

## ABSTRACT

Digital transformation has become an urgent necessity for private higher education institutions, including Telkom University, to enhance efficiency, service quality, and innovation. Despite receiving high recognition through QS Stars, challenges persist in implementing digital culture and work behavior effectively.

This study aims to examine the influence of digital culture and work behavior on organizational performance, with employee performance serving as an intervening variable. Digital culture and work behavior are identified as factors that enhance employee performance, ultimately contributing to improved organizational performance. Employee performance is recognized as a significant mediator in the relationship between digital culture and work behavior.

A quantitative approach was employed in this study, utilizing the Structural Equation Model (SEM) with the Partial Least Squares (PLS) method, analyzed through SmartPLS 4.0 software. Data was collected through questionnaires distributed to employees within the organization using non-probability sampling, applying Slovin's formula, resulting in a final sample of 230 respondents. The study incorporates four key variables: digital culture, work behavior, employee performance, and organizational performance.

The analysis results indicate that digital culture has a positive and significant effect on employee performance, with a p-value of  $0.006 < 0.05$ , while work behavior also positively and significantly influences employee performance, with a p-value of  $0.004 < 0.05$ . The study further reveals that digital culture has a positive but statistically insignificant effect on organizational performance, with a p-value of  $0.644 > 0.05$ . In contrast, work behavior has a positive and significant impact on organizational performance, with a p-value of  $0.000 < 0.05$ . Moreover, employee performance significantly influences organizational performance, with a p-value of  $0.002 < 0.05$ . The findings also show that employee performance does not mediate the effect of digital culture on organizational performance (p-value =  $0.067 > 0.05$ ). However, employee performance mediates the relationship between work behavior and organizational performance (p-value =  $0.027 < 0.05$ ).

Based on these findings, it can be concluded that digital culture positively influences employee performance; however, its indirect impact on organizational performance, mediated by employee performance, is not statistically significant. Conversely, work behavior demonstrates a significant positive effect on both employee performance and organizational performance, both directly and indirectly through employee performance. Additionally, digital culture positively but insignificantly influences organizational performance, whereas work behavior has a positive and significant impact on organizational performance.

To enhance organizational performance, Telkom University needs to strengthen its digital culture by integrating strategic technology and providing training in digital skills. Employee motivation and engagement can be improved through recognition programs, open discussions, and active involvement in internal initiatives. Furthermore, workload management and employee discipline should be optimized through task prioritization systems and task management technology.

**Keywords:** Digital Culture, Work Behaviour, Employee Performance, Organizational Performance