The determinant of Islamic Governance Disclosure: an Indonesian Case

by Ahmad Nurkhin

The determinant of Islamic Governance Disclosure: an Indonesian Case

Ahmad Nurkhin, Agus Wahyudin, Hasan Mukhibad, Ratieh Widhiastuti, Satsya Yoga Baswara
Faculty of Economics, Universitas Negeri Semarang, Indonesia
ahmadnurkhin@mail.unnes.ac.id

corresponding author: ahmadnurkhin@mail.unnes.ac.id

Abstract

Islamic governance disclosure (IGD) is still interesting to study. This research aims to examine the determinant of IGD in sharia banks in Indonesia. The research method used is quantitative approach involving sharia commercial banks in Indonesia in which their annual reports can be accessed during the observation period of 2011-2018. The data collection method used was documentation and content analysis. The content analysis was employed to calculate the IGD index. Meanwhile, to analyze the data, path analysis with WarpPLS software was then applied. The results showed the number of members of the Sharia supervisory board had a negative and significant effect on IGD. While leverage, size, and age can influence the IGD significantly and positively. Further, institutional ownership has a negative and significant effect on IGD. While the profitability and composition of the independent board of commissioners did not significantly influence the IGD.

Keywords : Islamic governance disclosure, Shariah supervisory board, ownership structure, profitability, size

INTRODUCTION

Research on good corporate governance (GCG) remains interesting to study. GCG has become an important instrument, particularly, in the management of business entities. Measurement of GCG also varies in research, including using the proxy mechanism of GCG or GCG index. Many researchers are trying to reveal the influence of GCG on financial performance or company value (Arora & Sharma, 2016; Asrori, 2014; Malik & Makhdoom, 2016; Nurkhin, Rohman, Rofiq, & Mukhibad, 2018; Nurkhin, Wahyudin, & Fajriah, 2017; Wahyudin & Solikhah, 2017). While other researchers tested the relationship of GCG to corporate social responsibility (Nurkhin, 2010; Said, Joseph, & Mohd Sidek, 2017).

The other researchers conducted a study of GCG disclosure (Gandia, 2008; Green & Graham, 2015; Hassan, 2012; Ntim, Opong, Danbolt, & Thomas, 2012; Tsamenyi, Enninful-Adu, & Onumah, 2007). Besides examining the extent of disclosure, they also examined the factors that influence GCG (Gandia, 2008; Ntim *et al*., 2012; Tsamenyi *et al*., 2007). Within the framework of companies in Indonesia, Djakman, Siregar, & Harahap (2017) tested the practice of GCG disclosure and found the audit and internal audit committee disclosures were still relatively low in 2012 and 2013.

Tsamenyi *et al*. (2007) found that ownership structure, dispersion of shareholding, and firm size significantly influence GCG disclosure. Gandia (2008) found that the level of disclosure depends on the level of the company, the age of the company, visibility, and reality related to the information and communication service industry. Ntim *et al*. (2012) found that block ownership was negatively related to GCG disclosure, while board size, audit firm size, cross-listing, the existence of CG committees, government ownership and institutional ownership had a positive effect on voluntary CG disclosure.

The area of CG disclosure is low for companies with duality of position and high concentration of ownership as measured by blockholder ownership. In addition, the extent of CG disclosure will increase along with the proportion of independent commissioners and company size (Samaha, Dahawy, Hussainey, & Stapleton, 2012). The results of other studies showed a positive and significant relationship between disclosure of CG with company characteristics such as size, leverage, and foreign ownership. While company's age and profitability did not prove to be positively and significantly related to CG disclosure. Company size is the most significant predictor capable of influencing CG disclosure (Sharma, 2014).

Banks operating in Indonesia consist of two forms, namely conventional banks and Islamic banks. Sharia Bank is a bank that operates based on Islamic sharia. Islamic banks also implement GCG in their operations. Some terms are known such as shari'ah corporate governance or shari'ah governance (Ginena, 2014; Z. Hasan, 2010; Muneeza & Hassan, 2014), or Islamic corporate governance (Bhatti & Bhatti, 2010; Choudhury & Alam, 2013; Choudhury & Hoque, 2006; Elghuweel, Ntim, Opong, & Avison, 2017). Shari'ah corporate governance is different from conventional GCG and both have unique objectives (Alnasser & Muhammed, 2012; Muneeza & Hassan, 2014). In the framework of corporate governance shari'a, decision making for companies must be based on shura or consultation (Muneeza & Hassan, 2014). Hassan (2009) proposed two structures on corporate governance shari'a, namely the Tawhid and Shura based approach and the stakeholders approach. The disclosure of Sharia Commercial Bank GCG refers to Bank Indonesia Regulation Number 11/33 / PBI / 2009 (Ardhanareswari, 2017).

Darmadi (2013) tried to reveal GCG practices in Islamic banks in Indonesia. He used the Corporate Governance Disclosure Index (CGDI) to assess disclosure rates in seven Islamic public banks in Indonesia. Meanwhile Abdullah, Percy, & Stewart (2013) compared sharia disclosures within the framework of the shari'ah governance system in Islamic banks in Indonesia and Malaysia within 2009 observation period. Ardhanareswari (2017) conducted a research on two sharia commercial banks, namely BNI Syariah and BRI Syariah. GCG disclosure focuses on disclosure of GCG principles which include transparency, accountability, responsibility, independence and fairness and equality.

Research on the factors that influence the extend of disclosure of Islamic governance is still not widely studied. Azid & Alnodel (2018) investigated the factors that influence shariah governance disclosure (SGD) in financial institutions. The results show that industry type, ownership structure, and board composition have a significant effect on SGD area. While variable size, leverage, and ROA did not prove to have a significant effect. Albassam & Ntim (2017) found a significant effect of Islamic value disclosure on the level of corporate governance disclosure. He also found a significant relationship of audit firm size, board size, government ownership, institutional ownership, and the presence of a GCG committee on the level of voluntary disclosure of CG. However, he failed to prove the effect of profitability on CG disclosure. Grassa (2018) confirmed that ownership concentration, ROA, leverage, and bank age had a significant effect on CGDI. While the variable size of the bank does not have a significant effect on CGDI.

The results of other studies indicated the Islamic value index, quality of governance, macroeconomic factors (gross domestic product and inflation) have a positive and significant influence on CGDI (Sarhan & Ntim, 2018). He also found a significant effect of directors' ownership, company size, company age, and ROA on CGDI. Block shareholding, growth opportunities, and leverage do not prove to have a significant effect. Haddad, Sbeiti, & Qasim (2017) stated company size is the main determinant of CG disclosure, then external auditing and liquidity.

The strong implementation of corporate governance can be demonstrated by the high level of GC disclosure (Abdullah, Percy, & Stewart, 2015). He found that the factors that influence voluntary governance disclosure include the size of Islamic banks, the level of political and civil repression and the legal system.

This study aims to examine the factors that influence Islamic Governance Disclosure in Islamic banks in Indonesia. Its scope is focused on the activities of the Sharia supervisory board (DPS), the performance of zakat, and disclosures on non-halal income. This research is a continuation of the research conducted by Wahyudin *et al*. (2019). The determinants that are considered influential on IGD are the DPS, profitability, institutional ownership, government ownership, company size, leverage, and company age.

LITERATURE REVIEW

Concept of Islamic Governance Disclosurelosure

Agency theory became the basic theory in this study because it is often used as the basis for reviewing good corporate governance (GCG). Agency theory explains agency relations arise when one person or more (principal) employs another person (agent) to provide a service and then delegates decision-making authority to the agent (Jensen & Meckling, 1976). Further, he stated companies which separate management functions from ownership functions will be vulnerable to agency conflicts. The causes of the conflict include decision making process related to two things, namely: (1) fundraising activities and (2) decision making concerning how the funds are invested. Agency conflicts or often referred to as agency problems can be minimized by a supervisory mechanism that can align these interests so that agency cost arises.

Jensen & Meckling (1976) defined corporate governance as a model or set of rules for institutional practical development to protect investors from managerial opportunistic behavior and entrepreneurial spirit. Corporate governance is a series of mechanisms that can protect minority parties (outside investors / minority shareholders) from exploration carried out by managers and controlling shareholders (insider) with an emphasis on legal mechanisms. Hasan

& Butt (2009) stated that corporate governance can be interpreted as a philosophy and mechanism related to value creation for shareholders. In this case, corporate governance requires processes and structures that facilitate through the management of the company in such a way that it can ultimately guarantee the protection of individuals and all stakeholders.

The increasing number of companies that must comply with sharia requires the formulation of rules regarding corporate governance in line with Islamic law (Muneeza & Hassan, 2014). The goal is not only to work for profit for shareholders and stakeholders, but also to thank God and to give benefit to the community. Ginena (2014) stated that "sharı'ah governance is the overall system that manages the conformity of Islamic banks and IFIs to the precepts of shari'ah pertaining to commercial transactions in all activities". Bhatti & Bhatti (2010) described the Islamic Corporate Governance (ICG) as follows:

> ICG seeks to devise ways in which economic agents, the legal system, and corporate governance can be directed by moral and social values based on Shariah laws. Its supporters believe that all economic, corporate, and business activities should be based on an ethoreligious paradigm, with the sole aim being the welfare of individuals and society as a whole. In many ways, ICG pursues the same objectives as conventional Corporate Governance, but within the religious based moral codes of Islam. However, there is currently no clear unified understanding of "corporate governance" under Islamic financial law; a model of ICG may be proposed by reconciling the objectives of Shariah laws with the stakeholder model of corporate governance.

The GCG implementation for sharia commercial banks in Indonesia includes disclosure in reference to Bank Indonesia Regulation Number 11/33 / PBI / 2009 in which officially implemented on January 1, 2010. Hasan (2010) argued the shariah governance model in Islamic financial institutions does not exist yet. Ginena (2014) stated that there are at least five (5) models for implementing shariah governance systems, namely reactive approach (applied in the UK and Turkey), passive approach (applied in Saudi Arabia), minimalist approach (applied in Bahrain, Dubai and Qatar) , pro-active approach (applied in Malaysia), and interventionist approach (applied in Pakistan). Several international institutions issued standards and principles regarding GCG, such as OECD, IFSB, and AAOIFI. AAOIFI adopts Statement on Governance Principles for Islamic Financial Institutions.

Based on the above description, it can be concluded that the Islamic Governance Disclosure (IGD) referred to in this study is the disclosure of the implementation of GCG in sharia commercial banks based on existing regulations. The dimensions that distinguish between GCG and IGD disclosures are disclosures regarding the existence of sharia supervisory boards, the performance of zakat, non-halal income, and other disclosure dimensions.

Determinants of Islamic Governance Disclosure

CG disclosure should be conducted by a company to gain the legitimacy of various parties that the company has fulfilled the applicable responsibilities and regulations. One of the factors that influence the level of voluntary disclosure of companies (Islamic governance disclosure) is profitability. Companies that have a good level of profitability tend to disclose important information to the public, including governance disclosure. This is in accordance with agency theory where CG disclosure is part of the form of corporate management's responsibility towards shareholders. Management seeks to show good performance by carrying out IGD. There are only a few researchers who have proven a significant relationship between profitability with IGD (Grassa, 2018; Sarhan & Ntim, 2018). While there are researchers who also fail to prove their relationship (Azid & Alnodel, 2018; Samaha *et al*., 2012).

The next factor that influences IGD is size and leverage. The larger the size of the company, the wider the disclosure of the CG. While leverage has a negative influence. The smaller the level of leverage, the wider the IGD will be. Companies that have high debt tend to be more careful in disclosing their information to the public. This is due to company concerns over the influence of information on the decisions of investors and other parties. The empirical test results have found a positive effect of firm size (Abdullah *et al*., 2015; Haddad *et al*., 2017; Sarhan & Ntim, 2018) and leverage (Grassa, 2018) on IGD. Although there are researchers who have not succeeded in proving a firm size relationship to IGD (Azid & Alnodel, 2018; Grassa, 2018) and leverage on IGD (Azid & Alnodel, 2018; Sarhan & Ntim, 2018).

The existence of an independent board of commissioners is also predicted to influence the extent of Islamic governance disclosure. This means the higher the presence of independent commissioners, the Islamic bank will increase IGD. Indrawaty & Wardayati (2016) argue that the composition of the board will influence the implementation of Islamic governance. Azid & Alnodel (2018) and Albassam & Ntim (2017) found the influence of the composition of the board on shariah governance disclosure. Ownership structure is also a determinant of IGD (Azid & Alnodel, 2018; Grassa, 2018). Islamic banks owned by the government tend to be more obedient. The disclosure of the IG will be even wider. Albassam & Ntim (2017) successfully managed to find a significant effect of government ownership on CG disclosure.

The researcher will also examine the relationship of the Sharia supervisory board (*Dewab Pengawas Sharia/DPS*) to the IGD. The relationship between DPS and IGD are found less. The existence of DPS will increase the extent of IGD. Measurement of DPS includes the number of DPS members, DPS Education level, attendance rate of DPS member meetings, and other relevant measures. The existence of DPS in Islamic banks is crucial to ensure the operation of Islamic banks in accordance with the rules and teachings of Islam. CG disclosure was also influenced by DPS. The more active members of the DPS, the Islamic bank will tend to express CG well. Sarhan & Ntim (2018) found that the Islamic value index had a positive and significant effect on CGDI.

Based on the description, the research hypothesis is as follows:

H1 DPS has a positive and significant effect on IGD
H2 Profitability has a positive and significant effect on IGD
H2 Leverage has a positive and significant effect on IGD
H3 Size has a positive and significant effect on IGD
H4 Bank age has a positive and significant effect on IGD
H5 The composition of independent commissioners has a positive and significant effect on IGD
H6 Institutional ownership has a positive and significant effect on IGD

METHOD

Research Population and Samples

This research is a causality study to examine the factors influencing Islamic governance disclosure (IGD) in Islamic commercial banks in Indonesia. The population in this study is Islamic commercial banks operating in Indonesia. The sampling method uses purposive sampling method addressed to the banks having the criteria of the availability of an annual report online for 8 years of observation (2011 to 2018). There are nine Islamic banks that meet the criteria, namely Muamalat Indonesia bank, Bank Syariah Mandiri, BNI Syariah, Panin Bank Syariah, BCA Syariah, BRI Syariah, May Bank Syariah, Bukopin Syariah, and Mega Bank Syariah.

Operational Definition of Research Variables

The dependent variable in this study is the IGD in sharia commercial banks in Indonesia. The dimensions are developed from the study of Abdullah *et al.* (2013) and Bank Indonesia Regulation Number 11/33 / PBI / 2009. There are four main items in the dimensions of Islamic governance disclosure, namely disclosures regarding DPS, disclosure of DPS reports, disclosure of zakat, and disclosure of non-halal income. The independent variables in this study are the existence of DPS, profitability, institutional ownership, government ownership, company size, leverage, and company age. The operational definitions of variables are in table 1.

Table 1. Operational Definition of Research Variables

No.	Research Variables	Indicators/ Operational Variables
1.	Islamic governance disclosure	a. Disclosure of Shariah Supervisory Board (DPS) b. Disclosure of DPS report c. Disclosure of Zakat d. Disclosure of non-halal income
2.	Presence of Shariah Supervisory Board	a. Number of DPS members b. Number of DPS meeting c. Level of Attendance of DPS members
3.	Profitabilitas	ROA (return on asset) and ROE (return on equity)
4.	Leverage	DAR (debt to asset ratio) and DER (debt to equity ratio)
5.	Company size	Total asset yang dimiliki oleh bank syariah
6.	The composition of the independent board of commissioners	Comparison of the number of independent board members to the total members of the board of commissioners
7.	Company age	The length of time in which bank has existed.
8.	Institutional ownership	Comparison of the number of shares owned by the institution to the total outstanding shares

Techniques of Data Collection and Analysis

Data collection techniques used in this study are documentation and content analysis. Content analysis was developed from previous researchers (Abdullah et al., 2013) to measure the disclosure of Islamic governance in Islamic banks in Indonesia. The data analysis method used is path analysis aiming to test the influence of independent variables on IGD. Further, the WarpPLS 6.0 software was employed.

RESULT AND DISCUSSION

Result

The prerequisite test results using the WarpPLS software are in table 2. Based on the results of the prerequisite criteria test, hypothesis testing can be conducted because it meets all the criteria.

Table 2. Result of Prerequisite Test

Items	Criteria	Test Result	
Average path coefficient (APC)	$P < 0.005$	APC=0.187, P=0.024	Meet the criteria

Average R-squared (ARS)	P < 0.005	ARS=0.840, P<0.001	Meet the criteria
Average adjusted R-squared (AARS)	P < 0.005	AARS=0.810, P<0.001	Meet the criteria
Average block VIF (AVIF)	acceptable if <= 5, ideally <= 3.3	AVIF=2.751	Meet the criteria
Average full collinearity VIF (AFVIF)	acceptable if <= 5, ideally <= 3.3	AFVIF=3.111	Meet the criteria

The results of hypothesis testing are in Figure 1. The results show SSBMEM (membership of the Sharia supervisory board) has a value of P = 0.02 with a coefficient of -0.23 which means the Sharia supervisory board has a significant effect on Islamic governance disclosure (IGD). However, the coefficient value is negative. SSBMET variable (number of Sharia supervisory board meetings) has a P value = 0.330 with a coefficient = -0.051. This means DPS meetings have no significant effect on IGD. SSBATT (the presence of DPS) has a P value of 0.487 with a coefficient value of -0.004 which means that the attendance rate of DPS members has no significant effect on IGD.

The profitability variable is measured by two proxies, namely ROA and ROE. Both are not proven to have a significant effect on IGD. This can be seen that the P value of more than 0.005 is 0.239 and 0.153. While the leverage variable with DER proxy proved to have a significant effect on IGD. The P value of the DER is 0.031 or less than 0.05 with a path coefficient value of 0.025. Firm size variable with total assets size proved to have a positive and significant effect on IGD in which it has P value <0.001 with path coefficient 0.602.

The company age variable (AGE) has a P value = 0.002 with a path coefficient of 0.318. This shows the age of the company has a significant and positive influence on IGD. INDCOM variable (independent commissioner) is not proven to have a significant effect on IGD. The P value of INDCOM is 0.208 or more than 0.05. And the INST variable (institutional ownership) has a P value of 0.001 with a coefficient of -0.330. This means institutional ownership has a significant effect on IGD.

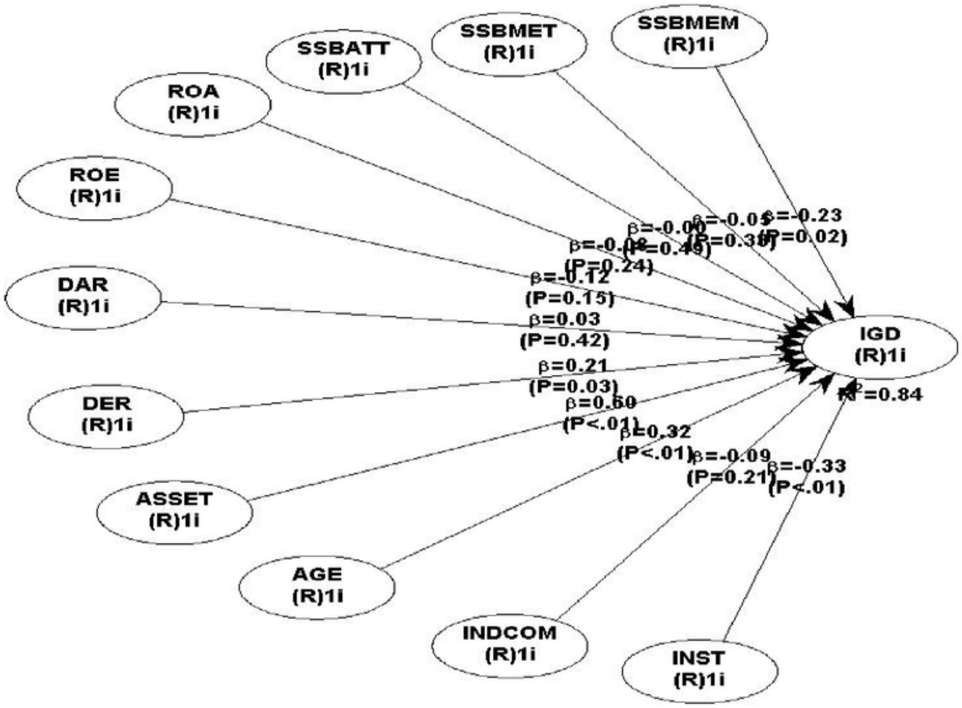

Figure 1. Path Analysis

Discussion

The results showed leverage with DER proxy, company size, and company age, proved to have a positive and significant effect on IGD. While the existence of a Sharia supervisory board with a proxy for the number of DPS members and institutional ownership proved to have a negative and significant effect on the IGD. While other variables were not proven to have a significant effect on IGD.

The existence of the DPS is supposed to have a positive and significant effect on the IGD. This means the existence of the DPS will cause the management of the Sharia bank to fully disclose information, including the implementation of corporate governance. In this study, the existence of DPS measured by the number of members proved to be significant but negative. The increasing number of members of the DPS actually caused a decline in the index of Islamic governance disclosure. This can be interpreted that the quantity of members of the DPS is less crucial than that of its performance. Indrawaty & Wardayati (2016) states that the composition of DPS membership is a determining factor for Islamic corporate governance. Sarhan & Ntim (2018) found the Islamic value index had a positive and significant effect on CGDI. Nurkhin *et al*. (2018) confirmed the number of DPS members can significantly affect the performance of Islamic banks.

Profitability is not proven to have a significant effect on IGD. Islamic banks have assumed that the disclosure of Islamic government is important to implement. Therefore, it does not depend on the condition of the company whether it could make a profit or not. The results of the study supported the previous studies (Azid & Alnodel, 2018; Samaha et al., 2012).

However, there are findings that show profitability has a positive and significant effect on IGD (Grassa, 2018; Sarhan & Ntim, 2018).

Leverage is also proven to have a positive and significant effect on IGD. This means the higher the leverage level of Islamic banks, the higher the index of Islamic governance disclosure. The management of Islamic banks wanted to show that they are able to manage the company well despite having a high level of leverage. Thus, trust in the bank is maintained. Grassa (2018) and Sharma (2014) have succeeded in finding a significant effect of leverage on governance disclosure. While Azid & Alnodel (2018) and Sarhan & Ntim (2018) found insignificant influence.

The results of the next study indicated the size of the company has a positive and significant effect on IGD. The level of disclosure of Islamic governance will be higher if Islamic banks have high assets. The greater the Islamic Bank, the more understanding the importance of disclosure of Islamic governance. The results of the study confirmed previous findings (Abdullah *et al.*, 2015; Haddad *et al.*, 2017; Sarhan & Ntim, 2018). Further, Sharma (2014) also found a significant relationship between company size and corporate governance disclosure.

Islamic governance disclosure is also influenced by the age of the company. The Similar to the company size, the longer the Islamic bank is established, the higher the level of disclosure of Islamic governance will be. Islamic banks that have been long established have gone through many rules and guidelines for implementing Islamic governance. Disclosure of Islamic governance is considered to have a positive impact on the company.

Institutional ownership has a negative and significant effect on IGD. This means the ownership of shares by institutions requires a low level of disclosure of Islamic governance. This could be due to the level of poor understanding of the importance of Islamic governance disclosure. It could be that the disclosure of Islamic governance is considered not to have a significant effect on the performance of Islamic banks. So that, this disclosure is not implemented properly. The higher disclosure of Islamic governance allows the more information to be spread openly. This could be a condition which is avoided by institutional shareholders.

CONCLUSION

The existence of a Sharia supervisory board is one of the important components in the implementation of Islamic banks. DPS can play a role in ensuring the operational activities of Islamic banks is in accordance with Sharia (Islamic law). This paper proves the existence of DPS as measured by the number of DPS members can significantly influence the disclosure of Islamic governance. In addition, IGD is also influenced by leverage, size, age, and institutional ownership. While Institutional ownership has a negative influence.

The number of meetings and the attendance rate are not able to significantly influence the IGD. Meanwhile, profitability is not proven to have a significant effect on IGD. The composition of the independent board of commissioners also has no significant effect on the IGD.

ACKNOWLEDGEMENTS

We thanks to Faculty of Economics Universitas Negeri Semarang for research and publication funding support. We also thanks to the banks and bank systems journal editor for publication.

REFERENCES

Abdullah, W. A. W., Percy, M., & Stewart, J. (2013). Shari'ah disclosures in Malaysian and Indonesian Islamic banks; the Shari'ah governance. *Journal of Islamic Accounting and Business Research*, *4*(2), 100–131. https://doi.org/10.1108/JIABR-10-2012-0063

Abdullah, W. A. W., Percy, M., & Stewart, J. (2015). Determinants of voluntary corporate governance disclosure: Evidence from Islamic banks in the Southeast Asian and the Gulf Cooperation Council regions. *Journal of Contemporary Accounting & Economics*, *11*(3), 262–279. https://doi.org/https://doi.org/10.1016/j.jcae.2015.10.001

Albassam, W. M., & Ntim, C. G. (2017). The effect of Islamic values on voluntary corporate governance disclosure The case of Saudi-listed firms. *Journal of Islamic Accounting and Business Research*, *8*(2), 182–202. https://doi.org/10.1108/JIABR-09-2015-0046

Alnasser, S. A. S., & Muhammed, J. (2012). Introduction to corporate governance from Islamic perspective. *Humanomics*, *28*(3), 220–231. https://doi.org/10.1108/08288661211258110

Ardhanareswari, R. (2017). Pelaksanaan dan pengungkapan good corporate governance pada bank umum syariah. *Jurnal Law and Justice*, *2*(1), 66–78.

Arora, A., & Sharma, C. (2016). Corporate Governance and Firm Performance in Developing Countries: Evidence from India. *Corporate Governance*, *16*(2), 420–436. https://doi.org/10.1108/CG-01-2016-0018

Asrori. (2014). Implementasi ICG dan Implikasi terhadap Kinerja Bank Syariah. *Jurnal Dinamika Akuntansi*, *6*(1), 90–102.

Azid, T., & Alnodel, A. A. (2018). Determinants of Shari'ah governance disclosure in financial institutions Evidence from Saudi Arabia. *International Journal of Ethics and Systems*. https://doi.org/10.1108/IJOES-07-2018-0111

Bhatti, M., & Bhatti, M. I. (2010). Toward Understanding Islamic Corporate Governance Issues in Islamic Finance. *Asian Politics and Policy*, *2*(1), 25–38. https://doi.org/10.1111/j.1943-0787.2009.01165.x

Choudhury, M. A., & Alam, M. N. (2013). Corporate governance in Islamic perspective. *International Journal of Islamic and Middle Eastern Finance and Management*, *6*(3), 180–199. https://doi.org/10.1108/IMEFM-10-2012-0101

Choudhury, M. A., & Hoque, M. Z. (2006). Corporate governance in Islamic perspective. *Corporate Governance: The International Journal of Business in Society*, *6*(2), 116–128. https://doi.org/10.1108/14720700610655132

Darmadi, S. (2013). Corporate governance disclosure in the annual report. *Humanomics*, *29*(1), 4–23. https://doi.org/10.1108/08288661311299295

Djakman, C. D., Siregar, S. V., & Harahap, S. N. (2017). Corporate Governance Disclosure in Indonesia. *Pertanika Journal Social Sciences & Humanities*, *25*(4), 1739–1752.

Elghuweel, M. I., Ntim, C. G., Opong, K. K., & Avison, L. (2017). Corporate governance, Islamic governance and earnings management in Oman: A new empirical insights from a behavioural theoretical framework. *Journal of Accounting in Emerging Economies*, *7*(2), 190–224. https://doi.org/10.1108/JAEE-09-2015-0064

Gandia, J. L. (2008). Determinants of internet-based corporate governance disclosure by Spanish listed companies. *Online Information Review*, *32*(6), 791–817. https://doi.org/https:// doi.org/10.1108/14684520810923944

Ginena, K. (2014). Sharīʻah risk and corporate governance of Islamic banks. *Corporate Governance*, *14*(1), 86–103. https://doi.org/10.1108/CG-03-2013-0038

Grassa, R. (2018). Deposits structure, ownership concentration and corporate governance disclosure in GCC Islamic banks: Empirical evidence. *Journal of Islamic Accounting and Business Research*, *9*(4), 587–606. https://doi.org/10.1108/JIABR-10-2014-0034

Green, D., & Graham, C. (2015). Accountability and Independence in Corporate Governance: An Analysis of Board Disclosures in Canada. In *Corporate Governance: Does any Size Fit?* (pp. 1–11). https://doi.org/10.1016/S1041-7060(05)11001-3

Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). review Accounting legislation, corporate governance codes and disclosure in Jordan: a review. *International Journal of Law and Management*, *59*(1), 147–176. https://doi.org/10.1108/IJLMA-07-2016-0064

Hasan, A., & Butt, S. A. (2009). Impact of Ownership Structure and Corporate Governance on Capital Structure of Pakistani Listed Companies. *International Journal of Business and Management*, *4*(2), 50–57. https://doi.org/10.5539/ijbm.v4n2p50

Hasan, Z. (2010). Regulatory Framework of Shariah Governance System in Malaysia , GCC Countries and the UK. *Kyoto Bulletin of Islamic Area Studies*, *3*(2), 82–115. https://doi.org/10.1108/17538391111122195

Hassan, M. K. (2012). A disclosure index to measure the extent of corporate governance reporting by UAE listed corporations. *Journal of Financial Reporting and Accounting*, *10*(1), 4–33. https://doi.org/10.1108/19852511211237426

Indrawaty, & Wardayati, S. M. (2016). Implementing Islamic Corporate Governance (ICG) and Islamic Social Reporting (ISR) in Islamic Financial Institution (IFI). *Procedia - Social and Behavioral Sciences*, *219*, 338–343. https://doi.org/10.1016/j.sbspro.2016.04.042

Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm : Managerial Behavior , Agency Costs and Ownership Structure. *Journal of Financial Economics*, *3*(4), 305–360.

Malik, M. S., & Makhdoom, D. D. (2016). Does corporate governance beget firm performance in Fortune Global 500 companies? *Corporate Governance: The International Journal of Business in Society*, *16*(4), 747–764. https://doi.org/10.1108/CG-12-2015-0156

Muneeza, A., & Hassan, R. (2014). Shari'ah corporate governance: the need for a special governance code. *Corporate Governance: The International Journal of Business in Society*, *14*(1), 120–129. https://doi.org/10.1108/CG-02-2011-0015

Ntim, C. G., Opong, K. K., Danbolt, J., & Thomas, D. A. (2012). Voluntary corporate governance disclosures by post-Apartheid South African corporations. *Journal of Applied Accounting Research*, *13*(2), 122–144. https://doi.org/10.1108/09675421211254830

Nurkhin, A. (2010). Corporate governance dan profitabilitas, pengaruhnya terhadap penungkapan CSR Sosial Perusahaan. *Jurnal Dinamika Akuntansi*, *2*(1), 46–55. Retrieved from http://journal.unnes.ac.id/index.php/jda

Nurkhin, A., Rohman, A., Rofiq, A., & Mukhibad, H. (2018). The role of the Sharia Supervisory Board and corporate governance mechanisms in enhancing Islamic performance – evidence from Indonesia. *Banks and Bank Systems*, *13*(4), 85–95. https://doi.org/10.21511/bbs.13(4).2018.08

Nurkhin, A., Wahyudin, A., & Fajriah, A. S. A. (2017). Relevansi Struktur Kepemilikan terhadap Profitabilitas dan Nilai Perusahaan Barang Konsumsi. *Jurnal Akuntansi Multiparadigma*, *8*(1), 35–46. https://doi.org/10.18202/jamal.2017.04.7038

Parsa, S., Chong, G., & Isimoya, E. (2007). Disclosure of governance information by small and medium-sized companies. *Corporate Governance: The International Journal of Business in Society*, *7*(5), 635–648. https://doi.org/10.1108/14720700710827211

Qu, W., & Leung, P. (2006). Cultural impact on Chinese corporate disclosure – a corporate governance perspective. *Managerial Auditing Journal*, *21*(3), 241–264. https://doi.org/10.1108/02686900610652991

Said, R., Joseph, C., & Mohd Sidek, N. Z. (2017). Corporate Governance and Corporate Social Responsibility (CSR) Disclosure: The Moderating Role of Cultural Values. In *Modern Organisational Governance* (pp. 189–206). https://doi.org/10.1108/S2043-052320170000012013

Samaha, K., Dahawy, K., Hussainey, K., & Stapleton, P. (2012). The extent of corporate governance disclosure its determinants developing market: The case of Egypt. *Advances in Accounting*, *28*(1), 168–178. https://doi.org/https://doi.org/10.1016/j.adiac.2011.12.001

Sarhan, A. A., & Ntim, C. G. (2018). Firm- and country-level governance compliance and disclosure in MENA countries. *Managerial Auditing Journal*, *33*(6/7), 558–585. https://doi.org/10.1108/MAJ-10-2017-1688

Sharma, N. (2014). Extent of corporate governance disclosure by banks and finance companies listed on Nepal Stock Exchange. *Advances in Accounting*, *30*(2), 425–439. https://doi.org/https://doi.org/10.1016/j.adiac.2014.09.014 Get

Shleifer, A., & Vishny, R. W. (1996). *A survey of corporate governance*.

Tsamenyi, M., Enninful-Adu, E., & Onumah, J. (2007). Disclosure and corporate governance in developing countries: evidence from Ghana. *Managerial Auditing Journal*, *22*(3), 319–334. https://doi.org/10.1108/02686900710733170

Wahyudin, A., & Solikhah, B. (2017). Corporate Governance Implementation Rating in Indonesia and Its Effects on Financial Performance. *Corporate Governance: The International Journal of Business in Society*, *17*(2), 13–31. https://doi.org/10.1108/CG-10-2015-0146

The determinant of Islamic Governance Disclosure: an Indonesian Case

ORIGINALITY REPORT

36%	25%	19%	30%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Maria Bhatti. "Toward Understanding Islamic Corporate Governance Issues in Islamic Finance", Asian Politics & Policy, 01/2010 Publication	3%
2	S. Martono, Ahmad Nurkhin, Fatimah Luthfiyah, Fachrurrozie Fachrurrozie, Ahmad Rofiq, Sumiadji Sumiadji. "The Relationship Between Knowledge, Trust, Intention to Pay Zakah, and Zakah-Paying Behavior", International Journal of Financial Research, 2019 Publication	3%
3	Submitted to International Islamic University Malaysia Student Paper	2%
4	www.emeraldinsight.com Internet Source	2%
5	Submitted to Universitas Brawijaya Student Paper	1%

bagus.staff.gunadarma.ac.id

6	Internet Source		1 %
7	www.econjournals.com Internet Source		1 %
8	Submitted to Sriwijaya University Student Paper		1 %
9	eprints.soton.ac.uk Internet Source		1 %
10	theses.gla.ac.uk Internet Source		1 %
11	www.virtusinterpress.org Internet Source		1 %
12	usir.salford.ac.uk Internet Source		1 %
13	Submitted to Universitas Negeri Surabaya The State University of Surabaya Student Paper		1 %
14	www.scribd.com Internet Source		1 %
15	Submitted to UIN Syarif Hidayatullah Jakarta Student Paper		1 %
16	Submitted to Politeknik Negeri Bandung Student Paper		1 %
	www.uts.edu.au		

17	Internet Source	1%
18	Submitted to Universiti Sultan Zainal Abidin Student Paper	<1%
19	clok.uclan.ac.uk Internet Source	<1%
20	journals.ums.ac.id Internet Source	<1%
21	irep.ntu.ac.uk Internet Source	<1%
22	Niccolò Gordini, Elisa Rancati. "Gender diversity in the Italian boardroom and firm financial performance", Management Research Review, 2017 Publication	<1%
23	ijournals.in Internet Source	<1%
24	onlinelibrary.wiley.com Internet Source	<1%
25	Submitted to Manchester Metropolitan University Student Paper	<1%
26	ijrmbs.com Internet Source	<1%

27	Submitted to City University Student Paper	<1%
28	www.iiste.org Internet Source	<1%
29	Submitted to Universitas Negeri Semarang Student Paper	<1%
30	Submitted to Universiti Teknologi MARA Student Paper	<1%
31	ejournal.stiesia.ac.id Internet Source	<1%
32	Submitted to Northcentral Student Paper	<1%
33	Submitted to iGroup Student Paper	<1%
34	Submitted to Universitas Diponegoro Student Paper	<1%
35	docplayer.net Internet Source	<1%
36	"Islamic Development Management", Springer Science and Business Media LLC, 2019 Publication	<1%
37	link.springer.com Internet Source	<1%

38	Submitted to 7996 Student Paper	<1%
39	Submitted to Heriot-Watt University Student Paper	<1%
40	Submitted to STIE Perbanas Surabaya Student Paper	<1%
41	Submitted to Fakultas Ekonomi Universitas Indonesia Student Paper	<1%
42	publications.aston.ac.uk Internet Source	<1%
43	Submitted to University of Bath Student Paper	<1%
44	www.ersj.eu Internet Source	<1%
45	sajems.org Internet Source	<1%
46	businessperspectives.org Internet Source	<1%
47	www.mdpi.com Internet Source	<1%
48	Submitted to The University of Manchester Student Paper	<1%

49	Submitted to EDMC Student Paper	<1%
50	Submitted to University of Huddersfield Student Paper	<1%
51	cyberleninka.org Internet Source	<1%
52	mafiadoc.com Internet Source	<1%
53	www.tandfonline.com Internet Source	<1%
54	docplayer.info Internet Source	<1%
55	Submitted to University Of Tasmania Student Paper	<1%
56	iiste.org Internet Source	<1%
57	Ahmed A. Elamer, Collins G. Ntim, Hussein A. Abdou, Chris Pyke. "Sharia supervisory boards, governance structures and operational risk disclosures: Evidence from Islamic banks in MENA countries", Global Finance Journal, 2019 Publication	<1%
58	Submitted to Queensland University of Technology Student Paper	<1%

59	Rahim, Mohd Fairus A., Razana Juhaida Johari, and Nur Fikhriah Takril. "Revisited Note on Corporate Governance and Quality of Audit Committee: Malaysian Perspective", Procedia Economics and Finance, 2015. Publication	<1%
60	Submitted to Universiti Sains Malaysia Student Paper	<1%
61	Submitted to National University Of Science and Technology Student Paper	<1%
62	Submitted to University of Bedfordshire Student Paper	<1%
63	Submitted to University of Durham Student Paper	<1%
64	etheses.dur.ac.uk Internet Source	<1%
65	www.macrothink.org Internet Source	<1%
66	Submitted to IAIN Surakarta Student Paper	<1%
67	ibfbzu.edu.pk Internet Source	<1%
68	islamicmarkets.com Internet Source	

<1%

69	Submitted to Universiti Selangor Student Paper	<1%
70	Submitted to University of Leicester Student Paper	<1%
71	hshiyuti.blogspot.com Internet Source	<1%
72	Submitted to South Bank University Student Paper	<1%
73	www.inderscienceonline.com Internet Source	<1%
74	www.emerald.com Internet Source	<1%
75	www.ecu.edu.au Internet Source	<1%
76	www.ccsenet.org Internet Source	<1%
77	collections.plymouth.ac.uk Internet Source	<1%
78	Submitted to Higher Education Commission Pakistan Student Paper	<1%

Submitted to Universitas Pelita Harapan

79	Student Paper	<1%
80	Ahmad Nurkhin, Abdul Rohman, Ahmad Rofiq, Hasan Mukhibad. "The role of the Sharia Supervisory Board and corporate governance mechanisms in enhancing Islamic performance – evidence from Indonesia", Banks and Bank Systems, 2018 Publication	<1%
81	Submitted to University of Wales, Bangor Student Paper	<1%
82	Androniki Katarachia, Electra Pitoska, Grigoris Giannarakis, Elpida Poutoglidou. "The drivers of corporate governance disclosure: the case of Nifty 500 Index", International Journal of Law and Management, 2018 Publication	<1%
83	Toseef Azid, Ali A. Alnodel. " Determinants of governance disclosure in financial institutions ", International Journal of Ethics and Systems, 2018 Publication	<1%

Exclude quotes	Off	Exclude matches	Off
Exclude bibliography	On		