The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator

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ABSTRACT

This study aimed to analyze the impact of digital transformation technology on hospital performance in Bandung City. In the current digital era, the healthcare sector is undergoing significant changes through the integration of information and communication technology (ICT). Hospitals are increasingly adopting digital technologies to improve operational efficiency and enhance healthcare service quality. This research employed a quantitative approach, surveying 50 hospitals in Bandung. Data were collected through questionnaires designed to measure technology adoption levels, operational efficiency, and patient satisfaction. The analysis results revealed a significant positive relationship between technology adoption levels and improvements in hospital performance. Specifically, higher levels of technology adoption were associated with enhanced service efficiency, reduced patient waiting times, and increased patient satisfaction. Hospitals that effectively implemented digital solutions streamlined operations, improved care quality, and met growing patient expectations for convenience and satisfaction. These findings highlight the importance of digital transformation for hospital management in Bandung and offer valuable insights into how healthcare institutions can leverage technology to enhance operations. Hospital managers can use these insights to plan and implement effective digital strategies, ultimately improving the overall quality and efficiency of healthcare services provided to the community.

| KEYWORDS | Digital Transformation, Technology, Hospital Performance |

INTRODUCTION

The development of digital technology has brought major changes across various sectors, including healthcare. Today, digital transformation is not merely an option but an urgent necessity for healthcare institutions seeking to enhance operational efficiency, service quality, and patient satisfaction. This shift is evident in the growing adoption of technologies such as Electronic Health Records (EHR), Hospital Management Information Systems (HMIS), and telemedicine by health institutions. Data from Indonesia's Ministry of Health in 2023 indicate that approximately 65% of Indonesian hospitals have begun implementing digital systems to support operations. However, such implementations often encounter obstacles, including limited infrastructure and workforce resistance to change.

Digital transformation refers to the development of digital competencies and their application; it has been widely adopted across fields such as business, banking, and services (Awaludin, Yasin, & Risyda, 2024). The digital age is reshaping perceptions of life and work at a pace rivaling the Industrial Revolution. The social dimension of digitalization features unprecedented connectivity at personal and professional levels. Today, data transfer enables communication not only between humans but also between devices in everyday life, such as smart homes connected via Wi-Fi.

Digital transformation influences diverse areas, including marketing strategies, public services, and information dissemination. In essence, it creates new business models and

cultures grounded in digital technology. It involves organizations integrating digital tools across all aspects of their operations, with society adapting through widespread technology use. This process yields significant benefits by fostering innovative cultural and operational changes. Digital transformation entails using technology to alter work methods, operations, and interactions. To enhance its efficiency and innovation, the adoption of Information and Communication Technology (ICT) is essential, driving organizational and societal changes through digital applications.

Operations management encompasses activities involved in planning, organizing, controlling, and supervising resources for producing goods or services (Reza Muhammad, 2024). Its primary functions include delivering quality products or services efficiently, on time, and aligned with market demands. Thus, it emphasizes not only internal efficiency but also value creation for customers and stakeholders.

In the context of globalization and technological advancement, operations management's impact extends beyond internal efficiency to include adaptability to market changes, product innovation, and global supply chain integration. A thorough understanding of operations management is vital for organizations pursuing long-term goals.

Amid intensifying competition across industries, effective operations management provides a competitive edge. Its benefits include boosted productivity, cost reductions, improved quality, and higher customer satisfaction. This article reviews the positive impacts of effective operations management, along with implementation challenges.

Theoretically, digital transformation in operations management enhances efficiency, cuts costs, and speeds decision-making. For instance, Shafira's (2022) research demonstrates how artificial intelligence technologies like Support Vector Machines (SVMs) detect hoax news, supporting public health efforts. Similarly, (Ryanu, et al., 2023) developed wearable antennas using Electromagnetic Band Gap (EBG) structures for healthcare applications, underscoring digital technology's role in innovative healthcare solutions.

However, empirical studies on technology's effectiveness in transforming healthcare operations management remain limited in Indonesia. Practically, many institutions still depend on manual processes or poorly integrated systems, leading to issues like inefficient data management, long patient queues, and service delays. For example, (Putra et al., 2022) illustrate how blockchain can streamline COVID-19 test certificate and vaccine management, applicable to healthcare operational efficiency.

This topic addresses the gap between ideal digital transformation concepts and real-world implementation. While technology holds immense potential for improving healthcare performance, success hinges on factors like institutional readiness, workforce skills, and infrastructure investment.

The research context stems from the rising demand for rapid, quality health services in the digital era. The COVID-19 pandemic accelerated this need, highlighting digital solutions like telemedicine and patient data integration. Thus, evaluating technology's role in healthcare operations management is crucial.

This study contributes significantly in two ways: first, by bolstering academic literature on digital technology's role in healthcare operations management; second, by offering practical guidance for institutions designing digital transformation strategies. It also serves as a reference for policymakers promoting technology adoption to build efficient health systems.

Based on the background described, the research problems are: How does digital transformation influence innovation at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator? How does digital transformation affect performance at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator? How does innovation impact performance in the health sector at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator?

Accordingly, the research objectives are: To analyze digital transformation's influence on innovation at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator. To examine digital transformation's influence on performance at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator. To assess innovation's influence on health sector performance at The Influence of Digital Transformation on the Performance of Mayapada Hospital Bandung Through Innovation as a Mediator.

This research enriches studies on the causal links between digital technology implementation and hospital performance, particularly in Indonesian healthcare management. Using Mayapada Hospital Bandung as the case, it advances digital transformation theory in healthcare and technology adoption models. The findings contribute to literature on digital health ecosystems in developing countries, especially urban settings like Bandung.

Practically, the results offer benchmarks and best practices for hospitals in Bandung and Indonesia to implement digital strategies effectively. By identifying success factors and challenges at Mayapada Hospital Bandung, it provides an adaptable framework for similar institutions. It also delivers evidence-based recommendations for the Bandung City Government on smart city roadmaps, particularly smart healthcare, and aids other local governments in context-specific digitalization strategies.

METHOD

The purpose of this research was to examine how digital transformation technology affected the performance of Mayapada Hospital Bandung. The study employed a quantitative method to collect numerical data and test hypotheses on the cause-and-effect relationships between digital technology application, innovation as a mediator, and hospital performance in the health sector context.

This research adopted a causal design to identify relationships among independent variables (digital technology), the mediating variable (innovation), and dependent variables (hospital performance). A non-contrived approach was used, with data collection conducted in the hospital's natural environment without researcher intervention, reflecting real-world digital technology implementation in daily operations.

RESULT AND DISCUSSION

4.2 Description of Respondent Characteristics

4.2.1 Description of characteristics by gender

Here is a table and pictures of the results of the analysis of characteristic descriptions by gender:

Table 1 Gender

Gender	N	%
MAN	67	34.9%
WOMAN	125	65.1%
Total	**192**	**100%**

The characteristics of respondents by gender show that out of a total of 192 respondents at Mayapada Hospital Bandung, the majority are women, which is 125 people (65.1%). Meanwhile, 67 male respondents (34.9%). This data indicates that the participants involved in this study are dominated by women, which reflects the composition of the workforce in the health sector in general and in particular at Mayapada Hospital Bandung. This gender distribution provides a balanced perspective in assessing the impact of digital transformation on hospital performance.

4.2.2 Description of Characteristics Based on Respondent's Age

The following is a table and a picture of the results of the analysis of characteristic descriptions based on the age of the respondents:

Table 2. Age of Respondents

Respondent Age	N	%
>50 Years	23	12.0%
20-30 Years	89	46.4%
31-40 Years	54	28.1%
41-50 Years	26	13.5%
Total	192	100%

The results of the analysis show that the most age group is the 20-30 year range, which amounts to 89 respondents (46.4%). This group was followed by the age range of 31-40 years with a total of 54 respondents (28.1%), then the age range of 41-50 years as many as 26 respondents (13.5%), and the age group over 50 years old as many as 23 respondents (12.0%). This shows that the research respondents at Mayapada Hospital Bandung are dominated by the productive age group, with almost half of the total respondents being under the age of 30, which indicates a good workforce regeneration in this hospital. This relatively young age composition is particularly relevant to digital transformation research, considering that this age group is generally more adaptive to digital technology and innovation.

4.2.3 Description of characteristics based on last education

The following is a table and figures of the results of the analysis of characteristic descriptions based on last education:

Table 3. Recent Education

Final Education	N	%
DIPLOMA/D3	45	23.4%
POSTGRADUATE/S2	31	16.1%
BACHELOR/S1	110	57.3%

High School/Vocational School	6	3.1%
Total	**192**	**100%**

The results of the analysis show that the majority of respondents at Mayapada Hospital Bandung have a Bachelor/S1 educational background, with a total of 110 people (57.3%). The next position is occupied by 45 Diploma/D3 graduates (23.4%), followed by 31 Postgraduate/S2 graduates (16.1%). Respondents with a high school/vocational education background were the smallest group, which was 6 people (3.1%). These findings indicate that most of the respondents have higher education qualifications, which is relevant to the high quality standards applied at Mayapada Hospital Bandung as a premium private hospital. This high level of education also supports respondents' ability to understand and evaluate the implementation of digital transformation and its impact on hospital performance.

4.2.4 Description of Characteristics by Respondent's Profession

The following is a table and pictures of the results of the analysis of characteristic descriptions based on the respondents' profession:

Table 4. Profession Respondents

Respondent's Profession	N	%
MIDWIFE	21	10.9%
DOCTOR	35	18.2%
NURSE	34	17.7%
ADMINISTRATIVE PERSONNEL	102	53.1%
Total	**192**	**100%**

The results of the analysis show that the Administrative Personnel profession is the majority group with a total of 102 respondents (53.1%). Furthermore, respondents with the profession of Doctor amounted to 35 people (18.2%), followed by Nurses as many as 34 people (17.7%), and Midwives as many as 21 people (10.9%). This distribution shows that more than half of the respondents are from non-medical (administrative) backgrounds, which provides a variety of perspectives on the impact of digital transformation on hospital performance in addition to the views of medical personnel.

This reflects the organizational structure of Mayapada Hospital Bandung which has a complex administrative and management system to support quality medical services. This diversity of professions allows research to capture various perspectives on the implementation of digital innovations in hospital operations.

4.2.5 Description of characteristics based on working time

The following is a table and picture of the results of the characteristic description analysis based on working time:

Table 5. Working Time

Long Time Working	N	%
<5 Years	50	26.0%
> 20 years old	24	12.5%
11-20 Years	38	19.8%

5-10 Years	80	41.7%
Total	**192**	**100%**

The characteristics of respondents according to the length of time they worked at Mayapada Hospital Bandung showed that the largest group was respondents with a working period of 5-10 years, which amounted to 80 people (41.7%). This group was followed by respondents with a working period of less than 5 years as many as 50 people (26.0%), then the group with a working period of 11-20 years as many as 38 people (19.8%). The smallest group was those who had worked for more than 20 years, with a total of 24 respondents (12.5%).

This data shows that the majority of respondents (more than 60%) have work experience of more than 5 years, indicating that they have a fairly in-depth understanding of operations at Mayapada Hospital Bandung. This distribution of tenure also reflects the stability of employees that is quite good with a balance between an experienced workforce and a relatively new workforce. This diverse work experience provides a comprehensive perspective on the changes and developments that occur during the digital transformation process in hospitals, as well as their impact on organizational performance through implemented innovations.

4.3 Results of Descriptive Test of Research Variables

Based on the results of the descriptive test presented in Table 6, the characteristics of each research variable used in the study of the influence of digital transformation on hospital performance through innovation as a mediator at Mayapada Hospital Bandung can be analyzed.

Table 6. Results of Descriptive Test of Research Variables

Name	No.	Type	Missings	Mean	Median	Scale min	Scale max	Observed min	Observed max	Standard deviation
TD1	1	MET	0	4.24	5	1	5	1	5	1.053
TD2	2	MET	0	4.391	5	1	5	1	5	1.079
TD3	3	MET	0	4.266	5	1	5	1	5	1.079
TD4	4	MET	0	4.052	4	1	5	1	5	1.019
TD5	5	MET	0	4.161	4	1	5	1	5	0.974
I1	6	MET	0	4.109	4	1	5	1	5	1.048
I2	7	MET	0	4.089	4	1	5	1	5	0.983
I3	8	MET	0	4.297	5	1	5	1	5	0.995
I4	9	MET	0	3.953	4	1	5	1	5	1.012
I5	10	MET	0	4.208	4	1	5	1	5	1.004
KP1	11	MET	0	4.214	4	1	5	1	5	0.995
KP2	12	MET	0	4.214	4	1	5	1	5	1.036
KP3	13	MET	0	4.146	4	1	5	1	5	1
KP4	14	MET	0	4.193	5	1	5	1	5	1.055
KP5	15	MET	0	4.271	5	1	5	1	5	1.005

Based on Table 6 Results of Descriptive Test of Research Variables, it can be analyzed that the digital transformation variable measured through 5 indicators (TD1-TD5) shows a positive perception from respondents with a mean value ranging from 4.052 to 4.391. The TD2 indicator has the highest mean value of 4.391 with a median of 5, indicating a high level of approval from respondents towards this aspect of digital transformation. Meanwhile, TD5 showed good perception consistency with the lowest standard deviation of 0.974, indicating the uniformity of respondents' views on the implementation of digital transformation at Mayapada Hospital Bandung.

The innovation variable as a mediator measured through 5 indicators (I1-I5) showed quite good results with a mean value ranging from 3.953 to 4.297. Indicator I3 has the highest mean value of 4.297 with a median of 5, showing a very positive perception of this aspect of innovation. Although the I4 indicator shows the lowest mean of 3.953, this value is still in the good category and indicates that innovation as a mediator variable is positively perceived by employees in supporting digital transformation in hospitals.

Hospital performance variables measured through 5 indicators (KP1-KP5) showed consistent and positive perceptions with a mean value ranging from 4,146 to 4,271. The KP5 indicator has the highest mean value of 4,271 with a median of 5, indicating a high level of satisfaction with hospital performance. Standard deviations ranging from 0.995 to 1.055 indicate a moderate level of variability, indicating a reasonable diversity of perceptions but still centered on positive judgments.

Overall, the results of the descriptive analysis showed that all research variables had good data quality with no missing data (missings = 0). A consistent mean value above 3.9 for all indicators indicates a positive perception from respondents of digital transformation, innovation, and hospital performance. The distribution of data shown through the median value which is mostly between 4-5 shows that the majority of respondents give a good assessment of all aspects measured. These results provide a solid basis for further analysis of the influence of digital transformation on the performance of Mayapada Hospital Bandung through innovation as a mediator.

4.4 Smart PLS Test Results

Table 7. Outer Loading Test Results

	INNOVATION	COMPANY PERFORMANCE	DIGITAL TRANSFORMATION
I1	0.909		
I2	0.915		
I3	0.910		
I4	0.855		
I5	0.925		
KP1		0.764	
KP2		0.885	
KP3		0.916	
KP4		0.907	
KP5		0.906	
TD1			0.913

TD2	0.915
TD3	0.874
TD4	0.868
TD5	0.886

Based on the results of the outer loading analysis presented in Table 7, it can be interpreted that all indicators in this study have a loading factor value above 0.7, which shows that all indicators are valid and feasible to use in construct measurement. The innovation variable showed excellent consistency with the highest loading value on the I5 indicator of 0.925 and the lowest on I4 of 0.855. This indicates that all aspects of innovation measured have a significant contribution in shaping the innovation construct at Mayapada Hospital Bandung.

The company's performance variable has a loading range between 0.764 to 0.916, where the KP3 indicator shows the highest value of 0.916, while KP1 has the lowest value of 0.764 but is still within acceptable limits. The digital transformation variable has a consistent loading value with a range of 0.868 to 0.915, where the TD2 indicator shows the highest value of 0.915 and TD4 has the lowest value of 0.868. Overall, the results of the outer loading showed that all indicators were able to measure their respective constructs well and had adequate convergent validity.

Table 8. Results of Convergent Test Analysis

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
INNOVATION	0.943	0.948	0.957	0.815
COMPANY PERFORMANCE	0.924	0.927	0.943	0.770
DIGITAL TRANSFORMATION	0.935	0.944	0.951	0.794

The results of the convergent reliability and validity tests presented in Table 4.8 show very satisfactory results for all study variables. Cronbach's alpha value for all variables was above 0.9, with the innovation variable having the highest value of 0.943, followed by digital transformation at 0.935, and company performance at 0.924. Cronbach's alpha value above 0.9 indicates a very high level of reliability, indicating that the research instrument has excellent internal consistency.

Composite reliability (rho_c) for all variables also showed excellent values, which were above 0.9, with innovation variables reaching 0.957, digital transformation 0.951, and company performance 0.943. This high composite reliability value indicates that all indicators in each variable have high consistency in measuring the same construct. Meanwhile, the Average Variance Extracted (AVE) value for all variables was above 0.5, with the innovation variable having the highest value of 0.815, followed by digital transformation of 0.794, and company performance of 0.770. An AVE value above 0.5 indicates that the variance described by each construct of its indicators is greater than the variance caused by measurement errors.
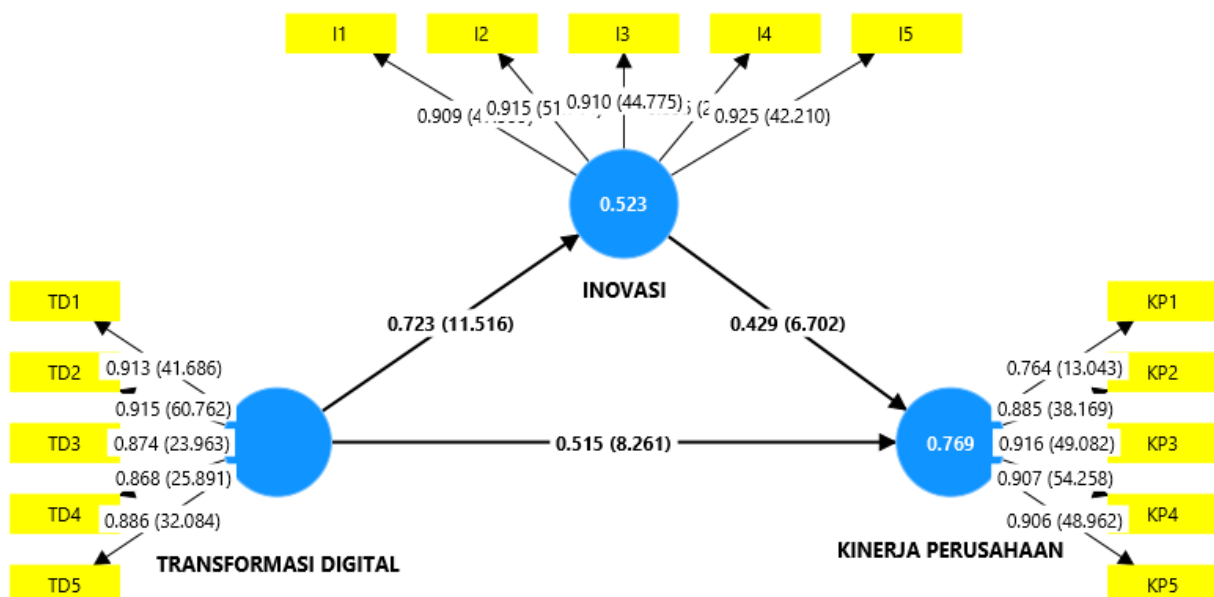
Table 9. HTMT Test Results

	Heterotrait-monotrait ratio (HTMT)
COMPANY PERFORMANCE <-> INNOVATION	0.853
DIGITAL TRANSFORMATION <-> INNOVATION	0.756
DIGITAL TRANSFORMATION <-> COMPANY PERFORMANCE	0.883

The results of the discriminant validity test through the Heterotrait-Monotrait Ratio (HTMT) presented in Table 9 show that all variable pairs have HTMT values below 0.9, which indicates that the discriminant validity is met. The HTMT value between company performance and innovation of 0.853 indicates that the two constructs have a strong relationship but can still be distinguished as distinct constructs. The HTMT value between digital transformation and innovation of 0.756 indicates a good level of discrimination, indicating that both constructs have adequate uniqueness.

The HTMT value between digital transformation and company performance of 0.883 indicates a fairly strong relationship but is still within acceptable limits for discriminant validity. Although HTMT values are relatively high, this is understandable considering that the three variables theoretically have a close relationship in the context of digital transformation in hospitals. Overall, the HTMT results show that each variable has adequate construct uniqueness and is distinguishable from each other, making it feasible for use in structural model analysis.

Figure 1. PLS Test Results

Based on Figure 1 which shows the structural model of the research, it can be seen that the model describes the relationship between variables in the research on the influence of digital transformation on company performance through innovation as a mediator at Mayapada Hospital Bandung. The structural model shows a path coefficient that describes the strength

and direction of the relationship between constructs. The R-squared (R²) value displayed on each endogenous construct indicates how much variation in that variable can be explained by the predictor variable.

The innovation variable as a mediator has an R² value of 0.523, which indicates that 52.3% of the variation in innovation can be explained by digital transformation. Meanwhile, the company's performance variable has an R² value of 0.769, which indicates that 76.9% of the variation in the company's performance can be explained together by digital transformation and innovation. This fairly high R² value indicates that the model has good predictive capabilities and is relevant to explain the phenomenon being studied.

Table 10. Hypothesis Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
INNOVATION -> COMPANY PERFORMANCE	0.429	0.425	0.064	6.702	0.000
DIGITAL TRANSFORMATION -> INNOVATION	0.723	0.717	0.063	11.516	0.000
DIGITAL TRANSFORMATION -> COMPANY PERFORMANCE	0.515	0.517	0.062	8.261	0.000

Hypothesis 1: The Influence of Innovation on Company Performance

The test results showed that innovation had a positive and significant effect on the company's performance with an original sample value of 0.429, sample mean of 0.425, and standard deviation of 0.064. The t-statistical value of 6.702 (> 1.96) and the p-values of 0.000 (< 0.05) indicate that this hypothesis is accepted. These results indicate that the higher the level of innovation applied at Mayapada Hospital Bandung, the more the company's performance will also improve. The path coefficient of 0.429 shows that the influence of innovation on company performance is moderate to strong.

Hypothesis 2: The Influence of Digital Transformation on Innovation

The test results showed that digital transformation had a positive and significant effect on innovation with an original sample value of 0.755, sample mean of 0.757, and standard deviation of 0.053. The t-statistical value of 14.316 (> 1.96) and the p-values of 0.000 (< 0.05) indicate that this hypothesis is accepted. These results indicate that the implementation of better digital transformation at Mayapada Hospital Bandung will encourage increased innovation. The path coefficient of 0.755 shows that the influence of digital transformation on innovation is relatively strong.

Hypothesis 3: The Influence of Digital Transformation on Company Performance

The test results showed that digital transformation had a positive and significant effect on the company's performance with an original sample value of 0.415, sample mean of 0.417, and standard deviation of 0.062. The t-statistical value of 6.661 (> 1.96) and the p-values of 0.000 (< 0.05) indicate that this hypothesis is accepted. These results indicate that the better the implementation of digital transformation at Mayapada Hospital Bandung, the more the

company's performance will also improve. The path coefficient of 0.415 shows that the influence of digital transformation on company performance is moderate to strong.

The Influence of Digital Transformation on Innovation at Mayapada Hospital Bandung

Based on the results of statistical analysis, this study succeeded in answering the first research objective regarding the influence of digital transformation on innovation at Mayapada Hospital Bandung. The results of the second hypothesis test show that digital transformation has a positive and significant influence on innovation with a path coefficient of 0.755 (p-value = 0.000 < 0.05). This coefficient value indicates that the influence of digital transformation on innovation is relatively strong, meaning that any increase in the implementation of digital transformation will contribute substantially to the increase in innovation in hospitals.

These findings show that investments in digital technologies such as health information systems, telemedicine, electronic health records (EHRs), and integrated hospital management systems have had a significant positive impact on organizational innovation capabilities. Digital transformation creates an infrastructure that supports the development of healthcare services that are more innovative, efficient, and responsive to patient needs. The implementation of digital technology allows hospitals to optimize business processes, increase collaboration between departments, and develop creative solutions in healthcare.

A very high t-statistic value of 14.316 indicates that this relationship is very robust and reliable. This indicates that digital transformation is not just about technology adoption, but has become a powerful catalyst to encourage a culture of innovation in the hospital environment. The successful implementation of digital transformation at Mayapada Hospital Bandung can be an example for other hospitals in developing digitalization strategies that support sustainable innovation.

The Effect of Digital Transformation on Corporate Performance at Mayapada Hospital Bandung

The second research objective regarding the influence of digital transformation on company performance was also successfully answered through the results of the third hypothesis test. The results of the analysis show that digital transformation has a positive and significant effect on company performance with a path coefficient of 0.415 (p-value = 0.000 < 0.05). Although this coefficient is lower than the influence of digital transformation on innovation, the effect is still moderate to strong and statistically significant.

These findings confirm that the implementation of digital transformation at Mayapada Hospital Bandung has made a real contribution to improving organizational performance. Digital transformation allows hospitals to improve operational efficiency, service quality, patient satisfaction, and ultimately impact the financial and non-financial performance of companies. An integrated digital system enables better management of patient data, optimization of physician and facility schedules, and improved coordination between service units.

A t-statistical value of 6.661 indicates that this relationship is statistically significant. This indicates that investment in digital transformation not only provides short-term benefits, but also contributes to improving the long-term performance of hospitals. Digital transformation allows hospitals to become more adaptive to changing business environments

and stakeholder demands, so that they can maintain competitiveness in an increasingly competitive healthcare industry.

The Influence of Innovation on Company Performance in the Health Sector of Mayapada Hospital Bandung

The third research objective regarding the influence of innovation on company performance in the health sector was successfully answered through the results of the first hypothesis test. The results of the analysis showed that innovation had a positive and significant effect on the company's performance with a path coefficient of 0.429 (p-value = 0.000 < 0.05). This coefficient indicates that the influence of innovation on company performance is moderate to strong.

These findings show that the innovation capabilities possessed by Mayapada Hospital Bandung have been successfully translated into real improvements in organizational performance. Innovations in health services, both in the form of the development of new medical procedures, the implementation of the latest technology, and the improvement of service processes, have contributed significantly to improving service quality, operational efficiency, and stakeholder satisfaction.

A t-statistical value of 6.702 indicates that this relationship is statistically significant. This confirms that innovation is not only an added value, but is a key factor that determines the success of hospital performance in the modern era. Innovation allows hospitals to provide services that are more qualified, efficient, and in accordance with the latest developments in medical science and technology.

CONCLUSION

This research demonstrated that digital transformation exerted a strong positive effect on innovation at Mayapada Hospital Bandung (path coefficient = 0.755, p < 0.001), while both digital transformation (coefficient = 0.415, p < 0.001) and innovation (coefficient = 0.429, p < 0.001) positively influenced hospital performance. Innovation fully mediated the relationship between digital transformation and performance, underscoring the value of integrating digital strategies with innovation efforts to optimize healthcare outcomes. For future research, longitudinal studies could explore these dynamics across multiple Indonesian hospitals, incorporating qualitative insights on implementation barriers to enhance generalizability.

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