Article Type: Research Paper

The Mediation Role of Productivity in the Effect of Islamic Corporate Governance on Islamic Corporate Social Responsibility Disclosure

Ichsan Setiyo Budi[1]*

Abstract:
Research aims: This study aims to examine the indirect effect of Islamic Corporate Governance (ICG) on Islamic Corporate Social Responsibility Disclosure (ICSR) with productivity as mediation.
Design/Methodology/Approach: This study used secondary data sourced from annual reports, corporate governance reports, and financial reports of Islamic banking in Indonesia for the period 2008 to 2019, with the criteria of Islamic banks (IBs) that have not been established for 12 years, and observations carried out since they were established until 2019. The sampling technique was done by convenience sampling and obtained 121 observations, and research testing employed regression analysis.
Research findings: The results found that banking productivity fully mediated Islamic corporate governance's effect on Islamic Corporate Social Responsibility Disclosure. Thus, good productivity is an absolute requirement that must be fulfilled to carry out a good social function, as reflected in the Islamic Corporate Social Responsibility disclosure.
Theoretical contribution/Originality: This study reaffirms and develops a new model of the relationship between ICG and ICSR disclosure in IBs.
Practitioner/Policy implications: This research was conducted based on stakeholder theory, which is later developed into stakeholder theory from an Islamic perspective.
Research limitation/Implication: First, this study used the ICG variable and the ICSR disclosure, but the researcher did not discuss the quality of disclosure. Second, this study did not test the reliability of the ICSR disclosure.
Keyword: Islamic Corporate Governance; Islamic Corporate Social Responsibility; Productivity

AFFILIATION:
[1] Department of Accounting, Faculty of Economic and Business, Universitas Pembangunan Nasional "Veteran" Yogyakarta, Special Regional of Yogyakarta, Indonesia

***CORRESPONDENCE:**
ichsan.setiyobudi@upnyk.ac.id

THIS ARTICLE IS AVAILABLE IN:
http://journal.umy.ac.id/index.php/ai

DOI: 10.18196/jai.v22i2.10773

CITATION:
Budi, I.S. (2021). The mediation role of productivity in the effect of Islamic corporate governance on Islamic corporate social responsibility disclosure. *Journal of Accounting and Investment*, *22*(2), 254-275.

ARTICLE HISTORY
Received:
07 Jan 2021
Revised:
15 Jan 2021
24 Jan 2021
Accepted:
26 Jan 2021

Introduction

Islam views Corporate Social Responsibility (CSR) as an institutional responsibility based on faith and belief (aqidah), worship, and morals and ethics (akhlaq) grounded on Islamic values (Khurshid, Al-Aali, Soliman, & Amin, 2014). The concept of CSR in Islam includes the dimension of taqwa (God-consciousness), in which the company plays a role and responsibility as servants and representatives in all situations, and this is part of the belief system in Islam, which is the basis of social behavior (Elasrag, 2015).

Business activity in Islam must be in harmony between economic and spiritual activities. Islam has three interconnected dimensions, namely seeking the pleasure of Allah SWT as the primary goal, providing benefits to society, and achieving mutual prosperity (Haniffa, 2002). CSR by IBs is a form of responsibility to stakeholders, while the responsibility to stakeholders in an Islamic perspective is a responsibility that aims to protect all stakeholders' rights and interests (Iqbal & Mirakhor, 2004). IBs face intense pressure to maintain profitability and social responsibility because, in essence, IBs do not only focus on economic benefits alone but must also be responsible and care about social problems in their business activities (Malik & Nadeem, 2014). Farook, Hasan, and Lanis (2011) state that CSR in Islam comes from the principles in the Qur'an. The big three basic CSR principles are humans as representatives on earth, divine responsibility, and the obligation to invite goodness and prohibit evil. CSR in an Islamic perspective is known as Islamic CSR (ICSR).

Lewis (2005), Hasan (2009), and Abu-Tapanjeh (2009) affirm that corporate governance at IBs, which is based on Islamic values, is known as Islamic Corporate Governance (ICG). The concept of ICG philosophically has a broad scope because it uses the premise of an Islamic socio-scientific epistemology based on the Oneness of God (Choudury & Hoque, 2004). Several principles govern ICG, namely expanding the scope to achieve the unity of Tawhid through an interactive, integrative, and evolutionary process to interact with the environment, principles of justice, and the involvement of productive human resources in social relations and economic activities. These principles exist in ICG, which are regulated in the Qur'an and Hadith (Choudury & Hoque, 2004). IBs have a reliable ICG model with a very high level of accountability to protect and safeguard stakeholders' rights and interests (Sairally, 2013).

Table 1 The growth of Islamic banking assets

Country	2015		2020[a]		
	Size ($t)	Share (%)	Size ($t)	Share (%)	CAGR (%)
KSA	0.343	36.92	0.766	43.60	17.43
UAE	0.150	16.15	0.250	14.23	10.76
Malaysia	0.148	15.93	0.218	12.41	08.05
Kuwait	0.098	10.55	0.154	08.76	09.46
Qatar	0.083	08.93	0.179	10.19	16.62
Turkey	0.052	05.60	0.093	05.29	12.33
Indonesia	0.025	02.69	0.050	02.85	14.87
Bahrain	0.015	01.61	0.016	00.91	01.30
Pakistan	0.015	01.61	0.031	01.76	15.63
QISMUT + 3	0.929	100.0	1.757	100.0	13.59

Note : a Expected
Source : Ernst & Young (2016)

The research on ICG has become a prolifically productive area in the field of Islamic finance and accounting studies (Mansour & Bhatti, 2018). A large amount of research in the ICG field is due to Islamic financial institutions' rapid growth worldwide. Table 1 shows the growth rates for the QISMUT + 3 countries. Indonesia ranked seventh with an average growth rate of 14.87%. This figure was relatively high for a company growth measurement. On the other hand, there has also been quite a lot of research related to

ICG, so it can be said that there are a link and match between ICG studies and practices in Indonesia.

ICSR by IBs is basically a form of responsibility to stakeholders that aims to protect their rights and interests as a whole, both horizontally and vertically or to Allah SWT (Iqbal & Mirakhor, 2004). According to Dusuki and Abdullah (2007), stakeholders' responsibility in an Islamic perspective aims to align various interests based on moral, ethical, social responsibility and public interest principles, namely avoiding damage and poverty and the principle of obedience to Allah's Commandments. In social responsibility, IBs must be formally accountable through an annual report and report to Shareholders' General Meeting. Stakeholders are entitled to information on the extent to which the company implements social and environmental programs. Haniffa (2002) suggests that social responsibility reporting is the company's response to meeting community expectations. IBs are required to disclose all information that reflects their identity, including social and environmental responsibility (Bayoud, Kavanagh, & Slaughter, 2012).

Based on this explanation, IBs implementing the ICG concept must fulfill social and environmental functions. However, the results of empirical studies have found inconsistent results. The study results found that IBs performed their social functions (Giannarakis, 2014; Musibah & Alfattani, 2014; Othman, Thani, & Ghani, 2009). Other studies uncovered that IBs did not pay attention to social functions (Farook et al., 2011; Hassan & Harahap, 2010; Maali, Casson, & Napier, 2006; Othman & Thani, 2010; Raman. & Bukair, 2013). These study results' inconsistency is a research gap that requires further research by including intermediate variables as a solution (Wu & Zumbo, 2007). The intermediate variable can be either mediation or moderation (MacKinnon, 2012). The use of productivity as a mediating variable based on the previous studies' results: Janggu, Joseph, and Madi (2007); Siregar and Bachtiar (2010); Hossain (2012); Xiaowen (2012); Giannarakis (2014), in which the outline of the conclusion is that companies with profits or generated greater profits would have a better ability to carry out social and environmental activities. These study results implicitly imply the existence of good performance for broader ICSR disclosures, while productivity is part of the company's financial performance (Widagdo & Ika, 2009).

This research was conducted based on stakeholder theory, which is later developed into stakeholder theory from an Islamic perspective (Iqbal & Mirakhor, 2004). The contribution of this research is to strengthen the construction of stakeholder theory development in an Islamic perspective, which currently has much research being carried out to strengthen the position of the theory in academia. Explicitly, this study reaffirms and develops a new research model of the relationship between ICG and ICSR disclosure in IBs with productivity as a mediation variable. These contributions are expected to help develop knowledge and increase IBs' concern for social and environmental activities, which is one of their functions. Thus, the novelty of this research is to build a new model of the relationship between ICG and ICSR disclosure by including productivity as mediation and using stakeholder theory from an Islamic perspective as a grand theory.

Literature Review and Hypotheses Development

Stakeholder Theory

Stakeholders are all parties, both internal and external, who can influence or be influenced by the company either directly or indirectly (Freeman, 1984). Stakeholder theory initially emerged because of the growing awareness and understanding that the company has stakeholders, namely parties interested in the company. The idea that companies have stakeholders has become a topic of discussion in the management literature both academically and professionally.

Fontaine, Haarman, and Schmid (2006) assert that stakeholder theory is a theory which states that all stakeholders have the right to obtain information about company activities, which can influence their decision making. Caroll and Buchholtz (2009) state that stakeholder theory can be viewed in three approaches: descriptive, instrumental, and normative. A descriptive approach is a realistic picture of how the company operates. The descriptive approach aims to understand how managers handle stakeholder interests while still carrying out company interests. The instrumental approach states that one of the company's strategies is to produce good company performance by paying attention to stakeholders. The normative approach tells that every person or group contributing to a company's value has the moral right to receive an award; this is the management's obligation to fulfill stakeholders' rights. Research on CSR activities based on stakeholder theory means implementing the third theoretical approach, namely the normative approach. The social and environmental activities by IBs are the implementation of stakeholder theory in a normative approach. These activities are described in the annual report in the form of voluntary disclosures, which has become a significant research variable in ICSR.

Islamic Corporate Governance

According to Choudhury and Hoque (2006), ICG is a religious-based theoretical decision-making process that uses Islamic principles related to the epistemology of Tawhid. The Islamic view of ICG is useful for minimizing transaction costs in a decision-making environment and achieving corporate objectives within the framework of Sharia law. According to Chapra and Ahmed (2002), ICG is defined as a collection of relationships between company management, directors, shareholders, and other stakeholders, aiming to achieve justice by increasing transparency and accountability.

ICG in IBs is unique in that it must ensure that all operations adhere to ethics and morality as outlined by Sharia (Choudhury & Hoque 2006). The ideal sharia corporate governance according to Islamic economic principles is developed by accommodating all company stakeholders' interests fairly based on sharia rules in accordance with ownership rights and agreements (Lewis, 2005). Iqbal and Mirakhor (2004) explain that the central organ of ICG is SSB, which is responsible as a supervisor and supervisor of sharia compliance, is obliged to ensure the compliance of IBs management with sharia principles and bind stakeholders in fulfilling obligations and obtaining rights.

ICG has an obligation to suppliers, customers, employees, and society in meeting their spiritual and temporal needs (Lewis, 2005). Thus, from an Islamic perspective, ICG is a responsibility and obligation not only at the company level but also at the individual level. The foundation of IBs is rooted in Islamic law, and IBs adhere to the principle that contracts, which are exploitative based on interest, uncertainty, or contain risk or speculation, cannot be executed by IBs. Financial transactions based on Islamic law teach operations and financial products that generate fair profits and provide added socio-economic value to society (Mollah & Zaman, 2015).

Stakeholder Theory in Islamic Perspective

Muslim scholars also discussed corporate and management behavior and their responsibilities towards society and communities (Tahir & Ghazali, 1992). Worldly goods are for everyone's benefit, and no one has the right to use these items for harm to other members of society. Islam teaches humans how to develop morals and use them for the development of their lives. However, corporate organizations in the past were not as complex as they are today. It requires extensive work to understand modern corporate behavior within an Islamic framework (Azid, Asutay, & Burki, 2007).

Islam has its own laws regarding companies' nature and economic perspective, which are different from conventional systems. Islamic norms are expected to change policies and business direction. The sharia system respects investors, business initiators, and the role of entrepreneurs in poverty alleviation and considers companies with this aim to have concern for society according to the Qur'an and Sunnah. In other words, Islam calls for socially responsible business (Azid et al., 2007).

Islam views that entrepreneurs have the right to own personal property and economic resources, earn profits, expand jobs, increase investment, and increase prosperity (Ahmed, Islam, & Hasan, 2012). However, it is essential to note that the concept of ownership is not absolute in this system because humans are caliphs, and resources are given by God to individuals, so their job is to use them according to Allah's guidance. In other words, the concepts and functions of property are transformed by the provision of moral and legal filters and instill in people's minds and hearts the idea that all in its form - physical and human, machine power and brainpower - property is a belief (trust), and thus, property rights are subject to moral constraints and are used as a means to fulfill ethical goals - maqasid al-Syariah is the goal of Islam (Ahmed et al., 2012).

Omran and Ramdony (2015) suggest that from the perspective of corporate social responsibility, the theory that is widely used as a basis for research in the field of ICSR disclosure is the theory of stakeholders. Stakeholders are not only those whose relationships are explicitly stated in the contract but also implicitly related to the company's activities. This implicit contract is the essence of Sharia. When humans were appointed caliphs, then they had an implicit contract with God in every activity. There are obligations and responsibilities that every human being carries to realize his obedience to God. Failure to achieve this means he has betrayed and will feel the consequences in this world and the hereafter (Iqbal & Mirakhor, 2004).

Social Responsibility in Islam

Siwar and Hossain (2009) have the view that the Islamic world begins with the concept of 'Oneness of God', which dominates heaven and earth. Islam represents itself not only as a religion but also as a complete code of life. The unity of God, namely Tawhid, means that everything is under God's grace and everything is under His great will; for example, humans are users of God's creation, therefore obeying Islamic law is an obligation (Choudhury & Hoque, 2006; and Williams & Zinkin, 2010).

In CSR, it is claimed that religion plays a vital role in the development of values and personal behavior, which affects the business area (Williams & Zinkin, 2010). According to Farook et al. (2011), ICSR originates from the Qur'an principles. The three main basic principles of the ICSR are the representative of humankind on the earth, the divine responsibility, and humankind's obligation to command good and forbid evil. Therefore, these core principles form the basis of individual and corporate social responsibility.

Based on this, the balance of behavioral responsibility and piety comes from recognizing that humans have two missions that must be accomplished: the first mission as the servant of Allah, and the second, the mission as the representative of Allah. In the first relationship, man is responsible to God as his servant, while in the second relationship, he is responsible for his relationship with God's creation. Islam needs a balance, which means doing something proportionately and avoiding extreme things (Williams & Zinkin, 2010).

The Islamic perspective on social responsibility is that the activities carried out must help individuals or communities improve their living conditions or their environment or better comply with religious rules and norms (AAOIFI, 2010). Islam provides guidance to its followers in all aspects of life based on the Qur'an and Hadith. Responsibility in business is not just financial gain, but social and economic justice (Shukor, 2016). The Qur'an always links success in business and economic growth, which is influenced by entrepreneurs' morale in running a business (Yusuf, 2017). Based on this, it shows that the concept of social responsibility and environmental preservation has long existed in Islam, along with the presence of Islam brought by the Prophet Muhammad.

Hypotheses Development

The concept of CSR in Islamic economics is based on the Qur'an perspective that humans are believed to be caliphs on earth. As a caliph, it is explained that humans have the responsibility to care for all of Allah's creation (Kurniawan & Yaya, 2017). Al-Quran Surah Al-A'raf verse 74 commands humans as caliphs on earth to protect all of Allah's creation. Islam regulates relationships with fellow humans and relationships with the natural surroundings. CSR does not just mean it is an obligation for companies that are engaged in manufacturing and mining. Companies engaged in finance like banking are no exception; Islamic banks also have the same responsibility. According to Hannifa (2002), Islamic banking should implement CSR better than conventional banks because of the measure of accountability Islamic banks are not only for stakeholders but also to Allah SWT as the owner of all that is in the world (Kurniawati & Yaya, 2017).

Previous Research in ICSR

Several studies have examined the level of ICSR disclosure by Islamic banks using disclosure indexing techniques (Mallin, Farag, & Ow-Yong, 2014; Rahman & Bukair, 2013; Farook et al., 2011; Haniffa & Hudaib, 2007; Maali et al., 2006; Othman et al. 2010; Hassan & Harahap, 2010). Maali et al. (2006) investigated the extent to which the social activities expressed by 29 Islamic banks in the Gulf Cooperation Council (GCC) countries by comparing the social disclosures carried out by Islamic banks with those of the public. The community's social practices were then used as benchmarks for social reporting of Islamic banks and compared with annual reports with content analysis techniques. They found that Islamic banks' social disclosure practices were far below the benchmark for disclosure based on Sharia's principles.

Haniffa and Hudaib (2007) examined ethical identity based on Islamic values in seven Islamic banks in GCC countries in the bank's annual report. They designed ideal ethical disclosure standards based on five features that distinguish conventional Islamic banks using content analysis in annual reports to determine the extent of ICSR disclosures. The results showed a significant gap and concluded that in order for Islamic banks to remain competitive, they must communicate more effectively to improve their image and reputation in society. Rehman and Mangla (2010) studied the ICSR disclosure level by Bank Islam Malaysia Berhad (BIMB) using a longitudinal case research approach from 1992 to 2005. The ICSR disclosure index developed consisted of nine themes: restrictions on supervision, illegal transactions, zakat, qard funds, community involvement, employees, environment, product/service contributions, and SSB. His research results revealed that the highest score was the disclosure of SSB. BIMB did not provide information in any form relating to the themes of restrictive supervision, illegal transactions, and the environment. Overall, the volume and quality of ICSR disclosures increased over the 14-year study period.

Hassan and Harahap (2010) conducted a study focused on disclosing social activities in seven Islamic banks' annual reports in Indonesia. They uncovered that the issue of social responsibility was not the primary concern of most Islamic banks when viewed from the low index of social disclosure of large Islamic banks in Indonesia. The study concluded that Islamic banks paid less attention to the disclosure of their social activities. Farook et al. (2011) provided a basis for ICSR disclosure in Islamic banks and investigated the extent of social responsibility disclosure in 47 Islamic banks' annual reports in 14 countries. This study empirically analyzed the disclosure level based on the ICSR benchmark derived from Maali et al. (2006) disclosure index. This study found significant differences in ICSR disclosure among these Islamic banks and concluded that Islamic banks must establish SSB. Aribi and Gao (2012) analyzed ICSR narrative disclosure in 21 IFIs operating in GCC countries to examine Islam's influence and disclosure of ICSR. They uncovered that the ICSR disclosure in the SSB report was very small compared to the information on zakat, interest-free loans, and donations made in the bank's annual report.

Rahman and Bukair (2013) inspected the effect of SSB and its characteristics on ICSR disclosure level in 53 Islamic banks operating in the GCC in 2008, with a disclosure index developed from an Islamic perspective. The results exhibited that there was an increase in the ICSR information disclosed in the annual report. Besides, using multiple regression analysis found that SSB characteristics had a significant positive effect on ICSR disclosure. It showed that the characteristics of SSB are an essential factor in determining the level of ICSR disclosure. Platonova, Asutay, Dixon, and Mohammad (2018) scrutinized the relationship between social responsibility and financial performance for Islamic banks in GCC countries during the 2000-2014 period with data related to social responsibility through an analysis of annual disclosure reports. This study's findings indicated a significant positive relationship between ICSR disclosure and Islamic bank financial performance in GCC countries. Mallin et al. (2014) examined the relationship between ICSR disclosure and Islamic bank financial performance. This study used the ICSR disclosure index, including ten dimensions in 90 Islamic banks in 13 countries. The disclosure index revealed that these Islamic banks were involved in various social activities. This study's results signified the order of the disclosure index scores on the commitment to vision and mission, the board of commissioners and top management, and the dimensions of financial products/services, while very little attention was paid to the environmental dimension.

ICG and ICSR Disclosures

Stakeholder theory puts forward that a good ICG requires responsibility and attention to all parties' wishes and ensures company accountability to all stakeholders (El-Halaby & Husseney, 2015). Clear relevance exists in the conception of ICG and stakeholders who view business as a complex and interconnected network that contributes to corporate value (Jamali, 2008).

ICG and social disclosure rely on the same source's strengths: transparency, accountability, and honesty (Van den Berghe & Louche, 2005). Marisglia and Falautano (2005) explained that ICG and ICSR disclosure would make the company progress, which would attract the public's trust. ICSR disclosure maximizes trust and maintains good relations with stakeholders (Aguilera, Rupp, Williams, & Ganapathi, 2007).

The results of the above research indicated a positive influence between ICG and the disclosure of ICSR. Previous studies relevant to these findings are Musibah and Alfattani (2014), who found that the implementation of ICG would affect the implementation of corporate social responsibility. Adiertanto and Chariri (2012) exposed that ICG had a positive effect on CSR. Other relevant studies revealing a positive influence on ICG on ICSR are Othman et al. (2009); Khan, Muttakin, and Siddiqui (2012); Giannarakis (2014). Based on this explanation, the following research hypothesis was developed:

H*$_1$*: ICG has a positive effect on ICSR disclosure.

ICG and Productivity

ICG is unique governance in IBs, as it must also ensure all operations adhere to ethics and morality as outlined by Islam (Choudhury & Hoque, 2006). This uniqueness makes it possible to achieve a competitive advantage with high performance, and this uniqueness lies in the role of SSB (Farook et al., 2011). Mollah and Zaman (2015) found the role and influence of SSB in increasing financial performance in IBs.

Research on the influence of ICG on bank performance can be found in several previous studies. These studies include Dalwai, Chugh, Prasad and Mohamadi (2014), who revealed evidence that ICG could increase company competitiveness and led to good performance. Muttakin and Ullah (2012) discovered that the number of boards of directors positively affected performance. Hoque, Islam and Ahmed (2012) uncovered that the number of boards of directors and the number of audit committee meetings positively influenced performance. Hussain (2009) exposed that there was an influence between the efficient ICG structure on financial performance. Rehman and Mangla (2010) found an effect of ICG on financial performance in conventional banks and IBs.

Other studies encompass Ado, Shafie, and Goni (2017): there was a positive influence between ICG and financial performance, Hamza (2013): the independence of the SSB is the main component of the ICG structure that is efficient and beneficial to the IBs industry in terms of effectiveness and credibility, Quttainah (2012): ICG positively impacted financial performance and managerial behavior, Al-Tamimi (2012): there was a positive effect of ICG on financial performance in IBs, and Yaghoobnezhad, Nikoomaram, and Salteh (2012): quality and profits were better after implementing strict ICG. Based on this explanation, the following research hypothesis was developed:

***H_2**: ICG has a positive effect on productivity.*

Productivity and ICSR Disclosure

Haniffa and Cooke (2005) stated that companies that generated profits would provide more information about ICSR disclosure. They explained that the positive influence between profitability and the level of ICSR disclosure was due to the freedom and flexibility of management to publishing more ICSR disclosure initiatives. Tagesson, Blank, Brobeg, and Collin (2009) found that if a company made a profit, there was a positive effect on the level of social disclosure because the company could pay the cost of social disclosure. Siregar and Bachtiar (2010) disclosed that profitable companies devoted more financial resources to social initiatives. Giannarakis (2014) uncovered that companies that generated profits tended to disclose more information than less profitable companies.

Janggu et al. (2007) argued that companies with a higher profitability level tended to disclose more information than companies with a lower profitability level. Other relevant studies to the above findings are Othman et al. (2009), Giannarakis (2014), and

Ahmed et al. (2012). In connection with the above explanation that companies with good performance or high productivity could carry out social responsibility well, the following research hypothesis could be developed:

H₃: *The productivity of IBs has a positive effect on the disclosure of ICSR.*

Mediation of Productivity

The inconsistency of research results on the effect of ICG on ICSR disclosure is a research gap that requires further research by including intermediate variables as a solution (Wu & Zumbo, 2007). Intermediary variables can be in the form of mediation or moderation (MacKinnon, 2012). Based on this, this study included a mediating variable of productivity in the influence of ICG on ICSR disclosure.

The use of productivity performance as a mediating variable is based on the results of previous studies. Siregar and Bachtiar (2010) found that a profitable company would devote more financial resources to social initiatives, seen from corporate social disclosures. Giannarakis (2014) revealed that companies that generated profits tended to provide more ICSR disclosures than less profitable companies. Janggu et al. (2007) and Hossain (2012) exposed that Islamic business institutions with higher profits would affect social responsibility disclosure greater than those with small profits. Xiaowen (2012) exhibited that companies with good performance chose to disclose more information to distinguish them from companies that performed poorly. The results of these studies implicitly implied the existence of good performance for broader ICSR disclosures. Regarding this, it could be assumed that productivity, which is part of the performance (Widagdo & Ika, 2009), mediated the effect of ICG on ICSR disclosure. Based on this explanation, the following hypothesis was developed:

H₄: *Productivity mediates the effect of ICG on ICSR Disclosure.*

Theoretical Framework

Based on the literature review and hypothesis development, this research model is displayed in Figure 1.

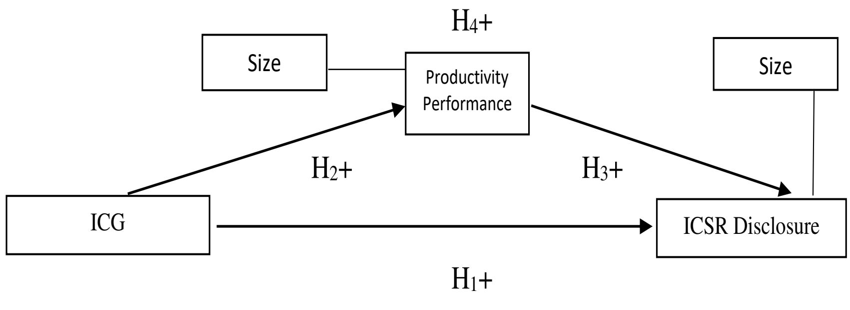

Figure 1 Theoretical Framework

Research Method

Population and Samples

This research population was IBs in Indonesia, consisting of Islamic commercial banks (ICB) and Islamic public finance banks. According to the 2020 Sharia Banking Statistics, the number of ICB was 12, and Islamic public finance banks were 165; thus, this study's population was 177.

From the existing population, only ICB provided complete and easy to obtain information, so that the sample of this research was 12 ICBs. ICBs have not been 12 years old, and the observations were from its establishment until 2019. Observations for 12 years until 2019 were to strengthen the generalizability of research results. The observation results could be obtained by 121 observations (unbalance).

Definition of Variables

The dependent variable was the level of ICSR disclosure. The operationalization of the ICSR disclosure variable was by compiling disclosure indicators and items. These indicators and disclosure items used indicators and previous research items (Mali et al., 2006; Haniffa and Hudaib, 2007; Hassan and Harahap, 2010; Othman and Thani, 2010; Yusuf, 2017), consisting of eight indicators and 75 disclosure items.

Measurement of the ICSR disclosure variable employed a dichotomous scoring with a score of 1 if disclosed and 0 if not disclosed. Then, from the scores made, a disclosure index was constructed, as done by Haniffa and Cooke (2002), Haniffa and Hudaib (2007), and Hassan and Harahap (2010). The formula is as follows:

$$\text{ICSR Disclosure Index (DI-ICSR}_{jt}) = \frac{\sum_{i}^{n} = X_{ijt}}{N}$$

Where:
DI-ICSR$_{jt}$ = ICSR disclosure index for dimension j and indicator t
X_{ijt} = variable X from 1 to n for dimension j and period t, 1 if disclosed and 0 if not
N = number of variables/statement and X_{ij} = 1 if ith item is not disclosed, that 0, I_j < 1.

The ICG variable was measured based on the composite predicate scale of the ICG self-assessment results, as Asrori (2014) conducted, which consisted of eleven dimensions: (1). Implementation of duties and responsibilities of the board of commissioners, (2). Implementation of duties and responsibilities of the board of directors, (3). Completeness and implementation of committee duties, (4). Implementation of duties and responsibilities of the SSB, (5). Implementation of sharia principles in the activities of raising funds and distributing funds and services, (6). Handling of conflicts of interest, (7). Implementation of the bank's compliance function, (8). Implementation of the internal audit function, (9). Application of the external audit function, (10). The maximum limit for distribution of funds, and (11). Transparency of financial and non-financial conditions, GCG implementation reports and internal reporting. The table below shows the parameters for the self-assessment set by Bank Indonesia.

Table 2 Parameter for self-assessment

Composite value	Composite predicate	Composite predicate scale
Composite Value < 1.5	Very good	5
1.5 ≤ Composite Value < 2.5	Good	4
2.5 ≤ Composite Value < 3.5	Good enough	3
3.5 ≤ Composite Value < 4.5	Not good	2
4.5 ≤ Composite Value < 5	Very not good	1

The mediation variable used was productivity. Productivity was measured by total operating income divided by total assets. This ratio measured the company's ability to generate income with its assets. This high-value ratio indicates high productivity by the bank in utilizing its assets (Widagdo & Ika, 2009). The control variable used was bank size. Bank size was calculated by the natural logarithm of total assets (Al Matari, Al Swidi, & Hanim Bt Fadzil, 2014).

Analysis Method

A descriptive statistical test was utilized to describe the variables in this study briefly. Furthermore, classical assumption testing and gradual regression testing were to test the effect of mediating productivity performance (Baron & Kenny, 1986).

The models are:

DI-ICSRit : $a_0 + a_1(\text{CPS-ICG})1_{it} + e_{it}$

Productivity : $b_0 + b_1(\text{CPS-ICG})1_{it} + b_2(\text{LnSize})_{2it} + e_{it}$

DI-ICSR_{it} : $c_0 + c_1(\text{Prod})1_{it} + c_2(\text{LnSize})_{2it} + e_{it}$

DI-ICSR_{it} : $d_0 + d_1(\text{CPS-ICG})1_{it} + d_2(\text{Prod})_{2it} + d_3(\text{LnSize})_{3it} + e_{it}$

Where:

α_0 : Constant
CPS-ICG : Composite Predicate Scale of ICG
Prod : Productivity
DI-ICSR : Disclosure Indexes of ICSR
e : *error*

Result and Discussion

Table 3 explains that the average disclosure index for the ICSR disclosure variable was 81.607, with a standard deviation of 9.557. It indicated that the value had a far deviation from the average range. It was supported by the value of the variance coefficient of 91.344, which signified that the variation in the ICSR disclosure index value in IBs in Indonesia experienced a large gap. For CPS-ICG, the average value of the self-assessment predicate scale was 4.20, with a standard deviation of 0.586. It showed that the ICG variable did not deviate far from the average range; this was confirmed by the coefficient of variance of 0.344, indicating that the ICG for IBs in Indonesia was almost the same. For the variable productivity, the average value was 0.1669, with a standard deviation of 0.099; this denoted that the standard deviation was far from the range of the mean. It was proven by the variance coefficient value of 0.010, suggesting that the variation in the productivity value at IBs in Indonesia was almost the same. Finally, for the LnSize control variable, the average value was 29.718, with a standard deviation of 1.301. It signaled that the size of IBs in Indonesia was almost identical; the coefficient of variance of 1.694 verified this.

Table 3 Descriptive statistical test results

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
DI-ICSR	121	45.333	95.310	81.607	9.557	91.344
CPS-ICG	121	3	5	4.20	.586	.344
Productivity	121	.047	.502	.1669	.099	.010
LnSize	121	26.851	32.263	29.718	1.301	1.694

Henceforth, the classical assumption test was carried out, consisting of normality, multicollinearity, and heteroscedasticity. In this study, the autocorrelation test was not conducted because it was panel data (Verbeek, 2004). All results met the requirements for regression testing on all hypotheses.

Table 4 Summary of H_1 testing

Variable	Coefficient	t-Stat	Sig.
CPS-ICG	3.92913	2.70888	0.0077*
F		73.3803	0.0000*
Adjusted R^2		0.55017	

Table 4 presents the statistical results that a significant level of CPS-ICG 5% affected ICSR disclosure, with a determination coefficient of 0.55017. It signified that the independent variable CPS-ICG could explain the dependent variable of ICSR disclosure by 55%, with a positive coefficient of 3.92913. Thus, statistically, hypothesis one (H_1) was accepted.

Table 5 Summary of H_2 testing

Variable	Coefficient	t-Stat	Sig.
CPS-ICG	1.124906	1.528922	0.0089*
LnSize	0.017247	2.350371	0.0204*
F		3.036741	0.0018*
Adjusted R^2		0.232831	

Table 5 displays the results that statistically, CPS-ICG influenced productivity at the 5% significance level, likewise for Ln Size with a determination coefficient of 0.232831. It denoted that CPS-ICG and Ln Size could explain the productivity variable by 23.28% and with a positive coefficient variable, amounting to 0.1.528922 and 2.350371. Hence, the second hypothesis (H_2) was accepted.

Table 6 Summary of H_3 testing

Variable	Coefficient	t-Stat	Sig.
Productivity	7.205536	1.104702	0.0153*
LnSize	5.118133	10.27201	0.0000*
F		52.99392	0.0000*
Adjusted R^2		0.424257	

Table 6 shows that it was statistically significant at the 5% level that productivity and LnSize impacted the ICSR disclosure, with a determination coefficient of 0.424257. It indicated that both could explain the dependent variable of ICSR disclosure by 42.42% and with positive coefficients 7.205536 and 5.18133. Therefore, the third hypothesis (H_3) was accepted.

Table 7 Summary of H_4 testing

Variable	Coefficient	t-Stat	Sig.
CPS-ICG	0.227760	0.192702	0.8475
Productivity	7.383172	1.116306	0.0266*
LnSize	5.156995	9.560254	0.0000*
F		35.05330	0.0000*
Adjusted R^2		0.259849	

Table 7 explains that the productivity variable did not affect DI-ICSR after controlling for the effect of the CPS-ICG variable on DI-ICSR, with a regression coefficient of 0.227760. The coefficient of a direct influence of the CPS-ICG variable on DI-ICSR was 3.92913. However, after the mediating variable productivity was controlled, the relationship between the two dropped to 0.227760 and was not significant; thus, full mediation occurred (Ghozali, 2011). From the results of this statistical test, hypothesis H_4 was accepted. It suggested that productivity performance mediated the effect of CPS-ICG on DI-ICSR. The control variable was significant below 0.05 and produced a regression coefficient of 5.156995.

ICG and ICSR Disclosures

There was a positive effect of CPS-ICG on ICSR disclosure. These results support previous research (Marisglia & Falautano, 2005; Maali et al., 2006; Musibah & Alfattani, 2014; Othman et al., 2009; Khan et al., 2012; Giannarakis, 2014; Malik & Nadeem, 2014). The high ICG composite predicate scale describes the good performance of ICG or the principles of corporate governance well implemented in IBs in Indonesia. It means that every ICG structure in IBs was carried out with the principles of transparency, accountability, responsibility, professionalism, and fairness. The good performance of ICG affected the ICSR of sharia banks so that the annual report as a media for reporting to stakeholders provided many reports on social activities carried out in accordance with sharia values and regulations. The high level of social awareness is since IBs not only function as profit-oriented institutions but also carry out social functions. Therefore, IBs as financial intermediaries are in a unique position in society to drive activity within them and among their clients and customers.

These results reinforce the stakeholder theory developed by Freeman (1984), where the theory needs to emphasize the importance of investing in relationships with those who have an interest in the company, and the stability of this relationship depends on the willingness to share. The leading theory influencing corporate governance development is the stakeholder theory, which considers the broader environmental group of constituents (Mallin et al., 2014). These results also support stakeholders' theory in an Islamic perspective, where responsibility is not only from the horizontal dimension but also from the vertical; this is evidenced by the formation of a high index of religious-spiritual disclosure in IBs in Indonesia. In the Islamic perspective, social responsibility, the activities carried out must help individuals or communities to improve their living conditions or environment and better comply with religious rules and norms.

ICG and Productivity

The result of testing the second hypothesis was accepted. The larger the ICG composite predicate scale showed a good productivity performance in IBs in Indonesia. This finding strengthens the results of previous research, namely Faozan (2013), which stated that ICG in IBs is a management system designed to improve bank performance, protect stakeholders' interests, and increase compliance with the law and generally accepted ethical values. This result is also relevant to previous research (Dalwai et al., 2014; Muttakin & Ullah, 2012; Hoque et al., 2012; Hussain, 2009; Rehman & Mangla, 2010; Hamza, 2013; Quttainah, 2012)

In the Islamic concept, these findings explain the relationship associated with the form of cooperation between management and stakeholders. The form of the relationship that underlies the existence of this relationship arises from the basic concept of *Amanah*. The essence that happens to both parties is that they jointly carry out the mandate of ownership, which Allah entrusts as a form of human function as *khalifatullah fill ardh* (Triyuwono, 1997). As a party whom Allah SWT trusts to hold this mandate, he will carry out his duties with full loyalty and commitment to providing the best performance.

For the control variable in this hypothesis, bank size as proxied by LnAsset had a positive effect on performance. This study explained that the total assets owned by IBs had an impact on increasing their productivity. This finding also elucidated that higher IBs income would increase opportunities to maximize profits and positively impacted increasing productivity and increasing opportunities to diversify new sources of income so that productivity was high.

Productivity and ICSR Disclosure

The result of testing the third hypothesis above was acceptable. The greater the productivity of IBs, the greater the ICSR disclosure index is. These results are consistent with previous research: Tagesson et al. (2009), Siregar and Bachtiar (2010), Janggu et al. (2007), Othman et al. (2009), Giannarakis (2014), and Ahmed et al. (2012). Social and environmental responsibility activities are used for the purpose of Islamic philosophy to provide services to the community in accordance with sharia principles. These findings also showed that ICG was committed to their principles, which were implemented in their responsibility and compliance with government regulations and Islamic ethical values based on the Qur'an and Hadith.

IBs, which are developed in the spirit of Islamic values, place the *istiqomah* principle as the basis for its management. *Istiqomah* means consistent; the management of IBs can control themselves, manage emotions effectively, and stick to commitments even in stressful situations. However, the bank's performance remains committed to its social obligations. By being committed to social responsibility, the IBs expects financial strength in the long run. Social responsibility is used to attract public sympathy by building a positive image that aims to increase profits because it is one of the determining factors for the operational sustainability of IBs.

The control variable bank size positively affected ICSR disclosure. It explained that the company's size occurred because of the large number of branch offices spread throughout Indonesia. Many branch offices require each of them to carry out social and environmental activities around their respective branches. So that accumulatively, there were many social and environmental activities carried out by IBs, which was reflected in the extent of the ICSR's disclosure.

Mediation of Productivity

Based on the regression results, ICG positively influenced ICSR disclosure, ICG had a positive effect on bank productivity, and bank productivity positively impacted ICSR disclosure. It fulfilled the requirements for a mediation model (Ghozali, 2011). Nevertheless, after productivity controlled the relationship between ICG and ICSR disclosure, ICG did not affect ICSR disclosure; thus, full mediation occurred. The full mediation by the productivity variable on the influence of ICG on the ICSR disclosure showed that to be able to carry out social activities, it is essential to have financial capital obtained from high productivity.

Based on this explanation, IBs, as an implementation of the ICG concept, which has a responsibility to a broader range of stakeholders, must fulfill social functions. Social responsibility is an obligation that cannot be ignored in holding IBs. However, based on these findings, IBs must have good financial capabilities to carry out social functions. This good financial capability can only be obtained if IBs have good productivity. Thus, good productivity is an absolute requirement that must be fulfilled to carry out social functions, and the implementation of good social functions will be reflected in the high index of ICSR disclosure.

Conclusion

This study has proven that ICG affected ICSR disclosure. IBs in Indonesia focuses on a wide range of stakeholders, including attention to social and environmental activities.

The efficient and effective ICG structure and process were reflected in the high ICG self-assessment score. It was realized because management was committed to providing the best results for stakeholders with good productivity. This study has also verified that the productivity of IBs influenced the disclosure of ICSR. The achievement of productivity made it possible to carry out social and environmental responsibility. Bank productivity fully mediated the influence of ICG on ICSR disclosure. Thus, bank productivity is an essential prerequisite for implementing social and environmental responsibility.

This study contributes: a) as input on a comprehensive assessment of Islamic banking performance, not only from financial performance parameters but also from social performance, b) as comprehensive guidelines of sharia banking performance assessment in Indonesia in the form of ICSR disclosure indicators, and c) that the development of a new productivity model as a mediation for the influence of ICG on ICSR disclosure will be beneficial for the development of accounting science and stakeholder theory in Islamic concepts.

This study has several limitations, and it is hoped that it can be improved in future studies. This study's limitations are: first, this study used the ICG variable and the ICSR disclosure, but the researcher did not discuss the quality of disclosure. Second, this study did not test the reliability of the ICSR disclosure. The author provides suggestions for further research to consider the quality of disclosure: completeness, accuracy, and reliability to produce better research findings. The next suggestion for further research is that it is necessary to test the ICSR disclosure's reliability.

References

Abu-Tapanjeh, A. M. (2009). Corporate governance from the Islamic perspective: A comparative analysis with OECD principles. *Critical Perspectives on Accounting, 20*(5), 556–567. https://doi.org/10.1016/j.cpa.2007.12.004

Accounting Auditing Organization for Islamic Financial Institution (AAOIFI). (2010). *Corporate social responsibility conduct and disclosure for Islamic financial institutions (Governance standard no.7). Bahrain.* Retrieved from https://aaoifi.com/?lang=en

Adiertanto, C. P., & Chariri, A. (2013). Analisis pengaruh Islamic corporate governance terhadap pengungkapan corporate social responsibility (Studi kasus pada Bank Syariah di Asia). *Diponegoro Journal of Accounting, 2*(1), 168-182. Retrieved from https://ejournal3.undip.ac.id/index.php/accounting/article/view/2292

Ado, A.B., Shafie, R.B. & Goni, K. (2017). Corporate governance as a mechanism for measuring financial performance of banks in Nigeria. *Journal of Finance, Accounting and Management 8*(1), 1-19.

Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Academy of Management Review, 32*(3), 836–863. https://doi.org/10.5465/amr.2007.25275678

Ahmed, S. U., Islam, Z., & Hasan, I. (2012). Corporate social responsibility and financial performance linkage evidence from the banking sector of Bangladesh. *Journal of Organizational Management, 1*(1), 14–21.

Al Matari, E.M., Al Swidi, A.K., & Hanim Bt Fadzil, F. (2014). The moderating effect of board diversity on the relationship between executive committee characteristics and firm performance in Oman: Empirical study. *Asian Social Science 10*(12), 6-20. https://doi.org/10.5539/ass.v10n12p6

Al-Tamimi, H.A.H. (2012). The effects of corporate governance on performance and financial distress. *Journal of Financial Regulation and Compliance, 20*(2), 169-181. https://doi.org/10.1108/13581981211218315

Aribi, Z. A., & Gao, S. S. (2011). Narrative disclosure of corporate social responsibility in Islamic financial institutions. *Managerial Auditing Journal, 27*(2), 199–222. https://doi.org/10.1108/02686901211189862

Asrori. (2014). Implimentasi Islamic corporate governance dan implikasinya terhadap kinerja bank syariah. *Jurnal Dinamika Akuntansi 6*(1), 95-102. Retrieved from https://journal.unnes.ac.id/nju/index.php/jda/article/view/3249

Azid, T., Asutay, M., & Burki, U. (2007). Theory of the firm, management and stakeholders: An Islamic perspective. *Islamic Economic Studies, 15*(1), 1-30. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3159935

Baron, R.M. & Kenny, D.A. (1986). The moderator mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Sosial Psychology 51*(6), 1173-1182. https://doi.org/10.1037//0022-3514.51.6.1173

Bayoud, N.S., Kavanagh, M., & Slaughter, G. (2012). Factors influencing levels of corporate social responsibility disclosure by Libyan firms: A mixed study. *International Journal of Economics and Finance 4*(4), 13-29. https://doi.org/10.5539/ijef.v4n4p13

Caroll, B.C., & Buchholtz, A.K. (2009). *Business & society: Ethics and stakeholder management, 7th edition.* South-Western.

Chapra, M. U., & Ahmed, H. (2002). Corporate governance in Islamic financial institutions. *Islamic Development Bank; Islamic Research and Training Institute*. Retrieved from https://irti.org/

Choudhury, M. A., & Hoque, M. Z. (2006). Corporate governance in Islamic perspective. *Corporate Governance: An International Review, 6*(2), 116 - 128. Retrieved from https://research.monash.edu/en/publications/corporate-governance-in-islamic-perspective

Dalwai, T., Chugh G., Prasad S., & Mohamadi, S.S. (2014). Can an effective corporate governance of Islamic banks enhance financial inclusion in the sultanate of Oman?. *International Journal of Humanities and Sosial Sciences (IJHSS). Conference Edition,* 61-74.

Dusuki, A.W., & Abdullah, N. I. (2007). Maqasid al-shari'ah, maslahah and corporate social responsibility. *The American Journal of Islamic Social Sciences 24*(1), 25-45. Retrieved from https://www.ajis.org/index.php/ajiss/article/view/415

Elasrag, H. (2015). Corporate social responsibility: An Islamic perspective. *Munich Personal RePEc Archive (MPRA) Paper No. 67537*. Retrieved from https://mpra.ub.uni-muenchen.de/id/eprint/67537

El-Halaby, S., & Husseney, K. (2015). The determinants of social accountability disclosure: Evidence from Islamic banks around the world. *International Journal of Business 20*(3), 1-29. Retrieved from http://www.craig.csufresno.edu/ijb/Volumes/Volume%2020/V203-2.pdf

Ernst, E., & Young, Y. (2016). *World Islamic banking competitiveness report*. New York: Ernst & Young Global Limited. Retrieved from https://ceif.iba.edu.pk/pdf/EY-WorldIslamicBankingCompetitivenessReport2016.pdf

Faozan, A. (2013). Implementasi good corporate governance dan peran dewan pengawas syariah di bank syariah. *Jurnal Ekonomi Islam 7*(1), 1-14. https://doi.org/10.20885/lariba.vol7.iss1.art1

Farook, S., Hasan, K.M., & Lanis, R. (2011). Determinant of corporate social responsibility disclosure: the case of Islamic banks. *SSRN Electronic Journal, May*(2), 1-20. Retrieved from https://doi.org/10.2139/ssrn.1828624

Fontaine, C., Haarman, A., & Schmid, S. (2006). *The stakeholders theory*. Retrieved from https://www.coursehero.com/file/p7iamfk/Fontaine-C-Haarman-A-Schmid-S-2006-The-Stakeholder-Theory-Available-at/

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman

Ghozali, I. (2011). *Aplikasi analisis multivariate dengan program SPSS. Cetakan keempat*. Semarang: Badan Penerbit Universitas Diponegoro.

Giannarakis. (2014). Corporate governance and financial characteristic effects on the extent of corporate sosial responsibility disclosure. *Social Responsibility Journal 10*(4), 569-590. https://doi.org/10.1108/srj-02-2013-0008

Hamza, H. (2013). Sharia governance in Islamic banks: effectiveness and supervision model. *International Journal of Islamic and Middle Eastern Finance and Management 6*(3), 226-237. https://doi.org/10.1108/imefm-02-2013-0021

Haniffa, R. (2002). Social reporting disclosure-an Islamic perspective. *Indonesian Management & Accounting Research 1*(2), 128-146. http://dx.doi.org/10.15408/aiq.v9i1.3771

Haniffa, R., & Hudaib, M. (2007). Exploring the ethical identity of Islamic banks via communication in annual reports. *Journal of Business Ethics 76*(1), 97-116. https://doi.org/10.1007/s10551-006-9272-5

Haniffa, R.M., & T.E. Cooke. (2002). Culture, corporate governance and disclosure in Malaysian corporations. *Abacus 38*(3), 317-349. https://doi.org/10.1111/1467-6281.00112

Hasan, Z. (2009). Corporate governance: western and Islamic perspectives. *International Review of Business Research Papers 5*(1), 277-293. Retrieved from https://www.academia.edu/download/34392043/23.Zulkipli.pdf

Hassan, A., & Harahap, S.S. (2010). Exploring corporate social responsibility disclosure: the case of Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management, 3*(3), 203–227. https://doi.org/10.1108/17538391011072417

Hoque, M.Z., Islam, M.R., & Ahmed. (2012). Corporate governance and bank performance: case in Bangladesh. *Social Science Research Network*, 1-37. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2208903

Hossain, M. S. (2012). Profitability attributes and the level of disclosure: A study on listed pharmaceutical companies of Bangladesh. *ABC Journal of Advanced Research, 1*(1), 8-15. https://doi.org/10.18034/abcjar.v1i1.1

Hussain, A.H. (2009). Corporate governance structure efficiency and bank performance in Saudi Arabia. *Dissertation*. University of Phoenix.

Iqbal, Z., & Mirakhor, A. (2004). Stakeholders model of governance in Islamic economic system. *Islamic Economic Studies 11*(2), 43-64. Retrieved from https://mpra.ub.uni-muenchen.de/56027/1/MPRA_paper_56027.pdf

Jamali, D. (2008). A stakeholders approach to corporate sosial responsibility: A fresh perspective into theory and practice. *Journal of Business Ethics 82*(1), 213-231. https://doi.org/10.1007/s10551-007-9572-4

Janggu, T., Joseph, C., & Madi, N. (2007). The current state of corporate social responsibility among industrial companies in Malaysia. *Social Responsibility Journal 3*(3), 9-18. https://doi.org/10.1108/17471110710835536

Khan, A., Muttakin, M. B., & Siddiqui, J. (2012). Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy. *SSRN Electronic Journal, May*(3), 1-20. https://doi.org/10.2139/ssrn.2050630
Khurshid, M.A., Al-Aali, A., Soliman, A.A., & Amin, S.M. (2014). Developing an Islamic Corporate Social Responsibility model (ICSR). *Competitiveness Review, 24*(4), 258–274. https://doi.org/10.1108/cr-01-2013-0004
Kurniawati, M., & Yaya, R. (2017). Pengaruh mekanisme corporate governance, kinerja keuangan dan kinerja lingkungan terhadap pengungkapan Islamic social reporting. *Journal of Accounting and Investment, 18*(2), 163-171. https://doi.org/10.18196/180280
Lewis, M.K. (2005). Islamic corporate governance. *Review of Islamic economics, 9*(1), 5-29.
Maali, B., Casson, P., & Napier, C. (2006). Social reporting by Islamic banks. *Abacus 42*(2), 266-289. https://doi.org/10.1111/j.1467-6281.2006.00200.x
MacKinnon, D.P. (2012). *Introduction to statistical mediation analysis*. New Yor: Routledge.
Malik, S., & Nadeem, M. (2014). Impact of corporate social responsibility on the financial performance of banks in Pakistan. *International Letters of Social and Humanistic Sciences 18*(21), 9-19. https://doi.org/10.18052/www.scipress.com/ilshs.21.9
Mallin, C., Farag, H., & Ow-Yong, K. (2014). Corporate social responsibility and financial performance in Islamic banks. *Journal of Economic Behavior & Organization 1*(3), 21–38. https://doi.org/10.1016/j.jebo.2014.03.001
Mansour, W., & Bhatti, M.I. (2018). The new paradigm of Islamic corporate governance. *Managerial Finance, 44*(5), 513–523. https://doi.org/10.1108/MF-01-2018-0043
Marsiglia, E., & Falautano, I. (2005). Corporate social responsibility and sustainability challenges for a bancassurance company. *The Geneva Papers on Risk and Insurance - Issues and Practice, 30*(3), 485–497. https://doi.org/10.1057/palgrave.gpp.2510040
Mollah, S., & Zaman, M. (2015). Shari'ah supervision, corporate governance and performance: Conventional vs. Islamic banks. *Journal of Banking & Finance, 58*, 418-435. https://doi.org/10.1016/j.jbankfin.2015.04.030
Musibah, A.S., & Alfattani, W. (2014). The mediating effect of financial performance on the relationship between shariah supervisory board effectiveness, intellectual capital and corporate sosial responsibility, of Islamic Banks in Gulf Cooperation Council Countries. *Asian Social Science 10*(17), 139-164. https://doi.org/10.5539/ass.v10n17p139
Muttakin, M.B., & Ullah, M.S. (2012). Corporate governance and bank performance: Evidence from Bangladesh. *Corporate Board: Role, Duties and Composition 8*(1), 62-68. https://doi.org/10.22495/cbv8i1art5
Omran, M.A., & Ramdony, D. (2015). Theoretical perspectives on corporate social responsibility disclosure: A critical review. *International Journal of Accounting and Financial Reporting 5*(2), 38-55. https://doi.org/10.5296/ijafr.v5i2.8035
Othman, R., & Thani, A. M. (2010). Islamic social reporting of listed companies in Malaysia. *International Business dan Economics Research Journal 9*(4), 135-144. https://doi.org/10.19030/iber.v9i4.561
Othman, R., Thani, A.M., & Ghani, E.K. (2009). Determinants of Islamic social reporting among top shariah-approved companies in Bursa Malaysia. *Research Journal of International Studies, 12*(12), 4-20. Retrieved from https://www.researchgate.net/profile/Rohana_Othman/publication/228783690_Determinants_of_Islamic_Social_Reporting_Among_Top_Shari'a-Approved_Companies_in_Bursa_Malaysia/links/5552c44e08aeaaff3bf00119.pdf
Platonova, E., Asutay, M., Dixon, R., & Mohammad, S. (2016). The impact of corporate social responsibility disclosure on financial performance: Evidence from the GCC

Islamic banking Sector. *Journal of Business Ethics, 151*(2), 451–471. https://doi.org/10.1007/s10551-016-3229-0

Quttainah, M.A. (2012). Four essays on the impact of Shari'ah (Islamic law) as an institutional governance mechanism on organizational performance and managerial behavior. *Dissertation*. Rensselaer Polytechnic Institute-Troy. New York.

Rahman, A.A., & Bukair, A.A. (2013). The influence of the Shariah supervision board on corporate social responsibility disclosure by Islamic banks of Gulf Co-Operation Council Countries. *Asian Journal of Business and Accounting 6*(2), 65–104. Retrieved from https://ajba.um.edu.my/article/view/2678

Rehman, R., & Mangla, I. (2010). Corporate governance and performance of financial institutions in Pakistan: A comparison between conventional and Islamic Banks in Pakistan. *The Pakistan Development Review 49*(4), 461–475. https://doi.org/10.30541/v49i4iipp.461-475

Sairally, B.S. (2013). Evaluating the corporate social performance of Islamic financial institutions: An empirical study. *International Journal of Islamic and Middle Eastern Finance and Management 6*(3), 238-260. https://doi.org/10.1108/imefm-02-2013-0026

Shukor, M.B.H. (2016). The impact of corporate governance and its consequences on CSR disclosure: Empirical evidence from islamic banks in GCC countries. *Dissertation*. Plymouth University.

Siregar, S.V., & Bachtiar, Y. (2010). Corporate social reporting: Empirical evidence from Indonesia Stock Exchange. In*ternational Journal of Islamic and Middle Eastern Finance and Management, 3*(3), 241–252. https://doi.org/10.1108/17538391011072435

Siwar, C., & Hossain, T. (2009). An analysis of Islamic CSR concept and the opinions of Malaysian managers. *Management of Environmental Quality, 20*(3), 290-298. https://doi.org/10.1108/14777830910950685

Tagesson, T., Blank, V., Broberg, P., & Collin, S.-O. (2009). What explains the extent and content of social and environmental disclosures on corporate websites: a study of social and environmental reporting in Swedish listed corporations. *Corporate Social Responsibility and Environmental Management, 16*(6), 352–364. https://doi.org/10.1002/csr.194

Tahir, S., & Ghazali, A. (1992). *Readings in microeconomics: An Islamic perspective*. Petaling Jaya: Longman.

Triyuwono, I. (1997). Akuntansi syari 'ah dan koperasi mencari bentuk dalam bingkai metafora amanah. *Jurnal Akuntansi dan Auditing Indonesia 1*(1), 1-46. Retrieved from https://journal.uii.ac.id/JAAI/article/view/11033

Van den Berghe, L., & Louche, C. (2005). The link between corporate governance and corporate social responsibility in insurance. *The Geneva Papers on Risk and Insurance - Issues and Practice, 30*(3), 425–442. https://doi.org/10.1057/palgrave.gpp.2510034

Verbeek, M. (2004). *A Guide to Modern Econometrics. 2nd Edition*. Hoboken: John Wiley & Sons Ltd.

Widagdo, A. K., & Ika, S. R. (2009). The interest prohibition and financial performance of Islamic banks: Indonesian evidence. *International Business Research 1*(3), 98-105. https://doi.org/10.5539/ibr.v1n3p98

Williams, G., & Zinkin, J. (2009). Islam and CSR: A study of the compatibility between the tenets of Islam and the UN global compact. *Journal of Business Ethics, 91*(4), 519–533. https://doi.org/10.1007/s10551-009-0097-x

Wu, A. D., & Zumbo, B. D. (2007). Understanding and using mediators and moderators. *Social Indicators Research, 87*(3), 367–392. https://doi.org/10.1007/s11205-007-9143-1

Xiaowen, S. (2012). Corporate characteristics and internal control information disclosure-evidence from annual reports in 2009 of listed companies in shenzhen stock exchange. *Physics Procedia, 25*, 630–635. https://doi.org/10.1016/j.phpro.2012.03.136

Yaghoobnezhad, A., Nikoomaram, H., & Salteh, H.M. (2012). The investigation of the relationship between corporate governance and earnings quality. *African Journal of Business Management 6*(11), 3898-3912. Retrieved from https://academicjournals.org/journal/AJBM

Yusuf, M.Y. (2017). *Islamic Corporate Social Responsibility (I-CSR) lembaga keuangan syariah (Teori dan praktek)*. Jakarta: Kencana.