

## ABSTRACT

This research paper examines the impact of Information and Communication Technology (ICT) on labour productivity, specifically in the context of Java Island, Indonesia. The study uses panel data analysis to evaluate the relationship between ICT factors (internet usage, cellular ownership, and computer ownership) and the Gross Regional Domestic Product (GRDP) per employed person for the six provinces of Java Island. The study finds a significant relationship between ICT factors and labour productivity, although certain ICT factors had a negative correlation with labour productivity. These findings suggest that access to ICT adoption does not guarantee job performance improvements or increased output, but rather that the effective and productive use of it is vital.

Keywords: Information and Communication Technology, labour productivity, panel data analysis, Java Island, Gross Regional Domestic Product

