The Influence Size Board of Commissioners, Size of Sharia Supervisory Board, Sharia Securities, and Institutional Ownership of The Disclosure Islamic Social Reporting

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Abstract

Disclosure of Islamic reporting (ISR) is a special framework of social responsibility disclosure in accordance with Islamic principles. Islamic social reporting index (ISR index) is a social responsibility disclosure index consisting of 50 items and is divided into 6 themes. This study aims to examine the effect of the size of the board of commissioners, the size of the syariah supervisory board, the sharia securities, and the institutional ownership of the disclosure of Islamic reporting.

The population in this research is all sharia commercial banks in Indonesia, amounting to 12 banks. Sampling method used is purposive sampling. Total sample amounted to 11 banks. The data used is the annual financial statements of banks for the period 2013-2015 obtained from the sites of each bank. Data analysis used with classical assumption test and hypothesis testing, this research use multiple linear regression method.

The results of this research showed that simultaneously all independent variables affect the dependent variable. Partially test shows the result that the size board of commissioner, sharia securities, and institusional ownersip affect the disclosure of islamic social reporting. While the size of the Sharia supervisory board have no effect on the disclosure of Islamic social reporting.

Keywords: Islamic social reporting, size board of commissioner, sharia securities, institusional trackownersip

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1. Introduction

The annual report should include some social information and environmental responsibility reports. CSR is mandatory due to the existence of Law Number 40 of 2007. Corporate Social Responsibility (CSR) disclosure is generally defined as seeking profit by maintaining harmony to the surrounding environment through enhancement of local community life and the company's commitment to not only make a profit.

Islamic Social Reporting Index (index score of ISR) is an index divided into six corporate social responsibility disclosure themes consisting of 50 items of social responsibility disclosure. Fitria and Hartanti (2010) argue that the ISR index is believed to be an early foothold in terms of CSR disclosure standards that conform to Islamic standards. In particular the concept of the ISR index is an extension of the social performance reporting standards that are not only about the company's role in the economy, but also the role of the company in a spiritual perspective.

The theory of legitimacy of one theory has a rationale of CSR reporting research. The theory of legitimacy explains the relationship of GCG structure to CSR reporting. Legitimacy itself is important to the company, the limits emphasized by norms and social values, and reactions to these constraints encourage organizational behavioral analysis with regard to the environment (Chariri & Ghozali, 2007). In this case the board of commissioners, syariah supervisory board, and institutional ownership, as part of the GCG factor can encourage the disclosure of CSR report within a company so that BI regulation can function well as a Shariah bank that prosper the economy of the wider community.

Shariah enterprise theory explains that everything that exists in man and the whole universe is centered and back to Allah SWT. Thus, man as the holder of mandate has an obligation to obey the law of God in creating prosperity for humankind and the whole of nature. Companies and banks, especially Sharia-based ones should disclose CSR reports on the performance of the company considering the theory of sharia enterprise back to the obligation of human to obey Allah SWT.

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The size of the syariah supervisory board is the second variable of this study that allegedly influences the disclosure of Islamic Social Reporting (ISR). Sharia supervisory board is an important component of the company because it can only be found in companies that run their activities in accordance with Islamic sharia. The size of the Sharia Supervisory Board is the number of members of the Sharia Supervisory Board within a company. The syariah supervisory board is an independent body responsible for directing, consulting and supervising Islamic banking activities in order to ensure that the sharia bank's business activities comply with the sharia principles as determined by the fatwas and Islamic Shariah (Ali Syukron, 2013). Sharia supervisory boards have the authority to oversee corporate compliance with sharia principles, such as overseeing the distribution of zakat, infaq, and alms funds that can be recognized as ISRs. The more the number of supervisory boards the more effective the oversight of sharia principles and can increase the level of corporate social responsibility disclosure (Khoirudin, 2013).

Institutional ownership is defined as share ownership of companies owned by institutions / institutions (insurance companies, banks, investment companies, pension funds, and other companies). Larger shareholding can emphasize levels of supervision in management and encourage disclosure of corporate social responsibility (Ningrum, 2013). Institutional ownership not only encourages the disclosure of social responsibility but also can improve the quality and quantity of social and environmental responsibility disclosure reports (Ningrum, 2013).

Islamic securities are some of the securities owned by the company used to finance the activities of companies such as islamic securities and mutual funds. Disclosure of information is made when the security is about to be issued or as long as it is still a source of funding for the company. Therefore, voluntary disclosure is expected to eliminate the doubt of potential investors, creditors, and consumers in making decisions. If the sharia banking issuing securities then the banking will also more reveal its social responsibility. Therefore, the issuance of securities allegedly affects the disclosure level of Islamic Social Reporting. Hossain et al. (2006) in stating that securities issuance has a significant effect on the level of voluntary disclosure. The results are different from research conducted by Raditya (2012) which states that the issuance of islamic securities does not affect the level of corporate social responsibility disclosure. Based on the results of the research which still show the inconsistency, this research will test the influence of issuance of Islamic securities with the level of ISR disclosure in sharia banking in Indonesia. The more types of securities held by a bank, the ISR disclosure rate will be high.

2. Theoretical Framework and Development of Hypothesis

2.1. Theory of Legitimacy

The theory of legitimacy implies that the activities of corporate social responsibility are an effort with respect to pressure from the surrounding environment. The theory of legitimacy can be used to explain the relationship between good corporate governance structure and the disclosure of social responsibility of sharia banking. In this case, structure of good corporate governance is the board of commissioner, sharia supervisory board, and institutional ownership. The use of legitimacy theory has the effect that CSR program is done in hopes of getting positive value from the society then the company will continue to survive and develop in society and gain profit in the future.

2.2. Syariah Enterprise Theory

Syariah Enterprise Theory according to Triwuyono (2006: 335) is the most important axiom that must be underlying in every determination of the concept is Allah SWT as the creator and sole owner of all resources in the world. Resources for stakeholders are limited to the mandate of God in the form of a responsibility to be used in ways and objectives that conform to the Qur'an and Hadith.

Triyuwono (2006: 357) states that in the shariah view of enterprise theory, the distribution of wealth or value-added applies not only to participants who are directly related or participants who contribute to the operations of the company, such as shareholders, creditors, employees, and government, but other parties that are not directly related to the business ie the community and the environment. Given the Shariah concept of enterprise theory is back to the responsibility of Allah SWT, the Islamic banking must perform social responsibility disclosure of its performance which is one form of the bank responsible for the trust given by Allah SWT.

2.3. Good Corporate Governance

Saptia (2012) defines corporate governance in the perspective of Islam as a system that directs and controls the company by pursuing the goal of the company through the protection of the rights and interests of all stakeholders.

GCG principles that embrace the principles of transparency, accountability, responsibility, objectives and independence and always pay attention to stakeholder interests in relation to social responsibility due to GCG factors proxied through the size of the board of commissioners, the size of the syariah supervisory board, and institutional ownership play a role in directing and controlling the company in reporting its social responsibility.

2.4. Islamic Social Reporting

According to AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), corporate social responsibility (CSR) in Islam is all activities undertaken by Islamic financial institutions to meet the interests of religion, economics, law, and ethics. The index of Islamic Social Reporting (ISR) is a specialized framework of corporate social responsibility reporting in accordance with Islamic principles (Khoirudin, 2013). The ISR framework is not only useful for management but also useful for the company in fulfilling responsibility towards Allah SWT.

Regulation on Corporate Social Responsibility (CSR) for Islamic banking is contained in Law Number 21 2008 regarding sharia banking, in chapter II article 4 paragraph (1), paragraph (2), and paragraph (3). In Article 4 paragraph (1) stated that sharia banks and Sharia Business Unit (UUS) must perform the function of collecting and channeling public funds. Furthermore, paragraph (2) explained that sharia banks and Islamic business units (UUS) can perform social functions in the form of baitul mal institutions, which receive funds derived from zakat, infak, alms, grants, or other social funds and channeled to zakat management organizations. Then paragraph (3) mentioned that Islamic banks and Sharia Business Unit (UUS) can collect social funds derived from money waqf and channeled to the manager of wakaf (nazir) in accordance with the will of the donor.

2.5. Size of Board Commisioner

The size of the board of commissioners is the number of members of the board of commissioners within a company (Khoirudin, 2013). The size of the board of commissioners is measured by calculating the number of boards of commissioners disclosed in the company's financial statements. Based on Bank Indonesia Regulation number 11/33 / PBI / 2009 concerning the implementation of good corporate governance for syariah commercial banks and sharia business unit, the board of commissioners is the organ of the company responsible for supervising publicly or specifically to advise the directors as referred to in Law no. 40 of 2007 on limited liability company. The authority of the board of commissioners is to supervise and provide guidance and direction to the manager of the company. The board of commissioners can exert a strong enough influence to pressure management in the disclosure of social responsibility with its authority. The more the size of the board of commissioners, the better the supervision will be.

Based on Limited Liability Company Law no. 40 of 2007, Article 108 paragraph (5) is explained that for a limited liability company, it must have at least 2 (two) members of the board of commissioners. Therefore, the number of boards of commissioners in each company is different in number because it must adjust to the size of the company and remain effective in decision making.

2.6. Size Of Sharia Supervisory Board

The size of the Sharia Supervisory Board is the number of members of the Sharia Supervisory Board within a company (Khoirudin, 2013). The size of the syariah supervisory board is measured by calculating the number of Sharia supervisory board members present in the company disclosed in the financial report of the company. Based on Bank Indonesia Regulation No.11 / 33 / PBI / 2009 on the implementation of good corporate governance for sharia commercial banks and syariah business units, syariah supervisory board (DPS) is a board in charge of providing advice and advice to directors and oversee bank activities to comply with principles of sharia.

The number of members of sharia supervisory boards based on the provisions (PBI) No.11 / 33 / PBI / 2009 is at least as much as two people. Bank Indonesia Regulation No.11 / 33 / PBI / 2009 article 48 states that members of the syariah supervisory board (DPS) shall provide sufficient time to perform their duties and responsibilities optimally. Article 49 Paragraph (1) states that Sharia Supervisory Board (DPS) meetings must be held at least 1 (one) time in 1 (one) month.

Sharia supervisory boards have an important role and contribution in the disclosure of ISRs of sharia banking. This is because the Sharia supervisory board has the authority to oversee the company's compliance with sharia principles, such as overseeing the activities of distributing zakat funds, infak, alms already recognized as a form of Islamic Social Reporting (ISR). There is also a fund of virtue (qard) that can be categorized as an ISR component.

2.7. Sharia Securities

Sharia securities or sukuk are securities (bonds) issued by the government of the Republic of Indonesia based on the principles of Islamic sharia. The indicator used in measuring Islamic securities is the number of types of securities issued, either in the form of Sharia shares, Sukuk, and Sharia mutual funds. With how different the number of types of securities issued, it is suspected to affect CSR disclosure.

2.8. Institutional Ownership

Ownership of an enterprise may consist of institutional ownership or individual ownership of shares, or a mixture of both of them with a certain proportion. Institutional ownership is the ownership of shares of companies owned by institutions (insurance companies, banks, investment companies, pension funds, and other companies). Institutional ownership is measured by adding the number of shares owned by the institution divided by the number of shares of the company outstanding.

Institutional ownership has significance in management control. Supervision mechanisms can be done by placing an expert board that is not financed by the company so that it is not under the supervision of the manager so that the expert council can perform its function effectively to control and oversee all manager actions. The number of shares held by institutional ownership will result in improved supervision being more effective as it can control the manager's opportunistic behavior and reduce agency costs.

2.9. Framework and hypotesis

Sembiring (2005) suggests that the proportion of the size of the board of commissioners in the company has a significant effect on the level of CSR disclosure. The Khoirudin study (2013) also has the same result that CSR disclosure is influenced by the size of the board of commissioners in the company.

The size of the Sharia Supervisory Board is another factor that allegedly influences ISR DPS in ISR disclosure plays an important role. This is because it must supervise the activities that are in accordance with the principles of sharia which is its authority. Islamic governance research indicates that Good Corporate Governance proxy or the syariah supervisory board in Syariah bank proves to have a positive effect on the level of social responsibility done by Farook & Lanis (2005).

Hossain et al (2006) suggest that securities relating to social responsibility reports have an influence. Different results in the can by Raditya (2012) which states sukuk not affect the ISR because banks do not make sukuk as the main source of funding.

Based on the theory used and the frame of thought, the hypothesis in this study are as follows:

H1: The size of the board of commissioners,the size of the syariah supervisory board, sharia securities, and institutional ownership have an effect on the ISR disclosure.
H2: The size of the board of directors is influential to the ISR disclosure.
H3: The size of the Shariah supervisory board effect on ISR disclosure.
H4: Institutional ownership is influential to the ISR disclosure.
H5: Issuance of Islamic securities affect on ISR disclosure.

3. Analysys Method

3.1. Research of Design and Analysis Method

This study aims to examine the effect of the size of the board of commissioners, the size of the syariah supervisory board, sharia securities, and institutional ownership in Indonesia. The data used in this study is the population data of financial statements of all Syariah banks in Indonesia.

This study uses purposive sampling method in determining the sample where the entire population is sampled when appropriate criteria of the researcher. The population in this study are all sharia commercial banks in Indonesia, amounting to 12 units of banks by analyzing bank financial statements. Sampling technique is purposive sampling. Here is the sample selection table 3.1

Sample Research

Number of sharia commercial banks in Indonesia	12
Sharia commercial banks that do not publish annual reports in the observation period are the National Sharia Savings Bank Tabunganunan (established in 2014)	(1)
Total Bank	11
Total Unit Analysis (total bank x 3 years)	33

The method used in this study is multiple linear regression analysis is a method that aims to test the influence between the dependent variable with some independent variables. This analysis aims to examine the effect of the size of the board of commissioners, the size of the syariah supervisory board, institutional ownership, and the issuance of Islamic securities against the disclosure of Islamic reporting. Other analytical methods used are:

3.2.1. Descriptive statistics

According to Sugiyono (2012: 206) descriptive statistics are statistics used in analyzing data by describing or describing the data as is without aiming to make conclusions that apply to the public or generalization. Descriptive statistics can be used if the researcher only wants to describe the sample data. Included in descriptive statistics include presentation of data through tables, graphs, pie charts, pictograms, mode calculations, medians, mean (measurement of central tendency), decile calculations, percentiles, calculation of data dissemination through average calculations and standard deviations

3.2.2. Classic Assumption Test

Prior to hypothesis testing, a classic assumption test is used to ensure that the research data is valid, unbiased, consistent, and the regression coefficient is efficient (Gujarati, 2003: 65). The classical assumption test that is performed is as follows:

3.2.2.1 Normality Test

The normality test aims to test whether in the regression model, the intruder or residual variable has a normal distribution. Normality test tool used is statistical analysis using non-parametric test Kolmogorov-Smirnov and histogram graph analysis and normal probability plot(Ghozali, 2013: 85).

Testing criteria Kolmogorov-Smirnov if p-value> 0,05 then data is normally distributed, whereas if p-value <0,05 then data not distributed with normal. The basis of the decision on the histogram graph is if the point spreads around the diagonal line and or follows the direction of the diagonal line or the histogram graph shows the normal distribution pattern, then the regression model satisfies the assumption of normality.

3.2.2.2 Test Multicolonierity

Multicollinearity test is needed to test whether there is a correlation between independent variables. According to Ghozali (2013: 91), to detect multicollinearity in a regression model can be seen from the tolerance and VIF (variance inflation Factor), namely:

1. If tolerance values> 0.10 and VIF <10, then it can be interpreted that there is no multicollinearity, and
2. If tolerance values <0.10 and VIF> 10, then it can be interpreted that there is multicollinearity.

3.2.2.3 Heteroscedasticity Test

Heteroskedasticity test aims to test the occurrence of residual variance inequality of a period of observation to another period. If the variance of residuals between observations remains, then it is called homoscedasticity and if different is called heteroscedasticity. A good regression model does not occur heteroscedasticity (Ghozali, 2007).

To know the existence of heteroskedastisitas can by using Park Test. The park test is done by regressing the logarithmic result of the quadrat of the independent variable to the absolute residual value. If the probability is significant> 0.05 (5%), then the regression model does not contain heteroscedasticity. Besides using Park Test, heteroscedasticity test can also be done by using scatterplots graph, by looking at the presence or absence of certain patterns on the Scatter Plot chart with the following conditions:

a. If there is a certain pattern, such as the points that exist form a certain pattern that regularly indicates there has been heteroscedasticity.
b. If there is no clear pattern, as well as dots spread above and below the number 0 on the Y axis, no heteroscedasticity occurs.

3.2.2.4 Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error of period t and the t-1 anniversary error (previous year). If there is a correlation it is called autocorrelation. Autocorrelation arises because consecutive observations over time are related to each other. A good regression model is a regression independent of autocorrelation (Ghozali, 2013: 103).

The Durbin-Watson (DW) test can be used to determine whether or not an autocorrelation is present. DW test is done by making a hypothesis:

H0: There is no autocorrelation ($r = 0$)
Ha: There is autocorrelation ($r \neq 0$)
Decision-making guidelines:

1) 0 <DW <dl, no positive autocorrelation, H0 rejected, Ha accepted.
2) dl ≤ DW ≤ du, no positive autocorrelation, no decision.
3) 4 - dl <DW <4, no negative correlation, H0 rejected, Ha accepted.
4) du d DW ≤ 4 - dl, no negative correlation, no decision.
5) du <DW <4 - du, no autocorrelation, positive or negative, H0 is accepted.

4. Result and Discussion
4.1. Statistic Descriptive

Description of the data there is this study can be seen in table 4.1

Tabel 4.1
Statistic Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ratio ISR	33	,52	,86	,7097	,08960
Islamic securities	33	1,00	2,00	1,3333	,47871
Size of the board comissioner	33	3,00	6,00	3,7273	1,06867
Institutional Ownership	33	45,02	100,00	92,4636	16,13473
Size of the sharia supervisory board	33	2,00	3,00	2,3636	,48850
Valid N (listwise)	33				

Sumber : *Output* SPSS

Table 4.1, can be seen the lowest, highest, average, and standard deviation of the variables studied in sharia banking in Indonesia. The dependent variable in this research is the disclosure of islamic social reporting. In Table 4.1, it is shown that the average value of Islamic reporting is 0.7097. This indicates that the level of disclosure of social responsibility in sharia banking in Indonesia is high.

The independent variable (X1) is the size of the board of commissioners, which is the number of members of the board of commissioners to the company (Khoirudin, 2013). Based on Table 4.1, the lowest score is 3 and the 6th highest. The average value of the board size is 3.72 or rounded 4 because it shows the number of people. This shows the average board of commissioners in sharia banking in Indonesia amounted to 4 members. A standard deviation value of 1.06 that is smaller than the average indicates that the variation in complexity data on average is low.

The independent variable (X2) is the size of the syariah supervisory board. Table 4.1, explaining that the minimum value of the size of the syariah supervisory board is 2 and the maximum value is 3. The average value of the size of the syariah supervisory board is

2.36. This shows that the average sharia supervisory board in sharia banking in Indonesia amounts to 3 people. The standard deviation score of 0.48 is smaller than the average indicating that the data variation in Shariah supervisory board size on average is low.

The independent variable (X3) is a sharia securities. In table 4.1, the lowest value of Islamic securities is 1, and the highest value is 2. The average value of Islamic securities is 1.33 which indicates that sharia banking in Indonesia on average issued 1 syariah securities. The standard deviation score of 0.47 is smaller than the average indicating that the variation of Islamic sharia securities data against the average is low.

The independent variable (X4) is institutional ownership. In table 4.1, the lowest value of institutional ownership is 45.02 and its highest value is 100. The average value of institutional ownership is 92.46 which shows that the ownership of sharia banking shares in Indonesia owned by the institution is very high. The standard deviation value of 16.13 is smaller than the average indicating variations in institutional ownership data against low average values or having homogenous data variations.

4.2. Classical Assumption Testing Results

The classical assumption test in this study using normality test, normality test was done by Kolmogorov-Smirnov test, the test result on 11 samples showed that the data had been normally distributed which showed asymptotic significance value of 0.200 greater than 0.05. The second classical assumption test is multicollinearity test using correlation matrix table between independent variables, the result shows no correlation between independent variables, so the research is free from multicollinearity. The third classical assumption test is the heteroscedasticity test. Heteroskedasticity test was done by park method. The test results show that all independent variables have a probability value greater than 0.05, this indicates that the regression model did not experience symptoms of heteroskedasticity. The last classical assumption test is an autocorrelation test. The autocorrelation test used Durbin-Watson statistics. The result showed DW 2,112, so dU <DW <4- dU was 1,7298 <2,112 <2,200. Since the DW value is greater than the upper limit (dU) and is smaller than 4-dU, then there is no positive or negative autocorrelation.

4.3. Coefficient of Determination (R^2)

Coefficient Test Results from Determination in this study can be seen in table 4.2

Tabel 4.2
Uji Koefisien Determinasi

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.959[a]	.919	.908	.10066	2.112

a. Predictors: (Constant), UDK, UDPS, SBS, KI

b. Dependent Variable: ISR

The value of coefficient of determination on multiple linear regression models is shown by R Square. In table 4.2, the value of R Square is 0.919. It shows that variability of dependent variable which can be explained by independent variable is 91,9% while the rest equal to 8,1% explained by other variables outside research model.

4.4. Hypothesis Testing Result

4.5.1. Simultaneous Statistics Test

Simultaneous stastical test results in this study can be seen in table 4.5

Table 4.5

Simultaneous Statistics Test

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.226	4	.806	79.585	.000[b]
	Residual	.284	28	.010		
	Total	3.510	32			

a. Dependent Variable: ISR

b. Predictors: (Constant), UDK, UDPS, SBS, KI

Testing the influence of independent variables simultaneously to the dependent variable in the study can be seen in table 4.5, the value of significance is at the value of 0.00. This value is smaller than the level of significance (α) 0.05 or 5% where this means H0 which states that all independent variables simultaneously have no effect on the disclosure of Islamic reporting is rejected. Thus it can be concluded that the first hypothesis (H1) which states that the size of the board of commissioners, the size of the supervisory board of sharia, sharia securities, and institutional ownership simultaneously affect the disclosure of Islamic reporting.

4.4. Partial Statistics Test

Partial Statistic Test Result in this research can be seen in table 4.3

Table 4.3
Partial Statistics test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.037	.068		.539	.006
	Size of board comissioner	.076	.026	.222	2.895	.007
	Size of sharia supervisory board	-.060	.047	-.126	-1.268	.215
	Islamic securities	.464	.106	.671	4.365	.000
	Institutional ownership[	.002	.001	.260	2.505	.018

a. Dependent Variable: ISR

Sumber: *Output* SPSS

Size variable of the board of commissioner (X1) has regression coefficient value or β 0,076 with significance level 0,007 smaller or equal from level 0,05. This shows that the variable size of the board of commissioner influences the disclosure of Islamic reporting on Islamic banking in Indonesia. Thus the second hypothesis (H2) which states that the size of the board of directors influences the disclosure of Islamic reporting acceptable.

Shariah supervisory board size variable (X2) has value β -0,60 with significance level 0,215 bigger than level 0,05. These results indicate that syariah supervisory board size variables do not affect the disclosure of Islamic reporting. Thus it can be concluded that the third hypothesis (H3) which states that the size of the supervisory board of sharia affect the disclosure of Islamic reporting is rejected.

The variable of sharia securities (X3) has a value of β 0.464 with a significance level of 0.000 lower than the 0.05 level. This shows that Islamic securities variables affect the disclosure of Islamic reporting on Islamic banking in Indonesia. Thus the fourth hypothesis (H4) which states that Islamic securities affect the disclosure of Islamic reporting acceptable.

The institutional ownership variable (X4) has a value of β 0.002 with a significance level of 0.018 smaller than the 0.05 significance level. This indicates that institutional ownership variables affect the disclosure of Islamic reporting. Thus the fifth hypothesis (H5) which states that institutional ownership affects the disclosure of Islamic reporting acceptance.

Based on the results of statistical calculations as contained in table 4.3, then obtained the regression equation as follows:

Y = 0,037 + 0,076 X1 - 0,060 X2 + 0,464 X3 + 0,002 X4 + e

Based on the regression equation, it can be seen that the value of constant (α) is 0.037, that is, if the variable size of the board of commissioner (X1), the size of Sharia (X2) Sharia (X3) Sharia Supervisory Board (X3), and institutional ownership (X4) are fixed or constant there will be a decrease in disclosure level of Islamic reporting by 0.037. The coefficient of regression variable size of the board of commissioner (X1) equal to 0,076 indicates that every 100% increase of board commissioner size hence disclosure of islamic social reporting increased equal to 7,6% with assumption other independent variable constant. The regression coefficient of the syaria supervisory board (X2) of -0.060 means that every 100% increase in the syaria supervisory board size variable will reduce the disclosure of 6% Islamic reporting with the assumption that other independent variables are constant. The coefficient of syaria securities regression (X3) of 0.464 indicates that every 100% increase in syaria securities variable will increase the disclosure of Islamic reporting by 46.4% assuming other independent variables are considered constant. The coefficient of institutional ownership regression (X4) of 0.002 indicates that any 100% increase in institutional ownership variables will increase the disclosure of Islamic reporting by 0.2% assuming that other independent variables are considered constant.

4.6 Discussion

4.6.1 Size The Board of Commissioners, Size of Sharia Supervisory Board, Sharia Securities, and Institutional Ownership of Islamic Social Reporting Disclossure

The size of the board of commissioners (X1), the size of the Sharia (Sharia) Sharia (X3) supervisory board (X3), and institutional ownership are said to have an effect simultaneously on the disclosure of Islamic Social Reporting. This is supported by testing using F test conducted by researchers to test the influence of independent variables simultaneously or together to the dependent variable.

4.6.2 Size The Board of Commissioners of Islamic Social Reporting Disclossure

Size variable of the board of commissioner (X1) expressed effect on the disclosure of islamic social reporting. This is evidenced by the partial test described above where the greater the number of boards of commissioners the more effective the disclosure of Islamic Social Reporting.

The results of this study are in line with research Khoirudin (2013) which states that the size of the board of directors can direct the company to disclose information corporate social responsibility through its duties and authority.

4.6.3 Size of Syaria Supervisory Board of Islamic Social Reporting Disclosure

Shariah supervisory board size variable (X2) is stated not to have an effect on the disclosure of Islamic reporting refers to the partial test that has been done by the researcher. These results indicate that the Shariah supervisory board owned by sharia banks in Indonesia is still limited and still focusing on its tasks and responsibilities in sharia banking operational activities, such as approval of new products, monitoring whether the contract is in accordance with sharia principles and the task of review of financial statements Islamic Bank.

The results of this study contradict the research of Farook & Lanis (2005) which examines the transparency of social disclosure of Islamic banking responsibility worldwide. The study found that islamic governance (as a proxy for corporate governance in Islamic banks) proved to have a significant positive effect on the disclosure of social responsibility. But the results of this study are in line with research conducted by Rizkiningsih (2012) which shows the result that the Islamic governance score has no significant effect on the disclosure of Islamic reporting, the result of the research shows the lack of attention of syaria supervisory board to the disclosure of Islamic reporting.

4.6.4 Syaria Securities of Islamic Social Reporting Disclossure

The variable of Islamic securities (X3) is stated to have an effect on the disclosure of Islamic reporting referring to the partial test that has been done by the researcher. Islamic securities are one of additional information needed for stakeholders or shareholders in monitoring a bank. Therefore, banks that issue Islamic securities will provide much information and disclose their social responsibility.

The results of this study are in line with the results of research Hossain et al (2006), which shows that Islamic securities have a significant positive effect on the disclosure of Islamic reporting. This is supported by the stakeholder theory which states that the company also operates to benefit its stakeholders (Chariri, 2007: 159). This result is different from the research conducted by Marharani (2015) which shows the result that Islamic securities have no effect on Islamic reporting, his research shows that entities in Indonesia have not made sukuk as their main source of funding (Raditya, 2012).

4.6.5 Institutional Ownership of Islamic Social Reporting Disclossure

The variable of Islamic securities (X3) is stated to have an effect on the disclosure of Islamic reporting referring to the partial test that has been done by the researcher. This is because institutional investors with large shareholdings have an incentive to monitor and oversee decision making so as to force management to disclose information of its social responsibility.

The results of this study are supported by Ningrum (2013) which examines the effect of institutional ownership, financial performance, and the size of the syariah supervisory board on the disclosure of Islamic reporting whose results indicate that institutional ownership affects the disclosure of Islamic reporting.

Companies with large institutional ownership are better able to oversee management performance. Institutional investors have the keynote and responsibility in applying the principles of good corporate governance to protect the rights and interests of investors and to demand the company is transparent and can communicate. Thus, institutional ownership can improve the quality and quantity of Islamic reporting disclosure through their large holdings (Ningrum, 2013).

5. Conclusion, Limitations, and Suggestions

5.1 Conclusion

Based on the discussion of research results described in the previous chapter, it can be concluded that:

1) The size of the board of commissioners, the size of the syaria supervisory board, the sharia securities, and institutional ownership together have a significant effect on the disclosure of Islamic reporting on Islamic banking.
2) The size of the board of commissioners has a significant effect on the disclosure of Islamic reporting on Islamic banking in Indonesia. The board of commissioners of responsible and oversight companies can put pressure on the management to implement the disclosure of social responsibility to sharia banking in Indonesia.
3) The size of the syaria supervisory board has no significant effect on the disclosure of Islamic reporting. Shariah supervisory board members in sharia banking in Indonesia still tend to focus on their duties and responsibilities in bank operations such as new product approval, supervision of syaria-compliant contracts and review of sharia bank financial statements, so the disclosure of Islamic reporting on sharia banking is not considered.
4) Sharia securities have a significant effect on the disclosure of Islamic reporting. Islamic securities are one of the additional information required by investors and shareholders in monitoring a bank. Therefore, sharia banking issuing sharia securities will provide more information to shareholders and improve corporate social responsibility disclosure information.
5) Institutional ownership significantly influences the disclosure of Islamic reporting. This is because institutional investors with large shareholdings have an incentive to monitor and oversee decision making so as to force management to disclose its social responsibility information.

5.2 Limitations

This study has several limitations that can be considered for further research to be improved so that obtained better results in the future. Limitations contained in this study include:

1) Horizon research time is only three years that result in the small number of companies who become the sample research.

2) This study uses only four independent variables. Some other factors that may influence Islamic reporting are not included in this study.

5.3 Suggestion

To examine the reference of further research, there are several suggestions that can be put forward, among others:

5.3.1 Academic Suggestions

1) This research is only conducted on sharia banking, for further research is expected to expand the object of research so that the population has taken more representative and the results of his research can be generalized to all types of companies.

2) It is expected in subsequent research to add other variables that are expected to influence the islamic social reporting such as an islamic factor of social governance, firm size, stock return, and others.

5.3.2 Practical Tips

1) For banks should pay more attention to the disclosure of Islamic reporting. In order to raise social responsibility more effectively and broadly.

2) For investors should be able to put pressure on management to disclose information of social responsibility according to Islamic principles, in order to gain trust from the public.

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