

ABSTRACT

This final project is made to reveal the impact of IT resources on the business performance of an IT-based company, namely PT. Telkom Indonesia. IT systems must support business processes representing system functions to run the business and stakeholders, such as customers and investors, to create optimal performance. Information technology (IT) has its value, namely the value of IT. The value of IT is the value in financial calculations when capital expenditures that contain IT are compared to capital expenditures that do not contain IT. The theory used in this study is Partial Adjustment Valuation (PAV), which illustrates that; changes in actual output that could occur in a production process are usually not the same as the desired output. Thus, this research needs a coefficient that connects the two changes, called the Speed of Adjustment constant. To assess changes in company performance results from the impact of IT spending by comparing the calculation of the three-factor model (with IT) with the calculation of the two-factor model (without IT) using the Dynamic Speed of Adjustment method, the dynamic factor used in this study is Economic Value Added (EVA), EVA is an indicator of a change in the value of an investment. If EVA's value is positive, it means that the company's management has succeeded in increasing its value by the objectives of financial management in maximizing the company's value. The result of this research is a value which is a measure of the company's performance both in currency units (Performance Value) and ratio units (Performance Ratio). This study aims to eliminate the paradox of IT productivity in the company and prove that IT spending has a close relationship with the level of profitability within the organization or company. The data processing in this study uses the IBM SPSS version 26 in a non-linear way and all data used in this final project research were obtained from the annual report of PT. Telkom Indonesia from 2004 to 2019.

Keywords— Partial Adjustment Valuation, SPSS, Performance Measure, Economic Value Added, IT Value