The Effect of Supervisory Board Cross-Membership and Supervisory Board Members' Expertise to the Disclosure of Supervisory Board's Report: Empirical Evidence from Indonesia

Iskandar Muda[1]

Abstract:

This research aimed to determine the effect of Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise to the disclosure of Sharia Supervisory Board's report.

The analysis model used was Logistic Regression Analysis because the dependent variable in this research was dummy variable while Wald is used to test partially and omnibus test is used to test for simultaneous problems. The samples in this research were 12 Sharia Commercial Banks in Indonesia registered in Indonesia Stock Exchange in the period of 2013-2015. The type of data in this research was secondary data obtained from annual report of each company.

The results have been verified by the Wald test proving that: (1) the Sharia Supervisory Board cross-membershipcoefficient is negative (-58.348) and not significant (sign 0.999) to the disclosure of the Sharia Supervisory Board's report, (2) the Sharia Supervisory Board members' expertise coefficient is positive (3.239) and significant (sign 0.05). The effect to the disclosure of Sharia Supervisory Board's report based on the result of omnibus test in which the Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise simultaneously have a significant effect to the disclosure of Sharia Supervisory Board's report.

Keywords: Supervisory Board Cross-Membership, Supervisory Board Member's Expertise and Supervisory Board's Report.

JEL Classification Codes: D71, G21, G34

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[1] *Associate Professor, Department of Accounting, Faculty Economics and Business, Universitas Sumatera Utara, Medan, North Sumatera, Indonesia. Iskandar1@usu.ac.id*

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1. Introduction

One of the most dominant and highly needed business activities in the world of economy today is the business activity of banking financial institutions, because of their function as fundraisers that play an important role to support economic growth. As a mean of raising funds, financial institutions can smooth the development movement by channeling their funds to various important projects in various business fields managed by the government and private parties. Similarly, these financial institutions can provide funds for private entrepreneurs or among the lower-class business people who need funds for their business continuity (Dewi, 2016; Suryanto and Ridwansyah, 2016; El-Chaairani, 2017; Thalassinos and Liapis 2014; Novokreshchenova *et al.,* 2016; Savina, 2016). Various other functions are in the form of services for the smooth flow of traffic and circulation of money both nationally and between countries.

Islamic bank is a financial institution whose main business is providing financing and other services in traffic of payments as well as money circulation whose operations are adjusted to the principles of Islamic sharia (Muhammad, 2005). Conventional banks have begun to compete with the presence of Islamic banks. This is because conventional banks are not in accordance with Islamic teachings. According to Suhendi (2005), the practical reason for the prohibition is that the interest-based system that is considered to contain some disadvantages, such as violating the fairness of business. In this research, the prohibition of usury in the teachings of Islam is the major factor in the emergence of Islamic Banks in Indonesia.

Article 1 number 12 of Law No. 21 of 2008 concerning Sharia banking states that the principle of Sharia is the principle of Islamic law in banking activities based on the fatwa issued by institution that has authority in establishing the fatwa in the field of sharia. Based on Law No. 21 of 2008, it can be concluded that what is meant by the institution that has authority in establishing the fatwa is the National Sharia Council of the Indonesian Ulama Council (*Dewan Syariah Nasional Majelis Ulama Indonesia – "DSN-MUI"*) (Anshori, 2010).

Islamic banks are the intermediaries in channeling funds where the investors invest their funds to banks to be used by other parties who need these funds. The investors who invest their funds will get rewards from the bank in the form of profit sharing or other forms approved in Islamic Sharia. Generally, Islamic banks channel funds to parties in need through contracts of sale and purchase and open business cooperation. The rewards earned are in profit margin, profit sharing, and other forms in accordance with Islamic Sharia (Ismail, 2011). According to Adalah and Fadllan (2013), Islamic banks are banks whose activities refer to Islamic law, and their activities do not charge any interest nor pay interest to customers. The rewards received by Islamic banks and paid by customers depend on the contract and agreement between the bank and the customer. The agreement contained in Islamic

banking must be subject to the terms and rules of the agreement as stipulated in the Islamic Sharia, i.e., compliance.

In the research by Hendi (2005), without compliance to Sharia principles, public will lose the privilege they seek thus affecting their decision to choose and continue the utilization of services provided by Sharia banks. Non-compliance with Sharia principles will negatively affect the image of Islamic banks and the potential for abandonment by new customers and old customers. The importance of compliance influences the need for supervising of such compliance. Supervision of Sharia compliance is an action to ensure that the Sharia principles, which are the basic guidelines for Sharia bank's operations, have been applied appropriately. Through the supervisory action, is expected that all implementation on Sharia banks be in accordance with the provisions of sharia.

Supervision of Sharia compliance is conducted by a supervisory institution consisted of persons with certain competencies (Anshori, 2010). The supervisors must have expertise. The supervisory board should be able to understand the provisions of Fiqh of Islam as a source of Islamic law as well as understand the national positive law that both become the basis of operational law of Sharia banks. The institution that has Sharia compliance authority in the Indonesian Sharia banking legal system is the Sharia Supervisory Board. Article 76 paragraph (1) of Bank Indonesia Regulation No.11/3/PBI/2009 concerning Sharia Commercial Banks explains that, Sharia banks are obliged to establish Sharia Supervisory Board and the violation of this provision shall be punished by administrative sanctions, ranging from the form of financial penalties to the revocation of business license.

This issue becomes interesting to investigate because there are still inconsistent results from previous studies. They are only few researchers who have researched this topic. Khoirudin (2013) expresses that the number of the board of commissioners and Sharia supervisory board simultaneously has a positive effect to the disclosure of Islamic social reporting on Islamic banking in Indonesia.

2. Literature Review

2.1. The Disclosure of Sharia Supervisory Board's Report

According to Sembiring (2005), the more the number of the board of commissioners or supervisory board, the better the supervision. With good supervision, it is expected that the disclosure of Islamic social reporting will be more extensive to minimize the information that may be hidden by management.

2.2. Sharia Supervisory Board Cross-Membership

Cross-membership in other sharia banks can provide more experience to the members of the Sharia Supervisory Board. This allows them to make comparison of
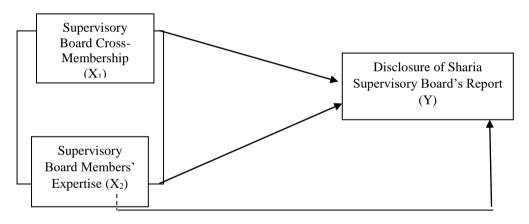
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best practices among Islamic banks (Khoiruddin, 2010). The comparison is using dummy variable. If there is a cross-membership of the Sharia supervisory board in the annual report, then a score of "1" is given. If there is no such indicator, then a score of "0" is given. According to Farook (2011), the greater the number of Sharia Supervisory Board members, the greater the supervision of Islamic law and principles. With sufficient number of Sharia Supervisory Board, the implementation and disclosure of shared responsibility become more controlled.

2.3. Sharia Supervisory Board Members' Expertise

The presence of Sharia Supervisory Board members with certain types of expertise may affect the level of disclosure due to their awareness of the importance of transparent reporting (El-Chaarani, 2017). The question is how to measure it by using dummy variables. If there is expertise of Sharia supervisory board members in accounting, finance, banking, or economics in annual report, then dummy variable takes the value of "1", if not the value of "0".

Figure 1. *Conceptual Framework*

2.4. Effect of Sharia Supervisory Board Cross-Membership to the Disclosure of Sharia Supervisory Board's Report

Sharia Supervisory Board cross-membership is a situation in which the members of Sharia supervisory board serve in several agencies. There are some concerns about confidentiality and conflicts of interest, as the fact that some sharia supervisory councils serving in some agencies will have special access to the confidential information of the Sharia bank concerned and this can have a negative impact if they disclose to their competitors (Wilson, 2009). According to Farook (2011), the greater the number of Sharia Supervisory Board members, the greater the supervision of Islamic law and principles. With sufficient number of Sharia

Supervisory Board, the implementation and disclosure of shared responsibility become more controlled.

2.5. The Effect of Sharia Supervisory Board Members' Expertise to the Disclosure of Sharia Supervisory Board's Report

The disclosure of Sharia Supervisory Board's report is very important in preparing the annual report of Sharia banks because the information related to the Sharia Supervisory Board is reported there. It is important that Sharia supervisory board members to be competent and have qualified expertise, so the Sharia Supervisory Board members' expertise to the disclosure of annual report in preparing the annual report completely is very influential, especially in the disclosure of the Sharia Supervisory Board. Thus, the parties concerned with the annual report get comprehensive information. According to Muhammad (2011), Sharia Supervisory Board must have the ability or expertise in the field of Muamalat Law, Economic Law and Banking.

2.6. The Effect of Supervisory Board Cross-Membership and Supervisory Board Members' Expertise Simultaneously to the Disclosure of Sharia Supervisory Board's Report

Based on the description of the effect of each variable partially, the researcher will then investigate whether cross-membership, the number of supervisory board, and supervisory board members' expertise simultaneously have significant effect to the disclosure of sharia supervisory board's report.

3. Research Hypotheses and methodology

The research hypotheses in this study are stated as follows:

H_1:   *Sharia supervisory board cross-membership has a negative and significant effect to the disclosure of sharia supervisory board's report.*

H_2:   *Sharia supervisory board members' expertise has a positive and significant effect to the disclosure of sharia supervisory board's report.*

H_3:   *Cross-membership, the number of members of the supervisory board and supervisory board members' expertise simultaneously has a significant effect to the disclosure of sharia supervisory board's report.*

3.1. Research Data and Samples

The type of data used to obtain information about all the variables in this research was secondary data. Secondary data are the sources of research data obtained indirectly or obtained not from the first source and have been arranged in the form of written documents (Muda *et al.*, 2017). Secondary data used in this research were

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the annual reports of sharia commercial banks in Indonesia in the period of 2013-2015. The data in this research were obtained from www.idx.com.

The population used in this research was all sharia commercial banks that exist in Indonesia in 2013-2015. Indonesia was chosen because it has many sharia banks and the disclosure of annual report is largely in the category of voluntary disclosure. While the period of 2013-2015 was chosen because it was the latest years period in the annual reporting of a company or bank. Thus, the latest data from the bank will be obtained.

The sampling method used was the purposive sampling method, in which the population to be used as research sample is the population that meets the criteria of a sample (Khaldun and Muda, 2014; Muda and Dharsuky, 2015; Lubis *et al.,* 2016; Nurzaimah *et al*., 2016; Muda *et al*., 2016). The criteria used in this research are as follows:
1. Islamic banking companies listed in Indonesia Stock Exchange (IDX) in the period of 2013-2015.
2. The companies issuing annual reports in the period of 2013-2015.

After determining the samples with purposive sampling technique, there were 36 (thirty-six) companies in the sample that met the criteria (12 companies x 3 years of research).

3.2. Data Analysis Methodology

The analysis method used to test the hypotheses in this reseatch was Logistic Regression in which the independent variable was a combination of matrix and non-matrix (nominal). Hypotheses testing in this research aimed to determine the effect of independent variables to the dependent variable included in the model.

The Wald test used in the logistic regression, which served to test the significance of the constant of each independent variable included in the model (Lubis *et al*., 2016). Therefore, if the Wald test shows a significance number smaller than 0.05, then the regression coefficient is significant at the 5% confidence level. Based on the problem formulation and theoretical framework presented earlier, the logistic analysis model in the maximum likelihood method can be expressed by an equation and formulated as follows:

$$Ln \frac{P}{1-P} = \alpha + \beta X1 + \beta X2 + e$$

Whereas:
P = Probability
X_1 = Sharia Supervisory Board Cross-Membership
X_2 = Sharia Supervisory Board Members' Expertise
a = Constant
b = Logistic regression coefficient

Ln   = log of odds
e   = Standard error

4.   Results and Discussion

4.1 Descriptive Statistics Test

Descriptive statistics are given in Table 1.

Table 1. *Descriptive Statistics*

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Cross-Membership	36	1	0	1	.92	.280
Expertise	36	1	0	1	.78	.422
Disclosure of Reports	36	1	0	1	.89	.319
Valid N (listwise)	36					

 Source: *Processed data 2017.*

The table above shows that the variable of Sharia Supervisory Board Cross-Membership has a minimum value of 0, and a maximum value of 1, a mean of 0.92, and a standard deviation of 0.280. The variable of Sharia Supervisory Board Members' Expertise has a minimum value of 0, and a maximum value of 1, a mean of 0.78, and a standard deviation of 0.422. The dependent variable, i.e., the disclosure of Sharia Supervisory Board's report has a minimum value of 0, and a maximum value of 1, a mean of 0.89, and a standard deviation of 0.319 with N 36.

4.2 Logistic Regression Analysis

The dependent variable in this research was a dummy variable, i.e., the disclosure of Sharia Supervisory Board's report. Therefore, the analysis method used to test the hypotheses in this research was logistic regression. Hypotheses testing in this research aimed to determine the effect of independent variables to the dependent variable included in the model (Muda, 2017). Logistic regression is a regression used to test whether the probability of occurrence of dependent variable can be predicted by an independent variable or not. In its use, logistic regression does not require normal distribution of its independent variable. In addition, this analytical technique does not require normality test, heteroscedasticity test, and classical assumption test on the independent variable (Lutfi *et al*., 2016).

4.2.1   *Research Samples Data*
From the Logistic regression analysis as described above, we have the following results as presented in Table 2.

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Table 2. *Case Processing Summary*

Unweighted Cases[a]		N	Percent
Selected Cases	Included in Analysis	36	100.0
	Missing Cases	0	.0
	Total	36	100.0
Unselected Cases		0	.0
Total		36	100.0

a. If weight is in effect, see classification table for the total number of cases.

Source: Processed data, 2017.

The Case Processing Summary Table above shows that there are 36 samples (12 companies x 3 years of research) used in this research.

Table 3. *Dependent Variable Encoding*

Original Value	Internal Value
Not Contain	0
Contain	1

Source: Processed data, 2017.

The Dependent Variable Encoding table above shows the code of the dependent variable, namely, the category "Not Contain" with code 0 and "Contain" with code 1. This encoding is used to explain the dependent variable, i.e., report disclosure. The indicators of report disclosure containing the title, the recipient, the opening and the introductory paragraph contained in the Sharia Supervisory Board's report shall be given the code "1" which means "Contain" and vice versa, if the indicators are not contained in the Sharia Supervisory Board's report then the code "0" is given which means "Not Contain". If the code 1 is given to "Not Contain", then "Not Contain" becomes a reference or effect of cause, because it is an event hypothesized as the cause of the emergence of effect or problem. In this research, Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise are the reasons that may affect the disclosure of Sharia Supervisory Board's report.

4.2.2   *Overall Model Fit*
This test aimed to see whether the model hypothesized fits the data or not. The testing was done by comparing the value between -2 log likelihood at the beginning (block number = 0) and the value of log-2 likelihood at end (block number = 1). A decrease of the value between the initial -2 log likelihood (initial-2LL function) and the -2 log likelihood in the next step shows that the hypothesized variable fits the data. This is because the log likelihood on logistic regression is like "sum of square error" in the regression model, so that the decrease of log likelihood shows better regression model.

Table 4. *Iteration History*

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	26.233	1.556
	2	25.142	1.995
	3	25.116	2.077
	4	25.116	2.079
	5	25.116	2.079

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 25.116

c. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Source: *Processed data, 2017.*

The Iteration History table on block 0 or when the independent variables are not included in the model: N = 36 gets the value of -2 Log Likelihood: 25.116. While in the Iteration History table on block 1 or when the independent variables are included in the model: N = 36 gets the value of -2 Log Likelihood: 14.454. The initial -2 LL value minus the next -2 LL value is 25.116 - 14.454 = 10.662.

The decrease of the value between the initial -2 log likelihood and -2 log likelihood value in the next step has a difference of 10.662. This shows that the hypothesized variable fits the data.

Table 5. *Determination Coefficient Test (R²)*

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	14.454[a]	.256	.510

a. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.

Source: *Processed data, 2017.*

The Model Summary Table above shows the ability of independent variables in explaining the dependent variable, using Cox and Snell R Square and Nagelkerke R Square values. These values are also called Pseudo R-Square or in the linear regression, they are better known as R-Square. The value of Nagelkerke R Square is 0.510 and Cox & Snell R Square is 0.256, indicating that the ability of the independent variables in explaining the dependent variable is 0.510 or 51% and there are 100% - 51% = 49% other factors outside the model that explain the dependent variable.

4.2.3. Goodness of Fit Test

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Goodness of fit test can be done by considering the output of Hosmer and Lemeshow's with the hypotheses:

H_0: *The model hypothesized fits the data.*
H_a: *The model hypothesized does not fit the data.*

If the Hosmer and Lemeshow's statistical value is equal to or less than 0.05, then the hypothesis 0 (H0) is rejected and it means there is a significant difference between the model and the observed value, so that the Goodness of Fit Test Model is not good because the model cannot predict the observed value. Conversely, if the Hosmer and Lemeshow's statistical value is more than 0.05, the hypothesis 0 (H0) cannot be rejected, which means the model is able to predict the observed value.

Table 6. *Hosmer and Lemeshow Test*

Step	Chi-square	df	Sig.
1	.000	2	1.000

Source: *Processed data, 2017.*

Based on the Hosmer and Lemeshow Table above, the significant value of the Hosmer and Lemeshow Test output is 1.000. Significant value of 1.000 > 0.05 then the hypothesis 0 (H0) is accepted, which means the model can predict the observed value.

4.3 Regression Coefficient Test

The equation of logistic regression analysis model in this research is as follows:
$$Ln \frac{P}{1-P} = 21.203 - 58.348 + 3.239 + e$$

Whereas:
P = Probability
X1 = Sharia Supervisory Board Cross-Membership
X2 = Sharia Supervisory Board Members' Expertise
α = Constant
β = Logistic regression coefficient
Ln = log of odds
e = Standard error

The equation above shows that the coefficient of the variable of expertise is positive while the coefficient of the variable of Sharia Supervisory Board cross-membership is negative. If the coefficient is positive, the odds for "Contain" (code 1) in the dependent variable will increase. If the coefficient is negative, the odds for "Contain" (code 1) in the dependent variable will decrease. If the coefficient is zero, the odds for "Contain" (code 1) in the dependent variable will remain.

When the independent variables have been inculded in the research model (block number = 1), Wald statistical test yielded a significant value of 0.999 on the 5% significance for the variable of Sharia Supervisory Board cross-membership. Since the sig value 0.999 > 0.05, then HA is rejected or the hypothesis stating that Sharia Supervisory Board cross-membership significantly affects the disclosure of Sharia Supervisory Board's report is rejected. The variable of Sharia Supervisory Board members' expertise has a significant value of 0.019. Since the sig value 0.019 < 0.05, then HA is accepted or the hypothesis stating that Sharia Supervisory Board members' expertise significantly affects the disclosure of Sharia Supervisory Board's report is accepted.

4.3.1 Omnibus Test of Model Coefficients
It needs to keep in mind if the multiple linear regression analysis used the F test to test the simultaneous significance, while the logistic regression used the Chi-Square value of the difference between -2 Log likelihood before the independent variables included in the model and -2 Log likelihood after the independent variables included in the model. This test is also called Maximum likelihood testing.

Table 7. *Omnibus Test of Model Coefficients*

		Chi-square	Df	Sig.
Step 1	Step	10.662	3	.014
	Block	10.662	3	.014
	Model	10.662	3	.014

Source: *Processed data, 2017.*

Omnibus Test of Model Coefficients Table 7 shows the value of Chi-square, DF, and significance of Omnibus. Significant value is 0.014 in which 0.014 < Alpha 0.05 or Chi-Square Count value (the difference of initial -2LL and next -2LL) is 10.662 > Chi-Square table of 7.815 in DF 3. So, the answer to the hypotheses of the simultaneous effect of independent variables to the dependent variable is to accept H1 and reject H0 or there is a significant effect simultaneously of Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise to the disclosure of Sharia Supervisory Board's report.

5. Discussion

5.1 The Effect of Sharia Supervisory Board Cross-Membership to the Disclosure of Sharia Supervisory Board's Report

The result of statistical test yielded significant value of 0.999 at 5% significance for the variable of Sharia Supervisory Board cross-membership. Since the sig. value 0.999 > 0.05, then cross-membership has no significant effect to the disclosure of Sharia Supervisory Board's report. The regression coefficient value of the variable of Sharia Supervisory Board cross-membership is -58.348, which means that the

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correlation between cross-membership and the disclosure of Sharia Supervisory Board's report is negative. With these results, H1 or hypothesis 1 stating that Sharia Supervisory Board cross-membership has a negative and significant effect to the disclosure of Sharia Supervisory Board's report is rejected. This result is in line with the research conducted by Ardian (2015) stating that Sharia Supervisory Board cross-membership has no significant effect to the disclosure of Sharia Supervisory Board's report. On the contrary, this result is not in line with the research conducted by Abdullah, Percy and Stewart (2013) stating that cross-membership has significant effect to the disclosure of Sharia Supervisory Board's report in Malaysia and Indonesia.

5.2 The Effect of Sharia Supervisory Board Members' Expertise to the Disclosure of Sharia Supervisory Board's Report

The result of statistical test for the variable of Sharia Supervisory Board members' exprtise has a significant value of 0.019. Since the sig. value $0.019 < 0.05$, it means that Sharia Supervisory Board members' expertise has a significant effect to the disclosure of Sharia Supervisory Board's report. The regression coefficient value of the variable of Sharia Supervisory Board members' expertise is 3.239 which means the correlation between Sharia Supervisory Board members' expertise and the disclosure of Sharia Supervisory Board's report is positive. With these results then H2 or hypothesis 2 stating that Sharia Supervisory Board members' expertise has a positive and significant effect to the disclosure of Sharia Supervisory Board's report is accepted. This result is in line with studies conducted by Abdullah, Percy, and Stewart (2013) and Ardian (2015) stating that Sharia Supervisory Board members' expertise has a significant effect to the disclosure of Sharia Supervisory Board's report in Malaysia and Indonesia.

5.3 The Effect of Sharia Supervisory Board Cross-Membership and Sharia Supervisory Board Members' Expertise to the Disclosure of Sharia Supervisory Board's Report

The third hypothesis in this research is that Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise simultaneously has a significant effect to the disclosure of Sharia Supervisory Board's report.

After simultaneous hypothesis testing, Omnibus Test of Model Coefficients Table shows the values of Chi-square, DF, and significance of Omnibus. The significant value is 0.014 in which $0.014 <$ Alpha 0.05 or Chi-Square Count value (the difference of initial -2LL and the next -2LL) is $10.662 >$ Chi-Square table, i.e., 7,815 in DF 3 which means there is a significant effect simultaneously of Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise to the disclosure of Sharia Supervisory Board's report. With these results, H3 or hypothesis 3 stating that Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise simultaneously have a significant

effect to the disclosure of Sharia Supervisory Board's report is accepted. The value of Nagelkerke R Square is 0.510 and Cox & Snell R Square is 0.256, indicating that the ability of independent variables in explaining the dependent variable is 0.510 or 51% and there are 100% - 51% = 49% other factors outside the model that explain the dependent variable. This means that Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise can explain the disclosure of Sharia Supervisory Board's report by 51%. The remaining 49% is affected by other variables outside the variables used.

6. Conclusion

Based on the results of data analysis on the effect of Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise to the disclosure of Sharia Supervisory Board's report in Islamic banks in Indonesia listed on the IDX in the period of 2013-2015, it can be concluded as follows:

1. Sharia Supervisory Board cross-membership has a negative and insignificant effect to the disclosure of Sharia Supervisory Board's report. This is in line with the research conducted by Ardian (2015) stating that Sharia Supervisory Board cross-membership has no significant effect to the disclosure of Sharia Supervisory Board's report.
2. Sharia Supervisory Board members' expertise has a positive and significant effect to the disclosure of Sharia Supervisory Board's report. This result is in line with the studies conducted by Abdullah, Percy and Stewart (2013) and Ardian (2015) stating that Sharia Supervisory Board members' expertise has a significant effect to the disclosure of Sharia Supervisory Board's report in Malaysia and Indonesia.
3. Sharia Supervisory Board cross-membership and Sharia Supervisory Board members' expertise have a significant effect to the disclosure of Sharia Supervisory Board's report.

The suggestions based on the results of research and discussion that have been described earlier are as follow:

1. For the companies:
   The results of this research indicate that cross-membership in Indonesia has not been able to affect the disclosure of Sharia Supervisory Board's report, but Sharia Supervisory Board members' expertise is able to affect the disclosure of report. Therefore, the researcher hopes that the objects of research, i.e., Islamic commercial banks can improve Sharia Supervisory Board members' expertise, because by increasing the Supervisory Board members' expertise, the disclosure of Sharia Supervisory Board report will be better. Conversely, if the Supervisory Board lacks expertise, the disclosure of Supervisory Board's report will be worse (not reliable).
2. For further researchers:
   Further researchers are advised to examine similar topics by uncovering other variables that have not been disclosed in this research, or by using the same variables but with different indicators that have not been used in this research.

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