Original Research Article

Effect of Profitability, Leverage, and Liquidity on Islamic Social Reporting Disclosure Before and During the Covid-19 Pandemicin the Jakarta Islamic Index (JII) Companies

ABSTRACT

Aims: This study aims to determine the effect of profitability, leverage, and liquidity on the disclosure of Islamic Social Reporting empirical studies on companies listed on the Jakarta Islamic Index in 2019 and 2020.

Study design: This study using the quantitative descriptive method.

Place and Duration of Study: Companies listed on the Jakarta Islamic Index in 2019 and 2020

Methodology: This study uses quantitative data with secondary data inside the shape of an annual report.The population is all sharia companies listed in the Jakarta Islamic Index, totaling 30 companies with a sample of 22 companies. Data analysis in this study was performed using multiple linear regression using IBM SPSS, namely Descriptive Statistics and Multiplelinear Regression.

Result: The results of this study are that profitability has a significant positive effect on ISR disclosure before Covid-19 and a significant negative effect on ISR disclosure during Covid-19, leverage has no significant effect on ISR disclosure before Covid-19 and leverage has a significant positive effect on ISR disclosure during Covid-19 , and liquidity has no significant effect on the disclosure of ISR before and during Covid-19.

Conclusion: Profitability has a significant positive effect on ISR disclosure before Covid-19 and a significant negative effect on ISR disclosure during Covid-19, leverage has no significant effect on ISR disclosure before Covid-19 and leverage has a significant positive effect on ISR disclosure during Covid-19 , and liquidity has no significant effect on the disclosure of ISR before and during Covid-19.

Keywords: *Profitability, leverage, liquidity, ISR, and Covid-19*

1. INTRODUCTION

The Covid-19 pandemic has unwittingly affected the economic growth of various countries. This pandemic has caused weakening demand and uncertainty in financial markets that continues to increase. This of course exacerbates growth opportunities, so that the world economy also contracts. Weakening economic growth also has an impact on the fulfillment of CSR by each company as a stakeholder. Matters concerning CSR (Corporate Social Responsibility) are certainly an essential highlight in the business world because the thought of CSR is the center of enterprise ethics for every company. Over time, sharia-based companies also perform CSR as a shape of community service. Disclosure of sharia-based CSR is Islamic Social Reporting (ISR). Initially the idea of corporate social responsibility only developed in the conventional economy, but now it is also developing in the Islamic economy. The concept of ISR is carefully associated with companies with the concept of sharia in running their business. This ISR measurement can be done using the ISR index. The disclosure of ISR is an important spotlight because it also increases public attention to the Islamic economy. One of the products of Islamic economics is the Islamic capital market. Due to the contraction in the economic aspect, it is possible that the Islamic capital market will also be affected. One of the existing Islamic capital marketplace products in Indonesia today is the Jakarta Islamic Index (hereinafter referred to as JII). Sharia shares included in the JII are shares that have passed the selection process by the Indonesia Stock Exchange (IDX).

Based on data published by the Financial Services Authority (OJK) shows that there are significant differences in market capitalization and the development of the Jakarta Islamic Index (JII) stock index in 2019 and 2020.Market capitalization and the development of the JII index or stock index certainly have a role in the economic development of a country because the more developed a country is, the greater the role of investment in it.The average market capitalization and development of the JII index in 2019 was much larger than in 2020. This shows a significant difference between before and during the Covid-19 pandemic. This means that the development of the JII stock index before the COVID-19 pandemic was better than during the Covid-19 pandemic. This has become a spotlight for researchers to examine the company's ability to fulfill Islamic Social Reporting because of the market capitalization value and the development of the JII stock index which was much better before the Covid-19 pandemic. But in fact, during this pandemic, with the declining market capitalization and development of the JII index, companies listed on JII were actually able to provide greater ISR disclosures than before the Covid-19 pandemic. Market capitalization and the development of the JII index will of course be related to the profitability, leverage, and liquidity of each company. So this study wants to see whether profitability, leverage, and liquidity have an impact on the disclosure of ISR for each company listed in JII.

From previous studies, it is stated that one of the elements that will have an effect on the disclosure of ISR is profitability. Profitability is the company's potential to earn income compared to property or capital to generate these profits. Based on previous research that profitability has a big impact on the use of ISR [1]. Meanwhile, according to other studies that profitability has no impact on the ISR statement [2]. The other factor is leverage. Leverage is the company's capacity to use assets and capital to maximise the property orgoals of the company. Based on previous research that leverage has a sizable effect on ISR disclosure[3]. Meanwhile, according to other studies that there was no impact of leverage on ISR disclosure[1]. Then the other factoris liquidity. Liquidity indicates the business enterprise's capacity to meet its momentary monetary obligations. High liquidity will show the business enterprise's strength in terms of its ability to satisfy current liabilities from current assets owned. Based on previous research that liquidity has a full-size impact on ISR disclosure [1]. Meanwhile, according to other studies that liquidity has no impact on ISR disclosure[4].

From the three indicators, it shows that there is research which states that profitability, leverage, and liquidity have an effect and do not affect the degree of disclosure of ISR which is represented by way of the ISR Index. Therefore, based on the problems raised, research questions can be asked whether profitability, leverage, and liquidity have an impact on ISR disclosure? The motive of this learn about was once to attain empirical proof on the impact of profitability, leverage, and liquidity at the disclosure of ISR on JII groups listed on the Indonesia Stock Exchange before and during Covid-19.

2. LITERATURE REVIEW, DEVELOPMENT OF HYPOTHESIS AND RESEARCH METHOD

2.1 LiteratureReview

2.1.1 Legitimacy Theory

The legitimacy theory views that the employer and the encompassing network have a close social dating because they are both bound in a social agreement. The company has an obligation to the community to provide something useful. One way to do this is by fulfilling and complying with the rules and norms that apply in society [5]. In the theory of legitimacy it is explained that the company must carry out activities according to the boundaries and norms that observein society's. As in carrying out CSR activities, companies must balance demands such as social, political and economic pressures from outside the company with what is desired by the community and what is required by regulations. This theory reveals that companies are continuously trying to act according to the boundaries and norms in society's. A company must run its business by legitimizing what the rules and expectations of society are. This is done so that there is no gap between legitimacy. If a company gets an award for good CSR practices, then the gap in legitimacy between the company and the community will be very small, and companies are more willing to be more transparent [6].

2.1.2 Islamic Social Reporting (ISR)

ISR is a preferred index for sharia-based companies to report on their social performance. This index become evolved using reporting requirements established by the AAOIFI, which have been refined by subsequent researchers. This index is an addition to the social overall performance reporting popular which includes humans'sexpectancies approximately the position of organizations inside the financial system as well as the spiritual position of companies This index additionally emphasizes social justice issues related to the surroundings, minority rights, and personnel[7].

2.1.3 Profitability

Profitability is the potential of a company to generate income with all of its capital sources [8]. Profitability is a measure of how nicely aorganisation is able to generate profits through its existing assets and capabilities. This includes factors inclusive of income activity, cash, capital, number of personnel, variety of agency branches, and so forth [9]. The higher the profitability, the more extensive the company will be in disclosing information, including information on Islamic social responsibility[1].Meanwhile, according to other oppinion when the company's profitability is low, The company will also disclose other achievements besides financial performance, such as corporate social responsibility[3]. This is finished which will improve the legitimacy of the company and increase investor attention.

2.1.4 Leverage

Leverage is the usage of company financing resources, each quick-term and lengthy-time period sources of financing so as to realize the organisation's intention to the price of the business enterprise concernedLeverage is the capability of a enterprise to raise the level of income (income) of its owners by using fixed-cost assets or funds (fixed-cost assets or funds) [10]. In addition, leverage is defined as "the degree of firm borrowing", meaning that leverage is the company's borrowing rate. When aorganization has excessive interest debt, management's capability to invest greater in Corporate Social Responsibility (CSR) programs is limited[11]. This means that if the leverage is higher it will have a fantastic courting to CSR report, and vice versa if the leverage is lower it will have a negative relationship to the social responsibility report.

2.1.4 Liquidity

Liquidity is a measure of aenterprise's capacity to fulfill its economic duties that have to be met right away, or the enterprise's capability to meet financial responsibilities whilst billed [12]. Measurement of liquidity using the current ratio which is a contrastbetween current assets and current liabilities. Liquidity is also the most common measure or commonly used to determine the capacity of a corporation to satisfy its quick-time period obligations. The better the liquidity ratio, the wider the level of disclosure of corporate social information or will indicate the organisation's capacity to increase its sociall disclosure, namely the disclosure of ISR[1]. Meanwhile, in step with the other oppinion if the liquidity ratio is lower, the disclosure level of ISR will also decrease, meaning that the liquidity ratio has a significant negative impact on ISR disclosure[13].

2.2 Development of Hypothesis

2.2.1 The Effect of Profitability on Disclosure of Islamic Social Reporting

On this study, profitability will be measured using Return on Assets (ROA). ROA pursuits to degree the effectiveness of the organisationin producing earnings by utilizing its assets[13]. Primarily based at the theoretical foundation and former studies described above, this study predicts two different hypotheses between before and during the Covid-19 pandemic. This can be seen from the data collected by researchers, that the average ROA of companies registered with JII before the Covid-19 was higher. Meanwhile, during the Covid-19 , the average ROA during the Covid-19 was lower. So that the resulting hypothesis formulation is as follows:
H1a: Profitability has a significant positive impact on ISR disclosure before the Covid-19 pandemic.
H1b: Profitability has a significant negative impact on ISR disclosure during the Covid-19 pandemic.

2.2.2 The Effect of Leverage on Disclosure of Islamic Social Reporting

On this study leverage is measured by way of the value of the Debt to Equity Ratio (DER). DER is used as a ratio that serves to degree the level of debt of a company. DER indicates the level of use of debt to the amount of equity in the company. DER can also be used as a tool to degree the enterprise's capability to pay debts in the long time.Primarily based at the theoretical foundation and former studies, this study estimates two different hypotheses between before and during the Covid-19 pandemic. This can be seen from the data collected by researchers, that the average DER of companies registered with JII before the COVID-19 pandemic was lower. Meanwhile, during the Covid-19 pandemic, the average DER during the Covid-19 pandemic was higher. So that the resulting hypothesis formulation is as follows:
H2a: Leverage has a significant negative impact on ISR disclosure before the Covid-19 pandemic.
H2b: Leverage has a significant positive impact on ISR disclosure during the Covid-19 pandemic.

2.2.3The Effect of Liquidity on Disclosure of Islamic Social Reporting Before and During Covid-19

On this study, liquidity is measured by way of the Current Ratio (CR). Current Ratio (CRis a ratio commonly used to degreea enterprise's capability to pay short-time period duties which are due soon. This ratio can measure how lots current assets are to be had to cowl the company's quick-time period liabilities.Primarily based at the theoretical foundation and former studiesdescribed above, this study predicts two different hypotheses between before and during the Covid-19 pandemic. This can be seen from the data collected by researchers, that the average CR of companies registered with JII before the Covid-19 pandemic was higher. Meanwhile, during the Covid-19 pandemic, the average CR during the Covid-19 pandemic was lower. So that the resulting hypothesis formulation is as follows:
H3a: Liquidity has a significant positive impact on ISR disclosure before the Covid-19 pandemic.
H3b: Liquidity has a significant negative impacton ISR disclosure during the Covid-19 pandemic.

2.3 Research Method

2.3.1 Theoritical Framework

Before Covid-19 **DuringCovid-19**

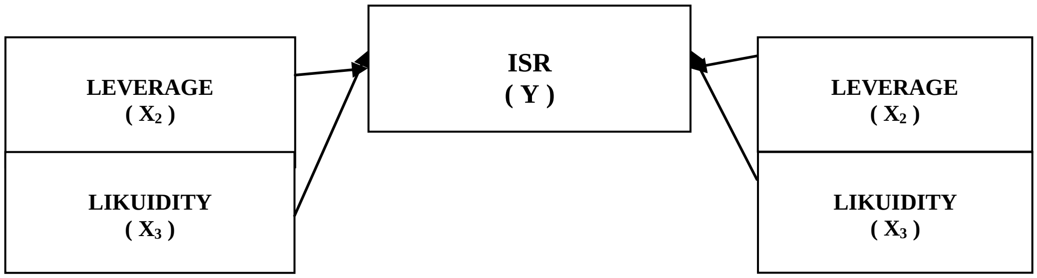


Fig. 1Theoritical Framework

2.3.2 Population and Research Sample

The populace in this observe consisted of all Islamic companies indexed on the Jakarta Islamic Index, amounting to 30 companies. Sampling using purposive sampling method with the subsequent standards: (1)Companies that are still indexed on the Jakarta Islamic Index, (2) Companies whose shares are still actively traded during the observation period, (3) Companies that publish annual reports on the IDX website or company websites in 2019 and 2020, (4) Companies that use rupiah currency.The sample in this study was 22 companies with an observation period of 2 years, namely 2019 and 2020.

2.3.3. Data collection technique

This study makes use of quantitative data with secondary data from sources such as annual reports and stock prices from JII and the Indonesia Stock Exchange (IDX).

2.3.4 Analysis Method

The research method used is descriptivequantitative studies, relying on statistical methods to collect data from secondary sourcesThe data analysis method used on this studies is descriptive data, classical assumption test, after which multiple linear regression.

3. RESULTS AND DISCUSSION

3.1 Results

3.1.1 Descriptive Statistical Analysis

Table 1. Descriptive Statistics Test Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Profitability before Covid	22	0.0064	0.3580	0.0852	0.0776
Profitability during Covid	22	0.0047	0.3489	0.0749	0.0752
Leverage before Covid	22	0.2005	3.2992	1.1714	0.9452
Leverage during Covid	22	0.2330	3.2012	1.2616	0.9987
Likuidity before Covid	22	0.2796	4.3547	1.7273	1.0437

Likuidity during Covid	22	0.3959	4.116	1.6573	0.8607
ISR Disclosure before Covid	22	0.4783	0.6739	0.5879	0.0559
ISR Disclosure during Covid	22	0.5	0.6957	0.6018	0.0504

Based totally on the data above, each variable may be defined as follows:

a. The outcomes of the descriptive statistical test display that the lowest profitability before Covid-19 value of 0.0064 is owned by the Aneka Tambang Tbk. While, the lowest profitability during Covid-19 value of 0.0047 is owned by the WijayaKarya (Persero) Tbk. The highest profitability before Covid-19 value was owned by the Unilever Indonesia Tbkcompany with a value of 0.3580. While the highest profitability during Covid-19 value was owned by Unilever Indonesia Tbk with a value of 0.3489. The average ROA value before Covid-19 was 0.0852 or 8.52% of the total value of assets owned by way of the enterprise. Meanwhile, the standard deviation value is 0.0776.The average ROA value during Covid-19 is 0.0749 or 7.49% of the total value of assets owned by way of the enterprise. Meanwhile, the standard deviation value is 0.0752.

b. The outcomes of the descriptive statistical test display that the lowest leverage before Covid-19 value of 0.2005 was owned by the Indocement Tunggal Prakarsa Tbk. While lowest leverage during Covid-19 value of 0.2330 is owned by the Indocement Tunggal Prakarsa Tbk. The highest leverage before Covid-19 value was owned by way of the enterprise JasaMarga (Persero) Tbk with a value of 3.2992. While the highest leverage during Covid-19 value was owned by way of the enterprise JasaMarga (Persero) Tbk with a value of 3.2012, The average DER value before Covid-19 was 1.1714. Meanwhile, the standard deviation value is 0.9452. The average DER value during Covid-19 is 1.2616. Meanwhile, the standard deviation value is 0.9987.

c. The outcomes of the descriptive statistical test show that the lowest liquidity before Covid-19 value of 0.2796 is owned by JasaMarga (Persero) Tbk. While the lowestliquidity during Covid-19 value of 0.3959 is owned by the XL AxiataTbk. The highest liquidity before Covid-19 value was owned by way of the enterprise Kalbe FarmaTbk with a value of 4.3547. While, the highest liquidity during Covid-19 value was owned by way of the enterprise Kalbe FarmaTbk with a value of 4,116. The average CR value before Covid-19 was 1.7273. Meanwhile, the standard deviation value is 1.0437. The average CR value during Covid-19 is 1.6573. Meanwhile, the standard deviation value is 0.8607.

d. The outcomes of the descriptive statistical test display that the lowest disclosure of ISR before Covid-19 value of 0.4783 is owned by the Ciputra Development Tbkcompany. While the lowest disclosure of ISR during Covid-19 value of 0.5 is owned by the Charoen Pokphand Indonesia Tbk. The highest score disclosure of ISR before Covid-19 was owned by Kalbe FarmaTbk and Unilever Indonesia Tbk with a value of 0.6739. While the highest score disclosure of ISR during Covid-19 was owned by Aneka Tambang Tbk with a value of 0.6957. The average ISR index value before Covid-19 was 0.5879. Meanwhile, the standard deviation value is 0.0559. The average ISR index value during Covid-19 is 0.6018. Meanwhile, the standard deviation value is 0.0504.

3.1.2Classic Assumption Test Results

a. Normality Test Results

Fig. 2. Normality Test Results Before Covid-19

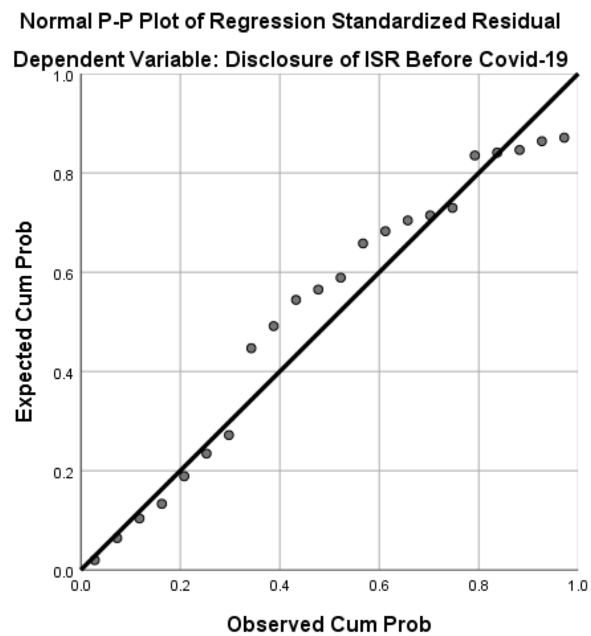
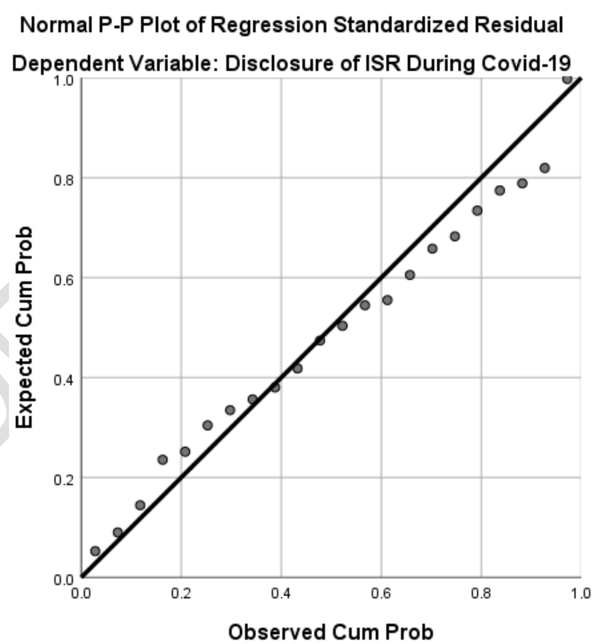


Fig. 3. Normality Test Results During Covid-19



In the picture above the P-P plots before and during covid-19 show that the distribution pattern is normal. This is evidenced by looking at the data that spreads across the diagonal line and follows the path of the diagonal line on the histogram graph. So the data can be stated to be commonly distributed.

b. Multicollinearity Test Results

Table 2. Multicollinearity Test Results Before Covid-19

Variable	Collinearity Statistics	
	Tolerance	VIF
Profitabilitybefore Covid-19	0.957	1.045
Leverage before Covid-19	0.526	1.902
Likuidity before Covid-19	0.510	1.962

Table 3. Multicollinearity Test Results During Covid-19

Variable	Collinearity Statistics	
	Tolerance	VIF
Profitability duringCovid-19	0.978	1.022
Leverage during Covid-19	0.579	1.726
Likuidity during Covid-19	0.571	1.752

The multicollinearity test table for data before and during Covid-19 above shows that the tolerance value is > 0.10 and the VIF value is < 10. So it is able to be concluded that there is no multicollinearity between independent variables in the regression model before Covid-19 and during Covid-19.

c. Heteroscedasticity Test Results

Fig. 4.Heteroscedasticity Test Results before Covid-19

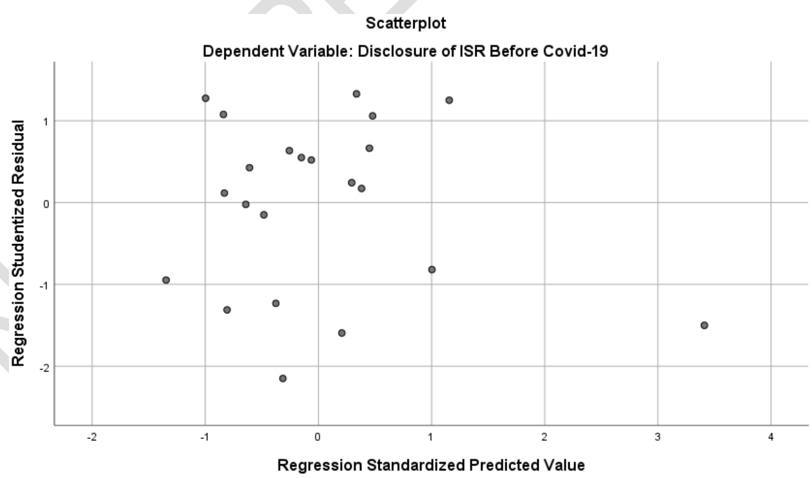
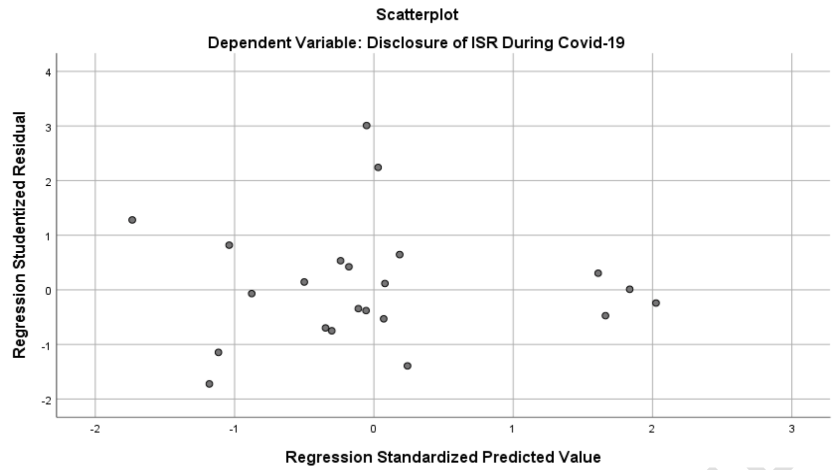


Fig. 5.Heteroscedasticity Test Results during Covid-19



In the scatterplot graphic image of the ISR disclosure before Covid-19 and during Covid-19, it shows that the dots are scattered and do not shape a pattern. Therefore, it is able to be concluded that the model isn't suffering from heteroscedasticity signs.

d. Autocorrelation Test Results

Table 4. Autocorrelation Test Results Before Covid-19

DW	Conclusion
1.069	There is no autocorrelation

Table 5. Autocorrelation Test Results During Covid-19

DW	Conclusion
1.097	There is no autocorrelation

Based on table 4 the DW value was 1.069, it can be written systematically -2 < 1.069 <2. Meanwhile, based on table 5 the DW value was 1.097, it can be written systematically - 2 < 1.097 < 2. So it is able to be concluded that there's no autocorrelation inside the data before and during Covid 19 used in this study.

3.1.3Multiple Linear Regression Test Results

Table 6. Multiple Linear Regression Test Results Before Covid-19

Information	B
Constant	0.492
Profitability Before Covid	0.320
Leverage Before Covid	0.029
Liquidity Before Covid	0.020

Table 7. Multiple Linear Regression Test Results During Covid-19

Information	B
Constant	0.604
Profitability During Covid-19	-0.225
Leverage During Covid-19	0.027
Liquidity During Covid-19	-0.012

Based on the table 6 the multiple linear regression model before Covid-19 is obtained as follows:

$$Y= 0.492 + 0.320\ X1 – 0.029\ X2 + 0.020\ X3 + \varepsilon$$

While based on table 7 the multiple linear regression model during Covid-19 is obtained as follows:

$$Y= 0.604 – 0.225\ X1 + 0.027\ X2 - 0.012\ X3 + \varepsilon$$

From the outcomes of the multiple linear regression equation shaped, it is able to be concluded that::

1. The value of the constant before Covid-19 was 0.492, meaning that the ISR disclosure value before would be worth 0.492 if the independent variable was 0 or constant. While the constant value during Covid-19 is 0.604, it means that the disclosure of ISR will be worth 0.604 if the independent variable is 0 or constant.
2. The value of the profitability constant before Covid-19 (X1) shows a positive value of 0.320. This means that each time there's an increase in profitability, it will cause the disclosure of ISR before Covid-19 (Y) to increase by 0.320 with the assumption that the different variables are constant.Meanwhile, the profitability constant value during Covid-19 (X1) showed a value of -0.225. This means that each time there's an increase in profitability, it will cause the ISR disclosure before Covid-19 (Y) to decrease by -0.225 with the assumption that the different variables are constant.
3. The value of the leverage constant before Covid-19 (X2) shows a value of 0.029. This means that each time there's an increasein leverage, it will cause the disclosure of ISR before Covid-19 (Y) to increase by 0.029 with the assumption that the different variables are constant. Meanwhile, the value of the leverage constant during Covid-19 (X2) shows a value of 0.027. This means that each time there's an increasein leverage, it will cause the disclosure of ISR before Covid-19 (Y) to increase by 0.027 with the assumption that the different variables are constant.
4. The value of the liquidity constant before Covid-19 (X3) shows a value of 0.020. This means that each time there's an increasein liquidity, it will cause the disclosure of ISR before Covid-19 (Y) to increase by 0.020 with the assumption that the different variables are constant.. Meanwhile, the value of the liquidity constant during Covid-19 (X3) shows a value of -0.012. This means that each time there's an increasein liquidity, it will cause the disclosure of ISR before Covid-19 (Y) to decrease by -0.012 with the assumption that the different variables are constant.

3.1.4 Hypothesis Test Results

a. Coefficient of Determination Test Results (R Square)

Table 8. Coefficient of Determination Test Results Before Covid-19

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604[a]	0.365	0.259	0.4814

Based on the table 8 it is recognised that the value of Adjusted R Square data before Covid-19 is 0.259 or 25.9%. Those outcomes imply that the capability of the independent variables in explaining the dependent variable before Covid-19 was 25.9% while the remaining 74.1% was stimulated or defined by different variables.

Table 9. Coefficient of Determination Test Results During Covid-19

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777[a]	0.603	0.537	0.0343

Based on the table 9it is recognised that the value of Adjusted R Square data during Covid-19 is 0.537 or 53.7%. Those outcomesimply that the capability of the independent variables in explaining the dependent variable during Covid-19 is 53.7% while the remaining 46.3% is influenced or explained by other variables.

b. Regression Model Feasibility Test Results (Statistical Test F)

Table 10. F Statistics Test Results Before Covid-19

Model	F	Sig.
Regression	3.447	.039[b]

Tabel 11. F Statistics Test Results During Covid-19

Model	F	Sig.
Regression	9.117	.001[b]

Judging from table 10 and table 11, the results of the simultaneous significance test before Covid-19 show that the F value of 0.039 means that the value is smaller than the 0.05 significance level. Meanwhile, based on table 11 the outcomes of the simultaneous significance test during Covid-19 show that the F value is 0.001, meaning that this value is smaller than the 0.05 significance level. So from those outcomes it is able to be concluded that the regression model in this study is fit or feasible to use.

c. Individual Parameter Significance Test Results (Test Statistics t)

Table 12. t Statistical Test Results Before Covid-19

Variable	B	Sig.
Profitability Before Covid-19	0.320	0.033
LeverageBefore Covid-19	0.029	0.077
Likuidity Before Covid-19	0.020	0.163

Table 13. t Statistical Test Results During Covid-19

Variabel	B	Sig.
Profitability During Covid-19	-0.225	0.038

LeverageDuring Covid-19	0.027	0.013
Likuidity During Covid-19	-0.012	0.317

Based on the t-statistics above, the following outcomesit is able to seen:
1. The first independent variable is profitability as measured using ROA. Obtained a significance value of 0.033 (0.033 < 0.05) and a positive coefficient (direction) of 0.320. This shows that profitability has a significant positive effect on ISR disclosure before Covid-19. So it can be concluded that H1a is supported. Then, obtained a significance value of 0.038 (0.038 < 0.05) and a negative coefficient (direction) of -0.225. It means that profitability has a significant negative effect on ISR disclosure during Covid-19. So it can be concluded that H1b is supported.
2. The second independent variable is leverage which is measured using DER. The significance value is 0.077 (0.077 > 0.05) and the coefficient (direction) is positive at 0.029. It means that leverage has no significant effect on the disclosure of ISR before Covid-19. So it can be concluded that H2a is not supported. Then the significance value is 0.013 (0.013 < 0.05) and the coefficient (direction) is positive at 0.027. It means that leverage has a significant positive effect on ISR disclosure during Covid-19. So it can be concluded that H2b is supported.
3. The third independent variable is liquidity which is measured using CR. The significance value is 0.163 (0.163 > 0.05) and the coefficient (direction) is positive at 0.020. This means that liquidity has no significant effect on the disclosure of ISR before covid-19. So it can be concluded that H3a is not supported. Then the significance value is 0.317 (0.317 > 0.05) and the coefficient (direction) is negative at -0.012. This means that liquidity has no significant effect on ISR disclosure during covid-19. So it can be concluded that H3b is not supported.

3.2 Discussion of Data Analysis Results

3.2.1 Effect of Profitability on ISR Disclosure Before and During Covid-19

H1a is supported because before Covid-19, the ROA value which was a proxy for profitability and the disclosure level score which was a proxy for ISR disclosure confirmed that there was a significant positive effect between profitability and ISR disclosure before Covid-19. High profitability before the Covid-19 pandemic made every company registered with JII able to provide an increase in its ISR disclosure. This is because if the company displays good ISR disclosures, then stakeholders and shareholders will not hesitate to invest in the company. In addition, as we know the majority of Indonesian people are Muslims, so if the disclosure of ISR increases, the company will get a good perception from the community because it has complied with sharia principles. Where sharia principles are the main basis in disclosing ISR. Companies with high levels of profitability will tend to increase the disclosure of ISR. This is in according with studies performed by[1] which states that the higher the profitability, the more extensive the company will be in disclosing information, including information on Islamic social responsibility.

H1b is supported because during the Covid-19 pandemic, with a fairly low level of profit, the company was still able to provide a high ISR disclosure value, even higher than before Covid-19. This means that there is a significant negative effect between profitability and ISR disclosure during Covid-19. . Low profitability during the Covid-19 pandemic should have caused the company's ability to disclose its ISR to be low, but in fact, on average, companies registered with JII were able to provide higher ISR disclosures than before Covid1-19. When the company's profitability is low, the company will show different achievements besides economic overall performance, considered one of that is ISR disclosure. This ISR disclosure is carried out to be able to enhance the legitimacy given and entice the attention of investors. From this disclosure, there will be a perception from report users who think that the company's performance is good in terms of its social sector. That is in step with studies carried out by way of[3]which states that once the enterprise's profitability is low, the enterprise will show different achievements besides economic overall performance, such as corporate social responsibility.

3.2.2 Effect of Leverage on ISR Disclosure Before and During Covid-19

The results of the H2a hypothesis are not supported, namely leverage has no significant impact on ISR disclosure before Covid-19. This means that before Covid-19 the leverage value of companies registered with JII did not affect the disclosure of ISR. This is because before the Covid-19 pandemic the company disclosed its ISR regardless of the amount of debt it had. The level of the company's ability to use its capital as a debt guarantor is not used as the basis for disclosing its ISR.The results of the H2a study are consistent with the studies carried out by [1] which found that there was no effect of leverage on ISR disclosure.

H2b hypothesis is supported, namely leverage has a significant positive impact on ISR disclosure during Covid-19. This means that during Covid-19 the leverage value affects the disclosure of ISR. This is because when the enterprise has excessive debt, the control's capacity to make investments inside the Corporate Social Responsibility Report program in this case the ISR will be high as well. In this situation the company is considered to have a declining financial performance because it has a high level of debt. However, companies improve the legitimacy and perceptions of users of financial statements by using their social performance through ISR disclosure. By disclosing the ISR, the company will be able to show the good side of the company even though their finances are in a state of slump during this pandemic.The research results from H2b are consistent with studies carried out by[13], which states that leverage has a positive impact on company value.

3.2.3 Effect of Liquidity on ISR Disclosure Before and During Covid-19

The results of the H3a and H3b hypothesis are not supported, namely liquidity has no significant impact on ISR disclosure before during Covid-19. The average liquidity value before covid-19 was 1.7273 while during Covid-19 it was 1.6573. This means that the capability of a enterprise to fulfill its short-term duties before Covid-19 was higher than during Covid-19. However, this does not cause the company to be able to increase its ISR disclosures.

Prior to Covid-19, the company was considered to have performed well in managing the available funds, as seen from the enterprise's capability to pay its short-time period duties. Meanwhile, during Covid-19, the company experienced a decline in managing the capability to pay its short-time period duties. However, both before and during Covid-19, the company's liquidity value was not an aspect to be considered in the disclosure of its ISR.This means that the high and low value of liquidity does not affect the company's disclosure of ISR. The results of H3a and H3b are in line with the research of [4] which shows that liquidity has no impact on ISR disclosure.

4. CONCLUSION

Based on the outcomes of the hypothesis test, the profitability variable has a significant positive effect on ISR disclosure before Covid-19 and a significant negative effect on ISR disclosure during COVID-19, meaning that H1a and H1b are supported. The leverage variable has no significant effect on the disclosure of ISR before Covid-19, meaning that H2a is not supported. Meanwhile, leverage has a significant positive effect on ISR disclosure during Covid-19, meaning that H2b is supported. Then the liquidity variable has no significant effect on the disclosure of ISR before and during Covid-19. This means that H3a and H3b are not supported.

5. SUGGESTIONS

a. For further research, other variables such as environmental performance can be added in order to explain the dependent variable, namely ISR disclosure.
b. For further researchers in order to increase the period of observation and physical variables to increase the accuracy of the research

COMPETING INTERESTS DISCLAIMER:

Authors have declared that no competing interests exist. The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

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