



Ushiwa Drambi Kwabe
Department of Business
Administration and Entrepreneurship,
Adamawa State University, Mubi
Adamawa State -Nigeria
kwabeu@gmail.com

Prof. Aliyu Umaru Fudamu
Department of Business Administration,
Adamawa State University, Mubi
Adamawa State- Nigeria
ab14407@gmail.com

***Corresponding Author**

Ushiwa Drambi Kwabe
Department of Business
Administration and Entrepreneurship,
Adamawa State University, Mubi
Adamawa State -Nigeria
kwabeu@gmail.com

EFFECT OF DIGITAL TRANSFORMATION ON ORGANIZATIONAL PERFORMANCE: A MEDIATING ROLE OF ORGANIZATIONAL CULTURE IN DEPOSIT MONEY BANKS IN ADAMAWA STATE, NIGERIA

ABSTRACT

This study examined the effect of digital transformation on organizational performance of Deposit Money Banks in Adamawa State, Nigeria, with particular emphasis on the mediating role of organizational culture. The study adopted a quantitative research approach and a survey research design. Primary data were collected from employees of selected Deposit Money Banks, namely First Bank, UBA Plc, GTBank, Access Bank, and Zenith Bank in Adamawa State. A total of 173 questionnaires were distributed, out of which 163 were returned, representing a response rate of 94.2%. The data were analysed using regression analysis, while the hypotheses were tested at the 5% level of significance. The findings revealed that digital transformation and organizational culture each had a significant positive effect on organizational performance. The mediation analysis showed that organizational culture significantly mediated the relationship between digital transformation and organizational performance, indicating that the performance benefits of digital transformation are partly transmitted through a supportive organizational culture. The study therefore concludes that digital transformation is an important driver of organizational performance among Deposit Money Banks in Adamawa State, while organizational culture provides an important mechanism through which digital transformation contributes to improved organizational outcomes. The study recommends that Deposit Money Banks should strengthen their digital infrastructure, develop innovative digital products, formulate clear digital strategies, invest in digital skills and resources, promote strategic digital collaboration, and deliberately cultivate an organizational culture that supports innovation, adaptability, teamwork, and continuous improvement.

Keywords: Culture, digital, organizational, performance and transformation

INTRODUCTION

Digital transformation has become a critical driver of performance in both public and private organizations in Nigeria. In the public sector, the adoption of digitally mature practices such as data-driven decision-making and electronic records management has significantly enhanced service delivery and strengthened accountability in government ministries. This highlights the reality that digital adoption is no longer optional but a fundamental requirement for improving efficiency, transparency, and competitiveness within Nigeria's socio-economic environment.

The Nigerian banking sector, particularly deposit money banks, has emerged as a leading adopter of digital transformation. Through the use of digital platforms, banks have expanded financial inclusion, enhanced service efficiency, and reduced dependence on traditional branch-based operations. Consequently, examining the effects of digital transformation within deposit money banks is consistent with broader national trends toward digitalization across Nigerian organizations. The drivers of digital adoption in Nigeria are multifaceted, ranging from customer expectations and regulatory mandates to competitive pressures from fintech startups. Unegbu, et al. (2022) emphasized that SMEs in Nigeria have embraced digitalization primarily to survive in an increasingly digitalized economy. By integrating digital payment platforms, online marketing tools, and automated processes, these firms significantly enhanced productivity and customer satisfaction despite facing obstacles such as infrastructural deficits and workforce digital skill gaps. Their findings highlight how digitalization is becoming an imperative for organizational resilience and sustained performance. In the banking sector, Emeh and Ugwu (2024) found that adopting digital management systems such as robust IT infrastructure, cyber security measures, and customer relationship management software positively impacted service quality and profitability among banks in Southeast Nigeria. These improvements are equally relevant to Deposit money banks, where customer demands for real-time transactions, mobile banking, and secure platforms are strong. The growing evidence shows that beyond being a trend, digital adoption is now a strategic response to both internal efficiency needs and external competitive pressures, setting the foundation for stronger organizational performance.

Organizational culture refers to the shared values, beliefs, norms, and behaviors that shape how employees interact, make decisions, and approach their work within an organization. It serves as a central determinant of organizational performance, influencing how effectively a firm can implement strategies and adapt to change. A culture that encourages innovation, collaboration, and calculated risk-taking can facilitate the successful adoption of new initiatives, including digital transformation. Conversely, a rigid or resistant culture may hinder organizational progress, regardless of technological or strategic investments (Onibudo, 2022).

In Nigeria's banking sector, organizational culture significantly influences how employees and managers respond to and adopt new technologies. A culture that promotes innovation, continuous learning, and openness to change facilitates smoother integration of digital tools, such as mobile banking platforms, automated teller systems, and advanced data analytics. Conversely, a risk-averse or hierarchical culture can create resistance, slowing technological adoption and limiting the benefits of digital transformation. Banks like Deposit money banks must foster a culture of agility, continuous learning, and customer-centricity to maximize the benefits of digital tools. The literature consistently shows that culture influences staff commitment, service quality, and overall organizational productivity. This highlights the need to explore the cultural dynamics within Deposit money banks and their interaction with digital initiatives in shaping organizational performance. The role of culture as a mediator between digital transformation and performance is gaining scholarly attention. Bashir (2022) demonstrated that cultural adaptability manifested in employee openness to change, managerial support, and cross-functional collaboration strengthens the link between digital transformation and firm performance. Without such a culture, digital initiatives risk being underutilized or resisted by employees, thereby limiting their impact on performance. Thus, organizational culture acts as the "bridge" through which digital strategies achieve tangible outcomes.

A key cause of this inconsistency is the misalignment between digital transformation initiatives and organizational culture. While digital transformation emphasizes innovation, agility, and customer focus, many Nigerian banks, including Deposit money banks, still operate under rigid, hierarchical, and bureaucratic structures. This cultural mismatch undermines adaptability, slows down the adoption of digital innovations, and reduces the effectiveness of transformation strategies (Nnanna, 2024). As a result, the expected gains from digitalization often fail to materialize fully. The negative effects of this misfit are reflected in operational inefficiencies, poor service delivery, low employee engagement, and customer dissatisfaction. For instance, despite Deposit money banks's heavy investments in digital platforms like the DMBS mobile app and Leo chatbot, customers still experience frequent downtimes, transaction delays, and unsatisfactory complaint resolutions. Such issues weaken organizational performance, erode customer trust, and reduce the bank's competitiveness in both local and international markets (Adeyemi, 2023). This study therefore seeks to bridge these gaps by exploring the effect of digital transformation on organizational performance, the influence of transformation on culture, the impact of culture on performance, and the mediating role of culture within Deposit Money Banks in Adamawa State.

The following research question guided the study:

- i. To what extent does organizational culture mediate the relationship between digital transformation and organizational performance of Deposit Money Banks in Adamawa state?

Objective of the Study

- i. The main objective of this study examined the effect of digital transformation on organizational performance: a mediating role of organizational culture in Deposit money banks, Nigeria.

The following null hypothesis is formulated in line with the objective of the study:

H₀₁: Organizational culture has no significant mediating effect on the relationship between digital transformation and organizational performance of Deposit Money Banks in Adamawa State.

LITERATURE REVIEW

Concept of Digital Transformation

Fitzgerald et al. (2014) define digital transformation as the application of digital technologies such as social media, analytics, mobile platforms, and embedded devices to drive significant changes in business operations. This definition highlights that digital transformation goes beyond simply digitizing existing resources; instead, it focuses on leveraging these technologies to create value in new ways. According to the authors, transformation may lead to improvements in customer experience, efficiency, or even the creation of entirely new business models, reflecting how organizations reinvent themselves in the digital era. The authors emphasize that organizations engaging in digital transformation are not merely adopting technology for operational convenience but are redesigning processes to generate revenue and competitive advantage from digital assets. This

implies that transformation is both strategic and holistic, touching multiple areas of business simultaneously. In this sense, digital transformation is portrayed as a proactive approach to reimagining how businesses operate and interact with their.

Westerman et al. (2011) describe digital transformation as the use of digital technology to radically enhance an enterprise's performance or market reach. Unlike incremental improvements, this definition stresses dramatic changes in how organizations perform and compete, suggesting that transformation is not optional but rather critical for survival in highly competitive environments. The definition also illustrates that transformation is not limited to adopting tools but focuses on rethinking value delivery. This perspective highlights the strategic potential of digital transformation in reshaping industries by creating entirely new opportunities. For example, financial institutions that embraced mobile banking transformed not only their operations but also how customers interact with financial services. Thus, Calmégane et al. (2011) argue that digital transformation is a key enabler of innovation, scalability, and long-term sustainability in business practices.

Concept of Organizational Performance

Moumin (2024) defines organizational performance as the extent to which an organization achieves its predetermined goals. This perspective emphasizes the outcome aspect, focusing on measurable outputs such as profit or market share. Bourguignon (2000) distinguishes performance as an outcome, focusing on measurable outputs such as profit or market share, from performance as a process, which concerns the actions and strategies implemented to achieve these results. This outcome-based view aligns with traditional performance metrics, where success is quantified through financial indicators and market position. However, it has been critiqued for overlooking the processes and strategies that lead to these outcomes. Therefore, while goal achievement remains a fundamental measure, it is increasingly considered alongside process-oriented perspectives to provide a more comprehensive understanding of organizational performance.

Bourguignon (2018) distinguishes performance as an outcome, focusing on measurable outputs such as profit or market share, from performance as a process, which concerns the actions and strategies implemented to achieve these results. This process-oriented perspective emphasizes the importance of internal operations, decision-making, and strategic planning in influencing performance outcomes. It suggests that organizations should focus not only on end results but also on optimizing the processes that lead to those results. By improving internal processes, organizations can achieve sustainable performance improvements over time.

Concept of Organizational Culture

Edgar Schein (2020) defines organizational culture as a pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration. These assumptions have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Schein emphasizes that culture is not just a set of values or norms but a deep-seated system of beliefs that

guide behavior within the organization. Deal and Kennedy (2017) describe organizational culture as the way things get done around here. They focus on the observable aspects of culture, such as rituals, ceremonies, and stories, which collectively shape the work environment and influence employee behavior. Their definition highlights the importance of shared values and practices in creating a cohesive organizational identity.

Mazikana (2024) defines organizational culture as the unique and consistent ways in which people, units, and organizations are structured, interact, work, and behave. He highlights that culture encompasses the shared beliefs, values, and practices that guide behavior and decision-making within an organization. According to Mazikana, understanding these cultural dimensions is vital for improving governance, institutional effectiveness, and organizational performance in Nigerian public and private organizations.

Effect of Digital Transformation on the Organizational Performance in Nigeria

Deposit Money Banks (DMBS) has positioned digital transformation (DT) as a core part of its strategic direction, emphasizing innovation, continental integration, and customer-centric services. Recent corporate disclosures show that DMBS prioritizes the deployment of cloud platforms, artificial intelligence (AI) solutions, and its well-known chatbot “LEO,” which was recently integrated with the Pan-African Payment and Settlement System (PAPSS) to enable seamless cross-border payments. This positioning highlights how DT is used as a tool for both efficiency and market expansion. Raymond, et al. (2022) empirically examined how digital banking tools such as mobile pay, point-of-sale systems, and online payments affect profitability in Nigerian banks. Using a Vector Error Correction Model (VECM), their findings reveal that digital channels improve net interest margins and operational efficiency over time. This aligns with DMBS’s strategy of using DT not merely as a technological upgrade but as a growth enabler for its multinational operations. In essence, DT acts as both a performance enhancer and a competitive differentiator, positioning DMBS as a leader in Nigeria’s evolving banking landscape (Raymond et al., 2022).

One of the clearest ways DT influences organizational performance is through improved operational efficiency. Automation of back-office functions, adoption of straight-through processing, and cloud-enabled banking infrastructure help reduce delays, eliminate redundancies, and lower costs. Shitu and Ononiwu (2024) argue that in developing economies, banks that embrace DT benefit from streamlined workflows and more agile business processes. Their review, published in the World Journal of Advanced Research and Reviews, shows that DT not only reduces reliance on paper-based transactions but also enhances accuracy in service delivery and resource allocation. For DMBS, these operational changes mean faster processing of loans, quicker settlement times for customers, and reduced cost-to-income ratios, all of which directly improve profitability. Empirical results from Nigerian banks reveal that digitalization leads to significant reductions in non-interest expenses when accompanied by organizational re-engineering. Thus, DMBS’s operational gains through DT demonstrate how the integration of new technologies with re-designed internal processes can deliver measurable improvements in efficiency and performance.

Influence of Digital Transformation on Organizational Culture in Nigeria

Digital transformation is increasingly redefining organizational culture across Nigerian institutions, reshaping values, norms, and behaviors. It involves not only the adoption of digital technologies but also the reconfiguration of mindsets and organizational routines. Ezeugwu (2025) stresses that in higher education institutions (HEIs), the integration of digital learning platforms and administrative systems has introduced cultural attributes such as adaptability, openness, and continuous learning. This shift means that lecturers and administrators are now required to embrace new tools for teaching, assessment, and collaboration, thereby altering the traditional hierarchical culture of Nigerian universities.

In the Nigerian banking sector, digital transformation has been particularly impactful in shifting workplace culture toward innovation, customer-centricity, and agility. The Central Bank of Nigeria (CBN, 2024) highlights that the adoption of mobile banking applications, artificial intelligence-driven fraud detection, and big data analytics has fundamentally redefined employee roles and customer service expectations. Employees are now expected to be digitally literate, adapt to rapid technological rollouts, and engage with customers in real time across multiple channels. This transformation has also created a cultural reorientation within banks, where speed, efficiency, and customer experience are prioritized over rigid adherence to traditional bureaucratic practices. As banks integrate fintech partnerships and online platforms, employees are encouraged to embody innovation, flexibility, and service orientation. Hence, digital transformation is not just a technological upgrade but a cultural revolution that influences how banking staff perceive their roles and responsibilities (CBN, 2024).

Effect of Organizational Culture on Organizational Performance in Nigeria

Organizational culture serves as the backbone of how employees think, behave, and interact within firms, shaping overall performance outcomes. It reflects the shared values, beliefs, rituals, and work practices that guide employee attitudes toward productivity, innovation, and efficiency. In Nigeria, where organizations face volatile market environments and stiff competition, culture plays a significant role in aligning employees toward common performance goals. Ramadan and Omogbiya (2019) demonstrated in their study of commercial banks that strong organizational culture not only motivates employees but also reduces resistance to change, thereby improving service delivery, profitability, and competitiveness.

In the Nigerian manufacturing sector, organizational culture directly impacts how employees perform their tasks and adapt to industrial challenges. Asmar (2019), studying selected manufacturing firms in Anambra State, identified that cultural values such as individualism and power distance significantly enhance employee performance. The findings showed that when employees are encouraged to take personal responsibility and leadership maintains a supportive relationship, overall productivity and job satisfaction rise. Small and Medium Enterprises (SMEs), which constitute the backbone of Nigeria's economy, are heavily influenced by organizational culture in terms of innovation, resilience, and market growth. Oluwa and Ibrahim (2021), using the Organizational Culture Assessment Instrument (OCAI), found that all four cultural types clan, adhocracy, market,

and hierarchy positively correlate with SME performance. Specifically, hierarchy culture had the strongest effect, indicating that Nigerian SMEs benefit from orderliness, standardization, and structured management practices.

The Mediating Role of Organizational Culture in the relationship between Digital Transformation and Organizational Performance in Nigeria

Digital transformation (DT), which involves the adoption of advanced digital tools such as analytics, automation, and digital workflows, has become a critical driver of organizational performance in Nigeria. However, its effectiveness depends largely on how well it aligns with the internal culture of the organization. A study by Mikalef (2022) on Nigerian manufacturing firms such as Nigerian Breweries and Nestlé highlights this interplay, showing that while DT directly enhances corporate performance, its real value emerges when organizational culture acts as a moderating factor. This suggests that culture not only supports the adoption of digital technologies but also determines the extent to which these technologies translate into tangible performance outcomes. In other words, without a supportive and adaptive culture, digital transformation initiatives may fail to deliver their full potential, making cultural alignment a crucial component of successful digital strategies in Nigeria.

In the banking sector, Ighoroje and Agbogun (2024) conducted an empirical study among commercial banks in Delta State, Nigeria, to assess the impact of digital transformation (DT) on organizational performance. Their findings indicated that DT influences firm performance both directly and indirectly through organizational learning. The mediating role of organizational learning emphasizes the importance of knowledge acquisition, sharing, and application within banks. While the study focuses on organizational learning, it closely aligns with elements of organizational culture, such as learning norms, adaptability, and openness to change. In the Nigerian banking context, these cultural aspects are particularly critical because banks face dynamic challenges, including intense competition, evolving customer expectations, and regulatory reforms. By fostering a culture that encourages technology adoption, knowledge sharing, and innovation, banks can better leverage DT initiatives to improve performance indicators such as operational efficiency, customer satisfaction, and profitability. This highlights that the success of digital transformation in Nigerian banks is not solely dependent on technological investment but also on cultivating a culture that supports continuous learning and adaptation, ultimately enhancing overall organizational performance.

Theoretical Framework

Resource-Based View (RBV)

The Resource-Based View (RBV) posits that an organization's competitive advantage stems from its possession of resources and capabilities that are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991). Within this framework, organizational culture (OC) can be considered a strategic resource, particularly in the era of digital transformation. A culture that emphasizes innovation, collaboration, and continuous learning equips employees to embrace new technologies, share critical knowledge, and adapt to evolving market demands. Such a culture not only facilitates

the effective implementation of digital tools but also ensures that technological investments translate into tangible improvements in processes, decision-making, and overall organizational performance.

Moreover, the RBV highlight that not all resources yield competitive advantage equally; their strategic value depends on their uniqueness and the difficulty competitors face in replicating them. An innovation-driven organizational culture exemplifies a resource that is inherently difficult to imitate because it is embedded in shared values, behaviors, and social norms (Wamba et al., 2020). This cultural foundation enables organizations to leverage digital initiatives more effectively, fostering agility and responsiveness in dynamic environments. Consequently, organizations with strong, strategically aligned cultures can outperform rivals who may adopt similar technologies but lack the cultural capability to fully exploit them, demonstrating the critical interplay between intangible resources and digital transformation outcomes.

Building on the Resource-Based View, the strategic value of organizational culture (OC) is particularly evident in its role in fostering dynamic learning, problem-solving, and technology adoption. Not all resources equally impact performance, but a culture that encourages collaboration, knowledge sharing, and support enables organizations to harness their intangible assets effectively (Kraus et al., 2021). Such cultures provide the social and cognitive frameworks necessary to implement complex digital systems efficiently, reducing resistance to change, improving operational processes, and enhancing customer satisfaction. In this way, OC acts as a multiplier for technological investments, turning digital tools into meaningful performance outcomes rather than isolated technical upgrades.

Empirical Review

Karimu et al. (2025) investigated the influence of digital transformation on SME performance in Lagos, Abuja, and Port Harcourt. Using a quantitative survey design, the study targeted 200 SMEs and employed stratified random sampling to ensure representativeness. Data were analyzed using ANOVA in SPSS. The findings revealed that SMEs with higher digital adoption experienced approximately 15% revenue growth compared to less digitally mature firms, which showed growth below 5%. The study concluded that digital transformation significantly improves SME performance in Nigeria. Consequently, it recommended enhanced digital infrastructure and training to boost digital literacy. However, a gap was identified in understanding the mediating role of organizational culture, suggesting future research should explore how culture influences the relationship between digital transformation and performance in SMEs.

Abawa (2025) examined digital transformation and sustainable development in Nigerian higher education institutions, emphasizing the moderating role of organizational culture. The study adopted a quantitative survey design, targeting higher education institutions across Nigeria, though the exact sample size and sampling techniques were not specified. Structural Equation Modeling (SEM) was used to analyze data. Findings indicated that organizational culture significantly moderates the effect of digital transformation on sustainability outcomes, implying that institutions with supportive cultural environments benefit more from digital initiatives. The study concluded that cultivating a digital-friendly culture enhances performance outcomes and recommended policy interventions to

promote such cultures in educational institutions. A notable gap remains due to the lack of empirical studies directly assessing culture as a mediator, and future studies should focus on this mediating effect in higher education contexts.

Latif and Sarwar (2025) studied the influence of digital transformation on organizational culture, researchers surveyed 376 technology firms in Port Harcourt using a stratified random sampling method and descriptive statistical analysis. The study found that digital transformation fosters innovation, collaboration, and flexibility within organizations, effectively shaping a progressive culture. The authors concluded that organizational culture is strongly influenced by digital initiatives. They recommended promoting continuous learning and open communication to sustain positive cultural shifts. Nevertheless, a gap was highlighted regarding the mediating effect of culture on performance outcomes, suggesting future research should explore how organizational culture mediates the relationship between digital transformation and overall organizational performance.

Abbas (2025) conducted study on digital transformation and sustainable business performance synthesized 44 empirical studies comprising 17,284 observations. Using Comprehensive Meta-Analysis software, the study confirmed a positive relationship between digital transformation and sustainable business performance across various sectors. The analysis concluded that digital initiatives consistently enhance organizational performance and recommended that firms adopt digital strategies for long-term sustainability. However, the meta-analysis identified a gap in studies addressing the mediating role of organizational culture, suggesting future research should examine how culture mediates the transformation-performance link.

METHODOLOGY

This study adopted an exploratory (correlational) research design. The design is appropriate because the study seeks to explain the extent to which digital transformation influences organizational performance, and how organizational culture mediates this relationship among Deposit Money Banks (DMBs) in Nigeria. The participants comprised of employees working in First Bank, UBA Plc, GTBank, Access Bank and Zenith in Adamawa state. This includes senior marketers, sales staff, operations and management staff. The total number of the employee was determined at 267.

To determine the sample size, the researcher adopted the use of Taro Yamani's formula (1964).

$$n = \frac{N}{1 + N(e)^2}$$

Where (N) is the total population size, and (e) is the margin of error (0.05).

$$N = 267$$

$$n = \frac{267}{1 + 267(0.05)^2}$$

$$n = \frac{267}{1 + 267(0.0025)}$$

$$= \frac{267}{1.7}$$

$$= 157.0 \text{ i.e. } \approx 157$$

Therefore, the sample size for this study is 157. However, 10% of the sample size was added to the 157 actual sample to guide for non-return instrument, therefore, the sample size for this study was $157 + 16 = 173$.

The convenience sampling technique was adopted in this study because it allows researchers to select respondents who are readily available, accessible and willing to participate in the study. Data for the study was collected from a primary source using a questionnaire. This study used a structured questionnaire as the main instrument for gathering data and the decision to use a questionnaire was based on the fact that it is the most practical and consistent approach for reaching employees across different Deposit Money Banks (DMBs) in Nigeria.

Inferential statistics was subsequently employed to test the hypothesized relationships among the study variables, using linear regression analysis effect of digital transformation on organizational performance: A mediating role of organizational culture DMBs in Adamawa State, Nigeria.

The model for the study is specified as follows:

$$OP = f(DT, OC)$$

Where

OP = Organizational Performance

DT = Digital Transformation

OC = Organizational Culture

The regression equations are expressed as:

1. Direct effect of digital transformation on organizational performance

$$OP = \beta_0 + \beta_1 DT + \mu$$

2. Effect of digital transformation on organizational culture:

$$OC = \beta_0 + \beta_1 DT + \mu$$

This model allows for testing the mediating role of organizational culture in the relationship between digital transformation and organizational performance of Deposit Money Banks in Adamawa.

3. Effect of organizational culture on organizational performance:

$$OP = \beta_0 + \beta_1 OC + \mu$$

4. Mediating effect of organizational culture:

$$OP = \beta_0 + \beta_1 DT + \beta_2 OC + \mu$$

Where:

β_0 = constant term

$\beta_1 \beta_2$ = Regression coefficient

μ = Error term

DATA PRESENTATION, ANALYSIS AND FINDINGS

A total of 173 questionnaires were distributed to the respondents, representing 100% of the questionnaires administered. Out of these, 163 questionnaires were returned, representing approximately 94.2% of the total questionnaires distributed. However, 10 questionnaires were not returned, accounting for approximately 5.8%. The high response rate of 94.2% indicates that the data collection process was highly successful and that a large majority of the targeted respondents participated in the study. The 5.8% non-response rate is relatively low and is unlikely to substantially affect the reliability of the findings. Therefore, the 163 returned questionnaires were considered adequate for the analysis and interpretation of the study's results.

H₀₁: Organizational culture has no significant mediating effect on the relationship between digital transformation and organizational performance of Deposit Money Banks in Adamawa State.

Table 1: Sobel Test for the Mediating Effect of Organizational Culture

Mediation Path	Coefficient	Std. Error
Digital Transformation → Organizational Culture (a)	0.565	0.026
Organizational Culture → Organizational Performance (b)	0.758	0.031
Indirect Effect (a × b)	0.428	0.026
Sobel Z-value	16.24	
Critical value at 5%	1.96	
Decision	Significant	

Source: Computed using SPSS 27 from Field Survey data, 2026.

The calculated Sobel Z-value of 16.24 is substantially greater than the critical value of 1.96 at the 5% level of significance. This indicates that the indirect effect of digital transformation on organizational performance through organizational culture is statistically significant. The indirect effect is 0.428, meaning that digital transformation has a positive indirect influence on organizational performance through organizational culture. The significant Path a coefficient ($\beta = 0.565$, $p = 0.000$) shows that digital transformation significantly improves organizational culture, while the significant Path b coefficient ($\beta = 0.758$, $p = 0.000$) indicates that organizational culture is significantly associated with organizational performance. Hence, this confirms a partial mediation, which implies that organizational culture partially mediates the relationship between digital transformation and organizational performance.

Summary of Finding

The study revealed that organizational culture significantly mediates the relationship between digital transformation and organizational performance. Digital transformation significantly predicted organizational culture ($\beta = 0.565$, $t = 21.414$, $p = 0.000$), while organizational culture significantly predicted organizational performance ($\beta = 0.758$, $t = 24.196$, $p = 0.000$). The Sobel test produced a Z-value of 16.24, which is greater than the critical value of 1.96.

Discussion of Findings

The study found that digital technology has a significant positive effect on organizational performance of Deposit Money Banks in Adamawa State. This finding suggests that the effective adoption of modern digital technologies improves the way banks conduct their operations, deliver

services, process information, and respond to customers. Digital technologies can reduce delays, improve accuracy, automate routine activities, facilitate timely decision-making, and enhance the overall efficiency of banking operations. The finding therefore indicates that continuous technological advancement is an important factor in strengthening the performance and competitiveness of Deposit Money Banks. This finding is consistent with Bharadwaj et al. (2023), who argued that digital technologies can transform organizational processes, capabilities, and business strategies, thereby creating opportunities for improved organizational performance. The finding also agrees with Sebastian et al. (2022), who emphasized that organizations can achieve superior performance when they develop digital capabilities that enable them to respond effectively to changing technological and market conditions. The present finding therefore reinforces the view that digital technology should be regarded as a strategic organizational resource rather than merely an operational tool.

The study established that organizational culture significantly mediates the relationship between digital transformation and organizational performance. This finding indicates that digital transformation improves organizational performance partly through its ability to influence the culture of the organization. Digital transformation can encourage employees to embrace innovation, teamwork, continuous learning, knowledge sharing, adaptability, and new approaches to performing their duties. These cultural changes can subsequently contribute to improved organizational performance. This finding is supported by Khin and Ho (2019), who found that digital transformation can enhance organizational performance through the development of digital innovation capabilities. It also agrees with Cennamo et al. (2020), who emphasized that digital transformation involves changes in organizational relationships, capabilities, and ecosystem participation. The present study extends these arguments by demonstrating that organizational culture serves as an important mechanism through which digital transformation translates into improved organizational performance. Thus, Deposit Money Banks should manage technological transformation and cultural transformation simultaneously to maximize the performance benefits of digitalization.

Conclusion

The study concludes that Organizational Culture significantly mediates the relationship between Digital Transformation and Organizational Performance. This indicates that digital transformation does not only improve organizational performance directly but also does so indirectly by shaping a supportive organizational culture.

Recommendations

The following findings were derived from the above findings and conclusion:

- i. The significant mediating effect of organizational culture indicates that digital transformation produces stronger organizational performance when supported by an appropriate organizational culture. Therefore, bank management should not focus solely on acquiring digital technologies; they should simultaneously manage the cultural changes required to make such technologies effective.

REFERENCES

- Abawa, E. F. (2025). Digital transformation and sustainable development in Nigerian higher education institutions: The moderating role of organizational culture. *Fane-Fane International Multidisciplinary Journal*, 4(4), 34-55.
- Abbas, S. M. (2025). Digital transformation and its multidimensional impact on sustainable business performance. *Future Business Journal*, 2(3), 55-89.
- Asmar, N. P. (2019). Effect of organizational culture on employee performance in selected manufacturing firms, Anambra State, Nigeria. *Approaches in International Journal of Research Development*, 11(1), 45–58.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Bharadwaj, A., El Sawy, O. A., Pavlou, P. A., & Venkatraman, N. (2023). Digital business strategy: Toward a next generation of insights. *MIS Quarterly*, 37(2), 471–482.
- Bourguignon, A. (2000). Organizational performance: A comprehensive literature review of modern models and approaches. *International Journal of Entrepreneurship*, 28(4), 1–5.
- Cennamo, C., Dagnino, G. B., Di Minin, A., & Lanzolla, G. (2020). Managing digital transformation: Scope of transformation and digital innovation ecosystems. *Journal of Business Research*, 124, 1–12.
- Central Bank of Nigeria. (2024). *Digital technology and the transformation of the Nigerian banking system*. CBN Research Department.
- Emeh, N. C., & Ugwu, F. (2024). Digital management system and organizational performance in Southeast Nigeria. *British International Journal of Business and Marketing Research*, 12(2), 44–56.
- Fitzgerald, M., Kruschwitz, N., Bonnet, D., & Welch, M. (2014). Embracing digital technology: A new strategic imperative. *MIT Sloan Management Review*, 55(2), 1–12.
- Ighoroje, J., & Agbogun, O. (2024). Digital transformation and firm performance nexus: A study of commercial banks in Delta State, Nigeria. *Journal of Humanities and Social Sciences*, 10(2), 122–138.
- Karimu, I., Ardo, M. A., & Gurin, I. M. (2025). *Impact of digital transformation on the performance of small and medium-sized enterprises in Nigeria*.
- Khin, S., & Ho, T. C. F. (2019). Digital technology and marketing: How digital transformation can contribute to business performance. *Journal of Business Research*, 10(2), 1–9.
- Kraus, S., Palmer, C., Kailer, N., Kallinger, F. L., & Spitzer, J. (2021). Digital entrepreneurship: A research agenda on new business models for the twenty-first century. *International Journal of Entrepreneurial Behavior & Research*, 27(2), 353–375.
- Latif, M., & Sarwar, F. (2025). Digital transformation and organizational performance: A resource-based view. *Sustainability*, 17(3), 823-835.
- Mazikana, P. (2024). Organizational culture and governance in Abia State, Nigeria. *International Policy Brief Journal*, 6(2), 90–98.
- Mikalef, G. O. (2022). *Organisational culture, digital transformation and corporate performance of selected manufacturing firms in Lagos State* [Master's thesis, Covenant University].
- Moumin, I. (2024). Organizational performance: A comprehensive literature review of modern models and approaches. *International Journal of Entrepreneurship*, 28(4), 1–5.
- Nnanna, E. (2024). The role of organizational culture in digital transformation of Nigerian deposit money banks. *Nigerian Journal of Management Sciences*, 15(3), 72–85.
- Oluwa, A., & Ibrahim, U. A. (2021). Investigating the influence of organisational culture on the performance of small and medium enterprises (SMEs): Evidence from Nigeria. *International Journal of Research in Business and Social Science*, 10(4), 485–495.

- Onibudo, G. O. (2022). *Organizational culture, digital transformation and corporate performance of selected manufacturing firms in Lagos State* [Master's thesis, Covenant University]. Covenant University Repository.
- Ramadan, L., & Omogbiya, S. O. (2019). Organizational culture and corporate performance: Empirical study from Nigeria. *International Journal of Academic Accounting, Finance & Management Research*, 3(12), 10–17.
- Raymond, S. C., Ebenezer, V. C., & Kehinde, A. O. (2022). Digital transformation and organizational performance: Evidence from Nigerian commercial banks. *Journal of Business and Management Research*, 15(2), 45–60.
- Sebastian, I. M., Ross, J. W., Beath, C., Mockler, M., Moloney, K. G., & Fonstad, N. O. (2022). How big old companies navigate digital transformation. *MIS Quarterly Executive*, 16(3), 197–213.
- Schein, E. H. (2020). *Organizational culture and leadership* (4th ed.). Jossey-Bass.
- Shitu, I. R., & Ononiwu, M. Y. (2024). Exploring the impact of digital banking on firm performance in emerging economies: A Nigerian perspective. *African Journal of Management and Social Sciences*, 18(1), 112–130.
- Wamba, S. F., Akter, S., Edwards, A., Chopin, G., & Gnanzou, D. (2020). How ‘big data’ can make big impact: Findings from a systematic review and a longitudinal case study. *International Journal of Production Economics*, 165, 234–246.
- Westerman, G., Calm  jane, C., Bonnet, D., Ferraris, P., & McAfee, A. (2011). *Digital transformation: A roadmap for billion-dollar organizations*. MIT Center for Digital Business and Capgemini Consulting.