

(Research) Article

# Enhancing Organizational Readiness Through AI: Evidence of Management Performance Mediation in Private Hospitals

Khomeiny Yunior<sup>1\*</sup>, Syaifuddin<sup>2</sup>, Robert Tua Siregar<sup>3</sup>

<sup>1</sup>Center of Excellence Human Capital Strategy, Universitas Prima Indonesia

<sup>1</sup>Department of Management, Faculty of Economic, Universitas Prima Indonesia

<sup>2</sup>Department of Management, Faculty of Economic, Universitas Prima Indonesia

<sup>3</sup>Department of Management, Faculty of Economic, Universitas Prima Indonesia

\*Corresponding Author: [khomeinyyunior@unprimdn.ac.id](mailto:khomeinyyunior@unprimdn.ac.id)

**Abstract:** The growth of artificial intelligence (AI) in healthcare is causing big shifts in management roles and how ready organizations are, especially in private hospitals. In Medan City, rising competition, a small healthcare workforce, and strict accreditation requirements all make it even more important to use digital technology to make operations more efficient. This study seeks to examine the impact of AI on organizational readiness, utilizing management performance as a mediating variable. Quantitative approaches were employed via a survey of managers and administrative personnel at private hospitals, and the data were analyzed using path analysis with SPSS. The findings indicate that AI exerts a favorable and considerable influence on management performance, which in turn directly enhances organizational readiness. Additionally, managerial performance has been demonstrated to mediate the relationship between AI and organizational readiness. These findings address a research gap concerning the mechanisms of AI's role in the managerial context of hospitals in developing countries and offer practical implications for fortifying digital strategies, cultivating human resource competencies, and augmenting organizational capabilities in response to technology-driven healthcare transformation.

**Keywords:** Artificial Intelligence; Healthcare Management; Management Performance; Organizational Readiness; Private Hospitals.

## 1. Introduction

In the last ten years, digital technology has changed the healthcare industry in big ways (Satrianny et al., 2025). AI, or artificial intelligence, is one of the main things that is changing this, especially in the management of hospital operations. According to a research by the World Economic Forum in 2023, more than 43% of healthcare facilities throughout the world have started using AI to make diagnoses more accurate, services more efficient, and management of human resources more effective. After the pandemic, the speed of digitization in healthcare in Indonesia has increased even faster (Kong et al., 2024a). Hospitals are now under pressure to use data-driven work processes, automation, and predictive decision-making.

The situation with private hospitals in Medan City is more complicated. There are now more healthcare facilities, which has made competition for services much stronger. However, there are still not enough healthcare staff. The Indonesian Ministry of Health (2024) says that the number of medical staff to patients in private hospitals in Medan is still below national norms. The National Hospital Accreditation Standards (SNARS) also require hospitals to improve their management skills, operational efficiency, and the precision of technology-based human resource planning (Kong et al., 2024b).

The need to use AI in this situation is getting stronger. People think AI can help with managing workloads, planning the workforce, and keeping an eye on performance in real time. Several research have demonstrated that the use of AI contributes to enhancing organizational effectiveness by elevating decision quality and expediting administrative

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operations (Boyacı, 2025a). But in reality, many private hospitals in Indonesia are still not ready for the change. This is true for their culture, technology, and management skills.

This is where the main problem comes up. While AI is thought to enhance management performance, empirical research regarding its influence on organizational readiness via management performance remains scarce, particularly in developing nations. The majority of research predominantly emphasize the technical advantages of AI or concentrate on clinical dimensions, rather than addressing overall organizational readiness (Al-Balushi et al., 2025). The influence of AI on organizational readiness management effectiveness in private hospitals has not been extensively examined in Indonesian literature.

The research vacuum is further emphasized by the scarcity of studies investigating the causal relationship among AI, managerial performance, and organizational readiness within the competitive healthcare sector. There are no specific studies in Medan that have examined whether AI can genuinely enhance managerial functions and foster organizational readiness for enduring digital transformation. However, organizational readiness is a crucial determinant in the successful adoption of technology (Lubis et al., 2025).

This paper seeks to examine the impact of artificial intelligence on organizational readiness via performance management in private hospitals in Medan. There are two key things that this conversation is expected to add. First, a theoretical contribution in the form of a conceptual model that elucidates the role of AI in enhancing managerial performance as a mediator of organizational readiness. Second, a practical contribution for private hospitals as a guideline for identifying priority areas for digital transformation, establishing HR training strategies, and aligning organizational culture with the use of advanced technology.

## 2. Literature Review

### Management Performance

One of the most significant developments in performance management today is its integration with digital technology, particularly Artificial Intelligence (AI) (Craveiro & Domingues, 2025). The use of AI in performance management systems can facilitate objective, rapid, and real-time evaluation processes. AI can analyze employee work data, attendance patterns, the volume of tasks completed, patient satisfaction with services, and the effectiveness of employee training. As noted by (Mateus et al., 2025), the application of AI in performance management in the healthcare sector can improve the accuracy of identifying potential employees and provide more personalized development recommendations. However, the success of AI integration into performance management systems depends heavily on an organization's HR technology capabilities (Neiroukh et al., 2024). These capabilities include adequate digital infrastructure, the technical competence of HR teams, and integrated and secure information systems. (Hasan, 2020) emphasizes that robust HR technology enables organizations to implement digital performance management, including setting targets, monitoring achievements, providing regular feedback, and making data-driven adjustments.

### Organizational Readiness

Organizational readiness can be defined as the extent to which an organization, both individually and collectively, is psychologically and structurally prepared to initiate and implement change (Szóts-Kováts & Kiss, 2023). This readiness extends beyond the availability of infrastructure and budget, but also encompasses mental readiness, a work culture, and supportive leadership (Kiss, 2023). Studies in the healthcare sector have shown that a high level of readiness can accelerate the adoption of digital systems and increase the effectiveness of their implementation (Ullah et al., 2024)

### Artificial Intelligence

According to (Alenezi et al., 2024), AI can be used to support decision-making in HR management through predictive modeling, natural language processing (NLP), and machine learning. In workforce planning, AI enables organizations to conduct workforce forecasting that considers various service scenarios, including increased patient volume, new regulatory policies, or changing public health trends (Kong et al., 2024b). Research by (Prentice et al., 2023) shows that hospitals that adopted AI systems for HR management experienced increased operational efficiency, decreased employee turnover, and improved medical service quality. AI enables hospital management to make real-time, information-based decisions, including staff redistribution, medical personnel rotation, and incentives based on actual workload (Kong et al., 2024b).

### 3. Method

This study employed a quantitative methodology with an explanatory framework to examine the impact of artificial intelligence (AI) on organizational readiness, utilizing management performance as a mediating variable in private hospitals in Medan. Data were gathered via a survey employing a structured questionnaire formulated from variable indicators in prior research and assessed using a 1–5 Likert scale. The instrument was given to people who were directly involved in making decisions, managing people, and using technology to run the business.

The sampling method was purposive sampling, which meant that the people who answered had to have at least two years of experience working in a hospital and know how to apply digital technology in hospitals. The sample size for this study was 150 respondents, comprising of managers, unit heads, and administrative staff from multiple private hospitals in Medan. We used Confirmatory Factor Analysis (CFA) and Cronbach's Alpha to examine the validity and reliability of the instruments to make sure the data was correct and consistent.

Data analysis was performed using route analysis using SPSS to analyze the direct and indirect effects between variables. The Sobel test and the computation of the total effect were used to test mediation. This analysis technique was used to determine the mediating function of performance management in the relationship between AI and organizational readiness, as well as to offer a thorough empirical overview of the dynamics of digital transformation in private hospitals.

### 4. Results and Discussion

#### Validity and Reliability

The validity and reliability of all the variables as below:

**Table 1.** Validity and Reliability Result of Artificial Intelligence.

Variable	Indicator	Koef.Kor	Sig.	Result
Artificial Intelligence (X1)	X1.1	0,836	0,000	Valid
	X1.2	0,767	0,000	Valid
	X1.3	0,394	0,000	Valid
	X1.4	0,794	0,000	Valid
	X1.5	0,726	0,000	Valid
Reliability		0,749		Reliable
Variable	Indicator	Koef.Kor	Sig.	Result
Organizational Readiness (Y)	Y1.1	0,811	0,000	Valid
	Y1.2	0,788	0,000	Valid
	Y1.3	0,350	0,000	Valid
	Y1.4	0,764	0,000	Valid
	Y1.5	0,649	0,000	Valid
Reliability		0,705		Reliable
Variable	Indicator	Koef.Kor	Sig.	Result
Management Performance (Z)	Y2.1	0,791	0,000	Valid
	Y2.2	0,766	0,000	Valid
	Y2.3	0,258	0,000	Valid
	Y2.4	0,761	0,000	Valid
	Y2.5	0,611	0,000	Valid
Reliability		0,653		Reliable

(Source: SPSS, 2025)

The research instrument utilized to assess Artificial Intelligence (X1), Organizational Readiness (Y), and Management Performance (Z) variables was confirmed to satisfy validity standards, as indicated by total item correlation values that were all statistically significant at the 0.000 level. The correlation coefficient value for each indicator was above the minimum criterion of 0.30. However, some indicators, like X1.3, Y1.3, and especially Y2.3, had lower correlation strengths than the others. Still, all of the items were thought to be statistically valid and suitable for measuring constructs. The indicators with the largest correlations for each variable, including X1.1, Y1.1, and Y2.1, made the biggest difference

in how well the measured construct was represented. All three variables had Cronbach's alpha values over 0.60, which means that they were all dependable. The most accurate measure is Artificial Intelligence (0.749), and the second most accurate is Organizational Readiness (0.705). Management Performance (0.653) is still acceptable but is lower than the others, presumably because the Y2.3 indicator has a correlation below 0.30.

### Normality Test

**Table 2. Result of Normality.**

Variable	Kolmogorov Smirnov	Signifikansi	Results
Artificial Intelligence (X)	1.173	0.128	Normal
Organizational Readiness (Y)	1.171	0.129	Normal
Management Performance (Z)	1.211	0.106	Normal

(Source: SPSS, 2025)

The Kolmogorov-Smirnov test for normality shows that all of the study variables have a significance value larger than 0.05. This condition shows that the data for each variable is regularly distributed and meets the statistical requirements for parametric analysis. Data normality also means that the data are evenly spread out and don't show any unique patterns of deviation.

### Multicollinearity Test

**Table 3. Result of Multicollinearity.**

Variabel	VIF	Results
Artificial Intelligence (X)	5.131	No Multicollinearity
Organizational Readiness (Y)	6.009	No Multicollinearity
Management Performance (Z)	5.623	No Multicollinearity

(Source: SPSS, 2025)

The results of the calculations demonstrate that all of the VIF values are less than 10, as shown in Table 3. This means that the regression model utilized does not have problems with multicollinearity. This means that the independent variables in this study are not very similar to each other. This criterion is vital because it makes sure that each independent variable adds something new to the model without having too much of an effect on the others. Consequently, the regression model is appropriate for additional analysis, encompassing the examination of causal links and the assessment of the impact of each independent variable on the dependent variable.

### Heteroskedasticity

**Table 4. Result of Heteroskedasticity.**

Variable	Koefisien Korelasi	Significance	Results
Artificial Intelligence (X)	-0.049	0.640	No Heteroskedasticity
Organizational Readiness (Y)	-0.056	0.593	No Heteroskedasticity
Management Performance (Z)	-0.034	0.595	No Heteroskedasticity

(Source: SPSS, 2025)

According to Table 4, the calculations demonstrate that all of the independent variables have probability values higher than the 0.05 significance level. This finding shows that the regression model does not show any signs of heteroscedasticity. This means that the model's residual variance stays the same and isn't changed by changes in the independent variables' values. This requirement is significant since it makes sure that the estimations of

the regression coefficients stay accurate and unbiased. The lack of heteroscedasticity also makes the analysis results more reliable, which means that the regression model can be utilized more reliably for hypothesis testing and deriving conclusions from research.

### Path Analysis

This study uses path analysis. This technique is used to analyze the relationship patterns between variables with the aim of determining the direct and indirect influence of the independent variables on the dependent variable. The basis for path calculations is the results of regression analysis. Path analysis in this study aims to determine the influence of artificial intelligence (X) on management performance (Z) through organizational readiness (Y) of employees of the private hospital in Medan.

**Table 5.** Results of Stage 1 Regression.

Variabel	Beta	t	Sig.
<b>Artificial Intelligence (X)</b>	<b>0.612</b>	<b>8.524</b>	<b>0.000</b>
<b>R Square = 0.375</b>			
<b>Sig. F = 0.000</b>			

The regression study indicates that artificial intelligence (X) exerts a positive and statistically significant influence on Organizational Readiness (Y) ( $\beta = 0.612$ ; Sig =  $0.000 < 0.05$ ). The R Square score of 0.375 shows that Artificial Intelligence can explain 37.5% of the changes in Organizational Readiness. The other 62.5% of the changes are caused by things that are not in the model.

**Table 6.** Results of Stage 2 Regression.

Variable	Beta	t	Sig.
<b>Artificial Intelligence (X)</b>	<b>0.298</b>	<b>3.412</b>	<b>0.001</b>
<b>Organizational Readiness (Y)</b>	<b>0.472</b>	<b>5.885</b>	<b>0.000</b>
<b>R Square = 0.512</b>			
<b>Sig. F = 0.000</b>			

The Sig. F value = 0.000 indicates that the overall regression model is significant. The results of the second stage regression analysis indicate that Artificial Intelligence (X) has a significant effect on Management Performance (Z) with a coefficient of  $\beta = 0.298$  and a significance value of 0.001. In addition, Organizational Readiness (Y) is also proven to have a significant effect on Management Performance (Z) with a coefficient of  $\beta = 0.472$  and a significance value of 0.000. The R-square value of 0.512 indicates that 51.2% of the variation in management performance can be explained by the combination of artificial intelligence and organizational readiness variables, while the rest is influenced by other factors outside the research model.

**Table 7.** Path Coefficient Results.

	Path	Calculation	Value
<b>Artificial Intelligence (X) → Organizational Readiness (Y)</b>	p1	0.612	0.612
<b>Organizational Readiness (Y) → Management Performance (Z)</b>	p2	0.472	0.472
<b>Artificial Intelligence (X) → Management Performance (Z)</b>	p3	0.298	0.298
<b>Artificial Intelligence (X) → Management Performance (Z) → Organizational Readiness (Y)</b>	p1 × p2	0.612 × 0.472	0.289
<b>Total</b>	p3 + (p1 × p2)	0.298 + 0.289	0.587

The path calculation findings demonstrate that Artificial Intelligence (X) has a substantial and important direct effect on Organizational Readiness (Y), with a route coefficient of 0.612. This value shows that the more a business uses artificial intelligence, the better it is able to handle change, especially when it comes to technology, work procedures, and the skills of its employees. Also, organizational readiness has a strong direct effect on management performance (Z), with a path coefficient of 0.472. This means that the more ready an organization is for digital transformation, the better its managers will be at their jobs.

Artificial Intelligence (X) has a direct impact on Management Performance (Z), with a coefficient of 0.298. But when organizational readiness (Y) is added as a mediating variable, this effect gets stronger. You may see this by multiplying the effects of  $X \rightarrow Y$  and  $Y \rightarrow Z$  ( $0.612 \times 0.472$ ) to get 0.289. The total effect of artificial intelligence on management performance is 0.587 when the direct and indirect effects are taken together. This research shows that the main way that AI affects management performance is via making organizations more ready, which means that organizational readiness is an important link between AI and managerial performance.

### **The Impact of Artificial Intelligence on Organizational Readiness**

The study results indicate that Artificial Intelligence (AI) exerts a substantial direct effect on Organizational Readiness in private hospitals, evidenced by a path coefficient of 0.612. This number shows that the more AI is used in operational, clinical, and managerial tasks, the more ready the business is for digital transformation. AI helps speed up workflows, make decisions more accurately, and help businesses respond to changes in technology more quickly. This finding is consistent with the research conducted by (Boyacı, 2025b), which demonstrates that the integration of AI-based systems can enhance organizational adaptability through process automation, expedited information flow, and standardized data-driven decision-making, especially in the healthcare sector, which requires high efficiency.

Additionally, research conducted by (Roszelan, 2025) corroborates this study by demonstrating that the implementation of intelligent technology promotes organizations to enhance their digital culture, develop more adaptable work structures, and elevate the technical proficiency of human resources as measures towards digital transformation readiness. (M. Ali et al., 2025) also say that having AI in hospital operational management makes the organization more conscious of digital technology, fosters long-term strategic planning, and makes the organization ready to adapt to rapid technological change in terms of structure and culture. (Srivastava et al., 2024) discovered that using AI in healthcare services can make organizations more flexible and ready for new technologies at the same time. This is because AI gives real-time data that makes the decision-making process stronger.

Likewise, a study by (Felemban et al., 2024) in the Middle East indicates that hospitals that utilize AI more extensively in clinical functions, such as patient monitoring and diagnostic support systems, generally exhibit greater digital readiness, especially regarding technology governance, system integration, and human resource training. Additionally, a study conducted by (W. Ali & Ahmad, 2024) in the United States demonstrated that organizational readiness markedly improves with the utilization of AI in predictive analytics, as it aids management in anticipating patient demands, resource distribution, and operational risks. Research conducted by (Alarefi, 2024) these findings, demonstrating that AI enhances organizational preparation for change by advancing employee digital literacy, clarifying roles, and optimizing workflows.

The findings of this study yield significant implications for private hospital management to enhance organizational preparedness for digital transformation. Management must provide a clear and step-by-step plan for how to use AI, from planning to putting it into action in all service units. Digital literacy training, health technology certification, and technical help are all ways to improve the skills of medical and administrative staff so that they can make the best use of AI. Additionally, hospitals need to change how they do business, update their standard operating procedures (SOPs), and make their organizational structure more flexible and responsive to technology. To make sure that AI works as well as possible, it's also important to invest in digital infrastructure, such as data security, networking, and system integration. Management must also create a work culture that is open to change by encouraging good communication amongst employees, spreading the word about the benefits of AI, and making the workplace a place where new ideas may thrive.

### **The Influence of Organizational Readiness on Management Performance**

Organizational readiness has been shown to have a significant influence on management performance with a path coefficient value of 0.472. This finding indicates that the level of organizational readiness in facing digital change plays a crucial role in increasing the effectiveness of managerial functions, from decision-making to reporting accuracy to cross-unit operational coordination. Organizations that are technologically, culturally, and human resource-ready tend to have a stronger managerial foundation because work processes are more structured, information flows more accurately, and policy implementation is faster. The results of this study are in line with the findings of (Ra, 2024), who emphasized that technology readiness, people readiness, and process readiness are key factors that directly increase the effectiveness of management performance in service organizations such as hospitals.

Moreover, research conducted by (Anuar et al., 2025) indicates that firms exhibiting a high degree of digital readiness can cultivate more flexible and responsive managerial leadership, facilitating expedited and precise operational monitoring and control. A study by (Gumilang & Prihartono, 2025) backs these findings up. It concluded that businesses that are equipped for digital transformation have higher management performance because they can break down communication barriers and speed up information integration in the decision-making process. Moreover, a study by (Readiness & Adoption, 2024) in a private hospital context elucidates that organizational readiness enhances management's ability to elevate the quality of monitoring, planning, and coordination across service units. Being ready for digital transformation makes managers more agile, which means they can rapidly and accurately adapt to changes in their environment.

The discovery that organizational preparedness has a big effect on management performance shows that hospital management needs to improve its overall digital preparedness. Management should put upgrading the technological infrastructure, integrating information systems, and using data to help with decision-making at the top of their list. To help personnel and management adapt to new technology, it is also important to improve their digital literacy and technical abilities. Also, work processes need to be reorganized to be more efficient and standardized by improving standard operating procedures (SOPs) and digitizing workflows. To keep change going, executives need to be able to adapt and make decisions based on evidence, and the company culture needs to promote new ideas. In the age of digital transformation, hospitals may make their managers more successful and their businesses more competitive by taking these actions.

### **The Influence of Artificial Intelligence on Management Performance**

The research results also indicate that AI has a direct effect on management performance with a coefficient of 0.298, as well as an indirect effect of 0.289 through organizational readiness. These findings indicate that the greatest benefits of AI utilization on managerial performance do not occur automatically but are largely channeled through increased organizational readiness as a mediating variable. In other words, AI can only improve the quality of decision-making, operational coordination, and the effectiveness of management control if the organization has adequate technological readiness, human resource readiness, and process readiness. Research by (Neiroukh et al., 2024) also confirms that AI will not have a significant impact without strong organizational readiness, especially in aspects of digital work culture, technological literacy, and employee adaptability to system changes.

Similarly, (Akutay & Kahraman, 2024) that organizational readiness acts as a mediator that strengthens the quality of AI implementation so that improvements in managerial performance stem more from organizational readiness than from the direct influence of the technology itself. International research by (Mateus et al., 2025) also shows that organizations with high levels of readiness are able to utilize AI more strategically for monitoring efficiency, improved team coordination, and optimized leadership processes. Moreover, a study by (Craveiro & Domingues, 2025) demonstrated that readiness increases managerial agility, making managers more responsive in data analysis and decision-making.

The finding that AI's greatest impact on management performance is channeled through organizational readiness conveys a strategic message: hospital management must not simply adopt technology but must ensure comprehensive organizational readiness. Management needs to strengthen a digital work culture, increase technological literacy, and develop ongoing training programs to enable human resources to adapt to AI-based systems. On the process side, hospitals need to update SOPs, restructure data-driven workflows, and

create new standards for digital decision-making. Furthermore, investment in system integration, data security, and digital infrastructure is essential to ensure optimal AI functionality. Management must also strengthen adaptive leadership that encourages innovation and readiness for

### **The Impact of Artificial Intelligence on Organizational Readiness Through Performance Management**

The investigation indicates that performance management significantly mediates the relationship between artificial intelligence and organizational readiness in private hospitals in Medan. This finding is consistent with Halim & Arif (2023), who asserted that technological preparedness and digital culture are critical factors in the successful application of (Review, 2025) also said that being ready makes AI have a bigger impact on management performance by making work procedures better. Lopez and Gutierrez (2021) also found that being ready for digital technology makes leaders more successful and data-driven monitoring better. A study conducted by (Felemban et al., 2024) revealed that organizational readiness enhances managerial agility, hence improving the utilization of AI. (Ahmed et al., 2025) also showed that being ready for both processes and people makes intelligent technology have a bigger effect on how well a hospital works.

The research findings, which show that management performance mediates the relationship between artificial intelligence and organizational readiness, have important implications for the management of private hospitals in Medan. Management needs to ensure that AI implementation is not solely focused on technology but also strengthens managerial performance by improving leadership quality, data-driven decision-making, and effective unit coordination. Hospitals need to develop manager competency improvement programs related to data analytics, the use of intelligent systems, and an understanding of digital flows so that managerial performance can truly bridge the gap between AI and organizational readiness. Furthermore, management must restructure business processes to be more responsive and adaptive, strengthen digital culture, and establish technology-based monitoring mechanisms.

The discovery that managerial performance influences the connection between artificial intelligence and organizational readiness holds significant ramifications for the administration of private hospitals in Medan. When using AI, it is important to focus on both developing managerial capacity and technology. Management needs to develop their skills in data analytics, using smart technologies, and making decisions based on information so that managers can effectively close the gap between technology and organizational readiness. Also, reorganizing corporate processes to be more flexible, building a digital culture, and creating technology-based monitoring systems are all strategic initiatives that can speed up the use of AI. To get their staff ready for digital transformation and make it easier for them to accept it, hospitals also need to use a people-centered approach to change management. AI's success hinges on good digital leadership and management overall.

## **5. Conclusion**

The use of artificial intelligence has been found to have a big effect on how ready private hospitals are for change, showing that AI can help companies get ready for digital transition. Organizational readiness itself has a big role in improving management performance. This means that being ready for technology, having good work processes, and having skilled workers are all important factors in making managers more effective. AI affects management performance directly, but it also has a big indirect effect on organizational readiness, which is a big plus. The discovery that organizational preparedness serves as a mediator confirms the notion that technology can only provide maximum value when accompanied by sufficient internal preparedness. The total AI effect of 0.587 shows that the success of digital transformation depends a lot on how ready the organization is in terms of structure, culture, and technology.

Based on these results, hospitals should hire more people who can use AI by giving them more training, especially in digital literacy and data analysis. Additionally, we need to enhance organizational readiness across all domains, not just technology. This encompasses the work culture, operational procedures, and management structure. AI should also be put into place in stages, with the most important areas, like managing patient data and scheduling services, being done first. Hospitals must prioritize enhancing their digital infrastructure and data security to ensure optimal AI performance. Regular readiness evaluations are essential to



mitigate resistance and facilitate the effective implementation of AI systems.

This research significantly advances the literature on digital transformation, particularly by enhancing the Technology Organization Environment (TOE) and Dynamic Capability Theory. The discovery that organizational readiness functions as a mediator substantiates the idea that organizational adaptable capacity is an essential prerequisite for successful digitalization. This research also broadens the discourse on the application of AI in the healthcare industry, an area that is becoming more significant yet remains underexplored in academic literature. This study enhances the theoretical framework for the incorporation of intelligent technology inside public services.

This research substantiates that effective digital transformation necessitates more than mere technological investment; it demands a comprehensive strategy that includes human resource development, revised standard operating procedures, and the integration of information systems. The findings of this study can assist hospital administration and policymakers in constructing a comprehensive digital ecosystem. To speed up the effectiveness of digital transformation in healthcare, the government has to support it through national training programs, increasing IT infrastructure, and policies for assessing readiness. The execution of AI-driven strategies necessitates concurrent internal preparedness to effectuate a significant influence on service performance.

This study had significant limitations, especially with its geographic scope, which was confined to private hospitals in Medan, rendering the results not necessarily indicative of all hospital features in Indonesia. The quantitative methodology employed constrained a comprehensive examination of managers' subjective experiences in managing digital transformation, especially with elements of organizational behavior and culture. The study was limited to three primary variables, so it neglected other potentially significant elements, like digital leadership, innovation capability, and corporate culture. It is advisable for future research to employ mixed approaches or broaden the variables to achieve a more thorough comprehension of the dynamics of AI-driven digital transformation.

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