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Research Article

The Effect of Liquidity, Financial Leverage, Profitability and Company Size on Islamic Social Reporting (ISR) Disclosure and Its Impact on Company Value in Sharia Commercial Banks in Indonesia

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Abstract: This study aims to determine the effect of liquidity, financial leverage, profitability and firm size on the disclosure of Islamic social reporting (ISR) and its impact on corporate value in Islamic public banks in Indonesia. Data used in this study are secondary data through documentation in the form of banking financial statements. sharia and an overview of financial statements to determine the value of the ratio obtained from Bank Indonesia. The population of this research is Islamic public banks in Indonesia which are registered at Bank Indonesia (BI), amounting to 11 banks with a five-year research period (2012-2016) and obtained a research sample of 55 units. This study analyzes data with path analysis. The results showed that liquidity, financial leverage, profitability, and company size were found to influence the disclosure of Islamic social reporting both jointly and partially in sharia commercial banks in Indonesia in 2012-2016. Liquidity, financial leverage, profitability, company size and the disclosure of Islamic social reporting also affect the value of the company jointly or partially in sharia commercial banks in Indonesia in 2012-2016. In addition, in this study Islamic social reporting disclosures were found to be able to increase the influence of liquidity, financial leverage, profitability and company size on the value of the company in Islamic public banks in Indonesia in 2012-2016.

Keywords: Liquidity, Financial Leverage, Profitability, Company Size, Disclosure of Islamic Social Reporting (ISR) and Corporate Value.

INTRODUCTION

The development of Islamic banking in Indonesia experienced a fairly good growth, as stated by Ernst in The World Islamic Banking Competitiveness Report (2012-2013). Maali, Casson and Nappier (2006) define Islamic banks as banks that follow Islamic sharia in carrying out business transactions. The monetary crisis that occurred in 1998 has sunk conventional banks and many have been liquidated due to the failure of the interest system. On the other hand, banks that implement the sharia system can still exist and be able to survive (*Kompas.com*).

In the midst of the global financial crisis that hit the world at the end of 2008, Islamic financial institutions again proved their resilience from the crisis. Islamic financial institutions remain stable, provide benefits, convenience and security for their shareholders, holders of securities, borrowers and depositors in Islamic banks. Public trust in Islamic banking is proven by the increasing number of Islamic commercial banks from year to year, in summary, can be seen in Table 1.1.

Table 1.1-Development of the Number of Sharia Commercial Banks

Year	Number of Islamic Commercial Banks
2008	5
2009	6
2010	11
2011	11
2012	11
2013	11
2014	11

Source: Bank Indonesia (2018)

In carrying out Islamic sharia-based economic activities, business transactions cannot be separated from the moral goals of society. These things are done to build a good relationship between the company and the community that has played a role in the implementation of business activities. In addition to ordinary companies, the discourse about corporate social responsibility among banks has also been quite developed. information about organizational activities. This is done to see whether the company continues to carry out its activities in accordance with sharia and achieve the stated objectives. Public awareness of the role of companies in the social environment is increasing. Communities need information about the extent to which companies have carried out their social activities to ensure their rights have been fulfilled. One way to build a good relationship between banking companies and the community is to do Corporate Social Responsibility (CSR).

In general, CSR is defined as the company's commitment not only to seek profit from the wheels of its business, but also to maintain social responsibility with the environment around it, through efforts that aim to improve the lives of local communities in all aspects. Concepts of Corporate Social Responsibility (CSR) now it is not only developing in the conventional economy, but also developing in the Islamic economy. In Islam, an institution or company should conduct its business in accordance with sharia principles, but so far the measurement of CSR disclosure in Islamic banking still refers to the Global Reporting Initiative Index (GRI Index) (Haniffa, 2002). The measurement is certainly not right because companies that are recognized as sharia issuers and declared to fulfill Islamic Shari'a should disclose information that proves that the company operates according to Islamic law. The GRI index has not described Islamic principles such as not expressing the release of elements of usury, gharar, and transactions that are forbidden by Islam.

At present, the proliferation of Islamic social reporting (ISR) is discussed in the world, where Islamic finance in the world has set items in Islamic social reporting disclosure, which have been further developed by researchers (Haniffa, 2002; Farook and Lanis, 2003; Dusuki and Dar 2005; Maali *et al*., 2006; Othman, Thani and Ghani, 2009). The ISR index reveals matters relating to Islamic principles such as zakat, sharia compliance status, and transactions that have been freed from elements of usury and gharar and social aspects such as sadaqah, waqaf, qardul hasan, up to disclosure of worship in the corporate environment. The development of ISR was carried out in the Islamic banking sector. In accordance with the research of Fauziah and Prabowo (2013) also conducted a study with the results that Bank Muamalat had the highest score in ISR disclosure namely 7 3% while the lowest score was disclosed in Bank Panin Syariah, which was 41%.

Norawati (2011) states that there is an effect of disclosure of social responsibility on company value, meaning that the better the disclosure of social responsibility of a company will affect the good value of the company and vice versa. Company value is interpreted as the price that the investor is willing to pay if a company is to be sold. The value of the company can provide maximum shareholder prosperity if the stock price increases. The higher the stock price of a company, the higher the prosperity of the shareholders. In increasing corporate value there are several factors that may need to be considered well in determining investment decisions namely liquidity, financial leverage, profitability and company size. From the investor's point of view these four factors are important indicators in assessing the company's prospects in the future.

The first factor influencing company value is liquidity. Liquidity is closely related to the capital structure and value of the company. There is a positive relationship between liquidity and company value, which means that the higher the value of the company's liquidity, the higher the value of the company (Fahmi, 2014; Nurhayati and Wasilah, 2015).

The second factor that influences company value is solvency ratio or leverage is a ratio used to measure the extent to which a company's assets are financed by debt. High financial leverage shows that the business capital structure utilizes more debt to equity. Putra and Wiagustini (2013) in their research prove that leverage has a positive effect on firm value, the higher leverage can increase the value of the company.

The third factor that influences company value is profitability. Profitability is the ability of a company to earn profits in a given period. Profitability ratios are ratios to assess a company's ability to seek profits. This is indicated by profits generated from sales and investment income. Research by Mahendra, Sri and Suarjaya (2012), Martini (2015) and Susanti (2014) prove that profitability has a positive influence on firm value. Furthermore, the research conducted by Putu, Moeljadi, Djumahir, and Djazuli (2014) states that high profitability can cause an increase in stock prices, which ultimately increases the company's value. If the company's profits increase, the rate of return on profits or company profits will increase as well so that investors will be interested in buying shares from the company which will have a good impact on the company so that the company's stock price will increase.

The fourth factor that affects company value is the size of the company (Mardiyah, 2002). Company size is a scale which can be classified as small in size according to various methods, including: total assets, log size, stock market value, etc. (Mardiyah, 2002; Widaryanti, 2009). The condition of the company is not all large, meaning that there is also a small size of the company so that for small-scale companies it is more difficult to get access to capital than large-scale companies in the capital market. This phenomenon in the competition of each company will run according to its conditions, large companies will have greater access while smaller companies will have less access, however, each of these companies must be able to read the market situation in order to expand their business to gain profits as much as magnitude. In his research by Hermuningsih (2012), Soliha and Taswan (2002), firm value was significantly and positively influenced by company size. The larger the size of the company, the higher the value of the company and conversely the smaller the size of the company, the greater the value of the company.

Many studies conducted to examine the factors that influence the disclosure of Islamic social reporting, among others, Astuti (2014) show that the factors that influence the disclosure of Islamic social reporting on Islamic banks in Indonesia show that company size and leverage affect Islamic social reporting disclosure, while profitability is not affect the disclosure of Islamic social reporting. These results are also in accordance with Husodo's study (2015), the size of the company has an influence on Islamic social reporting disclosure, while profitability does not affect Islamic social reporting disclosure. However, research conducted by Othman *et al*. (2009) shows different results where profitability affects the level of ISR disclosure. The results of these studies are in line with the results of the Swastiningrum (2013) and Dipika (2014) research which show that profitability has a positive effect on the level of Islamic social reporting disclosure. The results of different studies regarding the relationship of company size to ISR disclosure have been explained by Anggraini (2006) who did not find any positive influence on company size (size) on ISR disclosure.

Related to the relationship between the liquidity ratio to ISR has been stated by Badjuri (2011) and Roziani (2009). The results of this study indicate that the liquidity ratio has a positive relationship with broad disclosure. However Almilia and Retrinasari (2007) state that liquidity does not affect the completeness of disclosure. The research of Widayuni and Harto (2014) reported that there was a negative relationship between the level of leverage and CSR in Islamic banking in Indonesia. Unlike Almilia and Retrinasari (2007) and Othman *et al*. (2009) who found the influence of leverage on corporate social responsibility disclosures.

From these studies showed inconsistent results. Based on the description, the researchers are interested in conducting research with the title "Effect of Liquidity, Financial leverage, Profitability and Company Size on Islamic Social Reporting (ISR) Disclosure and its impact on Corporate Values in Sharia General Banking in Indonesia".

LITERATURE REVIEW

The Effect of Liquidity on Islamic Social Reporting Disclosures

A company that has a high level of liquidity is an illustration of the company's success in paying its short-term obligations on time. One form of appreciation that the company will show to increase trust and positive image that already exists is to publish additional information that represents the company's activities that care about social and environmental responsibility (Putri, 2017). In his research, Putri (2017) stated that liquidity influences social disclosure. The results of this study indicate that the liquidity ratio has a positive relationship with the broad disclosure of Islamic social reporting.

The Effect of Financial leverage on Islamic social reporting disclosure

Stice, and Skousen (2009) stated that the ratio of financial leverage is an indication that illustrates the extent to which companies use external funds to buy assets. Funds obtained through debt are expected to be managed properly in hopes of generating future flows of funds in amounts greater than the amount released (Solikahan, Ratnawati and Djawahir, 2013). These funds can be allocated in the form of corporate social responsibility in order to get the public image of the company. This is expected to get a good response from the public because companies that carry out ISR will be considered not only concerned with their own welfare but also pay attention to the welfare of the community (public). This is in line with the research of Firmansyah and Hariyanto (2014) which show an influence between financial leverage and ISR disclosure.

The Effect of Profitability on Islamic Social Reporting Disclosures

The higher profitability means the higher the company's ability to generate profits. With high profitability the company manager will reveal more information in the financial statements to show the performance of the company, thus attracting investors to invest in the company. So, when a company gets high profit in one period, the company will explain and provide information on its social disclosure. The results of research by Maulida, Yulianto and Asrori (2014), Firmansyah and Hariyanto (2014), show that profitability affects ISR disclosure.

The Effect of Company Size on Islamic social reporting disclosure

The large number of shareholders in a company, indicates that the company tends to have more demand for company reporting information, and companies should have the ability to provide more information to shareholders. More specifically, research related to company size and ISR has been carried out by Firmansyah and Hariyanto (2014), Nurkhin (2010), Othman *et al*. (2009), and Mulandari (2009) which states that there is a positive influence of company size on ISR disclosure. Large companies have the ability to recruit skilled employees, as well as the demands of shareholders and analysts, so large companies have incentives to make wider disclosures compared to small companies.

The Effect of Liquidity on Company Values

Increasing the value of a company is an achievement, because this means that the welfare of the company and its owners is also increasing. The liquidity ratio that describes the company's financial performance in terms of liabilities can affect the assessment of the community, especially investors in order to give confidence to the company to invest. If the company still has good ability to meet short-term obligations (one year period) using current assets, then companies can be said to be liquid. Thus, investors do not need to worry about investing their funds if one day something unexpected happens.

Based on the description above, it can be concluded that the higher the liquidity ratio of a company, the higher the company's liabilities borne by current assets, thus increasing public trust, which means the value of the company is also getting better. This is in line with the research conducted by Mery (2017) which states that liquidity has an effect on company value, which indicates that the higher the liquidity, the higher the value of the company.

The Effect of financial leverage on Company Value

Financing a company using debt (leverage) is expected to increase the value of the company, so that it can provide the prosperity of its shareholders. Funds obtained from debt are expected to be managed properly in hopes of generating future flows of funds in amounts greater than the amount of funds released (Solikahan, Ratnawati and Djawahir, 2013). Therefore, the choice of companies to use debt as a source of funding is expected to increase the value of the company. This is in line with the research of Rompas (2013) and Rahmazaniati, Nadirsyah, and Abdullah (2014) which states that financial leverage influences the value of the company.

The Effect of Profitability on Company Values

High profitability will give an indication of good corporate prospects so that it can trigger investors to participate in increasing stock demand (Prasetyorini, 2013). Thus, an increase in stock prices will be followed by an increase in the value of the company. The greater the profit generated by the company, it will give birth to a very strong positive sentiment to investors, so the value of the company will also increase relatively large. Until now, several researchers have reported that profitability has an effect on firm value (Dewi and Badjra, 2017; Meidawati and Midawati, 2016; Pasaribu, Topojoyo and Sulasmiyati, 2016; Rizqia, Aisyah, and Sumiati, 2013; Sabirin *et al*., 2016; Wijaya , 2015; Yuliana, 2016; Yuniati, Raharjo, and Oemar, 2016). The higher the profitability, the higher the company's value and the lower the profitability, the lower the company's value.

The Effect of Company Size on Company Values

Mas'ud (2008) states that company value is significantly and positively influenced by company size. The larger the size of the company, the higher the value of the company and conversely the smaller the size of the company, the greater the value of the company. Then Hermuningsih (2012) in his research stated that the size of the company had a positive and significant effect on firm value. Soliha and Taswan (2002) also say the same thing, namely the size of the company has a positive effect on firm value.

The Effects of Islamic social reporting disclosures on corporate value

The value of the company is always associated with the prosperity of the owner or shareholder and is identical to the stock price. If the price of a company's stock is high, of course it can be said that the company is good, so the company can use the method of disclosure of corporate social responsibility to attract investors. Information on Islamic social reporting (ISR) can increase the value of the company in the eyes of Muslim stakeholders, because when getting information in accordance with sharia principles, of course a Muslim will not hesitate to invest his funds, and can increase the value of the company. This is in accordance with the research conducted by Setiawan, Swandari, and Dewi (2018), namely ISR disclosure has an effect on the company value of sharia issuers registered in the Jakarta Islamic Index (JII).

The Effect of Liquidity on Company Values through Islamic social reporting

Researches on the effect of liquidity on firm value still show inconsistency. This is in accordance with Putra and Wiagustini (2013) that liquidity does not affect the value of the company. In contrast to Mery (2017) states that liquidity affects the value of the company, which indicates that the higher the liquidity, the higher the value of the company. Companies that have a high level of liquidity have the availability of funds to be able to carry out social responsibility activities. So that it is expected that with social responsibility activities can increase investor and community trust in the company. The increase in trust can attract investors and the public to invest in companies which is reflected in the value of the company's shares.

The Effect of financial leverage on firm value through disclosure of Islamic social reporting

Findings regarding the effect of leverage on firm value still show fluctuating conditions. Putri (2017) found that leverage has an effect on firm value; this is supported by Putra's research and Wiagustini (2013). But Prasetyorini (2013) found that leverage does not affect the value of the company. These findings indicate that there are other variables that affect leverage against firm value. The disclosure of Islamic social reporting (ISR) in this research is presented to be intervening which will strengthen the influence of financial leverage on the value of the company. ISR disclosure is very important for companies, because with companies expressing social responsibility can attract investors to invest in the company.

The Effect of Profitability on Corporate Values through Islamic Social Reporting Disclosure

Disclosure of the company's ISR is realized through economic, environmental and social performance. The better the performance of the company in improving its environment (economic, environmental and social performance), the value of the company increases as a result of investors who invest their shares in the company. This is because investors are more interested in investing their capital in companies that are environmentally friendly. According to Widayuni and Harto (2014) the higher the level of profitability of the company, the greater the disclosure of social information by the company.

The Effect of Company Size on Company Values through Islamic social reporting

The larger size of the company, the more capital invested so that large resources and funds within the company tend to have wider demand for information on the company's reporting. With the breadth of disclosure it is expected to increase the value of the company, this is in line with the research of Setiawan *et al*. (2018) which states that the disclosure of Islamic social reporting (ISR) has an influence on the value of the company. Sharia issuers registered with the Jakarta Islamic Index (JII) are able to provide information about Islamic corporate social responsibility disclosures in the annual report to increase the trust of stakeholders in the sharia system implemented in the company so as to increase the company's value in the eyes of stakeholders.

Based on the framework that has been stated before, the hypothesis can be formulated, namely:

Ha_1 : liquidity, financial leverage, profitability, and company size jointly has an effect on the disclosure of Islamic social reporting.
Ha_2 : liquidity affects the disclosure of Islamic social reporting
Ha_3 : financial leverage affects the disclosure of Islamic social reporting.
Ha_4 : profitability affects the disclosure of Islamic social reporting.
Ha_5 : the size of the company has an effect on the disclosure of Islamic social reporting.
Ha_6 : liquidity, financial leverage, profitability, company size, Islamic social reporting disclosure and jointly has an effect on the value of the company.
Ha_7 : li quidity affects the value of the company.
Ha_8 : financial leverage affects the value of the company.
Ha_9 : profitability affects the value of the company.
Ha_{10} : the size of the company affects the value of the company.
Ha_{11} : Islamic social reporting disclosure has an effect on the value of the company.
Ha_{12} : liquidity affects the value of the company through Islamic social reporting.
Ha_{13} : Financial leverage affects the value of the company through the disclosure of Islamic social reporting.
Ha_{14} : profitability affects the value of the company through the disclosure of Islamic social reporting..
Ha_{15} : company size affects company value through Islamic social reporting disclosure.

RESEARCH METHOD

This study aims to test hypotheses (hypothesis testing research) to see the effect of independent variables (liquidity, financial leverage, profitability and company size) on intervening variables (ISR disclosure) and). the impact on the dependent variable (company value In this study using causality studies that explain the causal relationship between variables, namely the influence of liquidity, financial leverage, profitability and firm size on ISR disclosure and its impact on firm value. The population used is all Islamic Commercial Banks in Indonesia which numbered 11 banks with a observation period of 5 years (from 2012-2016) so that the total population in this study amounted to 55 units.The method of population determination was carried out by the census method that all research objects were made into population results obtained were actual values, because the research objectives include objects that are in the population.

In this study, the ratio used to assess the liquidity factor is the financing to deposits ratio (FDR), the measured financial ratio by using a debt to assets ratio (DAR), profitability measured by return on equity (ROE), and company size measured by total log assets. For company values and disclosure of Islamic social reporting each measured by price book value (PBV) by dividing market prices per share with book value per share, and Disclosure level by dividing the number of disclosure scores filled with the maximum number of scores. used is path analysis.

FINDINGS AND DISCUSSIONS

The Effect of Liquidity, Financial leverage, Profitability, and Company Size together towards Islamic social reporting disclosure.

The results of testing the first hypothesis indicate that liquidity, financial leverage, profitability, and company size jointly has an effect on disclosure of Islamic social reporting. This means that the high and low level of disclosure of Islamic social reporting is influenced jointly by high and low liquidity, financial leverage, profitability, and company size. The magnitude of the influence of liquidity, financial leverage, profitability, and company size together towards Islamic social reporting disclosure amounted to 63.8% and the remaining 36.2% was explained by other variables not included in this study. The influence together is categorized as a strong influence.

The Effect of Liquidity on Islamic Social Reporting Disclosures

The second hypothesis is accepted, meaning that liquidity affects the disclosure of Islamic social reporting. A company that has a high level of liquidity is an illustration of the company's success in paying its short-term obligations on time. One form of appreciation shown by the company to add to the trust and positive image that already exists is by publishing additional information that presents the activities of companies that care about social and environmental responsibility in sharia. The results of this study are consistent with the research conducted by Putri (2017) which states that liquidity has an effect on social responsibility disclosure.

The Effect of Financial leverage on Islamic social reporting disclosure

The third hypothesis is accepted, meaning that financial leverage affects the disclosure of ISR. These results indicate that financial leverage influences the disclosure of Islamic social reporting in Sharia General Banking in Indonesia. The high ratio of financial leverage can increase the doubts of customers and investors towards a bank, because the higher the financial leverage ratio the higher the risk borne by the company if it cannot manage its debt well. Additional information such as social information is needed to eliminate doubts and lead to the trust of customers and investors in fulfilling their rights as creditors. Therefore, companies with high financial leverage ratios have an obligation to make broader disclosures than companies with low financial leverage ratios. The results of the tests conducted by Firmansyah and Hariyanto (2014), and Putri (2017) also show the influence of financial leverage and ISR disclosure.

The Effect of Profitability on Islamic Social Reporting Disclosures

The fourth hypothesis is accepted, meaning that profitability affects the ISR disclosure. Companies with high profitability tend to disclose ISR information. Because companies that have the ability to generate high profits, usually also have a lot of funds, including to carry out ISR disclosures, so that they can reduce social pressure and negative views from the public. The results of this study are in accordance with Putri's research (2017), Rahmazaniati, Nadirsyah, and Abdullah (2014), Widayuni and Harto (2014) who found that profitability affects social disclosure.

The Effect of Company Size on Islamic social reporting disclosure

The fifth hypothesis in this study was accepted, meaning that the size of the company had an effect on the disclosure of Islamic social reporting in Islamic commercial banks in Indonesia. The larger the size of the company will be increasingly highlighted by stakeholders. In such conditions, companies need greater efforts to gain the legitimacy of stakeholders in creating harmony in the social values of their activities with the norms of behavior that exist in society (Suryono, 2011). On the other hand, the larger the size of the company, the more investors invest in the company. The large number of shareholders in a company, indicates that the company tends to have more demand for company reporting information, and companies should have the ability to provide more information to shareholders. The results of the study by Astuti (2014) and Firmansyah and Hariyanto (2014), also showed that the size of the company had an effect on ISR disclosure.

The Effect of Liquidity, Financial Leverage, Profitability, Company Size, and Islamic Social Reporting together with respect to Company Values.

The sixth hypothesis is accepted, meaning that liquidity, financial leverage, profitability, company size, and Islamic social reporting disclosure jointly had an effect on the value of the company. This shows that the company value in Sharia Commercial Banks in Indonesia during 2012-2016 is influenced by the five variables together. The magnitude of the influence of liquidity, financial leverage, profitability, company size, and Islamic social reporting disclosure jointly influence the company's value of 63.8%, while the remaining 36.2% is influenced by other variables not included in this research model. The influence of 63.8% includes a very strong influence.

The Effect of Liquidity on Company Values

The seventh hypothesis is accepted, meaning that liquidity affects the value of the company. This shows that the higher the liquidity can increase the value of the company. The value of liquidity identifies the value of current assets greater than the value of current debt so that it can meet short-term obligations, which the company can later develop and its shares will be in demand by investors. Low liquidity will cause a decrease in market prices from the relevant stock price. This research is in accordance with the research conducted by Rompas (2013) which states that liquidity affects the value of the company.

The Effect of financial leverage on Company Value

The eighth hypothesis is accepted, meaning that financial leverage affects the value of the company. This shows that the higher the leverage is able to significantly increase the value of the company, because the high amount of capital will increase the trust that causes a rise in the value of the company. Increasing capital will cause an increase in the value of the company, with market responses increasing if there is an increase in capital, then management can exercise control over market valuation, especially in valuing company assets, this valuation will affect how much the value of a company is sold this value will benefit the company. The results of this study are consistent with research conducted by Putra and Wiagustini (2013) which states that leverage has a significant positive effect on firm value. Higher leverage can increase the value of the company.

The Effect of Profitability on Company Values

The ninth hypothesis is accepted, meaning that profitability affects the value of the company. The research conducted by Yuliana (2016) shows that profitability has a positive and significant effect on firm value. The higher the profitability, the higher the value of the company. High profitability reflects good future prospects of the company so investors are interested in investing, which in turn will increase the company's stock price, thereby increasing the value of the company. Companies that have high profitability can provide added value to the company, because the company is better at paying returns to its investors so that it will attract other investors to buy the company's shares. This research is supported by the results of a study by Mahendra (2012), Martini and Riharjo (2014), Rahmawati, Topowijono, and Sulasmiyati (2015) which states that profitability has a significant effect on firm value.

The Effect of Company Size on Company Values

The tenth hypothesis is accepted, meaning that the size of the company has an effect on the value of the company. These results indicate that the greater the size of the company, the greater the value of the company. The size of the company can influence the level of value of a company. Companies that have large company sizes tend to have high corporate value. Company size is a measure that describes the size of the company that can be seen from the value of the total assets of the company. Companies with large sizes tend to have more stable conditions that are characterized by stable cash flow conditions, and stock prices stay at high prices (Chen and Strange, 2005). Stable conditions are expected to be able to provide a high return to shareholders, thus investors can respond positively so that they can increase the value of the company. The results of this study are the same as the research conducted by Pretyetyini (2014), WahabdanAnnisa (2012), and Agnes (2013) which states that size company has a positive and significant effect on firm value.

The Effects of Islamic social reporting disclosures on corporate value

The eleventh hypothesis is accepted, meaning that Islamic social reporting disclosure has an effect on the value of the company. There are several causes of Islamic banking companies to make Islamic social reporting disclosures, one of which is that information is needed by users of financial statements, customers and prospective customers. Therefore all information related to the activities of a company is needed in making decisions to invest. The trust of the community towards the company must be maintained by Islamic banking, with this belief the community does not hesitate to invest and save funds in a sharia banking company. Therefore, the extent of disclosure will greatly affect the value of the company. In this case there is a relationship or influence of the disclosure of Islamic social reporting on company value, meaning that the better and wider the disclosure of Islamic social reporting of a company will affect the good value of the company and vice versa. Based on the results of research conducted by Fridagustina (2013), Norawati (2011) where the results of these studies indicate that disclosure of social responsibility has a positive and significant effect on firm value.

The Effect of Liquidity on Company Values Through Islamic Social Reporting Disclosure

The twelfth hypothesis is accepted, meaning that the disclosure of Islamic social reporting is partially able to affects the liquidity of the value of the company in Islamic Commercial Banks in Indonesia for the period 2012-2016. This means that liquidity can affect the value of the company both directly and indirectly through the disclosure of Islamic social reporting. Companies with high liquidity indicate that the company has good financial strength, so that it has available funds to be able to carry out sharia social responsibility activities. With the ISR disclosure, it can increase public and investor confidence in the company that the company has run its company in accordance with sharia principles.

The Effect of Financial Leverage on Corporate Values Through Disclosure of Islamic Social Reporting

The thirteenth hypothesis is accepted, meaning that the disclosure of Islamic social reporting partially can affects financial leverage against the value of the company in Islamic commercial banks in Indonesia for the period 2012-2016. This means that financial leverage can affect the value of the company both directly and indirectly through Islamic social reporting disclosure. It can be concluded that the greater the financial leverage, the higher the value of the company. Furthermore, the greater financial leverage, the higher the disclosure of Islamic social reporting and the higher the disclosure of Islamic social reporting will also have implications for increasing the value of the company. Companies with high financial leverage must disclose disclosure in financial statements to convince investors that companies use debt policy effectively and efficiently. With the broader disclosure, Islamic public banks have influenced investors' decisions to continue investing in Islamic commercial banks despite high financial leverage.

The Effect of Profitability on Company Values Through Islamic Social Reporting Disclosures

The fourteenth hypothesis is accepted, meaning that the disclosure of Islamic social reporting is partially able to affect the profitability of the value of the company in Islamic commercial banks in Indonesia for the period 2012-2016. This means that profitability can affect the value of the company both directly and indirectly through Islamic social reporting disclosure. The results of the study show that ISR disclosure can strengthen the relationship of profitability to the value of the company, but the company can also gain trust from the community that is not just focused on profits but also pay attention to the impact on the environment. This research is in accordance with the results of research conducted by Mufidah and Purnamasari (2018) and Anggitasari and Mutmainah (2012) which suggest that social responsibility disclosures can mediate the relationship between profitability ratios and company values that show significant positive results.

The Effect of Company Size on Company Values Through Islamic Social Reporting Disclosures

The fifteenth hypothesis is accepted, meaning that the disclosure of Islamic social reporting is partially able to influence the size of the company against the value of the company in Islamic commercial banks in Indonesia for the period 2012-2016. This means that the size of the company can influence the value of the company both directly and indirectly through the disclosure of Islamic social reporting. It can be concluded that large companies in carrying out their business express more social responsibility, in this case the Islamic commercial bank in carrying out its business conducts broader disclosure of ISR. With the disclosure, it increases the confidence of the public and investors that sharia commercial banks in carrying out their business are in accordance with sharia. People invest in Islamic commercial banks through saving at Islamic commercial banks, by companies can use these funds to be channeled to parties who need funds so as to increase the profitability of the company. With increasing profitability, the company shows that the company has managed the company's assets effectively and efficiently so that it can increase the desire of investors to buy shares of sharia commercial banks.

CONCLUSIONS

1. Liquidity, financial leverage, profitability, and company size jointly has an effect on the disclosure of Islamic social reporting on Sharia Commercial Banks.
2. Liquidity, financial leverage, profitability, and company size, partially affects Islamic disclosure reporting
3. Liquidity, financial leverage, profitability, company size, and Islamic social reporting disclosure jointly has an effect on the value of the company
4. Liquidity, financial leverage, profitability, company size, and Islamic social reporting disclosure each has an effect on the company's value
5. Disclosure of Islamic social reporting is able to mediate partially for each has an effect on liquidity, financial leverage, profitability, firm size on the value

Recommendations

It is well recommended for further researchers

1. To develop independent variables that can influence ISR disclosure and its impact on company value
2. To develop research on companies in the service sector, mining, or all companies listing on the Indonesia Stock Exchange (IDX)

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