

ABSTRACT

As a business company in the field of construction services in Indonesia, PT. Adhi Karya feels that the construction business conditions are increasingly competitive, the business environment is dynamic, thus requiring companies to continuously innovate, come up with new, more creative breakthroughs, and implement strategies that are appropriate and in line with changes in the business environment. In this study aims to examine how the influence of Innovation Capability, Organizational Culture on Project Performance at PT. Adhi Karya (Persero) Tbk through Innovation Performance as a mediating variable.

The method used in this study is quantitative, namely using a representative sample to answer each statement submitted and using a questionnaire to collect research data. The research sample was 108 as project managers of construction projects at PT. Adhi Karya (Persero) Tbk The research analysis tool uses the AMOS 22.00 software with the SEM (Structural Equation Modeling) method.

The results of the study showed that there was a significant influence of innovation ability on innovation performance with a p-value of 0.047 (H1 accepted). There is a significant influence of organizational culture on innovation performance with a p-value of 0.03 (H2 accepted). There is a significant influence of innovation capability on project performance with a p-value of 0.002 (H3 accepted). There is a significant effect of innovation performance on project performance with a p-value of 0.023 (H5 is accepted). There is only one hypothesis that is rejected, namely that there is no significant effect of organizational culture on project performance with a p-value of 0.147 (H4 rejected).

Keywords: *Innovation Capability, Organizational Culture, Innovation Performance and Project Performance*