

ABSTRACT

Digital transformation and increasing competition require organizations to adapt quickly through effective Change and Knowledge management. PT Visionet Data Internasional, as an information technology service provider in Indonesia, faces challenges in integrating Change Management and Knowledge Management to enhance Organizational Performance. This research formulates the problem of how Change Management and Knowledge Management influence Organizational Performance, with Innovation Capability as a mediating variable. The research questions focus on the relationships among these variables and the contribution of innovation capability in strengthening Organizational Performance.

This study aims to empirically examine the effects of change management and knowledge management on organizational performance, with innovation capability as a mediating variable. The research uses a quantitative explanatory approach, with data collected via a survey of PT Visionet employees. Data analysis was conducted using variance-based Structural Equation Modeling (SEM) with SmartPLS 4, along with Importance-Performance Map Analysis (IPMA).

The findings reveal that knowledge management significantly influences innovation capability, whereas change management does not. Innovation capability positively affects organizational performance and partially mediates the relationship between knowledge management and performance. However, no significant mediation effect was found between change management and performance.

Theoretically, the results support the Knowledge-Based View and Dynamic Capability framework, emphasizing that well-managed knowledge drives innovation capability, which in turn contributes to improved organizational performance and competitive advantage.

Practically, organizations are advised to enhance knowledge acquisition and sharing processes and ensure that change initiatives are aligned toward generating relevant innovation. The integration of change management, knowledge management, and innovation capability becomes critical to strengthening organizational competitiveness in the digital era.

Keywords: Change Management, Digital Transformation, Innovation Capability, Knowledge Management, Organizational Performance