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The Effect of Good Corporate Governance and Financial Performance on Islamic Social Reporting Disclosure: Evidence from Sharia Banks Registered with the Financial Services Authority (OJK)

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ABSTRACT
This study aims to analyze the influence of Good Corporate Governance (GCG) and financial performance on Islamic Social Reporting (ISR) disclosure in Islamic Commercial Banks registered with the Financial Services Authority (OJK) for the 2016-2020 period. This study uses a quantitative approach with secondary data in the form of annual reports from 10 Islamic Commercial Banks over five years, resulting in 50 analysis units. The analytical method used is multiple linear regression. The results show that simultaneously, the size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage significantly influence ISR disclosure. Partially, the size of the Board of Directors and Sharia Supervisory Board have a significant positive effect on ISR disclosure, while the size of the Board of Commissioners, profitability, and leverage have no significant effect. These findings suggest that internal governance mechanisms, particularly the role of the Board of Directors and Sharia Supervisory Board, are more influential in determining the extent of ISR disclosure than financial performance. The practical implication of this research is that Islamic banking management needs to strengthen the effectiveness of its governance structure, particularly by optimizing the role of the Board of Directors and the Sharia Supervisory Board, to improve the quality and breadth of ISR disclosure. Strengthening ISR disclosure is important not only to meet accountability and transparency requirements but also to enhance stakeholder trust, institutional reputation, and the competitiveness of Islamic banks.

Keywords: Good Corporate Governance, Financial Performance, Islamic Social Reporting, Financial Services Authority.

I. Introduction

The growth of the Islamic banking industry in Indonesia over the past decade has driven increasing demands for accountability and transparency, not only in financial performance but also in corporate social responsibility. The concept of Corporate Social Responsibility (CSR), commonly applied to conventional entities, has undergone a value adaptation when applied to Sharia-based entities, giving rise to a reporting framework known as Islamic Social Reporting (ISR). Unlike conventional CSR, which refers to the Global

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Reporting Initiative (GRI), ISR is built on a set of standard items established by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), which have been further developed by researchers to align with Sharia principles, encompassing the dimensions of finance and investment, products and services, employees, society, the environment, and corporate governance.

ISR disclosure holds a crucial position in the Islamic banking industry for several fundamental reasons. First, Islamic banks are philosophically not solely profit-oriented but also accountable to Allah SWT and the wider community. Therefore, transparency of social information is a key element of fulfilling this obligation, not merely administrative compliance. Second, conventional principles-based social responsibility reporting is considered limited when applied to Islamic entities, as it fails to accommodate the spiritual considerations of Muslim investors in decision-making. Third, the voluntary nature of ISR, unlike the mandatory CSR disclosure mandated by Law Number 40 of 2007 concerning Limited Liability Companies, leads to uneven levels and quality of disclosure among Islamic banks, given the lack of legally binding standards. Fourth, in terms of competitive position, Indonesia's ISR disclosure index continues to fluctuate and consistently lags behind Malaysia's, despite the fact that both countries have relatively comparable Muslim populations and Islamic financial market characteristics. This gap represents a relevant strategic issue that warrants continued study.

Several factors have been identified in the literature as determinants of ISR disclosure, including Good Corporate Governance (GCG) mechanisms, represented by the size of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board, and the company's financial performance, as proxied by profitability and leverage. The principles of transparency, accountability, and responsibility inherent in GCG theoretically encourage stricter management oversight, thereby minimizing potential information concealment and ultimately expanding ISR disclosure. According to Agus Santoso (2022), implementation of good corporate governance is essential for the success and long-term sustainability of a company to helps build trust, enhance corporate reputation, and attract investment, ultimately contributing to the company's competitiveness in the global market. Similarly, companies with high profitability tend to have incentives to disclose social information more broadly to attract investor interest, while capital structure, reflected in the level of leverage, also influences external pressure on the extent of such disclosure.

However, empirical findings regarding the relationship between these variables and ISR disclosure remain inconsistent. Some studies report that the size of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board significantly influences ISR disclosure, while others find the opposite. A similar pattern is also found for profitability and leverage, which in some studies have shown a significant effect, but in others have shown no significant effect. This inconsistency, coupled with the limited ISR research specifically focused on the Islamic commercial banking sector in Indonesia compared to GRI-based research on public companies in general, indicates a relevant research gap that requires further study, both in terms of theoretical contributions to the Islamic social accounting literature and practical contributions to decision-making by management and regulators.

Based on the research gaps outlined above, this study aims to:

a. Simultaneously analyze the effect of the size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage on Islamic Social Reporting disclosure in Islamic commercial banks registered with the Financial Services Authority.
b. Partially analyze the effect of the size of the Board of Directors on Islamic Social Reporting disclosure.
c. Partially analyze the effect of the size of the Board of Commissioners on Islamic Social Reporting disclosure.
d. Partially analyze the effect of the size of the Sharia Supervisory Board on Islamic Social Reporting disclosure.
e. Partially analyze the effect of profitability on Islamic Social Reporting disclosure.
f. Partially analyze the effect of leverage on Islamic Social Reporting disclosure.

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II. Literature Review and Hypothesis Development

2.1. Literature Review

The board of directors is a company organization that has obligations and responsibilities with its colleagues in managing the company. Each board member can carry out duties and make decisions according to their division of company implements Good Corporate Governance (GCG). The Sharia Supervisory Committee is a committee recommended by the National Sharia Council (DSN) and assigned to banks operating under Sharia principles, with authority regulated by the National Sharia Council (Sholihin, 2013). Profitability is a company's ability to generate profits within a specific period (Hery, 2018). Profitability indicates a company's ability to generate profits and measures the level of management efficiency and effectiveness in utilizing company assets. Profitability is a key indicator of operational efficiency and financial health, providing a baseline for investors assessing a company's value. A high level of profitability demonstrates a company's ability to manage its resources effectively, generate added value, and reflect a strong competitive position in the market (Jumria & Rahman, 2026). Furthermore, Hery (2018) also believes that leverage is an important tool in measuring the effectiveness of a company's debt utilization. The concept of leverage is crucial for investors when evaluating stocks to avoid the financial risks imposed on shareholders as a result of the company's use of debt. (Oktaviani & Zulvia, 2025) said that leverage is important because it provides information about the company's sources of operating capital, such as equity or corporate debt.

duties and authority (Hamdani, 2016). Furthermore, Hamdani (2016) also argues that the Board of Commissioners is a collective and responsible company organization that supervises and advises the Board of Directors and ensures that the concept of CSR has begun to develop not only in traditional economics but also in Sharia-based economics. CSR that aligns with Islamic values is known as Islamic Social Responsibility (ISR). According to the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), CSR from an Islamic perspective is fulfilling religious, economic, legal, ethical, and other responsibilities as an individual and institutional financial institution. All activities are carried out by Islamic financial institutions. The emergence of social reporting based on Sharia principles is due to the traditional system of corporate social responsibility reporting that focuses only on material and moral aspects. Spiritual aspects must also be a primary focus in corporate social responsibility reporting. The ISR index is particularly suitable for Islamic entities because it discloses matters related to Islamic principles, such as transactions free from riba (usury), speculation, and gharar (gharar), disclosure of zakat (alms), Sharia compliance status, and social aspects such as sadaqah (charity), waqf (endowment), and disclosure of worship within the company (Asmara & Safira, 2016).

2.2. Hypothesis Development

This section explains the relationship between Good Corporate Governance, financial performance, and Islamic Social Reporting (ISR) disclosure. The Good Corporate Governance variables consist of Board of Commissioners size, Board of Directors size, and Sharia Supervisory Board size. Meanwhile, financial performance is measured using profitability and leverage.

a. The Effect of Board of Commissioners Size on ISR Disclosure

The Board of Commissioners is responsible for supervising and providing advice to the Board of Directors. A larger Board of Commissioners is expected to strengthen the monitoring function and encourage management to disclose broader information, including Islamic Social Reporting (ISR). Strong supervision can reduce the possibility of hidden information and improve transparency in accordance with Good Corporate Governance principles. Previous studies by Khoirudin (2013), Basit et al. (2019), Kurniawati and Yaya (2017),

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and Anggraini and Wulan (2015) found that Board of Commissioners size influences ISR disclosure. Therefore, the hypothesis is formulated as follows:

H1: Board of Commissioners size has a positive effect on Islamic Social Reporting disclosure.

b. The Effect of Board of Directors Size on ISR Disclosure

The Board of Directors is responsible for managing the company and making strategic decisions. The number of directors may influence the quality of decision-making, coordination, and corporate responsibility policies. A larger Board of Directors is expected to support broader ISR disclosure because more members can contribute to governance, operational control, and accountability. Previous studies by Miratun et al. (2019), Abu Bakar et al. (2018), and Majeed et al. (2015) showed that Board of Directors size affects Islamic Social Reporting disclosure. Therefore, the hypothesis is formulated as follows:

H2: Board of Directors size has a positive effect on Islamic Social Reporting disclosure.

c. The Effect of Sharia Supervisory Board Size on ISR Disclosure

The Sharia Supervisory Board plays an important role in ensuring that Islamic banks operate in accordance with Sharia principles. The larger the Sharia Supervisory Board, the stronger the supervision of Sharia compliance. This supervision is expected to encourage banks to disclose ISR more extensively because ISR reflects social accountability based on Islamic values. Previous studies by Khoirudin (2013), Rostiani and Sukanta (2018), Mokoginta et al. (2018), and Ramadhani et al. (2016) found that Sharia Supervisory Board size influences ISR disclosure. Therefore, the hypothesis is formulated as follows:

H3: Sharia Supervisory Board size has a positive effect on Islamic Social Reporting disclosure.

d. The Effect of Profitability on ISR Disclosure

Profitability reflects a company's ability to generate profit. Companies with higher profitability tend to have more resources to conduct and disclose social responsibility activities. In addition, profitable companies are more motivated to provide comprehensive information to stakeholders as a form of accountability and to strengthen corporate image. Previous studies by Abu Bakar et al. (2018), Pratama et al. (2018), Kurniawati and Yaya (2017), and Rahayu and Cahyati (2014) indicate that profitability significantly affects ISR disclosure. Therefore, the hypothesis is formulated as follows:

H4: Profitability has a positive effect on Islamic Social Reporting disclosure.

e. The Effect of Leverage on ISR Disclosure

Leverage shows the extent to which a company is financed by debt. Companies with higher leverage are generally subject to greater monitoring from creditors. To maintain creditor and investor confidence, companies with high leverage may disclose more information, including ISR disclosure. Broader disclosure can reduce information asymmetry and increase stakeholder trust. Previous studies by Pratama et al. (2018), Anggraini and Wulan (2015), and Ramadhani et al. (2016) showed that leverage has a significant effect on ISR disclosure. Therefore, the hypothesis is formulated as follows:

H5: Leverage has a positive effect on Islamic Social Reporting disclosure.

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f. Simultaneous Effect of Board of Commissioners Size, Board of Directors Size, Sharia Supervisory Board Size, Profitability, and Leverage on ISR Disclosure

Board of Commissioners size, Board of Directors size, Sharia Supervisory Board size, profitability, and leverage are expected to collectively influence Islamic Social Reporting disclosure. Governance mechanisms strengthen supervision and accountability, while financial performance reflects the company's capacity and incentive to disclose broader information. Therefore, the hypothesis is formulated as follows:

H6: Board of Commissioners size, Board of Directors size, Sharia Supervisory Board size, profitability, and leverage simultaneously affect Islamic Social Reporting disclosure.

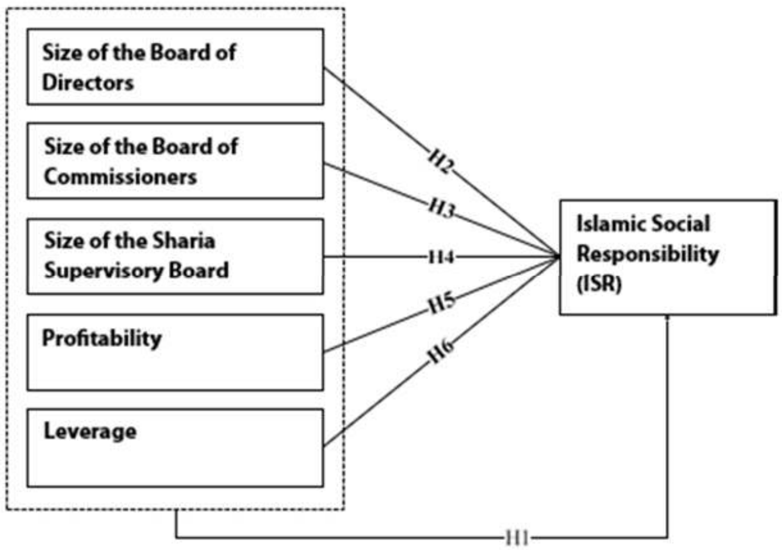

Figure 1. Research Model

Note:
------- : Variable X has a simultaneous effect on variable Y
________ : Variable X has a partial effect on variable Y

The above explanation indicates that independent variables influence the dependent variable. In this study, the independent variables are the size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, Profitability, and Leverage, while the dependent variable is ISR disclosure.

III. Research Method

This study employed an associative research design (causal research design) with a quantitative approach to test the causal relationship between the independent and dependent variables. The data used were secondary quantitative data sourced from annual reports and Good Corporate Governance reports of Islamic commercial banks published on the official website of the Financial Services Authority (OJK) and the official websites of each company. The population of this study was all Islamic commercial banks in Indonesia registered with the OJK during the 2016-2020 period, a total of 11 companies. The sampling technique used a non-probability sampling method with a saturated sampling approach (total population sampling), meaning all members of the population who met the criteria were sampled. After screening based on the completeness of GCG data and financial performance over the five years of observation, one company was excluded due to incomplete data, resulting in a final sample of 10 Islamic commercial banks, with 50 annual reports (10 banks x 5 years) as the unit of analysis.

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Table 1. Sample Determination Criteria

No.	Criteria	Number of Banks
1	Number of sharia commercial banks registered with the financial services authority (OJK) for the 2016-2020	11
2	Sharia commercial banks with incomplete reporting data for 5 years due to their recent registration with the OJK	0
3	Number of sharia commercial banks with inadequate and incomplete data	1
	Total	**10**

Data collection was conducted using two techniques: library research, which examined books, journals, and related literature as a theoretical basis and comparison for the results; and documentation, which involved collecting, recording, and reviewing secondary data in the form of annual reports and GCG reports of Islamic commercial banks for the 2016-2020 period. The dependent variable, ISR disclosure, was measured using a disclosure index based on 50 items referring to six dimensions developed by Othman et al. (2009). The size of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board was measured nominally based on the number of members in each governance body. Profitability was proxied by Return on Assets (ROA), and Leverage was proxied by the Debt to Equity Ratio (DER), both measured using a ratio scale.

Data analysis used multiple linear regression analysis. Before hypothesis testing is carried out, the data is first tested through descriptive statistics to obtain minimum, maximum, average, and standard deviation values, as well as through classical assumption tests including normality tests (Kolmogorov-Smirnov), multicollinearity tests (tolerance values and VIF), heteroscedasticity tests, and autocorrelation tests (Durbin-Watson) to ensure the regression model is free from multicollinearity, heteroscedasticity, and autocorrelation problems and the data is well distributed. Furthermore, hypothesis testing is carried out through the coefficient of determination (R^2) test to measure the model's ability to explain variations in the dependent variable, simultaneous significance tests (F tests) to test the influence of all independent variables together, and individual parameter significance tests (t tests) to test the influence of each independent variable partially on Islamic Social Reporting disclosure.

Table 2. Operational Research Variables

No.	Measurable Variable	Indicator	Measurement Scale
1	Islamic Social Reporting (Othman et al., 2009)	ISRD = Σn / k × 100%	Ratio
2	Board of Directors (Hamdani, 2016)	DD = Σ Members of the Board of Directors	Nominal
3	Board of Commissioners (Sholihin, 2013)	DK = Σ Members of the Board of Commissioners	Nominal
4	Sharia Supervisory Board (Sholihin, 2013)	DPS = Σ Members of the Sharia Supervisory Board	Nominal
5	Profitability (Hery, 2018)	ROA = Earning After Tax / Total Assets × 100%	Ratio
6	Leverage (Hery, 2018)	DER = Total Liabilities / Total Equity	Ratio

IV. Result and Discussion

4.1. Analysis Result

This research focuses on examining the role of Corporate Social Responsibility (CSR) or social responsibility in sharia terms, namely Islamic Social Reporting (ISR) which is analyzed using an index of 50

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items and divided into 6 dimensions of ISR disclosure presented during the 2016-2020 period. The following data were obtained:

Table 3. Frequency Distribution of Islamic Social Reporting in Islamic Commercial Banks for the 2016-2020 Period

No.	Islamic Commercial Banks	Islamic Social Reporting Index					
		2016	2017	2018	2019	2020	Index
1	Bank Muamalat Indonesia	62.79	72.09	93.02	81.40	79.07	77.67
2	Bank Victoria Syariah	53.49	58.14	51.16	51.16	60.47	54.88
3	BRI Syariah	67.44	62.79	58.14	60.47	62.79	62.33
4	BJB Syariah	60.47	65.12	60.47	51.16	60.47	59.53
5	BNI Syariah	55.81	58.14	65.12	60.47	62.79	60.47
6	Bank Syariah Mandiri	76.74	79.07	79.07	55.81	72.09	72.56
7	Bank Panin Dubai Syariah	55.81	39.53	53.49	55.81	51.16	51.16
8	Bank Syariah Bukopin	67.44	67.44	58.14	55.81	58.14	61.40
9	BCASyariah	55.81	58.14	55.81	51.16	51.16	54.42
10	BTPN Syariah	72.09	79.07	81.40	79.07	65.12	75.35
	Average Index ISR %	62.79	63.95	65.58	60.23	62.33	62.98

From the data that has been displayed it can be concluded that:

a. Bank Muamalat Indonesia: has the highest percentage of growth, with annual increases over the past five years, although there were declines in the fourth and fifth years, although not significantly. In the percentages presented, Bank Muamalat Indonesia's growth is higher than that of other banks.
b. BTPN Syariah: has the second-highest growth rate, similar to Bank Muamalat Indonesia, having seen increases over the past five years, although there was a slight decline in the fourth year and a slight decrease in the fifth year.
c. Bank Syariah Mandiri: has the third-highest growth rate. Over the past five years, Bank Syariah Mandiri has seen growth, although there was a decline in the fourth year, but in the fifth year, Bank Syariah Mandiri was able to increase its growth rate again.
d. BRI Syariah: is the fourth-highest bank with a percentage decline, despite a decline in the second and third years. BRI Syariah was able to increase its percentage again in the fourth and fifth years.
e. Bank Syariah Bukopin: is the fifth-highest bank with a percentage decline. Bank Syariah Bukopin can be said to have a relatively stable percentage, despite a slight decline in the third and fourth years. In the fifth year, Bank Syariah Bukopin was able to increase its percentage again.
f. BNI Syariah: is the sixth-highest bank with a percentage increase each year, with only a slight decline in the fourth year and a further increase in the fifth year.
g. BJB Syariah: is the seventh-highest bank with a percentage decline. BJB Syariah achieved a fairly stable percentage, with a decrease in the third and fourth years and a slight increase in the fifth year.
h. Bank Victoria Syariah: saw a percentage increase in the second year, but not significantly compared to the first year, and a decrease in the third and fourth years. Bank Victoria Syariah was able to increase its percentage again in the fifth year, although not significantly.
i. BCA Syariah: ranked ninth, with an increase only in the second year and a decrease in the third through fifth years.
j. Bank Panin Dubai: had the lowest percentage and was considered a less favorable bank compared to other banks. In the second year, Panin Dubai Syariah Bank experienced a significant percentage decrease compared to the previous year, while the percentage increases in the third and fourth years

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were not significantly different from the first year. After that, in the fifth year, Panin Dubai Syariah Bank's percentage decreased again.

Overall, the ISR index disclosed from 43 standard items yielded an average ISR index of 62.98% for the Islamic banks studied during the 2016-2020 period. The lowest ISR index disclosed was at Panin Dubai Syariah Bank (51.16%), while the highest ISR was disclosed by Bank Muamalat Indonesia (77.67%). The Good Corporate Governance examined in this research relates to the internal size of Islamic banking companies, including the size of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board, as follows:

Table 4. Frequency Distribution of Board of Director Size in Islamic Commercial Banks 2016-2020 Period

No.	Sharia Commercial Banks	Board of Directors					
		2016	2017	2018	2019	2020	RR
1	Bank Muamalat Indonesia	7.00	7.00	5.00	6.00	6.00	6.20
2	Bank Victoria Syariah	4.00	4.00	4.00	4.00	4.00	4.00
3	BRI Syariah	5.00	5.00	4.00	5.00	5.00	4.80
4	BJB Syariah	5.00	5.00	2.00	3.00	3.00	3.60
5	BNI Syariah	3.00	4.00	5.00	4.00	5.00	4.20
6	Bank Syariah Mandiri	6.00	7.00	7.00	3.00	6.00	5.80
7	Bank Panin Dubai Syariah	4.00	3.00	3.00	3.00	3.00	3.20
8	Bank Syariah Bukopin	4.00	4.00	4.00	4.00	3.00	3.80
9	BCASyariah	3.00	3.00	4.00	4.00	4.00	3.60
10	BTPN Syariah	2.00	2.00	2.00	5.00	4.00	3.00
	Average DD Size	4.30	4.40	4.00	4.10	4.30	4.22

According to the table, the average GCG size of the 10 Islamic banks registered with the Financial Services Authority (OJK) for the 2016-2020 period was 4.22, with a Board of Directors of between 4 and 5 members. The lowest Board of Directors was at BTPN Syariah, with an average of 3 members, while the highest Board of Directors was at Bank Muamalat Indonesia, with an average of 6.2 members, with between 6 and 7 members. The minimum board size is 2 members. From the data presented, it can be concluded that Bank Muamalat Indonesia has the best Board of Directors compared to other banks, and BTPN Syariah has the lowest Board of Directors compared to other banks. Descriptive statistical tests are useful for providing an overview or description of data, based on the mean, standard deviation, maximum, and minimum values. Based on the variables studied, the statistical analysis using SPSS calculations yielded the following data:

Table 5. Description of Research Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DD (X1)	50	2.00	7.00	4.2200	1.32926
DK (X2)	50	3.00	5.00	3.7400	.66425
DPS (X3)	50	2.00	3.00	2.3000	.46291
ROA (X4)	50	-10.77	13.58	1.0154	4.01738
DER (X5)	50	.00	14.17	3.2326	3.29089
ISR	50	39.53	93.02	62.9866	10.58861
Valid N (listwise)	50				

The table shows a sample size of N 50, representing data from 10 Islamic Commercial Banks registered with the Financial Services Authority (OJK) over a five-year period. Several variables studied can be described as follows:

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a. The average Islamic Social Reporting (ISR) index disclosed was 62.98 (39.53-90.02), with a standard deviation (10.59) smaller than the mean (62.98). The ISR of 62.98% indicates that the index achievement of Islamic Commercial Banks was still relatively low (below the ISR standard of 80%) at all times during the 2016-2020 period. Based on existing data, the index achievement is relatively low, considering that the ISR standard constitutes 80% of the index data.
b. The average Board of Directors measured was 4.22 (4-5) with a standard deviation of 1.33, which is smaller than the mean (4.22). The Board of Directors was 4.2 rounded up to (4), meaning the average number of individuals (persons) serving in corporate governance at Islamic Commercial Banks with an average corporate size was 4, including 1 chairman and 3 members, during the 2016-2020 period.
c. The average Board of Commissioners measured was 3.74 (2-4) with a standard deviation of 0.66, which is smaller than the mean (3.74). The Board of Commissioners was 3.74 rounded up to (4), meaning the average number of individuals serving in corporate governance at Islamic Commercial Banks with an average corporate size was 4, including 1 chairman and 3 members, during the 2016-2020 period, and met GCG criteria.
d. The average number of Sharia Supervisory Boards measured was 2.2. (2-3) with a standard deviation of 0.46, which is smaller than the mean (2.3). The Sharia Supervisory Board is 2.3, rounded down to 2. This means that the average number of individuals (people) serving in corporate governance at Islamic Commercial Banks with an average corporate size is 2 people during the 2016-2020 period, and meets GCG criteria.
e. Profitability achieved an average ROA of 1.02 (-10.77-13.58) with a standard deviation of 4.02, which is greater than the mean (1.02). An ROA of 1.02% indicates that the ROA at Islamic Commercial Banks, measured by financial performance, increased positively (>1%) by an average of 1.02% annually during the 2016-2020 period. This profitability provides quite good results for annual increases without any major setbacks.
f. The leverage obtained averages DER 3.23 (0.00-14.17) with a standard deviation (3.29) greater than the mean (3.23). DER 3.23%, meaning the equity ratio in Islamic Commercial Banks with financial performance measures increased positively (>1%) by an average of 3.73% annually during the 2016-2020 period. This leverage provides quite good average results for each year without any significant decline.
g. Classical assumption tests are used to assess whether a linear regression model meets the classical assumptions requirements. Classical assumption tests include normality tests, multicollinearity tests, heteroscedasticity tests, autocorrelation tests, and multiple linear regression analysis tests.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.0866040
Most Extreme Differences	Absolute	.12
	Positive	.07
	Negative	-.12
Test Statistic		.12
Asymp. Sig. (2-tailed)		.061

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Figure 2. Data Normality Test Results

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The table above shows the K-S value for the variables of Board of Directors, Board of Commissioners, Supervisory Board, profitability, and leverage on Islamic Social Reporting disclosure. The K-S value is 0.122 with a significance level (2-tailed) of 0.061 > α (0.05). This indicates that the null hypothesis is accepted, indicating that the Islamic Social Reporting variable is normally distributed.

Table 6. Multicollinearity Test Results

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	DD	.713	1.402
	DK	.810	1.235
	DPS	.681	1.469
	LNDER	.739	1.354
	LNROA	.716	1.397
a. Dependent Variable: LNSR			

Based on the table, the multicollinearity test results indicate that the size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability (ROA), and leverage (DER) on ISR disclosure have a Tolerance value of 0.681–0.810 > 0.1, while the VIF value is 1.235–1.469 < 10. Therefore, it can be concluded that there is no multicollinearity among the independent variables in the regression model.

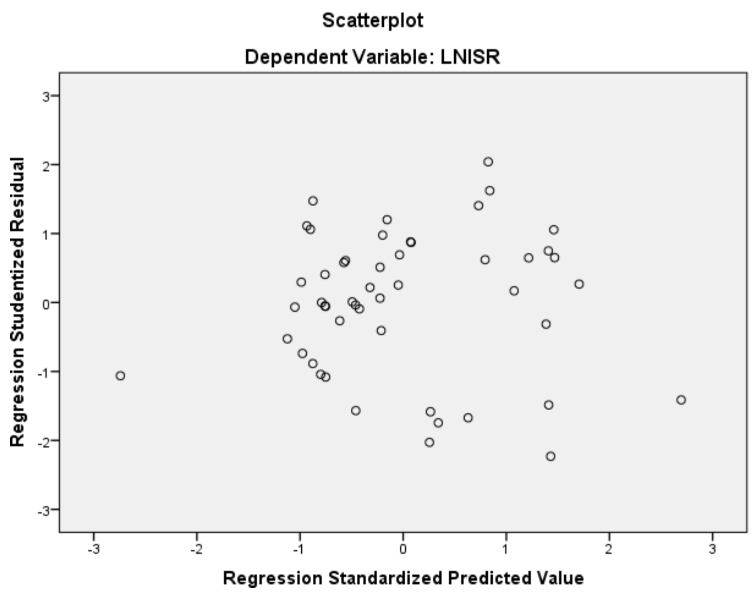

Figure 3. Heteroscedasticity Test Results

The scatterplots above show that the points are randomly distributed and spread both above and below 0 on the Y-axis. This concludes that there is no heteroscedasticity in the regression model, so the variables of the size of the Board of Directors, Commissioners, Sharia Supervisory Board, profitability, and leverage can predict ISR disclosure.

Table 7. Autocorrelation Test Analysis Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.836[a]	.698	.664	.09139	1.920

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Based on the recalculated data, as shown in the table above, the Durbin Watson value is 1.920. Based on the Durbin Watson table, the dU value for N=50 and k=5 is 1.7708. Since dU (1.7708) < DW (1.920) < 4-dU (2.2292), there is no autocorrelation. This means that the null hypothesis that these decisions are autocorrelated is rejected. In conclusion, the regression model for the variables of Board of Directors, Board of Commissioners, Sharia Supervisory Board, Profitability, and Leverage on Islamic Social Reporting has no autocorrelation. Therefore, it is predicted that all independent variables, when combined, will have an effect on the dependent variable.

4.2. Discussion

a. The Influence of Board of Directors, Board of Commissioners, Sharia Supervisory Board Size, Profitability, and Leverage on Islamic Social Reporting

The influence of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage indicators collectively on Islamic Social Reporting is due to their positive and significant contribution to ISR, with a contribution of 43.3%, while the remaining 56.7% is influenced by other factors not examined. The variables of Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage are said to have a significant influence on Islamic Social Reporting due to their collective impact on ISR disclosure. Therefore, even though the values are small, with the Sharia Supervisory Board contributing only 6.05%, Profitability 1.69%, and Leverage 0.67%, they will have an impact when combined with the Board of Directors, which contributes 10.17%, and the Board of Commissioners 15.29%.

This indicates that the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage have a significant simultaneous influence on Islamic Social Reporting disclosure. Therefore, it can be concluded that the presence of a Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage in Islamic Commercial Banks can enhance the protection of stakeholder interests, particularly fund-owning customers and minority shareholders, and avoid conflicts of interest in carrying out their duties. They also contribute effectively to the quality of financial reporting and the potential for financial reporting fraud. The study found that the size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, profitability, and leverage simultaneously influence Islamic Social Reporting in Islamic Commercial Banks registered with the Financial Services Authority (OJK) for the 2016-2020 period. This is evidenced by the calculated F value of the independent variables, which simultaneously influences Islamic Social Reporting. The calculated F value (6.711) > F table (3.19) is significant at a probability of ρ 0.000 < α (0.05).

b. The Influence of Board of Directors Size on Islamic Social Reporting

The influence of board of directors size on Islamic social reporting is due to the fact that the size of the board of directors at each Islamic bank tends to vary from year to year. The average board size for the five periods from 2016 to 2020 was between 4 and 5. The lowest board size was at BTPN Syariah, with 3 members, but its ISR index was quite high (75.35%). Some banks even had a larger board size, with 7 members, and a high ISR index (77.67%). Therefore, it is suspected that this diversity in board size tends to influence the increase in ISR disclosures contained in annual reports, as the percentage effect is 10.18%. The interpretation is that a larger board of directors means higher ISR disclosures at Islamic banks registered with the Financial Services Authority (OJK) for the 2016-2020 period. The results of the study showed that there was an influence of the size of the Board of Directors on Islamic Social Reporting in Islamic Commercial Banks registered with the OJK for the period 2016-2020. Evidenced by the calculated t value of the variable of the size of the Board of Directors on Islamic Social Reporting with a calculated t value (2.183) > t table (1.677) stated significant at a probability of ρ 0.0034 < α (0.05). The size of the Board of Directors can be interpreted that the variable of the Board of Directors has a positive and significant effect on ISR disclosure. It can be concluded that the number of Board of Directors will affect ISR disclosure in a company. Thus, the Board of Directors has a positive effect on CSR disclosure.

c. The Influence of Board of Commissioners Size on Islamic Social Reporting

The influence of board of commissioners size on Islamic social reporting is due to the varying influence of board size on the Islamic Social Reporting Index (ISR) of each Islamic bank, which varies significantly. The average board of commissioners during the 2016-2020 period was between 3-4 members. Bank Victoria Syariah had the smallest average board size of 3 members and a low ISR index (54.88%). In contrast, Bank Muamalat Indonesia had an average board size of 4-5 members and a higher ISR index (77.67%). Therefore, board size, calculated from the percentage contribution of 15.29%, significantly contributed to the ISR. The interpretation is that a larger board of commissioners indicates a higher ISR disclosure rate in Islamic commercial banks registered with the Financial Services Authority (OJK) for the 2016-2020 period. The study found that the size of the board of commissioners significantly impacted Islamic social reporting in Islamic commercial banks registered with the Financial Services Authority (OJK) for the 2016-2020 period. This is evidenced by the calculated t-value of the board of commissioners variable on Islamic social reporting, with a calculated t-value (2.750) > t-table (1.677), which is significant at a probability of ρ 0.009 < α (0.05). The size of the board of commissioners is the highest internal control mechanism responsible for overseeing the actions of top management. The larger the board of commissioners, the better its oversight. Proper oversight minimizes the potential for management to withhold information and is therefore expected to result in broader ISR disclosure. In this study, the size of the board of commissioners is influential because it effectively carries out its oversight responsibilities, enabling the board of commissioners to disclose ISR.

d. The Effect of Sharia Supervisory Board Size on Islamic Social Reporting

The study found no effect of Sharia Supervisory Board size on Islamic Social Reporting. This is due to the relatively constant size of the Sharia Supervisory Board, which is 2-3 members on average, consistently throughout the period. However, the ISR index varies, and there is a tendency for low Sharia Supervisory Board sizes (2 members) to also have low ISR (<60%). However, banks with Sharia Supervisory Boards with 3 members tend to have higher ISR (>60%), such as Bank Muamalat Indonesia (77.67%), BRI Syariah (60.47%), and BTPN Syariah (75.35%). Therefore, the size of the Sharia Supervisory Board is considered to have no effect on ISR, and therefore cannot be interpreted in this study because the effect is too small at 6.05%. The study concluded that there is no effect of Sharia Supervisory Board size on Islamic Social Reporting in Sharia Commercial Banks registered with the Financial Services Authority (OJK) for the period 2016-2020. Judging from the calculated t value of the Sharia Supervisory Board size variable on Islamic Social Reporting with a calculated t value (1.917) < t table (1.677) it is stated to be insignificant at a probability of ρ 0.062 > α (0.05). This result indicates that the Sharia Supervisory Board variable does not affect Islamic Social Reporting because the number of Sharia Supervisory Boards acting as supervisors in a sharia institution (in this case sharia banking) is relatively the same in each bank, namely between 2-3 people, while the objects supervised in each bank tend to be different. Therefore, the position of the Sharia Supervisory Board regarding ISR disclosure is still less instrumental in supervising banking activities, because in reality banking has not yet fully implemented sharia principles comprehensively in ISR disclosure in Sharia Commercial Banks registered with the OJK for the 2016-2020 period.

e. The Effect of Profitability on Islamic Social Reporting

The study revealed no effect of profitability on Islamic Social Reporting due to the varying ROA values across periods. The lowest was BJB Syariah (ROA -2.45%) with an ISR of 59.53%), while the highest was BTPN Syariah (ROA 10.66%) with a high ISR of 75.35%). Therefore, it is suspected that this difference in profitability is not directly proportional to the contribution of the influence on ISR, with the range of values fluctuating too much. Therefore, it cannot be interpreted because the effect of profitability on ISR is too small, at only 1.69%. The results of the study showed that there was no effect of profitability on Islamic Social Reporting in Islamic Commercial Banks registered with the OJK for the 2016-2020 period, as seen from the calculated t value of the profitability variable on Islamic Social Reporting with a calculated t value (1.037) < t table (1.677) insignificant with a probability of ρ 0.305> α (0.05). Company profitability does not have a significant effect on the level of disclosure of Islamic Social Reporting, so it also does not affect the disclosure of social responsibility.

f. The Effect of Leverage on Islamic Social Reporting

The lack of leverage on Islamic Social Reporting is evident from the lowest DER ratio, which is BTPN Syariah (DER 1.01%) with a high ISR (73.75%). The highest is Bank Muamalat (DER 12.10%), with an even higher ISR (77.67%). Therefore, the DER is not directly proportional to the ISR, making it uninterpretable. Besides the negative effect, the effect of 0.67% on ISR disclosure at Islamic Commercial Banks registered with the Financial Services Authority (OJK) for the 2016-2020 period is too small. The results of the study showed that there was no influence of leverage on Islamic Social Reporting in Islamic Commercial Banks registered with the OJK for the 2016-2020 period, as seen from the calculated t value of the leverage variable on Islamic Social Reporting with a calculated t value (-0.621) < t table (1.677) which was not significant, besides the probability ρ 0.538 > α (0.05). Thus, Leverage does not have a significant influence and does not have a positive relationship with ISR disclosure.

V. Conclusion

As a crystallization of the research results regarding the analysis of the influence of good corporate governance and financial performance on Islamic Social Reporting (ISR) disclosure in Sharia Banks registered with the Financial Services Authority (OJK) for the 2016-2020 period, the following conclusions are drawn:

a. The size of the Board of Commissioners has a significant effect on Islamic Social Reporting.
b. The size of the Board of Directors has a significant effect on Islamic Social Reporting.
c. The size of the Sharia Supervisory Board does not have a significant effect on Islamic Social Reporting.
d. Profitability does not have a significant effect on Islamic Social Reporting.
e. Leverage does not have a significant effect on Islamic Social Reporting.
f. The size of the Board of Directors, Board of Commissioners, Sharia Supervisory Board, Profitability, and Leverage simultaneously have a significant effect on Islamic Social Reporting.

The findings of this study indicate that stakeholder and legitimacy theories receive strong support from the F-test model. Therefore, the results demonstrate the legitimacy of corporate governance in this study. The results also demonstrate that the size of the Board of Directors and Board of Commissioners is the dominant variable in this study, as it has the highest standardized beta value. This result indicates that ISR is supported by the company's sustainable core performance, thus establishing a going concern status.

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