THE INFLUENCE OF ISLAMIC CORPORATE SOCIAL RESPONSIBILITY AND GOOD CORPORATE GOVERNANCE ON COMPANY PERFORMANCE IN JAKARTA ISLAMIC INDEX 30 CONSUMER GOODS SECTOR COMPANIES IN 2017-2021

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ABSTRACT

The objectives of this research are: 1) Analyze a picture of the influence of Islamic Corporate Social Responsibility on company performance in the Consumer Goods sector Jakarta Islamic Index 30 in 2017-2021 2) Analyze a picture of the influence of Good Corporate Governance on company performance in companies in the Consumer Goods sector Jakarta Islamic Index 30 in 2017-2021 3) Analyze an overview of the influence of Islamic Corporate Social Responsibility and Good Corporate Governance on the performance of Jakarta Islamic Index 30 Consumer Goods sector companies in 2017-2021. This type of research uses a quantitative approach; the data source comes from the Indonesian Stock Exchange. The data collection method uses the documentation method; the data analysis technique uses multiple linear analysis and calculates ratios, which later uses the classical assumption test and then analyzes using multiple linear analysis. The results of this research are: 1) Islamic Corporate Social Responsibility did not significantly influence company performance in the Jakarta Islamic Index 30 Consumer Goods sector in 2017-2021. 2) Good Corporate Governance significantly influences company performance in companies in the Jakarta Islamic Index 30 Consumer Goods sector in 2017-2021. 3) Islamic Corporate Social Responsibility and Good Corporate Governance simultaneously or together significantly influenced company performance in the Jakarta Islamic Index 30 Consumer Goods sector in 2017-2021. The conclusions of this research show that 1) the two variables, Islamic Corporate Social Responsibility and Good Corporate Governance, simultaneously or together influence company performance of 64.7%. 2) The Good Corporate Governance variable proves that the development of company performance can be improved by managing corporate governance well.

Keywords: **Islamic Corporate Social Responsibility, Good Corporate Governance, Company Performance**

INTRODUCTION

The world of business and information can now be accessed easily, as well as the dissemination of news. One of the impacts of this development is in the business world which is continuously monitored by the global media. When there is good and bad news from the business world, it will definitely give rise to various opinions and reactions. from the community as for the drivers of the business world, one of which is carried out by companies, both private and government, which will implement a policy.

The rapid development of information in the era of globalization, especially in the business world, is where stakeholders are interested in social information reported in annual reports so that company management is not only limited to managing the funds provided but includes the impact caused by the company on the natural and social environment, according to the data. from the Ministry of Industry (Ministry of Industry of the Republic of Indonesia) which was released on November 24 2017, that the development of the food and beverage industry is still projected to be one of the mainstay sectors for manufacturing and national economic growth, where the important role of this strategic sector can be seen from the large contribution given consistently and significantly towards GDP (gross domestic product) of non-oil and gas industries as well as investment realization which continues to increase. In 2021 the growth of the FMCG industry in the period In the third quarter, the role of processing was recorded at 19.86%, where the role of non-oil and gas industry was 17.90% of national GDP (Ministry of Industry, 2021).

One of the main objectives of a company is to generate profits in order to increase the value of the company. The company value in question is the condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activities for several years, namely since the company was founded until now. This. Company value is also an investor's perception of the company's level of success which is often linked to share prices (Riadi Slamet, 2017:21), from this statement, if the share price increases, the value of a company will also increase.

Maximizing the value of the company has an important meaning for the company in achieving its goals, the value of the company tends to increase, which is an achievement that is highly desired by company owners because as the value of the company increases, the welfare of shareholders will also increase. To be able to create prosperity for shareholders, companies can use various strategies to optimize profits, one of which is by implementing corporate governance properly and correctly or also known as Good Corporate Governance. After it is implemented well, it can ultimately increase the value of the company and the welfare of shareholders.

In carrying out its operations, the company is always directed towards achieving its goals, namely increasing the prosperity of its shareholders. Welfare Shareholders can be increased which can be seen from the company's performance capabilities because it can provide information about the company's goals or success. Reputation and financial performance are measures of the level of success of company management in managing its financial resources, especially in investment management. Likewise, a company's high-value financial performance will illustrate the company's ability to generate high profits for shareholders. Improving the company's reputation and financial performance cannot be separated from the company's role in caring about social and environmental responsibility, which in this case includes Islamic Corporate Social Responsibility.

*Islamic Corporate Social Responsibility*has become a topic of discussion in many countries with a majority Muslim population, one of which includes Indonesia. Islamic Corporate Social Responsibility as the basis for ethics in Islamic business, Islam has a very complete concept of life and directs every phase of human life including spirituality, business and justice in social life (Arifin and Wardani, 2016:37). This form of environmental damage is something that is very contrary to Islamic law, so that companies cannot be found to have violated the provisions, as explained in the Al-Qur'an and As-Sunnah in the context of implementing ICSR (Islamic Corporate Social Responsibility) activities in sharia-based companies *Islamic Corporate Social Responsibility*(ICSR) is also a form of effort by the company to improve the company's reputation by presenting it as a humane activity that is full of wisdom and socially responsible, but can also be considered as a mask for pursuing profits without obstacles (Arifin and Wardani, 2016:37). Companies will definitely pay more attention to their social responsibility to society because companies that prioritize customers will be responsible so that this can improve the company's reputation and increase sales (Hadi and Nor, 2011: 73). Disclosure of Islamic Corporate Social Responsibility is something that is very important for reputation and The financial performance of companies, especially companies listed on the Jakarta Islamic Index, where the system adheres to sharia and companies that express Islamic Corporate Social Responsibility well will be seen as an entity that can be trusted by the Muslim community in general.

The important relationship between ICSR reporting and business sustainability has begun to be recognized by various regulatory efforts in developing countries, by requiring ICSR reporting as part of their corporate governance reforms (Hadi and Nor, 2011: 75). Corporate governance refers to the mechanisms that protect investors and the efficient working of the company, while ICSR refers to the objectives of the company and meeting the needs of various stakeholders. By implementing governance or what is usually called GCG (Good Corporate Governance), companies have direction and determination in running their business and improving their performance.

The study of GCG (Good Corporate Governance) increased rapidly along with the opening of large-scale financial scandals such as the Enron, Tyco, Worldcom, Maxwell, Polypec and others (Takidah, 2014). Good Corporate Governance (GCG) itself is explained as a set of regulations that establish the relationship between management stakeholders, creditors, government, employees and other internal and external stakeholders regarding their rights and obligations, or in other words the system that directs and controls the company (Forum for Corporate Governance in Indonesia, 2001). In another view, Good Corporate Governance can also be concluded as healthy corporate governance procedures that have been introduced by the Indonesian government and the International Monetary Fund (IMF), while there are other responses according to The Indonesian Institute for Corporate Governance (IICG) which are a series of mechanisms that direct and controlling a company so that the company's operations run in accordance with the expectations of stakeholders.

*Good Corporate Governance*contains several important elements, namely: transparency, accountability, responsibility, independence and justice. There are four Good Corporate Governance mechanisms which aim to reduce agency conflict, namely managerial ownership, institutional ownership, independent commissioners and audit committees (Adrian Sutedi, 2012:34). The influence of the implementation of Islamic Social Responsibility and Good Corporate Governance on company performance in Consumer goods sector companies registered in JII30 (Jakarta Islamic Index) in the 2011-2021 reporting year is whether or not the reporting that has been carried out is in accordance with the rules of ICSR (Islamic Corporate Social Responsibility) and corporate governance according to GCG (Good Corporate Governance) rules or systems.

The results of research on the influence of Islamic Corporate Social Responsibility and Good Corporate Governance on company performance have varied results. Research conducted by (Riri Mayliza and Arie Yusnelly, 2021) found results including that there is a significant positive influence of the proportion of the Board of Independent Commissioners on Islamic Corporate Social Responsibility (ICSR).). It was explained that the resulting positive influence had no influence on the size of the audit committee on Islamic Corporate Responsibility (ICSR), and had no effect on the number of Audit Committee meetings on Islamic Corporate Social Responsibility (ICSR).

Investment in the consumer goods industry is one of the most promising investments in Indonesia, because the consumer goods industry provides products that are the primary needs of society so that demand for products will tend to be stable, which will have an impact on the company's ability to generate optimal profits. This research selected companies operating in the Consumer Goods sector registered in the Jakarta Islamic Index based on the background description above the title raised, namely "The Influence of Islamic Corporate Social Responsibility and Good Corporate Governance on company performance in Jakarta Islamic Index 30 consumer goods sector companies in 2017-2021."

Formulation of the problem

Based on the background above, the problem formulation in this research is as follows:

1. Does Islamic corporate social responsibility (X1) influence company performance (Y) in companies in the Consumer Goods sector Jakarta Islamic Index 30 2017-2021?
2. Does good corporate governance (X2) influence company performance (Y) in companies in the Consumer Goods sector, Jakarta Islamic Index 30 2017-2021?
3. What is Islamic corporate social responsibility (X1) and Good corporate governance (X2) influence company performance (Y) in companies in the Consumer Goods sector Jakarta Islamic Index 30 2017-2021?

LITERATURE REVIEW

Sharia Financial Management

Financial management is the theories applied in corporate finance for the context of companies that apply sharia principles, then sharia financial management practices will emerge. Islamic financial management is conceptually able to describe normative persuasion for its adherents to record all transactions correctly and fairly as stated. Meanwhile, through financial reports and recording, financial management in an application can be observed and practiced by treasurers at that time (Darmawan, 2022: 5), the theories used to carry it out properly and correctly are as follows:

1. Agency Theory

   The Big Indonesian Dictionary (KBBI) has explained that agency is defined as an agent's office, a company concerned with business activities, an administrative division of government, an agency can also be formulated as the capacity and ability possessed by an agent as the source and origin of its actions, expressed in agency theory if between parties The principal in this case is occupied by the owner of the company and the agent in this case is occupied by the manager.

   Agency theory explains that an agency relationship arises when one or more people, the owner or principal, employs another person or is called an agent to provide a service and then delegates decision-making authority to the agent

(Permanasari, 2010). As a company develops rapidly, the positions of principal and agent have different interests and functions, and this situation is likely to result in conflicts called agency conflicts.

The separation of functions between owners and management can have a negative impact, namely that management is given freedom where the manager is responsible for this, the company maximizes profits, but for management's own interests, with costs that must be borne by the company owner in this situation, managers have a tendency to consuming additional profits excessively, for example in companies operating in the F&B (Food and Beverage) sector, the position of the CEO as principal and the branch manager as agent. In practices like this, much will happen in agency theory, where agents will know and understand better. the company's situation can give rise to information asymmetry which can trigger principal actions that are unable to determine whether the business run by the agent is really running optimally when there is no further supervision.

The increasingly large and rapid development of companies will result in frequent conflicts between owners and management, in this case the shareholders (investors) and the agents represented by management, in this case the directors, the agent's position is only as executor of the principal as stated in explain that the agent is contracted with certain tasks for the principal and has responsibilities or tasks given by the principal, while the position of the principal has an obligation, namely to provide compensation to the agent for the services provided by the agent.

The differences in interests that arise between the principal and the agent can trigger agency conflicts where the principal and the agent both have the desire to gain large profits and also both want to avoid risks, with the concept and understanding of agency theory. It can be concluded that agency theory is a theory of the relationship between the two parties, namely between the owner and management, the owner wants big profits and then the management wants big profits so that the two parties will always have conflict because of the different goals between the two.

The agency theory stated above, (Arifah, 2012: 1411) formulates an agency relationship when two or more parties enter into an agency relationship, there are three possibilities as follows:

a. Between shareholders (owners) and management, if management has fewer shares than other companies, then managers will tend to report higher or conservative profits.

b. Between management and creditors, management tends to report higher profits because creditors generally assume that companies with high profits will pay off their debts and interest on the due date.

c. Between management and the government, managers tend to report their profits conservatively. This is to avoid tighter supervision from the government, securities analysts and other interested parties. In general, large companies are burdened by several consequence.

2. Stakeholder Theory

*Stakeholders*or what is commonly known as stakeholders are groups or individuals whose support is needed for the welfare and survival of the organization. Stakeholder put forward by the Stanford Research Institute (SRI) in 1963. Freeman said stakeholder theory is a theory that describes which parties a company is responsible for.

Stakeholders have an important role in the survival of a company. Because stakeholders basically have the power to control the resources needed in the company's operational activities.

Therefore, companies must maintain relationships with stakeholders by accommodating existing desires and needs, especially stakeholders who have power over the availability of resources used for company operational activities, such as workers, customers and owners (Arifah, 2012: 1497).

In general, stakeholders can be divided into two types, namely: First, primary stakeholders or 'key stakeholders' are those who are ultimately affected, either positively or negatively, by the actions of the organization. Second, Secondary stakeholders: are 'intermediaries', that is, people or organizations that are indirectly affected by the organization's actions. The same thing was expressed by Clarkson who divided stakeholders into two. Primary stakeholders are 'those without whose ongoing participation the organization cannot survive.' Examples are shareholders, investors, workers, customers, and suppliers.

*Sustainability report*is one way that companies can take care of the interests of each party. By publishing a sustainability report, the company will provide transparent information regarding the company's position and activities in economic, environmental and social aspects so that the company's performance can be directly assessed by the government, society, environmental organizations, mass media, especially investors and creditors, because investors and creditors have great power over the company's operations so that it does not want to bear losses caused by the company's negligence in its social and environmental responsibilities.

Companies that have operated to meet the needs and improve the welfare of stakeholders will be able to run well because the company will earn support from internal and external stakeholders. So that stakeholders will give appreciation to the company's performance which will ultimately increase the company's value.

3. Legitimacy Theory

Legitimacy theory explains that companies will continue to strive to ensure that they operate within the frames and norms that exist in the society or environment where the company is located where they try to ensure that their activities are accepted by external parties as legitimate (Ainy and Yunita, 2017) Globally, legitimacy can be interpreted as recognition of the legality of something.

In legitimacy theory, it is also explained that disclosure of social responsibility is carried out by companies to gain legitimacy from the community where the company is located, according to Dowling and Pfeffer in 1975 as stated by (Ainy and Yunita, 2017) who stated: "Legitimacy is an important thing in organizations, it contains limitations. -the limits emphasized by social norms and values and the reactions to these limits encourage the importance of analyzing organizational behavior by paying attention to the environment."

Companies in realizing legitimacy can publish *sustainability report*, because this report provides an overview of the position and company activities in economic, environmental and social aspects to internal and external stakeholders. The definition of legitimacy suggests that legitimacy is a company management system that is oriented towards favoring society, government, individuals and certain groups.

For this reason, as a system that prioritizes support for the community, company operations must be congruent with community expectations (Sejati, 2014). So that sustainability reports can make it easier for companies to receive recognition from the public. Furthermore, it is hoped that the company's image in the eyes of investors will improve, so that investors will be more interested in investing in company shares, and ultimately the value of the company will increase with this Islamic Corporate Social Responsibility report.

*Islamic Corporate Social Responsibility*It is also a form of effort made by the company to improve the company's reputation by presenting it as a humane activity that is full of wisdom and socially responsible, but can also be considered as a mask for pursuing profits without obstacles (Arifin and Wardani, 2016). ICSR itself is an index of social disclosure for companies that adhere to Islamic principles.

The ICSR perspective expressed by (Ali Syukron, 2019) is an inherent consequence of Islamic teachings themselves, the aim of the Islamic law Maqashid Syariah is benefit so that business is an effort to create maslahah, not just seeking profit or profit. Companies will definitely pay more attention to their social responsibility to society. because companies that prioritize customers will be responsible so that this can improve the company's reputation and increase sales (Daud, 2016).

Disclosure of Islamic Corporate Social Responsibility is very important for the reputation and financial performance of companies, especially companies listed on the Jakarta Islamic Index, where the system adheres to sharia and companies that disclose Islamic Corporate Social Responsibility well will be seen as entities that can be trusted by the Muslim community. in general.

The first main responsibility is to obey the commands of Allah Subhanahuwata'ala. For this reason, one form of corporate responsibility to Allah Subhanahuwata'ala and society can be expressed in the form of sharia which is called the Islamic Corporate Social Responsibility Index. CSR programs in Islam must be in accordance with maslahah and Maqasid Shari'ah, requiring it to prioritize the interests of al-dharuriyyah to be achieved First, continue with the interests of al-hajiyyah and al tahsiniyyah (Muhammad Yasir Yusuf, 2017).

It can be found that the difference between conventional Corporate Social Responsibility and Islamic Corporate Social Responsibility is that conventional Corporate Social Responsibility is only limited to the company's social responsibility towards stakeholders and society, but Islamic Corporate Social Responsibility makes Allah its main responsibility apart from society and stakeholders. . By making Allah Subhanahuwata'ala the main responsibility, whatever the company does can be blessed by Allah Subhanahuwata'ala. Apart from that, it can also avoid muamalah things that are prohibited such as gharar, maysir, usury because it is based on an attitude of devotion to Allah Subhanahuwata'ala. Disclosure of Islamic corporate social responsibility is something that is very important for a company's reputation and performance.

However, in sharia companies the way of responding to Corporate Social Responsibility disclosures should be different from conventional companies. If in conventional companies CSR disclosure is oriented to attract investors' sympathy, in sharia companies CSR disclosure is expected to be more oriented as a responsibility to Allah Subhanahuwata'ala.

Disclosure of ICSR in companies with various supporting indicators, one of which is that the company must understand the elements in implementing Islamic Corporate Social Responsibility, the implementation of CSR in the Islamic concept must fulfill several elements that can make it a spirit so that later it can be differentiated when the company implements CSR based on an Islamic perspective, right? Conventionally, there are several elements as follows:

a. *Al-Adl*

Islam has prohibited every business or business relationship that contains injustice and requires that justice be implemented in business relationships and contracts and business agreements, natural balance and social balance must be maintained simultaneously with business operations. Islam also prohibits all forms of fraud, gharar (speculation), najsyi (false advertising), ihtikar (hoarding goods) which will harm other parties. Islam only commands and recommends good deeds for humanity, so that the deeds carried out by humans can add value and elevate the status of humans, both individuals and groups. CSR implementation with a spirit of ihsan will be had when individuals or groups make contributions with a spirit of worship and act because of the blessing of Allah SWT.

b. Benefit

The concept of benefits in CSR is more than economic activity. Companies should provide broader benefits and not static, for example carrying out empowerment in various social aspects such as education, health, environmental conservation.

c. Trustworthy

Companies that implement CSR must understand and maintain the trust of society which is automatically burdened on their shoulders, for example creating quality products, as well as avoiding dishonorable actions in every business activity.

After explaining the supporting indicators for ICSR disclosure, where companies use the Islamic concept, which is different from CSR, where companies are conventionally based, the types of ICSR activities according to Philip and Nancy are as follows:

a. Cause Promotion

This first type aims to help increase public awareness of a social problem or cause that the company wants to address. In this way, people will be encouraged to participate in supporting this social problem.

Apart from being a form of company responsibility to related parties, this activity can also be used as a promotional tool. The company will spend a certain amount of funds or other resources as a form of contribution, so that the public will become more familiar with the product or product their brand.

b. *Cause Related Marketing*

This type of ICSR activity is a form of commitment by a company to donate a certain amount of profits received in a social activity. The results collected will be handed over to certain parties, which can then be used to carry out development in the area. Companies can get many new customers by carrying out this program, increase sales, and build a positive image for brand identity.

c. *Corporate Social Marketing*

This next type of program is a company campaign which has the ultimate goal of encouraging changes in people's behavior in a better pattern. These changes include public health and safety, environmental sustainability, as well as community welfare.

d. *Corporate Philanthropy*

Companies that carry out the Corporate Philanthropy program will provide free of charge a portion of the profits from the company's assets, or in other words, contribution to society. This CSR activity is a form of gratitude from the company for the community's contribution, so usually the form of donation is in cash.

The company's reputation will certainly increase by carrying out this program. A good image can also influence the company's future, which has a positive impact on solving social problems in the local community.

e. *Community Volunteering*

When carrying out this program, the company will provide services to help local community groups or target groups on a voluntary basis. Usually, companies will involve employees, fellow traders, and franchise holders to volunteer their time.

In addition to knowing that the elements of the ICSR are wrong, ICSR disclosures are also expressed using the ISR calculation, namely Islamic Social Reporting. ISR is the answer to the need to measure corporate responsibility based on Islamic law, so the measurement using Islamic Social Reporting has six indexes, including financial themes, products, sources. human resources, social, environmental, corporate governance as for the explanation of the six indices, including:

a. Labor theme

The labor theme explains that the Islamic community wants to know whether company employees have been treated fairly and fairly through information disclosed with several items identified including job characteristics, salary, working hours, holidays, education and training, equality of opportunity, policies regarding work health and safety, employees from special groups, and most importantly regarding spiritual factors among employees such as religious activities, freedom to practice worship and adequate facilities for places of worship.

b. Product and service themes

In this theme, it is explained that items that should be disclosed in this theme include the status of conformity with the fatwa of the Indonesian Ulema Council (MUI), disclosure of consumer complaints and their handling, as well as consumer services and surveys.

c. Investment and finance theme

The investment and finance theme explains that items included in the financial theme include disclosure of information that company activities are free from elements of usury and gharar which are prohibited according to Islamic principles, information regarding zakat distributed by the company, and information regarding the company's policy in handling delays in paying receivables.

d. Community theme

It is explained that the social disclosure items in this index are social activities that are in accordance with Islamic principles such as sadaqah, waqaf, qardhul hassan, volunteering from employees, providing scholarships, and other charitable activities. Apart from that, there are also disclosure items regarding the company's own role as a means of disseminating information about Islamic economics, as well as other activities to help the government improve people's living standards.

e. Environmental theme

It is important for all living creatures to protect the surrounding environment. Items expressed in this environmental theme are the use of natural resources, environmental conservation, environmental education, as well as company policies related to the environment.

f. Corporate governance theme

Items expressed in this theme include the profile and performance of the board, namely the board of commissioners, the board directors and sharia supervisory board, also regarding the implementation of sharia compliance, disclosure of non-halal transactions, legal issues faced and company policies regarding anti-corruption and anti-money laundering.

Introduction to Islamic Business

According to Hughes and Kapoor (2014) business is an organized individual business activity to produce and sell goods and services in order to make a profit to meet the needs of society. Business according to the Islamic perspective is a business practice that is implemented

Operational activities must not solely seek maximum profit, meaning that the profits obtained must be proportional to not causing harm to other people. The role of ethics in sharia business is very important as a limit so that sharia business actors do not fall into greed.

Running a sharia-based or Islamic business is an endeavor that can be carried out by instilling strong intentions and determination in changing something that originally could not produce anything of value into something that is valuable and brings success if carried out well and correctly and by paying attention to all forms of prohibitions. Islamic sharia is prohibited and carries out in accordance with sharia principles which hopes for the blessings and approval of Allah SWT (Eny Latifah, 2020:4)

Management is very important to implement in activities business. Management in Islamic business is the main standard in the running of a business with a business having management that can make plans, strategies, work patterns, marketing, markets and profit making and does not conflict with Islamic teachings. In the introductory discussion of Islamic business there are several variables to carry it out. as follows :

1. *Good Corporate Governance*

The sustainability of a company really depends on the relationship between stakeholders who generally have needs between each other, the concept of good corporate governance is a way for companies to properly control the needs that come from various types of stakeholders, GCG is more aimed at actions taken by company executives so as not to harm stakeholders because In this case, GCG concerns morality, work ethics, and good work principles.

The definition of Good Corporate Governance according to (Adrian Sutedi, 2012:25) is related to effective decision making. Built through organizational culture, values, systems, processes, policies and organizational structure which aims to achieve a profitable, efficient and effective business in managing risks and being responsible by paying attention to the interests of stakeholders.

*Good Corporate Governance*which is in accordance with State BUMN Decree No. 09/MBU/2012 concerning good corporate governance in state-owned enterprises in order to increase corporate profits and corporate accountability in order to realize shareholder value in the long term and still pay attention to stakeholder interests.

The definition above can be concluded that Good Corporate Governance is a system that regulates managing and supervising business control processes that run in a sustainable manner to increase share value, as a form of accountability to shareholders without ignoring the interests of stakeholders which include employees, creditors and the community.

*Forum For Good Corporate Governance*Indonesia (FCGI) defines Good Corporate Governance as a set of regulations that regulate the relationship between shareholders, company managers, creditors, government, employees and other internal and external stakeholders relating to their rights and obligations or in other words a system. who controls the company.

Several definitions of GCG have been explained as well as in the Good Corporate Governance Decree issued by BUMN, therefore there must be GCG principles implemented to support company operations that produce good performance in accordance with the vision and mission, while the principles of Good Corporate Governance are as follows:

a. *Transparency*

Transparency can be interpreted as openness of information, both in the decision-making process and in disclosing material and relevant information about the company.

b. *Accountability*

Accountability is the clarity of functions, structures, systems and responsibilities of company organs so that company management is carried out effectively.

c. *Responsibility*

Responsibility, corporate responsibility is conformity (compliance) in company management to healthy corporate principles and applicable laws and regulations.

d. *Independence*

Independence, or independence, is a situation where a company is managed professionally without conflicts of interest or those that are not in accordance with applicable laws and regulations and healthy corporate principles.

e. *Fairness*

Fairness, namely fair and equal treatment in fulfilling stakeholder rights arising based on agreements and applicable laws and regulations.

The concept of good and correct corporate governance or what is usually called Good Corporate Governance and the principles it has, then there is a goal for a company in running it, while the GCG goals are as follows:

a. Recognize and protect the rights and obligations of stakeholders
b. Minimize (agency costs) by controlconflicts of interest that may arise between the principal and the agent.
c. Improving the company's foundation to become a healthy, transparent and responsible company.
d. Improving company ethics so that it can reduce risks that occur.
e. Can attract potential investors because of the choice of trust with the implementation of GCG.
f. Creating high company performance
g. Creating a good company image
h. Increased customer satisfaction

The explanation that has been explained can be said that the implementation of Good Corporate Governance is expected to be able to obtain information that is fast, accurate and reliable so that the decisions taken can fulfill the objectives that have been planned and determined previously. The goal of the company in general is to make a profit, therefore the company must be able to make profits effective in the company.

2. Company performance

Company performance can be interpreted as the ability of a company to manage existing resources so that it can provide value to the company (Hery, 2019: 55) suggests that company performance is a function of workers' ability to accept work goals with the level of goal achievement and the interaction between goals and The concept of performance is a little more complicated because performance is defined as a function of the abilities possessed by workers with the aim of the work to be carried out.

Understanding other concepts, company performance is an a complete view of the company's condition during a certain period and time. In this definition, results are influenced by the company's operational activities in utilizing the resources owned by the company. With the explanation of the definition outlined above, there are measurements, assessments and performance benefits as follows:

a. Performance Measurement

Performance measurement, several measures can be used to measure it. Some performance measures include; quantity of work, quality of work, knowledge about work, ability to express opinions, decision making, work planning and work organization areas. A simpler measure of achievement has three criteria for measuring performance, first; quantity of work, namely the amount that must be done, second, quality of work, namely the quality produced, and third, timeliness, namely suitability of work to the specified time.

b. Performance assessment

In the process of running an agency, there is a performance assessment which aims to be used as evaluation material for work. The performance appraisal assesses the employee's contribution to an agency during a certain period of time. Performance feedback allows employees to know how well they are performing compared to organizational standards. If performance appraisals are carried out correctly, employees, the human resources department and ultimately the agency will benefit by ensuring that individual efforts contribute to the organization's strategic focus.

Management decisions of an agency or company in deciding placements, promotions and transfers are usually based on past performance. Promotions are often a form of recognition for past performance. Planning for training and development needs, poor performance may indicate a need for training. Likewise, good performance may reflect potential that must be developed.

c. Benefits of Performance Appraisal

According to Hery (2019:62), performance appraisal has two general benefits in an agency or company and both can be a potential conflict. One use is to measure performance for the purpose of providing rewards or to make administrative decisions regarding employees.

Promotion or dismissal of employees can depend on the results of this assessment. Another benefit is to develop individual potential or develop human resources. On The benefit of this is that managers are shown in a role more as a counselor than a judge, where the roles are often different. The emphasis is on identifying employee potential and planning a company for the direction and opportunities for future employee growth.

Return On Equity(ROE)

Kasmir (2013:114) explains in his book that the profitability ratio is a ratio to assess a company's ability to seek profits or returns in a certain period. This ratio also provides a measure of the level of effectiveness of a company's management as indicated by the profits generated from sales or investment income. It is said that a company has good profitability if it is able to meet the profit target that has been set using the assets or capital it owns.

Return On Equity(ROE) is a profitability ratio which shows the comparison between profit (after tax) and capital (core capital) of the bank. This ratio shows the percentage level that can be generated in managing the available capital to get net income, according to Irham Fahmi (2013:137) Return On Equity (ROE) is also called return on equity. This ratio examines the extent to which a company uses its resources to be able to generate profits on equity.

Return On Equity(ROE) has goals and benefits, not only for company owners or management, but also for parties outside the company, especially parties who have a relationship or interest with the company. According to Kasmir (2013:114), Return On Equity (ROE) is a type of profitability ratio. The aims and benefits of using profitability ratios for the company, as well as for parties outside the company, are:

a. To measure or calculate the profits obtained by a company in a certain period
b. To assess the company's profit position from the previous year to the current year.
c. To assess the development of profits over time.
d. To assess the amount of net profit after tax with own capital.
e. To measure the productivity of all company funds used, both borrowed capital and own capital.

From the several objectives and benefits of Return On Equity explained above, it can be said that Return On Equity is used to calculate and measure and analyze the profits obtained by the company.

RESEARCH AND DISCUSION RESULT

The Influence of Islamic Corporate Social Responsibility (X1) on Company Performance (Y)

The concept of Islamic Corporate Social Responsibility is of course different from the conventional one applied from an Islamic perspective, namely the consequences related to the teachings of the Islamic religion, while the aim of Islamic law, which is usually called maqashid sharia, is about goodness or maslahah so that running a business is an effort to create goodness, not just focused on making a profit. . In Islamic law, the obligation to carry out social responsibility is not only related to fulfilling legal and moral obligations, but there are strategies so that a company can survive for a long period of time so that its social responsibility to society also continues and can provide benefit to the surrounding area.

Islamic religious teachings approach to social responsibility as a whole and provide spiritual integration of vision and mission which is of course guided by the Al-Qur'an and Sunnah, that the moral and ethical principles of these two guidelines provide guidance to companies in running a company. and of course it has social responsibility where a company is run. In Islamic Corporate Social Responsibility, Allah is the source that is most prioritized, therefore

Strengthened by the verses of the Qur'an, it can be used as a reference by paying more attention and social concern to others. ICSR disclosure will be very important for corporate social responsibility, in this case Islamic Corporate Social Responsibility disclosure using the ISR index, namely Islamic Social Reporting. There are around 48 items that are disclosed in a company covering topics, finance and investment, products and services, employees, society, environment and corporate governance, all of which total 48 items.

Calculation of ICSR disclosures using the ISR or Islamic Social Reporting index measurement with companies operating in the Fast-moving Consumer goods sector that have been listed consistently for five years in a row on the Jakarta Islamic Index 30, there are 4 companies, namely, PT Indofood CBP Sukses Makmur Tbk, PT Indofood Sukses Makmur Tbk, PT Kalbe Farma Tbk, PT Unilever Indonesia Tbk where the results of calculations using ISR measurements experienced fluctuating values for these four companies over a five year period starting 2017-2021.

Based on the results of data that has been partially processed on the Islamic Corporate Social Responsibility variable on company performance (Y) in the initial calculation by measuring the ISR index then the data is partially processed by SPSS with multiple regression analysis which includes a partial t test then an f test and simultaneous coefficient of determination test, partial calculation shows that the known Sig value is 0.134, where the Sig value level is 0.05 with the value above showing that the Sig value of the variable 1.516 and the value of the t table is 1.995, where the results show that the calculated t value is smaller than the t table, where the results of multiple analysis and the t test show partial results that variable X1 where Islamic Corporate Social Responsibility does not have a significant effect on variable Y which is positioned as Company performance.

With this it can be concluded that with the hypothesis that has been tested, H01 is accepted and Ha1 is rejected with the hypothesis that has been tested that it is not. Islamic Corporate Social Responsibility (X1) is significantly influenced by Company Performance (Y).

The Influence of Good Corporate Governance (X2) on Company Performance (Y)

The 21st century has seen a change in the era where the implementation of Good Corporate Governance has become one of the urgent problems in a company or organization, whether the agency is large or medium scale. In situations like this, it cannot be differentiated between large or medium scale companies even though a company applies the GCG concept. In this case, the implementation of GCG is related to the distribution of responsibility as well as consequences and accountability for achieving performance or other achievements.

The concept of Good Corporate Governance is definitively a system that regulates and controls corporate governance to be able to create added value for all stakeholders. In this case, there are two things that are prioritized in this concept, firstly the importance of shareholders' rights to obtain correct and appropriate information, then the company must make accurate, timely, transparent disclosures with all information on company performance, ownership and stakeholders. In this discussion, a company wants to implement a correct GCG system, there are principles that must be fulfilled, in general the principles of Good Corporate Governance are information disclosure. , accountability, responsibility, independence then the last principle of equality or reasonableness in this case the verses of the Qur'an or hadith that support the concept as well as the following GCG principles.

In the context of this hadith, it has been explained that a person is asked to act honestly which will bring goodness. In this hadith, it is the same as one of the principles of GCG, namely openness because honesty or openness will lead to good things.

Calculation of Good Corporate Governance for companies operating in the Fast-moving Consumer goods sector that have been consistently listed five years in a row on the Jakarta Islamic Index 30, there are 4 companies, namely, PT Indofood CBP Sukses Makmur Tbk, PT Indofood Sukses Makmur Tbk, PT Kalbe Farma Tbk, PT Unilever Indonesia Tbk where the results of calculations by measuring GCG data experienced fluctuating values for the four companies over a five year period starting 2017-2021.

Based on the results of data that has been partially processed on Good Corporate Governance (X2) on company performance (Y) with the data partially processed by SPSS with multiple regression analysis which includes a partial t test then an f test and a simultaneous coefficient of determination test , partial calculation shows that the known Sig value is 0.000, where the Sig value level is 0.05 with the value above showing that the Sig value of the variable is 1.995, where the results show that the calculated t value is greater than the t table, where the results of multiple analysis and the t test show partial results that variable X2, where Good Corporate Governance has a significant effect on variable Y, which is positioned as Company Performance.

With this, it can be concluded that the hypothesis that has been tested is that H02 is rejected. Ha2 is accepted with the hypothesis that has been tested that Good Corporate Governance (X2) is significantly affected by Company Performance (Y).

The Influence of Islamic Corporate Social Responsibility (X1) and Good Corporate Governance (X2) on Company Performance (Y)

*Islamic Corporate Social Responsibility*contains the concept of social responsibility which is based on the teachings of the Islamic religion in which all activities are carried out discusses social care both outside and inside a company with many ways of implementing many aspects related to ICSR including employees, the environment and society, where this activity is to minimize negative impacts and maximize positive impacts and invites a company to be serious in its efforts to provide the benefits of its presence to the general public.

This is different from Good Corporate Governance which contains a set of regulations that determine the relationship between owner stakeholders, creditors, government, employees and other internal and external stakeholders regarding their rights and obligations or in other words directing and controlling the company (Forum for Corporate Governance Indonesia, 2001).

With the results of the research discussed above, according to data that has been partially processed, the relationship between the Islamic Corporate Social Responsibility variable and company performance shows significant negative results or is not affected by ICSR on company performance, in contrast to the Good Corporate Governance variable on company performance, which shows results significant positive, which means that there is an influence of GCG on company performance, with partial research results in this study also discussing simultaneous research results, whether there is a joint influence between

Islamic Corporate Social Responsibility (X1) and Good Corporate Governance (X2) on company performance. (Y) in FMCG sector companies listed on the Jakarta Islamic Index 30 2017-2021.

Based on the results of data that has been processed simultaneously on Islamic Corporate Social Responsibility (X1) and Good Corporate Governance (X2) on company performance (Y) in Fast-moving Consumer goods sector companies registered in JII30 2017-2021 with data has been processed by SPSS with the f test and the coefficient of determination test simultaneously, the simultaneous calculation of the f test shows that the known Sig value is 0.000, where the Sig value level is 0.05 with the above value indicating the Sig value of variables X1 and Sig value, the results of the f test show that the calculated f is 70.636 and the value of the f table is 3.15, where the results show that the calculated f value is greater than the f table, which from these results shows that simultaneously there is a significant influence between Islamic Corporate Social Responsibility (X 1) and Good Corporate Governance.

With this it can be concluded that with the hypothesis that has been tested, namely H03 is rejected and Ha3 is accepted with the hypothesis that has been tested f and the coefficient of determination test that Islamic Corporate Social Responsibility (X1) Good Corporate Governance (X2) is significantly affected by Company Performance (Y).

Conclusion

This research aims to examine the influence of Isalmic Corporate Social Responsibility and Good Corporate Governance on company performance with the samples used in this research being 4 companies operating in the Consumer goods sector which have been registered consistently for five consecutive years in 2017-2021, that The results of multiple regression testing on Islamic Corporate Social Responsibility and Good Corporate Governance on company performance simultaneously or together have a significant influence showing that this influence proves that corporate governance is able to have an impact on the development of broader company performance.

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