COMPARATIVE PERFORMANCE OF CORPORATE SOCIAL RESPONSIBILITY OF ISLAMIC AND CONVENTIONAL BANKS IN INDONESIA PERIOD OF 2011-2015

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Abstrak

The purpose of this study is to compare the performance of Corporate Social Responsibility in Islamic and Conventional Banks in Indonesia period of 2011-2015 and to find out which of the banks stream perform better than the other. The performance is measured by the Global Reporting Initiative Index. The research used in this study is by calculating the scoring values of each index, and hypothesis testing. By using Content analysis method and Paired Sample T-test, 10 populations were selected that met the criteria, 5 Islamic and 5 Conventional Banks that revealed their social performance by using Economic, Environment, and Social Index. The data that is being used is secondary data obtained through annual reports from the official website of each Islamic and Conventional Banks. The results of this study indicate that there is a slightly significant difference of the comparison performance in Corporate Social Responsibility of Islamic and Conventional Banks in Indonesia period of 2011-2015. This phenomenon indicate that every year Islamic Banks in Indonesia working hard in order to develop their performance in term of Economic, Environment, and Social disclosure to be a serious competitor for Conventional Banks in the future of time. Thus, Conventional Banks leads to the Corporate Social Responsibility disclosure performance.

Keywords: Corporate Social Responsibility, Islamic Banks, Conventional Banks, Performance, and Global Reporting Initiative Index.

1. Introduction

Banking is one of the pillars of the economy in Indonesia, and also because banks play an important role in distributing the funds for a variety of business interests that are directly related to a variety of environmental society. Banks are required to not only carry out their duties in the areas of banking, but are required to provide evidence of concern for the communities that are directly related with their operations. One of the cases of this concern is called Corporate Social Responsibility (CSR).

CSR disclosure practices have been widely applied by public companies in Indonesia. Although it is common practice, but CSR is done mostly by mining companies as well as manufacturing, with the global trend of CSR, the current banking industry has also been mentioned in aspects of social accountability in the annual report in the form of relatively simple. Such disclosure is not only done by the Conventional banks but also carried out by Islamic banking. The concept of CSR is not new and the understanding is not static. CSR appeared for the first time since Howard R.Bowen published his book which titled Social Responsibility of the Businessmen in 1953.

Corporate Social Responsibility (CSR) disclosure practices in Indonesia have been carried out by public companies, both in the manufacturing companies, mining, and also in the banking. In general, these companies use the GRI Index (Global Reporting Initiative) in their disclosure practices of its social responsibility.

The basic idea of CSR that stated by Bowen refers to the obligation of businesses to conduct its business in line with the values and goals to be achieved in the communities where the company operates (Howard R. Bowen, 1953). Where the process of taking advantage of the company often damage the environment or other social impacts. The difference of companies including CSR information disclosure is based on the peculiarities of the industry and major shareholders. Differences stakeholders of a bank entity will influence the expectations and
compensation to be obtained from the company (Yamak and Suer, 2010).

CSR has fundamentally inherent with Islamic Bank as a consequence of reliance on the teachings of Islam. Different with Conventional Bank, Islamic bank dichotomy between business orientation with a social orientation. Business orientation should bring social orientation, or at least does not contradict its social orientation. This had repercussions on the strength of the social character of Islamic banking, compared with a conventional bank. Reminding the basic philosophy is religious, it is believed that the existing relationship will be more sustainable in the conventional CSR compare patterns.

Muslims are expected to conduct their business activities in accordance with the requirement of Islamic. Since the foundation of IFIs is based on Islamic values, they are considered having ethical identity and have unique social and economic objectives (Haniffa and Hudaib, 2007). IFIs are guided by an Islamic economic worldview, which is based on the principle of social justice and the well-being of society (Dusuki and Dar, 2005). Llias (2008:1) outlines major differences between IFIs and CFIs. IFIs operate on the basis of banning interest and uncertainty, sharing risk and profits, encouraging ethical investments that enhance society and asset-banking. It requires each a financial transaction must be tied to a “tangible, identifiable underlying asset”.

Under Islamic law, money does not belong to the asset category as it is intangible and thus should not earn a return. Businesses that follow Islam principles have to incorporate Islamic law fully into their business practice and objectives, leading to corporate behaviors that are different from the ones in the western market economy where profits maximization including profits from interest on loans is the legitimate aim of business. In the context of Islam business world, businesses have to demonstrate their accountability to God and fulfillment of social objectives. This demonstration is expected to be reflected in the annual reports published to the public.

Based on the background described, the proposed formulation of the problem in this research “Is there any difference of Corporate Social Responsibility Performance in Conventional and Islamic banking based on the GRI Index in Indonesia period 2011-2015”.

In accordance with the formulation of the above problems, the general objective of this research is: Proving whether or not there are differences of CSR disclosure in Conventional bank and Islamic bank based on the GRI Index.

The benefits of this research are expected to provide positive benefits for firstly companies as a reference for decision making by the company management and investors, especially as a consideration in policy-making with respect to the implementation of CSR in the company's operations and disclosure in the annual report of the company. Second, for academic as a reference in subsequent studies on the side as a means to broaden the perception. Also for writer to get more in-depth knowledge and comprehensive information on social accounting in general and how CSR practices in Islamic and conventional banking in Indonesia in particular.

2. Literature Review and Hypothesis Development

2.1. Corporate Social Responsibility (CSR)

According to Baker (2003), corporate social responsibility is how the company manages its business processes, to produce anything positive effect on the environment. Social responsibility is also defined (ISO 26000) as the responsibility of an organization for the impact of decisions and activities on society and the environments, through transparent and ethical behavior that is consistent with sustainable development and social welfare; considering the interests of stakeholders; accordance with applicable law and consistent with international norms, integrated in all activities of the organization, in this sense covers both activities, products and services.

2.2. The Benefits of CSR

Reduce the risk and the charges against inappropriate treatment received by the company. CSR can be serve as a protective and helps companies to minimize the adverse effects that caused a crisis. Involvement and employee pride. Employees will feel proud to work for a company that has a good reputation who has consistently made efforts to help improve the welfare and quality of life of the community and environment.
2.3 Disclosure of Social Responsibility

The disclosure of corporate social responsibility which is also referred to as social disclosure, corporate social accounting, and social accounting (Mathews, 1995 in Sembiring, 2005) or corporate social responsibility (Hackston and Milne, 1996 in Sembiring, 2005) is the process of communicating the social and environmental impacts of the organization's economic activity towards specific groups concerned and society as a whole. It expands the responsibilities of the organization (especially companies), beyond its traditional role of providing financial reports to capital owners, especially shareholders.

2.4 The Concept of CSR in Conventional Banks

According to Suharto (2006), the concept of corporate social responsibility is widely accepted and is increasing. Although there was still some who consider it controversial, which they had argued that as a profit company, it had paid a sum of money in the form of taxes, to the state for distribution to the public in order to increase prosperity. Meanwhile, the opposing party argues that the company cannot be separated from the individuals who are involved in it, such as the owners and employees. Therefore, it is not the time for companies to only think about financial gain, but also to care about the rights and the interests of the public, especially those residing around the company.

2.5 The Concept of CSR in Islamic Banks

Islam as a way of life that provides a guide for its people to adapt and evolve according to the era. Islam allows Muslims to innovate in muamalah, but not in faith, worship and morality (Kamali, 1989). The institution which conducts its business based on Islamic is essentially based on the basic philosophy of the Qur'an and the Sunah (Ahmad, 2002). So that it forms the basis for the person in their interaction with the environment and each other. Therefore the ties between the institution and its environment in the concept will be stronger than in the conventional concept, because Islamic is based on the fundamentals of religious.

2.6 Global Reporting Initiative (GRI) Index

Global Reporting Initiative Index is a standard measurement of reporting social responsibility issued by the Global Reporting Initiative. The Global Reporting Initiative is an organization which issued a standard measurement of financial reporting. GRI has a vision to help create a sustainable global economics where the organizations manage economic, environmental, social and governance performance of the institution that are responsible for their own and transparent reporting. To help its vision the GRI's had a mission to make sustainability reporting standard by providing support and guidance to every organization.

This study refers to the use of the GRI Index where the index grouping the indicators into three themes of disclosure (Simon, 2010), which are: economic, environment, and social.

This study aims to compare the social responsibility disclosure of which is better between Conventional Bank and Islamic Bank by using a reference standard Global Reporting Initiative Index. Rate disclosure items will be seen through the disclosures in the annual reports of each company based on an index that is used by the researcher. The researcher wants to focus on the CSR performance on the comparison in Conventional and Islamic banks using one of the tools that is called Global Reporting Initiative (GRI) Index as a standard measurement of social responsibility reporting. And also the method that the researcher is using is Hypothesis Testing Study, which is Paired Sample T-test. It is comparing the Islamic and Conventional banking in three categories, which are Economics, Environment and Social. So the researcher want to know whether there is a difference in Social Responsibility Performance in Islamic and Conventional banking company in Indonesia based on GRI Index period of 2011-2015.

3. Research Methodology

3.1 Research Design

Study purpose of this research is to compare the performance of Corporate Social Responsibility in Islamic and Conventional Banks in Indonesia period of 2011-2015 by using a Hypothesis Testing Study. Type of investigation in this research was a comparative study. The Time Horizon in this study was Time-series data.
3.2 Research Population and Sample

Population is a set group of people, events, or something that interest the researchers to conduct a research/investigation by having certain characteristics (Sekaran and Bougie, 2010:262). Population in this research is the conventional banks and Islamic banks that are registered in the financial services authority (OJK) (previously Bank Indonesia) period of 2011-2015. Subjects which obtained are 5 Islamic and 5 Conventional banks.

The sampling is done by random sampling with sample criteria. In this study, the criteria set for the sample used is the banks that provide their financial report in their official website period of 2011-2015. It includes 5 Islamic and 5 Conventional banks. Because not all the Islamic bank that already go public, the researcher decided to choose the bank that have the data.

<table>
<thead>
<tr>
<th>Bank Classification</th>
<th>No.</th>
<th>Islamic Bank</th>
<th>Conventional Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mega Syariah</td>
<td>Mega</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Muamalat</td>
<td>Permata</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>SyariahMandiri</td>
<td>BII Maybank</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>BniSyariah</td>
<td>BNI</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>BriSyariah</td>
<td>Mandiri</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data (2017)

3.3 Data Collection Technique

The data that is being used in this research are secondary data. Secondary data are primary data that have been processed further and presented either by the primary data collectors or other parties, for example in the form of literature, scientific work of others, or internet data. (Sekaran and Bougie, 2010:77). Secondary data generally are in the form of evidence, records or historical reports that have been compiled in the archives (data published document). The sources of the data for this research were gathered from the annual reports that are published by each bank on their website. Data collection techniques in this research were a documentation method.

3.4 Variables Operationalization

The tool of the scale measurement that researcher used is the Rating Scale. Because the rating scale is more flexible, not only is it to measure attitudes but can also be used to measure respondents perceptions of environmental phenomena, such as a scale to measure the status of the social, economic, knowledge, abilities, and others. In the rating scale, the most important is the ability to translate the selected alternative answers of respondents.

The variables that the researcher used in this study:

3.4.1 Social Responsibility Disclosure

The main variable in this study is the Social Responsibility Disclosure. This variable can be measured using several reference of standards that have been issued by institutions or related organizations. Some of these standards are: The Concept of People, Profit, Planet, Global Impact, AA 1000, ISO 26000, SA 8000, GRI. From the six standard reference used by international, researchers only use one variable associated with Social Responsibility Disclosure, which is the Global Reporting Initiative.

3.4.2 Global Reporting Initiative (GRI)

The variable which the main concern for the researcher is the dependent variable that also affected by the independent variable. Through analysis of the dependent variable, it is possible in finding answers to the problem (Sekaran and Bougie, 2010:116). The GRI reporting of the framework also includes of the guidelines for reporting, the sector of industry and other resources that enable greater organizational transparency about the economic, social and environmental performance. The dependent variable in this study is the Global Reporting Initiative or GRI Index that consists of items in three categorize, which are economics, social, and environments.

The measurement method that will be used is that calculating the items of disclosure based on the standard reference of the Global Reporting Initiative or GRI Index. The index values can be obtained by using the content analysis. Content analysis is an analytical method that is often used to identify the content contained in the annual report (Othman and Thani, 2010). The researcher used the content analysis to see how much is the percentage of the disclosure of each of the bank.

The first step is to analyze the data to provide a checklist on every item that reveals the social activity on the financial statements of Islamic and
Conventional banks (Sofyani et al., 2012). The data that have been analyzed was a social responsibility disclosure which disclosed by the company in its annual report, and will be assessed using the items that must be disclosed under the GRI index.

The second step is to give a score for each of the item. If there is one item that is being disclosed it will receive a score of "1" and if not it will receive a score of "0". Those values will be added according to each of the theme or as a whole. The values according to the theme will illustrate the theme of what became the primary focus of each company. Values that are calculated as GRI index is the overall value.

Thus the greatest value is 50 and the smallest value is 0 for every company in every year. The formula is as follows:

\[ P = \frac{f}{n} \times 100\% \]

Information:
\( P \) = the percentage numbers  
\( f \) = number of GRI index score  
\( N \) = total GRI index

Then the percentage numbers we can categorize into the social disclosure performance value:

<table>
<thead>
<tr>
<th>Percentage Numbers</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20%</td>
<td>Very low</td>
</tr>
<tr>
<td>21-40%</td>
<td>Low</td>
</tr>
<tr>
<td>41-60%</td>
<td>Middle</td>
</tr>
<tr>
<td>61-80%</td>
<td>High</td>
</tr>
<tr>
<td>81-100%</td>
<td>Very high</td>
</tr>
</tbody>
</table>

Sources: Othman et al., (2009)

The category social performance value will explains about the function to see the percentage of the disclosure of corporate social responsibility of the bank. It’s to see how much the percentage of the disclosure in the bank of its corporate social responsibility with the expectation of the high percentage is 100%. Because not all corporate can reach 100%, that’s why the researcher need to put it into groups from very low to very high.

4. Results and Discussion
4.1 Research Results
4.1.1 Content Analysis Method
The calculation of the content analysis method is used by comparing the total items, which is being disclosed by the company with the total as a whole which become the disclosure from the index that is being used. In this disclosure of Global Reporting Index, the researcher only took 3 main themes which are: Economic, Environment, and Social. So the number of items disclosed by the company divided by the total index number of items which is 3, and then multiplied by 100% of the company obligations. To know the disclosures made by the company, checklist of the items one by one is done in the annual report that is issued by the company. Thus the researcher can obtained the value of social performance category.

Thus it can be conclude that the content analysis drew the average disclosure of social performance of 5 years period in Islamic and Conventional Banks in Indonesia based on Global Reporting Initiative Index classified into Middle category that disclose from 41%-60% in Islamic Banks and as for Conventional Banks it classified into High category that disclose 61%-80% in general. It can be said that Conventional Banks slightly disclose more than Islamic Banks. However Islamic banks show a positive sign by looking at the number of disclosure increases every year as follows:

<table>
<thead>
<tr>
<th>Category Social Performance Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2013</td>
</tr>
</tbody>
</table>
4.1.2 Descriptive Statistic

4.1.2.1 The Economic Aspect of Corporate Social Responsibility in Islamic and Conventional Banks period of 2011-2015

### Descriptive Statistic of Islamic Banks in term of Economic period of 2011-2015

<table>
<thead>
<tr>
<th>Years</th>
<th>Index</th>
<th>Islamic Banks</th>
<th>Conventional Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Environment</td>
<td>Very High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>High</td>
<td>Very High</td>
</tr>
<tr>
<td>2015</td>
<td>Economic</td>
<td>Middle</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>Middle</td>
<td>Middle</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>Very High</td>
<td>Very High</td>
</tr>
</tbody>
</table>

Source: Processed Data (2017)

This part will explain the results of the disclosure in economic aspect of Islamic and Conventional Banks in Indonesia period of 2011-2015. The test began by scoring each of the items from Islamic and Conventional Banks. It consists of 5 Islamic banks and 5 conventional banks. Then the results of these were separated into two groups, Economic of Islamic banks and Economic of Conventional Banks. This data is then tested for its significance with SPSS program. It shows that the average (mean) and standard deviation of each variable of 5 Islamic and 5 conventional banks.

It shows in the table above the average (mean) and standard deviation of the variable for Islamic and Conventional banks in term of Economic in Corporate Social Responsibility disclosure (CSRD). It explains that Islamic and Conventional bank in term of economic, the average (mean) 0.72 = 0.72 and standard deviation 0.458 = 0.458.

Islamic and conventional banks in term of economic is equal, it’s proven by the average of Islamic and Conventional banks, which mean both of the banks perform Corporate Social Responsibility Disclosure, are the same.

### Descriptive Statistic of Conventional Banks in term of Economic period of 2011-2015

<table>
<thead>
<tr>
<th>Years</th>
<th>Index</th>
<th>Islamic Banks</th>
<th>Conventional Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Environment</td>
<td>Very High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>High</td>
<td>Very High</td>
</tr>
<tr>
<td>2015</td>
<td>Economic</td>
<td>Middle</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>Middle</td>
<td>Middle</td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>Very High</td>
<td>Very High</td>
</tr>
</tbody>
</table>

Source: Data processed (2017)
### Descriptive Statistic of Islamic Banks in term of Environment period of 2011-2015

<table>
<thead>
<tr>
<th>N Statistic</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN</td>
<td>25</td>
<td>0</td>
<td>1</td>
<td>.72</td>
</tr>
</tbody>
</table>

Sources: Data processed (2017)

### Descriptive Statistic of Conventional Banks in term of Environment period of 2011-2015

<table>
<thead>
<tr>
<th>N Statistic</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENI</td>
<td>25</td>
<td>0</td>
<td>1</td>
<td>.64</td>
</tr>
</tbody>
</table>

Sources: Data processed (2017)

The test began by scoring each of the items from Islamic and Conventional Banks. It consists of 5 Islamic and 5 conventional banks. Then the results of these were separated into two groups, in term of Environment in Islamic banks and Environment in Conventional Banks. This data is then tested for its significance with SPSS program. It shows that the average (mean) and standard deviation of each variable of 5 Islamic and 5 conventional banks.

It show in the table above the average (mean) and standard deviation of the variable for Islamic and Conventional Banks in term of Environment CSR, which explains: In term of Environment, Islamic and Conventional Banks with average (mean) 0.72 > 0.64 and standard deviation 0.458 < 0.490.

Islamic and conventional banks in term of environment CSR, the average mean shows that Islamic perform better for sure in term of environment. It’s proven by the average and looking at the standard deviation of Islamic banks and Conventional Banks.

#### 4.1.2.3 The Social Aspect of Corporate Social Responsibility in Islamic and Conventional Banks period of 2011-2015

### Descriptive Statistic of Islamic Banks in term of Social period of 2011-2015

<table>
<thead>
<tr>
<th>N Statistic</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO</td>
<td>25</td>
<td>0</td>
<td>1</td>
<td>.96</td>
</tr>
</tbody>
</table>

Sources: Data processed (2017)

### Descriptive Statistic of Conventional Banks in term of Social period of 2011-2015

<table>
<thead>
<tr>
<th>N Statistic</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOI</td>
<td>25</td>
<td>1</td>
<td>1</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Sources: Data processed (2017)

The test began by scoring each of the items from Islamic and Conventional Banks. It consists of 5 Islamic and 5 conventional banks. Then the results of these were separated into two groups, in term of Social in Islamic banks and Social in Conventional Banks. This data is then tested for its significance with SPSS program. It shows that the average (mean) and standard deviation of each variable of 5 Islamic and 5 conventional banks.

It shows in the table above the average (mean) and standard deviation of the variable for Islamic and Conventional Banks in term of Social CSR, which explains: In term of Social, Islamic banks and Conventional Banks with average (mean) 0.96 < 1.00 and standard deviation 0.2 < 0.0.

Islamic bank and conventional Banks in term of Social, the average mean shows that Conventional Banks disclose better in term of it’s Social in...
Corporate Social Responsibility and also standard deviation shows that Conventional Banks perform better than Islamic. It’s proven by the average and looking at the standard deviation of Islamic bank and Conventional Banks.

4.1.3 Paired Sample T-test

The next test conducted by the researchers is the Paired Sample T-Test. This test is to see whether or not the differences “Based on the Economic, Environment, and Social performance disclosure of Corporate Social Responsibility in Islamic and Conventional Banks are significantly difference in year 2011-2015”. Difference test was conducted by using 5 Islamic and 5 Conventional Banks that exist in Indonesia.

<table>
<thead>
<tr>
<th>Paired Sample T-test of Economic, Environment, and Social Performance in Islamic and Conventional Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paired Differences</strong></td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Pair 1 EC - ECI</td>
</tr>
<tr>
<td>Pair 2 EN - ENI</td>
</tr>
<tr>
<td>Pair 3 SO - SOI</td>
</tr>
</tbody>
</table>

Sources: Data processed (2017)

Paired sample t-test of Economic, Environment, and Social performance for Islamic and Conventional Banks shows that the t-value is 0.000, 0.700 and -1.000 with significance (sig) 1.000, 0.491 and 0.327. From these results it indicate that in terms of Economic, Environment, and Social there is slightly significant differences of both banks stream in Indonesia.

4.2 Hypothesis Discussion

4.2.1 Corporate Social Responsibility in term of Economic Aspect

It show in the table of Paired Sample T-test the result for the Sig (2-tailed) value is 1.000 > 0.05, therefore it accepts the first hypothesis. Ho1 is being accepted and Ha1 is being rejected. There is a slightly difference between Islamic and Conventional Banks in term of Economic CSRD performance. Having looked through in term of Economic, Conventional Banks lead the category of social performance. Conventional Banks disclose almost to 41%-60% while Islamic bank disclose around 21%-40%. So there is slightly difference in term of Economic performance. But for Islamic bank in term of Economic, in each year it goes up meaning that it positively reaching out to Conventional Banks. The disclosure is still lacking, it could be because of the Islamic bank is still new and still have a lot of spin off so the disclosure still lacking compare to Conventional Banks.

The result is similar with Ali and Rahman (2015), in term of economic aspect in most of those disclosures, it shows that there were little differences between Islamic and conventional banking. Other research shows that there is great influence of Islam on CSR in Islamic Banking. This also raises the contemplation that either other spiritual also as well play an important role in CSR. Hence from the complete research work conclusion made that CSR introduced in Islamic banking earlier than Conventional banking. But now Conventional banking introduced CSR practices in their institutions. In Bangladesh, now people have more awareness about CSR practices in Islamic banking and about all other aspects of Islamic banking.

Islamic banking provides more services according to the expectations of the people as compared to the conventional bank because Islamic bank is more driven by economic realities. In most cases, those
disclosures show that there were little differences between Islamic and conventional banking in term of economic aspect.

4.2.2 Corporate Social Responsibility in term of Environment Aspect

It show the result for the Sig (2-tailed) value is 0.491 > 0.05, therefore it accepts the second hypothesis. Ho2 is being accepted and Ha2 is being rejected. There is a slightly difference between Islamic and Conventional Banks in term of Environment CSRD performance. Having looked through in term of Environment, Conventional Bank leads the category of social performance. Conventional Banks disclose almost to 41%-60% while Islamic bank disclose around 21%-40%. So there is slightly difference in term of Environment performance. But for Islamic bank in term of Environment, only few of the banks did not disclose it.

The result is similar with Ali and Rahman (2015), the concept of Corporate Social Responsibility generally means the environment and local development of the community and taking initiative to conserve the social and culture. However both of the banks are doing well in terms of CSR practice but still a lot can be done for the environment development. In order to achieve the environment objectives the banks have framed a CSR policy with respect to specification and prioritization of activities for environment.

From the discussion above, we can conclude that both of the banks are equally transparent. And also for the reporting of their CSR activity of the Environment. For the Conventional Banks, the score is better than its counterpart of Islamic Banks. On the Environment aspect, Conventional banks and Islamic Banks both of these banks are trying to preserve the environment aspect in their best possible way.

4.2.3 Corporate Social Responsibility in term of Social Aspect

It show the result for the Sig (2-tailed) value is 0.327 > 0.05, therefore it accepts the third hypothesis. Ho3 is being accepted and Ha3 is being rejected. There was a slightly difference between Islamic and Conventional Banks in term of Social CSRD performance. Having looked through in Social aspect, Islamic and Conventional Banks has the same result of the disclosure in the category of social performance. Conventional Banks disclose 81%-100% while Islamic bank disclose around 81%-100%. So there is only a little difference in term of Social performance. It means for Islamic, it’s very good because it can positively reaching out to conventional bank in term of Social disclosure performance.

The result of this research is similar with the result of Abassi (2012), in most cases of those disclosures there was found a little differences between Islamic and Conventional banking. Second, Islamic bank works under this point of view that they are accountable before GOD. Furthermore there are some additional research shows that there is a great influence of Islam on corporate social responsibility in Islamic Bank. This also raises the thought that whether or not other religious also play an important role in CSRD.

Based on from the researches above and supported by this research, the researcher concludes that there is a slightly significant difference of the comparison performance in corporate social responsibility (CSR) of Islamic and Conventional Banks in Indonesia period of 2011-2015. This phenomenon indicate that every year Islamic banks in Indonesia working hard in order to develop their performance in term of Economic, Environment, and Social disclosure to be a serious competitor for Conventional Bank in the future of time. Thus, Conventional Banks lead the Corporate Social Responsibility disclosure performance.

5. Conclusion, Limitations, and Suggestions

5.1 Conclusion

Based on from the discussion in the previous chapters, this research was aimed to compare the performance of Corporate Social Responsibility in Islamic and Conventional Banks based on terms Economic, Environment, and Social. The conclusions are as follow:

1) Based on the Economic disclosure, statistical test shows that there is a slightly difference between Islamic and Conventional Banks in Indonesia regarding in term of Economic performance. These two kinds of banks experiencing the same disclosure in corporate social responsibility in term of economic, but Conventional Banks lead a few.

2) Based on the Environment disclosure, statistical
test shows that there is a significant difference between Islamic and Conventional Banks in Indonesia regarding in term of environment. This might cause that a half of Islamic banks sample does not disclose in term of environment, the phenomenon that the author argued is that Islamic bank more focus on the social and not environment.

3) Based on the Social disclosure, statistical test shows that there is a slightly difference between Islamic and conventional banks in Indonesia regarding Social disclosure. This means that both companies consider it important how the company treats its employees in term of social but conventional leads more.

5.2 Limitations
This study certainly has some limitations. There are several limitations in this research, such as:
1) Total population is relatively small that lead the results may not be able to describe the actual conditions of Corporate Social Responsibility disclosure that occurred in Indonesia Banking Industries.
2) This research does not use grouping categories for companies that are small or large, so there is likely to be a small companies unit in this study whose less disclose that can effect the results.
3) The researcher only use three categorize and only take the main title in corporate social responsibility report.

5.3 Suggestions
Based on the results of the analysis and the conclusions is that the researchers provide suggestions that can be used as a references as follows:
1) This research uses content analysis method and continued with t-test, it is expected that the researcher can then do research with newer method that can produce result of wider research and its specification.
2) Further research is suggested to determine the category of a large or small companies, so that the units analyzed is more clear.
3) Increase the number of populations or samples in order to describe the real situation in the banking industries. The author also suggest that further research not only compare Islamic and conventional banks in Indonesia, but can make it broaden to ASEAN Countries.
4) Further research is suggested to use a longer period of time.

Reference


