The Effect of Profitability, Independent Commissioner, Audit Committee, and Managerial Ownership on Disclosure of Islamic Corporate Social Responsibility

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Abstract

This study aims to determine the effect of profitability, independent commissioners, audit committees, and managerial ownership on the disclosure of Islamic Corporate Social Responsibility in health sector companies. This type of research is a quantitative study with a population of health sector companies listed on the Indonesian Sharia Stick Index (ISSI) in 2018-2020. Determination of the sample in this study using purposive sampling method with pretermined criteria, in order to obtain 13 of 23 companies in the health sector. The research period was 5 years, so that 39 samples were obtained. The analytical methods used include descriptive statistics, classical assumption test, multiple linear regression analysis test, and hypothesis test. The results show that simultaneously the variables of profitability, independent commissioners, audit committees, and managerial ownership have an effect on the disclosure of Islamic Corporate Social Responsibility. While partially, the independent commissioner variable has an effect on the disclosure of Islamic Corporate Social Responsibility in health sector companies listed. The variables of profitability, audit committees, and managerial ownership have no effect on the disclosure of Islamic Corporate Social Responsibility in health sector companies listed on the Indonesian Sharia Stock Index (ISSI) in 2018-2020.

1. Introduction

To support the growth of the industry and the current business economy, it is very important for an entity to always try to manage company resources as well as possible to meet the increasing needs of society. The existence of commercial actors in the community means that the community needs information related to the performance of company activities, especially social activities, to ensure respect for community rights. (Rachmania and Alviana 2020)

The context of today's social responsibility has developed not only in the traditional economic field, but also in an Islamic-based economy. In the Islamic perspective, CSR is a form of corporate social responsibility based on sharia economic aspects and adapted to Islamic values in the Qur'an and hadith. (Sari and Helmayunita 2019)

In the context of the company, when the company runs its business with the aim of making big profits or is experiencing difficulties due to the crisis, it does not become an obstacle to continue to carry out social responsibility. This means that companies not only take advantage of their income but also do charity through CSR activities. Social responsibility (CSR) is actually a form of contribution to channeling the assets given by Allah SWT to those who are entitled to receive these assets. In addition, this social activity is humanitarian in nature, on the other hand for maslahah mursalah CSR is a law where there are no arguments regarding commands and prohibitions.

In measuring CSR disclosure in companies, profitability analysis is an important indicator in the disclosure of social responsibility. In the implementation of profitability analysis, the form is the profitability ratio, there are two types of ratios, namely sales margin and return on investment (ROA). Return on Assets (ROA) focuses on the entity's ability to generate profits from its business activities. Testing the value of the influence of financial institutions' profits means assessing the need for information as an important factor that affects the value of ROA. (Muid 2017)

In addition, another indicator that the disclosure of social responsibility can affect the variable of corporate governance or known as Good Corporate Governance (GCG). PMK No. 88 of 2015 states that GCG is a system prepared for the management of a company in accordance with the principles of transparency, independence, accountability, accountability, and fairness for the purpose of conducting business activities in accordance with applicable standards.

An influential indicator of corporate governance is an independent commissioner who is a member of the board of directors outside the company who is not related to the board of directors, or a member of the board of directors, the controlling shareholder, and is free from other relationships that will affect their freedom to safeguard the interests of the parties involved.

Another GCG indicator as a proxy that also affects CSR disclosure is the audit committee. The audit committee is part of the company that has the responsibility as an advisor in providing advice and objectives for the commissioners to improve the performance of the commissioners. In measuring the performance of commissioners, it can be seen from the size of the level of disclosure of information about business activities so that the audit committee can also influence CSR disclosure. (Sari and Helmayunita 2019)

Another indicator of corporate governance that can also affect CSR disclosure is managerial ownership. Managerial ownership is the total ownership of part of the company's shares originating from the company's internal parties, namely management and participating in decision making. This indicator also shows managers as shareholders. (Ariyani 2020)

Previous research on profitability or ROA has had different results, such as research by (Fitranita and Wijayanti 2020), proves that there is no significant effect on disclosure ICSR. Meanwhile, research by (Muid 2017) shows that there is a significant effect of profitability (ROA) on ICSR.

In relation to the GCG variable in previous studies, it also produced a different test. As research by (Rachmania and Alviana 2020), states that the GCG variable on the audit committee proxy has a positive influence on ICSR disclosure. While research by (Mayliza and Yusnelly 2021), says that the GCG indicator on the audit committee proxy does not have a positive effect on ICSR.

In addition, for the independent commissioner proxy, research by (Mayliza and Yusnelly 2021) shows that there is an effect of the independent commissioner variable on ICSR. However, it is different from research (Irbah, 2021) which proves that there is no significant effect of the independent commissioner variable on ICSR.

From several previous research results regarding profitability and governance variables on ICSR disclosure there are inconsistencies in the research results, then this can be used as an interesting gap research and needs to be re-examined. In this study, we will re-examine the effect of profitability and corporate governance on ICSR disclosure. The reason for choosing the profitability variable is because it can show the ability of an entity to generate revenue, while the corporate governance variable is chosen because it is a form of the company's internal control mechanism, so that it can effectively assess ICSR's disclosure activities.

Data retrieval in this research is the issuer of the health sector registered with ISSI. This research is also intended to prove that profitability and corporate governance, especially related to indicators of independent commissioners, audit committees, and managerial ownership have a significant influence on ICSR disclosure. Here the researcher chooses the population of companies in the health sector because in previous studies it was still rare to examine companies in the health sector. The year 2018-2020 is the research period for this research.

This study focuses on discussing Islamic Corporate Social Responsibility, because ICSR is expected to explain the importance of disclosing corporate social responsibility for companies and local communities who are affected by the company's activities. With the ICSR, it is hoped that it can contribute to sustainable economic development and improve the quality of life and the surrounding environment, so that it can benefit the company, the surrounding community and the wider community.

Sharia Enterprise Theory (SET)

This theory explained that Allah SWT. is the main position of the mandate, while the resources owned by the stakeholders are the mandate that comes from Allah. Which includes a responsibility to be used in ways and purposes that have been determined by Allah (Yevi Dwitayanti, Rosy Armaini 2018).

Corporate Social Responsibility (CSR)

CSR is a form of systematic effort by the company in a structured, proactive and balanced manner to carry out business activities that are socially acceptable and environmentally friendly to achieve financial success, so this is able to provide added value for stakeholders. (Nor Hadi 2018).

Profitability

Profitability ratio is a measure used to evaluate the company's ability to earn revenue (profit). Profitability indicators also provide a measure of the effectiveness of business management. (Cashmere, SE 2016)

Independent Commissioner

Independent commissioners are members of the board of commissioners outside the company's directors and are not employees of the company, but are involved in internal companies. The Company establishes an independent commissioner who will oversee the internal organization and can mediate when there is a dispute between the internal commissioner and the shareholders.

Audit Committee

The audit committee has the authority to conduct investigations and approve cases within the scope of its responsibilities. According to the Institute of Internal Auditors (IIA), companies are required to have an audit committee formed to become a permanent committee. The audit committee has the main responsibility in assisting the board of directors in carrying out their duties, especially those related to internal control, accounting policies, and the company’s financial statements. (FGCI,nd).

Managerial ownership

Managerial ownership is the total share ownership of the management to the total share capital managed by the company. Management ownership is equated with the interests of company owners and managers, because managers directly feel the results of decision making and take the risk of decisions made by mistake. (Institutional 2015)

Hypothesis Development

The influence of profitability on the disclosure of Islamic Corporate Social Responsibility

According to Sharia Enterprise Theory (SET), financial statements must be able to state to all parties that a company has fulfilled its obligations to God and to interested parties as directed by God and in line with the aims and objectives as stipulated in sharia. ICSR is part of the implementation of Islamic principles which are not only aimed at seeking profit but also for the purpose of the hereafter. (Mokoginta, 2016)

Meanwhile, the stakeholder theory explains that the company's management activities in compiling reports are in line with the company's goals and stakeholder support, namely increasing the level of profitability so that it can attract investors. One of the company's efforts to provide clear information for the public and potential investors is to increase awareness of ICSR. Thus, the higher the profit, the greater the company's ability to earn profits, the wider the disclosure of corporate responsibilities and the cost of ICSR disclosure also increases.

In relation to the effect of profitability on ICSR, there are previous studies by (Muid 2017) , (Khotijah, 2019) , and (Prisila Damayanti, Hendi Prihanto 2021) which prove that profitability (ROA) has a significant effect on ICSR, this is reflected in the company's ability to obtain profit, the company will allocate some of its profits for social activities, which will increase public confidence in the goods sold by the company. Thus, based on previous research which also used the profitability variable, a hypothesis can be drawn as follows:

H_1 : How is the effect of profitability on the disclosure of Islamic Corporate Social Responsibility?

The influence of independent commissioners on the disclosure of *Islamic Corporate Social Responsibility*

Independent commissioners as an effective tool to control managerial ethics, can influence the control and management of company operations, especially in CSR disclosure. Based on the legitimacy theory, it is stated that public perception of the company's legitimacy can be strengthened if there is an independent commissioner in the company, so that this does not make it difficult to control and supervise the company's operations. (Shodiq 2021)

In relation to the influence of independent commissioners on ICSR, there are previous studies by (Tarigan and Adisaputra 2020) , (Mayliza and Yusnelly 2021) , (Indira Shinta Dewi, SE., MM. 2019) proving that there is a significant influence of independent commissioners on ICSR. So that based on previous research which also used the independent commissioner variable, a hypothesis can be drawn as follows:

H_2 : How is the influence of independent commissioners on the disclosure of Islamic Corporate Social Responsibility ?

The influence of the audit committee on the disclosure of *Islamic Corporate Social Responsibility*

The audit committee is determined as the most effective medium for implementing management mechanisms, reducing office costs, and increasing the level of quality of corporate information disclosure. (Tarigan and Adisaputra 2020) Based on the Sharia Enterprise Theory (SET), business owners try to obtain as much information as possible and ensure that the company

is accountable to stakeholders. The existence of an audit committee is expected to reduce the occurrence of conflicts between shareholders and management. (live 2021)
In relation to the effect of profitability on ICSR, there is a previous study by (Rachmania and Alviana 2020) , and (Indira Shinta Dewi, SE., MM. 2019) which proves the influence of the audit committee on ICSR disclosure. So based on previous research that also used the audit committee variable, a hypothesis can be drawn as follows:

H_3 : How is the influence of the audit committee on the disclosure of Islamic Corporate Social Responsibility ?

The effect of managerial ownership on the disclosure of *Islamic Corporate Social Responsibility*

In the perspective of agency theory, management as a business manager has more information about the company, the work environment and the future perspective of the company than the owner of the company. Meanwhile, shareholders will pay attention to the manager's performance in managing company profits so that they act as they wish. This will definitely increase productivity and business value. The higher the productivity of management, the higher the level of corporate CSR disclosure.

In relation to the influence of managerial ownership variables on ICSR, there are previous studies by (Tarigan and Adisaputra 2020) and (Ester Ayu Febriana 2019) stating that based on testing the managerial ownership variable has a positive and significant effect on ICSR. So based on previous research that also uses managerial ownership variables, a hypothesis can be drawn as follows:

H_4: How does managerial ownership affect the disclosure of Islamic Corporate Social Responsibility?

2. Research Method

Based on the data and information that has been obtained from this research, the type of research used is quantitative research. Quantitative research is defined as a research that presents with numbers, starting from the process of data collection, data analysis, and data presentation. Research that uses this type of quantitative method focuses on numerical data (numbers) which is then processed using appropriate statistical methods. (Hardani, 2020) This research data collection is obtained by accessing and collecting data, after collecting data, the data will be clearly defined, then researchers investigate in depth using statistical data obtained from report data the financial statements of each health sector company listed on ISSI by taking the 2018-2020 period.

The population of this study are all health sector companies listed on the Indonesia Stock Exchange with a focus on the Indonesian Sharia Stock Index (ISSI) for the period 2018-2020. The sampling was done by purposive sampling method. With the sample criteria, namely; health sector companies listed on the Indonesian Sharia Stock Index (ISSI) during the 2018-2020 period; companies that publish annual financial reports consistently in the period 2018-2020; and companies that have complete data on research variables during the 2018-2020 period to be studied.

Profitability

ROA is a ratio aimed at measuring profitability, this ratio reveals the company's ability to benefit from the company's total assets to see the level of income achieved by the company through the comparison of profit after tax to the company's total assets. (Sundari and Handayani, 2019) The following is the formula for calculating profitability variables:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

Independent commissioner

Independent commissioners are members of the board of commissioners who are outside the company's management and do not include company employees, but are directly involved in the company's internal organization. (FGCI, nd) The proportion of independent commissioners is measured by the following ratio:

$$\text{Independent commissioners} = \frac{\text{Independent commissioners are members}}{\text{Total Independent commissioners}}$$

audit committee

The audit committee is a committee mandated by the board of commissioners to carry out the supervisory mechanism. The audit committee is established as a fairly effective tool in building management mechanisms, reducing agency funds and increasing the quality of company disclosure. (Tarigan and Adisaputra, 2020) The audit committee can be calculated by the total number of audit committee members as follows:

$$\text{audit committee} = \sum \text{audit committee members}$$

Managerial ownership

Managerial ownership is the company's shareholders who come from the management and are involved in making decisions of a related company. (Agatha and Nurlaela, 2020) Managerial ownership is calculated by the following formula:

$$\text{Managerial ownership} = \frac{\text{Total Shares of Directors and Commissioners}}{\text{Number of Outstanding Shares}}$$

Islamic Corporate Social Responsibility

In the Islamic view, ICSR is the fulfillment of the concept of ihsan learning as a method of teaching noble ethics. Ihsan is doing good deeds that are beneficial to others in order to achieve the pleasure of Allah SWT. In addition, ICSR is the result of the implementation of teachings in Islam, where Allah SWT acts as the absolute owner (haqiqiyah), on the other hand humans here are limited to temporary owners who act when they get a mandate. (Mayliza and Yusnelly 2021) . The following is the formula for calculating the Islamic Corporate Social Responsibility variable:

$$ICSR = \frac{\text{Number of Items Disclosed}}{\text{Total number of disclosures}}$$

Research Analysis Method

This research is a quantitative research, in quantitative research data analysis is an activity after data from all respondents or other data sources are collected. The analytical methods used include descriptive statistics, classical assumption test (normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test), multiple linear regression analysis test, and hypothesis test (coefficient of determination/R 2, f test and t test). for the formula for multiple linear equations in this study are:

$Y = a + 1 X 1 + 2 X 2 + 3 X 3 + 4 X 4 + e$

Information:

Y: Islamic Corporate Social Responsibility

a: Constant price

: Regression coefficient

X 1 : Profitability

X 2 : Independent Commissioner

X 3 : Audit committee

X 4 : Managerial ownership

e : error

3. Results and Discussion

In this study, the population used is the health sector company registered at ISSI with the 2018-2020 period taking. The Indonesian Sharia Stock Index (ISSI), which was published on May 12, 2011, is a composite of the Sharia Stock Index, which is named the Indonesia Stock Exchange. ISSI is one of the components of the performance of the Islamic capital market in Indonesia. ISSI components are all Sharia components named BEI and are part of the Sharia Securities List (DES) and have been issued by the OJK. (“Http://Www.Idx.Co.Id,” nd) ht. The number of health sector companies listed on the IDX is 23 companies. The sample was selected using purposive sampling and has been selected according to the specified conditions, then 13 companies were obtained for 3 research periods from 2018 to 2020.

Table 1. Multiple Linear Regression Analysis Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.856	.074		11,626	.000
	Profitability	.016	.018	.148	.917	.366
	Independent Commissioner	-.297	.082	-.501	-3.602	.001
	Audit Committee	.027	.019	.199	1.439	.159
	Managerial ownership	-130	.072	-.293	-1.805	.080

a. Dependent Variable: Islamic Corporate Social Responsibility

Source: Processed SPSS Output (2022)

From the table data above, the regression equation can be formed as follows:

$$Y = a + 1 X_1 + 2 X_2 + 3 X_3 + 4 X_4 + e$$

$$ICSR = 0.856 + 0.016X_1 + (-0.297)X_2 + 0.027X_3 + (-0.130)X_4 + e$$

Based on the regression equation above, it can be interpreted as follows:

The constant value has a positive value of 0.856 stating that if the independent variable is considered constant (0), then the average Islamic Corporate Social Responsibility is 0.856.

Profitability shows a positive coefficient of 0.016. If it is assumed that the independent variable is constant, it means that for every 1% increase in profitability, the ICSR will increase by 1.6%.

Independent commissioners show a negative coefficient of -0.297. If it is assumed that the independent variable is constant, it means that for every 1% increase in the independent commissioner, the ICSR will decrease by -29.7%.

The audit committee showed a positive coefficient of 0.027. If it is assumed that the independent variable is constant, it means that for every 1% increase in the audit committee, the ICSR will increase by 2.7%.

Managerial ownership shows a negative coefficient of -0.130. If it is assumed that the independent variable is constant, it means that for every 1% increase in managerial ownership, the ICSR will decrease by -13%.

Hypothesis testing

Coefficient of Determination

Table 2. Result of Coefficient of Determination (R2)

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.598 [a]	.358	.283	.06877	1.377

a. Predictors: (Constant), Managerial Ownership , Audit Committee , Independent Commissioner , Profitability

b. Dependent Variable: Islamic Corporate Social Responsibility

Source: Processed Output Results (2022)

Based on the table above, it is known that the coefficient of determination (R2) is shown in the Adjusted R Square value of 0.283. This means that 28.3% ICSR . variable can be expressed by the variable profitability (X_1), independent commissioners (X_2), audit committee (X_3), and managerial ownership (X_4). For the remaining 71.7% (100% - 28.3% = 71.7%) ICSR is influenced by other independent variables outside of this study.

Simultaneous Test F

The ANOVA table is used to display the results of the regression model that is being worked on according to the provisions and criteria according to the regulations. H_0 is accepted, if the value of sig > or the value of F arithmetic < F table and H_a is accepted, if the value of sig < or the value of F arithmetic > F table . F table can be calculated with degrees of freedom dlf = k - 1 (4 - 1 = 3) and df2 = n - k - 1 (39-4-1 = 34), the value of n is the total sample and k is the total independent variable. So, F table is obtained from dfl = 3 da df2 = 34 with a significance of 0.05 is 2.88. Simultaneous testing of F is presented as follows:

Simultaneous Significance Test Results (Test F)

Table 3. ANOVA [b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.090	4	.022	4.743	.004 [a]
	Residual	.161	34	.005		
	Total	.250	38			

a. Predictors: (Constant), Managerial Ownership , Audit Committee , Independent Commissioner , Profitability
b. Dependent Variable: Islamic Corporate Social Responsibility

Source: Processed SPSS Output (2022)

Based on the results of the table above, it shows that the calculated F value > F table (4.743 > 2.883) and the significance value is 0.004 < 0.05. So it can be concluded that the independent variables of this study simultaneously (together) have a significant effect on ICSR.

Partial Significance Test (t Test)

The conclusion of this test is taken based on the results of the comparison of the value of t arithmetic with t table , where t table is searched through degrees of freedom (df) = n – k - l (n is the number of samples and k is the number of independent variables). So, we get t table ; df = (39-4-1 = 34) with a significance of 5% is 1.691. The results of the partial significance analysis test (t test) are described as follows:

Table 4. t-test results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.856	.074		11,626	.000		
	Profitability	.016	.018	.148	.917	.366	.723	1.383
	Independent Commissioner	-.297	.082	-.501	-3.602	.001	.976	1.024
	Audit Committee	.027	.019	.199	1.439	.159	.984	1.016
	Managerial ownership	-130	.072	-.293	-1.805	.080	.717	1.394

a. Dependent Variable: Islamic Corporate Social Responsibility

Source: Processed SPSS Output (2022)

As shown in the table above, it can be concluded that; The first hypothesis is about the profitability variable (ROA). It is known that the value of t -count profitability is 0.917 while the value of t - table is 1.691, meaning that t - count < t - table (0.917 <1.691). While the significance value of profitability is 0.366 > 0.05. So it can be concluded that partially H1 rejected, meaning that the profitability variable (ROA) has no significant effect on ICSR disclosure.

The second hypothesis regarding the independent commissioner variable. It is known that the t - count value of the independent commissioners is -3.602 while the t- table value is 1.691, meaning that t - count > t - table (3.602 > 1.691). While the significance value of independent commissioners is 0.001 <0.05. So it can be concluded that partially is accepted, meaning that the independent commissioner variable has a significant effect on ICSR disclosure.

The third hypothesis regarding the audit committee variable. It is known that the t - count value of the audit committee is 1.439 while the t- table value is 1.691, meaning that t - count < t - table (1.439 <1.691). While the significance value of the audit committee is 0.159 > 0.05. So it can be concluded that partially is rejected, meaning that the audit committee variable has no significant effect on ICSR disclosure.

The fourth hypothesis relates to managerial ownership variables. It is known that the t - count value of managerial ownership is -1.805 while the t- table value is 1.691, meaning that t - count > t - table (1.805 > 1.691). While the significance value of managerial ownership is 0.080 > 0.05. So it can be concluded that partially is rejected, meaning that managerial ownership variable has no significant effect on ICSR disclosure.

Discussion

The Effect of Profitability on Islamic Corporate Social Responsibility

Based on the first hypothesis, it is known that the profitability variable (ROA) has no effect on ICSR disclosure. This can be seen from the value of t count < t table (0.917 < 1.691), while the significance level is 0.366 > 0.05. For this reason, the first hypothesis (H1) is rejected, from this it is proven that the profitability variable (ROA) has no significant effect on the ICSR disclosure of health sector companies listed on ISSI.

This study does not support the Sharia Enterprise Theory, because According to the Islamic perspective, companies that have the intention of disclosing social responsibility will not pay attention to the profits or losses obtained. In addition, the cost of disclosing ICSR is not only based on profitability indicators. So in this study the profit or loss of a company does not affect the disclosure of ICSR.

This study does not support the Sharia Enterprise Theory, because from an Islamic point of view, companies that aim to disclose social responsibility do not take into account profits or losses. In addition, the means of disclosing ICSR does not only come from profits. Thus, in this study, ICSR disclosure is not influenced by the company's profit and loss.

The results of this study are also not in line with the stakeholder theory which reveals that the higher the level of company profitability, the higher the level of ICSR disclosure. Because in this study the profit variable has no effect on ICSR, here companies that make more profits are usually only used for profit. In this case the company uses its profits in the company's business activities, so that the use of social activities becomes smaller. Thus, the high or low profitability of the company does not affect the disclosure of ICSR.

This research supports research (Fitranita and Wijayanti 2020) which proves that there is no influence between the profitability variables on ICSR. This study is different from research (Muid 2017) which states that there is a positive influence between profitability variables on ICSR.

The Influence of Independent Commissioners on Islamic Corporate Social Responsibility

Based on the second hypothesis, it is obtained that the independent commissioner variable has an influence on ICSR. This can be seen from the value of t arithmetic > t table (3.602 > 1.691), while the significance level is 0.001 < 0.05. With this, the second hypothesis (H2) is accepted, from this it is proven that the independent commissioner variable has a significant effect on the ICSR disclosure of health sector companies listed on ISSI.

In line with the theory of legitimacy, independent commissioners are considered stronger if they can gain legitimacy from the public (stakeholders), because independent commissioners act as the most effective tool for controlling managerial ethics because they influence the control and operational management of the company to disclose responsibilities and encourage management to make decisions. effective and precise.

This study is in line with research (Mayliza and Yusnelly 2021) which states that there is an influence between the independent commissioner variables on ICSR. In contrast to research by (Astari Nur Irbah 2021) which proves that independent commissioners have no effect on ICSR.

Influence of the Audit Committee on Islamic Corporate Social Responsibility.

Based on the third hypothesis, it is found that the audit committee variable has no effect on the disclosure of Islamic Corporate Social Responsibility. This can be seen from the value of t count < t table (1.439 < 1.691), while the significance level is 0.159 > 0.05. With this, the third hypothesis is rejected, from this it is proven that the audit committee variable has no significant effect on the ICSR disclosure of health sector companies listed on ISSI.

The audit committee has no effect on ICSR because the number of audit committees in the company is small and there is no effect on the level of disclosure of social responsibility by the company. This study does not support the Sharia Enterprise Theory (SET) which seeks to capture as much information as possible and ensure that companies are accountable to stakeholders to avoid conflicts between management and shareholders.

In addition, due to the role of the audit committee, it is responsible for financial statements, business management and corporate audits. Thus, the audit committee is not one of the determinants of increasing company efficiency, therefore the audit committee on ICSR disclosure has a low level of awareness, because the audit committee has many responsibilities in business activities rather than disclosing social responsibility.

This study is in line with research (Mayliza and Yusnelly 2021) which states that there is no influence between audit committee variables on ICSR. This study is different from research (Rachmania and Alviana 2020) which states that there is a positive influence between audit committee variables on ICSR.

The Effect of Managerial Ownership on Islamic Corporate Social Responsibility

Based on the fourth hypothesis, it is found that the audit committee variable has no effect on the disclosure of Islamic Corporate Social Responsibility. This can be seen from t arithmetic > t table (1.805 > 1.691), while the significance value of the audit committee is 0.080 > 0.05. With this, the fourth hypothesis (H4) is rejected, from this it is proven that the managerial ownership variable has no significant effect on the ICSR disclosure of health sector companies listed on ISSI. In line with agency theory, differences in interests and goals between management or shareholders can cause agency conflicts. In this case, a management mechanism is needed to protect the interests of shareholders. This form of mechanism is carried out by having share ownership from the management or managerial ownership. While managers who do not own shares in the company, there is a possibility that they only care about their own interests. Thus, it can be interpreted that managerial ownership does not necessarily affect the disclosure of ICSR.

This study is in line with research (Siska, Mar, and Afzelin 2021) which states that there is no influence between managerial ownership variables on ICSR. This study is different from research (Tarigan and Adisaputra 2020) which states that there is an influence between managerial ownership variables on ICSR.

Effect of Profitability, Independent Commissioner, Audit Committee, and Managerial Ownership on Islamic Corporate Social Responsibility

Calculated F value is greater than the F table, namely (4.743 > 2.883) and the significance level is 0.004 < 0.05. From these results, it is concluded that the independent variables (profitability, independent commissioners, audit committees, and managerial ownership) together (simultaneously) have a significant effect on ICSR disclosure.

The test results in this study are in line with the Sharia Enterprise Theory explaining that human activities are focused on responsibility to Allah. This means that the company is required to be responsible for the business activities carried out. This form of accountability can be realized through the disclosure of social and environmental responsibilities submitted through the company's annual report. So in this case the company or entity does not only operate in its business, but also provides benefits to its stakeholders.

4. Conclusion

Based on the results of data analysis on the simultaneous test (F test) shows that the independent variables (profitability, independent commissioners, audit committees, and managerial ownership) simultaneously (together) have a significant effect on Islamic Corporate Social Responsibility. In line with the Sharia Enterprise Theory that human activities refer to responsibility towards Allah SWT. This means that the company must be responsible for the business activities carried out. One of them is through the disclosure of social and environmental responsibilities which are submitted through the company's annual report. So in this case the company or entity does not only operate in its business, but also provides benefits to its stakeholders.

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