

ABSTRACT

This work was made to determine the effect of the value of IT on the performance of information technology-based companies, namely PT. Telkom Indonesia. The Cobb Douglas Production Function is used to help find the effect of IT values, linear and nonlinear regression are general tests carried out to complete this research, which shows that changes in output during the production process are not always smooth as we expect. It is therefore important to verify when examining the IT expenses of the company. The Cobb Douglas Production Function is used because the production function can be applied to calculate the effect of IT values in each year. The data used is the secondary data of PT. Telkom Indonesia for the last 15 years starting from 2006-2020. The data taken to perform the calculations are K which is the value of the company's equity, L which is the value of the company's labor costs, and I is the value of IT spending costs. SPSS software is used as a tool for testing starting from the classical assumption test (normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test) hypothesis testing (R test, F test, and T test), linear regression test, and nonlinear regression test. After processing the data using the obtained value that is closest to the average original income at PT. Telkom Indonesia is the result of linear regression testing with a result of 0.072%. Then the existence of this research to determine the value of B3 at PT. Telkom Indonesia and after calculating the B3 results of 0.264, this means that IT spending costs are very important for company performance. This means that by adding 1% to the cost of IT spending, revenue can be increased to cope with output in the future. The research in this final project leads to an understanding that the value of IT is real in improving company performance and rejects the paradox which states that there is no relationship between the value of IT and the profit that will be received by the company. Thus, the results of this work are very open for studies that discuss the value of IT to continue to develop further.

Keywords— IT Value, Telkom Indonesia, Cobb Douglas Production Function, SPSS