strength, Media Exposure and the Characteristics of Sharia Based Companies in Indonesia and its Impact On Firm Value. *IOSR Journal of Humanities and Social Science*, *22*(5), 71–78. https://doi.org/10.9790/0837-2205107178

Fajrul Novrizal, M., & Fitri, M. (2016). Faktor-Faktor yang Mempengaruhi Pengungkapan Corporate Social Responbility (CSR) pada Perusahaan yang Terdaftar di Jakarta Islamic Index (JII) tahun 2012-2015 dengan Menggunakan Islamic Social Reporting (ISR) Index sebagai Tolok Ukur. *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)*, *1*(2), 1.

Fitranita, V., & Wijayanti, I. O. (2020). Profitabilitas, Ukuran Perusahaan, Kinerja lingkungan, Pertumbuhan Penjualan dan Leverage pada Pengungkapan Islamic Corporate Social Reporting. *Journal Accounting and Finance Edisi Vol. 4 No. 1 Maret 2020*, *4*(1).

Ghozali, P. D. I. (2020). *25 Grand Theory (Teori Besar Ilmu Manajemen, Akuntansi dan Binis)* (Apriya (ed.); viii). Yoga Pratama.

Hamdani, S. P., Yuliandari, W. S., & Budiono, E. (2017). Kepemilikan Saham Publik Dan Return on Assets Terhadap Pengungkapan Corporate Social Responsibility. *Jrak*, *9*(1), 47. https://doi.org/10.23969/jrak.v9i1.368

Hery. (2016). *Analisis Laporan Keuangan Pendekatan Rasio Keuangan*. Center of Academic Publishing Service.

Indrawati. (2015). *Metodologi Penelitian Manajemen dan Bisnis: Konvergensi Teknologi Komunikasi dan Informatika*. Refika Aditama.

Jannah, A. M., & Asrori. (2016). Pengaruh GCG, Size, Jenis Produk Dan Kepemilikan Saham Publik Terhadap Pengungkapan ISR. *Accounting Analysis Journal*, *5*(1), 1–9.

Kurniawati, M., & Yaya, R. (2017). *Pengaruh Mekanisme Corporate Governance , Kinerja Keuangan dan Kinerja Lingkungan terhadap Pengungkapan Islamic Social Reporting*. *18*(2), 163–171. https://doi.org/10.18196/jai.180280

Kusuma, H. N. (2016). Pengaruh Ukuran Perusahaan,Leverage, Dan Kepemilikan Saham Publik Terhadap Luas Pengungkapan Csr Pada Perusahaan di Sektor Pertambangan Yang Terdaftar Di Bei Tahun 2014-2015. *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya*, *5*(2).

Mukhibad, H. (2018). *Peran dewan pengawas syariah dalam pengungkapan*. 299–311.

Nugraheni, P. (2018). Sharia supervisory board and social performance of Indonesian Islamic banks. *Jurnal Akuntansi Dan Auditing Indonesia*, *22*(2).

Nugraheni, P., & Permatasari, D. (2016). Perusahaan syariah dan pengungkapan corporate social responsibility: Analisis pengaruh faktor internal dan karakteristik perusahaan. *Jurnal Akuntansi & Auditing Indonesia*, *20*(2), 136–146. https://doi.org/10.20885/jaai.vol20.iss2.art6

Qoyum, A., Mutmainah, L., Setyono, J., & Qizam, I. (2017). *The Impact of Good Corporate Governance, Company Size on Corporate Social Responsibility Disclosure: Case Study of Islamic Banking in Indonesia*. *10*. https://doi.org/10.21043/iqtishadia.v10i1.2365

Rahayu, P., & Aniskurillah, I. (2015). Pengaruh Kepemilikan Saham Publik, Profitabilitas Dan Media Terhadap Pengungkapan Tanggung Jawab Sosial. *Accounting Analysis Journal*, *4*(3), 1–9. https://doi.org/10.15294/aaj.v4i3.8300

Rahayu, R. S., & Cahyati, A. D. (2014). Faktor-Faktor Yang Mempengaruhi Pengungkapan Corporate Social Responsibility (CSR) pada Perbankan Syariah. *JRAK*, *5*(2), 74–87. https://doi.org/10.35591/wahana.v23i1.183

Riyani, D., & Dewi, N. H. U. (2018). *The effect of corporate governance, leverage, and liquidity on Islamic Social Reporting ( ISR ) disclosure in Islamic commercial banks in Indonesia*. *8*(2), 121–130. https://doi.org/10.14414/tiar.v8i2.1628

Sawitri, D. R., Juanda, A., & Jati, A. W. (2017a). Analisis Pengungkapan Corporate Social Responsibility Perbankan Syariah Indonesia Berdasarkan Islamic Social Reporting Index. *Kompartemen: Jurnal Ilmiah Akuntansi*, *15*(2), 983–992. https://doi.org/10.30595/kompartemen.v15i2.1876

Sawitri, D. R., Juanda, A., & Jati, A. W. (2017b). Analisis Pengungkapan Corporate Social Responsibility Perbankan Syariah Indonesia Berdasarkan Islamic Social Reporting Index. *Kompartemen: Jurnal Ilmiah Akuntansi*, *15*(2). https://doi.org/10.30595/kompartemen.v15i2.1876

Usmar, D. (2014). Analisis faktor-faktor yang mempengaruhi islamic social reporting (isr) dan implikasi islamic social reporting terhadap kualitas laba (earnings quality). *Jurnal Wawasan Dan Riset Akuntansi*, *2*(1), 1–22.

Wahyono, Eskasari, P., & Cahya, B. T. (2020). *Corporate Governance Strength, Firm's Characteristics, and Islamic Social Report : Evidence from Jakarta Islamic Index*. *21*(2). https://doi.org/10.18196/jai.2102155

Wahyuningsih, A., & Mahdar, N. M. (2019). Pengaruh Size, Leverage dan Profitabilitas Terhadap Pengungkapan Csr Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia. *Journal of Chemical Information and Modeling*, *53*(9), 1689–1699.