

THE EFFECT OF CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE: CORPORATE SOCIAL RESPONSIBILITY AS A BUFFER

Musdalifa, Mukhzarudfa, Ratih Kusumastuti

*Faculty of Economics and Business, Jambi University
Lintas Jambi Street, Jambi City, Jambi, 36122, Indonesia*

✉ Corresponding Author:

Nama Penulis: Musdalifa

E-mail: musdalifa_syarif@yahoo.com

Abstract

This study aims to demonstrate the role of CSR in moderating the influence of corporate governance on financial performance. Furthermore, the researchers compared the corporate governance of Islamic banks in Indonesia and Malaysia. Data analysis used Moderate Regression Analysis and independent t-test analysis. The research data is the financial statements of each Islamic bank in Indonesia and Malaysia from 201 to 2020. This study shows that CSR cannot moderate the financial performance of Indonesian and Malaysian Islamic companies. Another result states that there is no difference in the implementation of corporate governance in Indonesian and Malaysian Islamic banks. CSR is becoming an important aspect of the business community. But does not support the company's financial performance. Nevertheless, this remains a common concern because of the importance of natural sustainability and a balanced economy.

Keywords: *Corporate Governance; Corporate Social Responsibility; Return On Assets*

Abstrak

Penelitian ini bertujuan untuk menunjukkan peran Corporate Social Responsibility (CSR) dalam memoderasi pengaruh Corporate governance terhadap kinerja keuangan. Selanjutnya peneliti membandingkan corporate governance Bank Syariah di Indonesia dan Malaysia. Analisis data menggunakan Moderate Regression Analysis dan Analisis independen t-test. Data penelitian merupakan laporan keuangan setiap bank syariah di Indonesia dan Malaysia pada tahun 201 hingga 2020. Penelitian ini menunjukkan bahwa CSR tidak mampu memoderasi kinerja keuangan perusahaan syariah Indonesia dan Malaysia. Hasil lain menyebutkan bahwa tidak terdapat perbedaan penerapan corporate governance di bank syariah Indonesia dan Malaysia. CSR menjadi aspek penting dari masyarakat bisnis. tetapi tidak mendukung financial performance perusahaan. Meskipun demikian, ini tetap menjadi



perhatian bersama karena kepentingan keberlanjutan alam dan perekonomian yang seimbang.

Kata kunci: Pengembalian Aset; Tanggung Jawab Sosial; Tata Kelola Perusahaan

INTRODUCTION

Malaysia is the fastest-growing country in the Sharia bank industry in Southeast Asia. Historically, Malaysia has developed the concept of sharia finance since 1963 through the establishment of Tabung Haji Malaysia. The presence of the sharia banking law (IBA, 1983) became the basis for establishing Malaysian Islamic banks in 1983. The sharia banking system then developed rapidly through the liberalization policy of the sharia financial sector by inviting foreign parties to open sharia banks in Malaysia. (Rama, 2015; Kassim, 2015). The development of Malaysian Sharia bank continues to show a positive trend. In 2017, the total assets of Malaysian Islamic banks were recorded at 653,315, 6 RM (Malaysia, 2021).

Indonesia is the next country in the ASEAN region to be aggressive in developing Sharia bank. However, its development is slow compared to Malaysia because the two countries' approaches are different. The approach used by Malaysia is state-driven, while Sharia bank in Indonesia is more community-driven or market-driven (Chemala, 2019). The Indonesian Sharia bank industry continues to grow strongly (Sharia bank Statistics, 2021).

Sharia bank in Indonesia, with the percentage of the Muslim population reaching 87% and being the country with the largest number of Supriani et al. (2021), reveals that in the short term, Sharia bank does not contribute significantly to economic growth. One of the factors causing the low role of Sharia bank in the short term is the low market share of Sharia bank to total banking in Indonesia, which only reached 5%. In line with this, Bank Indonesia (BI) stated in 2020 that the biggest challenge for Sharia bank over the next ten years is to increase market share and contribute more to economic growth (Sharia bank statistics, 2021). An inefficient Sharia bank system will lead to economic depression and lower financial growth. The management must manage effectively to achieve efficiency (Ben Zeineb & Mensi, 2018; Karbhari et al., 2020).

Sharia banking corporate governance has its characteristics per Islamic sharia law. The significant differences in the corporate governance structure of Sharia bank in the GCC and Southeast Asian countries recognize deficiencies in the existing governance framework for IBs that require further improvement and standardization (Grassa & Matoussi, 2014; Solikhah, 2017).). That it is very important to consider corporate governance



in Islamic banks. Specifically, how does the Sharia Supervisory Board function, and how can it be linked to the Sharia bank process (Alnasser & Muhammed, 2012)

The company's financial performance is positively and significantly related to corporate governance. This study used a sample of 113 companies registered in Malaysia. This study combines the endogenous relationship between corporate governance, firm performance, and leverage. Agency theory and resource dependence theory suggest that firms with strong corporate governance outperform firms with weaker governance (Bhatt & Bhatt, 2017). The company's financial performance is not influenced by the quality of corporate governance, based on the results of statistical tests conducted between the quality of corporate governance and financial performance, implying that there is no significant relationship. This study sampled 44 Islamic bank members of the Gulf Cooperation Council (GCC). The measure of corporate governance quality used in this study is the size of the board of directors, the size of the audit committee, and the size of the sharia supervisory board (Ajili & Bouri, 2018)

Corporate governance in Sharia bank is of greater concern. Because Islamic banks must comply with sharia law, most depositors and sharia investors are very worried that their funds are managed following sharia principles. These banks are vulnerable to the risk of non-compliance. In addition, Islamic banks holding unlimited investment accounts are vulnerable to agency conflicts because they do not participate in shareholder profits and losses. Even though they have large shares, they do not have a voice in shareholder meetings. Finally, most Islamic banks are in developing countries where the institutional environment tends to be weak, where high levels of ownership concentration and family control are more prevalent, where there is lack of transparency,

This research is interesting because it takes two countries, Indonesia and Malaysia. Both are developing countries, where emerging markets tend to display weak measures of corporate governance, corporate social responsibility, and protection of the property rights of investors and minority shareholders. Thus, improving governance and CSR practices in emerging markets can greatly benefit shareholders, especially minority shareholders (Peters et al., 2011). In addition, the Sharia bank sector is an area of research that is still little researched, especially in Indonesia and Malaysia. Furthermore, previous studies have shown inconsistent results, so this research is expected to be used as management considerations in implementing corporate governance mechanisms in company activities. Further contribution, the results of this research are expected to increase



investors' knowledge in making investment decisions seen from the influence of corporate governance on the financial performance of banking companies moderated by corporate social responsibility.

LITERATURE REVIEW

Corporate Governance

Corporate governance (CG) is the organization of a company in doing business and using various required resources that are oriented towards sustainably creating value for all stakeholders. Short-term and long-term balance is important in managing the company. The sustainability aspect concerns all stakeholders in maintaining their interests and getting added value from the company's presence (Wibowo, 2016). Corporate governance is a process and structure used by company organs (shareholders or capital owners, board of commissioners or supervisory boards, and directors). It improves business success and corporate accountability to realize or increase long-term shareholder value while considering other stakeholders' interests based on legislation and ethical values (Sutedi, 2011; Ahmed, 2013; Savitri, 2019).

Performance Finance

Financial performance is the determination of certain measures that can measure a company's success in generating profits (Prasinta, 2012). Financial performance assessment is assessed using a ratio approach (Chemala, 2019). Financial performance is measured by several approaches to financial ratios, including liquidity, profitability, solvency, activity, and market ratios. The policies and decisions of investors in investing their capital into the company are more influenced by the profitability ratios owned by a company compared to other ratios. Because investors assume that the profitability ratios can provide an overview of the rate of return or profits that investors will receive from their investments (Prasinta, 2008)

Corporate Social Responsibility (CSR)

CSR is the commitment of the company or the business world to contribute to sustainable economic development by paying attention to corporate social responsibility and emphasizing the balance between attention to economic, social, and environmental aspects (Manfarisyah, 2018). It is understood as all forms of activities of Islamic financial institutions to perfect the obligations of the relationship with Allah, the relationship with humans, and the relationship with the natural environment to produce economic development in order to improve the quality of life for the company, the community in the surrounding environment (Yusuf, 2007).



HYPOTHESIS

Banks in developing countries have higher levels of voluntary corporate governance disclosures, while voluntary disclosures are negatively associated with levels of political and civil repression (Abdullah et al., 2015). A strong and positive relationship between corporate-level corporate governance and corporate valuation and between corporate social behavior and corporate values (Ammann et al., 2011).

In another study, emerging markets tend to display weak measures of corporate governance, corporate social responsibility, and protection of the property rights of investors and minority shareholders (Peters et al., 2011). CSR has become an important aspect of the business community (Zainudin et al., 2017) (Menne, 2016). The results of other studies show no relationship between CSR and financial performance. They only find a relationship between firm size and CSR (Aras, 2010; Darmadi, 2013; Darko et al., 2016). The results of this study are in line with research conducted in Bangladesh which stated that there was no significant relationship between performance and CSR reporting carried out by companies (Khan, 2010). Corporate governance affects operational performance, but the achievement of corporate profits and market response to implementing good corporate governance is still lacking (Prasinta, 2012; Hanindra, 2014). Good bank governance tends to result in efficient capital allocation by managers (Ginena, 2014). The hypotheses to be tested in this study are bellow.

H1 : There is a significant influence on the implementation of corporate governance on the financial performance of sharia bank in Indonesia

H2 : There is a significant influence on the implementation of corporate governance on the financial performance of sharia bank in Malaysia

H3 : Corporate governance affects the financial performance of sharia bank companies in Indonesia, which Corporate Social Responsibility moderates

H4 : Corporate governance affects the financial performance of sharia bank companies in Malaysia, which Corporate Social Responsibility moderates

H5 : The implementation of corporate governance of Islamic banks in Indonesia is significantly different from that of Islamic banks in Malaysia.

METHOD

This study aims to see the effect of corporate governance on the financial performance of Sharia bank companies in Indonesia and Malaysia from 2016 to 2020, with corporate social responsibility as a moderating variable. The sampling method used in this study is a saturated sampling technique (R. Cooper & S. Schindler, 2014). The population in this study is all sharia banks in Indonesia and Malaysia, while the samples in this study for



Islamic Commercial Banks in Indonesia include PT. Bank Muamalat Indonesia, PT. Victoria Sharia Bank, West Java Banten Sharia BPD, Mega Indonesia Sharia Bank, Panin Sharia Bank, PT. Bukopin Islamic Bank, PT. BCA Syariah, PT. Maybank Syariah Indonesia, PT Bank Syariah National Pension Savings Bank, PT. BNI Syariah, PT. Bank Mandiri Syariah, PT. BRI Syariah Bank.

The sample of Islamic Commercial Banks in Malaysia in this study includes Affin Islamic Bank Berhad, Al Rajhi Banking & Investment Corporation Berhad, Alliance Islamic Bank Berhad, AmBank Islamic Berhad, Bank Islam Malaysia Berhad, Bank Muamalat Malaysia Berhad, CIMB Islamic Bank Berhad, HSBC Amanah Malaysia Berhad, Hong Leong Islamic Bank Berhad, Kuwait Finance House (Malaysia) Berhad, MBSB Bank Berhad, Maybank Islamic Berhad, OCBC Al-Amin Bank Berhad, Public Islamic Bank Berhad, RHB Islamic Bank Berhad, Standard Chartered Saadiq Berhad.

The data is the annual report data consisting of financial reports, CSR reports and other data needed for the period 2016 to 2020. Data were analyzed using multiple regression. The regression equation uses in Equation (1). The test tool used to determine the effect of moderating variables in this study is Moderated Regression Analysis (MRA). The equations (2) show the moderating effect for CSR. The coefficient of regression is measured by ordinary least square (OLS) with classical assumption (normality test, homogeneity test, multicollinearity tests, autocorrelation test and linearity test). ROA is Performance finance; Manj is Managerial ownership; Inst is Institutional ownership; BOD is Board of Commissioners Size; KI is Board Independent Commissioner; KA is Audit Committee, DPS is Board Sharia Supervisor.

$$ROA = \alpha + \beta_1 Manj + \beta_2 Inst + \beta_3 BOD + \beta_4 KA + \beta_5 KI + \beta_6 DPS + \epsilon \quad (1)$$

$$ROA = \alpha + \beta_1 Manj + \beta_2 Inst + \beta_3 BOD + \beta_4 KI + \beta_5 KA + \beta_6 + \beta_7 Manj * CSR + \beta_8 Inst * CSR + \beta_9 BOD * CSR + \beta_{10} KI * CSR + \beta_{11} KA * CSR + \beta_{12} DPS * CSR + \epsilon \quad (2)$$

The independent t-test tests the differences in the factors that affect the financial performance of sharia banks in Indonesia and Malaysia. The t-test compares the average value of the two samples (Ghozali, 2018). The terms of acceptance and rejection are as follows: first, if profitability value > 0.05, then Ho is accepted, this means that partially the variance is the same; Second, If profitability value < 0.05, then Ho is rejected, it means that partially the variance is different.



RESULTS

The results of the study present several things that support the research objectives. Table 1 and Table 2 display a description of the data on the sharia bank in Indonesia and Malaysia. These consist of maximum, minimum, mean, and standard deviation values. In general, the data description will be able to describe the data. Furthermore, this can be used to support the results and discussion. Testing the research hypothesis using the results of data regression. Table 3 shows the results of data regression for Islamic banks in Indonesia. Table 4 for Islamic banks in Malaysia.

Table 1. Descriptive Statistics of Sharia Banks in Indonesia

	Minimum	Maximum	Mean	Std. Deviation
Smanajemen	.0000	1.0820	.090167	.3015727
Sinstusional	1.0000	9.3000	3.133667	2.1865126
KA	3.0000	6.0000	4.000000	.9914892
KI	1.0000	3.0000	2.166667	.5870543
BOD	2.0000	6.0000	4.166667	1.1374468
DPS	1.0000	3.0000	2.150000	.5469484
CSR	42.0000	69.0000	57.116667	7.3463739
ROA	-.1080	.1360	.015983	.0337335

Source: Author Analysis (2021)

Table 2. Descriptive Statistics of Sharia Banks in Malaysia

	Minimum	Maximum	Mean	Std. Deviation
SManajerial	.0000	3.3000	.390714	.8785402
SInstitusional	.0000	4.4000	.924286	1.4640064
DPS	2.0000	6.0000	4.771429	1.3424122
KA	2.0000	9.0000	3.728571	1.7187915
KI	2.0000	6.0000	3.328571	1.3483369
BOD	3.0000	13.0000	7.128571	3.2119407
CSR	49.0000	66.0000	60.628571	3.3108142
ROA	-.2340	.1680	.004314	.0415771

Source: Author Analysis (2021)

Table 3. Multiple Linear Regression Test for Sharia Banks in Indonesia

	B	Std. Error	t	Sig.
(Constant)	.006	.019	.312	.756
Smanajemen	-.004	.011	-.376	.709
Sinstusional	.000	.000	.855	.396
KA	.000	.004	.090	.929
KI	-.009	.006	-1.352	.182
BOD	.003	.004	.836	.407
DPS	.013	.006	2.242	.029

Source: Author Analysis (2021)

Table 3 shows that only the number of DPS influences the financial performance of Islamic banks in Indonesia. Furthermore, based on Table 4, institutional stocks and coefficients significantly affect the financial performance of Islamic banks in Malaysia. MRA regression was performed to



complete the degradation factor. The results are presented in Table 5 and Table 6. Table 5 and Table 6 show that CSR is not significant in moderating the influence of corporate governance on the financial performance of Islamic banks in Indonesia and Malaysia. It is indicated by the value of sig. of the two tables more than 5%.

Furthermore, Table 7 shows the results of the independent t-test. Table 7 shows differences in corporate governance in Indonesia and Malaysia. Table 7 shows that the calculated F is 0.691 with a significance of 0.407, which is smaller than the probability value of 0.05, so it can be concluded that H₀ is rejected or has a different variance. Thus, the t-test difference test analysis must use Equal variances assumed. From the SPSS output, the t value is 1.738, and Sig. (2-tailed) is 0.085 is greater than 0.05. So, it can be concluded that the average financial performance is the same or there is no difference between Indonesian and Malaysian Islamic banks.

Table 4. Multiple Linear Regression Test for Sharia Banks in Malaysia

	B	Std. Error	t	Sig.
(Constant)	.008	.002	4.229	.000
Smanajemen	.003	.004	.559	.578
Sinstusional	-.005	.003	-1.692	.096
KA	.000	.000	.944	.349
KI	.000	.000	-2.397	.020
BOD	.000	.000	-.875	.385
DPS	.005	.000	.339	.736

Source: Author Analysis (2021)

Table 5. MRA Test for Sharia Banks in Indonesia

	B	Std. Error	t	Sig.
(Constant)	.006	.029	.212	.833
Smanajemen	-.145	.386	-.375	.709
Sinstusional	-.002	.002	-1.136	.262
KA	.066	.045	1.472	.148
KI	-.085	.091	-.927	.358
BOD	-.028	.061	-.449	.655
DPS	.020	.064	.312	.756
SmanajemenCSR	.002	.006	.347	.730
SinstitusionalCSR	3.311	.000	1.190	.240
KACSR	-.001	.001	-1.394	.170
KICSR	.001	.001	.862	.393
BODCSR	.000	.001	.454	.652
DPSCSR	-7.722	.001	-.076	.940

Source: Author Analysis (2021)

Table 6. MRA Test for Sharia Banks in Malaysia

	B	Std. Error	t	Sig.
(Constant)	.061	.053	1.142	.258
Smanajemen	-.111	.100	-1.103	.275
Sinstusional	-.016	.086	-.189	.850



KA	-.002	.007	-.249	.805
KI	-.003	.006	-.424	.674
BOD	.006	.011	.525	.602
DPS	-.003	.007	-.430	.669
SmanajemenCSR	-.001	.001	-.982	.330
SinstitusionalCSR	.002	.002	1.133	.262
KACSR	.000	.001	.134	.894
KICSR	2.944	.000	.271	.788
BODCSR	3.585	.000	.357	.722
DPSCSR	-9.965	.000	-.551	.584

Source: Author Analysis (2021)

Table 7. Independent T-Test

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
							Lower	Upper	
Equal variances assumed	.691	.407	1.738	128	.085	.01167	.00671	-.00162	.02495

Source: Author Analysis (2021)

DISCUSSION

This study shows that the results of corporate governance do not affect the financial performance of Indonesian and Malaysian Sharia banks from 2016 to 2020, meaning that the financial performance of Indonesian and Malaysian banking companies from 2016 to 2020 is not influenced by corporate governance moderated by corporate social responsibility. The results of this study are inconsistent with research that states that there is a strong and positive relationship between corporate-level corporate governance and corporate valuation and between corporate social behavior and firm value. Better corporate governance practices are reflected in statistically higher market values and economics (Ammann et al., 2011).

This study supports previous research, which states a negative relationship between corporate governance and returns on assets. However, there is a positive relationship between corporate governance and return on equity. There is no positive relationship between corporate governance, and Tobin's Q. This indicates that the implementation of corporate governance affects operational performance. However, the achievement of corporate profits and market response to implementing good corporate governance is still lacking (Prasinta, 2012; Iska, 2012).

Managerial ownership did not affect the financial performance of Indonesian and Malaysian Sharia commercial banks from 2016 to 2020. The results of this study are consistent with research that states that the managerial ownership of the company does not influence the company's



performance. This study sampled Malaysian public companies in 2010 (Ghazali, 2014). This result is also in line with research that states that managerial ownership destroys company performance (FAUZI, 2015). The results of other studies also show a significant negative relationship between managerial ownership and firm performance in companies listed in China (Shao, 2019). Furthermore, inconsistent with other studies observing a significant positive relationship between managerial ownership and financial performance in companies listed in Jordan (Abdullah, et al., 2015). The results of another study that took a sample of Syrian-listed companies reported that concentrated managerial ownership and corporate governance had no impact on company performance (Mardnly, 2018)

Institutional ownership in Indonesia and Malaysia the analysis test results show no effect between institutional ownership and the financial performance of Sharia commercial banks from 2016 to 2020 in both countries. The results of this study are consistent with the statement of the study, which states that greater institutional ownership will result in greater external control within the company. In addition, institutional ownership, which the owner of the majority share, can ignore the interests of the minority shareholder. The greater the external control, the more policy will tend to follow the policies of external institutions. This will reduce stock prices in the capital market and result in a decline in company performance (Listyo Bambang, 2013).

The audit committee has not affected the financial performance of Indonesian and Malaysian Sharia banks from 2016 to 2020. The results of this study are inconsistent with previous research, which states that the audit committee affects the company's performance in planning and implementing the internal audit (Abdullah, 2011). The results of this study are also inconsistent with the research results, which state that the audit committee affects the performance of market-based companies in Thailand (Al Farooque et al., 2020). The results of this study are also inconsistent with research which states that the audit committee affects the company's performance by reducing the company's external risk (Mersni & Ben, 2016). The results of this study are consistent with the results of research, which states that the audit committee harms company performance (Lin & Hwang, 2010)(Chen et al., 2017).

The results of this study are also inconsistent with research that took a sample of publicly listed companies in 2012 – 2015 officially registered in Burma Malaysia Berhad. It stated that companies with larger board sizes had the opportunity to manipulate accounting numbers by placing additional emphasis on company management to report a lower amount of debt and higher company performance. (Mohd Faizal, 2018).



The results of this study are consistent with the results of some previous studies, which stated that they did not find a significant relationship between independent directors and company performance (Afrifa & Tauringana, 2015) (Bhatt & Bhatt, 2017) (Shao, 2019). Furthermore, it is inconsistent with the research results, which state that independent commissioners significantly impact the disclosure of information reported by companies (Neifar & Jarboui, 2018).

The results of this study do not support research that takes a sample of nine Sharia banks for the period 2010-2014, which shows that corporate social responsibility has a positive effect on the financial performance of Sharia banks in Indonesia (Menne, 2016). The results of the study reveal that the disclosure of corporate social responsibility of Sharia banks, in general, has developed both in Malaysia and Indonesia for the period 2007-2011. More specifically, it was found that the dimensions of the workplace and community were the areas most frequently disclosed by Sharia banks in both countries (Zainudin et al., 2017).

This study's results align with research that took a sample of 40 companies in Turkey in 2010, which showed no relationship between CSR and financial performance. CSR is still a very broad and active research topic, not only in developing market countries, and many results' strengths and usefulness are hotly debated (Aras, 2010) (Khan, 2010).

There is no difference in corporate governance on the financial performance of Sharia banking companies in Indonesia and Malaysia. It means that Indonesian and Malaysian Sharia banking companies from 2016 to 2020 have the same performance and do not have the same performance. Differences in the implementation of corporate governance. So, it can be concluded that the effect of corporate governance's implementation on financial performance moderated by corporate social responsibility at Sharia banks in Indonesia and Malaysia has no difference.

CONCLUSION

This study shows that corporate governance results do not affect the financial performance of Indonesian and Malaysian Sharia banks from 2016 to 2020. From the results of this study, it can be concluded that the financial performance of Indonesian and Malaysian banking companies from 2016 to 2020 is not influenced by corporate governance, which is moderated by corporate governance. Social responsibility and there is no difference in financial performance at Indonesian Sharia Commercial Banks and Malaysian Sharia Commercial Banks from 2016 to 2020. This study uses observational data for five years for further research to add a data observation period so that the results obtained are more leverage. The sharia supervisory board is a



distinctive attribute of corporate governance in Sharia banks, so further research can focus more on the variables of the sharia supervisory board to determine the extent to which the role and function of the sharia supervisory board on the performance of sharia banks.

REFERENCES

- Abdullah, MA (2011). Corporate governance of Islamic Banking in Indonesia. Ar Ruzz Media Group.
- Abdullah, WAW, Percy, M., & Stewart, J. (2015). Determinants of voluntary Corporate governance disclosure: Evidence from Islamic banks in the Southeast Asian and the Gulf Cooperation Council regions. *Journal of Contemporary Accounting and Economics*, 11(3), 262–279.
<https://doi.org/10.1016/j.jcae.2015.10.001>
- Afrifa, GA, & Tauringana, V. (2015). Corporate governance and performance of UK listed small and medium enterprises. *Corporate governance (Bingley)*, 15(5), 719–733.
<https://doi.org/10.1108/CG-03-2015-0029>
- Ahmed, KSBHMAF (2013). An evaluation of Corporate governance practices of Islamic banks versus Islamic bank windows of conventional banks A case of Pakistan. <https://doi.org/10.1108/0140917131135003>
- Ajili, H., & Bouri, A. (2018). Corporate governance quality of Islamic banks: measurement and effect on financial performance. *International Journal of Islamic and Middle Eastern Finance and Management*, 11(3), 470–487.
<https://doi.org/10.1108/IMEFM-05-2017-0131>
- Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance – emerging trends from Thailand. *Pacific Accounting Review*, 32(1), 54–81. <https://doi.org/10.1108/PAR-10-2018-0079>
- Alnasser, SAS, & Muhammed, J. (2012). Introduction to Corporate governance from an Islamic perspective. *Humanomics*, 28(3), 220–231.
<https://doi.org/10.1108/08288661211258110>
- Ammann, M., Oesch, D., & Schmid, MM (2011). Corporate governance and firm value: International evidence. *Journal of Empirical Finance*, 18(1), 36–55. <https://doi.org/10.1016/j.jempfin.2010.10.003>
- Ben Zeineb, G., & Mensi, S. (2018). Corporate governance, risk and efficiency: evidence from GCC Islamic banks. *Managerial Finance*, 44(5), 551–569.
<https://doi.org/10.1108/MF-05-2017-0186>
- Bhatt, PR, & Bhatt, RR (2017). Corporate governance and firm performance in Malaysia. *Corporate governance (Bingley)*, 17(5), 896–912.
<https://doi.org/10.1108/CG-03-2016-0054>



- Chemala, MYR (2019). Determinants, Bank Analysis, Profitability In, Sharia. 3(1), 101–114.
- Chen, Y., Eshleman, JD, & Soileau, JS (2017). Business Strategy and Auditor Reporting. *Emerald*, 36(2), 63–86. <https://doi.org/10.2308/ajpt-51574>
- Darko, J., Aribi, ZA, & Uzonwanne, GC (2016). Corporate governance: the impact of director and board structure, ownership structure and corporate control on the performance of listed companies on the Ghana stock exchange. *Corporate governance (Bingley)*, 16(2), 259–277. <https://doi.org/10.1108/CG-11-2014-0133>
- Darmadi, S. (2013). Corporate governance disclosure in the annual report: An exploratory study on Indonesian Islamic banks. *Humanomics*, 29(1), 4–23. <https://doi.org/10.1108/08288661311299295>
- Fauzi, H. (2015). Corporate ownership and company performance : a study of Malaysian listed companies. <https://doi.org/10.1108/SRJ-05-2014-0064>
- Ghazali, NAM (2014). Board of directors and performance of Malaysian companies. 6(2), 12–14.
- Ghozali, I. (2018). Multivariate Analysis Applications with IBM SPSS 25 Program (9th ed.). Diponegoro University Publishing Agency.
- Ginena, K. (2014). Sharī ' ah risk and Corporate governance of Islamic banks. 14(1), 86–103. <https://doi.org/10.1108/CG-03-2013-0038>
- Global Sustainability Standards Board. (2013). G4 Sustainability Reporting Guidelines. *Global Reporting Initiative*, 1–97. www.globalreporting.org
- Grassa, R., & Matoussi, H. (2014). Corporate governance of Islamic banks: A comparative study between GCC and Southeast Asia countries. *International Journal of Islamic and Middle Eastern Finance and Management*, 7(3), 346–362. <https://doi.org/10.1108/IMEFM-01-2013-0001>
- Hanindra, AR (2014). Comparative Study of the Effect of Good Corporate Governance Mechanisms on Banking Performance. Muhammadiyah University of Yogyakarta, 1–33.
- Karbhari, Y., Alam, MK, & Rahman, MM (2020). Relevance of the application of institutional theory in Shariah governance of Islamic banks. *PSU Research Review*, 5(1), 1–15. <https://doi.org/10.1108/prr-05-2020-0015>
- Kassim, MSAMSH (2015). Assessing the contribution of Islamic finance to economic growth: Empirical evidence from Malaysia. *Journal of Islamic Accounting and Business Research*, Vol. 6 Issue 2 Pg. 292 - 310, 34(1), 1–5. <https://doi.org/http://dx.doi.org/10.1108/JIABR-07-2012-0059>



- Khan, HUZ (2010). The effect of Corporate governance elements on CSR(CSR); reporting: Empirical evidence from private commercial banks of Bangladesh. *International Journal of Law and Management*, 52(2), 82–109. <https://doi.org/10.1108/17542431011029406>
- Lin, JW, & Hwang, MI (2010). Audit Quality, Corporate governance, and Earnings Management: A Meta-Analysis. *Emerald*, 77, 57–77. <https://doi.org/10.1111/j.1099-1123.2009.00403.x>
- Listyo Bambang, Khafid Muhammad. (2013). Analysis of the Effect of Corporate Governance Mechanisms on Banking Performance. Makassar *XVI National Accounting Symposium* 26-28 September 2013.
- Manfarisyah, JMSH (2018). CORPORATE SOCIAL (First). Unimal Press.
- Mardnly, S. (2018). International Journal of Islamic and Middle Eastern Finance and Management. *Managerial Finance*, 34(10). <https://doi.org/10.1108/mf.2008.00934jaa.001>
- Mazri, KF, Ismail, RF, Arshad, R., & Kamaruzaman, SA (2018). Corporate governance attributes as determinants of the Islamic Social Reporting of Shariah-compliant companies in Malaysia. *International Journal of Economics and Management*, 12(Special Issue 1), 169–180.
- Menne, F. (2016). Evidence of CSR Practices of Islamic Financial Institutions in Indonesia. *Advances in Islamic Finance, Marketing, and Management*, 341–362. <https://doi.org/10.1108/978-1-78635-899-820161018>
- Mohd Faizal, J. (2018). Corporate governance and Firm Performance in Malaysia. *Fri*, 4(April), 1–55.
- Mohd Ghazali, NA (2020). Governance and ownership in Malaysia: their impacts on corporate performance. *Asian Journal of Accounting Research*, 5(2), 285–298. <https://doi.org/10.1108/AJAR-03-2020-0017>
- Muhammad, A. (2013). An investigation of the association between ownership structure and corporate performance Empirical evidence from Tehran Stock. *Management Research Review*, 36(11), 1137–1166. <https://doi.org/10.1108/MRR-08-2012-0188>
- Munitions, G., Hermes, N., & Randøy, T. (2014). Corporate boards and ownership structure : Evidence from Sub-Saharan Africa. *International Business Review*. <https://doi.org/10.1016/j.ibusrev.2013.12.001>
- Nasrum, M. (2018). Corporate governance (Concepts, Theories and Applications in Several Asian Countries). 1–162. <https://doi.org/10.31227/osf.io/zpfnx>



- Neifar, S., & Jarboui, A. (2018). Corporate governance and operational risk voluntary disclosure: Evidence from Islamic banks. *Research in International Business and Finance*, 46, 43–54.
<https://doi.org/10.1016/j.ribaf.2017.09.006>
- Nomran, Naji Mansour. (2016). Shari ' ah Supervisory Board Characteristics Effects On Islamic Banks ' Performance : Evidence from Malaysia. *International Journal of Bank Marketing*.
<https://doi.org/https://doi.org/10.1108/IJBM-12-2016-0197>
- Peters, S., Miller, M., & Kusyk, S. (2011). How relevant is Corporate governance and CSR in emerging markets? *Corporate Governance*, 11(4), 429–445. <https://doi.org/10.1108/14720701111159262>
- Prasinta, D. (2012). Accounting Analysis Journal Effect Of Good Corporate Governance On Financial Performance. *Accounting Analysis Journal*, 1(2), 1–7. <http://journal.unnes.ac.id/sju/index.php/aaaj>
- R. Cooper, D., & S. Schindler, P. (2014). *Business Research Methods*.
- Rama, A. (2015). Analysis of Sharia Governance System for Sharia Banking in Indonesia and Malaysia. *Journal of Islamic Guidance*, 8(1), 87–120. http://simbi.kemenag.go.id/library/images/materialbuku/Vol_8_no_1.pdf
- Rusby, Z. (2017). *Islamic Banking Management* (MS Dr. Nurman (ed.); FIRST). National Library.
- Sawir, A. (2020). *Financial Performance Analysis and Corporate Financial Planning (Third)*. PT Gramedia Public Library.
- Sekaran, U. (2011). *Research Methods for Business: A Skill-Building Approach*. John Wiley & Sons, Inc.
- Shao, L. (2019). Dynamic study of Corporate governance structure and firm performance in China: Evidence from 2001-2015. *Chinese Management Studies*, 13(2), 299–317. <https://doi.org/10.1108/CMS-08-2017-0217>
- Shukeri, SN, Shin, OW, & Shaari, MS (2012). Does the Board of Director's Characteristics Affect Firm Performance? Evidence from Malaysian Public Listed Companies. *International Business Research*, 5(9), 120–127. <https://doi.org/10.5539/ibr.v5n9p120>
- Solikhah, AWB (2017). Corporate Governance : The International Journal of Business in Society Article information : The International Journal of Business in Society, 17(2). Permanent link to this document: <http://dx.doi.org/10.1108/CG-02-2016-0034>.
- Supriani, I, Fianto, BA, Fauziah, NN, & Maulayati, RR (2021). Revisiting the Contribution of Islamic Banks' Financing to Economic Growth: The Indonesian Experience. *Shirkah: Journal of Economics and Business*, 6(1), 18–37. <https://doi.org/10.22515/shirkah.v6i1.383>



Wibowo, S. (2016). The Effect Of Managerial Ownership, Institutional Ownership, Dividend Policy And Debt Policy On Company Value. Airlangga University Surabaya.

Yusuf, MY (2017). Islamic CSR (I-CSR) in Islamic Financial Institutions Theory and Practice (First). date.

Zainudin, EF, Hashim, HA, Zainudin, EF, Hashim, HA, & Journal, MA (2017). Social Responsibility Disclosure in Islamic Banks: A Comparative Study of Indonesia and Malaysia. *Journal of Financial Reporting and Accounting Emerald*. <https://doi.org/http://dx.doi.org/10.1108/JFRA-01-2015-0016>