



INFLUENCE OF CORPORATE SOCIAL APPLICATION RESPONSIBILITY TO PROFITABILITY IN ALMEERAATELIER

Muhammad Amien Khintari^{1*}, Azizah Fauziyah², Tika Annisa Lestari Koeswandi³

¹⁻³Entrepreneurship Study Program, Universitas Pendidikan Indonesia, Indonesia

*Correspondence: E-mail: khintari@upi.edu

ABSTRACT

The purpose of this study, namely to find out the general description of Corporate Social Responsibility (CSR) and profitability at Almeera Atelier and determine the effect of Corporate Social Responsibility on profitability at Almeera Atelier. The object of this research is Almeera Atelier. The method used in this study is a quantitative research method with descriptive and associative approaches because of the variables that will be examined in relation to it and its purpose is to present a structured picture. The results of this study have an influence in the implementation of CSR on increasing profitability.

© 2021 Kantor Jurnai dan Publikasi UPI

ARTICLE INFO

Article History:

Received 02 Juni 2022

Revised 03 Jun 2022

Accepted 05 Jun 2022

Available online 6 Sept 2022

Keyword:

Corporate Social Responsibility,
Profitability,
Return On Equity.

1. Introduction

Current developments and technology have an impact on the increasingly advanced and complex operational activities and corporate social responsibility. This has resulted in greater demands on the company. A good company is not only required to generate large profits, but also has a concern for environmental sustainability and community welfare. This is because in carrying out its activities the company will interact directly or indirectly with its environment. This is in accordance with the triple bottom line popularized by John Elkington in 1997 through his book "Cannibals with Forks, The Triple Bottom Line of Twentieth Century Business". Elkington developed the Triple Bottom Line concept in terms of economic prosperity, environmental

sustainability and social justice (Nasdian, 2014).

An investor before investing in a company, needs to ensure that the invested capital is able to provide the expected rate of return or not, by knowing the company's performance. A company has a good performance if it can provide the expected rate of return on investment activities carried out by investors by analyzing the company's profitability ratios to control the profits earned by the company (Freddy, 2005). Profitability has an important meaning in the company to maintain survival in the long term, thus every company will always try to increase its profitability because the higher the level of profitability of a company, the company's survival will be more guaranteed (Maulina,

2015). Profitability also has an important meaning in an effort to maintain its survival in the long term, because profitability shows whether the business entity has good prospects in the future. Companies that are able to generate large and stable profits will attract investors, because it will automatically benefit investors. The large ability of large companies to generate profits also shows good company management, thereby fostering investor confidence.

2. Methods

In this study, the author uses quantitative research methods with descriptive and associative approaches because of the variables that will be examined in relation to it and its purpose is to present a structured picture. The definition of descriptive research method is a problem formulation that is concerned with statements with the existence of independent variables, either only on one or more variables (Sugiyono, 2014). The descriptive method in this study will be used to provide an overview of Corporate Social Responsibility (CSR) and profitability at the Almeera Atelier company. While the notion of the associative method is research that aims to determine the relationship between two or more variables (Sugiyono, 2017). As for this study, the associative method was used to determine the effect of Corporate Social Responsibility (CSR) on the profitability of the Almeera Atelier company.

Profitability is the company's ability to generate profits and measure the level of operational efficiency and efficiency in using the assets owned (Mas'ud, 2008). In addition, profitability can be defined as the company's ability to earn profits in relation to sales, total assets, and own capital (Sartono, 2017). So it can be concluded that profitability is the company's ability to earn profits through its own business operations. Company management in order to maximize company profits must be able to increase revenue and minimize expenses or it can be said to empower resources as efficiently as possible.

The definition of CSR is the ability to behave in ways that are in accordance with economic,

social and environmental principles while still taking into account the direct interests of stakeholders (Vasin, Heyn & Company, 2004). While another definition, CSR is a commitment to improve the welfare of society as a consideration in business practices and the contribution of company resources (Kotler and Lee, 2005).

CSR is a genuine effort of the company to minimize the negative impact and maximize the positive impact of its operations in the economic, social and environmental fields, to all its stakeholders, to achieve sustainable development goals (Sukada, 2007). The essence of this understanding does not refer to business activities regulated by applicable laws and regulations, but rather to the company's volunteer commitment so that it is selected and implemented in its business practices.

The relationship between corporate social disclosure and corporate profitability has become a role to illustrate the view that social responses require the same managerial style as what needs to be done to make companies generate profits (Achmad, 2009). Therefore, the higher the level of company profitability, the greater the disclosure of social responsibility in the company.

3. Results and Discussion

The object of research is a set of elements that can be in the form of people, organizations, or goods to be studied (Supranto, 2000). In this study, Almeera Atelier is a fashion brand for students of the Entrepreneurship Study Program, Universitas Pendidikan Indonesia, Tasikmalaya Campus, which was founded on March 21, 2019 by Ilham Medi, Muhammad Amien, and Dini Hajah. In carrying out business activities, Almeera Atelier is located at Laswi Residence, Tasikmalaya City. Therefore, the following results of Almeera Atelier's CSR are presented in the table:

Tabel 1. Almeera Atelier CSR Result

No	Indicator	Skor	Value
1	Environment	348	0,48
2	Energy	199	0,47
3	Workforce Health and Safety	201	0,48
4	Miscellaneous Labor	615	0,47
5	Product	171	0,57
6	Community Engagement	171	0,48
7	General	42	0,7
Average		249,6	0,52

Source: Data processed 2022

Based on table 1 above, we can see that CSR results get an average score of 249.6 and get an average rating of 0.52 which shows that CSR carried out by Almeera Atelier is included in the "often" category. Next are the results of the profitability (ROE) of Almeera Atelier in the period March 2019 - February 2021. Following are the results:

Table 2. Almeera Atelier ROE

No	Object	ROE	
		Mar 19 - Feb 20	Mar 20 - Feb 21
1	Almeera Atelier	0,8	1,54

Source: Data processed 2022

Based on the table 2 above, we can see that the ROE report of Almeera Atelier in March 2020 - February 2021 had the most ROE reports of 1.54. While the least occurred in March 2019 - February 2020 of 0.8. From the ROE results above, it can be concluded that the ROE of Almeera Atelier is in the "low" category.

Based on the results of data analysis, it shows that there is a positive influence between Corporate Social Responsibility (CSR) on Profitability (ROE), according to Kotler and Lee in 2005 for CSR and Sartono in 2017 for profitability indicating that there is a

relationship between CSR and Profitability (ROE). This is in line with the level of corporate social responsibility which has an impact on increasing the company's economic performance, such as increasing sales, increasing value for the welfare of the owner and the like (Hadi, 2011).

With the test results showing that there is a positive relationship and significant influence between CSR (X) on Profitability (ROE) (Y) Almeera Atelier, it means that social responsibility has positive actions to increase profitability in a business. Apart from the variables measured on the object under study, there are also other variables that can support profitability. Other variables that have not been explained in this study are expected to be found by further researchers, as an effort to increase profitability in a business.

4. Conclusion

Based on the results and discussion conducted above, it can be concluded that there is a positive influence between Corporate Social Responsibility (CSR) and Profitability (ROE), this is known by conducting a test which states that there is a positive relationship and a significant influence between CSR (X) on Profitability (ROE) (Y) Almeera Atelier. The influencing indicators in this case are the environment, energy, health and safety of the workforce, products, community and general involvement.

5. REFERENCES

- Andreas, H. H., Sucahyo, U. S., & Elisabeth, D. (2015). Corporate social responsibility dan profitabilitas. *Jurnal Manajemen Maranatha*, 15(1).
- Ardila, I., & Fadila, N. F. N. (2018). Pengaruh Corporate Social Responsibility terhadap Profitabilitas dengan Good Corporate Governance sebagai Variabel Moderating. *Kumpulan Penelitian dan Pengabdian Dosen*, 1(1).

- Baharianti, S. (2018). *Pengaruh profitabilitas, leverage, ukuran perusahaan, Dan likuiditas terhadap kebijakan dividen tunai Pada perusahaan manufaktur yang Terdaftar di bei* (Doctoral dissertation, STIE PERBANAS SURABAYA).
- Fauzi, D. F. PENGARUH RASIO LAPORAN KEUANGAN TERHADAP HARGA SAHAM PERUSAHAAN MANUFAKTUR.
- Kusuma, G., I., Suhadak, S., & Arifin, Z. (2019). Analisis pengaruh profitabilitas dan tingkat pertumbuhan terhadap struktur modal dan nilai perusahaan (studi pada perusahaan real estate and property yang terdaftar di bursa efek Indonesia periode 2007-2011). *PROFIT : JURNAL ADMINISTRASI BISNIS*, 7(2).
- Wahyuni, S. F. (2018). Pengaruh corporate social responsibility terhadap nilai perusahaan dengan Profitabilitas sebagai variabel moderating. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 1(1), 109-117.