Could Risk, Corporate Governance, and Corporate Ethics Enhance Social Performance ? Evidence from Islamic Banks in Indonesia

by Hasan Mukhibad

Could Risk, Corporate Governance, and Corporate Ethics Enhance Social Performance ? Evidence from Islamic Banks in Indonesia

Hasan Mukhibad [1]
Doddy Setiawan [2]

Abstract

This study sought to demonstrate empirically the relationship between the level of banks' risk (measured by leverage, capital adequacy ratio (CAR) ; financing deposit ratio (FDR) ; non-performing financing (NPF), corporate governance mechanism, profitability, and Ethics Disclosure Index (EDI)) on their social performance. The sample was 11 Islamic commercial banks in Indonesia. The data used were secondary data compiled from financial and annual reports for the period from 2009 – 2017. The data were then processed using multivariate analysis and structural equation modeling with WarpPLS tool. The study demonstrated that banks' social distribution activities were not used to control risk. The role of the Sharia Supervisory Board (SSB) was not found to be effective in improving banks' social performance. Meanwhile, the role of independent commissioners was able to increase the distribution of *qardh al-hassan* (interest free loans) and distribution of *qardh* (interest free financing). The level of profitability was only able to increase *zakah* expenditure (religious donations) and EDI was proven empirically to have a positive influence on the distribution of *zakah* funds and *qardh* financing. Islamic banks are required to demonstrate performance in terms of social concerns that is well aligned with the achievement of financial performance. The social activities that are a part of the performance of Islamic banks are concrete evidence of bank participation in improving people's welfare, reducing poverty, and caring for the environment.

Keywords : risk, corporate governance, environmental performance, *zakah, qard financing*

JEL Clasification Codes : G32, G31, G4, M410

Paper Submission Date : September 18, 2019 ; Paper sent back for Revision : February 16, 2020 ; Paper Acceptance Date : March 15, 2020

Islamic banks in Indonesia are experiencing very rapid development. Data from Bank Indonesia for the period from 2012 – 2017 showed that the nation's Islamic banks had asset growth of 28.42% per year. This growth exceeded that of conventional banks. This rapid growth was driven by the fact that Indonesia is the country with the largest Muslim population in the world. However, there is one problem that cannot be solved by Islamic banks in Indonesia, namely their ineffectiveness in carrying out their social functions. The Governor of Bank Indonesia, Agus Martowardojo, suggested that Islamic banks should strengthen their social financing through the management of *zakah* (religious donations) and *waqf* (religious endowments). This invitation is based on the weakness of the social loans made by Islamic banks. The Bank Indonesia data for the period from

[1] *Doctoral Student at Economics and Business Faculty (Corresponding Author),* Universitas Sebelas Maret, Indonesia &
[1] *Lecturer* at Economics Faculty, Universitas Negeri Semarang, Indonesia. (E-mail : hasanmukhibad@mail.unnes.ac.id) ; ORCID iD : https://orcid.org/0000-0001-8979-5169
[2] *Professor of Accounting,* Economics and Business Faculty, Universitas Sebelas Maret, Indonesia.
(E-mail : doddy.setiawan@gmail.com) ; ORCID iD : http://orcid.org/0000-0003-0394-0738

DOI : 10.17010/ijf/2020/v14i4/151706

2014 – September 2017 showed a weakening *qardh* financing ratio. Table 1 shows the complete data on the amount of social financing.

Table 1. Amount of *Qard* Financing by Commercial Islamic Banks in Indonesia

Indicator	2014	2015	2016	2017	Sept 2018
Amount of *Qardh* (IDR billions)	5.956	3.951	4.731	6.349	7.039
Amount of financing (IDR billions)	249.402	269.875	311.238	354.357	382.416
Percentage	2.39%	1.46%	1.52%	1.79%	1.84%

Source : Otoritas Jasa Keuangan (2018)

The problem of poor social performance by Islamic banks also occurs elsewhere in the world. There have been several measurements of social performance used by previous researchers, one of which is disclosure of CSR performance which concludes that disclosure of *Sharia* bank social performance is still low (Aribi, Arun, & Gao, 2019 ; Aribi & Arun, 2015 ; El-Halaby & Hussainey, 2015 ; El-Halaby & Hussainey, 2016 ; Farook, Kabir Hassan, & Lanis, 2011 ; Hassan & Harahap, 2010 ; Kamla & Rammal, 2013 ; Mallin, Farag, & Ow-Yong, 2014). This situation is very ironic because rapidly improving financial performance has not been matched by improvements in social performance.

Basically, social commitment is one of the Islamic principles (Hassan & Latiff, 2009). Apart from that, similar to other religions, Islam emphasizes social management, environmental and ethical values both individually and organizationally. Indeed, Helfaya, Kotb, and Hanafi (2016) revealed that there are 675 verses in 84 paragraphs contained in 30 chapters of *The Quran* which have content regarding the environment, such as human beings, water, air, land, plants, animals, and other resources.

Based on the evaluation of previous research that examined the measurement of social performance of Islamic banks, we can make the following classification. The first objective of the research is to reveal the banks' social performance based on their disclosure and evaluate the banks' disclosure score on the indicators (Aribi & Arun, 2015 ; Basah & Yusuf, 2013 ; Farook et al., 2011 ; Kamla & Rammal, 2013 ; Sairally, 2013). Both identify and demonstrate several variables that have the potential to improve social performance, including SSB, corporate governance, and financial performance.

According to previous research, the measurement of the social performance of Islamic banks was based on disclosure. It is rare to find previous studies that evaluated social performance based on the performance of *zakah* and *qardh al-hassan* funds which are the sources of social funds of banks (Mukhibad, Kiswanto, & Jayanto, 2017). This study fills this gap by *zakah* and *qardh al-hassan* distribution and the *qardh* financing ratio to measure the banks' social performance. Methods of measuring social performance that are different from previous research are also an alternative to the complexity of the findings of the relationship between financial performance and social performance as recommended by Perrini, Russo, Tencati, and Vurro (2011).

In addition, the financial performance variables thought to influence CSR performance are leverage, CAR, FDR, and NPF as proxies to demonstrate empirically the relationship between bank risk and social performance. Many previous studies have used profitability as a factor that influences social performance. This method is also a solution to the complex relationship between financial and social performance as expressed by Perrini et al. (2011) ; Deswanto and Siregar (2018) ; Saha (2018) ; Shahzad and Sharfman (2015) ; Soana (2011) ; Wang, Dou, and Jia (2015) ; Jizi, Salama, Dixon, and Stratling (2014) ; Ha, Van, and Hung (2019) ; and Charumathi and Ramesh (2017). The reason is that companies that have small capital risk and high liquidity tend to exhibit broader CSR (Suto & Takehara, 2017) ; strengthening CSR is able to control risk (Nguyen & Nguyen, 2015) ; and CSR should be an indicator for risk management (Gambetta, García-Benau, & Zorio - Grima, 2016).

Social Performance of Islamic Banks

Islamic and conventional institutions have differences in principles and practice. The main difference between the two is the use of Islamic law as a benchmark for operations. Islamic institutions, including Islamic banks, are those that use *sharia* law as a basis for carrying out their business operations. *Sharia* law is law based on Islamic law. So, compliance with *sharia* law must be achieved by Islamic banks. Islamic law strongly emphasizes that companies should pay attention to their environment.

In the concept of *sharia* transactions, Islamic banks must carry out their operations by adhering to the principle of balance *(tawazun)*, whereby balance includes that between material and spiritual aspects, between private and public aspects, between the financial sector and the non-financial sector, between business and social aspects, and between aspects of utilization and preservation. Thus, Islamic banks that use *sharia* law must manage their social performance proactively (Basah & Yusuf, 2013 ; Hassan & Latiff, 2009).

The aspect of the companies' concern for their environment is referred to as corporate social responsibility (CSR), and the implementation of this in Islamic banks has been studied by researches such as Bukair and Abdul - Rahman (2013), Mallin et al. (2014), and Fitriyah and Oktaviana (2013). The indicators used in measuring CSR generally speaking are CSR disclosures based on banks' annual reports. This study uses different measures in explaining CSR variables, namely by looking at the effectiveness of banks in channeling social funds (*zakah* funds and *qardh al-hassan* loans). Hassan and Latiff (2009) explained that CSR is a company's obligation to follow policies that can protect and improve the welfare of society as a whole. This means that the concept of CSR has a broad scope, including the management of *zakah* funds and *qardh al-hassan* loans by Islamic banks. *Zakah* for channeling funds to those outside the bank, namely the poor, the needy, the debtors, indentured workers, and travellers in need and employed to administer *zakah* (Wulandari & Kassim, 2016).

Development of Hypotheses

Financial institutions play a social role in the process of financial inclusion and they incorporate environmental considerations into credit risk assessment, so it is important to use CSR in the risk management system (Nguyen & Nguyen, 2015). The degree of high risk that a company faces can be confirmed through strengthening CSR (Nguyen & Nguyen, 2015). More specifically, Gambetta et al. (2016) explained that banks that have low capital, high liquidity risk, higher profitability, and have a higher sensitivity to market risk tend to issue CSR reports. The results of this study are corroborated by Syed and Butt (2017) who found that there was a significant relationship between corporate social responsibility disclosures and risk.

Risks that may occur are connected to a company's capital requirements and risks in repaying debts. In their research, Suto and Takehara (2017) found that CSR in Japan was able to reduce the cost of equity. Magnanelli and Izzo (2017) found that the implementation of CSR was also able to reduce the cost of debt and further reduced the risks faced by companies. Fitriyah and Oktaviana (2013), in their research on Islamic banks in Indonesia, found that bank leverage had a positive influence on CSR disclosure.

In measuring the risks faced by banks, there are several measures, namely the amount of leverage, capital adequacy ratio (CAR), financial deposit ratio (FDR), and non-performance financing (NPF) (Gupta & Jaiswal, 2020 ; Lin, Cheng, Wong, & Cheung, 2018 ; Syed & Tripathi, 2020 ; Viswanathan & Muthuraj, 2019). Thus, the hypothesis can be stated as follows :

↳ **H1 :** Business risk levels (leverage, CAR, FDR, and NPF) have a positive/negative influence on environmental performance.

Another indicator driving companies to improve CSR is corporate governance. Jamali, Safieddine, and Rabbath (2008) found that managements believed that corporate governance greatly influenced companies' CSR performance. Sadou, Alom, and Laluddin (2017) in their research in Malaysia with objects listed on the Malaysian stock exchange found that there was a significant relationship between board size, ownership concentration, and independent non-executives and the extent and quality of corporate social responsibility disclosure (CSRD). Research by Fitriyah and Oktaviana (2013) demonstrated empirically that ownership structure had an influence on CSR disclosure in Islamic banks in Indonesia. Company owners pay great attention to environmental performance. Even low environmental performance will enable owners to change the management structure of a company (Cullinan, Mahoney, & Roush, 2016). Harjoto and Jo (2011) found that there were influences between governance characteristics, including board independence, institutional ownership, and CSR.

In Islamic banks, GCG is often measured by Islamic Corporate Governance (ICG). The difference between GCG and ICG is the role of the SSB in bank management. This SSB is only available in *sharia* institutions. SSB has a function to ensure that Islamic institutions comply with *sharia* law. SSB also has a role in CSR performance. This was evidenced by researchers like Bukair and Rahman (2015), who found that the combination of SSB was measured by its size, the educational background of its members, reputation, expertise, cross membership of SSB members, and had a positive influence on CSR disclosure. This research has been strengthened by Fitriyah and Oktaviana (2013) and Mallin et al. (2014), who also found that the size of SSBs had an influence on CSR disclosure. This is because the SSB has a very important role in overseeing a company's performance, including the performance of CSR.

In this study, the measurement of ICG uses several indicators, namely the number of SSB members, the ratio of independent commissioners, the number of SSB meetings with management, and the number of commissioner meetings with management. The four measurements above are used because SSB has been demonstrated empirically to be effective in conducting monitoring and providing consultation to the management of a company (Farook et al., 2011) ; so, the effectiveness of monitoring can be used as an indicator that affects company performance. In this study, two propositions regarding the number of SSB meetings and the number of commissioner meetings are developed. The proposition is that the greater the supervision, the better the performance achieved by the management. So, the hypothesis can be stated as follows :

➯ **H2 :** Corporate governance mechanism (SSB size, SSB meeting, Independent board, Board meeting) has a positive influence on environmental performance.

CSR performance is also influenced by company profitability. Companies that have high profitability have great opportunities and resources for carrying out CSR ; so, profitability has a positive influence on CSR. Sadou et al. (2017), in their research in Malaysia, demonstrated that companies that have good ROA have wider disclosure and a better quality of corporate social responsibility disclosures (CSRD). The results of this study are also supported by Fitriyah and Oktaviana (2013) who, using ROA as an indicator of profitability of Islamic banks in Indonesia, found that ROA had an influence on CSR disclosure. The reason for this is that companies need money in order to make broader disclosures. Companies that have large profits have more resources to make disclosures.

Unlike Sadou et al. (2017) and Fitriyah and Oktaviana (2013), who used CSRD, Amato and Amato (2007) used the contributions relative to total receipts ratio. The same findings were also produced by Amato and Amato (2007) and Ha et al. (2019) in their research, which found that ROA affected a company's social expenditure. In this study, the use of profitability variable is measured by ROA, ROE, and net profit margin (NPM).

➯ **H3 :** The level of profitability (ROA, ROE, and NPM) has a positive influence on environmental performance.

This research develops the proposition that the ethical values developed by a company have a positive influence on social performance. The reason for this is that social responsibility is the manifestation of ethics in an organizational context, and social responsibility focuses on the impact of business activities on society, while ethics are related to their behavior in the organization (Fisher, 2004). CSR is related to corporate responsibility towards society, while ethics are personal beliefs that are related to concepts of wrong and right. In gaining profit, a company is supported by society, so there are corporate responsibilities that are presented because of the role of society in a company. If related to both the company and society, CSR is the right action. That is, ethics encourage companies to carry out CSR activities as part of their concern for society.

In addition, CSR is also part of the company's performance. Karim, Suh, and Tang (2016) in their research demonstrated that corporate ethics strongly support the achievement of company performance by increasing corporate value. Corporate value and CSR are related to a company's performance ; so, ethical values have a positive effect on CSR.

In the development of ethics, there have been several sources, one of which is Islam (Mukhibad, 2018). This study uses, as its objects, Islamic banks that have, as a key characteristic, the use of Islamic law in their operations, and hence, the use of Islamic ethics is very appropriate. This is also in line with Fidiana (2016), who explained that CSR is emphasized strongly in *The Quran*. Thus, ethics based on Islamic teachings strongly emphasize having social concern.

H4 : The level of the Ethics Disclosure Index has a positive influence on environmental performance.

Methodology

The population in this research is Islamic banks in Indonesia. The selection for the sample was determined based on the criteria that the following reports should have been published by the companies : a complete financial report, a *zakah* fund report, a virtue fund report, and a good corporate governance report.

The variables and measurement methods used in this study are as follows : social performance is measured by the ratio of *qardh* financing (QHFin), distribution of *zakah* funds *(Zakah)*, and *qardh al-hassan* funds (QHFund). The risk level of Islamic banks is measured by leverage (Lev), capital adequacy ratio (CAR), non-performing financing (NPF), and financing deposit ratio (FDR). Leverage is measured by the ratio of debt to assets ; CAR is measured by the ratio of capital compared to assets that have been adjusted for risk ; NPF is measured by the ratio of bad loans to all financing ; FDR is measured by the ratio of financing to third party funds. Corporate governance mechanism is measured by the size of SSB members (SSBS), number of SSB meetings (SSBM), independent commissioner ratio (INDB), and number of Board of Commissioner meetings (BOARDM). Profitability is measured by ROA, ROE, and NPM ; and the Islamic Ethics Disclosure Index (EDI) is measured by indicators that were developed by Haniffa and Hudaib (2007) and were implemented by Zaki, Sholihin, and Barokah (2014).

We developed the model as below :

$$QHFin = \beta 1 Lev + \beta 2 CAR + \beta 3 FDR + \beta 4 NPF + \beta 5 SSB + \beta 6 INDB + \beta 7 PROF + \beta 8\ EDI + \varepsilon$$

$$Zakah = \beta 1 Lev + \beta 2 CAR + \beta 3 FDR + \beta 4 NPF + \beta 5 SSB + \beta 6 INDB + \beta 7 PROF + \beta 8\ EDI + \varepsilon$$

$$QHFund = \beta 1 Lev + \beta 2 CAR + \beta 3 FDR + \beta 4 NPF + \beta 5 SSB + \beta 6 INDB + \beta 7 PROF + \beta 8\ EDI + \varepsilon$$

The sample was 11 Islamic commercial banks in Indonesia. The data used were secondary data from financial and annual reports for the period from 2009 – 2017. The analytical method used is the structural equation modeling analysis with Warp PLS tool. The level of significance used is 5% and 10%. Test fit models are based on average path coefficient (APC) values, average R-squared (ARS), average adjusted R-squared (AARS), average block VIF (AVIF), average full collinearity VIF (AFVIF), Sympson's paradox ratio (SPR), R-squared contribution ratio (RSCR), statistical suppression ratio (SSR), and non - linear bivariate causality direction ratio (NLBCDR) (Solimun & Fernandes, 2017).

Analysis and Results

Islamic financial accounting standards, issued by Institute of Indonesia Chartered Accountant, explained that the funding structure of Islamic banks is debt, temporary funds for *syirkah* (collaboration), and equity. Table 2 shows that the average leverage of Islamic banks in Indonesia is 17.64%. The average CAR is 18.27%. This CAR value is very high above the minimum standard set by Bank Indonesia, which is 9%. The level of FDR is low, it being only 54.91% of third-party funds channeled by banks in the form of financing. Islamic banks in Indonesia have an average NPF rate of only 3.56%.

The size of SSBs is between 2 and 3 members with an average of 15 meetings per year. The average ratio of independent commissioners is 67.90%, with an average of 4 meetings per year. Profitability, as measured by ROA, is 0.74% ; by ROE, it is 1.63% ; and by NPM, it is 44.81%. The average value of CED disclosure is 39.80%.

Table 3 shows that leverage has no relationship with bank social expenditure, whether it be *zakah* and *qardh al-hassan* distribution and also, *qardh* funds distribution. The high level of leverage indicates the percentage of bank funding derived from debt. Banks that have high leverage have a high risk in terms of returning the principal debt and returns. This means that the risk due to high leverage takes the form of a risk of default. However, the high and low risk of banks, as measured by leverage, means that banks do not reduce risk by increasing their social

Table 2. Results of Descriptive Test

Indicators	Maximum	Minimum	Mean	Std. Deviation
Leverage	0.326932	0.081526	0.176464	0.063175
CAR	45.9	1.95	18.26545	7.68029
FDR	944.3987	0.463963	54.91432	211.1289
NPF	22.04	0.1	3.564455	3.102006
SSB Size	3	2	2.490909	0.504525
SSB Meeting	24	7	14.78182	3.871505
Independent Board	1	0	0.679091	0.196973
Board Meeting	9	2	3.818182	1.123666
ROA	0.022646	–0.03869	0.007403	0.008162
ROE	0.297933	–3.60468	0.016269	0.501562
NPM	1.12258	0.002373	0.448078	0.177621
Ethics Disclosure Index	0.555556	0.222222	0.39798	0.116516
Zakah (millions IDR)	12,533,076.00	0.39	235,629.02	1,688,927.88
Qardhul Hasan Funds (millions IDR)	36,990.03	2.00	2,177.78	5,667,94
Qardhul Hasan Financing (millions IDR)	6,529,509.88	26.57	901,948.07	1,480.404.61

Table 3. Results of Model Testing

Dependent Var.	Leverage	*CAR*	*FDR*	*NPF*	*SSB*	*IND. BOC*	*PROFIT*	*EDI*
Path Cooeficient								
Zakah	0.074	–0.087	0.064	–0.151	–0.068	–0.062	–0.605	0.193
Qardhal-hassan	0.029	–0.038	–0.016	–0.048	–0.003	0.884	–0.066	0.164
Qardh Financing	–0.044	–0.601	–0.001	0.064	0.155	0.208	–0.133	0.249
***P*-values**								
Zakah	0.289	0.255	0.314	0.120	0.303	0.320	<0.001***	0.065*
Qardhal-hassan	0.414	0.388	0.454	0.359	0.492	<0.001***	0.308	0.102
Qardh Financing	0.370	<0.001***	0.498	0.313	0.115	0.051*	0.153	0.024**

Note. *Significant at 1%; **Significant at 5%; ***Significant at 10%.

activities. In addition, these findings can also be interpreted as meaning that social transactions carried out by Islamic banks are not for the purpose of controlling the risk of default on loans received by the bank.

FDR is the ratio of third-party funds received by banks that are channeled in the form of financing. Third party funds received by banks can be in the form of savings and deposits. Banks which have a high FDR indicate that they are very productive in channeling funds originating from savings and deposits. The desire for the distribution of savings and deposit funds raises risks in the provision of funds if the owners of savings and deposits make withdrawals. This risk arises if a bank is less able to handle the withdrawal of savings and deposited funds. Therefore, another risk is this: the higher the FDR, the higher the risk faced by the bank. The results of this study reinforce the previous statement that the risks faced by banks are not a reason for banks to improve their social performance. This conclusion is drawn from the research findings which indicate that FDR does not affect the expenditure of *zakah* funds, *qardh al-hassan* funds, and *qhard* financing.

The high risk faced by a bank can also be identified by looking at the NPF score. NPF is a ratio that describes the quality of financing owned by a bank. A high NPF ratio indicates that a bank has a bigger amount of non-performing finance. The high NPF illustrates the low quality of financing. The impact of this bad financing is that a bank does not get the principal and returns on the financing channeled. One of the sources of funds used by banks in providing financing is third party funds and debt. The high non - performing financing causes the risk that the bank is unable to return third party funds and debts and results in the inability of the bank to provide competitive returns to customers and creditors. The next impact is to reduce funds obtained by the bank, where both funds are originating from third parties or from other creditors. The rationale is that this high risk must be controlled so

Tabel 4. Hypotheses Testing Results

Hypothesis	Conclusion
H1 : Business risk levels (Leverage, *CAR, FDR,* and *NPF*) have a positive/negative influence on environmental performance.	Rejected
H2 : Corporate governance mechanism (SSB size, SSB meeting, Independent board, Board meeting) has a positive influence on environmental performance.	Accepted
H3 : The level of profitability (*ROA, ROE,* and *NPM*) has a positive influence on environmental performance.	Rejected
H4 : The level of the Ethics Disclosure Index has a positive influence on environmental performance.	Accepted

that it does not have a negative impact on the bank. One of the efforts to control this risk is by strengthening CSR (Nguyen & Nguyen, 2015). However, this strategy is not implemented by *sharia* banks in Indonesia. The research findings demonstrate empirically that the NPF level does not cause banks to carry out social activities. The high NPF is not a reason for banks to distribute *zakah* funds, *qardh al-hassan* loans, or to provide *qardh* financing.

A slightly different result from other findings is obtained when the banks' risk is measured by CAR. If a bank experiences a loss and then continues with the closing of the business, the payment of bank debt is obtained from the bank's capital. A bank having large amounts of capital or large CAR indicates that the bank is strong in bearing the return of debt received by the bank if the bank experiences bankruptcy. The results of this study demonstrate empirically that CAR has a negative influence on *qardh* financing. That is, the low CAR, which illustrates high risk, will be followed up with increased *qardh* financing. However, the CAR does not affect distribution on *zakah* and *qardh al-hassan* funds.

The measurement of bank risk uses leverage, FDR, NPF, and CAR and finds that the risks faced by banks do not affect the social performance of banks. Only CARs have a negative influence on *qardh* financing. This fact provides empirical evidence that social activities carried out by Islamic banks are not for the purpose of controlling the risks faced by those banks. Arguments presented by Nguyen and Nguyen (2015), Syed and Butt (2017), and Magnanelli and Izzo (2017) are not borne out in Islamic banks in Indonesia. We suspect that social activities carried out by Islamic banks are a tangible manifestation of bank operations based on Islamic law. Social care is emphasized in Islam. In addition, in Islam, business activities, in seeking profit, must be accompanied by social activities in accordance with the principle of balance *(tawazun)*, namely business activities that are balanced between business and social activities : a balance between utilization and sustainability, and a balance between material and spiritual. Social concern, in the context of Islam, is also emphasized by the concept of *khalifah fill ard*. In this concept, humans get some power from God to manage the earth and everything in it (Mukhibad, 2018). One of the implications of the concept of *khalifah fill ard* is to care for people, the environment, and other creatures.

Corporate governance is needed to harmonize all stakeholders' goals. The company is a collection of various parties that have many interests. To ensure the fulfillment of all stakeholders' interests, implementation of corporate governance is crucial. Chen, Lu, and Sougiannis (2012) assessed that the concept of CG is needed to reduce agency conflict between managers and owners. However, in line with increasing public awareness of impacts on the environment and surrounding communities, the interests that must be met include a bigger group of stakeholders, including the environment and the wider community. This means that the implementation of CG is needed to ensure that the company meets the interests of the community and the environment.

In this study, corporate governance is measured by the size of SSBs, the ratio of independent commissioners, the number of SSB meetings, and the number of BOC meetings. The results show that the SSB (number of members and number of meetings) does not play a significant role in improving performance in terms of *zakah, qardh al-hassan* funds, and *qardh* financing. The results of this study are different from the findings of Bukair and Abdul-Rahman (2013), Fitriyah and Oktaviana (2013), Mallin et al. (2014), and Mukhibad (2018). Whether it is a lot or not, SSB size and meetings do not have an impact on the amount of *zakah* and *qardh al-hassan* funds and *qardh* financing issued by the banks. We surmise that SSBs in Indonesia are still focusing their work on banks carrying out their business transactions in compliance with Islamic law. Compliance with *sharia* law is more inclined towards the implementation of *fatwa* (decrees by the National Sharia Council) for every transaction made by a bank. Social performance is also emphasized in *The Quran* and has not been a concern of the SSBs. The difference between this research and previous research, such as the studies of Bukair and Abdul-Rahman (2013), Fitriyah and Oktaviana (2013), Mallin et al. (2014), and Mukhibad (2018) is the measuring of social performance based on the expenditure on *zakah* funds, *qardh al-hassan* funds, and *qardh* financing.

The variable that is strongly thought of as having influence on social performance is the role of independent commissioners. Independent commissioners have a duty to oversee management performance, including social performance. Thus, the effectiveness of independent commissioners in carrying out their duties affects social performance (Harjoto & Jo, 2011). However, the results of this study indicate that the ratio of independent commissioners and the number of BOC meetings has no influence on a bank's social performance. The results of this research demonstrate that neither a large nor a low ratio of independent commissioners has an impact on improving social performance. Meanwhile, if one uses the number of commissioner board meetings, the results of the study indicate that this number has a positive influence on the distribution on *qardh al-hassan* funds and *qardh* financing. These findings are similar to those of Jizi et al. (2014), who demonstrated that the frequency of commissioner meetings was able to improve CSR disclosure. The commissioner has the task of consulting and monitoring the performance of the management. An independent commissioner is needed to ensure that a company does not only meet the interests of the owner, but also the interests of all other stakeholders. From these findings, we surmise that the number of independent commissioners influence how effectively the control of banks' social performance is carried out. Social performance is used to improve people's quality of life and reduce or eliminate poverty (Bukair & Rahman, 2015). However, the performance of *zakah* has not been effectively monitored by BOC. We surmise that the role of BOC is still low in the distribution of *zakah* funds because *zakah* is strictly regulated in *sharia*. BOCs' lack of knowledge about *sharia* law means they are still weak, especially related to *zakah*. This condition is the reason for the lack of a relationship between BOC and the performance of *zakah*.

The level of bank profitability, as measured by ROA, ROE, and NPM, is proven not to affect *qardul al-hassan* expenditure and *qardul* financing, but does affect *zakah* distribution. The results of this study are different from the results of previous studies Sadou et al. (2017) and Amato and Amato (2007) found that the level of profitability affected CSR disclosure. The reason is that social activities need funding, so companies that have high profitability have greater ability to implement them. The source of a bank's *zakah* funds can come from corporate *zakah*, bank employee *zakah*, and customer *zakah*. Of these three sources of *zakah*, bank *zakah* is paid in accordance with bank profits. That is to say, the level of profitability of the bank will increase the *zakah* paid by the bank and then it will increase the *zakah* distributed. The difference between the results of this study and those of previous studies (Amato & Amato, 2007 ; Sadou et al., 2017) is due to different measurements of social performance. Some research studies (Amato & Amato, 2007 ; Sadou et al., 2017) used CSR disclosure, while this study has used *qardh* financing ratios and expenditures on *zakah* and *qardh al-hassan*.

Unlike *zakah* funds, the source of *qardh al-hassan* funds is not derived from bank profits, so large profits are not the reason the bank has large funds allocated to *qardh al-hassan* funds and vice versa. The size of *qardh al-hassan* funds is influenced by the effectiveness of banks in collecting funds from *infaq* (spending of wealth) or *sedekah* (good deeds), and the amount of income obtained from fines and non-halal sources. *Qardh* financing and *qardh al-hassan* funds are sourced from non-halal income, fines, *infaq/sedekah*.

Social performance is closely related to the ethics that a company develops. The reason for this is that social responsibility is a manifestation of ethics in an organizational context and social responsibility in terms of the impact of a company's business activities on society (Fisher, 2004). Social performance is a manifestation of a company's concern and a form of corporate responsibility by way of developing the economy of the community and its surrounding environment. Awareness of this responsibility is influenced by ethics. Thus, ethics will affect social performance. This research has proven that EDI has a positive influence on *zakah* and *qardh* financing. However, the results of the study show that the EDI does not have an impact on the distribution of *qardh al-hassan* funds. Social performance is a manifestation of the bank's concern for society. In the concept of *sharia*, *zakah* is expenditure on obligatory donations, therefore, good ethics will support those who are implementing it.

Regarding *zakah*, the sources of funding for *qardh al-hassan* funds are recommended *(sunnah)* receipts such as those from *infaq* (spending of wealth) or *sedekah* (good deeds), but there is acceptance of *qardh al-hassan* funds, which are recommended to be avoided (such as non-halal income and fines). Therefore, with the *qardh al-hassan* funding, there is receipt that is recommended and receipt that is avoided for ethical reasons. This reasoning makes it possible for this to be one of the causes of the lack of a relationship between EDI and social performance.

Conclusion and Implications

The results show that the risk level of banks, identified by leverage, CAR, FDR, and NPF, does not have a positive effect on distribution of both *zakah* and *qardh al-hassan* funds. Leverage, FDR, and NPF have no influence on *qardh* financing, but CAR does have a negative influence on it. These findings indicate that the distribution of social funds by Islamic banks is not done to control risk, but instead is a form of compliance with *sharia* principles which require balance or equilibrium (*tawazun*) between business and social activities.

The corporate governance mechanism variable, as measured by the size of SSBs and the number of meetings they hold, has no influence on distribution of both *zakah* and *qardh al-hassan* funds and *qardh* financing. The ratio of independent BOC members and the number of meetings held have a positive effect on the distribution of *qardh al-hassan* and *qardh* financing and do not affect distribution of *zakah* donations. These findings indicate that SSB has not been effective in supervising and monitoring the banks' social performance.

The results of other studies show that banks that have high profitability, measured by ROA, ROE, and NPM, demonstrate their influence on the distribution of *zakah* donations. The reason for this is that some of the *zakah* funds channeled by banks come from bank donations distributed based on a certain percentage of bank profits. However, the level of profitability does not affect the distribution of *qardh al-hassan* funds and *qardh* financing. The EDI variable has a positive influence on *zakah* expenditure and *qardh* financing, but has no effect on the distribution of *qardh al-hassan* funds. The results of this study show that corporate ethics cause banks to increase their fulfillment of their social responsibilities.

The implication of this study is that banks which have high profitability and Islamic ethics disclosure have good social care. Such banks distribute *zakat* funds for assistance of the poor, scholarships, disaster relief, and other social activities.

Limitations of the Study and Scope for Further Research

The weakness of this study is the use of several variables that use measurements based on disclosures, such as Ethics Disclosure Index. Measurements with this model have a very high degree of subjectivity.

The use of other measures that are more objective and that can better measure the implementation of Islamic ethics is recommended for future researchers. In addition, the measurement of social performance uses the *qardh* financing ratio as well as the distribution on *zakah* and *qardh al-hassan* funds ; so, the development of other measuring instruments is highly recommended.

Authors' Contribution

Hasan Mukhibad compiled the concepts and methodology of this study. This concept was then discussed with Doddy Setiawan. Furthermore, research and writing activities for the paper were carried out by Hasan Mukhibad. The paper was reviewed by Doddy Setiawan. The results of the review were discussed by both authors.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest, or non-financial interest in the subject matter, or materials discussed in this manuscript.

Funding Acknowledgment

The authors received financial support from Economics Faculty, Universitas Negeri Semarang for conducting research for this paper.

References

Amato, L. H., & Amato, C. H. (2007). The effects of firm size and industry on corporate giving. *Journal of Business Ethics, 72*(3), 229 – 241. https://doi.org/10.1007/s10551-006-9167-5

Aribi, Z. A., & Arun, T. (2015). Corporate social responsibility and Islamic financial institutions (IFIs) : Management perceptions from IFIs in Bahrain. *Journal of Business Ethics, 129*(4), 785–794. https://doi.org/10.1007/s10551-014-2132-9

Aribi, Z. A., Arun, T., & Gao, S. (2019). Accountability in Islamic financial institution : The role of the Shari'ah supervisory board reports. *Journal of Islamic Accounting and Business Research, 10*(1), 98 – 114. https://doi.org/10.1108/JIABR-10-2015-0049

Basah, M. Y. A., & Yusuf, M. M. (2013). Islamic bank and corporate social responsibility (CSR). *European Journal of Business and Management, 5*(11), 194–209. Retrieved from http://iiste.org/Journals/index.php/EJBM/article/view/5441

Bukair, A. A., & Abdul-Rahman, 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.

Bukair, A. A., & Rahman, A. A. (2015). Bank performance and board of directors attributes by Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management, 8*(3), 291–309. https://doi.org/10.1108/IMEFM-10-2013-0111

Charumathi, B., & Ramesh, L. (2017). Do social and environmental disclosures increase firm value ? Evidence from Indian companies. *Indian Journal of Finance, 11*(4), 23 – 38. https://doi.org/10.17010/ijf/2017/v11i4/112628

Chen, C. X., Lu, H., & Sougiannis, T. (2012). The agency problem, corporate governance, and the asymmetrical behavior of selling, general, and administrative costs. *Contemporary Accounting Research, 29*(1), 252–282. https://doi.org/10.1111/j.1911-3846.2011.01094.x

Cullinan, C. P., Mahoney, L. S., & Roush, P. (2016). Corporate social responsibility and shareholder support for corporate governance changes. *Social Responsibility Journal, 12*(4), 687–705. https://doi.org/10.1108/SRJ-10-2015-0161

Deswanto, R. B., & Siregar, S. V. (2018). The associations between environmental disclosures with financial performance, environmental performance, and firm value. *Social Responsibility Journal, 14*(1), 180 – 193. https://doi.org/10.1108/SRJ-01-2017-0005

El-Halaby, S., & Hussainey, K. (2015). The determinants of social accountability disclosure : Evidence from Islamic banks around the world. *International Journal of Business, 20*(3), 202 – 223.

El-Halaby, S., & Hussainey, K. (2016). Determinants of compliance with AAOIFI standards by Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management, 9*(1), 143 – 168. https://doi.org/10.1108/IMEFM-06-2015-0074

Farook, S., Kabir Hassan, M., & Lanis, R. (2011). Determinants of corporate social responsibility disclosure : The case of Islamic Banks. *Journal of Islamic Accounting and Business Research, 2*(2), 114 –141. https://doi.org/10.1108/17590811111170539

Fidiana. (2016). Performance measurement for Islamic bank and financial institution. *Middle East Journal of Scientific Research, 24*(10), 3288–3296. https://doi.org/10.5829/idosi.mejsr.2016.3288.3296

Fisher, J. (2004). Social responsibility and ethics : Clarifying the concepts. *Journal of Business Ethics, 52,* 391 – 400. https://doi.org/10.1007/s10551-004-2545-y

Fitriyah, & Oktaviana, U. K. (2013). Relevance of financial performance and good corporate governance determinant of sustainaibility corporate social responsibility disclosure in Islamic Bank in Indonesia. *International Journal of Nusantara Islam, 1*(2), 22 – 37.

Gambetta, N., García-Benau, M. A., & Zorio - Grima, A. (2016). Corporate social responsibility and bank risk profile : Evidence from Europe. *Service Business, 11*(3), 517–542. https://doi.org/10.1007/s11628-016-0318-1

Gupta, P., & Jaiswal, K. K. (2020). Analysis of financial performance of selected public and private sector banks. *Indian Journal of Finance, 14*(1), 45 – 57. https://doi.org/10.17010/ijf/2020/v14i1/149856

Ha, H. T. V., Van, V. T. T., & Hung, D. N. (2019). Impact of social reponsibility information disclosure on the financial performance of enterprises in Vietnam. *Indian Journal of Finance, 13*(1), 20 – 36. https://doi.org/10.17010/ijf/2019/v13i1/141017

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

Harjoto, M. A., & Jo, H. (2011). Corporate governance and CSR nexus. *Journal of Business Ethics, 100*(1), 45 – 67. https://doi.org/10.1007/s10551-011-0772-6

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

Hassan, A., & Latiff, H. S. (2009). Corporate social responsibility of Islamic financial institutions and businesses: Optimizing charity value. *Humanomics, 25*(3), 177 – 188. https://doi.org/10.1108/08288660910986900

Helfaya, A., Kotb, A., & Hanafi, R. (2016). Qur'anic ethics for environmental responsibility : Implications for business practice. *Journal of Business Ethics, 150*(4), 1105 – 1128. https://doi.org/10.1007/s10551-016-3195-6

Jamali, D., Safieddine, A. M., & Rabbath, M. (2008). Corporate governance and corporate social responsibility synergies and interrelationships. *Corporate Governance : An International Review, 16*(5), 443 – 459. https://doi.org/10.1111/j.1467-8683.2008.00702.x

Jizi, M. I., Salama, A., Dixon, R., & Stratling, R. (2014). Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector. *Journal of Business Ethics, 125*(4), 601 – 615. https://doi.org/10.1007/s10551-013-1929-2

Kamla, R., & Rammal, H. G. (2013). Social reporting by Islamic banks: Does social justice matter ? *Accounting, Auditing and Accountability Journal, 26*(6), 911 – 945. https://doi.org/10.1108/AAAJ-03-2013-1268

Karim, K., Suh, S. H., & Tang, J. (2016). Do ethical firms create value ? *Social Responsibility Journal, 12*(1), 54 – 68. https://doi.org/10.1108/SRJ-09-2014-0127

Lin, Y., Cheng, M., Wong, K., & Cheung, H. J. (2018). Leverage measurement and multinational comparison of listed commercial banks in China. *International Journal of Trade, Economics and Finance, 9*(3), 131 – 134. https://doi.org/10.18178/ijtef.2018.9.3.602

Magnanelli, B. S., & Izzo, M. F. (2017). Corporate social performance and cost of debt : The relationship. *Social Responsibility Journal, 13*(2), 250 – 265. https://doi.org/10.1108/SRJ-06-2016-0103

Mallin, C., Farag, H., & Ow-Yong, K. (2014). Corporate social responsibility and financial performance in Islamic Banks. *Journal of Economic Behavior and Organization, 103,* S21 – S38. https://doi.org/10.1016/j.jebo.2014.03.001

Mukhibad, H. (2018). The role of the Shariah Supervisory Council in the disclosure of Islamic social reporting. *Jurnal Akuntansi Multiparadigma, 9*(2), 299 – 311. https://doi.org/10.18202/jamal.2018.04.9018

Mukhibad, H., Kiswanto, & Jayanto, P. Y. (2017). An analysis on financial and social performance of Islamic banks in Indonesia. *International Journal of Monetary Economics and Finance, 10*(3/4), 295 – 308. https://doi.org/10.1504/IJMEF.2017.087479

Nguyen, P., & Nguyen, A. (2015). The effect of corporate social responsibility on firm risk. *Social Responsibility Journal, 11*(2), 324 – 339. https://doi.org/10.1108/SRJ-08-2013-0093

Otoritas Jasa Keuangan. (2018). *Sharia banking statistics,* September 2018. Retrieved from https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/Documents/Pages/Statistik-Perbankan-Syariah---September-2018/SPI September 2018.pdf

Perrini, F., Russo, A., Tencati, A., & Vurro, C. (2011). Deconstructing the relationship between corporate social and financial performance. *Journal Business Ethics, 102,* 59 – 76. https://doi.org/10.1007/s10551-011-1194-1

Sadou, A., Alom, F., & Laluddin, H. (2017). Corporate social responsibility disclosures in Malaysia: Evidence from large companies. *Social Responsibility Journal, 13*(1), 177 – 202. https://doi.org/10.1108/SRJ-06-2016-0104

Saha, A. K. (2018). Relationship between corporate social responsibility performance and disclosures: Commercial banks of Bangladesh. *Social Responsibility Journal, 15*(4), 451 – 468. https://doi.org/10.1108/SRJ-07-2017-0137

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

Shahzad, A. M., & Sharfman, M. P. (2015). Corporate social performance and financial performance: Sample-selection issues. *Business & Society, 56*(6), 899 – 918. https://doi.org/10.1177/0007650315590399

Soana, M. - G. (2011). The relationship between corporate social performance and corporate financial performance in the banking sector. *Journal Business Ethics, 104,* 133 – 148. https://doi.org/10.1007/s10551-011-0894-x

Solimun, & Fernandes, A. A. R. (2017). *Multivariate statistical method - Structural equation modeling (SEM), Warp PLS approach* (2nd ed.). Malang : UB Press.

Suto, M., & Takehara, H. (2017). CSR and cost of capital: Evidence from Japan. *Social Responsibility Journal, 13*(4), 798 – 816. https://doi.org/10.1108/SRJ-10-2016-0170

Syed, A. A., & Tripathi, R. (2020). Macroeconomic vulnerabilities and their effect on nonperforming loans in Indian commercial banks. *Indian Journal of Finance, 14*(2), 34 – 49. https://doi.org/10.17010/ijf/2020/v14i2/150555

Syed, M. A., & Butt, S. A. (2017). Financial and non-financial determinants of corporate social responsibility: Empirical evidence from Pakistan. *Social Responsibility Journal, 13*(4), 780 – 797. https://doi.org/10.1108/SRJ-08-2016-0146

Viswanathan, P. K., & Muthuraj, M. (2019). Factors leading to non - performing assets (NPAs): An empirical study. *Indian Journal of Finance, 13*(1), 55 – 64. https://doi.org/10.17010/ijf/2019/v13i1/141051

Wang, Q., Dou, J., & Jia, S. (2015). A meta-analytic review of corporate social responsibility and corporate financial performance: The moderating effect of contextual factors. *Business & Society, 55*(8), 1083 – 1121. https://doi.org/10.1177/0007650315584317

Wulandari, P., & Kassim, S. (2016). Issues and challenges in financing the poor: Case of Baitul Maal Wa Tamwil in Indonesia. *International Journal of Bank Marketing, 34*(2), 216 – 234. https://doi.org/10.1108/IJBM-01-2015-0007

Zaki, A., Sholihin, M., & Barokah, Z. (2014). The association of Islamic bank ethical identity and financial performance: Evidence from Asia. *Asian Journal of Business Ethics, 3*(2), 97 – 110. https://doi.org/10.1007/s13520-014-0034-7

About the Authors

Hasan Mukhibad is a Lecturer and Researcher at the Accounting Department, Economics Faculty, Universitas Negeri Semarang, Indonesia. He is an expert in Islamic finance and accounting. Currently, he is a Doctoral Student at Economics and Business Faculty, Universitas Sebelas Maret, Indonesia. He has published many articles on Islamic finance and accounting. In addition, he is also a Reviewer in national and international journals.

Doddy Setiawan is currently a Professor of Accounting at Economics and Business Faculty, Universitas Sebelas Maret, Indonesia. He is an expert in management accounting, capital markets, and corporate governance. He has published over 90 articles in international journals and is also serving as a Reviewer in national and international journals.

Could Risk, Corporate Governance, and Corporate Ethics Enhance Social Performance ? Evidence from Islamic Banks in Indonesia

ORIGINALITY REPORT

13%	9%	11%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	pdfs.semanticscholar.org Internet Source	1%
2	repositori.upf.edu Internet Source	1%
3	giapjournals.com Internet Source	1%
4	flex.flinders.edu.au Internet Source	1%
5	link.springer.com Internet Source	1%
6	jurnal.ar-raniry.ac.id Internet Source	1%
7	Masyitah As Sahara, Doddy Setiawan. "The effect of ethical values on Islamic banking performance", Corporate and Business Strategy Review, 2021 Publication	<1%

8	ejournal.stiesia.ac.id Internet Source	<1%
9	www.cbmsbm.com Internet Source	<1%
10	journal.unesa.ac.id Internet Source	<1%
11	ejournal.itbwigalumajang.ac.id Internet Source	<1%
12	S Martono, Fachrurrozie Fachrurrozie, Hasan Mukhibad, Ahmad Nurkhin, Kusumantoro Kusumantoro. "Evaluation of the impact of the pay gap on performance - A study of dual system banking", Cogent Business & Management, 2022 Publication	<1%
13	Submitted to Ryerson University Student Paper	<1%
14	Razali Haron, Galad Mohamed Barre, Anwar Hasan Abdullah Othman. "chapter 5 Zakat and the Performance of Islamic Banks", IGI Global, 2021 Publication	<1%
15	Tarek Chenini, Ahlem Boubker, Sawssen Nafti, Mosbah Lafi. "Financial Performance and Social Responsibility-The Case of Islamic Banks: A Theoretical and Empirical Study",	<1%

International Journal of Economics and Finance, 2021
Publication

16 Submitted to Universitas Negeri Semarang
Student Paper
<1%

17 www.neliti.com
Internet Source
<1%

18 Hasan Mukhibad, Prabowo Yudo Jayanto, Kuat Waluyo Jati, Muhammad Khafid. "Attributes of Shariah Supervisory Board and shariah compliance", Corporate Governance and Organizational Behavior Review, 2022
Publication
<1%

19 Julius Eggert, Julia Hartmann. "Purchasing's Contribution to Supply Chain Emission Reduction", Journal of Purchasing and Supply Management, 2021
Publication
<1%

20 Ni Made Wira Dwi Ratna Pradnyani, Luh Gede Sri Artini. "Comparison of Bank Soundness Levels Using the Risk-Based Bank Rating Method Before and During the Covid-19 Pandemic", European Journal of Business and Management Research, 2023
Publication
<1%

21 Rahma Wijayanti, Vera Diyanty, Sugiyarti Fatma Laela. "Education strategy misfit, board
<1%

effectiveness and Indonesian Islamic bank performance", Journal of Islamic Accounting and Business Research, 2020
Publication

22	Submitted to Heriot-Watt University Student Paper	<1%
23	M. Taufik Fauzi, R. Dian Sari. "Effectiveness of several plant extracts as botanical fungicides to control damping-off disease caused by Sclerotium rolfsii on soybean", IOP Conference Series: Earth and Environmental Science, 2022 Publication	<1%
24	www.indianjournaloffinance.co.in Internet Source	<1%
25	Isabel Gallego‐Álvarez, María Consuelo Pucheta‐Martínez. "Corporate social responsibility reporting and corporate governance mechanisms: An international outlook from emerging countries", BUSINESS STRATEGY & DEVELOPMENT, 2019 Publication	<1%
26	Submitted to Purdue University Student Paper	<1%
27	Submitted to University of Portsmouth Student Paper	<1%

jp.feb.unsoed.ac.id

28	Internet Source	<1%
29	repository.globethics.net Internet Source	<1%
30	Submitted to University of Birmingham Student Paper	<1%
31	Submitted to University of Northumbria at Newcastle Student Paper	<1%
32	www.ncbi.nlm.nih.gov Internet Source	<1%
33	Bandi, Doddy Setiawan, Sri Suranta, Lian Kee Phua. "AN ANALYSIS OF THE SIGNIFICANCE OF INFORMATION CONTENT IN DIVIDEND ANNOUNCEMENTS: THE CASE IN INDONESIA", Corporate Ownership and Control, 2014 Publication	<1%
34	Binbin Tian, Chao Lin, Wenwen Zhang, Chen Feng. "Tax Incentives, On-the-job Training, and Human Capital Accumulation: Evidence from China", China Economic Review, 2022 Publication	<1%
35	M. Kabir Hassan, Sirajo Aliyu. "A contemporary survey of islamic banking literature", Journal of Financial Stability, 2018 Publication	<1%

36 Afifah Oki Nilasakti, Falikhatun Falikhatun. "Determinants of Sustainability Reporting of Islamic Banks in Emerging Countries", Muqtasid: Jurnal Ekonomi dan Perbankan Syariah, 2020 <1%
Publication

---

37 Frederik Plewnia, Edeltraud Guenther. "The benefits of doing good: a meta-analysis of corporate philanthropy business outcomes and its implications for management control", Journal of Management Control, 2017 <1%
Publication

---

38 Memiyanty Abdul Rahim, Nur 'Ain Syahirah Shaharuddin, Norazah Mohd Suki. "Shariah governance disclosure and its effect on Islamic banks' financial performance: evidence from Malaysia and GCC countries", Journal of Islamic Accounting and Business Research, 2023 <1%
Publication

---

39 Raisya Arum Sari, Hilda Rossieta. "SUSTAINABILITY REPORT, OWNERSHIP TYPES, AND COST OF CAPITAL: EVIDENCE ON INVESTORS' REACTION OF INDONESIAN LISTED COMPANIES", Humanities & Social Sciences Reviews, 2020 <1%
Publication

---

heisun1.unige.ch

40	Internet Source	<1%
41	rd.springer.com Internet Source	<1%
42	www.businessperspectives.org Internet Source	<1%

Exclude quotes	On	Exclude matches	< 10 words
Exclude bibliography	On		

Could Risk, Corporate Governance, and Corporate Ethics Enhance Social Performance ? Evidence from Islamic Banks in Indonesia

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15