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## CORPORATE SOCIAL RESPONSIBILITY: AN EMPIRICAL STUDY ON ISLAMIC BANKS IN INDONESIA

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### *Abstract*

*The purpose of this study is to analyze the implementation of corporate social responsibility (CSR) as measured by the ISR index in Islamic banks in Indonesia using the content analysis method. The population and samples used include BRI Syariah Bank, BNI Syariah, Muamalat Bank and BCA Syariah Bank. The results showed that not all Islamic Banks which include BRIS, BM, BNIS, and BBCAS disclose ISR in a formative manner. Only Bank BRI Syariah and Bank Muamalat disclosed ISR informatively in the period 2018-2021. Bank BCA Syariah did not disclose ISR formatively for the period 2018 - 2021. Meanwhile, Bank BNI Syariah only disclosed its ISR informatively for the 2020 and 2021 periods, while the 2018 and 2019 periods were not disclosed informatively. The conclusion shows that informative ISR disclosures are only made by Bank BRI Syariah and Bank Muamalat.*

**Keywords:** CSR, ISR, Islamic Bank, Content Analysis

### INTRODUCTION

Along with the emergence of business concepts based on religious values, Islamic banking in Indonesia is developing very rapidly. This is also due to the relatively large number of Muslims in Indonesia. This Sharia foundation is believed to be able to improve the economic system that is currently running in society into a better system that is able to prioritize the people and not just enrich a handful of parties (Ismulina et al., 2021; Garham and Nur, 2023; Yumanita, 2015). This sharia system was also developed to meet the spiritual needs of Muslims before Allah and humans in conducting business activities (Junaidi, 2015; Susilo et al., 2018; Umar dan Musa, 2021).

The characteristics of the Islamic banking system, which is based on the principle of profit sharing, offer an alternative banking system that is mutually beneficial to the community and the bank, emphasizing aspects of fairness in transactions, ethical investment, the values of unity and brotherhood in production, and avoiding speculative activities in financial transactions. By offering a variety of banking products and services through a more diverse financial system, Islamic banking is an alternative banking system that is reliable and is used by all Indonesian people without exception (Astuti, 2019; Georgiadou and Nickerson, 2022; Mahfud, 2020).

With the enactment of Law No. 21 of 2008 concerning Islamic Banking, which was issued on July 16, 2008, the development of the national Islamic banking industry will increasingly have an adequate legal basis, which will encourage its growth even more rapidly. With its impressive development progress, which has achieved an average asset growth of more than 65% per year in the last five years, it is hoped that the role of the Islamic banking industry in supporting the national economy will be even more significant. The development of Sharia banking is directed at providing the greatest benefit to society and contributing optimally to the national economy.

Therefore, the direction of national Islamic banking development always refers to other strategic plans, such as the Indonesian Banking Architecture (API) and the Indonesian Financial System Architecture (ASKI), as well as the National Medium-Term Development Plan (RPJMN) and the National Long-Term Development Plan (RPJPN). Thus, efforts to develop Sharia banking are part of activities that support the achievement of strategic plans on a larger scale at the national level (Aini et al., 2017; Junaidi, 2022; Migdad, 2022).

However, the lack of public trust in Islamic banks requires a solution that can eliminate the bad image of Islamic banking. So far, a concept has been found that is a derivative of the concept of corporate social reporting (CSR), namely Islamic social reporting, where CSR is corporate social responsibility in general and ISR is social responsibility specifically towards Islamic financial institutions (Situmeang, 2016; Andrianto and Firmansyah, 2019). Islamic Social Reporting is the answer and solution to the needs of interested parties in the company's financial reports. (Ananda and NR, 2020; Tumewang and Maharani, 2019) Especially since the development of companies that use Sharia principles in their operations, such as banking, pawnshops, insurance, and others, In addition, Islamic Social Reporting is also very important for the reputation and performance of Islamic financial institutions. Because of the disclosure of ISR, Islamic financial institutions that disclose their ISR properly will be seen as entities that can be trusted by the Muslim community to channel their funds.

A legitimacy theory, This theory prioritizes public perceptions of companies because public perceptions determine the company's existence from now until the future (Irbah et al., 2021). Legitimacy theory explains the social contract that occurs between companies and society. Companies need to establish legitimacy so that the company's existence is not threatened. Furthermore, Tampubolon and Siregar, (2019) states, community legitimacy is a strategic factor for companies in order to develop the company going forward. Legitimacy can be used to construct corporate strategy, particularly in relation to efforts to promote the company's partisanship in the community environment. Good acceptance from the community can help companies achieve their goals so as to ensure the survival of the company.

The legitimacy theory encourages companies to ensure that their activities and performance are acceptable to society. Islamic banking must disclose all necessary information to inform stakeholders about their business operations. From an Islamic perspective, the Islamic community has the right to know how Islamic banking, which is part of society, affects the welfare of society itself. Through corporate social responsibility programs, this reputation can be built in the long term (Rangkuti, 2022).

Stakeholder theory, according to Freeman, (2015) stated that stakeholder theory is a theory that is used to reveal the information needs of users based on their perspectives and interests as information users. In conclusion, the company is obliged to disclose information that is quite extensive to the company's stakeholders, according to their needs. Large-scale companies will certainly absorb more stakeholders, so entities are encouraged to be able to disclose broader information regarding the company's social and environmental activities (Mukhibad and Fitri, 2020). Companies that have already been established have more experience dealing with their stakeholders, so the quality of the information disclosed can be continuously improved according to the needs of those stakeholders (Widiyanti and Hasanah, 2018).

In making investments, investors begin to consider the social disclosure of a company. Investors need to know about corporate social responsibility in order to avoid impacts that arise in the future as a result of a lack of corporate social responsibility to the surrounding environment. Stakeholder theory says that a company is not an entity that only operates for its own sake but must provide benefits to its stakeholders, such as shareholders, creditors, consumers, suppliers, the government, the community, analysts, and other parties (Latifah and Widiatmoko, 2022). Furthermore, according to Putri et al., (2021) It shows that CSR activities can be a profitable element of a company's strategy, contributing to risk management and maintaining relationships that can provide long-term benefits to the company, so based on stakeholder theory, the researcher suspects that there is an ISR effect on the company's financial performance.

Disclosure means making something known or revealing something (Pratiwi and Amelasasih, 2022). The level of disclosure is greatly influenced by the sources of financing, the legal system, economic and political conditions, the level of economic development, and the level of education and culture. The costs that must be incurred to make these disclosures are information gathering costs, management survey fees, auditor and attorney fees, and information dissemination costs.

Islamic Social Reporting, or the ISR index, is a social disclosure standard that uses sharia guidelines as its reporting basis. The ICSR variable in this study uses the Islamic Social Reporting (ISR) index developed by Merina & Verawaty, (2016) which reveals Islamic social reporting for the first time and which was modified with the items contained in the research of Otman et al., in 2009. This index refers to the AAOIFI standard. It consists of six themes, which are further divided into 46 indicators. The measurement method includes an assessment system that will provide a score for each index provided in the Islamic Bank's annual report. If the item is disclosed, it receives a score of "1," and if not, it receives a score of "0."

Research on Islamic social reporting (ISR) as a concept of social responsibility reporting in Islamic companies whose information is based on sharia values is still rarely done. This research was conducted in several Islamic banks in Indonesia which include BRI Syariah Bank, BNI Syariah, Muamalat Bank and BCA Syariah. The general description of ISR disclosure at the bank can be seen in table 1 below.

**Table 1. ISR Disclosure of Bank BRI Syariah, BNI Syariah, Bank Muamalat and BCA Syariah**

No.	Bank	Year			
		2018	2019	2020	2021
1	BRI Syariah	72%	74%	72%	70%
2	BNI Syariah	62%	58%	68%	66%
3	Muamalat Bank	70%	72%	72%	72%
4	BCA Syariah	51%	58%	62%	62%

Source: [www.ojk.go.id](http://www.ojk.go.id). data processed (2023)

Table 1 above explains that in general the ISR disclosure is already in the informative category (66% - 80%). However, there are still ISR disclosures that are less informative (50% - 65%), namely at Bank BNI Syariah in 2018 and 2019 amounting to 62% and 58% respectively, then BCA Syariah in 2018 to 2021 amounting to 51%, 58%, and 62% respectively.

Authorization consistently continues to support the growth of the national sharia banking industry. From 2016 to 2019, Islamic banks have experienced significant developments. This development is not only shown by the increasing number of assets and the number of banks but also by the development of the Indonesian Islamic finance industry on the global stage. In Indonesia itself, banking is generally classified into two categories: Islamic banks and conventional banks (Andrianto and Firmansyah, 2019). Islamic banks are financial institutions that carry payment traffic and operate money circulation. Their main activities are providing financing and other services in accordance with Islamic Sharia principles (Garham and Nur, 2023).

Based on the results of previous research regarding the social responsibility of Islamic banks and the ISR index, researchers are interested in re-examining the level of CSR disclosure of Islamic banks based on the ISR. Meanwhile, the similarity of this research with previous studies lies in the object of research, the use of the ISR Index measuring instrument, and the type of data analysis used, which is content analysis. While the difference lies in the number of items studied, the research period, and the main objectives of the research (Zanariyatim et al., 2019)

Reviewing the relationship between ISR disclosure and financial performance, research conducted by Adita et al., (2021), Ibrahim & Muthohar, (2019) and Hadinata, (2019) shows that ISR disclosure affects financial performance. Meanwhile, research by Nusron & Diansari, (2021), Effendy et al., (2021) and Syukron, (2015) shows that ISR disclosure has no effect on financial performance. This study is different from previous studies, namely combining the influence of ISR disclosure, financial performance, and ISR performance into a research model that is rarely carried out, especially in the Islamic banking industry, which in this study was conducted at Islamic Commercial Banks (BUS).

The problem that will be discussed in this study is how the level of disclosure of social responsibility in Islamic banking in Indonesia. Based on this, the purpose of this study is to determine the level of disclosure of social responsibility in Islamic banking in Indonesia.

## **RESEARCH METHOD**

### **Data Type**

Secondary data is the type of data used. This research data is quantitative, meaning that it includes the figures in the publication of the annual financial statements of Islamic commercial banks for the 2018–2021 period from the official website of Bank Indonesia or the Financial Services Authority as well as from the official website of each bank.

### **Data source**

Obtain data through the annual financial reports published by Islamic commercial banks for the 2018–2021 period on the official website of Bank Indonesia, the platforms of each Islamic commercial bank, and the Financial Services Authority (OJK), which can be accessed via [www.ojk.go.id](http://www.ojk.go.id). With the collection of data, namely documentation techniques and literature studies.

### **Population and Sample**

The population of this study are several Islamic banks in Indonesia, namely Bank Rakyat Indonesia Syariah (BRIS), Bank Negara Indonesia Syariah (BNIS), Bank Muamalat

(BM), and Bank Central Asia Syariah (BCAS).

### Research variable

The variables in the research conducted use CSR disclosure based on ISR which is a standard for reporting the social performance of sharia-based companies Merina & Verawaty, (2016).

### Analysis Method

The data analysis method used in this study is content analysis, namely, identifying CSR practices in Islamic banks using the Islamic Social Reporting (ISR) index, which contains the contents of the sample annual report. According to Ahmad, (2018), Umar et al., (2022), this method is a systematic technique for analyzing message content and processing messages, or a tool for observing and analyzing open communication behavior from selected communicators. In the ISR, there are 53 disclosure items, which are divided into 6 indicator themes, including investment and finance, products and services, workforce, social or community, environment, and organizational governance. To measure the extent of disclosure, it is carried out through scoring techniques.

The assessment is carried out by making a comparison between the number of disclosure items owned by the company and the items that have been determined based on the ISR index. The assessment of each item is carried out by using a scoring system from 0-1, where a score of 0 is given if there is absolutely no disclosure related to the topic and a score of 1 is given if disclosure is made (Muhammadinah, 2016).

**Table 2. Disclosure Items in ISR**

No.	Indicator	Disclosure Items
1	Funding and Investment	a. Usury b. <i>Gharar</i> c. Zakat (amount and distribution) d. Policy on late payment of receivables and write-off of bad debts e. Investment activities (in general) f. Project financing (in general)
2	Products and Services	a. DPS statement on the halalness of new products and services b. Types and definitions of each product c. Service for customer complaints
3	Employees	a. Number of employees b. Working hours c. Vacation d. Employee benefits e. Remuneration Policy f. Employee education and training g. Equal opportunity for all employees h. Appreciation for outstanding employees i. Employee health and safety j. Employee engagement in the company k. Adequate place of worship l. Worship time/religious activities

4	Public	<ul style="list-style-type: none"> <li>m. Employee welfare</li> <li>a. Alms / Donations (amount and distribution)</li> <li>b. Waqf (type and distribution)</li> <li>c. Qard Hasan/benevolent loan</li> <li>d. Employee volunteers</li> <li>e. Provision of school scholarships</li> <li>f. Labor empowerment of school/college graduates</li> <li>g. Youth development</li> <li>h. Improving the quality of life of the poor</li> <li>i. Concern for children</li> <li>j. Charity or social activities</li> <li>k. Support health, entertainment, sports, cultural, educational, and religious activities)</li> </ul>
5	Environment	<ul style="list-style-type: none"> <li>a. Environmental conservation</li> <li>b. Activities to reduce the impact of global warming</li> <li>c. Environmental education</li> <li>d. Respect for the environment</li> <li>e. Environmental management system</li> </ul>
6	Corporate Governance	<ul style="list-style-type: none"> <li>a. Sharia compliance status (DPS opinion)</li> <li>b. Income and use of non-halal funds</li> <li>c. Shareholding structure</li> <li>d. Anti-corruption policy</li> <li>e. Anti-terrorism fund distribution policy</li> <li>f. Lawsuit</li> <li>g. Details of the names and profiles of the board of commissioners</li> <li>h. Commissioner Performance</li> <li>i. Remuneration of the Board of Commissioners</li> <li>j. Details of the names and profiles of the board of directors</li> <li>k. Board of Directors Performance</li> <li>l. Board of Directors Remuneration</li> <li>m. Name and profile details of DPS</li> <li>n. DPS Performance</li> <li>o. DPS Remuneration</li> </ul>

The steps to support this analysis are as follows:

1. The first step is to identify and classify various information contained in the annual reports of Islamic Commercial Banks in Indonesia according to the ISR items used.
2. Conducting ISR index scoring at Islamic Commercial Banks Scoring is carried out to find the point of disclosure, which is assessed with 1 if there is a sub-theme that is disclosed and 0 if there is a sub-theme that is not disclosed from the disclosure items that have been described in the table.
3. The level of CSR disclosure of Islamic banks will then be determined by conducting content analysis on each ISR index theme at each Islamic Commercial

Bank. Furthermore, a cumulative assessment of the ISR index is carried out at Islamic Commercial Banks (BUS), which will determine the level of CSR disclosure at Islamic Commercial Banks (BUS).

To find out how much the level of CSR disclosure in Islamic Commercial Banks, it can be calculated using the following formula:

$$ICSR = \frac{\text{Number of items disclosed}}{\text{Number of items expected to be disclosed}}$$

After calculating, an assessment is made based on the predicate level of disclosure of each Islamic Commercial Bank with the following criteria:

**Table 3. Predicate of CSR Disclosure of Islamic Banks Based on ISR Index**

No.	Index Value	Predicate
1	81% - 100%	Very Informative
2	66% - 80%	Informative
3	51% - 65%	Less Informative
4	0% - 50%	Not Informative

## RESULTS AND DISCUSSION

### Research Results

This study uses four (4) Islamic banks as samples, namely BRIS, BNIS, BMS, and BBS. The following describes the ISR disclosure made by each of these banks.

**Table 4. ISR Disclosure of BRI Syariah Bank**

No.	Disclosure Items	Year			
		2018	2019	2020	2021
1	Funding and Investment				
	a. Usury	0	1	0	0
	b. <i>Gharar</i>	0	0	0	0
	c. Zakat (amount and distribution)	1	1	1	1
	d. Policy on late payment of receivables and write-off of bad debts	1	1	1	1
	e. Investment activities (in general)	1	1	1	1
	f. Project financing (in general)	1	1	1	1
2	Products and Services				
	a. The halalness of new products and services	1	1	1	0
	b. Types and definitions of each product	1	1	1	1
	c. Service for customer complaints	1	1	1	1
3	Employees				
	a. Number of employees	1	1	1	1
	b. Working hours	0	0	0	0
	c. Vacation	0	0	0	0
	d. Employee benefits	0	0	0	0
	e. Remuneration Policy	0	0	0	0
	f. Employee education and training	1	1	1	1
	g. Equal opportunity for all employees	1	1	1	1
	h. Appreciation for outstanding employees	0	0	0	0
	i. Employee health and safety	1	1	1	1

	j. Employee engagement in the company	1	1	1	1
	k. Adequate place of worship	1	1	1	1
	l. Worship time/religious activities	1	1	1	1
	m. Employee welfare	1	1	1	1
4	Public				
	a. Alms / Donations (amount and distribution)	1	1	1	1
	b. Waqf (type and distribution)	1	1	1	1
	c. Qard Hasan/benevolent loan	1	1	1	1
	d. Employee volunteers	1	1	1	1
	e. Provision of school scholarships	1	1	1	1
	f. Labor empowerment of school/college graduates	0	0	0	0
	g. Youth development				
	h. Improving the quality of life of the poor	0	0	0	0
	i. Concern for children	0	0	0	0
	j. Charity or social activities	1	1	1	1
	k. Supporting health, entertainment, sports, cultural, educational, and religious activities	1	1	1	1
5	Environment				
	a. Environmental conservation	1	1	1	1
	b. Activities to reduce the impact of global warming	1	1	1	1
	c. Environmental education	1	1	1	1
	d. Respect for the environment	1	1	1	1
	e. Environmental management system	1	1	1	1
6	Corporate Governance				
	a. Sharia compliance status (DPS opinion)	1	1	1	1
	b. Income and use of non-halal funds	1	1	1	1
	c. Shareholding structure	1	1	1	1
	d. Anti-corruption policy	1	1	1	1
	e. Anti-terrorism fund distribution policy	1	1	1	1
	f. Lawsuit	1	1	1	1
	g. Details of the names and profiles of the board of commissioners	0	0	0	0
	h. Commissioner Performance	1	1	1	1
	i. Remuneration of the Board of Commissioners	1	1	1	1
	j. Details of the names and profiles of the board of directors	0	0	0	0
	k. Board of Directors Performance	0	0	0	0
	l. Board of Directors Remuneration	0	0	0	0
	m. Name and profile details of DPS	0	0	0	0
	n. DPS Performance	1	1	1	1
	o. DPS Remuneration	1	1	1	1
Total		38	39	38	37
Disclosure Percentage		72%	74%	72%	70%

Based on table 4, it is known that the total ISR disclosure of Bank BRI Syariah during 2018 - 2021 has fluctuated where the highest disclosure in 2019 was 39 items or 74%, while the lowest in 2021 was 37 items or 70%. However, all ISR disclosures that have been made by Bank BRI Syariah during the 2018-2021 period are in the informative category.

ISR disclosure for Bank BNI Syariah can be explained in table 5 below.

**Table 5. ISR Disclosure of BNI Syariah Bank**

No.	Disclosure Items	Year			
		2018	2019	2020	2021
1	Funding and Investment				
	a. Usury	1	0	0	0
	b. <i>Gharar</i>	0	0	0	0
	c. Zakat (amount and distribution)	1	1	1	1
	d. Policy on late payment of receivables and write-off of bad debts	1	1	1	1
	e. Investment activities (in general)	1	1	1	1
	f. Project financing (in general)	1	1	1	1
2	Products and Services				
	a. The halalness of new products and services	0	0	1	0
	b. Types and definitions of each product	1	1	1	1
	c. Service for customer complaints	1	1	1	1
3	Employees				
	a. Number of employees	1	1	1	1
	b. Working hours	0	0	0	0
	c. Vacation	0	0	0	0
	d. Employee benefits	0	0	0	0
	e. Remuneration Policy	0	0	0	0
	f. Employee education and training	1	1	1	1
	g. Equal opportunity for all employees	1	1	1	1
	h. Appreciation for outstanding employees	0	0	0	0
	i. Employee health and safety	1	1	1	1
	j. Employee engagement in the company	1	1	1	1
	k. Adequate place of worship	1	1	1	1
	l. Worship time/religious activities	1	1	1	1
	m. Employee welfare	1	1	1	1
4	Public				
	a. Alms / Donations (amount and distribution)	1	1	1	1
	b. Waqf (type and distribution)	1	1	1	1
	c. Qard Hasan/benevolent loan	1	1	1	1
	d. Employee volunteers	0	0	1	1
	e. Provision of school scholarships	1	1	1	1
	f. Labor empowerment of school/college graduates	0	0	0	0
	g. Youth development	0	0	0	0
	h. Improving the quality of life of the poor	1	0	0	0
	i. Concern for children	0	0	0	0
	j. Charity or social activities	1	1	1	1
	k. Supporting health, entertainment, sports, cultural, educational, and religious activities	1	1	1	1
5	Environment				
	a. Environmental conservation	1	0	1	1
	b. Activities to reduce the impact of global warming	0	0	1	1
	c. Environmental education	1	1	1	1
	d. Respect for the environment	1	1	1	1
	e. Environmental management system	1	1	1	1
6	Corporate Governance				
	a. Sharia compliance status (DPS opinion)	1	1	1	1
	b. Income and use of non-halal funds	1	1	1	1

c. Shareholding structure	1	1	1	1
d. Anti-corruption policy	1	1	1	1
e. Anti-terrorism fund distribution policy	0	0	0	0
f. Lawsuit	1	1	1	1
g. Details of the names and profiles of the board of commissioners	0	0	0	0
h. Commissioner Performance	0	0	1	1
i. Remuneration of the Board of Commissioners	0	1	1	1
j. Details of the names and profiles of the board of directors	0	0	0	0
k. Board of Directors Performance	0	0	0	0
l. Board of Directors Remuneration	0	0	0	0
m. Name and profile details of DPS	0	0	0	0
n. DPS Performance	1	1	1	1
o. DPS Remuneration	1	1	1	1
<b>Total</b>	<b>33</b>	<b>31</b>	<b>36</b>	<b>35</b>
<b>Disclosure Percentage</b>	<b>62%</b>	<b>58%</b>	<b>68%</b>	<b>66%</b>

Based on table 5, it is known that the total disclosure of ISR Bank BNI Syariah during 2018 - 2021 has fluctuated where the highest disclosure in 2020 was 36 items or 68% in the informative category, while the lowest in 2019 was 31 items or 58% in the less informative category. Overall, in the 2018-2021 period, there was an increase in the category where during the 2018 and 2019 periods it was in the less informative category, but in 2020 and 2021 it increased to the informative category.

The calculation of ISR disclosure for Bank Muamalat can be seen in table 6 below.

**Table 6. ISR Disclosure of Bank Muamalat**

No.	Disclosure Items	Year			
		2018	2019	2020	2021
1	Funding and Investment				
	a. Usury	0	0	0	0
	b. <i>Gharar</i>	0	0	0	0
	c. Zakat (amount and distribution)	1	1	1	1
	d. Policy on late payment of receivables and write-off of bad debts	0	1	1	1
	e. Investment activities (in general)	1	1	1	1
	f. Project financing (in general)	1	1	1	1
2	Products and Services				
	a. The halalness of new products and services	1	1	1	1
	b. Types and definitions of each product	1	1	1	1
	c. Service for customer complaints	1	1	1	1
3	Employees				
	a. Number of employees	1	1	1	1
	b. Working hours	0	0	0	0
	c. Vacation	0	0	0	0
	d. Employee benefits	0	0	0	0
	e. Remuneration Policy	0	0	0	0
	f. Employee education and training	1	1	1	1
	g. Equal opportunity for all employees	1	1	1	1
	h. Appreciation for outstanding employees	0	0	0	0

	i. Employee health and safety	1	1	1	1
	j. Employee engagement in the company	1	1	1	1
	k. Adequate place of worship	0	0	0	0
	l. Worship time/religious activities	0	0	0	0
	m. Employee welfare	1	1	1	1
4	Public				
	a. Alms / Donations (amount and distribution)	1	1	1	1
	b. Waqf (type and distribution)	1	1	1	1
	c. Qard Hasan/benevolent loan	1	1	1	1
	d. Employee volunteers	1	1	1	1
	e. Provision of school scholarships	1	1	1	1
	f. Empowerment of school/college graduates	1	1	1	1
	g. Youth development	1	1	1	1
	h. Improving the quality of life of the poor	0	0	0	0
	i. Concern for children	1	1	1	1
	j. Charity or social activities	1	1	1	1
	k. Supporting health, entertainment, sports, cultural, educational, and religious activities	1	1	1	1
5	Environment				
	a. Environmental conservation	1	1	1	1
	b. Activities to reduce the impact of global warming	1	1	1	1
	c. Environmental education	1	1	1	1
	d. Respect for the environment	1	1	1	1
	e. Environmental management system	1	1	1	1
6	Corporate Governance				
	a. Sharia compliance status (DPS opinion)	1	1	1	1
	b. Income and use of non-halal funds	1	1	1	1
	c. Shareholding structure	1	1	1	1
	d. Anti-corruption policy	1	1	1	1
	e. Anti-terrorism fund distribution policy	1	1	1	1
	f. Lawsuit	1	1	1	1
	g. Details of the names and profiles of the board of commissioners	0	0	0	0
	h. Commissioner Performance	1	1	1	1
	i. Remuneration of the Board of Commissioners	1	1	1	1
	j. Details of the names and profiles of the board of directors	0	0	0	0
	k. Board of Directors Performance	0	0	0	0
	l. Board of Directors Remuneration	0	0	0	0
	m. Name and profile details of DPS	0	0	0	0
	n. DPS Performance	1	1	1	1
	o. DPS Remuneration	1	1	1	1
Total		37	38	38	38
Disclosure Percentage		70%	72%	72%	72%

Based on table 6, it is known that the total ISR disclosure of Bank Muamalat during 2018-2021 has increased where the highest disclosure in 2019-2021 was 38 items or 72% while the lowest in 2018 was 37 items or 70%. However, all ISR disclosures that have been made by Bank Muamalat during the 2018-2021 period are in the informative category.

The calculation of ISR disclosure for BCA Syariah Bank can be seen in table 7

below.

**Table 7. ISR Disclosure of BCA Syariah Bank**

No.	Disclosure Items	Year			
		2018	2019	2020	2021
1	Funding and Investment				
	a. Usury	0	0	0	0
	b. <i>Gharar</i>	0	0	0	0
	c. Zakat (amount and distribution)	1	1	1	1
	d. Policy on late payment of receivables and write-off of bad debts	1	1	1	1
	e. Investment activities (in general)	1	1	1	1
	f. Project financing (in general)	1	1	1	1
2	Products and Services				
	a. The halalness of new products and services	0	0	0	0
	b. Types and definitions of each product	1	1	1	1
	c. Service for customer complaints	1	1	1	1
3	Employees				
	a. Number of employees	1	1	1	1
	b. Working hours	0	0	0	0
	c. Vacation	0	0	0	0
	d. Employee benefits	0	0	0	0
	e. Remuneration Policy	0	0	0	0
	f. Employee education and training	1	1	1	1
	g. Equal opportunity for all employees	0	1	1	1
	h. Appreciation for outstanding employees	0	0	0	0
	i. Employee health and safety	1	1	1	1
	j. Employee engagement in the company	1	1	1	1
	k. Adequate place of worship	1	1	1	1
	l. Worship time/religious activities	0	1	1	1
	m. Employee welfare	1	1	1	1
4	Public				
	a. Alms / Donations (amount and distribution)	1	1	1	1
	b. Waqf (type and distribution)	0	1	1	1
	c. Qard Hasan/benevolent loan	1	1	1	1
	d. Employee volunteers	0	0	0	0
	e. Provision of school scholarships	1	1	1	1
	f. Labor empowerment of school/college graduates	0	0	0	0
	g. Youth development	0	0	0	0
	h. Improving the quality of life of the poor	0	0	0	0
	i. Concern for children	1	1	1	1
	j. Charity or social activities	1	1	1	1
	k. Support health, entertainment, sports, cultural, educational, and religious activities)	1	1	1	1
5	Environment				
	a. Environmental conservation	1	1	1	1
	b. Activities to reduce the impact of global warming	0	0	0	0
	c. Environmental education	0	1	0	0
	d. Respect for the environment	1	1	1	1
	e. Environmental management system	1	1	1	1
6	Corporate Governance				
	a. Sharia compliance status (DPS opinion)	1	1	1	1

b. Income and use of non-halal funds	1	1	1	1
c. Shareholding structure	1	1	1	1
d. Anti-corruption policy	0	1	1	1
e. Anti-terrorism fund distribution policy	0	0	0	0
f. Lawsuit	1	1	1	1
g. Details of the names and profiles of the board of commissioners	0	0	0	0
h. Commissioner Performance	1	1	1	1
i. Remuneration of the Board of Commissioners	1	1	1	1
j. Details of the names and profiles of the board of directors	0	0	0	0
k. Board of Directors Performance	0	0	0	0
l. Board of Directors Remuneration	0	0	0	0
m. Name and profile details of DPS	0	0	0	0
n. DPS Performance	1	1	1	1
o. DPS Remuneration	1	1	1	1
Total	27	31	33	33
Disclosure Percentage	51%	58%	62%	62%

Based on table 7, it is known that the total ISR disclosure of Bank BCA Syariah during 2018 - 2021 has increased, namely 51%, 58% and 62% respectively. However, despite experiencing an increase, all ISR disclosures that have been made by Bank BCA Syariah during the 2018-2021 period are in the uninformative category.

## Discussion

The total ISR disclosure of Bank BRI Syariah during 2018 - 2021 experienced fluctuations where the highest disclosure in 2019 was 39 items or 74% while the lowest in 2021 was 37 items or 70%. However, all ISR disclosures that have been made by Bank BRI Syariah during the 2018-2021 period are in the informative category.

The total disclosure of ISR Bank BNI Syariah during 2018 - 2021 experienced fluctuations where the highest disclosure in 2020 was 36 items or 68% in the informative category while the lowest in 2019 was 31 items or 58% in the less informative category. Overall, in the 2018-2021 period, there was an increase in the category where during the 2018 and 2019 periods it was in the less informative category, but in 2020 and 2021 it increased to the informative category.

Bank Muamalat's total ISR disclosure during 2018-2021 has increased where the highest disclosure in 2019-2021 was 38 items or 72% while the lowest in 2018 was 37 items or 70%. However, all ISR disclosures that have been made by Bank Muamalat during the 2018-2021 period are in the informative category.

The total ISR disclosure of Bank BCA Syariah during 2018 - 2021 has increased, namely 51%, 58% and 62% respectively. However, despite experiencing an increase, all ISR disclosures that have been made by Bank BCA Syariah during the 2018-2021 period are in the uninformative category.

In the investment and financial indicators, all banks state that their activities are in accordance with sharia principles. This is reinforced by statements from DPS, commissioners, and management. Almost all banks did not explain the issue of usury except for Bank BRI Syariah in 2019 and Bank BNI Syariah in 2018. However, none of the banks disclosed that there are activities that can be categorized as gharar (uncertainty), although there are Islamic banks that hold lotteries or prizes which for

some people can be categorized as gharar. Almost all Islamic banks disclose the topic of zakat but do not disclose the method used in the calculation or the opinion of the DPS regarding the management of zakat. BJB and BBS did not disclose their zakat management. Only BBS provides an explanation that they do not directly carry out the function of distributing zakat, infaq, and shadaqah funds, as well as qardhul hasan funds.

None of the Islamic banks disclose a policy of postponing or rescheduling payments if the creditor is experiencing difficulties; Islamic banks only disclose that all funds for late fees are recognized as benevolent funds. This is where problems and questions sometimes arise as to why non-halal funds (riba) are still collected by Islamic banks and are considered detrimental to creditors. This is certainly not in accordance with the words of Allah SWT in Al-Baqarah: 280: "And if (the debtor) is in difficulty, then give him a respite until he is able."

The results of this investment and financial indicator are similar to the conclusions of Junaidi, (2015) which states that generally Islamic banks do not disclose activities that can invite criticism because it can damage the "image" of the bank, for example activities that are contrary to sharia (haram), such as policies in dealing with customers who fail to fulfill their obligations when due. For example, some Islamic banks charge additional fees in the form of fines.

On the products and services indicator almost all banks disclose the halal status of their products and services, supported by DPS opinions. Only BCA Syariah bank never disclosed the halalness of its products. This bank does not specifically explain the types of products and services as well as the standards and services in responding to complaints. Then with respect to employees all Islamic banks disclosed HR and IT training to achieve adequate human resources in the field of Islamic finance. In addition, opportunities for worship, career paths, health insurance, and employee safety are guaranteed regardless of gender issues. However, none of the banks disclosed about special employees, then almost all banks did not disclose the implementation of congregational prayers between employees and leaders, only BCA Syariah bank disclosed it.

On the social (public) indicator, all banks disclose the issue of shadaqoh, waqf and qardhasan, education (scholarships), social charity and sponsorship to the community. But only Bank Muamalat discloses the empowerment of the workforce of school / college graduates and youth development. Community social assistance in the form of economic empowerment, assistance in the form of religion, health, underprivileged groups and orphans, construction and renovation of mosques, construction and repair of public facilities, as well as the names of recipients of social assistance both from zakat funds and CSR in the form of financial and non-financial assistance, disclosed in full by the four Islamic banks, namely BRIS, BM, BNIS, and BBCAS.

Indicators of organizational governance consisting of DPS statements that the bank's operations are in accordance with laws and regulations and sharia principles and assessing the compliance report are disclosed by all Islamic banks in the form of the implementation of the bank's compliance function, the implementation of the internal audit function, and transparency of financial and non-financial conditions Financial and corporate ethics, including anti-money laundering policies and deviant practices, are fully disclosed by Islamic banks.

ICSR disclosure is a way applied by Islamic banking to integrate religious rules and norms adopted by the community. Islamic rules are an important factor that is highly respected by the community. There are a number of guidelines regarding the way individuals make relations with God and human relations with other humans. This principle is to do good fairly, to give rahmatan lil alamin or grace for the good of nature and the benefit of the people or the public interest (Samsiah et al., 2016). Companies that fail to socialize the ICSR program will experience a decrease in support from stakeholders and negative access to the company's image as a socially responsible entity. This condition will also have an adverse effect on organizational performance (Ananda & Erinos, 2020). Banking companies as financial institutions that have a share in efforts to collect and distribute public funds, their operational activities are very focused on the level of customer satisfaction and trust. Financial report disclosure, company performance, and ICSR are important factors that form a good banking reputation in the eyes of customers and the public in the area where the bank is located.

## CONCLUSIONS

Based on the results of research and discussion, it is known that not all Islamic Banks including BRIS, BM, BNIS, and BBCAS have disclosed ISR formally. Only Bank BRI Syariah and Bank Muamalat disclosed ISR informatively in the period 2018-2021. Bank BCA Syariah did not disclose ISR formatively for the period 2018 - 2021. Meanwhile, Bank BNI Syariah only disclosed its ISR informatively for the 2020 and 2021 periods, while the 2018 and 2019 periods were not disclosed informatively.

Some limitations and suggestions include the analysis carried out is still quantitative, which is only limited to disclosure, so there are limitations in analyzing the further impact of the social responsibility of Islamic banking in Indonesia. Therefore, the author hopes that there will be further research in order to analyze the qualitative as social responsibility of Islamic banking.

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