

ABSTRACT

The main goal of the company is to make a profit, in carrying out its business processes the company needs to pay attention to the relationship between the company and employees, the community and the surrounding environment in order to obtain profits, so the company can survive and develop.

In this research profitability is measured using return on assets (ROA). The research object used is a food and beverage sector company listed on the Indonesia Stock Exchange (IDX) in 2012-2017. The method of collecting data comes from the annual report published through the Indonesia Stock Exchange.

This research uses quantitative methods. This sample selection technique uses purposive sampling. The sample used in this research amounted to 42 samples. The data analysis method of this research uses panel data regression analysis using Eviews 9.0.

The results of this research indicate that simultaneously the costs of employee welfare and community costs have an influence on profitability. Partial testing shows that the cost of employee welfare does not affect profitability and community costs have a positive effect on profitability.

Based on the results of this research, companies must pay more attention to social care for the environment and society through community costs by conducting social care programs to be able to attract the attention of the community and stakeholders so that the company will get a good image in the eyes of the community and its stakeholders.

Keywords: corporate social responsibility costs, employee welfare costs, community costs, profitability, return on assets.