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THE INFLUENCE OF TAX AVOIDANCE, PROFITABILITY, LEVERAGE, AND INSTITUTIONAL OWNERSHIP ON ISLAMIC SOCIAL REPORTING WITH INDEPENDENT COMMISSIONERS AS MODERATING

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ABSTRACT

This research aims to test and analyze the influence of Tax Avoidance, Profitability, Leverage and Institutional Ownership on Islamic Social Reporting with Independent Commissioners as a moderating variable in companies listed on the Jakarta Islamic Index (JII) in 2017 - 2021. The research object is listed companies in the Jakarta Islamic Index (JII) in the first period 2017 - 2021 and 56 companies were sampled. The sampling technique uses purposive sampling. The data analysis used in this research is multiple linear regression OLS (Ordinary Least Squerst), to get a complete picture of the influence of each independent variable on the dependent variable. The results of this research show that profitability, tax avoidance, institutional ownership and leverage have an influence on the level of Islamic Social Reporting disclosure, whereas partially for the moderation test only profitability, institutional ownership and leverage are moderated by independent commissioners in conducting Islamic Social Reporting disclosures

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INTRODUCTION

Corporate Social Responsibility (CSR) is generally defined as a company's commitment to not only seeking profits from its business, but also maintaining harmony with the social environment around where it operates, through efforts that lead to improving the lives of local communities in all its aspects (Khoirudin, 2013).

The ISR concept was first initiated by Ros Haniffa in 2002 and then developed by Othman et al in Malaysia. This concept emerged based on Ros Haniffa's view which stated that there were limitations in conventional social responsibility reporting, resulting in the formation of the concept of Islamic Social Reporting (ISR) (Kurniawati & Yaya, 2017). It is hoped that the emergence of the ISR concept will give birth to accounting concepts and practices that are in accordance with Islamic law. This instrument can contribute to more honest and fair business progress because ISR itself has two main objectives, namely as a form of accountability to Allah SWT and society and can be used to increase the transparency of business activities by paying attention to the spiritual needs of Muslim investors or sharia compliance in decision making (Abadi, Mubarok, & Sholihah, 2020)

Many cases of violations of corporate social responsibility have occurred in Indonesia. Phenomena such as cases include the revocation of PT Karya Citra Nusantara's environmental permit because it caused environmental pollution due to coal dust in Marunda (2022), PT Rayon Utama Makmur's liquid waste which caused environmental pollution in the form of air, rice fields and river water pollution (2022), and air waste pollution by PT Medco which caused more than 13 people to become victims and had to be treated in hospital (2019).

No matter how much contribution a company makes to the country, it is still not optimal if it does not make a real contribution, especially to the residents around the company's establishment. It is important for companies to disclose Islamic Social Reporting (ISR) because it can convey corporate accountability to society, serve as a mechanism to increase the transparency of all activities and adapt it to the spiritual needs of Muslim decision makers.

Profitability influences ISR disclosure. Stakeholder theory supports a positive relationship between profitability and ISR. This theory states that a company is not an entity that only operates for its own interests but must be able to provide benefits to its stakeholders. Profitability describes a company's ability to earn profits through all existing capabilities and resources. Companies with higher profitability tend to disclose more extensive information than companies with lower profitability. The larger the company size, the wider the information available to investors.

Tax avoidance is an activity carried out by taxpayers with the aim of legally reducing tax costs by the tax authorities. (Suandy, 2008) explains that tax avoidance is the implementation of "tax affairs" in accordance with regulations
applicable laws. This will increase public trust in the company. There are many factors that influence the disclosure of Islamic Social Reporting (ISR), not just 1 but 5, namely Tax Avoidance, Profitability, Leverage, Institutional Ownership, and Independent Commissioners. This research only used 5 years of observations, namely from 2017-2021. The limited number of years of observation regarding ISR is due to the lack of research regarding ISR disclosure in companies listed on the Jakarta Islamic Index (JII), because most research regarding ISR disclosure only focuses on Islamic banks.

There are still differences in research results regarding the factors that influence ISR disclosure. This research tries to test the influence of Tax Avoidance, Profitability, Leverage, and Institutional Ownership, on Islamic Social Reporting (ISR) disclosure with Independent Commissioners as a moderating variable because research regarding ISR disclosure is still ongoing. very limited and there are still differences in research results regarding the factors that influence the disclosure of Islamic Social Reporting (ISR) (Maulida, Yulianto, Asrori, 2014:2).

Based on the description above, the author is interested in conducting research by taking the research title "The Influence of Tax Avoidance, Profitability, Leverage, and Institutional Ownership on Islamic Social Reporting with Independent Commissioners as a Moderating Variable in the Jakarta Islamic Index Sector 2017-2021"

Literature Review and Hypothesis Development

Legitimacy Theory In this theory, companies will carry out CSR activities due to social, political and economic pressure from outside the company. So companies will balance these demands by doing what society wants and what is required by regulations. This theory reveals that companies continuously strive to act in accordance with the boundaries and norms of society. For this effort, the company tries to ensure that its activities are accepted according to the perception of external parties (Deegan, 2000). A company legitimizes its existence in society if its operations and activities are seen to follow norms approved by society. If a company is seen as not following expected social norms in its operations, there will be a legitimacy gap between the company's operations and society's expectations. In terms of CSR, companies can legitimize their operations by having good CSR practices. One way to illustrate good CSR practices is to receive awards for CSR practices. If a company receives awards for good CSR practices, then the legitimacy gap between the company and society will be very small, and the company is more willing to be more transparent (Dhiyaul-Haq and Santoso, 2016). Hypothesis The research hypothesis can be formulated as follows:

H1: Profitability, leverage and environmental performance simultaneously have a significant effect on ISR disclosure.
H2: Profitability has a significant positive effect on ISR disclosure.
H3: Leverage has a significant positive effect on ISR disclosure.
H4: Environmental performance has a significant positive effect on ISR disclosure.

RESEARCH METHODS

Research Method This research uses secondary data in the form of annual reports, financial reports and publication results of the Company Performance Assessment Program in Environmental Management (PROPER) published by the Ministry of the Environment (KLH) and companies registered in Jakarta Islamic Index (JII) on the Indonesian Stock Exchange for the 2013-2017 period. The data was obtained from accessing the websites of each company registered with JII and the Ministry of the Environment (KLH) website. The population in this study were 30 companies listed on JII on the Indonesian Stock Exchange. Sample selection used purposive sampling technique. The sample criteria in this research are: 1) Companies that are consistently registered with JII during the 2013-2017 period, 2) Companies that consistently follow PROPER during the 2013-2017 period, 3) Companies that use the rupiah currency. The samples obtained were 9 companies for the 2013-2017 period so that the total sample data was 45 data.

Profitability

*Profitability*This is intended to measure the extent of the company's ability to generate profits from its sales, from the assets it owns, or from the equity it owns. Profitability is used to see the effectiveness of a company's management. One of the profitability measurements used in this research is Return On Assets (ROA).

The ability to generate profits from sales can be different for companies with different businesses (Pudjiastuti, 2015). Profitability is used to assess a company's ability to make a profit and to see the effectiveness of a company's management in expressing its social responsibility. The higher the profitability, the higher the company's ability to generate profits, so the greater the disclosure made by the company. The profitability measurement used in this research is Return On Assets (ROA).

Leverage

*Leverage*is the ratio between liabilities and assets, leverage measures the extent to which a company is financed by debt. Leverage relates to how the company is funded. Companies use the leverage ratio with the aim that the profits obtained are greater than the cost of assets and sources of funds, thereby testing the extent to which the company uses borrowed money to fund company operations. So the percentage of assets from this ratio is assets funded by debt while the remainder is funded by shareholder equity. The greater the percentage of funding provided by share holders, the greater guaranteed protection obtained by the company's creditors. However, the higher the DAR at a certain composition and limit, the greater the financial risk.

Institutional Ownership

Companies with large institutional ownership are better able to monitor management performance. Institutional investors have power and experience and are responsible for implementing the principles of good corporate governance to protect the rights and interests of all shareholders. They demand companies to communicate transparently. Thus, institutional ownership can increase the quality and quantity of voluntary disclosure. Institutional ownership can encourage companies to increase disclosure of social and environmental responsibility (Hariyanti, 2012). Murwaningsari (2009) states that institutional ownership with large share ownership has a ratio between liabilities and assets. Leverage measures the extent to which the company is financed by debt. Leverage relates to how the company is funded. Companies use leverage ratios with the aim that the profits obtained are greater than the cost of assets and sources of funds, thereby providing an incentive to monitor company decision making. When related to disclosure of social responsibility, monitoring activities carried out by institutional investors can force management to disclose social information.

Independent Commissioner

According to Yusmad (2018), independent commissioners are members of the board of commissioners who come from external companies whose task is to understand the company's complete performance. This means that members of the board of commissioners who have no relationship with share ownership, management, finances or family relationships with fellow members of the board of directors, controlling shareholders, board of commissioners or relationships with banks that affect their ability to play an independent role. According to Nasrum and Akal (2015), companies are required to have independent commissioners of less than 30% of the total members of the company's board of commissioners. The independent board of commissioners is expected to put pressure on companies to implement CSR disclosures. The greater the independent board of commissioners, the greater the CSR disclosure (Alijoyo & Suharto, 2004).

HYPOTHESIS

H1: Tax Avoidance has a positive effect on Islamic Social Reporting.
H2: Profitability has a positive effect on Islamic Social Reporting.
H3: Leverage has a positive effect on Islamic Social Reporting.
H4: Institutional Ownership has a positive effect on Islamic Social Reporting.
H5: Independent Commissioners moderate the relationship between Tax Avoidance and Islamic Social Reporting.
H6: Independent Commissioners moderate the relationship between Profitability and Islamic Social Reporting.
H7: Independent Commissioners moderate the relationship between Leverage and Islamic Social Reporting
H8: Independent Commissioners moderate the relationship between Institutional Ownership and Islamic Social Reporting

RESEARCH METHODS

Population

The population in this research are companies registered on the Jakarta Islamic Index (JII) in the first period during 2017 - 2021.

Operational Definition and Variable Measurement

Tax Avoidance

Tax avoidance is an effort made by taxpayers to reduce the tax burden by not violating the law or other applicable regulations. With that, Tax Avoidance can be formulated as follows:

$$\text{Cash ETR} = \frac{\text{Payment of taxes}}{\text{ProfitBefore Tax}}$$

Profitability

The profitability ratio is a ratio that shows the level of effectiveness achieved through the bank's operational efforts. With that Profitability can be formulated as follows:

$$\text{ROA} = \frac{\text{Operating Profit}}{\text{Venture capital}} \times 100\%$$

Leverage

The leverage ratio can see how far the company is financed by debt or outside parties compared to the company's capabilities as depicted by capital (equity). A good company should have a capital composition that is greater than debt. With that Profitability can be formulated as follows:

$$\text{DER} = \frac{\text{Total Debt} \times 100\%}{\text{Equity}}$$

Institutional Ownership

Institutional ownership is the total shares owned by company institutions. The proportion of institutional ownership is assessed based on the percentage of ownership. With that, institutional ownership can be formulated as follows:

$$\text{Institutional Ownership} = \frac{\textit{Jumlah Saham Institusional}}{\textit{Jumlah Saham yang Beredar}}$$

Islamic Social Reporting (ISR)

Islamic Social Reporting (ISR) functions as accountability towards Allah and stakeholders, as well as increasing the transparency of business activities which is achieved by

providing relevant information according to the needs of the spiritual field (Widyanti & Cilarisinta, 2020).
Mathematically, Islamic social reporting can be formulated as follows:

$$ISR = \frac{\text{Total Items disclosed by the company X 100\%}}{\text{Maximum Total Items}}$$

Independent Commissioner

Independent commissioners act as mediators in problems that arise between internal managers, oversee management policies and provide advice to management. Mathematically, independent commissioners can be formulated as follows:

$$\text{Independent Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Number of All Members of the Board of Commissioners}}$$

Data analysis technique
Classic assumption test

Classical assumption testing aims to prove whether or not the regression model has heteroscedasticity, multicollinearity and autocorrelation.

1. Normality test
   If the results of one sample Sminov columnogrof > 0.05 depict a normal distribution pattern, then the regression model meets the assumption of normality. Meanwhile, if the one sample result of the Sminov column is <0.05, it does not describe a normal distribution pattern, so the regression model does not fulfill the assumption of normality.
2. Multicollinearity Test
   By looking at the calculated t value and the coefficient of determination ($R2$), if the value of $R2$ is high (0.8-1.0) and the statistically expected regression coefficient is small then there is multicollinearity.
3. Heteroscedasticity Test
   In decision making, that is, if the probability level of significance is > 0.05 so there is no heteroscedasticity. Meanwhile, if the significance value is <0.05, then there is heteroscedasticity.
4. Autocorrelation Test
   In the autocorrelation test in making decisions, if the du value < DW value < 4 - du value indicates there is no autocorrelation.

Descriptive statistics

Explains the description of the observed data including maximum, minimum, standard deviation, average (mean), kurtosis range, sum, and randomness (Wahyuni, 2020).

Moderated Regression Analysis (MRA) Test

If the significance level is <0.05, it can be explained that this variable can influence the independent variable on the dependent variable.

Stationarity Test

The stationary test in making decisions is if the probability value is > 0.05 so the data is not stationary. Meanwhile, if the probability value is <0.05 then the data is stationary (Winarno, 2015).

Multiple Regression Analysis

There are 3 models used to process panel data including:

1. *Common effects model*
   This regression testing uses the Lagrange multiplier test. In making decisions, if the Breush Pagan value is > 0.05, the common effect model is the appropriate regression to use.

2. *Fixed effects model*
   The chow test with likelihood ratio is used in fixed effect regression. In making decisions, if the cross section chi-square probability is <0.05 then the appropriate regression is the fixed effect model.
3. *Random effects model*
   In making a decision if prob. random cross-section > 0.05, then the more appropriate regression to use is the random effect model.

Research result

Descriptive statistics

The way to find out the characteristics of data is to use descriptive statistical tests. Characteristics include sum, variance, median, standard deviation, minimum, mean, maximum, quortosis, range and sweakness (distribution differences).

Test Chow

If the cross section value f > 0.05 then the common effect model is suitable to use, whereas if the cross section value f < 0.05 then the fixed effect model is suitable to use. Table 3 shows that the cross section f value is 0.0000, meaning the result is <0.05, so the correct model to use is fixed effect.

Hausman test

If the probability value is less than a (0.05), the correct model is used, namely fixed effect, but if the probability value is more than a (0.05), the correct model is used, namely random effect. In table 4, the random cross section probability value is 0.0000, meaning the value is less than 0.05, so the suitable model to use is fixed effect.

Regression Test

The results of testing the regression model can be described below:
Y (ISR) = 0.380631 + 0.075838 (TA) - 1.378464 (ROA) + 0.007657 (DER) + 0.037768 (Institutional Ownership) + 0.322310
From the regression equation above, the influence of the independent variables on Islamic social reporting can be interpreted as follows:

1. The constant obtained is 0.380631, which means that if the independent variable is a constant or equal to zero (0), the ISR is 0.380631.
2. The regression constant for the debt to equity ratio variable was found to be 0.075838 with a positive coefficient direction. This means that if the debt to equity ratio variable increases by 1 unit, the ISR will increase by 0.075838 assuming constant.
3. The regression constant for the financial performance variable (return on assets) was found to be - 1.378464 with a negative coefficient direction. This means that if the return on asset variable increases by 1 unit, the ISR will decrease by - 1.378464 assuming constant.
4. The regression constant for the company size variable is 0.007657 and has a positive coefficient direction. This means that if the company size variable increases by 1 unit, the ISR will increase by 0.007657 assuming constant.
5. The regression constant for the institutional ownership variable was found to be 0.037768 with a positive coefficient direction. This means that if the institutional ownership variable increases by 1 unit, the ISR will increase by 0.037768 with a constant assumption.

Test Moderated Regression Analysis (MRA)

Model 1
ISR = 0.380631 + 0.075838 - 1.378464 + 0.007657 + 0.037768 + 0.322310
Model 2
ISR = 0.380631 + 0.075838 - 1.378464 + 0.007657 + 0.037768 - 0.085113 + 3.668607 + 0.016839 - 0.455670 + 0.322310

The interaction variable debt to equity ratio with independent commissioners has a coefficient value of -0.085113 and a significance level of 0.0313. These results mean that the independent commissioner variable moderates the debt to equity ratio of Islamic social reporting. The interaction variable return on assets with independent commissioners has a coefficient value of 3.668607 and a significance level of 0.0161. These results mean that the independent commissioner variable moderates return on assets on Islamic social reporting. The interaction variable between company size and independent commissioner has a coefficient value of 0.016839 and a significance level of 0.0130. These results mean that the independent commissioner variable moderates company size on Islamic social reporting. The interaction variable between institutional ownership and independent commissioners has a coefficient value of -0.455670 and a significance level of 0.0210. These results mean that the independent commissioner variable moderates institutional ownership of Islamic social reporting.

Hypothesis testing
Partial Significance Test (t Test)

1. The Influence of Tax Avoidance on Islamic Social Reporting.
   From the test results it can be observed that the Tax Avoidance variable shows a positive regression coefficient of 0.075838 which has a significant probability of 0.0175. With this, because the probability is <0.05, the Tax Avoidance variable partially has a significant effect on Islamic social reporting.
2. The Influence of Profitability on Islamic Social Reporting
   The test results explain that the Profitability variable has a negative regression coefficient of -1.378464 with a significant probability of 0.1103. With this, because the probability is > 0.05, the individual Profitability variable does not have a significant effect on Islamic social reporting.
3. The Influence of Leverage on Islamic Social Reporting.
   The test results explain that the Leverage variable shows a positive regression coefficient of 0.007657 which has a significant probability of 0.4936. With this, because the probability is > 0.05, the Leverage variable individually does not have a significant effect on Islamic social reporting.
4. The Influence of Institutional Ownership on Islamic Social Reporting.
   The test results explain that the institutional ownership variable shows a positive regression coefficient of 0.037768 which has a significant probability of 0.7168. With this, because the probability is > 0.05, the individual institutional ownership variable does not have a significant effect on Islamic social reporting.
5. The Influence of Independent Commissioners in moderating Tax Avoidance on Islamic Social Reporting.
   The test results stated that the debt to equity ratio variable moderated by the independent commissioner showed a negative regression coefficient of -0.085113 which had a significant probability of 0.0313. With this, because the probability is <0.05, the Tax Avoidance variable which is moderated by the independent commissioner has a significant effect on Islamic social reporting.
6. The Influence of Independent Commissioners in moderating Profitability on Islamic Social Reporting.
   The test results explain that the return on assets variable moderated by the independent commissioner shows a positive regression coefficient of 3.668607 which has a significant probability of 0.0161. With this, because the probability is <0.05, the return on assets variable which is moderated by the independent commissioner has a significant effect on Islamic social reporting.

7. The Influence of Independent Commissioners in Moderating Leverage on Islamic Social Reporting
   The test results show that the Leverage variable moderated by the independent commissioner shows a positive regression coefficient of 0.016839 which has a significant probability of 0.0130. With this, because the probability is <0.05, the Leverage variable which is moderated by the independent commissioner has a significant effect on Islamic social reporting.
8. The Influence of Independent Commissioners in moderating Institutional Ownership of Islamic Social Reporting
   The test results explain that the institutional ownership variable which is moderated by the independent commissioner shows a negative regression coefficient equal to -0.455670 which has a significant probability of 0.0210. With this, because the probability is <0.05, the institutional ownership variable is moderated by the Simultaneous Test (F Test)

Simultaneous Test (F Test)

The simultaneous test results explain the probability value (F-statistic) of 0.000000 < 0.05, so it can be explained that the Debt to Equity Ratio, Financial Performance (ROA), Company Size, Institutional Ownership, Independent Commissioner variables are simultaneously able to influence Islamic Social Reporting.

Coefficient of Determination ($R2$)

The results of the regression test in table 6 can be observed. Adjusted R-squared is 0.946263. This means that 94.62% in Islamic commercial banks can be described from the variables Debt to Equity Ratio, Financial Performance (Return On Assets), Company Size, Institutional Ownership, Independent Commissioners, and Islamic Social Reporting.

Classic assumption test

Normality test

It can be explained that the independent and dependent variables have fulfilled the normality test requirements which have a probability value of 0.659580 so it can be concluded that this data has a normal distribution.

Multicollinearity Test

The relationship between independent variables that have a correlation coefficient <0.8 can be explained that this data does not contain multicollinearity.

Heteroscedasticity Test

The Glejser test is one way to determine whether heteroscedasticity is present or not in this research. If the significance of the probability is <0.05 then the model has heteroscedasticity and if the significance of the probability is >0.05 then the model does not have heteroscedasticity. The results of heteroscedasticity testing can be observed that the

probability value for all variables is > 0.05, so it can be explained that in this study there is no heteroscedasticity.

Autocorrelation Test

Table 6 explains that the Durbin Watson (DW) value is 2.002448. In the DW table, the significance value is 5% or 0.05 where k = 5 and n = 50. The du value is 1.7708, the dl value is 1.3346, and the 4-du value = 2.2292. So the DW value is in the middle of du and 4-du (1.7708 < 2.0024 < 2.2292), it can be explained that this research does not have an autocorrelation problem.

DISCUSSION

The Influence of Tax Avoidance on Islamic Social Reporting

From the results of the analysis, the coefficient value for the Tax Avoidance variable is 0.075838, which has a significant probability of 0.0175. This explains that the Tax Avoidance variable has a positive effect on Islamic social reporting. With this supporting H1, hypothesis H1 is accepted.

The results of this research support Ratnasari and Meita (2017), Murtadlo (2019), and Kalbuana et al (2019) where leverage as measured by Tax Avoidance has an effect on Islamic social reporting. The larger the company is financed by debt, the greater the disclosure of social responsibility becomes. High leverage, the company has a long-term strategy so that the company can survive and improve its positive image in front of society. With Islamic social reporting, creditors can observe future prospects so that companies can provide overall information regarding the social information held by the company.

The Influence of Profitability on Islamic Social Reporting

From the results of the analysis, the coefficient value of the financial performance variable proxied by return on assets is -1.378464 which has a significant probability of 0.1103. This explains that financial performance variables have no effect on Islamic social reporting. Hereby rejects H_2then hypothesis H_2rejected.

The results of this research support Rama (2015), Hasanah et al (2018) and Sunarto et al (2020) where financial performance as measured by return on assets has no effect on Islamic social reporting. This explains the financial performance proxied by *return on assets*does not include company guarantees to increase Islamic social reporting information. High or low financial performance has no impact on Islamic social reporting. Stakeholder theory defines that companies report forms of social information to stakeholders in order to gain profits. Therefore, companies must be careful in carrying out operational activities in order to gain legitimacy from the public even if the company's performance is up or down.

The Influence of Leverage on Islamic Social Reporting

From the results of the analysis, the coefficient value for the Leverage variable is 0.007657, which indicates a significant probability of 0.4936. This explains that the Leverage variable has no effect on Islamic social reporting. This rejects H_3then hypothesis H_3rejected.

The results of this research support Nadlifiyah & Laila (2017), Sulistyawati & Yuliani (2017), and Mais & Lufian (2018) where Leverage has no effect on Islamic social reporting. The size of the leverage has no impact on Islamic social reporting. Leverage using total assets is not the only source in carrying out social responsibility activities. The good and bad values of a company can be observed from the company's profit and loss report. Companies carry out Islamic social reporting disclosures as a form of accountability to Allah SWT and improve the welfare of stakeholders.

The Influence of Institutional Ownership on Islamic Social Reporting

From the results of the analysis, the coefficient value for the institutional ownership variable is 0.037768 which has a significant probability of 0.7168. This explains that the institutional ownership variable has no effect on Islamic social reporting. This rejects H_4, then hypothesis H_4 rejected. The results of this research support Bangun et al (2012), Widiastuti & Firman (2019), and Prameswari et al (2018) where institutional ownership has no effect on Islamic social reporting. Situations like this show that institutional ownership in

Indonesia has not thought about implementing Islamic social reporting as a place to invest, so institutional investors do not put pressure on companies to carry out complete social responsibility in the company's annual report. Even capital owners only rely on profits earned by the company without paying attention to social responsibility. Ownership composition large institutional shares cannot observe management performance to reveal social responsibility.

The Effect of Tax Avoidance on Islamic Social Reporting with Independent Commissioners as a moderating variable

Based on the results of the moderated regression analysis test, the regression coefficient value for the multiplication of Tax Avoidance ratio and Islamic social reporting is -0.085113, which has a significant probability of 0.0313. This explains that the independent commissioner variable can moderate the relationship between Tax Avoidance and Islamic social reporting. So it can be concluded that H_5accepted.

The results of this research support Pratama et al (2018) who explain that independent commissioners moderate the influence between Tax Avoidance and Islamic social reporting. Disclosure of corporate social responsibility is an activity to convince creditors regarding the company's progress. Through disclosing Islamic social reporting, companies gain long-term benefits, including a good positive image and increasing the value of the company's products or services. In improving Islamic social reporting, independent commissioners must supervise the disclosure of Islamic social reporting. Independent commissioners have the responsibility to meet the needs of company stakeholders. Stakeholder needs can be met if Islamic social reporting increases.

The Influence of Financial Performance on Islamic Social Reporting with Independent Commissioners as a moderating variable

Based on the results of the Moderated Regression Analysis test, the regression coefficient value for the product of return on assets and Islamic social reporting is 3.668607, which has a significant probability of 0.0161. This explains that the independent commissioner variable can moderate the relationship between return on assets and Islamic social reporting. So it can be concluded that H_6accepted. The results of this research support research by Rizkiah et al (2019) which explains that independent commissioners can moderate the influence between return on assets and Islamic social reporting. Return on assets explains whether the company's performance is good. When the company gets increased profits, the funds distributed to disclose Islamic social reporting will also increase. The existence of independent commissioners becomes the party who supervises and provides advice to management regarding how to manage the company. Independent commissioners also support management in disclosing social responsibility information in order to maintain fairness towards stakeholder interests. The role of independent commissioners in supporting the disclosure of social responsibility increases, which will lead to increased performance within the company.

The Effect of Leverage on Islamic Social Reporting with Independent Commissioners as a moderating variable

From the results of the Moderated Regression Analysis test, the regression coefficient value for the product of Leverage and Islamic Social Reporting is 0.016839, which has a significant probability of 0.0130. This explains that the independent commissioner variable can moderate the relationship between leverage and Islamic social reporting. So it can be concluded that H_7accepted.

The results of this research support Mir'atun et al (2019) who say that independent commissioners can moderate the influence between Leverage and Islamic social reporting. The increasing asset value shows that the company is making large profits and attracting the attention of capital owners to invest. To maintain a company, independent commissioners are needed. The role of independent commissioners in large companies increases the level of effectiveness and independence in carrying out supervisory functions over company management so that Islamic social reporting becomes widespread.

The Influence of Institutional Ownership on Islamic Social Reporting with Independent Commissioners as a moderating variable

Based on the results of the Moderated Regression Analysis test, the regression coefficient value for the product of institutional ownership and Islamic social reporting is-0.455670, which has a significant probability of 0.0210. This explains that the independent commissioner variable can moderate the relationship between institutional ownership and Islamic social reporting. So it can be concluded that H_8accepted.

The results of this research support research by Sari & Helmayunita (2019) and Sulistyawati & Yuliani (2017) which explains that independent commissioners moderate the influence between institutional ownership and Islamic social reporting. Independent commissioners function to increase the company's added value. Increasing added value is carried out by practicing good corporate governance. Practice *good corporate governance* implemented to meet the needs of stakeholders including the community, management and shareholders regarding the company's sustainability in the future. The company's sustainability can be achieved through the disclosure of Islamic social reporting. The function of the independent commissioner is as a link between the interests of management and shareholders to realize the company's sustainable development.

CONCLUSION

Based on the results of data analysis and discussion of the research that has been carried out, it is concluded that the debt to equity ratio has a positive effect on Islamic social reporting. Financial performance, company size, institutional ownership have no effect on Islamic social reporting. Independent commissioners can moderate the influence of debt to equity ratio, financial performance, company size and institutional ownership on Islamic social reporting.

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