SCBTII PROCEEDINGS

FOSTERING INCLUSIVE DEVELOPMENT AND SUSTAINABILITY IN INDUSTRIAL REVOLUTION 4.0 THROUGH DIGITAL BUSINESS ECOSYSTEM

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PREFACE

As a World-Class University, Telkom University has a responsibility to publish research papers. One of the efforts to fulfill this responsibility is by holding an academic conference as an event for discussion, dissemination and publication of academic research results. This proceeding is a publication that contains papers those were presented at The 9th International Conference on Sustainable Collaboration in Business, Technology, Information and Innovation 2018 (SCB TII 2018) which was held on November 15th, 2018 in El Royale Hotel Bandung.

This conference had two main sessions, i.e. plenary session and parallel session which were attended by around 110 participants. The plenary session consisted of a keynote speech that was delivered by Mr. Erik Meijer, The President Director of TelkomTelstra, and a panel discussion which featured some experts as the invited speakers, i.e. Professor Dr. Barbara Igel from Asian institute of Technology, Thailand; Associate Professor Dr. Sulfikar Amir from Nanyang Technological University, Singapore; Dr. Dodie Tricahyono, The Dean of Faculty of Economics and Business Telkom University; Dr. Andry Alamsyah, Big Data Scientist & Director of Digital Business Ecosystem Research Center Telkom University; and Dr. Adhi Prasetyo from Telkom University as the moderator of the panel discussion.

There were 67 papers presented in the parallel session of this conference coming from various universities and higher educational institutions from Indonesia, Netherlands, Malaysia, and Japan. Those papers had been reviewed by our respected reviewer team from various universities in Indonesia, Malaysia, Thailand, India, and Singapore.

SCB TII 2018 was successfully held under collaboration with some university partners, i.e. Faculty of Business & Economics Universitas Surabaya, Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Ekuitas, Faculty of Economics Universitas Galuh, and Faculty of Economics Universitas Garut. This conference was also supported by Ikatan Sarjana Ekonomi Indonesia (ISEI) Cabang Bandung, Ikatan Akuntan Indonesia (IAI) Wilayah Jawa Barat, and Jurnal Manajemen Indonesia.

On behalf of the committee, I would deliver our gratitude to all distinguished speakers, authors, presenters, participants and sponsors for the successful event of SCB TII 2018.

Bandung, November 15th, 2018

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INTERNAL AND EXTERNAL DETERMINANTS OF INDONESIAN FIRMS’ PRODUCTIVITY: THE IMPORTANCE OF TRADE AND FOREIGN INVESTMENT

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Abstract
This study examines the key internal and external factors of Indonesian firms’ productivity. The internal factors cover material, labour, capital, and energy, whereas the external factors are foreign investment, export, and import. Applying the augmented Cobb-Douglas production function on 8,589 manufacturing firms within seven years period, the results show the significant influence of material, labour, capital, and energy, respectively, on the output productivity. Foreign investment, export, and import also have significant impacts on the output partially. The results are robust under four methods of analyses, namely Ordinary Least Squared (OLS), Generalized Least Squared (GLS), Maximum Likelihood (ML), and General Method of Moments(GMM).

Keywords: Internal dan external factors, Firms’ productivity, Indonesian firms, trade, foreign investment.