PUBLIC EXPENDITURE MANAGEMENT IN INDONESIA:
Islamic Economic Review on State Budget 2017
Aan Jaelani

ECONOMIC INDEPENDENCE OF PESANTREN:
The Study at Pekalongan Region
M. Nasrullah, Kuat Ismanto, Nalim

DO GOVERNMENT AND PRIVATE SHARIA COMMERCIAL BANKS PRACTICE SIMILAR FINANCIAL SOCIAL RESPONSIBILITY DISCLOSURE?
Nurdin, Mir’atun

State Institute for Islamic Studies (IAIN) Palu Central Sulawesi
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Printed Journal Subscription Information

Institution Rp 100,000,00 /issue; Rp 1,100,000,00/year
Individual: Rp. 60,000,00 /issue; Rp. 600,000,00/year
Outside Indonesia (individual or institution) $60/month; $600/year
For detail information of printed journal subscription, feel free to contact the journal manager at hunafajournal@gmail.com.

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Editorial Preface

This issue (Vol. 15 issues 2) of Hunafa: Jurnal Studia Islamika offers eight articles covering topics of Islamic economic. Various issues relating to Islamic economic are presented interestingly to contribute to the body of knowledge and practices. Academia and practitioners in Islamic economic may gain insight from reading these articles.

The first article is titled *Public Expenditure Management In Indonesia: Islamic Economic Review On State Budget 2017* by Aan Jaelani from Fakultas Syariah dan Ekonomi Islam IAIN Syekh Nurjati Cirebon. This paper discusses the management of public expenditures in Indonesia in State Budget 2017 from the theory of public expenditures, and the theory of public goods, then the author compared with the theory of public expenditure in Islamic economics. Public expenditure management in Indonesia has implemented a distribution system that divided public expenditure for central government expenditures, transfers to the regions, and the village fund.

The second article in the issue is titled *IKI SAE MAS as an Integrated Soft Skills Concept from The Qur’an and Sunna Perspective* by Aries Musnandar Universitas Islam Raden Rahmat (UNIRA) Malang. This paper highlights the function of instructional management of soft skills to the success of students’ performance. The study employs a qualitative research method with multiple case study design, in which a meaning-making activity is underlined as the first objective of interpretive research in understanding social phenomena of education activities.

The third article is titled *Economic Independence Of Pesantren: The Study at Pekalongan Region* by M. Nasrullah, Kuat Ismanto, and Nalim Nalim from Fakultas Ekonomi dan Bisnis Islam IAIN Pekalongan. The article describes the economic map of Pesantren in Pekalongan region. The study found that almost all Pesantren in Pekalongan region have a business unit. The existing business
unit, mostly engaged in trade. The businesses itself is oriented to meet the internal needs of religious school, especially students.

The fourth article is by Mohammad Jeffry Maulidi BPN Praya Lombok Tengah. The article is titled *Halal Tours As The Form Of Islamic Civilization Progress: Special Economic Zone Mandalika Lombok*. The article discusses the implementation of da’wah in Halal tourism in Special Economic Zones (KEK) in Lombok. The application of Islamic cultural values through social construction and approach of education Sunnah can improve progress and contribution to society and quality of facilitation of educational development to increase understanding source of human power.

The fifth article is titled *Do Government And Private Sharia Commercial Banks Practice Similar Financial Social Responsibility Disclosure?* by Nurdin Nurdin and Mir’atun Mir’atun from Institut Agama Islam Negeri (IAIN) Palu, Sulawesi Tengah. The article discusses the differences between government and private owned sharia banks using six sharia banks samples. The sample was purposively selected from Indonesian Bank website. The data analysis shows that all three variables; independent commissioners, boards of directors, and sharia supervisory boards are significantly impacted the companies’ corporate social responsibility practices.

The sixth article is titled *Islamic Economic Model in Reducing Gap of Growth and Unemployment* by Sumar’in Sumar’in and Iwan Kusnadi from Institut Agama Islam Sultan Muhammad Syafiuddin Sambas. The article discusses the effect of economic growth on unemployment. The article concludes that there is a negative influence toward economic growth in the rate of Indonesia and unemployment in 1998-2018. Economic development in Islamic economy perspective focuses on three elements such as forbidden interest (*ribā*) as instrument financial, optimization zakat and characteristics of an element of spiritual, moral, and material.

The seventh article is titled *Creative Economic Management Of Tangkit Lama Village Sungai Gelam Sub-District Muara Jambi District* by
Sumarto Sumarto from STAI Ma’arif Jambi. The article discusses the reality of the village of Tangkit Lama in Muara Jambi Regency in developing creative economic activities.

The last article is titled *Debt Policy Analysis as a Mediation of Financial Distress Predictions for Companies Registered at The Jakarta Islamic Index (JII) In 2013-2016* by Witri Aulia Maudy and Hendri Tanjung from Universitas Ibn Khaldun Bogor. The article discusses the effect of Debt Policy (DER) on Financial distress (Altman Z-score Modification) and the influence of Managerial Ownership (MOWN), Dividend Policy (DPR), Profitability (ROA), Liquidity (CR), Company Size (SIZE), to the Debt and Financial distress Policy.

I hope the articles presented in this issue adds further empirical evidence to the growing body of research that examines economic in the Islamic context. The articles could trigger other research related to Islamic economic across economic institutions in Indonesia.

*Nurdin Nurdin*
*Editor-in-Chief*

*HUNAFA: Jurnal Studia Islamika XV, II*
DO GOVERNMENT AND PRIVATE SHARIA COMMERCIAL BANKS PRACTICE SIMILAR FINANCIAL SOCIAL RESPONSIBILITY DISCLOSURE?

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Abstract. Previous studies highlight the relationship between Corporate Governance and Corporate Social Responsibility. Good corporate governance has been found significantly influence the level of a company social responsibility whether in conventional or Islamic companies context. Most of the studies focus of the studies focus on conventional banks or Islamic banks belong to the government or private actors. However, limits or even none of the studies has tried to compare the impact of corporate governance on social responsibility between government and private owned sharia banks. Through the quantitative method, we studied the differences between government and private owned sharia banks using six sharia banks samples. The sample was purposively selected from Indonesian Bank website. Our data analysis shows that all three variables; independent commissioners, boards of directors, and sharia supervisory boards are significantly impacted the companies’ corporate social responsibility practices. Even though the difference between government and private owned sharia banks in social responsibility practices is not significant, the result shows that the level compliance of government sharia banks towards social responsibility is higher than private sharia banks. This might prove that government sharia banks might more commitment to social welfare than private sharia banks. Future research with more samples and variables might be required to make the finding more valid.

Abstrak. Sejumlah penelitian sebelumnya sudah mengkaji hubungan antara Tata Kelola Perusahaan dan Tanggung Jawab Sosial Perusahaan. Penelitian tersebut menemukan bahwa tata kelola perusahaan yang baik berpengaruh secara signifikan terhadap tingkat tanggung jawab sosial perusahaan. Namun sebagian besar penelitian tersebut berfokus pada bank konvensional saja atau bank syariah saja baik milik pemerintah atau

**Keywords**: corporate governance, corporate social responsibility, sharia banks, comparison

DOI: https://doi.org/10.24239/jsi.v15i2.520.285-321

**Introduction**

Corporate governance is very important for a company because it is related to transparent financial reporting). A number of experts (For example Bonazzi and Islam, and Gibbs) consider the emergence of corporate governance because it is related to agency theory which views that in a company there are two interacting parties namely management as an agent and the owner as principal. In this case, the management (agent) is more aware of the actual situation regarding the company than the owner.

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1 In determining the corporate governance, it is translated into Good Corporate Governance/GCG.

Corporate governance is regulated based on the principle of separation between management and ownership to maintain reputation and transparency.\(^3\)

From the perspective of the organization, corporate governance is closely related to public policy because existing laws, regulations, and institutions are important sources for the establishment of a corporate\(^4\) governance framework. In this research, corporate governance is defined as a system where a company is directed and supervised by parties involving board of directors, shareholders, and auditors.\(^6\)

The company’s goal in implementing good corporate governance (GCG) is to build a corporate image and fulfill responsibilities to shareholders, the public and employee welfare.\(^7\) Therefore, GCG is very much needed in the development of a company so that the company increases its success both within the company itself and in the community.

Good corporate governance (GCG) and corporate social responsibility (CSR)\(^8\) are two concepts that grew and developed at the same time at the beginning of 2000. The concept of GCG and CSR

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\(^8\) Tanggung Jawab Sosial also in this paper is translated into Corporate Social Responsibility/CSR.
concerns business activities in their relationship with the community and is a widespread concern among academics, practitioners, NGOs and business actors inside and outside. The financial crisis that befell several countries has an impact on society and the social environment, due to the low social awareness of the company. The result is the idea of implementing good corporate governance and disclosure of corporate social responsibility information that is expected to increase economic growth along with the transparency of the company's management that is getting better and later benefiting many parties.

The link between corporate governance and corporate social responsibility has been widely discussed by previous researchers such as Poundel, Said and Haron, and Furtado, Araujo and Moreira. Their research focuses more on commercial banks whose management principles are based on commercial values and capitalism. In the world of Islamic banking, there are also a number of studies, such as Riadi, Sudaryati and Eskadewi, Abduh and

Nurdin et al., *Do Government and Private Sharia..*

AlAgeely,\(^{16}\) and Allali\(^{17}\) that examine the relationship between Islamic banking corporate governance and the level of corporate social responsibility disclosure. However, studies comparing corporate governance to corporate social responsibility between there are no government-owned sharia public banks owned by the private sector.

For this reason, this study will examine the effect of corporate governance on corporate social responsibility in two groups of Islamic banks, namely government-owned and privately owned Islamic banks. With this research, it is hoped that Islamic banks will be able to know which level of disclosure of corporate social responsibility is higher. Thus, new policies will be made which will further encourage general Islamic banks whose CSR levels are still low to be improved. This research is important because the culture and ownership of the two groups of banks are different, namely private Islamic banks whose ownership is public and their governance are fully independent, while the government-owned Islamic banks are mostly owned by the government, whose governance is of course influenced by the government’s policy.

In conducting this research, researchers will try to answer the question: Is there a difference in the influence of corporate governance on disclosure of social responsibility in public and private Islamic banks? Then whether the independent board of commissioners, board of directors, and sharia supervisory board influence disclosure corporate social responsibility at the public and private-owned sharia bank?

The benefits of this research are expected to be able to provide information to the government and the public regarding the level of disclosure of corporate social responsibility on public


and private Islamic banks so that future policies can be formulated related to social responsibility in a better and more equitable manner for economic development sustainable.

As a reminder, this paper is written in the following structure. After this introductory section will be presented a literature review is then followed by the development of the hypothesis in the third section. In the fourth section, the author discusses the method used in this study. Then in the fifth part, the results and discussion will be presented. While the conclusions and limitations of this study will be discussed in the sixth and seventh sections. In the last section, a summary is presented for future research.

**Previous Study**

There are a number of studies related to research related to the link between good corporate governance and corporate social responsibility both research in general commercial banking such as Poudel18 and Khan19 Meanwhile, relevant research related to the relationship between good corporate governance and disclosure of social responsibility in Islamic banking has also been done before.20 However, none of these studies have compared general Islamic banks government property with private property.

The research conducted by Dwi Sudaryati and Yunita Eskadewi regarding the influence of corporate governance on the level of disclosure of corporate social responsibility at Bank Islam Malaysia Berhad found that Islamic governance has a significant positive influence on the level of disclosure of corporate social

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18 R. L. Poudel, “Relationship Between Corporate Governance,” 137.
responsibility. While the proportion of IAH (Investment Account Holder) has a negative influence that is not significant to the level of disclosure of corporate social responsibility. Control variables in the form of company size and social conditions used in this study also have a significant positive effect on the level of disclosure of corporate social responsibility. This study also concluded that the influence of social conditions on the level of disclosure of corporate social responsibility proves that accounting is not a value-free science.

Meanwhile, research conducted by Abduh & AlAgeely\textsuperscript{21} in a number of Islamic banks in the gulf countries found that there was a significant influence of the independent board on the level of disclosure of social responsibility. This study uses data from annual reports from 17 Islamic banks in Gulf countries from 2007 to 2011. However, the size of the company which is one of the variables of this study does not affect the disclosure of social responsibility in Islamic banking in these countries.

While the research conducted by Amirul Khoirudin\textsuperscript{22} uses all Islamic banks in Indonesia. Their research found that the size of the board of commissioners and the size of the sharia supervisory board simultaneously had a positive effect on the disclosure of Islamic social reporting of Islamic banking in Indonesia. The variable size of the board of commissioners has a positive effect on the disclosure of Islamic social reporting of Islamic banking in Indonesia. While the variable size of the sharia supervisory board did not affect the disclosure of Islamic social reporting of Islamic banking in Indonesia.

**Corporate Governance**

There are various interpretations of corporate governance (GCG) that have been put forward by experts. For example Alijoyo\textsuperscript{23} defines good corporate governance as follows:

\textsuperscript{21} Ibid., 14.
\textsuperscript{22} A. Khoirudin, “Corporate Governance,” 227.
Governance refers to check and balance mechanism to assure the best interest of company (firm) is upheld by all decision makers effectively - especially at the board, senior management and (controlling) shareholders - which would become the foundation of all corporate decisions and actions in fulfilling their corporate mission-vision toward triple bottom line objectives (Profit/Economic Value, People/Social Value, and Planet/Environmental Value).

Then Setyowati, Zahra, and Endang\textsuperscript{24} said that the emergence of the concept of good corporate governance is an answer to the dissatisfaction of scientists in the financial sector for the performance of agency theory in the empirical level, even the elements that help the implementation of good corporate governance are no longer derived from agency theory, namely: companies, board of commissioners, shareholders, and lenders, but more related to information, transparency, accountability, and openness of the company.

**Purpose And Benefits Of Good Corporate Governance (GCG)**

Fauzi and Suransi\textsuperscript{25} said that the purpose of GCG, in essence, is to create added value for all interested parties. The other objectives of the implementation of GCG are to encourage the decision-making process and actions to be based on high moral values and compliance with applicable laws and regulations, as well as awareness of social responsibility towards stakeholders.

The benefits of good corporate governance according to Retno and Priantinah\textsuperscript{26} include companies will be easier to increase


\textsuperscript{26}R. D. Retno and D. Priantinah, “Pengaruh Good Corporate Governance Dan Pengungkapan Corporate Social Responsibility Terhadap Nilai Perusahaan
capital, can reduce capital costs, improve business performance and economic performance, and have a good impact on stock prices. The existence of a corporate governance mechanism is expected to control management’s behavior so that the management of the company can be carried out openly / transparently.

**Corporate Social Responsibility**

The existence of a company in the community is not only for business purposes but is also expected to be able to improve the welfare of the people around it. Every company needs to have social responsibility, both dealing with the environment of its business organization and with its community environment. From the economic aspect, the company must be oriented to get profit and from the social aspects of the company must contribute directly to the community. In other words, the company needs to realize that whatever it does is a reaction or demand from the environment or vice versa is an attempt to influence its environment. Responsibility is the obligation to carry out all obligations/duties charged to him as a result of the authority received or possessed.

Sudana and Arlindinia said that corporate social responsibility (CSR) is an organization’s responsibility for the impact of its decisions and activities on society and the environment, which are manifested in the form of transparent and

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ethical behavior, which is in line with sustainable development and community welfare, considering stakeholder expectations, in line with established laws and international behavioral norms, and integrated with the organization as a whole. Eoziani and Sofie\textsuperscript{31} further explained that social responsibility is the process of communicating the social and environmental impacts of the organization’s economic activities towards specific groups of interests and to the entire of community.

There are various reasons for a company to carry out its social responsibilities which according to Bajra, Arifin, and Sunatri include:

1. Corporate social involvement with the community in fulfilling the call that they have a sensitivity to social problems in the community.

2. Improve the good name of the company (company image), the sympathy of the community, employees, and investors, so as to expect feedback economically.

3. Avoid government interference in protecting the public.

4. Increase the positive response, norms, and values of the community in accordance with the wishes of investors.

5. Helping government programs such as conservation, cultural preservation, improving education, employment and so on.

The benefits obtained by the company by carrying out CSR activities are increasing sales and market share, strengthening brand positioning, increasing the company’s ability to motivate and maintain employees, and reduce operating costs.\textsuperscript{32}


Framework And Hypotheses

In this section, a framework will be developed that will guide this research in data collection and data analysis. In this part of the framework, the hypothesis is also formulated as a temporary answer to this study. The formulation of the hypothesis is formulated based on a study of existing theories.

1. Position of the Independent Board of Commissioners

According to Bank Indonesia Circular Number 15/15/DPNP dated 29 April 2013 it is said that at least 50% (fifty percent) of the total members of the Board of Commissioners are Independent Commissioners. The task of the Independent Board of Commissioners is to carry out the task of ensuring the implementation of GCG principles in each of the Bank’s business activities at all levels or levels of the organization. While previous research, for example, Khoirudin,33 and Sudaryati and Eskadewi34 have found that GCG is closely related to the disclosure of social responsibility in Islamic banking. For this reason, the hypothesis is formulated as follows:

H1 Independent commissioners have an influence on disclosure of social responsibility in sharia public banking

2. Position of the Board of Directors

The influence of the position of the editorial board on the performance of a company is very heavy, especially on financial performance.35 People who sit on the editorial board have the right competence and high integrity can direct a company to carry out its obligations properly. The board of directors has the main responsibility in corporate governance that includes the existence

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of a mechanism to protect the interests of shareholders and ensure that the mechanism is implemented.\textsuperscript{36}

The board of directors individually and collectively can carry out their duties efficiently and effectively so that the management of a bank can run well.\textsuperscript{37} The board of directors in Islamic banks perform the function of supervision in good faith, prudence and responsibility. Errors and omissions of the Board of Commissioners which cause losses to the company must be accounted for by the Board of Commissioners even to personal accountability.\textsuperscript{38} Thus the bank’s obligation to fulfill social responsibility can be fulfilled as mandated by government regulations.

For this reason, the hypothesis regarding the position of the editorial board in the disclosure of sharia banking responsibilities can be formulated as follows:

H2 The board of directors has an influence on the disclosure of corporate social responsibility

3. Position of the Sharia Supervisory Board

Islamic banks adhere to Islamic values in carrying out their business. Islamic values both in the Qur’an and in the hadith are implemented in the principle of their business. Likewise, policies related to Islamic Social Reporting are influenced by the values in the Qur’an, such as from Sura 2: 177 giving love to relatives, orphans, poor people, people who are on the way (traveler) ... (Qur’an, [2]: 177).\textsuperscript{39} With the functioning of the Sharia Council in


monitoring the operations of Islamic banking in accordance with Islamic values and regulations, Islamic banking will be able to realize better social responsibility. In this case, the Sharia Council has the authority to approve and ratify a sharia bank product that is to be launched by Islamic banking so that it is in accordance with the principles of Islam. For this hypothesis, the variable position of the sharia supervisory board is formulated as follows:

**H3** The Sharia Supervisory Board has an influence on the disclosure of corporate social responsibility

4. Differences in CSR in Government and Private Sharia Commercial Banks

Although there has been no research comparing the level of social responsibility between the government-owned and private Islamic banks, but there have been studies that compare the level of disclosure of social responsibility between government-owned and private-owned conventional commercial banks. The research conducted by Janah found that the level of social responsibility disclosure at government-owned commercial commercial banks was lower compared to private commercial banks. The low level of disclosure of social responsibility in state-owned commercial banks is alleged because private banks are more expected to increase profits, while the government expects to maintain the country’s economic stability and welfare of the people. To continue to get high profits, private banks must maintain compliance with the rules to maintain the trust of their stakeholders. One of them

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is obeying the rules regarding the obligation to disclose banking social responsibility.

But instead research conducted by Guo, Sun and I on a number of state-owned and private-owned companies in China found that state-owned companies had a better level of social responsibility disclosure than private companies. This difference could be because the context of the country that is different from Indonesia is that China is more socialist. But this difference can also be a source of reference in formulating the fourth hypothesis. For this reason, the next hypothesis is formulated as follows:

**H4** There are differences in the disclosure of Islamic social reporting responsibilities on publicly owned Islamic banks and on government-owned general Islamic banks

Thus the framework of this research consists of independent variables in the form of three proxies that represent good corporate governance, namely the independent board of directors, god directors and sharia supervisory boards. In addition, there is also a dependent variable, namely the disclosure of social financial responsibility. The framework of this research can be seen in figure 1 below.

![Research Framework](image)

**Figure 1. Research Framework**

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Research Method

This research uses a type of quantitative research. Quantitative research is a research that has a positivist paradigm in which researchers believe that the truth is out there and independent so that it can produce objective results such as Crotty\textsuperscript{43} and Orlikowski and Baroudi.\textsuperscript{44} Thus the acquisition of truth in this study can be done without having to interact directly. In other words, data for research can be obtained without the need to interact directly with humans. In this case, the research will collect data from various official documents on each bank’s website and also from the site of Bank Indonesia.

The population in this study are all Islamic commercial banks in Indonesia which were recorded up to 2016, which amounted to three eleven Islamic Commercial Banks.\textsuperscript{45} However, this study only took six samples, each of which was 3 from the general government-owned Islamic banks and 3 from the private sector. Samples were taken using purposive sampling technique with the aim to be relevant to the research objectives, in accordance with predetermined criteria.\textsuperscript{46} The criteria used to determine the sample are as follows (1) sharia commercial banks registered with the Bank Indonesia directory for the period 2012-2015, (2) issuing annual reports for the period 2012-2015, (3) sharia commercial banks that include the composition of independent commissioners board of directors and sharia supervisory board for the period 2012-2015, (3) Banks sampled are divided into two categories, namely (i) government-owned sharia commercial banks (ii) privately owned Islamic commercial banks, and implementing CSR. Based on these criteria, there were 8 (eight) sharia commercial


\textsuperscript{45} OJK. (2017). \textit{Statistik Perbankan Syariah} Jakarta: Otoritas Jasa Keuangan

banks, namely Bank Negara Indonesia Syariah, Bank Syariah Mandiri, Bank Rakyat Indonesia Syariah, Mega Indonesia Syariah Bank, Bank Muamalat Indonesia, and Bank Central Asia Syariah.

The primary data in this study are annual report data that has been audited. To obtain primary data the researcher conducts a search that can be accessed through Bank Indonesia publication reports relating to the object under study and the annual report of each Islamic bank on the bank’s website. General sharia owned by the government and private property. Data is also collected from the Bank Indonesia website. While secondary data collected through literature is done by searching for relevant literature books, conducting searches of national and international journals to support this research, especially those relating to GCG. Data analysis is done by analyzing content where researchers allow collecting data from various economic media and analyzing these data to give birth to certain meanings.47

While hypothesis testing is done by multiple linear regression models. In this study, four classic assumption tests are used, namely normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Data collected was analyzed using statistical analysis tools, namely multiple regression analysis. Multiple regression analysis is a technique that aims to measure functional relationships between two or more variables. Multiple regression analysis is used to determine how the dependent variable can be predicted through independent variables or predictors, partially or simultaneously. This aims to explain the pattern of relationships between variables. variable. As for the multiple regression formula in this study is $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$

In this study also conducted a different t-test to determine the differences in the level of disclosure of social responsibility in public and private owned Islamic banks. Different test t-test is an analytical tool used to determine whether two unrelated samples

have different mean values. The purpose of the different t-test is to compare the average of two groups that are not related to one another, whether the two groups have the same average value or are not significantly different. All data analysis techniques in this study were carried out with the help of Statistical Package Social Science (SPSS) computer program version 16.0 for Windows.

Result and Discussion

1. Government Sharia Commercial Banks

Descriptive Statistics

The variables used in the mini-study include the proportion of independent commissioners, the size of the board of directors, and the size of the sharia supervisory board as independent variables. The dependent variable is corporate social responsibility as measured by the ISR. These variables will be tested descriptively like the following:

<table>
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<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
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<td>.5</td>
<td>2.0</td>
<td>1.058</td>
<td>.5107</td>
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<tr>
<td>Director Board</td>
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<td>8.0</td>
<td>4.917</td>
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</tbody>
</table>

The average value of the independent board of commissioners is 1.058, the minimum independent board of commissioners is 0.5 and the board of independent commissioners is a maximum of 2.0 while the standard deviation of the independent board of commissioners is 0.5107. While the average value of the board of directors is 4.917, the minimum board of directors is 3% and the board of directors is a maximum of 8.0 while the standard deviation of the board of directors is 1.4434.

The average value of the sharia supervisory board is 2,333, the minimum independent board of commissioners is 2.0 and the
sharia supervisory board is a maximum of 3,0 while the standard deviation of the sharia supervisory board is 0.4924. While the mean level of CSR disclosure is 59.833, minimum CSR is 44.0 and CSR is a maximum of 74.0 while the standard deviation of independent commissioners is 10.4606. This condition shows that on average the government-owned Islamic banks in Indonesia reveal 30 items out of 50 items of CSR disclosure.

**Testing of Classical Assumptions**

The classic assumption test is intended to obtain a regression model with unbiased estimates. The following is the result of testing that has been done:

**Normality Testing**

<table>
<thead>
<tr>
<th>Normal Parameters</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>9</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean .0000000</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation .04679240</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute .141</td>
</tr>
<tr>
<td></td>
<td>Positive .141</td>
</tr>
<tr>
<td></td>
<td>Negative -.113</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>.424</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.994</td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.

The result of normality testing (testing of Kolmogorov-Smirnov) on the table above shows that the value of asymp.sig is 0.994, This proves that the value of sig is higher than the trust level ($\alpha=0.05$). It can be concluded that $H_a$ is rejected and $H_0$ is accepted so that residual data is normally distributed.
Multicollinearity Test

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
</tr>
<tr>
<td>Independent Comisioner Board</td>
<td>.506</td>
</tr>
<tr>
<td>Director Board</td>
<td>.296</td>
</tr>
<tr>
<td>Sharia Supervisory Board</td>
<td>.231</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ISR

In the table above the VIF value is less than 10 and tolerance is more than 0.1, which means that the regression model does not contain multicollinearity.

Heteroscedasticity Test

The results of heteroscedasticity (Glejser test) in the table above shows that none of the independent variables has a sig value below the value of α (0.05). Therefore, it can be concluded that the regression model has no symptoms of heteroscedasticity.

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Sig.</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>20.701</td>
<td></td>
</tr>
<tr>
<td>Independent Comisioner Board</td>
<td>6.860</td>
<td></td>
</tr>
<tr>
<td>Director Board</td>
<td>3.898</td>
<td></td>
</tr>
<tr>
<td>Sharia Supervisory Board</td>
<td>11.786</td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: ISR
Autocorrelation Test

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.816a</td>
<td>.666</td>
<td>.466</td>
<td>.0592</td>
<td>2.823</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Dewan Pengawas Syariah, Dewan Komisaris Independen, Dewan Direksi

b. Dependent Variable: ISR

The DW value is 2.823, after being compared with the table value by using a 5% confidence level, the number of samples 12 and the number of independent variables 3, then in the Durbin Watson table, the value will be 1.864. Because the DW value of 2.823 is greater than the upper limit (du) 1.864, it can be concluded that there is no positive autocorrelation in the regression model.

Hypoteses Test

Hypothesis testing is steps or procedures carried out with the aim of deciding whether the hypothesis is accepted or rejected. In detail, the results of testing the hypothesis are described as follows:

**Determination Coefficient Test (R2)**

The first hypothesis testing is done by looking at the regression coefficient in the summary model. The coefficient of determination (R2) essentially measures how far the model’s ability to explain the variation of the dependent variable. The coefficient of determination used is the value of the coefficient of determination adjusted or adjusted R2. The adjusted R2 value ranges from 0 to 1, the value is closer to number 1, the influence of the independent variable on the dependent variable is getting tighter. The adjusted R2 value is presented in the following table:
Adjusted R2 is calculated by multiplying the adjusted R2 by 100% (adjusted R2 x 100%). Based on the table, adjusted R2 is 0.466 or 46.6%. The adjusted R2 value means that the percentage of the contribution of the effect of the variable Good Corporate Governance on ISR Disclosure is 46.6%, while the remaining 53.4% is influenced by other variables not used in this study. The test results also show an R-value or a correlation coefficient that shows the magnitude of the relationship between the independent variable and the dependent variable. R-value of 0.816 shows a fairly strong relationship between the dependent variable and the independent variable. The more the value of R approaches 1, the stronger the relationship between the dependent variable and the independent variable.

**F Test**

The F test is conducted to determine whether the variables used in the regression model have a significant effect on ISR. All variables are tested together. If the independent variable has an influence simultaneously on the dependent variable, the regression equation model is included in the criteria of fit or fit. Conversely, if there is no simultaneous influence, then it falls into the category of non-fit or non-fit. The F Test Results are as follows:
ANOVA\(^b\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>.035</td>
<td>3</td>
<td>.012</td>
<td>3.329</td>
<td>.114</td>
</tr>
<tr>
<td>Residual</td>
<td>.018</td>
<td>5</td>
<td>.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>.052</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(a\) Predictors: (Constant), Sharia Supervisory Board, Independent Commission Board, Director Board

\(b\) Dependent Variable: ISR

The output of ANOVA in the \(Y\) ISR Simultaneous Regression model table, \(F\) count is 0.699 and \(F\) table with \((df) n_1 = 3\) and \(n_2 = 8\) is 4.07. \(F\) count is greater than \(F\) table \((3.329 < 4.07)\) so that simultaneous good corporate governance does not affect the disclosure of corporate social responsibility in government-owned Islamic public banks. Simultaneous influence can also be seen by comparing the Sig. with \(\alpha\). Based on the table above, the Sig value is obtained at 0.114 above \(\alpha = 0.05\), it can be concluded that there is also no significant effect between the variables of good corporate governance on disclosure of corporate social responsibility.

**T test**

The \(t\) test is used to find out whether each independent variable forming the regression model individually has a significant influence on the disclosure of corporate social responsibility. Does the variable have a significant influence on the dependent variable or not. The \(t\) test results are as follows:
The results of partial testing (t test) between independent commissioners and CSR disclosure show the value of t count of -2.844 with a significance value of 0.036 which is smaller than $\alpha = 0.05$. This means that independent commissioner variables have a positive and significant effect on CSR disclosure. It can be concluded that the number of independent commissioners will influence the disclosure of CSR in a company. Thus the H1 “Independent Commissioner has a positive effect on CSR disclosure” is accepted.

The results of partial testing (t test) between the board of directors and CSR disclosure show that the value of t count is 0.754 with a significance value of 0.485 which is greater than $\alpha = 0.05$. This means that the board of directors variable has a negative and not significant effect on CSR disclosure. It can be concluded that any number of board items will not affect the disclosure of CSR in a company. Thus H2 “The Board of Directors has a positive effect on CSR disclosure” is rejected.

The results of the partial test (t test) between the sharia supervisory board and CSR disclosure show the value of t count of -1.031 with a significance value of 0.350 which is greater than $\alpha = 0.05$. This means that the variable sharia supervisory board has a negative and not significant effect on CSR disclosure. It can be concluded that any number of sharia supervisors will not affect the disclosure of CSR in a company. Thus H3 “Sharia Supervisory Board has a positive effect on CSR disclosure” rejected.
2. Private Sharia Commercial Bank

Descriptive Statistics

The variables used in the mini-study include the proportion of independent commissioners, the size of the board of directors, and the size of the sharia supervisory board as independent variables. The dependent variable is corporate social responsibility as measured by the ISR. These variables will be tested descriptively like the following:

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Independent Commissioner Board</td>
</tr>
<tr>
<td>Director Board</td>
</tr>
<tr>
<td>Sharia Supervisory Board</td>
</tr>
<tr>
<td>ISR</td>
</tr>
</tbody>
</table>

The average value of the independent board of commissioners is 1.750, the minimum independent board of commissioners is 0.3 and the independent board of commissioners is a maximum of 3.0, while the standard deviation of the independent board of commissioners is 1,1008. While the average value of the board of directors is 4,250, the minimum of a minimum is 3.0 and the board of directors is a maximum of 7.0 while the standard deviation of the board of directors is 1.2881.

The average value of the sharia supervisory board is 2,667, the minimum independent board of commissioners is 2.0 and the sharia supervisory board is a maximum of 3.0 while the standard deviation of the sharia supervisory board is 0.4924. While the mean level of CSR disclosure amounted to 58,333CSR minimum of 48,0 and CSR maximum of 72,0 while the standard deviation of the independent board of commissioners was 7,1774. This condition shows that on average the government-owned Islamic banks in Indonesia reveal 30 items out of 50 items of CSR disclosure.
Classic Assumption Test

The classic assumption test is intended to obtain a regression model with unbiased estimates. The following is the result of testing that has been done:

Normality Test

<table>
<thead>
<tr>
<th>Normal Parameters</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute</td>
<td>.235</td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>.235</td>
<td></td>
</tr>
<tr>
<td>Negative</td>
<td>-.195</td>
<td></td>
</tr>
</tbody>
</table>

Kolmogorov-Smirnov Z: .705
Asymp. Sig. (2-tailed): .702

a. Distributional test is Normal.

The normal results (Kolmogorov-Smirnov test) in the table above show that the asymp value is 0.702, this indicates that the sig value is greater than the value of the confidence level (α = 0.05). Therefore it can be concluded that Ha is rejected and accepts Ho so that the residual data is normally distributed.

Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
</tr>
<tr>
<td>Independent Comissioner Board</td>
<td>.668</td>
</tr>
<tr>
<td>Director Board</td>
<td>.294</td>
</tr>
<tr>
<td>Sharia Supervisory Board</td>
<td>.295</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ISR
In the table above the VIF value is less than 10 and tolerance is more than 0.1, which means that the regression model does not contain multicollinearity.

**Heteroscedasticity Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sig. Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>6.753</td>
</tr>
<tr>
<td>Independent Commission Board</td>
<td>1.324</td>
</tr>
<tr>
<td>Director Board</td>
<td>1.620</td>
</tr>
<tr>
<td>Sharia Supervisory Board</td>
<td>3.956</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ISR

The results of heteroscedasticity (Glejser test) in the table above shows that none of the independent variables has a sig value below the value of α (0.05). Therefore it can be concluded that the regression model has no symptoms of heteroscedasticity.

**Auto Correlation**

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.840a</td>
<td>.705</td>
<td>.529</td>
<td>.0318</td>
<td>2.405</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sharia Supervisory Board, Independent Commissioner Board, Director Board
b. Dependent Variable: ISR

The DW value is 2.405, after being compared with the table value by using a 5% confidence level, the number of samples 9 and the number of independent variables 3, then in the Durbin Watson table, the value is 2.128. Because the DW value of 2.405 is greater than the upper limit (du) of 2.128, it can be concluded that there is no positive autocorrelation in the regression model.

3. **Hipoteses Test**

Hypothesis testing is steps or procedures carried out with the aim of deciding whether the hypothesis is accepted or rejected. In detail, the results of testing the hypothesis are described as follows:
Coefisien Determination Test (R2)

The first hypothesis testing is done by looking at the regression coefficient in the summary model. The coefficient of determination (R2) essentially measures how far the model's ability to explain the variation of the dependent variable. The coefficient of determination used is the value of the coefficient of determination adjusted or adjusted R2. The adjusted R2 value ranges from 0 to 1, the value is closer to number 1, the influence of the independent variable on the dependent variable is getting tighter. The adjusted R2 value is presented in the following table:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.840a</td>
<td>.705</td>
<td>.529</td>
<td>.0318</td>
<td>2.405</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sharia Supervisory Board, Independent Comisioner Board, Director Board
b. Dependent Variable: ISR

Adjusted R2 is calculated by multiplying the adjusted R2 by 100% (adjusted R2 x 100%). Based on the table, adjusted R2 is 0.529 or 52.9%. The adjusted R2 value means that the percentage contribution of the effect of the variable Good Corporate Governance on ISR Disclosure is 52.9%, while the remaining 47.1% is influenced by other variables not used in this study. The test results also show an R value or a correlation coefficient that shows the magnitude of the relationship between the independent variable and the dependent variable. R value of 0.840 shows a fairly strong relationship between the dependent variable and the independent variable. The more the value of R approaches 1, the stronger the relationship between the dependent variable and the independent variable.

F Test

The F test is conducted to find out whether the variables used in the regression model have a significant effect on ISR. All variables are tested together. If the independent variable has an influence simultaneously on the dependent variable, the regression equation model is included in the criteria of fit or fit.
Conversely, if there is no simultaneous influence, then it falls into the category of non-fit or non-fit. The F Test Results are as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>441.255</td>
<td>3</td>
<td>147.085</td>
<td>9.383</td>
<td>.005</td>
</tr>
<tr>
<td>Residual</td>
<td>125.412</td>
<td>8</td>
<td>15.676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>566.667</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sharia Supervisory Board, Independent Comissioner Board, Director Board
b. Dependent Variable: ISR

On the output of ANOVA in the Y ISR Simultaneous Regression model table, F count is 0.699 and Ftable with (df) n1 = 3 and n2 = 8 is 4.07. F count is greater than F table (9.338> 4.07) then Ho is rejected. Simultaneous influence can also be seen by comparing the Sig. with α. Based on the table above, the Sig value is obtained. amounting to 0.005 under α = 0.05, it can be concluded that there is also a significant effect between the variables of Good Corporate Governance on disclosure of corporate social responsibility.

**T Test**

The T test is used to determine whether each independent variable forming the regression model individually has a significant influence on the disclosure of corporate social responsibility. Does the variable have a significant influence on the dependent variable or not. The t test results are as follows:
The partial test results (t test) between independent commissioners and CSR disclosures show a value of t count of -3.988 with a significance value of 0.004 which is smaller than $\alpha = 0.05$. This means that independent commissioner variables have a positive and significant effect on CSR disclosure. It can be concluded that the number of independent commissioners will influence the disclosure of CSR in a company. Thus H1 accepted “Independent Commissioner has a positive effect on CSR Disclosure” is accepted.

The results of partial testing (t test) between the board of directors and CSR disclosure show the value of t count of -1.803 with a significance value of 0.109 which is greater than $\alpha = 0.05$. This means that the board of directors variable has a negative and not significant effect on CSR disclosure. It can be concluded that any number of board items will not affect the disclosure of CSR in a company. Thus H2 “the board of directors has a positive effect on CSR disclosure” is rejected.

The results of the partial test (t test) between the sharia supervisory board and CSR disclosure show the value of t count of 3.577 with a significance value of 0.007 which is smaller than $\alpha = 0.05$. This means that the variable sharia supervisory board has a positive and significant effect on CSR disclosure. It can be concluded that the number of sharia supervisory boards will affect the disclosure of CSR in a company. Thus H3 is accepted “sharia
supervisory board has a positive effect on CSR Disclosure” accepted.

**Comparison of Government-Owned and Private Sharia Commercial Banks Disclosures of Financial Social Responsibility**

The results of calculations on comparisons between Islamic social reporting on public and privately owned Islamic banks can be explained in the following table:

<table>
<thead>
<tr>
<th>Group Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUS</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>ISR Government</td>
</tr>
<tr>
<td>ISR Private</td>
</tr>
</tbody>
</table>

In the Independent Samples Test Table, it can be seen that the value of $F$ count = 4.107; $P = 0.055$ because $p$ is 0.05, it can be said that there is no difference in variance in the disclosure data of state-owned and privately owned ISR banks (homogeneous data). The value of $t$ count = 0.410 (sig> 0.05) means that there is no difference in ISR disclosure whether it is a state-owned and private-owned bank. It is also seen in the Group Statistics table that...
disclosure of government-owned ISR is higher than private property (59.83> 58.33), but this difference is not very significant.

**Conclusion**

1. The purpose of this study is to determine the effect of corporate governance on the disclosure of corporate social responsibility (a comparative study of government-owned and privately owned Islamic commercial banks). By using multiple regression analysis methods and different test t-test results of testing on 6 samples of government-owned and privately owned Islamic public banks obtained as follows:

2. The results of the study show that the effect of corporate governance in the case of independent board of commissioners has a positive and significant effect on the disclosure of corporate social responsibility at the government-owned sharia public bank and the independent board of commissioners has a positive effect on the disclosure of corporate social responsibility in privately owned Islamic commercial banks.

3. The results of the study show that the influence of corporate governance in terms of the board of directors negatively affects the disclosure of corporate social responsibility at the government-owned sharia public bank and the board of directors negatively influences the disclosure of corporate social responsibility in privately owned Islamic commercial banks.

4. The results of the study show that the influence of corporate governance in the case of sharia supervisory boards negatively influences the disclosure of corporate social responsibility in the state-owned sharia commercial banks while the sharia supervisory board has a positive and significant effect on disclosure of corporate social responsibility in privately owned Islamic commercial banks.

5. Disclosure of corporate social responsibility in government-owned and privately owned Islamic public banks is different, but the difference is not so significant.
Limitation

This study also has several limitations which include; The sample used in the study only consisted of 3 (three) government-owned Islamic public banks and 3 (three) private owned Islamic banks. Then the variables used to measure good corporate governance only have 3 (three) variables, namely the independent board of commissioners, the board of directors and the sharia supervisory board. This is because of limited time and resources in conducting research.

Future Research

The results of this study found that there was no significant difference between the disclosure of social responsibility in public and privately owned Islamic banks. For this reason, in the future, there needs to be another study that conducts a review with wider samples and variables in order to prove whether there is no significant difference in terms of disclosure of social responsibility in both groups of banks. Although not significant but there is a tendency for government-owned Islamic banks to tend to be higher in the level of disclosure of social responsibility. This needs further proof.

References


Nurdin et al., Do Government and Private Sharia..


