

# DA'WAH-ORIENTED GOVERNANCE: THE INFLUENCE OF MANAGERIAL CHARACTERISTICS ON ISLAMIC SOCIAL REPORTING IN INDONESIA

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## ARTICLE INFO

## ABSTRAK

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### *Kata Kunci:*

Karakteristik CEO;  
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Artikel ini bertujuan untuk menganalisis pengaruh karakteristik CEO terhadap Pelaporan Sosial Islami (Islamic Social Reporting/ISR) di sektor perbankan Islam Indonesia selama periode 2015–2020. Variabel independen yang digunakan adalah usia CEO, latar belakang pendidikan bisnis CEO, jenis kelamin CEO, dan pengalaman CEO. Variabel-variabel independen tersebut diuji terhadap ISR sebagai variabel dependen dengan analisis regresi berganda. Temuan dari studi ini menunjukkan bahwa usia CEO dan jenis kelamin CEO menunjukkan pengaruh negatif dan signifikan terhadap ISR, sementara pengalaman CEO memiliki pengaruh positif dan signifikan terhadap ISR. Sebaliknya, latar belakang pendidikan bisnis CEO tidak berhubungan signifikan dengan ISR. Dengan demikian, temuan ini dapat memberikan kontribusi yang sangat penting bagi praktisi dan peneliti dalam memahami faktor-faktor praktik Pelaporan Sosial Islami di sektor perbankan Islam Indonesia. Temuan ini juga akan digunakan sebagai pijakan untuk penelitian di masa depan yang melibatkan sampel yang lebih luas dan pendekatan metodologis lain yang dapat meningkatkan pemahaman tentang dinamika praktik Pelaporan Sosial Islami di Indonesia.



*Keywords:*

Characteristics CEO, Islamic Social Reporting Disclosure, Islamic Bank

**ABSTRACT**

The purpose of this research is to investigate how CEO characteristics affect Islamic Social Reporting (ISR) in Indonesia's Islamic banking sector during the period 2015–2020. The independent variables dealt with are CEO age, CEO business educational background, CEO gender, and CEO experience. The independent variables were tested against ISR as the dependent variable with multiple regression analysis. Findings from this study have shown that CEO age and CEO gender negatively and significantly influence the ISR, while CEO experience positively and significantly influences them. On the contrary, the CEO's academic background in business is not significantly related to the ISR. This could therefore provide very important contributions for both practitioners and researchers in comprehending the factors of Islamic Social Reporting practice in the Islamic banking sector of Indonesia. Such findings will also be used as a launching pad for future research involving wider samples and other methodological approaches that would increase insight into the dynamics of Islamic Social Reporting practices in Indonesia.

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**Introduction**

Owing to the growing significance of business ethics and socially responsible business practices, many researchers and management practitioners pay increased attention to Corporate Social Responsibility (CSR) and its variations across different business areas. In the Islamic banking sector, Islamic Social Reporting (ISR) has emerged as a pivotal framework in which to position business performance against the broader requirements of Islamic ethical reasoning (Othman & Thani, 2010). Additionally, ISR includes financial transparency, social, ethical, and

environmental responsibilities, as required by Sharia law (R. Haniffa & Hudaib, 2007). This, in turn, would positively affect the reputation and trust of stakeholders toward the bank. Similar to conventional CSR models, studies found that overall better corporate governance and transparency are related to ISR practices, for instance (Susbiyani et al., 2023).

According to the Financial Services Authority (OJK), Islamic banking assets in Indonesia grew by 13.94% in 2020, reaching IDR 601.5 trillion (OJK, 2021). However, despite being the largest Muslim-majority country, Indonesia's Islamic banking market share remains relatively small at approximately 6.51%, compared to Malaysia where Islamic banking assets accounted for 37.5% of total national banking assets in the same year (Arifin et al., 2021). This contrast highlights Indonesia's significant potential for further development, especially through improvements in governance and ISR practices. The development of Islamic banking in Indonesia is propelled by increasing market demand for Islamic financial products and services. However, to realize this potential, it is essential to understand the determinants that drive ISR practices in this context (Wijayanti & Setiawan, 2022).

There have been many studies regarding the existence of strong evidence that robust ISR can significantly positively influence the value of a firm, thus a need for in-depth investigations toward this direction urgently (Wahyuni et al., 2019). This is seen as particularly true when it comes to Indonesia's Islamic banks, where ISR can provide the needed support for high business morals and operational standards.

Leadership has been a key determinant in the corporate governance and social responsibility practices of any given organization. Several studies have identified CEO characteristics in terms of age, education, gender, and

experience as relevant predictors of CSR, except for the fact that limited research has been conducted in ISR within the Islamic banking sector itself (Chouaibi et al., 2022). From this support, CEO characteristics, including as age, gender, education, and experience, are observed to impact CSR practice individually significantly; hence, a similarity in the effectuation by CEOs in the context of ISR could be possible (Handoko & Santi, 2022). The gap, therefore, reveals the need for more targeted research on how such characteristics influence ISR practices (Othman et al., 2012 & Velte, 2020).

CEO's age is often considered an important factor influencing leadership styles and decision-making processes. Some evidence demonstrates, in fact, that old CEOs genuinely tend to prioritize traditional financial measures over anything social or ethical in nature, which could have a deleterious effect on ISR (Meier & Schier, 2021). For instance, older CEOs may be more reluctant to embrace firm-wide ISR practices since they find them risky and costly. Conversely, young CEOs generally have a propensity to support an openness to innovativeness in the business domain associated with social responsibility and consequently be more ideally associated with the principles of ISR.

The educational background of CEOs, particularly in business-related fields, is another critical factor that can shape their approach to ISR. A solid foundation in business education may equip CEOs with the necessary skills and knowledge to implement effective ISR strategies. However, empirical findings regarding the impact of CEO's business education on ISR remains inconclusive, with some studies indicating no significant impact (Velte, 2020). This ambiguity suggests a need for further investigation into how educational backgrounds affect ISR implementation (Chouaibi et al., 2023). For example, while some studies have found no significant correlation,

others suggest that a strong business education can enhance strategic ISR initiatives (Handoko & Santi, 2022).

Gender diversity in leadership has been widely recognized as a driver of enhanced CSR performance. Female CEOs are often associated with higher levels of empathy and ethical awareness, which can positively influence ISR practices. In the Islamic banking sector, where ethical considerations are paramount, the presence of female CEOs may lead to more robust ISR disclosures (Handoko & Santi, 2022). Studies have shown that leadership teams with gender diversity tend to prioritize social and ethical considerations in their strategic decisions (Kouki, 2023). This research examines the effect of CEO gender on ISR, contributing to the broader discourse on gender diversity in corporate leadership (Lassoued & Khanchel, 2023).

CEO experience, encompassing both industry-specific and general managerial experience, is another crucial determinant of ISR practices. Experienced CEOs are likely to enhance understanding of the intricacies of the banking sector and the importance of social responsibility. Their extensive networks and industry insights can facilitate the implementation of effective ISR strategies (Othman et al., 2012 & Othman & Thani, 2010). For example, the positive correlation between CEO experience and CSR activities in conventional banks supports the need for similar studies in Islamic banks (Jilani et al., 2023). Therefore, this paper aims to explore how CEO characteristics, such as age, gender, educational background, and experience, influence ISR disclosure in Indonesian Islamic banks.

However, there is limited empirical evidence specifically examining how these CEO characteristics affect ISR reporting in the context of Islamic banks, particularly in Indonesia. Most prior studies have focused on

CSR in conventional banks or in different countries, leaving a gap in understanding the unique dynamics of ISR within Indonesian Islamic banking (Othman et al., 2012, Othman & Thani, 2010 & Velte, 2020). Moreover, the interplay between CEO demographics and ISR in a rapidly developing, Muslim-majority market remains underexplored.

This study addresses the gap by presenting empirical findings regarding the impact of CEO characteristics age, gender, educational background, and experience on ISR disclosure in Indonesia Islamic banks. The findings are expected to inform practitioners and policymakers seeking to enhance transparency, accountability, and sustainable practices in Islamic financial institutions.

This research advances the body of knowledge for ISR because it provides empirical evidence on how CEO characteristics specifically have an effect among Islamic banks in Indonesia. The findings would be beneficial to the practitioners and policymakers who wish to promote transparency and accountability in Islamic financial institutions. These findings may thus provide a basis for further research, where larger samples and divergent methodological tools into the dynamics of ISR practices in the Islamic banking sector can be justified. More so, these findings imply that the potential uplift of firm value and ethical standards in this sector can very largely accrue from ISR, thereby potentially providing a roadmap for further scholarly exploration.

Islamic social reporting (ISR), based on Islamic doctrines like vicegerency (khalifah) and brotherhood (ukhuwwah), is seen to be aligned with CSR in Islamic finance, emphasizing social, ethical, and environmental responsibilities based on Sharia principles (Othman & Thani, 2010 & (Hannifa, 2002). ISR is grounded in the Upper Echelons Theory, by

Hambrick & Mason, (1984) Finkelstein & Hambrick, (1996), which explains that organizational behavior and outcomes are shaped by top management decisions, and the Stakeholder theory by Freeman (1984) and Donaldson & Preston, (1995), which emphasizes the importance of accommodating the interests of all stakeholders to maintain the company's ethical sustainability. The Legitimacy Theory, by Dowling & Pfeffer, (1975) and Suchman, (1995), suggests that organizations seek to legitimize their operations according to societal expectations, in this case by operating according to Islamic ethical standards through ISR. Empirical studies have shown that CEO attributes such as Muslim faith and higher education are positively associated with ISR practices, reinforcing the importance of leadership in implementing ISR in Islamic banking. (Anggraeni et al., 2020).

Age is often associated with leadership style and risk appetite, which can influence strategic priorities. Older CEOs may adhere to traditional views, focusing more on financial performance than on social and ethical considerations, potentially leading to lower ISR engagement. In contrast, younger CEOs might be more open to innovative and socially responsible practices, aligning closely with ISR principles (Anggraeni et al., 2020). Empirical studies support this notion, suggesting that younger leaders are more likely to adopt progressive approaches to corporate responsibility (Li & Yang, 2024 & Meier & Schier, 2021). Therefore, it is hypothesized that:

*Hypothesis 1: If the CEO is older, then ISR involvement will be lower.*

A strong educational background in business provides CEOs with the skills and knowledge necessary to integrate ISR into corporate strategy effectively. Some studies, however, suggest mixed results regarding the impact of business education on ISR practices (Velte, 2020). CEOs with business education are expected to be better equipped to implement ISR

strategies, leading to positive ISR outcomes (Chouaibi et al., 2023, Velte, 2020 & Soewarno & Nugroho, 2021). Therefore, if the CEO has a academic background in business, then ISR engagement is expected to be higher. Therefore, it is hypothesized that:

*Hypothesis 2:* If the CEO has a academic background in business, then ISR involvement will be higher.

Gender diversity in leadership, particularly with female CEOs, is often associated with increased empathy and ethical awareness, which can positively influence ISR practices. Female leadership is especially relevant in the Islamic banking sector, where ethical considerations are a priority (Handoko & Santi, 2022). If the CEO is female, then ISR involvement is expected to be greater, leading to more comprehensive ISR disclosures (Kouki, 2023; Lassoued & Khanchel, 2023). Therefore, it is hypothesized that:

*Hypothesis 3:* If the CEO is female, then ISR involvement will be higher.

CEO experience, both in industry and in general management, is a critical determinant of ISR practices. Experienced CEOs are likely to have a deeper understanding of the banking sector and the role of social responsibility, enabling them to implement more effective ISR strategies (Othman et al., 2012). If the CEO is more experienced, then ISR engagement is expected to be higher due to their ability to leverage knowledge and networks (Chouaibi et al., 2023). Therefore, it is hypothesized that:

*Hypothesis 4:* If the CEO has more experience, then ISR involvement will be higher.

## Research Method

This research adopts a quantitative approach to examine the influence of CEO characteristics on Islamic Social Reporting (ISR) within the context of 11 Islamic banks in Indonesia, specifically focusing on the period from 2015 to 2020. The period 2015-2020 was selected due to its significance as a time of rapid growth within Indonesia's Islamic banking sector, supported by substantial ISR initiatives and ecosystem development. This selection also reflects a need to capture the evolving dynamics of ISR practices during this critical phase. Research data were gathered from publicly available financial reports and sustainability reports of Islamic banks, sourced from the banks' official websites, ensuring transparency and reliability.

The dependent variable, ISR, is measured using the ISR index, which includes six themes and 43 disclosure items related to social, ethical, and environmental disclosures in accordance with Sharia principles (R. Haniffa & Hudaib, 2007). The ISR index was calculated as a ratio, where the number of disclosed items is divided by the total possible disclosure items, providing a standardized measurement of ISR practices.

This study employs a quantitative research design to analyze the influence of CEO characteristics on Islamic Social Reporting (ISR) within the context of 11 Islamic banks in Indonesia, specifically focusing on Islamic bank from 2015 to 2020. The period 2015-2020 was selected because it coincides with a period of rapid growth in the Islamic banking sector in Indonesia. The research data are collected from publicly available financial reports and sustainability reports of Islamic bank, sourced from the bank's official website. The dependent variable, ISR, is measured based on the ISR index, which includes indicators related to social, ethical, and environmental disclosures in accordance with Sharia principles. ISR

disclosure was measured based on six themes comprising 43 disclosure items (R. Haniffa & Hudaib, 2007). The independent variables include CEO Age: The CEO's age at the time of the report, transformed into its natural logarithm to address skewness and improve model quality, CEO Business Education Background and 0 otherwise, CEO gender (A dummy variable was assigned a value of 1 for female CEOs and 0 for male CEOs, and the CEO's experience expressed in years worked in the banking industry (Chouaibi et al., 2023 & Kouki, 2023). Control variables encompass bank size (measured by total assets, profitability (measured by Return on Assets, ROA calculated as EBIT divided by total assets), and age bank (measured by age in years bank).

**Table 1. Variable Measurement**

Variable	Type	Measurement	Source
Islamic Social Reporting (ISR)	Dependent	ISR index based on finance and investment theme, product and service theme, employees theme, society theme, environment theme, corporate governance theme, was calculated by using six theme that consists of 43 disclosure items. A score of 0 is assigned if an item is not disclosed, and a score of 1 is assigned if it is disclosed. . ISR=total item disclosure/total item	Annual and sustainability reports

Variable	Type	Measurement	Source
CEO Age (ceo_age)	Independent	age in years CEO	Annual reports
CEO's Business Education Background (ceo_ebcg)	Independent	Dummy variable (1 for business-related education, 0 for others)	CEO profiles in annual reports
CEO Gender (ceo_gen)	Independent	Dummy variable (1 for female, 0 for male)	Annual reports
CEO Experience (ceo_expe)	Independent	number of years in the banking industry	CEO profiles in annual reports
Bank Size (ln_aset)	Control	natural logarithm total assets	Annual financial statements
Profitability (roa)	Control	Return on Assets= EBIT/Total Asset	Annual financial statements
Age Bank (ageib)	Control	age in years bank	Annual financial statements

Source : Primary data, 2025

Model Specification

The methodology incorporates fixed-effects regression to control for unobserved heterogeneity and fixed characteristics across banks. Robust standard errors are employed to address potential heteroskedasticity, and multicollinearity is examined using Variance Inflation Factors (VIF). The data are analyzed using statistical software such as Stata. Multiple regression analysis is conducted to evaluate the effect the independent variables (CEO characteristics) and the dependent variable (ISR), while controlling for bank size, profitability, and age bank. To test the hypotheses, a multiple regression analysis is used. The regression model is specified as follows:

$$ISR_{it} = \beta_0 + \beta_1 ceo\_age_{it} + \beta_2 ceo\_ebcg_{it} + \beta_3 ceo\_gen_{it} + \beta_4 ceo\_exp_{it} + \beta_5 Ln\_aset_{it} + \beta_6 ROA_{it} + \beta_7 Ageib_{it} + \epsilon_{it}$$

Where:

- $ISR_{it}$  is the Islamic Social Reporting index for bank  $i$  at time  $t$ .
- $ceo\_age_{it}$  is the age of the CEO for bank  $i$  at time  $t$ .
- $ceo\_ebcg_{it}$  is the business education background of the CEO for bank  $i$  at time  $t$ .
- $ceo\_gen_{it}$  is the gender of the CEO for bank  $i$  at time  $t$ .
- $ceo\_expe_{it}$  is the experience of the CEO for bank  $i$  at time  $t$ .
- $ln\_aset_{it}$  is the natural logarithm total assets of bank  $i$  at time  $t$ .
- $roa_{it}$  is the Return on Assets for bank  $i$  at time  $t$ .
- $ageib_{it}$  is the age bank ratio for bank  $i$  at time  $t$ .
- $\epsilon_{it}$  is the error term.

## Result

The research was conducted on Islamic banks in Indonesia from 2015 to 2020, focusing on various factors that might influence the Islamic Social

Reporting (ISR) index. The study examined a sample of 66 observations, and the descriptive statistics provide insights into the characteristics of the data. The average ISR index was 0.765, with a standard deviation of 0.076, ranging from 0.562 to 0.875. The age of the CEOs averaged 52.939 years, with a standard deviation of 5.522 years, indicating that the youngest CEO was 40 years old and the oldest was 65 years old. Approximately 68.2% of the CEOs had a business education background, while 16.7% were female. The CEOs had an average of 2.727 years of experience, with a range from 1 to 9 years. The natural logarithm of the total assets averaged 30.277, indicating significant variation in bank sizes, with a standard deviation of 1.125. The Return on Assets (ROA) had a mean of 1.030 and a wide range from -10.77 to 13.58, highlighting varied financial performances among the banks. Lastly, the age bank averaged 11.773, with values spanning from 1 to 29. These descriptive statistics offer a basic overview of the sample's characteristics and prepare the groundwork for further analysis of the factors influencing the ISR index in Indonesian Islamic banks.

**Table 2. Descriptive Statistics**

Variable	Obs	Mean	Std. dev.	Min	Max
isr	66	0.765	0.076	0.562	0.875
ceo_age	66	52.939	5.522	40	65
ceo_ebcg	66	0.682	0.469	0	1
ceo_expe	66	2.727	1.918	1	9
ceo_gen	66	0.167	0.376	0	1
ln_aset	66	30.277	1.125	27.953	32.474
roa	66	1.030	3.564	-10.77	13.58
ageib	66	11.773	6.617	1	29

Source : Author

The correlation matrix for the variables under study reveals key relationships. The Islamic Social Reporting (ISR) index shows strong positive correlations with the natural logarithm of total assets (0.718) and the age bank (0.6851), suggesting that larger banks and those with higher age bank to have higher ISR indices. Conversely, ISR negatively correlates with the business education background of the CEO (-0.3361) and the gender of the CEO (-0.3436), indicating lower ISR indices for banks with CEOs having a business education background or female CEOs. CEO age (age) has slight negative and positive correlations with ISR (-0.1793) and other variables such as business ceo education background (0.2299) and ceo experience (0.2585). Experience also shows weak correlations with other factors, while gender negatively correlates with ISR (-0.3436),  $\ln\_aset$  (-0.3011), and age bank (-0.2755), but positively with ROA (0.3606). logarithm of total assets strongly correlates with age bank (0.7284), highlighting that larger banks have higher age bank and ISR indices. ROA has positive correlations with ceo gender (0.3606) and weak negative correlations with age bank (-0.1738). Importantly, no multicollinearity is present as all correlation values are below 0.8. These relationships provide a foundation for further analysis of ISR determinants in Indonesian Islamic banks.

**Table 3. Matrix Correlation**

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	VIF
(1) isr	1.000								
(2) ceo_age	-0.179	1.000							1.17
(3) ceo_ebcg	-0.336*	0.230	1.000						1.39
(4) ceo_gen	-0.344*	-0.062	0.044	1.000					1.42
(5) ceo_expe	0.100	0.258*	0.141	0.128	1.000				1.8
(6) ln_aset	0.718**	0.096	-0.335*	-0.301*	0.010	1.000			2.76
(7) roa	-0.265*	0.012	0.182	0.361*	-0.026	0.077	1.000		2.60
(8) ageib	0.685**	0.070	-0.400*	-0.276*	-0.118	0.728**	-0.174	1.000	1.17

\*: Significant at the 0.05 level

\*\* : Significant at the 0.01 level

Source : Author

The regression analysis provides insights into the factors influencing the Islamic Social Reporting (ISR) index. The age of the CEO has a negative impact on the ISR index, with a coefficient of -0.00173 ( $t = -1.83$ ), indicating that older CEOs tend to be associated with slightly lower ISR indices. The business education background of the CEO shows insignificant effect on ISR, with a coefficient of -0.00115 ( $t = -0.14$ ). Gender ceo has a significant negative impact on ISR, with a coefficient of -0.0245 ( $t = -2.15$ ), suggesting that banks with female CEOs have lower ISR indices. CEO experience positively affects ISR, with a coefficient of 0.00412 ( $t = 2.16$ ), indicating that more experienced CEOs are associated with higher ISR indices. The natural logarithm of total assets has an insignificant negative impact on ISR, with a coefficient of -0.00629 ( $t = -0.66$ ). The return on assets (roa) also shows an insignificant negative effect on ISR, with a coefficient of -0.000697 ( $t = -0.40$ ). Lastly, the age bank significantly positively influences ISR, with a coefficient of 0.00491 ( $t =$

2.15), indicating that higher age bank are associated with higher ISR indices. These results highlight the significant roles of CEO gender, experience, and age bank's in determining the ISR index for Indonesian Islamic banks.

Regression analysis reveals several key factors influencing the Islamic Social Reporting (ISR) index among Islamic banks in Indonesia. The age and gender of the CEO significantly impact ISR, with older CEOs and female CEOs associated with lower ISR indices. This may be due to the more conservative approach of older CEOs and the various cultural and structural constraints faced by female CEOs. Conversely, CEO experience contributes positively to ISR, indicating that more experienced CEOs tend to implement more effective and comprehensive ISR strategies.

Additionally, the age of the bank also positively affects ISR, showing that older banks tend to have better ISR performance. However, variables such as the natural logarithm of total assets and return on assets do not show a significant influence on ISR. These findings underscore the importance of CEO characteristics and financial structure in shaping the ISR performance of Islamic banks in Indonesia.

## **Discussion**

The age of the CEO appears to negatively impact the Islamic Social Reporting (ISR) index. Older CEOs tend to be associated with slightly lower ISR indices. This may be due to more conservative views or entrenched managerial habits that might not favor innovation in social reporting. Research by Meier & Schier (2021) found that a CEO's age can influence corporate social responsibility (CSR) performance. Additionally, Li & Yang (2024) indicated that the cognitive characteristics of CEOs, which often change with age, can affect firm performance and CSR

activities.

The CEO's business education background shows insignificant effect on Islamic Social Reporting (ISR). This suggests that having a formal education in business does not automatically enhance or diminish the tendency to implement robust social reporting. Other factors, such as personal values, practical experience, and the company context, may be more influential than formal education in this regard. Velte (2020) also found that CEO characteristics, including educational background, have varied and often insignificant impacts on CSR. Furthermore, a study by Huang (2013) supports the notion that CEO education specialization has a limited effect on CSR performance.

The gender of the CEO has a negative significant impact on Islamic Social Reporting (ISR), with banks led by female CEOs tending to have lower ISR indices. This may reflect additional challenges faced by women in leadership positions or cultural and societal expectations of women in managerial roles. Kouki (2023) demonstrated that gender diversity within the board can moderate CSR engagement, supporting this finding. Similarly, Orij et al (2021) found that board gender diversity influences overall CSR activities.

CEO experience positively influences ISR, indicating that more experienced CEOs are associated with higher ISR indices. This can be attributed to a deeper and broader understanding of best practices in social reporting and a stronger professional network that can support effective CSR implementation. Chouaibi et al (2023) highlighted that CEO characteristics, including experience, play a significant role in CSR disclosure. Gupta et al (2021) also supported the idea that CEO experience affects the adoption of CSR executive positions in Fortune 500 firms.

**Table 4. Regression Result**

	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
	<b>isr</b>	<b>isr</b>	<b>isr</b>	<b>isr</b>	<b>isr</b>
age	-0.000849				-0.00173*
	(-0.99)				(-1.83)
ebcg		-0.00320			-0.00115
		(-0.41)			(-0.14)
gen			-0.0149		-0.0245**
			(-1.34)		(-2.15)
expe				0.00202	0.00412**
				(1.13)	(2.16)
ln_aset	-0.00469	-0.00628	-0.00616	-0.00691	-0.00629
	(-0.48)	(-0.64)	(-0.64)	(-0.71)	(-0.66)
roa	-0.00107	-0.000438	0.000290	-0.000773	-0.000697
	(-0.66)	(-0.28)	(0.18)	(-0.50)	(-0.40)
ageib	0.00528**	0.00538**	0.00430*	0.00602**	0.00491**
	(2.40)	(2.42)	(1.85)	(2.64)	(2.15)
_cons	0.890***	0.894***	0.903***	0.898***	0.983***
	(3.21)	(3.18)	(3.28)	(3.25)	(3.63)
N	66	66	66	66	66
r2	0.138	0.125	0.152	0.143	0.250

Note: The Hausman test shows a value below 0.05, indicating that panel data regression uses a fixed effect model. The regression employs robust standard errors to address violations of classical assumptions. t-statistics are reported in parentheses. \*p<0.1, \*\*p<0.05, \*\*\*p<0.01.

Source : Author

## Conclusion

Despite these findings, this study has several limitations. The analysis is confined to publicly available data from 2015 to 2020, which may not fully capture long-term trends or recent developments. Additionally, the geographical scope is limited to Indonesia, which restricts the generalizability of the results to other countries or regions. The study also does not account for qualitative aspects such as corporate culture or leadership style, which may further influence ISR outcomes.

To address these limitations, future research should extend the study period to include more recent data and explore ISR practices in a broader geographical context through international comparative studies. Incorporating additional variables, such as corporate governance, board diversity, and organizational culture, could provide a more comprehensive understanding of ISR determinants. Furthermore, qualitative approaches, such as interviews with CEOs and managers, can offer deeper insights into the challenges and motivations behind ISR implementation. By overcoming these limitations and expanding the scope of research, Islamic banks can enhance their ISR practices, fostering greater transparency, accountability, and stakeholder trust. These improvements will not only align with sharia principles but also contribute to the long-term sustainability and competitiveness of Islamic banking institutions.

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#### Author's declaration

**Samsul Rosadi:** Conceptualization, Methodology, Validation, Investigation, Resources, Data curation, Writing - original draft, Funding acquisition..

**Usnan:** Software, Validation, Formal analysis, Resources, Data curation, Writing - original draft, Visualization, Funding acquisition

**Siti Malikhah:** Writing - review & editing, Visualization, Supervision, Project administration

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