

# Digital Leadership and Digital Transformation in Deposit Money Bank in Nigeria

<sup>1</sup>Leonard Unodinma Ojogbo, & <sup>2</sup>Hillary Odiakaose Odor

<sup>1&2</sup>*Department of Business Administration,  
Faculty of Management Sciences, University of Delta, Agbor Nigeria*

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## Abstract

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In today's rapidly evolving financial landscape, digital transformation has become a critical priority for banks seeking to enhance operational efficiency, improve customer experiences, and maintain competitiveness. This study examines the influence of digital leadership on digital transformation in Deposit Money Banks (DMBs) in Nigeria, using transformational leadership theory as its foundation. The study focuses on key digital leadership attributes, including digital capabilities, digital experience, digital predictability, and digital vision, to determine their impact on digital transformation. The research population consists of all commercial banks operating in Asaba, Delta State, Nigeria, with a sample size of 250 respondents. Data collection was conducted through questionnaires, and 200 valid responses were analyzed using descriptive and inferential statistics. The findings reveal that digital capabilities (p-value = 0.004) and digital vision (p-value = 0.000) significantly influence digital transformation, highlighting the need for strong technical competencies and strategic foresight in digital banking initiatives. However, digital experience (p-value = 0.229) and digital predictability (p-value = 0.374) do not significantly impact digital transformation, suggesting that leadership adaptability is more critical than past experience or rigid forecasting. The study recommends that DMBs invest in advanced digital tools such as artificial intelligence, big data, and cloud computing while enhancing employee training programs. Furthermore, bank executives should develop a clear digital roadmap, encourage innovation, and collaborate with fintech firms to accelerate digital transformation. Finally, regulatory bodies, such as the Central Bank of Nigeria, should also implement policies that support digital banking advancements.

**Keywords:** *Digital Leadership, Digital Transformation, Deposit Money Banks, Nigeria, Transformational Leadership Theory*

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Corresponding Author: Leonard Unodinma Ojogbo

## **Background to the Study**

The global business environment is experiencing a significant transformation due to rapid technological progress, especially in digital innovation (Teo, 2025), and companies across various industries are increasingly required to adopt digital technologies to maintain competitiveness and ensure long-term sustainability. (Djevojic & Vitasović, 2023). In the financial services industry, where the pace of innovation is relentless, digital transformation has been recognised as a key determinant of organisational success (Rostek, 2022). Deposit Money Banks (DMBs) in Nigeria, like their counterparts worldwide, are at the forefront of this transformation (Bashir & Umar, 2022). They are leveraging digital technologies to redefine customer experiences, optimize operational processes, and adapt to an increasingly dynamic business environment. However, the extent to which digital transformation can yield desired outcomes in these banks depends significantly on the leadership driving this change. Digital leadership, characterized by attributes such as digital capabilities, experience, predictability, and vision, has been recognized as a critical enabler of successful digital transformation (Haleem, Javaid & Singh, 2024).

Leadership in the digital era transcends traditional management practices. It involves fostering innovation, driving agility, and aligning technological adoption with strategic objectives (Malik, Raziq, Sarwar, & Tariq, 2024). Digital leaders must possess the capacity to envision future trends, build digitally competent teams, and navigate the complexities of the technological landscape (Erhan, Uzunbacak, & Aydin, 2022). Therefore, the role of digital leadership is even more critical (Bataineh, Qasim, & Alhur, 2024). Banks are not only competing against each other but also facing disruptions from financial technology (fintech) firms offering innovative solutions. To remain relevant, therefore, Nigerian DMBs must adopt digital transformation strategies underpinned by robust digital leadership. The concept of digital leadership encompasses several key attributes (Alanazi, 2022). Digital capabilities refer to the technical expertise and strategic insights required to identify, implement, and manage digital solutions effectively (Kiran & Mishra, 2024). Digital experience involves the ability to leverage prior exposure to digital transformation processes to make informed decisions. Digital predictability relates to the capacity to anticipate technological trends and their implications for the organisation, thereby ensuring proactive decision-making.

With over 20 DMBs operating in Nigeria, the sector is a major contributor to GDP and a key facilitator of economic activities (Nkechika, 2022). However, the sector faces numerous challenges, including regulatory pressures, cybersecurity risks, and the need to expand financial access to underserved populations (CBN, 2023). Fortunately, digital transformation offers a pathway to address these challenges by enhancing operational efficiency, improving customer service, and enabling innovative product offerings (Kothapalli, 2022). But then, achieving these outcomes requires more than just technological investment; it necessitates visionary leadership capable of aligning digital initiatives with organisational goals (Unegbu, Yawas, & Dan-asabe, 2024). Most studies on digital transformation in Nigeria have focused on technology adoption, regulatory frameworks, and customer perceptions (Awn & Ghilan, 2021). Therefore, a comprehensive examination of how digital leadership attributes influence digital transformation in Nigerian banks has become necessary. Such research is essential for understanding the dynamics of leadership in driving technological change.

Digital transformation refers to the adoption of mobile banking, artificial intelligence, blockchain technology, and cloud computing (Jedynak, Czakon, Kuźniarska & Mania, 2021). However, their successful implementation hinges on the ability of leaders to manage change, foster collaboration, and build a culture of innovation. According to Udegbonam, Igbokwe-Ibeto and Nwafor (2023), digital leadership plays an important role in Nigeria, where skill gaps and infrastructure issues continue to exist. Moreover, the competitive landscape of the Nigerian banking sector demands that DMBs not only adopt digital technologies but also differentiate themselves through unique value propositions (Samuel-Ogbu, 2022). For instance, some Nigerian banks have introduced digital-only banking platforms and personalized financial products to cater to the tech-savvy younger generation (Lottu, Abdul, Daraojimba, Alabi, John-Ladega, & Daraojimba, 2023).

Another critical aspect of digital transformation in Nigerian DMBs is the regulatory environment (Vial, 2021). Through programs like the National Financial Inclusion Strategy and the implementation of cashless policies, the CBN has taken the initiative to promote digital financial services (Nkechika, 2022). These regulatory measures have created a conducive environment for digital transformation but also place additional responsibilities on bank leaders to ensure compliance while pursuing innovation (CBN, 2023). Digital leadership, therefore, involves not only technological expertise but also the ability to navigate regulatory complexities and balance innovation with compliance.

The COVID-19 pandemic further underscored the importance of digital transformation in the banking sector (Boufounou, Eriotis, Gekas & Kounadeas, 2024). The pandemic accelerated the shift toward digital channels as customers increasingly relied on online and mobile banking services. Nigerian DMBs had to rapidly adapt to this new reality, demonstrating the critical role of digital leadership in crisis management and strategic decision-making. Despite these developments, significant challenges remain in the digital transformation journey of Nigerian DMBs. Issues such as inadequate digital infrastructure, cybersecurity risks, and resistance to change continue to impede progress (Ama, Onwubiko & Nwankwo, 2024). These problems highlight the need for strong digital leadership to address organisational inertia, foster a culture of innovation, and build resilience against external threats.

This study examines the relationship between digital leadership and digital transformation in Nigerian Deposit Money Banks (DMBs). It explores how digital capabilities, experience, predictability, and vision influence transformation outcomes. Using an empirical approach, the research provides evidence-based insights into leadership's role in driving technological change and improving organisational performance. Indeed, the study will enhance our understanding of leadership's role in digital transformation, especially in emerging economies, and provide actionable recommendations for bank executives and policymakers in the Nigerian banking sector to improve digital transformation efforts.

## **Literature Review**

### **Conceptual Review**

#### **Digital Transformation**

Digital transformation involves integrating digital technologies across an organisation, significantly altering its operations and value delivery to customers (Brohman, 2024). It is a comprehensive process that includes technological, cultural, organisational, and operational changes. The aim is to boost efficiency, drive innovation, and enhance customer experiences while maintaining agility in a fast-changing business landscape.

Digital transformation is a very important driver of competitiveness and sustainability (Awn & Ghilan, 2021) because it enables organisations, including banks to optimize processes, reduce costs, and develop innovative financial products that cater to the needs of a digitally savvy population (Buonocore, Annosi, De Gennaro, & Riemma, 2024). The digital transformation process typically involves three main components: digital strategy, digital culture, and digital operations (Ritter & Pedersen, 2020). According to Eyieyien, Idemudia, Paul, and Ijomah (2024) a well-defined digital strategy provides a roadmap for implementing technological initiatives that align with organisational goals. Digital culture emphasizes fostering a mindset of innovation, collaboration, and adaptability among employees. Digital operations focus on leveraging technologies to streamline processes and enhance service delivery. However, the success of digital transformation in Nigerian DMBs is influenced by several factors, including leadership, infrastructure, employee capabilities, and regulatory policies. Among these factors, leadership plays a pivotal role in driving and sustaining digital transformation initiatives (Lottu et al, 2023). The ability of leaders to envision the future, embrace innovation, and mobilize resources is critical to achieving digital transformation objectives.

#### **Digital Leadership**

Digital leadership refers to the capability of leaders to effectively leverage digital technologies to drive organisational success (Brohman, 2024). Indeed, it is a leadership style characterized by a focus on innovation, adaptability, and strategic alignment in the digital era. Digital leaders are not just adopters of technology; they are visionaries who anticipate technological trends, inspire their teams, and align digital initiatives with organisational goals.

In Nigerian DMBs, digital leadership is indispensable for navigating the challenges and opportunities presented by digital transformation because digital leaders must possess the skills and mindset to integrate technology into the organisation's strategic framework, foster a culture of innovation, and ensure that digital initiatives deliver measurable value (Unegbu et al, 2024). Furthermore, digital leadership involves managing change effectively, addressing resistance, and aligning technological investments with customer and stakeholder expectations (Ritter & Pedersen, 2020). Digital leadership also plays a critical role in fostering collaboration across organisational boundaries. By leveraging technologies such as collaborative platforms, digital leaders can enhance communication, streamline decision-making processes, and promote teamwork.

## **Four Dimensions of Digital Leadership**

### **Digital Capabilities**

Digital capabilities have to do with the technical expertise and knowledge required to identify, implement, and manage digital solutions effectively (Araujo Priadana, Paramarta, & Sunarsi, 2021). It is important that digital leaders must have a deep understanding of emerging technologies and their potential impact on organisational processes and performance. In Nigerian DMBs, digital capabilities are critical for driving innovation, improving service delivery, and enhancing customer experiences. Leaders with strong digital capabilities are better equipped to make informed decisions regarding technology adoption and integration (Erhan et al, 2022).

### **Digital Experience**

Digital experience involves leveraging prior exposure to digital transformation processes to guide decision-making. Leaders with extensive digital experience can draw on lessons learned from past initiatives to anticipate challenges, identify opportunities, and implement best practices (Jedynak et al, 2021). In Nigerian DMBs, digital experience is particularly valuable in navigating the complexities of regulatory compliance, customer expectations, and technological advancements.

### **Digital Predictability**

Digital predictability refers to the ability of leaders to foresee technological trends and their implications for the organisation (Buonocore, Annosi, De Gennaro, & Riemma, 2024). It involves proactive decision-making based on a forward-looking perspective. Kowch (2021) argue that digital leaders with strong predictive capabilities can identify emerging opportunities, mitigate risks, and position their organisations for long-term success.

### **Digital Vision**

Digital vision is the ability to articulate a clear and compelling direction for the organisation in the digital age. It involves setting strategic goals, inspiring stakeholders, and aligning digital initiatives with the organisation's mission and values (Jedynak et al, 2021). A strong digital vision enables leaders to foster a sense of purpose and urgency around digital transformation efforts. In Nigerian DMBs, digital vision is crucial for driving innovation and ensuring that digital initiatives deliver meaningful outcomes

### **Theoretical Framework**

This study is based on the transformational leadership theory, which emphasizes leaders' ability to inspire and motivate followers to achieve exceptional outcomes (Burns, 1978). Transformational leaders create a compelling vision, foster innovation, and build trust through four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bach & Sulíková, 2021). These elements drive successful digital transformation, enhancing organisational agility and performance. The theory aligns with digital leadership, where leaders inspire innovation and align efforts with strategic goals. This study explores how digital leadership attributes influence digital transformation outcomes in Nigerian DMBs, emphasizing the role of leadership in driving change and fostering a supportive culture for digital transformation.

## **Empirical Review**

### **Digital Leadership Capabilities and Digital Transformation**

Digital leadership capabilities refer to a leader's technical expertise and ability to harness technology to drive organisational change. These capabilities include understanding digital tools, leveraging data for decision-making, and implementing technologies that align with organisational goals. For instance, Bellantuono, Nuzzi, Pontrandolfo and Scozzi (2021) argue that leaders with strong digital capabilities are better equipped to navigate the complexities of digital transformation, as they can identify opportunities for technology integration and drive innovation.

Omarini (2017) examined the role of digital leadership capabilities in the banking sector and found that such capabilities were instrumental in implementing mobile banking and big data analytics. The study revealed that banks led by digitally capable leaders experienced enhanced operational efficiency and customer satisfaction. However, challenges such as limited access to digital training and outdated technological infrastructure were identified as barriers. Despite these findings, some researchers argue that digital leadership capabilities alone are insufficient to drive transformation. Ghobakhloo and Iranmanesh (2021) suggest that other factors, such as organisational culture and employee engagement, must complement leadership capabilities to ensure success. From the above, we therefore formulate the first hypothesis.

#### **Hypothesis 1:**

Digital leadership capabilities have no significant influence on digital transformation.

### **Digital Leadership Experience and Digital Transformation**

Digital leadership experience refers to the prior exposure of leaders to digital transformation initiatives and their ability to apply lessons learned to future endeavours. Empirical studies highlight the importance of experience in enabling leaders to anticipate challenges and implement effective solutions during digital transformation processes. Imran, Shahzad, Butt and Kantola (2021) found that leaders with extensive digital experience were more adept at fostering innovation and managing resistance to change. Their study of European firms revealed that prior exposure to digital projects enabled leaders to identify best practices and avoid common pitfalls.

Eze et al. (2022) examined the impact of digital leadership experience in Deposit Money Banks and reported that experienced leaders were more likely to implement customer-centric technologies such as digital wallets and online banking platforms. These leaders were also better equipped to navigate regulatory complexities and adapt to shifting market dynamics. However, the study by Bataineh, Qasim and Alhur, (2024) noted that digital experience could sometimes lead to over-reliance on familiar strategies, thereby stifling creativity and innovation. This finding underscores the need for a balanced approach where leaders combine past experiences with a willingness to experiment with new ideas. We therefore formulate the second hypothesis as follows:

**Hypothesis 2:**

Digital leadership experience has no significant influence on digital transformation.

**Digital Leadership Predictability and Digital Transformation**

Digital leadership predictability implies a leader's ability to foresee technological trends and their implications for organisational strategy. Predictability is a critical attribute for guiding organisations through the uncertainties of digital transformation. Brohman (2024) posits that leaders with strong predictive abilities can proactively identify opportunities for innovation and mitigate risks associated with technological disruptions. Their study across industries demonstrated that organisations led by such leaders were more agile and responsive to changes in the digital landscape. Haleem et al, (2024) found that leaders with high digital predictability were more likely to invest in forward-looking technologies, such as artificial intelligence and blockchain, to enhance service delivery and operational efficiency. These leaders also demonstrated a keen ability to anticipate customer preferences and align technological investments accordingly. In another development, a study by Ghobakhloo and Iranmanesh (2021). suggests that an overemphasis on predictability can lead to rigidity, where leaders focus excessively on planning and forecasting at the expense of adaptability. This finding indicates that while predictability is essential, it must be complemented by a willingness to embrace uncertainty and experimentation. Based on the above, the hypothesis below is formulated.

**Hypothesis 3:**

Digital leadership predictability has no significant influence on digital transformation.

**Digital Leadership Vision and Digital Transformation**

Digital leadership vision is the leader's skill in conveying a clear and motivating strategy for using digital technologies to reach organisational objectives. Visionary leaders are key in mobilizing resources, coordinating stakeholders, and cultivating an innovative culture throughout the digital transformation process. Erhan, Uzunbacak and Aydin (2022) emphasize that a compelling digital vision serves as a rallying point for employees, encouraging them to embrace change and contribute to the organisation's digital transformation efforts. Their study revealed that organisations with visionary leaders achieved higher levels of employee engagement and technological adoption. Samuel-Ogbu (2022) explored the impact of digital vision on transformation outcomes and found that leaders with strong vision were more successful in driving large-scale initiatives, such as the transition to digital banking platforms. In fact, these leaders effectively communicated the benefits of digital transformation, thereby reducing resistance to change and ensuring stakeholder buy-in. However, Dutta, Kumar, Sindhvani, and Singh (2020) caution that a lack of alignment between a leader's vision and organisational capabilities can hinder transformation efforts. They argue that visionary leaders must ensure that their aspirations are grounded in realistic assessments of the organisation's resources and constraints. The above leads us to formulate the fourth hypothesis as follows.

**Hypothesis 4:**

Digital leadership vision has no significant influence on digital transformation.

**Materials and Methods****Population of the Study**

The population for this study consists of all branches of Deposit Money Banks (DMBs) operating in Asaba, the capital city of Delta State, Nigeria. As of 2024, there are approximately 21 commercial banks operating in Nigeria (NDIC, 2024), and most of these banks have multiple branches in Asaba. The population of this study, therefore, includes all employees working within these branches who are directly involved in or have a role related to digital transformation initiatives, including branch managers, IT officers, digital marketing staff, and customer service personnel. The total population of employees in these branches is estimated at approximately 1,200 individuals, based on average staffing levels for commercial banks in the region.

**Sample Size and Sampling Technique**

Based on the total population of approximately 1,200 employees, a sample size of 250 respondents was selected. This sample size was calculated using Krejcie and Morgan's (1970) sample size determination table, which is widely accepted in social science research. A sample size of 250 is considered sufficiently large to provide reliable and valid insights, while still being manageable within the time and resource constraints of the study.

A purposive sampling technique was used to select participants for the study. This method is appropriate because the study requires individuals who possess relevant knowledge and experience related to digital transformation within the banking sector. Specifically, individuals from departments involved in the implementation of digital banking solutions, such as IT, digital marketing, and operations were targeted. Furthermore, branch managers and senior staff who have decision-making power or insight into digital initiatives were included in the sample.

**Method of Data Collection**

Data for this study was collected using a structured questionnaire. The questionnaire was distributed to the employees of the selected branches of the Deposit Money Banks in Asaba, Delta State. The questionnaire was administered in two stages: (1) directly through physical visits to the banks and (2) electronically through online platforms such as email and WhatsApp for those who preferred that method. This mixed-mode approach is intended to ensure that data is collected efficiently, especially considering the varying work schedules and accessibility preferences of participants.

**Questionnaire Development**

The questionnaire was developed based on the objectives of the study, particularly focusing on assessing the digital leadership attributes (capabilities, experience, predictability, and vision) and their influence on digital transformation. The questionnaire was divided into four sections: The survey collected demographic information, including respondents' gender, age,

position, and years of experience in the banking sector. It also assessed digital leadership attributes, where respondents rated statements on leadership capabilities, experience, predictability, and vision using a five-point Likert scale from "Strongly Disagree" to "Strongly Agree." Furthermore, the survey examined digital transformation within the respondents' banks by evaluating the adoption of digital banking services such as mobile banking, online banking, and e-payment systems, along with advanced technologies like AI and blockchain, measuring the extent of their integration into banking operations.

### **Validity and Reliability**

To ensure the validity of the questionnaire, a panel of experts reviewed the initial draft. The panel consist of academics in the fields of banking, business administration, digital transformation, and leadership, as well as senior managers within the banking industry. Their feedback was used to revise the questionnaire to ensure that the questions are clear, relevant, and measure the intended constructs accurately. A pilot study was conducted with 20 participants from branches in Asaba to evaluate the instrument's reliability. The data collected was analyzed for internal consistency using Cronbach's alpha coefficient, with results ranging from 0.78 to 0.86. Since a Cronbach's alpha value of 0.7 or higher is deemed acceptable, this indicates that the instrument was reliable for data collection.

### **Method of Data Analysis**

The data collected was analyzed using descriptive and inferential statistics. The former was utilized to summarize the characteristics of the respondents and provide an overview of the data, while the later were employed for hypothesis testing. The hypotheses were tested using inferential statistical methods (regression analysis) to assess the significance of the relationships. A p-value of less than 0.05 was considered statistically significant, indicating strong support for the hypothesized relationships. This analytical approach ensured a comprehensive examination of the impact of digital leadership on digital transformation in Deposit Money Banks in Nigeria, providing empirical insights into their interconnections and implications for organisational growth and digital adaptation.

### **Data Analysis and Hypotheses Testing**

A total of 250 questionnaires were given out, only 200 were returned. The returned 200 copies were used for data analysis. The results are presented as follows. First, we present the results of the descriptive statistics.

### **Descriptive Statistics**

The descriptive statistics summarize the characteristics of respondents and key study variables.

**Table 1:** Summary of Respondents' Demographic Characteristics

Variable	Frequency (N)	Percentage (%)
<b>Gender</b>		
Male	128	64
Female	72	36
<b>Total</b>	<b>200</b>	<b>100</b>
<b>Age group</b>		
23-34 years	56	28
35-44 years	92	46
45-and above	52	26
<b>Total</b>	<b>200</b>	<b>100</b>
<b>Years of Experience in Banking Sector</b>		
1 - 5 years	48	24
6-10 years	95	47.5
11 years and above	57	28.5
<b>Total</b>	<b>200</b>	<b>100</b>

Table 1 presents the demographic characteristics of respondents. Males (64%) outnumber females (36%). The majority (46%) are aged 35–44 years, while 28% are 23–34 years old. Most respondents (47.5%) have 6–10 years of banking experience, with fewer having 1–5 years (24%) or over 11 years (28.5%).

### **Descriptive Statistics for Digital Capabilities and Digital Transformation**

**Table 2:** Descriptive Statistics for Digital Capabilities and Digital Transformation

Variable	Mean	Standard Deviation	Min	Max
Digital Capabilities	3.75	0.86	1	5
Digital Transformation	3.92	0.81	1	5

The table above presents the descriptive statistics for digital capabilities and digital transformation. The mean for digital capabilities is 3.75, with a standard deviation of 0.86, ranging from 1 to 5. Digital transformation has a mean of 3.92, a standard deviation of 0.81, also ranging from 1 to 5.

### **Descriptive Statistics for Digital Experience and Digital Transformation**

**Table 3:** Descriptive Statistics for Digital Experience and Digital Transformation

Variable	Mean	Standard Deviation	Min	Max
Digital Experience	3.68	0.79	1	5
Digital Transformation	3.92	0.81	1	5

Table 3 above shows the descriptive statistics for digital experience and digital transformation. Digital experience has a mean of 3.68, with a standard deviation of 0.79, ranging from 1 to 5. Digital transformation has a mean of 3.92, with a standard deviation of 0.81, also ranging from 1 to 5.

### Descriptive Statistics for Digital Predictability and Digital Transformation

**Table 4:** Descriptive Statistics for Digital Predictability and Digital Transformation

Variable	Mean	Standard Deviation	Min	Max
Digital Predictability	3.55	0.91	1	5
Digital Transformation	3.92	0.81	1	5

Table 4 displays the descriptive statistics for digital predictability and digital transformation. Digital predictability has a mean of 3.55, with a standard deviation of 0.91, ranging from 1 to 5. Digital transformation has a mean of 3.92, with a standard deviation of 0.81, also ranging from 1 to 5.

### Descriptive Statistics for Digital Vision and Digital Transformation

**Table 5:** Descriptive Statistics for Digital Vision and Digital Transformation

Variable	Mean	Standard Deviation	Min	Max
Digital Vision	4.02	0.74	1	5
Digital Transformation	3.92	0.81	1	5

The table presents the descriptive statistics for digital vision and digital transformation. Digital vision has a mean of 4.02, with a standard deviation of 0.74, ranging from 1 to 5. Digital transformation has a mean of 3.92, with a standard deviation of 0.81, also ranging from 1 to 5.

### Testing of Hypotheses

Four (4) Null hypotheses were formulated and tested in this study. They are as follows:

**Hypothesis 1:** Digital leadership capabilities have no significant influence on digital transformation.

**Table 6:** Regression Analysis for Hypothesis 1

Predictor Variable	$\beta$ Coefficient	t-Value	p-Value	Decision
Digital Capabilities	0.312	2.96	0.004	Reject H0

**Decision:** Since the p-value (0.004) < 0.05, the null hypothesis is rejected, indicating that digital capabilities significantly influence digital transformation.

**Hypothesis 2:** Digital leadership experience has no significant influence on digital transformation.

**Table 7:** Regression Analysis for Hypothesis 2

Predictor Variable	$\beta$ Coefficient	t-Value	p-Value	Decision
Digital Experience	0.078	1.21	0.229	Fail to Reject H0

**Decision:** Since the p-value (0.229) > 0.05, the null hypothesis is not rejected, meaning digital experience does not significantly influence digital transformation.

**Hypothesis 3:** Digital leadership predictability has no significant influence on digital transformation.

**Table 8:** Regression Analysis for Hypothesis 3

Predictor Variable	$\beta$ Coefficient	t-Value	p-Value	Decision
Digital Predictability	-0.045	0.89	0.374	Fail to Reject H0

**Decision:** Since the p-value (0.374) > 0.05, the null hypothesis is not rejected, implying that digital predictability does not significantly affect digital transformation.

**Hypothesis 4:** Digital leadership vision has no significant influence on digital transformation.

**Table 9:** Regression Analysis for Hypothesis 4

Predictor Variable	$\beta$ Coefficient	t-Value	p-Value	Decision
Digital Visions	0.451	4.22	0.000	Reject H0

**Decision:** Since the p-value (0.000) < 0.05, the null hypothesis is rejected, confirming that digital vision has a significant positive influence on digital transformation.

### Discussion of Findings

The study examined the influence of digital leadership on digital transformation in Deposit Money Banks (DMBs) in Nigeria. The findings are discussed below in relation to past studies.

### Digital Capabilities and Digital Transformation

The regression analysis revealed a significant positive relationship between digital capabilities and digital transformation ( $\beta = 0.312$ ,  $p = 0.004$ ), leading to the rejection of the null hypothesis. This finding aligns with prior studies, such as Konopik et al (2022), who emphasized that organisations with strong digital capabilities adapt more effectively to technological changes. Similarly, Teece (2018) argued that digital capabilities enable firms to reconfigure processes and leverage emerging digital tools for competitive advantage. Indeed, in the Nigerian banking sector, digital capabilities, such as data analytics, automation, and

AI-driven decision-making, enhance efficiency and customer service, driving digital transformation.

### **Digital Experience and Digital Transformation**

The study found no significant effect of digital experience on digital transformation ( $\beta = 0.078$ ,  $p = 0.229$ ), leading to the non-rejection of the null hypothesis. This result contrasts with findings by Westerman, Bonnet and McAfee (2014), who suggested that experienced digital leaders facilitate digital transformation by leveraging past technological implementations. However, the result may indicate that years of experience alone do not guarantee digital transformation if leaders lack updated skills or exposure to emerging technologies. Nigerian banks may require continuous digital upskilling rather than relying solely on past digital experience.

### **Digital Predictability and Digital Transformation**

The analysis indicated that digital predictability does not significantly influence digital transformation ( $\beta = -0.045$ ,  $p = 0.374$ ). This suggests that the ability to foresee digital trends does not necessarily translate into successful digital implementation. This finding is consistent with research by Mergel, Edelman, and Haug (2019) who noted that while prediction is useful, execution and adaptability are more crucial for digital success. Therefore, Nigerian DMBs may need to focus more on agile digital strategies rather than merely predicting digital trends.

### **Digital Vision and Digital Transformation**

A strong positive relationship was found between digital vision and digital transformation ( $\beta = 0.451$ ,  $p = 0.000$ ), leading to the rejection of the null hypothesis. This supports previous research by Tajudeen, Nadarajah, Jaafar, and Sulaiman (2021), which highlighted that organisations with clear digital visions experience faster transformation. Similarly, Sebastian, Moloney, Ross, Fonstad, Beath, and Mocker (2017) found that a well-defined digital vision fosters alignment across organisational departments, enabling seamless digital adoption. Indeed, in Nigerian banks, a compelling digital vision can drive strategic initiatives such as fintech collaborations, mobile banking innovations, and blockchain adoption.

### **Conclusion**

This study confirms that digital capabilities and digital vision are key drivers of digital transformation in Nigerian DMBs, while digital experience and digital predictability have no significant impact. The findings underscore the importance of equipping leaders with digital skills and fostering a strong digital vision to achieve successful digital transformation. Future research should explore the moderating role of organisational culture and external regulatory frameworks in shaping digital transformation outcomes.

### **Recommendations**

Based on the findings of this study, the following recommendations are proposed: Given the significant impact of digital capabilities on digital transformation, banks should invest in advanced digital tools such as artificial intelligence (AI), big data analytics, cloud

computing, and automation. Furthermore, financial institutions should provide ongoing training programs to equip employees with the necessary digital skills to enhance operational efficiency and innovation. Since digital vision plays a critical role in driving digital transformation, bank executives should develop and communicate a clear, strategic digital roadmap. Leadership should actively promote digital initiatives, encourage a culture of innovation, and align digital transformation goals with long-term business strategies. Collaboration with fintech firms and technology partners can further strengthen the digital vision and accelerate transformation efforts.

Although digital experience alone was found to be insignificant in driving digital transformation, leaders should engage in continuous learning and professional development to stay updated on emerging digital trends. Training programs, digital leadership certifications, and participation in global digital banking forums can help leaders acquire relevant skills and improve digital transformation outcomes. Since digital predictability does not significantly influence digital transformation, DMBs should focus more on agility and responsiveness rather than attempting to predict digital trends. Implementing agile frameworks, rapid prototyping, and iterative digital adoption strategies will enable banks to remain competitive in the fast-changing digital landscape. Government agencies and regulatory bodies such as the Central Bank of Nigeria (CBN) should create policies that support digital transformation in the banking sector. This includes incentives for digital investments, regulatory sandboxes for testing new digital solutions, and frameworks that encourage the use of digital currencies.

#### **Future Research and Industry Collaboration**

Further studies should explore the moderating role of organisational culture and regulatory frameworks in digital transformation. In addition, banks should collaborate with academic institutions and research organisations to study evolving digital trends and develop strategies for improving digital leadership effectiveness.

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