

ABSTRACT

Telkom Group is the only state-owned telecommunications company in Indonesia. Telkom Group business scope is called TIMES (Telecommunication, Information, Media & Edutainment Service). To fulfill the urgency of TIMES business, Telkom Group has established and acquired many subsidiaries. Based on Telkom Group's financial statement every year, Telkom Group always shows a generally good performance. However, the contribution and performance of each subsidiary is yet to be known. Besides, the financial performance measurement of both Telkom Group and each subsidiary in EVA (Economic Value Added) is also not known yet. This research is conducted to show how positive the contribution of each subsidiary to Telkom Group and to see how the performance of both PT Telkom and the subsidiaries are by using EVA. The subsidiaries included in the research are PT Telkomsel, PT Dayamitra Telekomunikasi (Dayamitra), PT Multimedia Nusantara (Metra), and PT Telekomunikasi Indonesia Internasional (TII/Telin).

The method used in this research is Spearman rank correlation coefficient. All of the EVA values can be found by collecting financial statements of PT Telkom, PT Telkomsel, PT Dayamitra, PT Metra, and PT TII from 2009 to 2014. After the EVA values are found, each subsidiary's EVA values are compared to Telkom Group's EVA values and being ranked using Spearman rank. From the rank, it can be shown the contribution of each subsidiary to Telkom Group.

Result revealed that there is only one subsidiary that has always positive EVA values, which is PT Telkomsel. It means that only Telkomsel that gives positive contribution towards Telkom Group. The other subsidiaries are all have negative EVA values and show negative contribution towards Telkom Group. It is recommended for PT Telkom as the parent company to evaluate the subsidiaries, because if the subsidiaries keep having negative EVA, it will impact the performance of Telkom Group for years to come.

Keywords: Contribution, Economic Value Added, Negative, Performance, Positive, Spearman rank, Subsidiary, Telkom Group.