

## **ABSTRACT**

*The emerging technology disruptions and changes in stakeholder behavior towards digital, coupled with the Covid-19 pandemic, have forced various incumbent organizations to transform digitally (DT). Many investments related to DT fail to meet the expectations because it is suspected of lacking good governance practice. Previous studies have examined the significant role of information technology (IT) on organizational performance. However, it is suspected that traditional IT governance (ITG) practices might not be effective in the digital era. Only a few have examined the effect of ITG mechanisms on DT, and no one has reviewed the influence of DT on organizational performance (KO). Therefore, this study aimed to validate the effect of hybrid TKTI mechanisms (traditional and agile/adaptive) on DT and the effect of DT on their performance achievements through balanced scorecard (BSC) perspectives. The research method used was a survey by distributing Likert-scale online questionnaires to 11 roles related to DT in Asuransi B and succeeded in getting 50 relevant respondents. The data were analyzed using SmartPLS 3.0 tools. The test is carried out using Structural Equation Modeling (SEM) with formative models, in the form of testing the inner and outer models. The test results of this study indicate that both traditional and agile/adaptive TKTI mechanisms have a significant positive influence on DT. Then DT also proved to have a significant positive influence on OP. This research contributes to the knowledge base for further research on related topics. It can also be used as an implementation reference to oversee the success of DT for practitioners, especially in the insurance industry context.*

**Keywords** – *IT governance, digital transformation, organizational performance, insurance, SEM, SmartPLS.*