

Corporate Social Responsibility (CSR) Based on Islamic Social Reporting in an Effort to Increase Company Value: a Literature Review

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ABSTRACT

This research aims to investigate the concept of Corporate Social Responsibility (CSR) based on Islamic social reporting and its impact on increasing company value. This research is a type of qualitative descriptive research using the literature study method, with the aim of knowing the results of implementing ISR-based Corporate Social Responsibility (CSR) to increase company value. The research results show that the implementation of corporate social responsibility (CSR) is based on Islamic Social Reporting in an effort to increase company value by referring to several core topics discussed in (1) Finance and Investment; (2) Products and services; (3) Employees; (4) Community Involvement; (5) Environment; (6) Corporate Governance, this sixth subject is issued by the Accounting and Audit Organization for Islamic Financial Institutions (AAOIFI).

Keywords: *Corporate Social Responsibility, Islamic Social Reporting, company value*

Background

CSR (Corporate Social Responsibility) is a sustainable commitment from business actors as an ethical action and contributes to improving the economy in line with improving the quality of life of employees and their families, as well as the general public and local communities (Retno & Priantinah, 2012). The issue of CSR (Corporate Social Responsibility) has emerged since the DPR passed it in July 2007, namely Law No. 40 of 2007. As a result of the passing of this Law, CSR has become a source of polemic among the government, DPR and business actors. Until now, the pros and cons regarding CSR which is considered a company obligation have not yet ended. The government is still adamant in facing CSR rejection where many business actors insist on rejecting CSR as a company obligation. The reason business actors reject CSR is because of the many losses incurred, both to society and the social environment, as a result of business activities carried out by companies with the sole aim of maximizing profits. Environmental damage and natural disasters are caused by unethical business behavior. The losses incurred and the state's sacrifices to overcome social and environmental problems are far greater than the various benefits and advantages that the state has received and can receive from companies in the form of CSR and royalties, employment, supply of goods, and others (Narsa & Irwanto, 2014 ; Rini, 2015).

The enactment of Law Number 21 of 2008 concerning sharia banking caused rapid industrial development and presented new difficulties that had to be overcome by sharia

banking institutions (Kamla, 2009). This is because conventional banking still controls 93.89% of the Indonesian financial industry market. Sharia banking only provides the remaining portion or 6.11% (tirto.od, 2020). One of the main forces behind the sharia economic system is sharia banks. In Indonesia, the effectiveness of Islamic banking has increased dramatically. Between 2018 and 2020, total assets and funds from third parties saw growth in sharia banking at a relatively ideal level (OJK, 2018, 2019, 2020).

ISR, a variation of CSR, is a type of corporate social responsibility that companies have towards the wider community and Allah SWT in particular (Abadi, Mubarak, & Sholihah, 2020). Because investors often assess Islamic banking performance, Islamic banking institutions can also benefit from ISR disclosure strategies to gain a competitive advantage. decided to put his money into a company that does CSR. Apart from that, so that businesses can survive and grow healthily, especially for financial institutions that benefit from implementing GCG (Nugroho, 2015). Financial reports are a source of knowledge used by investors to make decisions (Vania et al., 2018) and companies to develop policies (Ghazali et al., 2015). Financial reports are used to share details about performance, changes in the company's financial position and financial status (Vania et al., 2018). equipped with consistency and timeliness, which has a significant impact on important business decisions such as debt agreements, additional capital, executive compensation, and so on (Ghazali et al., 2015).

Previous research discussed Maqashid Syariah-based implementation which was based on 5 principles. In this study, researchers replaced the maqashid sharia variable with ISR and added the company value variable as an ISR-based measure of Corporate Social Responsibility. Companies not only have shareholders, but companies also have stakeholders. This condition is formed because of the behavior and decisions made by the company which will have an influence on the welfare of society (Masykur, 2013). Corporate social responsibility in Indonesia still has to be encouraged and controlled by various stakeholders, so that corporate social responsibility becomes an integral part of the journey of the business world in Indonesia and international business relations in the context of Islamic values and Islamic social principles. so that Indonesian products can compete in quality and quantity internationally. Based on this background, it is intended to express perceptions regarding the implementation of corporate social responsibility in increasing company value due to the ISR Index.

Objective

This research aims to investigate the concept of Corporate Social Responsibility (CSR) based on Islamic social reporting and its impact on increasing company value. First, the research will focus on understanding the concept of CSR from an Islamic perspective, by reviewing relevant literature and understanding its basic principles. Next, the research will evaluate the Islamic-based CSR practices adopted by companies, analyzing the extent to which Islamic values are reflected in CSR policies and programs.

Next, the research will analyze the impact of Islamic-based CSR practices on financial performance and company value. Another objective is to identify factors that can strengthen or hinder the contribution of Islamic-based CSR to increasing company value. The research will also focus on developing Key Performance Indicators (KPI) to measure the success of implementing Islamic-based CSR and develop effective evaluation methods.

As a next step, the research will develop practical recommendations for companies to increase the effectiveness of Islamic-based CSR, taking into account the opportunities and challenges they may face. In addition, this research aims to provide new contributions to the Islamic-based CSR literature through research findings, providing new insights, and developing concepts that can become the basis for further research in this field. Thus, it is hoped that this research can provide a deeper understanding of the relationship between Islamic-based CSR and increasing company value.

LITERATURE REVIEW

Corporate Social Responsibility

World Business Council for Sustainable Development (WBCSD) which is an international organization and has an interest in development sustainable, defines social responsibility or what is known with the title Corporate Social Responsibility (CSR) as a commitment from business world or business to behave ethically and contribute to sustainable economic development, while improving the quality of life employees and their families, local communities and society at large. (Fauziah, 2013) explained that CSR is a manifestation of operational activities and activities companies that pay attention to economic (profit), social (people), and environment (planet) or what is called Triple Bottom Lines (TBL). Third These factors are related to each other. Society depends on the economy; economic and corporate profits depend on society and the environment, even global ecosystems.

(Yusuf, 2010) explains that the CSR concept has been developed worldwide The West is not the same as the CSR concept in Islam. This is due to CSR in Islam is built on the basis of Sufism (paradigm) and epistemology which is different from CSR developed in the west. Not to mention the runway The philosophy of Islamic companies is different from the philosophy of Islamic companies western world. The philosophy of the company and CSR in Islam is based on Al- Qur'an and Sunnah as well as cultural habits that developed within Muslim society. Whereas in the west it is based on views and culture western and most likely their religious influence is included in the concept CSR in use today.

In an Islamic perspective, CSR is the realization of the concept of ihsan teachings as the culmination of very noble ethical teachings. Ihsan can be interpreted as: carry out good deeds that can benefit others in order to get the blessing of Allah SWT. Apart from that, CSR is an implication of The teaching of ownership in Islam, Allah is the absolute owner (haqiqiyah) while humans are only temporary owners who function as recipient of the trust (Djakfar, 2007). Therefore, humans are entrusted to become the caliph of Allah on this earth who brings rahmatan lil alamin in every aspect of life.

Disclosure of Corporate Social Responsibility

Disclosure of corporate social responsibility is also often mentioned as Corporate Social Responsibility (CSR) Disclosure is a process communicating the social and environmental impacts of economic activities organization towards special groups of interest and towards society as a whole (Sembiring, 2005). There can be disclosure indicates that the company has carried out its social responsibility. As stated in the Statement of Accounting Standards Finance (PSAK) No. 1 (Revised 2009) states that every company or entities other than those interested

in making a profit, must do so social responsibility (CSR) and reporting it through an annual report which can be combined with the annual financial report or separately. Thus, it can be said that CSR disclosure or reporting is an advanced stage of CSR activities that have been carried out by company.

In the Islamic context, society has the right to know various information regarding the activities of an organization or company, in particular relating to the wider community. This is done to see whether the company has carried out its activities in accordance with sharia and achieved goals that have been set. (Hardiyanti, 2012). Transparency and accountability highly respected in Islam. Regarding the openness or transparency factor, quite relevant if it is associated with activities that contain information as well unclear form, and in Islam is called Gharar. Although the term Gharar is often better known in buying and selling transactions, but in Basically, its principles and meaning are universal. Definition of Gharar according to the Imam Syafi'i school as in the book *Qalyubi wa Umairah* is all things whose consequences are hidden from our view. Could be the influence or impact that appears is not dangerous, but on the other hand It can also potentially cause major harm to ourselves or other people others (Sula, 2004). Thus, there is disclosure of social activities that have been carried out carried out by the company is very important to know in order to measure the extent to which it conforms to sharia values and the resulting impacts from the company's business activities.

Islamic Social Reporting

Islamic Social Reporting (ISR) differs from conventional social reporting practices as it incorporates information on obligations and responsibilities according to Islamic law, thereby demanding information on zakat, charity (sadaqa), joint ventures, and environmental protection activities (Othman & Md Thani, 2010). According to Islam, when engaging in business, an individual must consider three aspects: their relationship with Allah, their relationship with fellow humans, and the preservation of the natural environment for future generations (Marsidi et al., 2016). Therefore, being open about every aspect with good intentions towards society is one way of worshiping Allah (Hussain et al., 2021; Marsidi et al., 2016). Marsidi et al. (2016) suggest that valueadded statements should be included in Islamic corporate reports to meet the expectations of Muslim investors regarding the level of social impact awareness of the company. Understanding the concepts of accountability, social justice, and ownership that form the core of social relationships is key to the Islamic perspective on social reporting (Maali et al., 2006). Baydoun & Willett (2000) outline two general requirements of Islamic accounting, namely the notion of social responsibility and the concept of full disclosure. Therefore, there is a need for a specific framework for corporate social responsibility reporting that aligns with Sharia principles.

Haniffa (2002) highlights the limitations of traditional and conventional reporting practices and seizes the opportunity by introducing ISR. According to Haniffa (2002) there are five main categories in ISR reporting: financing and investment, products and services, employees, society, and the environment. Jan et al. (2021) summarizes the development of ISR starting from Haniffa (2002), and then expanded upon by Dusuki (2005); Haniffa & Hudaib (2007); Othman et al. (2010); Farook et al. (2011); Aribi & Gao (2011); Ali Aribi & Arun (2015); Amran et al. (2017); Platonova et al. (2018).

Table 1. Items in Islamic Social Reporting

No	DISCLOSED ITEMS	Skor	References
A	FINANCE AND INVESTMENT		
1.	Usury Activities a) identification of activities that contain usury b) % contribution from profit	1	Haniffa (2002) Othman <i>et al.</i> (2009) Fitria and Hartanti (2010)
2.	Gharar a) Identify activities that contain gharar b) % contribution from profit	1	Haniffa (2002) Othman <i>et al.</i> (2009) Fitria and hartanti (2010) ,Fauziah and yudho (2013)
3	Zakat a) Method used b) Source of zakat c) the amount of zakat d) Zakat recipient e) Sharia Supervisory Board opinion regarding collection and distribution of zakat	1	Haniffa (2002), Othman and Thani (2010),Fauziah and Yudho (2013)
4	Policy for dealing with late payments <i>insolvent clients</i> a) policy identification to cope for <i>insolvent clients</i> b) The amount of costs additional fees charged as a consequence of late payment c) Sharia supervisory board opinion regarding permission regarding additional fees imposed as a consequence of late payment by insolvent clients	1	Othman and Thani(2010) , Fitria and Hartanti (2010)Fauziah and Yudho (2013)
5	<i>Current Value Balance Sheet</i>	1	Othman and Thani (2010) Sofyani dkk (2012) Fauziah and Yudho (2013)
6	<i>Value Added Statements</i>	1	Othman and Thani (2010) Sofyani <i>et, al.</i> (2012) Fauziah and Yudho (2013)
B	PRODUCTS AND SERVICES		
7	Halal or sharia status in products	1	Haniffa (2002) , Othman <i>et,al.</i> (2009), Fauziah and Yudho (2013)
8	Product development	1	Fauziah and Yudho (2013)
9	Service improvements	1	Fauziah and Yudho (2013)Othman <i>et al</i> (2009) Fitria and Hartanti (2010)

10	Customer complaints/incidents arising from non-compliance with applicable regulations a) Total consumer complaints b) handling the complaint c) Fines, both monetary and non-monetary, related to violations of regulations d) Fines, both monetary and non-monetary, related to violations of regulations e) survey on satisfaction customer	1	Haniffa and Hudaib(2007) , Fitria dan hartanti (2010),Sofyani <i>et, al.</i> (2012) Fauziah & Yudho (2013)
C	EMPLOYEE		
11	Job characteristics a) Number of hours worked b) Holiday c) Remunerasi d) Salary ratio - Number of employees, types and skills	1	Haniffa (2002) , Haniffa and Hudaib(2007) Fitria and Hartanti (2010) Othman <i>et, al.</i> (2009) , Fauziyah and Yudho (2013)
12	Education and training a) Education and training programs for employees b) Building programs and employee career paths c) employee retention strategy Percentage of employees who receive career development	1	Haniffa (2002) Fitria and Hartanti (2010) Othman <i>et, al.</i> (2009) , Fauziyah and Yudho (2013)
13	Equal opportunity	1	Othman <i>et, al.</i> (2009),Fauziyah and Yudho (2013)
14	Occupational Health and Safety	1	Haniffa (2002) Fitria and Hartanti (2010) Fauziyah and Yudho(2013)
15	Employee involvement in the company	1	Othman <i>et, al.</i> (2009),
16	Work environment	1	Othman <i>et al</i> (2009) Fitria dan Hartanti (2010), Fauziyah and Yudho(2013)
17	Adequate place of worship	1	Othman <i>et al</i> (2009)
18	Time of worship/religious activities	1	Othman <i>et al</i> (2009)
19	Special recruitment	1	Sofyani <i>et, al.</i> (2012), Fauziah & Yudho (2013)
20	Employee welfare	1	Haniffa and Hudaib (2007)

D	SOCIAL		
21	Shodaqoh/Donation	1	Haniffa (2002) Othman <i>et al</i> (2009) , Fauziah & Yudho (2013)
22	Waqf	1	Haniffa (2002) Othman <i>et al</i> (2009) , Fauziah & Yudho (2013)
23	Qardhul Hasan	1	Haniffa (2002) Othman <i>et al</i> (2009) , Fauziah & Yudho (2013)
24	Zakat or donations from employees or customers	1	Haniffa (2002) Fauziah & Yudho (2013)
25	Education a) School establishment b) Assistance to schools in financial or non-financial form c) Scholarship Empowerment of work for school/college graduates (internship or field work practice)	1	Othman <i>et al</i> (2009) Fauziah & Yudho (2013)
26	Health assistance	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
27	Economic empowerment	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
28	Concern for orphans	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
29	Construction or renovation of a mosque	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
30	Youth activities	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
31	Other social activities (giving away books, going home together, etc.)	1	Haniffa and Hudaib (2007) ,Othman <i>et al</i> (2009) , Fauziah and Yudho (2013) Yudho (2013)
32	Sponsor health, sports, educational events, etc	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
E	ENVIRONMENT		
33	Go green campaign	1	Haniffa (2002), Othman <i>et al</i> (2009), Fauziah and Yudho (2013)
34	Environmental conservation (reducing the effects of global warming, waste management, clean water management)	1	Haniffa (2002) Fitria dan Hartanti (2010)Fauziah & Yudho (2013)
35	Protection of wild and endangered flora and fauna	1	Fauziah & Yudho (2013)
36	Pollution	1	Othman <i>et al</i> (2009) Fauziah dan Yudho (2013)

37	Repair and construction of public facilities	1	Fauziah & Yudho (2013)
38	Environmental audit	1	Othman <i>et al</i> (2009) Fauziah & Yudho (2013)
39	Environmental management policy	1	Othman <i>et al</i> (2009) Fauziah & Yudho (2013), Haniffa Dan Hudaib(2007)
F	CORPORATE GOVERNANCE		
40	Company profile and strategy	1	Othman <i>et al</i> (2009) Fauziah and Yudho (2013)
41	Organizational structure	1	Othman <i>et al</i> (2009) , Fitria and Hartanti (2010)
42	Implementation of the duties and responsibilities of the Board of Commissioners	1	Fauziah and Yudho (2013)
43	Remuneration of the board of commissioners	1	Othman <i>et al</i> (2009)
44	Details of the names of the board of commissioners	1	Othman <i>et al</i> (2009)
45	Implementation of the duties and responsibilities of the Board of Directors	1	Fauziah and Yudho (2013)
46	Completeness and implementation of the Committee's duties	1	Fauziah and Yudho (2013)
47	DPS name and profile details	1	Othman <i>et, al.</i> (2009)
48	Implementation of the duties and responsibilities of the Sharia Supervisory Board	1	Othman <i>et, al.</i> (2009) Fauziah dan Yudho (2013)
49	Remunerasi DPS	1	Othman <i>et, al.</i> (2009)
50	Implementation of sharia principles in collecting and distributing funds and providing services	1	Othman <i>et, al.</i> (2009) Fauziah and Yudho (2013)
51	Share ownership structure	1	Othman <i>et, al.</i> (2009)
52	Lawsuit	1	Othman <i>et, al.</i> (2009)
53	Handling conflicts of interest	1	Fauziah and Yudho (2013)
54	Implementation of the Bank's compliance function	1	Fauziah and Yudho (2013)
55	Implementation of the internal audit function	1	Fauziah and Yudho (2013)
56	Implementation of the external audit function	1	Fauziah and Yudho (2013)
57	Maximum limit for distribution of funds	1	Fauziah and Yudho (2013)

58	Transparency of financial and non-financial conditions	1	Fauziah and Yudho (2013)
59	Anti-corruption, money laundering policies and practices other deviants	1	Othman <i>et, al.</i> (2009) Fauziah and Yudho (2013)
60	Company Ethics	1	Fauziah and Yudho (2013)
TOTAL		60	

Sources processed by researchers, 2019

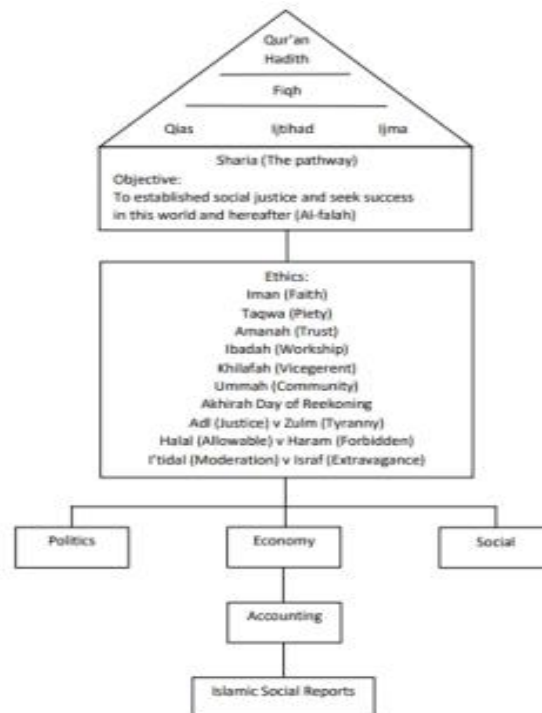


Figure 1. *Islamic Social Reporting*

Islamic Social Reporting in Figure 1 Based on their Islamic principles, Islamic banks are required to reveal or present their reports. A measuring instrument used in corporate social responsibility reports is the Islamic Social Reporting Index, particularly Islamic banking institutions. It is only natural for Islamic banks to base their report presentation on sharia, as the Islamic Social Reporting Index incorporates sharia values into every item. The Islamic Social Reporting Index can be applied to Islamic banks that report their annual financial statements in their entirety, rather than just a portion of them.

Company Value

Company value is the price that prospective buyers are willing to pay if the company is sold (Husnan, 2000:7). Price to book value is used as a proxy for company value because the existence of price to book value is very important for investors to determine investment strategies in the capital market. According to Sari (2013), well-managed companies generally have a price to book value ratio above one. This illustrates that the value of the company's shares is greater than the company's book value. High share prices make the company value also high. A high company value will make the market believe not only in the company's current performance but also in the company's future prospects.

Previous Studies

As for previous research (Zulkifli 2008) entitled *An empirical examination of the relationship between corporate social responsibility disclosure and financial performance in an emerging market* the results of this research findings solidly support the results of the majority of developed country markets. This was found to be positively related to financial performance. This shows that local companies can achieve high levels of financial performance if they engage in social activities. These findings also confirm that there is little evidence regarding the significant influence of CSR on financial performance in long-term relationships.

In research (Haniffa 2007) entitled *Exploring the Ethical Identity of Islamic Banks via Communication in Annual Reports*, the findings were that the remaining six IBs suffered from disparity between the communicated and ideal ethical identities. We further found the largest incongruence to be related to four dimensions: commitments to society; disclosure of corporate vision and mission; contribution to and management of zakah, charity and benevolent loans; and information regarding top management. The results have important implications for communication management if IBs are to enhance their image and reputation in society as well as to remain competitive.

In research (Hassan, M. K, 2011) entitled *Determinants of corporate social responsibility disclosure: the case of Islamic banks*. The results of Corporate Social Responsibility (CSR) disclosures carried out by sharia banks vary significantly between samples. Based on the regression results, the variation is best explained by the variable "relevant public influence" and the variable "sharia corporate governance mechanism (DSS supervisory board)". Using alternative variable measures, the regression results show that "level of social and political freedom" and "proportion of investment account savings to total assets" are also significant determinants of Islamic bank CSR disclosure.

In research (Zakaria, 2014) entitled *Corporate Social Responsibility and Islamic Financial Institutions (IFIs): Management Perceptions from IFIs in Bahrain*. The result is that Islamic finance is gaining greater attention in the financial industry, and this paper analyzes how Islamic financial institutions (IFIs) respond to society's welfare needs. Utilizing some of IFI's potential role in social welfare will add further challenges in the era of financialization.

METHODOLOGY

Method

This research is a type of literature study research by collecting references consisting of various sources such as journals, books, magazines, newspapers, etc. which are then put together to draw a conclusion (Mardalis, 1999). The combined results of several previous studies are used to conclude:

1. How to apply ISR in CSR.
2. How does ISR-based CSR affect company value.

The method used in this research is the LR (Literature Review) method. By using this method researchers will identify, study, evaluate and interpret all available literature sources. By using this method, researchers systematically reviewed and identified journals which in each process followed predetermined steps (Triandini et al., 2019).

RESULT AND DISCUSSION

Results

In the process of reviewing literature on corporate social responsibility (CSR) based on Islamic Social Reporting in an effort to increase company value, there are several core subjects discussed in (1) Finance and Investment; (2) Products and services; (3) Employees; (4) Community Involvement; (5) Environment; (6) Corporate Governance, these six subjects are issued by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions).

This literature review of corporate social responsibility (CSR) based on Islamic Social Reporting which is applied to national and international companies aims to increase company value. This application can be said to be feasible based on concrete evidence that has been carried out by national and international companies. company, namely PT. Bank Syariah Indonesia and Bank Islamic Malaysia Berhad (BIMB) have implemented ISR-based CSR implementation.

Discussion

Finance and Investment

In research conducted by Novi Febriyanti et al., (2022) regarding Analysis of Islamic Social Reporting Index Disclosures in Sharia Banking in Indonesia on this subject, namely Finance and Investment, namely Islamic banks in presenting their annual reports prepared based on Financial Services Authority Regulation Number 6/POJK .03/2015 concerning Bank Transparency and Publications. Based on OJK regulations, sharia banks need to disclose or present an annual report containing; 1) General information, 2) Financial reports, 3) Financial performance information, 4) Disclosure of capital and risk management practices implemented by the Bank, at least containing a description of the type of risk, potential losses faced by the Bank, and risk mitigation, as regulated in the provisions regarding capital and risk management, 5) Other disclosures as regulated in financial accounting standards, and 6) Other information determined by the Financial Services Authority.

In contrast to research conducted by Fathiyah Abu Bakar et al., (2016) entitled Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB) regarding this matter, namely Finance and Investment, namely Apart from that, the bank admitted that it had carried out involvement in CSR activities since the first day it was founded through the payment of business zakat (obligatory alms). giving) regardless of whether the business makes a profit or loss. In the three years to 2012, the bank paid and distributed zakat worth almost RM30 million to improving community welfare (Islamic Bank Annual Report 2012).

Products and services

In research conducted by Novi Febriyanti et al., (2022) regarding the Analysis of Islamic Social Reporting Index Disclosures in Sharia Banking in Indonesia with the subject namely Products and Services, the second theme is the products and services that have been disclosed by Bank BSI KC Padang Imam Bonjol. Bank BSI KC Padang Imam Bonjol disclosed all the items in this second theme, proving that a sharia bank needs and must disclose items regarding the clarity of the products and services it has.

Meanwhile, in research conducted by Fathiyyah Abu Bakar et al., (2016) with the title *Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB)* regarding this matter, with the subject namely Products and Services, Next, most One of the CSR activities at Bank Islam focuses on society projects, such as rehabilitation and redevelopment house project, “Promoting Intelligence, Cultivating Talent and Responsible Advocacy” (PINTAR) program in schools, poverty alleviation projects, unity programs and senior citizen care and homeless programs.

Employees

In research conducted by Novi Febriyanti et al., (2022) regarding *Analysis of Islamic Social Reporting Index Disclosures in Sharia Banking in Indonesia* with the subject of Employees, the items disclosed were education and training. It's necessary disclose the education and training provided by the company to the company employees, considering that the company can work because of assistance employee experience. In the second item, Bank BSI KC Padang Imam Bonjol explained it in detail. Bank BSI KC Padang Imam Bonjol explained training and development methods carried out throughout 2021. This The second item that must be disclosed by sharia institutions or institutions annual report because it relates to the services provided by the institution to his employees.

Meanwhile, in research conducted by Fathiyyah Abu Bakar et al., (2016) with the title *Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB)* regarding this matter, with the subject namely Employees, Designing CSR Initiatives In conducting the CSR initiatives, the bank focuses on four pillars (as suggested by Bursa Malaysia's CSR Framework): (1) workplace/ employees; (2) the marketplace; (3) the community; and (4) the environment (Respondent 1, Respondent 9, Respondent 19 and Respondent 28). These dimensions cover a range of stakeholders and their issues, such as customers' and depositors' concerns about the marketplace, employees' benefits in the workplace, environmental issues, societal development and welfare of the community. However, as an Islamic business entity, the bank can consider another dimension, which is religious obligation, to fulfill its religious responsibilities and accountabilities to attain *alfalah* and *barakah*. Therefore, this study proposes that the bank may need to explicitly mention the religious pillar as part of its CSR initiatives. For this, the bank can conduct more religious talks and seminars on Islamic teachings as well as Islamic banking and finance to improve Muslims' understanding of Islamic values.

Community Involvement

In research conducted by Novi Febriyanti et al., (2022) regarding *Analysis of Islamic Social Reporting Index Disclosures in Sharia Banking in Indonesia* with the subject of Community Involvement, The item is other social activities (giving books, going home together, etc.). Bank BSI KC Padang Imam Bonjol revealed that the other social activities they carried out were related to various Ramadan activities including; homecoming *hasanah*, *takjil hasanah*, *tadarus hasanah* children, and others. Bank BSI KC Padang Imam Bonjol provides assistance for religious social activities in order to assist the community in developing their religious knowledge. The last item is sponsorship of health events, sports, education, and others. Bank

BSI KC Padang Imam Bonjol carries out their social activities by helping the activities of groups or community organizations in the form of sponsorship every year.

Meanwhile, in research conducted by Fathiyyah Abu Bakar et al., (2016) with the title *Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB)* regarding this matter, with the subject namely Community Involvement, The stakeholder dialogue is conducted by organizing working groups among the interested stakeholders, such as consumers, employees, shareholders and the local community to understand their issues and in the scenario analysis method, the organization needs to identify and prioritize the trends (driving forces) that shape the future and from that a small number of scenarios can be formulated.

Environment

In research conducted by Novi Febriyanti et al., (2022) regarding Analysis of the Disclosure of the Islamic Social Reporting Index in Sharia Banking in Indonesia with the subject of the Environment, and the last one is environmental management policies. Company/institution policies regarding the environment need to a management, so that the surrounding environment can be maintained and not easily polluted. This was stated by Bank BSI KC Padang Imam Bonjol by implementing the GEN-Xtra program. GEN-Xtra is implemented by the Bank BSI KC Padang Imam Bonjol as an effort to preserve the environment by reduce paper use and save energy. This last item shows this Bank BSI KC Padang Imam Bonjol carries out all activities by implementing environmental conservation program.

Meanwhile, in research conducted by Fathiyyah Abu Bakar et al., (2016) with the title *Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB)* regarding this matter, with the subjects namely Environment, Based on the findings, This research shows that there is There are four phases in managing a CSR initiative: environmental scanning, design, implementation, and evaluate. All these phases must comply with all sharia principle. There are ten steps in managing CSR process: (1) assessing external factors; (2) find organizational conditions/norms/values; (3) identify stakeholders and their problems; (4) in accordance with Sharia principles; (5) determine the organization CSR framework/policy; (6) assess current practices; (7) setting goals, strategies and policies CSR Initiatives; (8) implementing CSR initiatives in in accordance with sharia principles; (9) monitoring and obtain input from stakeholders regarding CSR initiatives; And (10) measure CSR initiatives.

Corporate Governance

In research conducted by Novi Febriyanti et al., (2022) regarding Analysis of Islamic Social Reporting Index Disclosures in Sharia Banking in Indonesia with the subject of Corporate Governance, this item Companies are required to demonstrate their corporate governance. BSI Bank KC Padang Imam Bonjol revealed this item to show his duties and implementation of committee duties. So that readers know what are the duties and implementation of the duties of the committees in the Bank BSI KC Padang Imam Bonjol.

Meanwhile, in research conducted by Fathiyyah Abu Bakar et al., (2016) with the title *Managing CSR Initiatives from the Islamic Perspective: The Case of Bank Islam Malaysia Berhad (BIMB)* regarding this matter, with the subject namely Corporate Governance, CSR

covers various fields , like business ethics, corporate governance, social responsibility investment, environmental and community sustainability investment. For this research, CSR is seen from an Islamic perspective perspective, which shows that CSR involvement is a a means for companies to meet religious, social and social needs economic responsibility and accountability for maintain good relationships with Allah SWT, other humans creatures and environment.

CONCLUSION AND RECOMMENDATION

Conclusion

This Based on the research results, the author can draw related conclusions literature studies conducted regarding corporate social responsibility (CSR) based on Islamic Social Reporting in an effort to increase company value, there are several core topics discussed in (1) Finance and Investment; (2) Products and services; (3) Employees; (4) Community Involvement; (5) Environment; (6) Corporate Governance, these six subjects are issued by AAOIFI (Accounting and Audit Organization for Islamic Financial Institutions). The author did comparison through these six subjects to two banking companies namely PT. Bank Syariah Indonesia and Bank Islamic Malaysia Berhad (BIMB) The author can conclude that second These companies have the same goal of increasing value company. As for the results of the discussion above, the author can draw conclusions that from the first subject to the sixth subject, the implementation of CSR at PT. Bank Syariah Indonesia and Bank Islamic Malaysia Berhad (BIMB) is considered to have met significantly in the core subject of ISR.

Recommendation

Recommendations for further research, the author hopes to conduct better research, because the author is aware of the many shortcomings in this literature study. The author hopes that in future research there will be more journal literature that can be examined regarding the application of CSR in banking with the ISR concept

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