



JOURNAL OF ACCOUNTING AND BUSINESS EDUCATION

P-ISSN 2528-7281 E-ISSN 2528-729X

E-mail: jabe.journal@um.ac.id

<http://journal2.um.ac.id/index.php/jabe/>

Searching for Information Content of Sharia Corporate Social Responsibility Disclosures: A New Ethical Perspective of CSR

Bunga Maharani¹
Yosefa Sayekti²
Indah Purnamawati³
Bayu Aprillianto⁴
Ririn Irmadariyani⁵
Aisa Tri Agustini⁶
Alfi Arif⁷

¹ Accounting Department, Faculty of Economic, Universitas Jember, Indonesia
email: bunga.feb@unej.ac.id

DOI: <http://dx.doi.org/10.17977/jabe.v8i4.37633>

Abstract: Our research aimed to test and analyze the information content of Sharia Corporate Social Responsibility (SCSR) disclosure in ethical perspective on the agroindustrial companies in Indonesia. It used the SCSR concept proposed in the research conducted by Irmadariyani, et al. (2019) as the concept to measure the disclosure of SCSR by agroindustrial companies in Indonesia. Using quantitative approach, this research tested and analyzed the correlation between market performance (proxied by information content) and CSR disclosure from the ethical perspective. Information content measured using Cumulative Abnormal Return (CAR). We find that SCSR disclosure positively affects the Cumulative Abnormal Return (CAR), which means that Sharia Corporate Social Responsibility disclosure provides information content. This research proves that the SCSR is able give signal to investors and has important information content on companies. The application of ethical principles pursuant to the Islamic law indicates good information of companies for investor. SCSR disclosure is a means for a company to show that it has good management to manage its resources, increasing its corporate performance.

Article History

Received:
28 April 2024

Revised:
1 May 2024

Accepted:
10 May 2024

Keywords

Sharia, Corporate Social Responsibility, Information, Content, Agroindustry

Citation: Maharani, B., Sayekti, Y., Purnamaati, I., Aprilianto, B., Irmadariyani, R., Agustini, A.T., Arif.,A. (2024). The Effect of Good Corporate Governance and Audit Quality on Earning Management. *Journal of Accounting and Business Education*, 5(1),41-52.

INTRODUCTION

Indonesia is an agricultural country with majority of Muslim population, that is the largest in the world. Islam has served as the basis of many scientific concepts, including in CSR. CSR application in Islam must be ethics based pursuant to the sharia. Study on the *Sharia Corporate Social Responsibility (SCSR)* is a concern for the Indonesians who tend to view business process from Islamic perspective. Similarly to *green investors* who assess companies by considering issuer's (company) concern based on

their CSR application, Muslim investors also consider Indonesian agroindustrial companies' application of *sharia framework* concept, in this case regarding ICSR.

Siregar (2019) states that the agroindustrial companies in Indonesia have applied CSR, and the application contributes to surrounding society and environment, particularly in economic and educational sectors. Agroindustrial companies' CSR application, especially Indonesian oil palm companies, uses the Indonesian Sustainable Palm Oil (ISPO) standard (Anwar, et al., 2016). The results of Purnamawati's study (2019) on the implementation of agroindustrial companies' CSR in Pandhalungan Area show that the agroindustrial companies have applied CSR, strategically and non-strategically. This is a different level of CSR application, that the companies are of the dimension of inclusion of company vision and mission in their CSR application. The vision and mission are related to company effort to improve company performance and met their stakeholders' interest, especially the investors.

Karim & Ahmad (2017) explain that SCSR is different from the CSR in the Western World's perspective, that SCSR refers to *tassawur* (world view) and epistemology based on Al-Qur'an and As-Sunnah more. Wahyuddin (2016) adds that SCSR prioritizes the interest of *al-dharuriyyah*, followed with that of *al-hajjiyyah* and *al-tahsiniyyah*. SCSR is divided into three concepts, namely the concepts of spirituality, *rahmatan lil'alamin* and *ukhuwah islamiyah*. Based on the explanation, it is important to assess a CSR application by agroindustrial companies in Islamic perspective. This is supported by Irmadariyani (2019), that Sharia's Corporate Social Responsibility also gives companies with value added. The research conducted by Irmadariyani (2020) even shows that SCSR application positively affects company's financial and non-financial performance.

Nawatmi (2010) states that there are some principles of business ethics that conform to Al-Qur'an, such as: (1). It is prohibited to perform business using evil process; (2). It is prohibited for business to contain *riba* (usury) element; and (3). Business activities are to have social function. Islam does not allow a worker to justify all means to achieve what he/she desires, such as cheating, fraud, *riba*, and other *batil* (evil) or haram acts. Islam provides restrictions for what are allowed and what are not allowed to do (halal or haram). The restrictions are ethics. There are some sharia business ethics that must be performed in implementing business activities, such as *tauhid*, justice, free will, responsibility, good faith, helping each other, free from *riba*, and not performing haram business.

Norvadewi (2015) argues that big world companies are quite aware of how important humane business principles are, as the examples given by the Prophet p.u.b.h., namely: (1). Customer oriented, stating that business principles must satisfy customers; (2). Transparency, is the key to successful business that is based on honesty and openness; (3). Healthy competition, that it is prohibited for business to justify all means contradictory to Islamic *muamalah* principles; and (4). Fairness, that business must be implemented based on justice.

The sustainability reporting principles in Islamic perspective, according to Matali (2012), is composed of some principles, namely: 1) Justice (*adil*) regulates human's just relationship with God's other creatures; 2) Balance (*mizan*) regulates not only human's social and economic relationship, but also the environment, especially in ensuring nature balance, use of resources, and lifecycle of all species; 3) Middleness (*wasat*) is taking mid-course choice in economic planning, social action, knowledge development, ideological view, consumption of material, air, and energy; 4) Mercy (*rahman*) regulates human relationship and treatment for all living beings, including plants and animals, insects as well as microorganism with love and compassion; 5) Trustworthiness and custodianship (*amanah*) refers to the life of humans who are created to be *khalifah*, assigned by God The Creator over all beings on earth; 6) Spiritual purity and physical cleanliness (*taharah*) generates perfect individuals through spiritual purity and awareness of the existence of God The Creator who will create social balance, life harmony with the environment and hygiene; 7) Truthfulness and rights (*haq*) shows honesty in all affairs, acknowledging the rights of all living beings (human, animal, and plant), and 8) Usefulness of knowledge and science (*ilmu nafi'*) shows that knowledge, including theology, science or technology, must benefit other living beings, including future generation.

The Indonesian government has not specifically regulated and obligated the companies in Indonesia to apply SCSR. However, the research conducted by Irmadariyani, et al. (2019) shows that SCSR

empirically, positively and significantly affects the value of companies that use Price Earnings Ratio (PER) and Tobin's Q as proxy. This is supported by Indriawati (2019), stating that with ICSR, companies that use Price to Book Value (PBV) as proxy has incremental value in their company value.

The Efficient Market Hypothesis by Watts and Zimmerman (1986) explains that efficient market is a market that provides information to its users. The Indonesian market is assumed to provide information, especially related to ICSR disclosure, and the market responds to the ICSR disclosure, indicating that ICSR has information content that it is positively responded to by the market. No research is found testing Sharia Corporate Social Responsibility (SCSR) disclosure on information content.

This research aimed to test and analyze the information content of Sharia Corporate Social Responsibility (SCSR) disclosure in ethical perspective on the agroindustrial companies in Indonesia. It used the SCSR concept proposed in the research conducted by Irmadariyani, et al. (2019) as the concept to measure the disclosure of SCSR by agroindustrial companies in Indonesia.

LITERATURE REVIEW AND HYPOTHESES

Sharia Corporate Social Responsibility

Sharia Corporate Social Responsibility is company's responsibility to all stakeholders based on sharia principles. Sharia Corporate Social Responsibility is the concept of social responsibility that does not only cover company's responsibility to the society, but also to Allah Subhanahuwata'ala (Haniffa, 2002 in Othman, et.al 2009).

Islam does not allow anyone to work at will to achieve what they desire by justifying all (haram) means such as cheating, fraud, *riba* and other *batil* deeds. Islam restricts between what is allowed and what is not allowed, correct and false, and halal and haram. These restrictions are ethics. Keraf (1998:73) states that the prevailing business ethic principles in good business activities basically cannot be separated from our life as human, which means that business ethic principles are basically related to the existing system in the society.

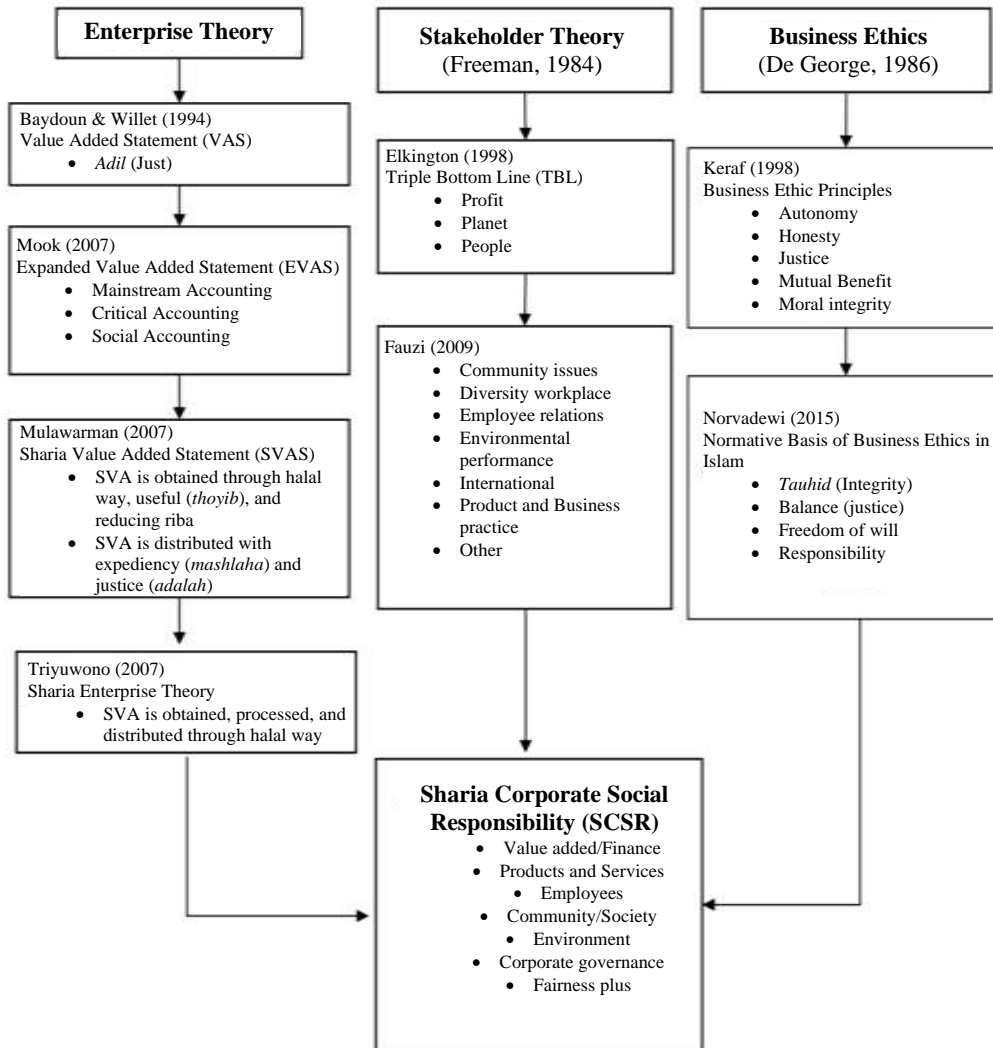
Parker (2014) emphasizes that each CSR activity (generous act) by a company is the accountability motivated by a strong religious belief. This statement may indicate that religious values are necessary. In Islamic perspective, a company performs CSR activities in order to gain profit and for its stakeholders to prosper in a way pursuant to the sharia (halal) for Allah SWT's blessing. CSR activities performed by a company as a form of worshipping Allah SWT means that all of the activities are based on sincerity for the best result for all parties.

Based on the explanation above, the concept used in this research was the one developed by Irmadariyani, et al. (2019), namely **sharia corporate social responsibility (SCSR)**. The synthesis of the sharia corporate social responsibility (SCSR) concept is shown in Figure 1.

The SCSR concept in this research was developed from SET (Triyuwono, 2007), stakeholder theory (Freeman, 1984), and business ethics (De George, 1986). SET was developed from enterprise theory indicating that a company is separated from its owner, thus it does not only prioritize shareholders' prosperity, but should also make the society and other stakeholders prosper. The concept of prosperity, according to enterprise theory, means value added, while SET defines prosperity as sharia value added covering economic prosperity, mental prosperity, and spiritual prosperity. In this research, the sharia value added is stated as corporate financial performance for economic prosperity, and corporate non-financial performance for mental and spiritual prosperity.

The stakeholder theory assumes that a company runs its operation not only in order to meet corporate interest, but it must also give benefits to the stakeholders (Freeman, 1984). The stakeholder theory shows that corporate survival relies on stakeholders. A company performs CSR activities in effort to gain support from the stakeholders. According to Elkington (1998), for survival, a company must pay attention to profit, people, and planet (3P), as commonly known as the triple bottom line (TBL). TBL states that for survival, a company must attempt to gain profit, make the people prosper, and keep the environment (planet) preserved.

Figure 1. Synthesis of the Sharia Corporate Social Responsibility (SCSR) Concept



Source: Irmadariyani, et al. (2019)

Business ethics define a successful business not only as gaining material benefit, but it must be operated ethically in order to maintain a good relationship between a company and stakeholders. According to Keraf (1998), there are some business ethic principles, namely autonomy, honesty, justice, mutual benefit, and moral integrity. The normative bases of business ethics in Islamic we need to note are *Tauhid* (unity), justice, free will, and accountability (Norvadewi, 2015).

Based on SET, stakeholder theory, and business ethics, there are some themes that form the SCSR concept, namely value added/finance, products and services, employees, community/society, environment, corporate governance, and fairness plus. The implementation of SCSR concept uses ISR plus index covering Islamic social reporting (ISR) and fairness plus. The value added/finance, products and services, employees, community/society, environment, and corporate governance themes are confirmed by previous researches that used ISR index, such as one developed by Haniffa (2002) and Othman *et al.* (2009). In this research, however, the SCSR implementation added 1 (one) theme, that is fairness plus proxied with company's fair presentation of financial statement.

Fair presentation of financial statement is fair financial statement composed of company's financial position, financial performance, entity influence, and cash flow with correct application of the Financial Accounting Standards Notice (PSAK) as well as disclosure obligated by PSAK in a note to financial statement.

Based on this reason, to explain the influence of SCSR as mediation between corporate size and corporate financial performance, non-financial performance and corporate value, it is necessary to add the fairness plus indicator as part of the ISR plus index to the importance of the research.

Figure 1 shows that the concept of SCSR in this research is a derivative of combination between SET, stakeholder theory and business ethics. Based on the definition above, a proposition is built that SCSR is CSR activity performed by a company based on ethics that benefits the company and the stakeholders as a form of submission to Allah SWT.

Information Content

Information content takes place when stock market price responds to disclosure of information by company. According to, Puspitaningtyas (2018), accounting information contained in financial statement reflects corporate management's performance quality. This performance quality is, among others, reflected in corporate stock price. Corporate individual stock price may affect market price, since market price is formed by a combination of individual stock prices in the capital market.

Individual stock price and market price are used to predict individual stock return level and market return level, in which individual stock return level and market return level are the important information for predicting stock investment risks. As with value relevance, this information content measurement is also based on stock market price movement about the date of information announcement disclosed by company (Scott, 2015).

Sharia corporate social responsibility positively affects Cumulative Abnormal Return

The signaling theory (Ross, 1977) explains why a company is driven to provide external parties with financial statement information. The information is provided since there asymmetry of information between the company and external parties.

SCSR information disclosure in corporate annual report is one of the methods a company takes to provide good signal, showing the stakeholders that the company has good management in managing its resources, improving the corporate performance, both financially and non-financially. CSR information disclosure may mitigate asymmetry of information for investors in decision making, thus it affects the corporate value.

Information is the basic need for investors in decision making. The information most commonly used by investors as the main consideration in decision making is value relevance, as measured from corporate value information. The information approach in the decision usefulness theory (Staubus, 1971) explains that investors will try to predict future profit from investment made through relevant information, not only accounting information. The relevant information is used by investors as a consideration in investment decision making. One of the information commonly highlighted is the implementation of corporate social responsibility activities.

SCSR related corporate activities disclosure or reporting is one of the methods of delivering signal to the stakeholders and the market regarding an overview of the company in the future that the company guarantees corporate future survival (going concern) and also serves as the form of submission to Allah SWT in building balanced relationship with other living beings. In line with the signaling theory, a company that performs SCSR is deemed able to align stakeholders' interest with company's interest for Allah SWT's blessing. SCSR disclosure may provide positive signal information that the company is better than other companies since it is concerned about the economic, environmental and social impacts of corporate operation activities. Therefore, if investors deem SCSR disclosure to be containing information, the market will show a price change. Market reaction that shows a price change may be measured using stock abnormal

return. The research conducted by Dahlia & Siregar (2008) entitled the Effect of Corporate Social Responsibility on Market performance Measured using Cumulative Abnormal Return shows that CSR positively affects cumulative abnormal return (CAR). Specifically, the results of research conducted by Erragraguy & Revelli (2015) show that there is no bad effect of the application of Islam and Environmental, Social, and Governance (ESG) on Muslim investors. Therefore, the hypothesis in this research is:

H_a: Sharia corporate social responsibility positively affects Cumulative Abnormal Return

METHODS

Population and Sample

Using quantitative approach, this research tested and analyzed the correlation between market performance (proxied by information content) and CSR disclosure from the ethical perspective. The data collected in this research were secondary data in the form of ongoing reports or annual reports, articles, stock price data, etc. The research population was agroindustrial companies listed in the Indonesia Stock Exchange. The samples were collected using a purposive sampling. The sampling criteria were as follows: (1) Agroindustrial companies listed in the Indonesia Stock Exchange in 2018 and/or 2019; (2) Agroindustrial companies that issued 2018 and/or 2019 annual report or ongoing report; (3) Agroindustrial companies that issued 2018 and/or 2019 financial statement; and (4) Companies with complete data as necessary.

Operational Definition of Variable

The research variables consist of independent and dependent variables. The independent variable was Sharia Corporate Social Responsibility (SCSR), that was CSR activities performed by companies based on ethics, giving the companies and the stakeholders benefits as the form of submission to Allah SWT (Irmadariyani, et al., 2019). SCSR is measured using the Sharia Social Reporting (ISR) Index developed by Othman, et al. (2009) composed of the following 6 themes: (1) Finance and Investment; (2) Products and Services; (3) Employees; (4) Society; (5) Environment; and (6) Corporate Governance.

The detail of the six themes can be observed in Appendix 1. Measuring SCSR level basically used dichotomy approach, in which each aspect in the research instruments is scored 1 if disclosed and scored 0 if not disclosed. The score of each item is then summed for total score for each company. Below is the formula of SCSR level calculation (Irmadariyani, et al. (2019):

$$SCSR_j = \frac{\sum X_{ij}}{n_j}$$

Where SCSR_j is company j's level of sharia corporate social responsibility; n_j is number of SCSR items for company j; X_{ij} is dummy variable, 1 if SCSR item i is disclosed and 0 if SCSR item i is not disclosed. Therefore, 0 < SCSR_j < 1.

The research's dependent variable is information content measured using Cumulative Abnormal Return (CAR). CAR is the summation of Abnormal Return in window event. The period of event taken in this research was 11 days, 5 days before and 5 days after as well as 1 day on the day of annual report publication. The formula for calculating the Cumulative Abnormal Return is (Gumanti, 2011):

$$CAR_{i,t} = \sum_{t=0}^n AR_{i,t}$$

Where CAR_{i,t} is Cumulative Abnormal Return of company i for period t and AR_{i,t} is Abnormal Return of company i for period t.

The measures of calculating Cumulative Abnormal Return (CAR) are as follows (Gumanti, 2011):

a. Determining Actual Return or Realized Return

Actual Return is the actually occurring return. The equation used to calculate Actual Return is:

$$R_{it} = (P_{it} - P_{it-1}) / P_{it-1}$$

Where R_{it} is Return of company i at time t ; P_{it} is Closing stock price of company i at time t ; and P_{it-1} is Closing stock price of company i at time $t-1$

b. Determining Expected Return

Expected Return is the return expected by investors when investing their capital. This research used agricultural stock price index of JKAGRI Agriculture Index. This is based on the research objects of agroindustrial companies listed in BEI. The equation used to calculate Expected Return is:

$$R_{mt} = (JAKAGRI_t - JAKAGRI_{t-1}) / JAKAGRI_{t-1}$$

Where R_{mt} is Return of market index on day t ; $JAKAGRI_t$ is JAKAGRI Agriculture Index at time t ; and $JAKAGRI_{t-1}$ is JAKAGRI Agriculture Index at time $t-1$

c. Determining Abnormal Return

Abnormal Return is the difference between Actual Return and Expected Return. The equation used to calculate Abnormal Return is:

$$AR_{it} = R_{it} - R_{mt}$$

Where AR_{it} is abnormal return of company i in period t , R_{it} is daily return of company i in period t ; and R_{mt} is market index return on day t

Data Analysis

Descriptive statistics gives an overview of variables used in a research and presents them in the form of mean, deviation standard, maximum, and minimum. This research employed a multiple linear regression analysis. This research employed Ordinary Least Square (OLS) since the data were in the form of panel data. The research's hypotheses were tested using t test. The research employed multiple linear regression model. The regression equation in the research is as follows:

$$CAR_{it} = a_2 + b_2SCSR_{it} + b_2SIZE + b_3DER + e$$

Where CAR is Cumulative abnormal return of company i in period t ; $SCSR$ is disclosure of sharia corporate social responsibility in annual report of company i in period t ; $SIZE$ is company size with total asset as proxy that is this variable is the control variable; DER is debt to equity ratio as proxy of leverage that is this variable is the control variable; and e is error.

RESULTS AND DISCUSSION

Descriptive Statistic Result

Table 1.1 shows that the minimum, maximum, mean, and standard deviation values of the dependent, independent and control variables are as follows:

- a. Descriptive data of CAR variable shows minimum value of -0.143, maximum value of 0.164, mean value of -0.006 and standard deviation value of 0.064.
- b. Descriptive data of SCSR variable shows minimum value of 0.314, maximum value of 0.745, mean value of 0.581 and standard deviation value of 0.121.
- c. Descriptive data of LnSize variable shows minimum value of 5.288, maximum value of 10.800, mean value of 8.637 and standard deviation value of 1.696.
- d. Descriptive data of DER variable shows minimum value of -10.314, maximum value of 7.945, mean value of 0.858 and standard deviation value of 2.676.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CAR	30	-0.143	0.164	-0.006	0.064
SCSR	30	0.314	0.745	0.581	0.121
LnSize	30	5.288	10.800	8.637	1.696
DER	30	-10.314	7.945	0.858	2.676
Valid N (listwise)	30				

Result of Classical Assumption Test

The classical assumption test conducted in our study consists of normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. From all of the classic assumption tests, this study summarizes as follows:

- a. The normality test using Kolmogorov-Smirnov test shows that the significant residual value is higher than 0.05, indicating that there is normality in the regression model, so that the regression model is feasible for use in the research.
- b. The multicollinearity test shows that the tolerance value of all variables is higher than 0.10 and has a VIF value lower than 10, indicating that there is no multicollinearity between the independent and control variables in the regression model.
- c. The autocorrelation test using Runs test shows that the significant asymptotic value is 0.577 (higher than 0.05), indicating that there is no autocorrelation symptom.
- d. The heteroscedasticity test using Glejser test shows that none of the independent variables significantly affect the absolute residual value, since the probability value has significance of higher than 0.05 or 5%, indicating that there is no heteroscedasticity problem with the model.

Based on the result of regression test in table 2, the research model produces F-test value of 2.566 (sig. 0.076) with adjusted R² value of 0.139, showing that the model is able to explain the variation of dependent variable CAR. Accordingly, we can conclude that the research model is good. The F-test result also shows that SCSR, LnSize, and DER simultaneously affect CAR with significance level <10%.

The test on SCSR effect on CAR includes control variables LnSize and DER. The regression test results show that the coefficient value is 0.188 and significance value is 0.059. The test result shows significant result at level <10% with positive direction, thus the hypothesis is accepted. Therefore, we can conclude that SCSR positively, significantly affects CAR.

Table 2. Result of Multiple Linear Regression

	Pred. Sign	Coef. (p-value)	
Dependent Variable: CAR			
Constant		0.014 (0.837)	
SCSR	+	0.188 (0.059)	***
LnSize		-0.015 (0.031)	**
DER		0.003 (0.432)	
R ²		0.228	
Adj. R ²		0.139	
F		2.566	
p-value		0.076	***
*** significant at level 1%			
** significant at level 5%			
* significant at level 10%			

The Efficient Market Hypothesis by Watts and Zimmerman (1986) explains that an efficient market provides diverse information to investor. In the research results, SCSR disclosure significantly affects Cumulative Abnormal Return (CAR) with positive direction. Investors have responded corporate CSR implementation and disclosure, especially in ethical perspective, namely Sharia Corporate Social Responsibility (SCSR). This result conforms to the result of research conducted by Erragraguy and Revelli (2015) that there is no bad effect of the application of Islam and Environmental, Social, and Governance (ESG) in Muslim investors.

Investment decision is vital to Muslim and Non-Muslim investors. An investor must be capable of analyzing the existing information in the market and information provided by a company to gain profit. The Signaling Theory by Ross (1977) states that the reason for a company is driven to provide information to external parties is that there is asymmetry of information between company and external parties. SCSR is one of company's efforts to mitigate such gap. The company attempts to give positive signal through its SCSR disclosure. SCSR disclosure is a medium for a company to show that it has good a management to manage its resources that may improve its corporate performance. The good corporate performance indicates positive profit and sufficient fund, driving application and disclosure of SCSR activities.

In further analysis, it is known that SCSR disclosure implies that a company has going concern principle. The company keeps attempting to improve its performance, and see the future by making positive contribution to the economic, social and environmental aspects. This is the embodiment of company as an entity that is able to align stakeholders' and company's interest for Allah SWT's blessing.

The decision usefulness theory (Staubus, 1971) explains that investors may use diverse relevant information in order to predict future profit. This SCRS disclosure is also relevant and has benefit to predict future profit. Investors may make appropriate investment decision based on SCSR performance analysis and measurement. SCSR measurement is indeed a CSR concept that is still not standard and not used widely yet. Differently from conventional CSR with global measurement index like the Global Reporting Initiative (GRI), SCSR measurement is still under development stage, since SCSR is a CSR concept with new ethical perspective oriented to sharia concept and principle. SCSR refers more to *tassawur* (world view) and epistemology based on Al-Qur'an and As-Sunnah (Karim and Bustamam-Ahmad, 2017). Although basically SCSR and conventional CSR introduced by the Western World have the same concept of how

companies show their social responsibility to their surrounding environment, but SCSR adds spiritual concept. The sharia concept and principle reflected in SCSR include divinity aspect, of how humans and enterprises show their submission to Allah SWT.

CSR performance measurement in Islamic perspective has been developed by Haniffa (2002) and Othman *et al.* (2009). The measurement uses some themes such as value added/finance, products and services, employees, community/society, environment and corporate governance. Each of the themes has some indicators. Irmadaryani (2020) adds SCSR measurement with fairness plus proxied by fairly presented financial statement. This research modifies the measurement by Irmadaryani (2020) by removing some inapplicable indicators in agroindustrial companies.

Most of the themes in SCSR measurement are similar to those in conventional CSR measurement, but with additional sharia concept and principle therein. This is what causes, despite no mandatory regulation of SCSR application, companies to do and disclose it in their annual report or ongoing report. The similarity in the substance of SCSR measurement and the basis of Muslim majority in Indonesia will be able to explain how investors react to SCSR disclosure.

CONCLUSION

The objective of this research was to test and analyze the information content of Sharia Corporate Social Responsibility (CSR) disclosure in the ethical perspective. The research samples were agricultural companies listed on the Indonesia Stock Exchange. The observation period was from 2018 to 2019. Based on the results and discussion in the previous sections, we may conclude that this research empirically presents evidence that Sharia Corporate Social Responsibility disclosure positively affects the Cumulative Abnormal Return (CAR), which means that Sharia Corporate Social Responsibility disclosure provides information content.

This research proves that the SCSR is able give signal to investors and has important information content on companies. The application of ethical principles pursuant to the Islamic law indicates good information of companies for investor. SCSR disclosure is a medium for a company to show that it has good management to manage its resources, increasing its corporate performance. This research also empirically proves and confirms the signaling theory as the basis of theory of SCSR disclosure in Indonesia. Furthermore, this research also implicates in the development of SCSR standard measurement proposed by Irmadaryani, et al. (2019) as a SCSR holistic measurement. This measurement provides overall view to investors and potential investors for them to assess how a company in its effort to perform CSR activities based on ethics that may benefit the company and the stakeholders as the form of submission to Allah SWT is.

This research has some limitations and suggestions for further research. The sample of agroindustrial companies is homogenous, that almost all of them are oil palm companies. This research did not cover all of the existing agroindustrial sectors in Indonesia. Further research can use agroindustrial companies private sector to see if SCSR is more heterogeneous to cover various companies in the agroindustrial sector and extend the observation period.

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