

## Corporate Social Responsibility, Employee Welfare and Social Return on Investment

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### Abstracts

*Corporate Social Responsibility (CSR) has become a major focus in the business world, as companies are not only required to achieve profits, but also contribute socially to society and the environment. This study aims to analyze the relationship between CSR implementation and community welfare on Social Return on Investment (SROI) with the case of PT Astra International Tbk during the 2020-2024 period. This research method uses a quantitative approach that utilizes secondary data from the company's sustainability report, while the data analysis is carried out with the help of SPSS. The research findings show that CSR and employee welfare partially or simultaneously have no significant influence on SROI. The study suggests that future research should increase the amount of data, determine other relevant variables, and handle multicollinearity to get more precise results.*

**Keywords:** Corporate Social Responsibility, Employee Welfare, Social Return on Investment

### Abstrak

*Studi ini menganalisis hubungan antara pelaksanaan CSR dan kesejahteraan karyawan terhadap Social Return on Investment (SROI) dengan kasus pada PT Astra International Tbk selama periode 2020–2024. Metode penelitian ini menggunakan pendekatan kuantitatif yang memanfaatkan data sekunder dari laporan keberlanjutan perusahaan, sementara analisis datanya dilakukan dengan bantuan SPSS. Temuan penelitian menunjukkan bahwa CSR dan kesejahteraan karyawan secara parsial maupun simultan tidak memiliki pengaruh yang signifikan terhadap SROI. Studi ini menyarankan agar penelitian selanjutnya meningkatkan jumlah data, menentukan variabel lain yang relevan, dan menangani multikolinearitas untuk mendapatkan hasil yang lebih tepat*

**Kata kunci:** Corporate Social Responsibility, Kesejahteraan Karyawan, Social Return on Investment.

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## INTRODUCTION

Corporate social responsibility (CSR) has become an important topic in the last ten years. CSR is a statement that companies should not only work for the benefit of shareholders, but also for the welfare of all parties involved in business, such as workers, local communities, governments, non-governmental organizations, consumers, and the environment (Dahlia and Siregar, 2004). The implementation of CSR still requires commitment and collaboration from various parties, including the government, communities, non-governmental organizations, and companies themselves. For the government, the sustainability of CSR carried out by companies not only provides a good influence for the company, but can also help strengthen the community's economy.

An effective CSR program can increase a company's competitiveness in the labor market. Companies that have a good CSR policy not only find it easier to attract qualified candidates, but are also able to retain their existing workforce by creating a positive and inclusive work environment (Dwijatenaya Ida, 2019). CSR that is only implemented as a formality or merely to fulfill regulations tends not to have a significant impact on employee retention. Therefore, companies need to ensure that the CSR programs implemented are truly relevant to the needs and expectations of employees and have real benefits for them. (Aman-Ullah, et.al. 2022).

CSR leads to a practice of disclosing information from companies about the environmental, social, and economic activities of a company that goes beyond legal and financial rights. (Badar and Hajrah 2022). CSR includes disclosure of information about a company's contribution to society, the environment, employee welfare, and ethical business practices. CSR disclosure is influenced by pressure from various stakeholders such as investors, consumers, and governments that encourage transparency and accountability of a company (Mustofa et al. 2020). In addition, increasingly stringent regulations also motivate companies to be more open in providing reports on the company's CSR activities (Irmalasari, Gurendrawati, and Muliasari 2022).

SROI is a framework for accounting measures for a broader concept of value, seeking to reduce inequality, and help improve welfare by incorporating the value of social, environmental and economic costs and benefits. SROI is also useful for strategic planning tools and as a communication of the impact of investments. SROI can help facilitate strategic discussions and help provide maximum understanding of the social value generated from an activity. Social investment has a paradigm that provides a statement about the important changes in the long-term nature of a social investment, namely the economy and the environment.

Furthermore, based on Kim et al. (2020), SROI also describes how companies use their social capital to invest, especially in social enterprises. The core components in SROI include elements such as investments, returns on those investments, economic benefits, social

benefits, as well as social costs. All these components work together to provide a holistic view of the social and economic impact of an investment. Simply put, SROI can provide a quotient of a ratio that is calculated using the following equation.

PT. Astra International Tbk reflects a paradigm shift in CSR practices. The company is widely known as a company that is active in CSR programs, not only in external aspects such as community education, environment conservation, and regional economic development, but also in internal aspects, especially in improving the quality of life and welfare of employees. PT Astra not only carries out CSR for external interests such as education and the environment, but also begins to integrate CSR values into employee welfare including training programs, capacity building, work life balance and health insurance.

The novelty of the study entitled “analysis of the relationship between CSR and employee welfare on SROI measurement” lies in its unique approach that combines three concepts that are usually analyzed separately: CSR, employee welfare, and SROI measurement. This is important because employees are key internal stakeholders who can directly reflect the success or failure of CSR programs. In addition, the measurement approach using SROI as a quantitative tool to assess the extent to which CSR activities and employee welfare provide measurable social benefits is relatively new, especially in the Indonesian context. Usually SROI is used to evaluate external programs such as community service or social assistance, but in this study it is applied to measure the social value created from within the organization itself.

Some previous studies mention the relationship between Corporate Social Responsibility (CSR) and employee welfare on Social Return On Investment. Thus, researchers want to conduct research on "Analysis of the Relationship Between Corporate Social Responsibility (CSR) and Employee Welfare to Social Return On Investment Measurement" with the aim of knowing whether there is a significant relationship between these studies.

## RESEARCH METHODOLOGY

### Population

In this study, the population used is the entire sustainability report of PT Astra International Tbk during the 2020-2024 Period. This population includes various data related to Corporate Social Responsibility (CSR), Employee Welfare, and Social Return on Investment (SROI) measurements reported by the company.

### Sample

In this study, the sample used is secondary data taken from the sustainability report of PT Astra International Tbk for the five years. The selected sample identifies the policy and implementation of CSR as well as the influence on employee welfare and SROI.

### Research Type and Approach

This research was conducted using quantitative research methods and the sample in the study was quantitative or statistical to test the hypothesis because this study used calculations in processing data. This research uses secondary data. This data comes from the sustainability report of PT Astra International Tbk in 2020-2024. The data is processed using SPSS. The study uses dependent and independent variables, namely dependent is the dependent variable and independent is the independent variable. In the research conducted, the dependent variable is Social Return on Investment, while the independent variables are CSR and employee welfare. In order to find out the relationship between CSR variables (X1) and employee welfare (X2) on Social Return on Investment (Y) multiple regression analysis is used. The reason for using multiple regression is because this study has 2 independent variables and dependent variables.

### Data Processing Stages

The initial action taken by the researchers was to conduct data collection using information obtained from corporate sustainability reports. The next step in the process is data transformation which involves transforming the data obtained into a format that is easier to use and process. Next, using SPSS for data processing and analysis, the researchers will draw conclusions from the test results.

### Data Analysis Technique

This study uses Multiple Linear Regression analysis techniques because it involves one dependent variable and more than one *independent variable*. With the aim of finding whether there is a relationship between CSR, employee welfare, and Social Return on Investment.

H1: Corporate Social Responsibility has a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.

H2: Employee Welfare has a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.

H3: Corporate Social Responsibility and Employee Welfare have a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.

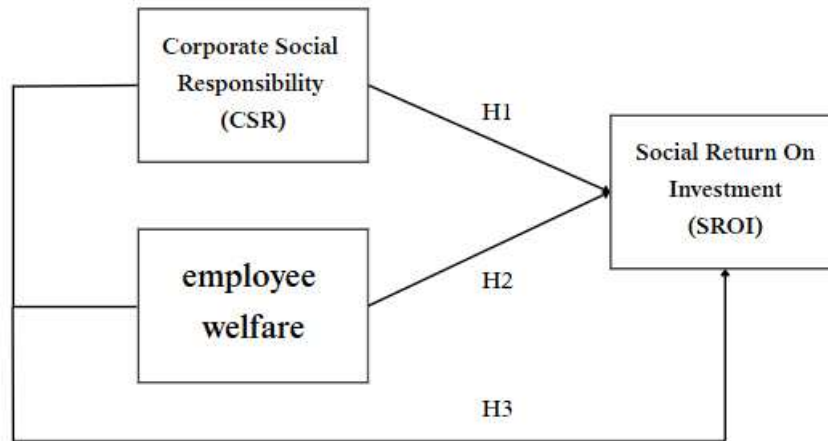


Figure 1. Conceptual Framework

## RESULTS AND DISCUSSION

### Results

Table 1. PT Astra International Tbk Test Data 2020-2024

Year	Article Data		SROI
	CSR (Expenditure carbon emissions in tons)	Employee Welfare	
2020	3883612	319339	3.4
2021	4312084	214810	3,0
2022	4859101	2120000	3
2023	4664028	2270000	3,01
2024	5026390	2630000	4.09

Source: Research Data (2025)

Table 2. SROI Category

SROI Value	General Category	Explanation
0 - 1	Low	Every Rp1 generates less than or equal to Rp1 of social benefit. The program is considered less effective.
1 - 3	Average	An effective program, every Rp1 generates Rp1-3 in social benefits. This is the general range of many standard social programs.
3 - 10	High	Every Rp1 generates Rp3-10 social benefits. This indicates that the program is very effective.
>10	Very High	Every Rp1 generates more than Rp10 in social benefits. An amazing program in creating impact.

Source: Primary Data Processed (2025)

**Table 3.** Test Results of PT Astra International Tbk Test Data 2020-2024**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	CSR	Kesejahteraan_Masyarakat
1	1	2,796	1,000	,00	,00	,01
	2	,203	3,710	,00	,00	,19
	3	,001	59,510	1,00	1,00	,81

a. Dependent Variable: sroi

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,2401	4,1701	3,5400	,41565	5
Residual	-,75390	,84292	,00000	,63228	5
Std. Predicted Value	-,722	1,516	,000	1,000	5
Std. Residual	-,843	,943	,000	,707	5

a. Dependent Variable: sroi

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,691	2	,346	,432	,698 <sup>b</sup>
	Residual	1,599	2	,800		
	Total	2,290	4			

a. Dependent Variable: sroi

b. Predictors: (Constant), Kesejahteraan\_Masyarakat, CSR

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	11,838	9,351		1,266	,333		
	CSR	-2,024E-6	,000	-,1223	-,869	,476	,176	5,669
	Kesejahteraan_Masyarakat	6,015E-7	,000	,915	,650	,582	,176	5,669

a. Dependent Variable: sroi

Source: Primary Data Processed (2025)

This study aims to understand the impact of Corporate Social Responsibility (CSR) and employee welfare on Social Return on Investment (SROI). From the results of normality testing using the One-Sample Kolmogorov-Smirnov Test, a significance value of 0.200 was obtained, which is higher than the significance limit of 0.05. This finding indicates that the

residual data has a normal distribution, thus fulfilling the basic requirements for linear regression.

In testing collinearity diagnostics, the Condition Index value is 59.510, which exceeds the normal value of 30. This indicates a multicollinearity problem between the CSR and Employee Welfare variables, which can cause instability in the value of the regression coefficient. The results of the ANOVA test show that the regression model has no significance with a significance value of 0.699, which is greater than 0.05. This means that together, CSR and employee welfare do not have a significant influence on SROI. In the regression coefficient analysis, the significance value for each of the CSR (0.476) and Employee Welfare (0.582) variables is also greater than 0.05. Thus, both together and separately, these two variables do not show a significant influence on SROI. The Model Summary shows an R Square value of 0.302, indicating that 30.2% of the variation in SROI can be explained by CSR and Employee welfare. However, the negative Adjusted R Square value (-0.397) indicates that this model is not suitable or appropriate for wider generalization.

## Discussion

### **Corporate Social Responsibility has a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.**

The results of this study reject research (Yekti et al., 2023; Irman & Juliyanti, 2025; Medina Garrido et al., 2023) which explains that there is an influence on the SROI value. While the CSR initiatives implemented by PT Astra International Tbk. have been found to make a substantial social contribution, their impact on SROI measurement has not always yielded significant results. This discrepancy can be attributed to the inherent challenges in accurately measuring social impact and the relevance of the SROI indicators employed. Consequently, it is imperative for companies to persist in developing enhanced methodologies for measuring the social impact of their CSR and aligning them with their strategic objectives to create greater social value. According to the principles of stakeholder theory, it is incumbent upon companies to take into account the interests of the various parties involved in their activities. These parties include, but are not limited to, employees, consumers, the government, and the community. However, it should be noted that the correlation between CSR and SROI is not always direct, as numerous other factors contribute to a company's social performance. CSR can be regarded as a moral obligation or a component of a company's reputation, irrespective of its financial implications or quantifiable social return. A number of studies have been conducted that examine SROI measurement from diverse perspectives, including economic and social approaches. In certain instances, these studies contend that the primary focus of CSR lies in the cultivation of corporate reputation rather than in the direct measurement of social outcomes, as measured by SROI.

**Employee Welfare has a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.**

Research (Irman & Juliyanti, 2025) states that employee welfare costs affect ROA, which shows that this investment can provide economic and social value that can be calculated in SROI. Other research (Medina Garrido et al., 2023) explains that employee welfare strengthens the social impact of the organization. In the study (Munthe., et al 2024), a review was conducted from 2007–2022 regarding the application of the SROI method in companies. Although not explicitly focused on welfare, the study includes social benefits such as improving working conditions and employee health. The study shows that employee welfare programs such as ergonomics and safety training provide significant positive social and financial value, contributing to increased productivity and reduced risk of injury. This is different from the research results, so the research was rejected. The researcher supports the study (Barbosa., 2015) which states that there is no significant influence. This study is statistically insignificant because there is internal confidence that includes zero and negative values (-8.85 to 9.47)

**Corporate Social Responsibility and Employee Welfare have a significant effect on the measurement of Social Return on Investment at PT Astra International Tbk.**

Based on the analysis conducted, it can be interpreted that CSR and Employee Welfare do not have a significant influence on SROI in this model. This may be due to several factors, such as the very small sample size (only 5 data points), which prevents the model from capturing more complex variations in relationships. In addition, the presence of multicollinearity among the independent variables affects the stability of the model and makes the results difficult to interpret.

The low R Square value also suggests that much of the variation in SROI is due to factors other than CSR and Employee Welfare that are not included in this model. These other factors may relate to the management of the CSR program, effectiveness in benefit distribution, the size of the economic impact, or even external factors such as macroeconomic conditions during the pandemic. This finding is in line with previous research which shows that the relationship between CSR and social impact indicators such as SROI is not always linear or direct, but rather depends on various other influencing factors, such as community participation, program duration, and effectiveness of implementation in the field.

One possible cause is that the implementation of CSR that is not based on community needs or is not participatory tends to have a weak social impact. According to Gangi et al. (2020), stakeholder participation and the durability of programs with local economic and social values are critical to CSR's efficacy. If CSR is carried out only to fulfill obligations without the active involvement of the community or employees, the results will not be seen significantly in evaluations such as SROI. In addition, Mazzei et al. (2020) stated that measuring social value such as SROI requires a long-term impact-based evaluation



framework and not just annual data or financial accounting. Many impacts of CSR or welfare programs do not directly produce social benefits that can be monetized in the short term, especially in soft-impact aspects such as increased work motivation or improved social relations in the workplace.

Additionally, the model's ability to reflect the intricacy of the relationships between variables is also limited by the measuring approach that solely relies on secondary data and financial indicators. The significance of a mixed-method assessment strategy in assessing SROI is emphasized by Plewnia and Guenther (2021). This technique incorporates qualitative data from beneficiaries, in-depth interviews, or case studies that can enhance social analysis that is too "cold" when examined solely quantitatively. Therefore, the study's rejection of the three hypotheses does not just demonstrate the lack of benefits of CSR and employee welfare; rather, it highlights methodological flaws in the way the social values generated are captured and measured.

## CONCLUSIONS

Based on the discussion above, it can be concluded that the residual data has a normal distribution, because the normality test results with a significant value of 0.200 are greater than 0.05. This means that the data meets one of the basic assumptions required for linear regression analysis. And there is a problem between CSR and Employee Welfare, which is indicated by the Condition Index value of 59.510 which exceeds the normal limit of 30. This has an impact on the stability of the regression coefficient value in the analysis. In addition, the ANOVA results show that the regression model is not statistically significant, with a significance value of 0.699 greater than 0.05. Thus, together CSR and employee welfare do not have a significant influence on SROI. Even in the individual analysis, each of the CSR and employee welfare variables shows a significant value greater than 0.05, which reinforces that their influence on SROI is not significant. With an R Square value of 0.302, only 30.2% of the variation in SROI can be explained by these two variables. It is recommended to expand the sample of analysis data so that the research results are more complex between variable relationships. As well as testing with other testing techniques in order to provide another picture of the results of this study.

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