

ABSTRACT

Profitability is a ratio used to measure the rate of profit compared to sales or assets, measuring how much the company's ability to make a profit in relation to sales, assets, and profits and own capital. The profitability measurement used in this study is Return on Assets (ROA). ROA is a measure of a company's ability to be able to produce returns in the form of profits on the utilization of assets used by the company.

In this study the independent variables were Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA). The dependent variable in this study is profitability. This study aims to determine the effect of Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA) on profitability in textile and garment sub-sector companies listed on the Indonesia Stock Exchange.

The population in this study were textile and garment sub-sector companies listed on the Indonesia Stock Exchange in 2013 - 2017. The sample selection technique used purposive sampling and obtained 16 companies with observations over five years so that 80 samples were observed. The analysis technique used in this study is panel data regression analysis using the Eviews 9.0 application.

The results of the descriptive analysis test in this study indicate that profitability, VAHU, and STVA in the textile and garment sub-sector companies are in good condition because they have more companies with values above the average. Whereas, VACA shows an unfavorable situation because more companies produce values below the average value of textile and garment sub-sector companies listed on the Indonesia Stock Exchange in 2013-2017.

Based on the results of research, Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA) simultaneously influence profitability. Partially, Value Added Human Capital (VAHU) has a positive effect on profitability. While Value Added Capital Employed (VACA) and Structural Capital Value Added (STVA) have no effect on profitability.

Keywords: *Profitability, Return on Assets, Structural Capital Value Added, Value Added Capital Employed, Value Added Human Capital*