KASU Journal of Entrepreneurship Research and Development Centre (KJERDC)
Volume 4, Number 1, January - June, 2026 ISSN:7579798582225
https://journals.kasu.edu.ng/index.php/entr

THE MEDIATING ROLE OF LEARNING CAPABILITY ON DIGITAL TRANSFORMATION CAPABILITY AND ORGANISATIONAL AGILITY OF DEPOSIT MONEY BANKS IN NIGERIA

Sunday I. Ogbu (PhD)[1], Martha E. Taegar (PhD)[2]
[1]Department of Business Administration and Management, Delta State Polytechnic, Oghara, Nigeria
[2]Department of Business Administration, Faculty of Management Sciences, University of Delta, Agbor, Nigeria
Corresponding Author(s)' Email/Mobile: martha.taegar@unidel.edu.ng[2]

Abstract

The increasing pressure of digital disruption has compelled Deposit Money Banks (DMBs) to develop capabilities that enable them to remain flexible, responsive, and competitive in a rapidly changing business environment. This study examined the relationship between digital transformation capability and organisational agility, with organisational learning capability as a mediating mechanism among selected deposit money banks in Nigeria. The study adopted a quantitative research approach using a cross-sectional survey design. The population comprised approximately 480 employees from five selected deposit money banks in Asaba, Delta State, Nigeria, from which a sample size of 214 respondents was determined using the Krejcie and Morgan sample size determination table. Data collected from 184 valid responses were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings revealed that digital transformation capability had no significant direct effect on organisational agility. However, digital transformation capability significantly enhanced organisational learning capability, while organisational learning capability significantly improved organisational agility. Furthermore, organisational learning capability significantly mediated the relationship between digital transformation capability and organisational agility. The study recommends that banks should combine digital investments with continuous learning initiatives, knowledge-sharing practices, and adaptive organisational processes to achieve sustainable agility.

Keywords: digital transformation capability, organisational agility, organisational learning capability, deposit money banks, Nigeria

1. Introduction

The banking industry is experiencing one of the most profound transformations in its history as digital technologies continue to reshape how financial services are delivered and consumed. Advances in artificial intelligence, cloud computing, big data analytics, blockchain, mobile banking, and digital payment platforms have fundamentally altered traditional banking operations, compelling financial institutions to rethink their business models and strategic capabilities (Ranjan, 2024; Felipe et al., 2025).

Rather than merely adopting new technologies, banks are increasingly expected to develop digital transformation capability, the organisational ability to integrate digital technologies, redesign business processes, and continuously create value in response to changing customer expectations and market conditions (Gong & Ribiere, 2021). Consequently, digital transformation has become a strategic necessity rather than an operational choice for banks seeking to remain competitive in an increasingly dynamic business environment. (Ononye et al., 2025).

In Nigeria, deposit money banks operate within an environment characterised by rapid technological change, intense competition from financial technology (FinTech) firms, evolving customer preferences, and stringent regulatory requirements (Afolabi & Aribaba, 2025). The widespread adoption of mobile banking, internet banking, agency banking, and instant payment systems has significantly increased customers' expectations regarding speed, convenience, security, and personalised financial services.

These developments have encouraged banks to invest heavily in digital infrastructure and innovative technologies to improve operational efficiency and customer experience. However, evidence suggests that technology investments alone do not automatically guarantee superior organisational outcomes because many digital transformation initiatives fail to achieve their intended objectives when they are not supported by complementary organisational capabilities (Udegbunam et al., 2023).

One organisational capability that has attracted increasing scholarly attention is organisational agility. Organisational agility refers to a firm's capacity to sense environmental changes, make timely strategic decisions, and rapidly reconfigure resources in response to emerging opportunities and threats. For deposit money banks, agility is particularly important because technological innovations, cybersecurity risks, regulatory changes, and evolving customer expectations require continuous adaptation (Agwu & Oluchukwu, 2024).

Banks that possess higher levels of agility are better positioned to introduce innovative financial products, respond quickly to competitive pressures, and maintain long-term customer relationships. While previous studies have established positive relationships between digital transformation and organisational outcomes, the mechanisms through which digital transformation capability enhances organisational agility remain insufficiently understood, particularly within developing economies such as Nigeria. (Irimagha et al., 2025).

Organisational learning capability provides a compelling explanation for this relationship. It reflects an organisation's ability to acquire, disseminate, interpret, and apply knowledge in ways that improve decision-making and organisational adaptation. As banks introduce new digital technologies, employees and managers must continuously learn new skills, share knowledge across functional units, and modify existing work practices to maximise the benefits of digital investments (Okocha & Nwuche, 2024).

Without an effective learning capability, digital technologies may remain underutilised, thereby limiting their contribution to organisational agility. Recent empirical evidence suggests that organisational learning strengthens the effectiveness of digital transformation by enabling firms to convert technological resources into valuable organisational capabilities and improved performance. (Osaeramen & Egbadon, 2024).

Despite the growing body of literature on digital transformation in banking, relatively few studies have simultaneously examined the relationships among digital transformation capability, organisational learning capability, and organisational agility within Nigerian deposit money banks. Existing studies have predominantly focused on organisational performance, customer satisfaction, or strategic capability, with limited attention given to organisational agility as a strategic outcome.

This study addresses this gap by investigating the effect of digital transformation capability on organisational agility and examining the mediating role of organisational learning capability among deposit money banks in Nigeria. The findings are expected to contribute to the dynamic capabilities literature while providing practical insights for bank executives seeking to leverage digital transformation to achieve sustainable organisational agility.

2. Literature Review

Conceptual Review

Digital Transformation Capability

Digital transformation capability refers to the organisational ability to effectively integrate digital technologies into business processes, structures, and strategies in order to create value and improve performance. It goes beyond mere adoption of digital tools and involves the development of strategic, technological, and managerial competencies that enable firms to continuously innovate and adapt to environmental changes (Adu & Ajigbotoso, 2024).

In the banking sector, digital transformation capability is reflected in the deployment of mobile banking platforms, artificial intelligence-driven customer service systems, cloud computing, blockchain applications, and data analytics for decision-making (Adu & Ejiks, 2026).

Recent studies emphasise that digital transformation is not only technology-driven but also capability-driven, requiring alignment between technological resources and organisational processes (Gong & Ribiere, 2021).

In the banking industry, digital transformation capability enables banks to improve efficiency, enhance customer experience, and respond rapidly to competitive pressures from fintech firms and other digital disruptors (Abdurrahman et al., 2024). However, research also indicates that digital technologies alone do not guarantee improved performance unless supported by complementary organisational capabilities such as learning and adaptability (Adu & Ejiks, 2026). This structural dependency highlights the fact that the actual long-term value of digital investments relies heavily on a bank's internal institutional capacity and systemic readiness to foster collaborative knowledge architectures (Osaeramen & Egbadon, 2024).

Organisational Agility

Organisational agility is the ability of a firm to sense changes in the external environment, respond quickly, and reconfigure internal resources to sustain competitiveness. It is widely recognised as a critical capability in dynamic and uncertain environments such as the banking industry. Organisational agility allows banks to quickly adjust their strategies, develop new products, and respond to regulatory and technological changes (Nkutt & Ayandele, 2025).

In the digital era, agility has become essential for survival because banks operate in environments characterised by rapid technological disruption, changing customer expectations, and increasing competition from fintech companies. Empirical evidence suggests that organisational agility contributes significantly to sustainable competitive advantage by enabling firms to remain flexible, innovative, and responsive (Rani et al., 2024). In Nigerian deposit money banks, agility is particularly important due to the increasing adoption of digital financial services and the pressure to deliver seamless customer experiences (Ufua et al., 2025).

Organisational Learning Capability

Organisational learning capability refers to the ability of an organisation to acquire, share, interpret, and apply knowledge in ways that enhance performance and adaptation. It is a critical mechanism through which firms convert experiences and information into improved processes and decision-making.

In the context of digital transformation, organisational learning capability plays a central role in enabling employees to acquire new digital skills, adapt to technological systems, and share knowledge across departments. Studies have shown that organisational learning enhances the effectiveness of digital transformation by ensuring that technological investments are fully utilised and embedded in organisational routines (Ononye et al., 2024). Without effective learning systems, digital transformation initiatives may fail to produce expected outcomes, especially in developing economies where digital skills gaps remain significant.

The relationship between digital transformation capability and organisational agility is grounded in the idea that digital technologies enhance the speed and flexibility of organisational processes. Digital tools such as real-time data analytics, automated systems, and cloud-based platforms enable banks to respond quickly to customer needs and environmental changes (Udegbunam et al., 2023).

Empirical literature indicates that digital transformation improves organisational agility by enhancing decision-making speed, operational flexibility, and service delivery efficiency (Ciampi et al., 2021). However, this relationship is not automatic; it depends on the organisation's ability to integrate and utilise digital technologies effectively (Irimagha et al., 2025.

Organisational Learning Capability as a Mediator

Organisational learning capability acts as a bridge between digital transformation capability and organisational agility. It ensures that employees and managers develop the necessary skills and knowledge to effectively utilise digital technologies. Through continuous learning, organisations are able to translate digital investments into adaptive behaviours and agile responses (Osaeramen & Egbadon, 2024).

Recent studies highlight that organisational learning enhances the impact of digital transformation by facilitating knowledge sharing, innovation, and adaptation (Abdurrahman et al., 2024). Therefore, banks with strong learning capabilities are more likely to achieve higher levels of agility in response to digital transformation initiatives (Osaeramen & Egbadon, 2024).

Conceptual Framework

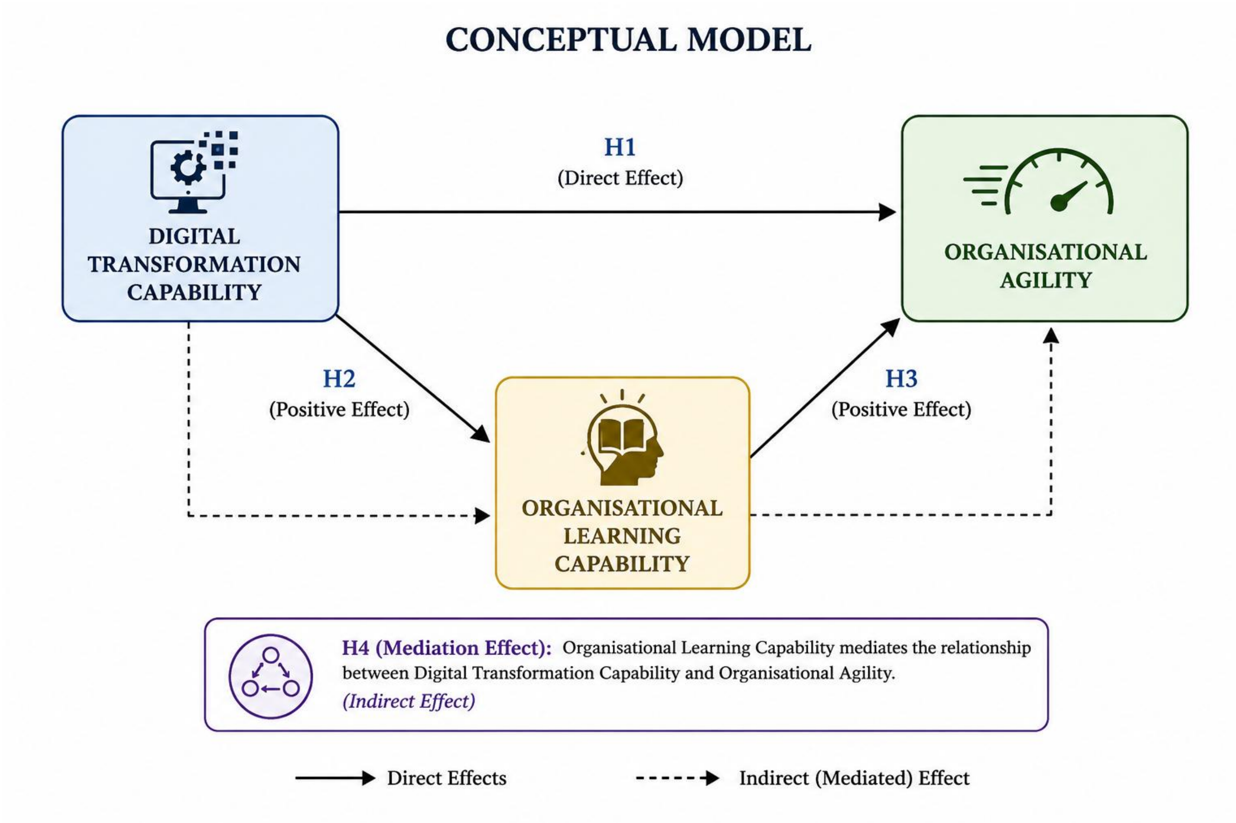

Figure 1: Conceptual Framework
Source: Author's Research, 2026

The conceptual framework above explains the relationship among Digital Transformation Capability (DTC), Organisational Learning Capability (OLC), and Organisational Agility (OA) in Nigerian deposit money banks. Anchored on the Dynamic Capabilities Theory, the framework posits that digital transformation enhances technological adoption, while organisational learning capability enables knowledge acquisition, sharing, and application. Through this learning process, banks effectively leverage digital technologies to improve responsiveness, adaptability, and organisational agility in an increasingly dynamic and competitive banking environment.

Theoretical Framework

This study is anchored on the Dynamic Capabilities Theory (DCT) developed by David J. Teece, Gary Pisano, and Amy Shuen in 1997. The theory posits that organisations achieve sustained competitive advantage not merely by possessing valuable resources, but by continuously integrating, reconfiguring, and renewing their internal and external capabilities in response to changes in the business environment. This perspective is particularly relevant in today's banking industry, where rapid technological innovations, evolving customer expectations, and regulatory changes require organisations to remain flexible and adaptive.

The Dynamic Capabilities Theory provides a suitable framework for explaining the relationship among digital transformation capability, organisational learning capability, and organisational agility in Nigerian deposit money banks. Digital transformation capability represents the bank's ability to adopt and leverage emerging digital technologies to improve operations and service delivery. However, the successful deployment of digital technologies depends largely on the organisation's ability to acquire, share, and apply new knowledge (Osaeramen & Egbadon, 2024).

This learning process is reflected in organisational learning capability, which enables employees and the institution to continuously adapt to technological changes. As learning becomes embedded within organisational processes, banks become more responsive and capable of making timely strategic decisions, thereby enhancing organisational agility. Consequently, the theory supports the mediating role of organisational learning capability by demonstrating that digital transformation alone is insufficient unless accompanied by continuous learning that enables banks to reconfigure their capabilities and respond effectively to the dynamic business environment (Anning-Dorson et al., 2025).

Empirical Review

Ojogbo and Odor (2025) investigated the influence of digital leadership on digital transformation in Nigerian deposit money banks, using commercial banks in Asaba, Delta State, as the study setting. Guided by Transformational Leadership Theory, the researchers surveyed 200 bank employees selected from a sample of 250 respondents. The findings revealed that digital capabilities and digital vision significantly enhanced digital transformation, while digital experience and digital predictability had no significant influence. The study concluded that successful digital transformation depends more on visionary leadership and strong digital competencies than on previous digital experience or the ability to predict technological changes.

Wegwu (2026) examined the influence of digital transformation on the strategic capability of deposit money banks in Rivers State, Nigeria. The study was motivated by the need to determine whether continuous investments in digital technologies improve banks' strategic capabilities despite persistent operational challenges. A survey research design was adopted, and data were collected from 91 managers and heads of departments across 15 deposit money banks using a proportionate sampling technique. Pearson Product Moment Correlation was used for data analysis. The findings showed that digital strategy and digital customer experience had significant positive relationships with strategic sensing, strategic seizing, and strategic reconfiguring. The study concluded that strategically aligned and customer-focused digital transformation significantly strengthens banks' strategic capabilities and enhances their long-term competitiveness.

Ibrahim et al. (2026) examined the relationship between digital transformation and financial governance in deposit money banks in Sokoto metropolis, Nigeria, with emphasis on the mediating role of human resource management and the moderating effect of the institutional environment. Anchored on the Resource-Based View, Dynamic Capabilities Theory, and Institutional Theory, the study collected data from 312 employees of selected deposit money banks and analysed the data using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings revealed that digital transformation positively influenced financial governance and significantly enhanced human resource management. The study further established that HRM partially mediated the relationship between digital transformation and financial governance, while institutional environment positively moderated the relationship. The study concluded that the governance benefits of digital transformation depend largely on organisational capabilities and supportive institutional structures.

Ononiwu et al. (2024) examined the role of digital business transformation in enhancing organisational agility by exploring how digital technologies, platforms, and strategies improve organisational flexibility, responsiveness, and competitiveness. The study adopted a comprehensive review of existing literature to analyse the relationship between digital transformation and agility, with emphasis on the contributions of technologies such as artificial intelligence, machine learning, the Internet of Things, and blockchain. The findings revealed that digital transformation enhances real-time decision-making, innovation, and organisational adaptability. However, the study noted that challenges such as legacy systems, resistance to change, and skill gaps may hinder successful implementation. The study concluded that organisations must align digital technologies with leadership, organisational culture, and human capital development to achieve sustainable agility.

Elekwachi and Onwuanaku (2025) examined the relationship between digital transformation strategies and customer satisfaction in deposit money banks in Port Harcourt, Rivers State, Nigeria. The study focused on bank employees in commercial and retail banking units, corporate and investment banking units, as well as operations and service units, with a population and sample size of 90 respondents. Data were collected through a structured questionnaire, while reliability was established using Cronbach's Alpha coefficient and hypotheses were tested using Spearman Rank Order correlation analysis. The findings revealed a significant positive relationship between digital transformation strategies and customer satisfaction. The study concluded that deposit money banks can improve service efficiency and customer experience by adopting innovative digital solutions such as virtual queuing systems and contactless banking services.

Wegwu (2024) investigated the impact of digital transformation on the strategic management practices of deposit money banks in Rivers State, Nigeria. The study was motivated by the need to understand how banks can integrate digital transformation into strategic decision-making processes to improve operational efficiency and maintain competitiveness in a digital business environment. Using a sample of 170 employees from five major deposit money banks, data were collected through a structured questionnaire and analysed using Pearson Product Moment Correlation Coefficient. The findings revealed that changing customer expectations significantly influenced enhanced decision-making and agile strategy development, while technological advancement did not have a significant effect. The study concluded that banks should focus on customer-driven digital strategies and develop flexible organisational cultures to achieve strategic effectiveness.

Hamid and Eledum (2026) examined the effect of digital transformation on employee performance in Islamic banks in Saudi Arabia, with organisational agility serving as a mediating mechanism. The study addressed the limited understanding of how digital transformation influences workforce effectiveness within Islamic banking institutions. Using a Partial Least Squares Structural Equation Modelling (PLS-SEM) approach, data were collected from 490 employees across four major Islamic banks, namely Al-Rajhi Bank, Alinma Bank, Al-Bilad Bank, and Bank Aljazira. The findings revealed that digital transformation significantly improved employee performance both directly and indirectly through organisational agility. The study further showed that organisational agility partially mediated the relationship, indicating that digital transformation enhances performance by strengthening employees' capabilities and organisational adaptability.

Ononye et al. (2024) examined the relationship between digital transformation and firm performance among commercial banks in Delta State, Nigeria, with emphasis on the mediating role of organisational learning. The study was motivated by the need to understand how digital transformation contributes to improved organisational outcomes beyond mere technology adoption. Using a cross-sectional survey design, data were collected from 284 mid-level employees of commercial banks in Delta State and analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings revealed that digital transformation significantly enhanced firm performance both directly and indirectly through organisational learning. The study concluded that banks should focus on developing technological capabilities and strengthening organisational learning processes to maximise the performance benefits of digital transformation.

Cuong et al. (2025) investigated the relationship between digital transformation, organisational agility, and firm performance among machinery sector firms in Vietnam. The study examined how digital orientation and digital capacity influence digital transformation implementation and how digital transformation contributes to organisational agility and performance outcomes. Data were collected from 518 senior managers responsible for digital transformation strategies and analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings revealed that digital orientation and digital capacity significantly enhanced digital transformation, while digital transformation strongly improved organisational agility. Furthermore, organisational agility significantly enhanced both financial and non-financial performance. The study concluded that firms in emerging markets can achieve superior performance when digital investments are supported by strong internal capabilities and adaptive organisational processes.

Xu et al. (2024) examined how digital transformation enhances corporate innovation performance, focusing on the mediating roles of big data capabilities and organisational agility. Anchored on Dynamic Capability Theory and Systems Engineering Theory, the study explored the mechanism through which digital transformation influences innovation outcomes among firms. Data were collected from 476 manufacturing enterprises in China and analysed to test the proposed relationships. The findings revealed that digital transformation significantly improved innovation performance, while big data capabilities and organisational agility played important mediating roles in the relationship. The study concluded that organisations should not only invest in digital technologies but also develop strong data-driven capabilities and agile processes to maximise innovation benefits and effectively respond to changing market conditions.

Zhang et al. (2025) examined the relationship between digital transformation capability and firm performance among high-tech firms in the Yangtze River Delta, China, with emphasis on the mediating roles of organisational strategic intuition and digital leadership. The study sought to explain the mechanisms through which digital transformation capability contributes to superior performance outcomes. Data were collected through a structured questionnaire from 620 high-tech enterprises and analysed using SPSS, SmartPLS structural equation modelling, and PROCESS mediation analysis. The findings revealed that digital transformation capability significantly improved firm performance, while organisational strategic intuition and digital leadership significantly mediated the relationship. The study concluded that firms can achieve sustainable competitive advantage by developing digital capabilities alongside strategic insight and effective digital leadership.

Bursary and Gwadabe (2025) examined the relationship between digital transformation and competitive advantage among private universities in North-West Nigeria, with emphasis on the role of organisational agility. The study was motivated by the challenges faced by private universities in converting digital investments into improved operational outcomes due to structural rigidities and inefficiencies. Using a quantitative research approach, data were collected from 396 administrators, faculty members, and IT staff across five private universities through stratified random sampling. The data were analysed using Structural Equation Modelling (SEM). The findings revealed that digital strategy, technology adoption, and data-driven decision-making significantly improved operational efficiency, while organisational agility enhanced performance and strengthened the benefits of digital transformation. The study concluded that agile leadership and adaptive capabilities are essential for achieving competitive advantage through digital initiatives.

Research Gap

Although previous studies have established the importance of digital transformation in improving organisational outcomes, significant gaps remain. Existing studies have largely focused on digital transformation outcomes such as firm performance, customer satisfaction, strategic capability, and competitive advantage, with limited attention to the mechanisms through which digital transformation capability enhances organisational agility.

Furthermore, few studies have examined the mediating role of organisational learning capability, particularly within the Nigerian deposit money banking sector. This study addresses this gap by investigating how organisational learning capability facilitates the relationship between digital transformation capability and organisational agility among deposit money banks in Nigeria.

Hypotheses Development

Digital Transformation Capability and Organisational Agility

Digital transformation capability enhances the ability of organisations to respond rapidly to environmental changes by improving access to real-time information, automating processes, and enabling faster decision-making. In banking institutions, digital platforms such as mobile banking applications and data analytics systems allow firms to respond quickly to customer needs and competitive pressures.

Empirical studies suggest that firms with strong digital capabilities are more agile due to improved operational flexibility and responsiveness (Ciampi et al., 2021). Therefore, it is expected that banks with higher digital transformation capability will demonstrate greater organisational agility.

H1: Digital transformation capability has a significant positive effect on organisational agility in Nigerian deposit money banks.

Digital Transformation Capability and Organisational Learning Capability

Digital transformation facilitates continuous learning by exposing employees to new technologies, digital processes, and data-driven decision-making systems. This exposure enhances knowledge acquisition, sharing, and application across organisational units.

Studies have shown that digital transformation encourages organisational learning by promoting collaboration, information exchange, and technological skill development (Abdurrahman et al., 2024). In banking institutions, digital systems require employees to constantly update their competencies, thereby strengthening learning capability.

H2: Digital transformation capability has a significant positive effect on organisational learning capability in Nigerian deposit money banks.

Organisational Learning Capability and Organisational Agility

Organisational learning capability enhances agility by enabling organisations to continuously adapt to environmental changes through knowledge creation and application. When employees share knowledge and learn from experience, organisations become more flexible and responsive.

In the banking sector, learning-oriented organisations are better able to adjust to regulatory changes, technological innovations, and customer expectations. Empirical findings confirm that organisational learning significantly improves adaptability and responsiveness (Ononye et al., 2024).

H3: Organisational learning capability has a significant positive effect on organisational agility in Nigerian deposit money banks.

Mediating Role of Organisational Learning Capability

Organisational learning capability serves as a mechanism through which digital transformation capability translates into organisational agility. While digital transformation provides technological infrastructure and tools, it is organisational learning that ensures employees understand and effectively use these technologies. Without learning capability, digital investments may not yield meaningful improvements in agility.

Studies suggest that organisational learning enhances the effectiveness of digital transformation by converting technological resources into adaptive organisational behaviours (Gong & Ribiere, 2021). Therefore, organisational learning capability is expected to mediate the relationship between digital transformation capability and organisational agility.

H4: Organisational learning capability mediates the relationship between digital transformation capability and organisational agility in Nigerian deposit money banks.

3. Methodology

This study adopted a quantitative research approach using a cross-sectional survey design to examine the relationship between digital transformation capability and organisational agility, as well as the mediating role of organisational learning capability in selected deposit money banks in Asaba, Delta State, Nigeria. The cross-sectional design was considered appropriate because it allowed data to be collected from respondents at a single point in time for hypothesis testing.

The population of the study consisted of approximately 480 employees drawn from five selected deposit money banks in Asaba, namely United Bank for Africa (UBA), Access Bank, First Bank of Nigeria, Zenith Bank, and Guaranty Trust Bank (GTBank). These employees were selected because they were directly involved in banking operations and possessed relevant knowledge of digital transformation practices, organisational learning processes, and organisational agility within their institutions.

The sample size of 214 respondents was determined using the Krejcie and Morgan (1970) sample size determination table based on the study population. A multi-stage sampling technique was employed. The banks were first purposively selected, after which proportionate allocation was used to distribute questionnaires, and simple random sampling was used to select respondents.

Primary data were collected using a structured questionnaire adapted from validated instruments in prior studies. The questionnaire was measured on a five-point Likert scale ranging from strongly disagree to strongly agree. A pilot study was conducted to test reliability and validity, and Cronbach's alpha coefficients above 0.70 confirmed internal consistency.

Data were analysed using descriptive and inferential statistics. Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to test the direct and mediating relationships among variables with the aid of SmartPLS software at a 5% level of significance.

4. Results and Discussions

Questionnaire Response Rate

A total of 214 questionnaires were distributed to respondents across selected deposit money banks in Asaba, Delta State. Out of these, 184 were duly completed and returned, representing a response rate of 85.98%, which was considered adequate for statistical analysis.

Demographic Characteristics of Respondents

Table 1

Gender Distribution of Respondents

Gender	Frequency	Percentage (%)
Male	102	55.43
Female	82	44.57
Total	**184**	**100.00**

Source: Researchers computations, 2026

The table shows that male respondents slightly dominated the study, representing 55.43%, while females accounted for 44.57%, indicating a fairly balanced gender distribution.

Table 2

Years of Work Experience

Experience Level	Frequency	Percentage (%)
1 – 5 years	61	33.15
6 – 10 years	74	40.22
11 years and above	49	26.63
Total	**184**	**100.00**

Source: Researchers computations, 2026

The majority of respondents (40.22%) had 6–10 years of experience, indicating that most respondents were sufficiently experienced to provide reliable responses.

Table 3

Descriptive Result

Variable	Mean	Std. Dev.	Min	Max
Digital Transformation Capability (DTC)	3.82	0.74	2.41	4.96
Organisational Learning Capability (OLC)	3.69	0.81	2.1	4.88
Organisational Agility (OA)	3.74	0.69	2.35	4.9

Source: Researchers computation, **2026**

The results indicate that all variables recorded above-average mean scores, suggesting moderate to high presence of digital transformation capability, organisational learning capability, and organisational agility among the selected banks.

Test of Hypotheses (PLS-SEM Results)

Table 4

Structural Model Results

Hypothesis	Relationship	Beta (β)	t-value	p-value	Decision
H1	DTC → OA	0.142	1.381	0.167	Not Supported
H2	DTC → OLC	0.673	9.214	0.000	Supported
H3	OLC → OA	0.498	6.517	0.000	Supported
H4	DTC → OLC → OA	0.335	4.882	0.000	Supported

Source: Researchers computation, **2026**

The results revealed that digital transformation capability does not have a significant direct effect on organisational agility ($\beta = 0.142$, $p = 0.167$), leading to the rejection of H1. This suggests that digital tools alone do not automatically translate into agility without supporting organisational mechanisms. However, digital transformation capability significantly influences organisational learning capability ($\beta = 0.673$, $p = 0.000$), supporting H2. This implies that digital technologies strongly enhance knowledge acquisition, sharing, and learning processes in banks.

Similarly, organisational learning capability has a significant positive effect on organisational agility ($\beta = 0.498$, $p = 0.000$), supporting H3. This indicates that learning-oriented banks are more adaptable and responsive to environmental changes. Finally, the mediation analysis confirmed that organisational learning capability significantly mediates the relationship between digital transformation capability and organisational agility (β = 0.335, p = 0.000), supporting H4. This implies that digital transformation improves agility only when it is effectively processed through organisational learning mechanisms.

Discussion of Findings

The first finding revealed that digital transformation capability did not exert a significant direct influence on organisational agility among the selected deposit money banks in Nigeria (β = 0.142, $p = 0.167$). This finding suggests that investment in digital technologies alone may not be sufficient to enhance organisational agility unless such technologies are accompanied by comlementary organisational capabilities. The result aligns with the arguments of Teece (2018), who maintained that digital technologies only create value when organisations develop complementary managerial and organisational capabilities that enable them to sense opportunities, seize them, and continuously transform their operations.

Similarly, George et al. (2021) argued that digital transformation is not merely about technology adoption but about organisational change that enables firms to respond effectively to dynamic environments. The present finding therefore indicates that Nigerian deposit money banks may possess digital infrastructure without fully integrating it into organisational routines capable of producing agility.

The second finding showed that digital transformation capability significantly and positively influenced organisational learning capability (β = 0.673, $p < 0.001$). This implies that digital technologies facilitate knowledge acquisition, information sharing, employee collaboration, and continuous learning within organisations. The finding is consistent with the study of Benitez (2022), who found that digital transformation capabilities enhance organisational knowledge integration and learning, thereby improving firms' innovation capabilities.

Likewise, Bharadwaj (2013) emphasized that digital business strategies promote real-time information exchange and organisational learning, enabling firms to build capabilities required for competitive advantage. The strong relationship observed in this study suggests that digital transformation initiatives in Nigerian banks are creating an enabling environment for continuous organisational learning.

The third finding established that organisational learning capability had a significant positive effect on organisational agility (β = 0.498, $p < 0.001$). This result demonstrates that organisations capable of acquiring, sharing, and applying knowledge are better positioned to respond quickly to environmental uncertainties and changing customer needs. The finding corroborates the empirical study of Alegre (2008), who found that organisational learning capability significantly enhances organisational performance through improved adaptability and innovation.

It is also supported by the work of Edmondson (2008), who argued that learning-oriented organisations develop the flexibility and responsiveness required to navigate rapidly changing business environments. Within the Nigerian banking sector, this finding implies that continuous employee development, knowledge sharing, and institutional learning are essential drivers of organisational agility beyond technological investments alone.

The final finding confirmed that organisational learning capability significantly mediated the relationship between digital transformation capability and organisational agility ($\beta = 0.335$, $p < 0.001$). This indicates that digital transformation contributes to organisational agility primarily through the enhancement of learning processes rather than through a direct pathway. The finding is consistent with the dynamic capabilities' perspective advanced by Teece (2018), which argues that firms transform technological resources into superior organisational outcomes through capability development and continuous learning.

It also agrees with the findings of Benitez et al. (2022), who reported that organisational learning serves as a critical mechanism through which digital transformation generates strategic flexibility and organisational resilience. Consequently, the present study demonstrates that Nigerian deposit money banks are more likely to achieve agility when digital transformation initiatives are complemented by strong learning cultures, effective knowledge management practices, and continuous capability development.

5. Conclusion and Recommendations

The study examined the relationship between digital transformation capability and organisational agility, with organisational learning capability serving as a mediating variable among selected deposit money banks in Nigeria. The findings revealed that digital transformation capability did not directly influence organisational agility. However, digital transformation capability significantly enhanced organisational learning capability, while organisational learning capability significantly improved organisational agility.

Furthermore, organisational learning capability significantly mediated the relationship between digital transformation capability and organisational agility. The study therefore concludes that digital transformation alone is insufficient to achieve organisational agility. Rather, banks must cultivate strong organisational learning capabilities to effectively convert digital investments into improved adaptability, responsiveness, and sustained competitive advantage.

Based on the findings of this study, the following recommendations are proposed:

i. Since digital transformation capability did not have a significant direct effect on organisational agility, bank management should complement investments in digital technologies with organisational restructuring, adaptive leadership, and flexible operational processes that enable technology to translate into agile business practices.
ii. Given the significant positive influence of digital transformation capability on organisational learning capability, deposit money banks should establish continuous learning programmes, digital knowledge-sharing platforms, regular employee training, and cross-functional collaboration to maximise the learning benefits of digital technologies.
iii. As organisational learning capability significantly enhanced organisational agility, bank executives should foster a culture that encourages knowledge acquisition, innovation, employee participation, experimentation, and continuous improvement to improve responsiveness to changing customer needs and market conditions.

iv. Since organisational learning capability significantly mediated the relationship between digital transformation capability and organisational agility, banks should embed learning mechanisms into every stage of digital transformation initiatives through effective knowledge management systems, feedback processes, mentoring programmes, and continuous capability development to ensure that digital investments produce greater organisational agility.

References

Adu, O., & Ajigbotoso, T. (2024). Digital transformation and financial services in Nigeria: Transitioning from branch-based operations to digital-first service delivery models. *African Journal of Strategic Management Studies, 12*(2), 114–131.

Adu, O., & Ejiks, P. (2026). Institutional capacity, scale, and technological readiness: Navigating digital transformation and financial services in Nigeria. *Gojam Journal of Management Sciences, 8*(1), 45–63.

Afolabi, B., & Aribaba, F. O. (2025). Financial technology as a tool for operational efficiency of deposit money banks in Nigeria. *African Banking and Finance Review Journal, 15*(4), 211-221. https://www.abfrjournal.com/index.php/abfr/article/view/341

Agwu, M. E., & Oluchukwu, C. N. (2024). Navigating turbulent banking environments in developing economies: The role of strategic agility and risk mitigation in Nigerian commercial banks. *Journal of Business Strategy and Financial Management, 10*(2), 88–104.

Alegre, L., & Chiva, R. (2008). Assessing the impact of organizational learning capability on product innovation performance: An empirical test. *Technovation, 28*(6), 315–326. https://doi.org/10.1016/j.technovation.2007.09.003

Anning-Dorson, T., Kwakye, M. O., & Nyamekye, M. B. (2025). Data-driven dynamic capabilities in emerging markets: A grounded theory approach to digital transformation in African retail banking. *Journal of Financial Services Marketing, 30*(2), 145–162.

Bharadwaj, A., El Sawy, O. A., Pavlou, P. A., & Venkatraman, N. (2013). Digital business strategy: Toward a next generation of insights. *MIS Quarterly, 37*(2), 471–482. https://doi.org/10.25300/MISQ/2013/37:2.3

Benitez, J., Ray, G., Henseler, J., & Schuberth, F. (2022). How digital transformation capabilities enhance organizational agility through knowledge integration and organizational learning. *Journal of Business Research, 139*, 121–135.

Bursary, I. L., & Gwadabe, H. A. (2025). Digital transformation and competitive advantage in Nigerian North-Western private universities: The role of organizational agility. *Gusau Journal of Accounting and Finance, 6*(3), 214–228. https://doi.org/10.57233/gujaf.v6i3.17

Cuong, N. K., Long, N. N., Dung, H. T., & Hai, T. V. (2025). Digital transformation, organizational agility, and firm performance in emerging markets: Evidence from Vietnam's machinery sector. *Problems and Perspectives in Management, 23*(3), 342–357. https://doi.org/10.21511/ppm.23(3).2025.25

Edmondson, A. C. (2008). The competitive imperative of learning. *Harvard Business Review, 86*(7–8), 60–67.

Elekwachi, H. N., & Onwuanaku, B. (2025). Digital transformation strategies and customers satisfaction in money deposit banks in Port Harcourt, Rivers State. *World Journal of Innovation and Modern Technology, 9*(7), 103–124. https://doi.org/10.56201/wjimt.v9.no7.2025.pg103.124

Felipe, T., Oliveira, R. T. de, Toth-Peter, A., Mathews, S., & Dulleck, U. (2025). Digital transformation in commercial banks: Unraveling the flow of Industry 4.0. *Digital Business, 5*(2), Article 100129. https://doi.org/10.1016/j.digbus.2025.100129

George, G., Haas, M. R., Pentland, A.(2021). From the editors: Big data and management. *Academy of Management Journal, 64*(1), 1–8.

Hamid, O., & Eledum, H. (2026). The impact of digital transformation on employee performance: The mediating role of organizational agility in Islamic banks in Saudi Arabia: A partial least squares structural equation modeling approach. *Humanities and Social Sciences Communications, 13*(1), 1–18. https://doi.org/10.1057/s41599-026-07080-8

Ibrahim, U. S. G., Tela, U. M., & Ya'u, S. (2026). Digital transformation and financial governance in deposit money banks: The mediating role of human resource management and the moderating effect of institutional environment in Sokoto metropolis. *FUDMA Journal of Business Management, 4*, 1–18.

Irimagha, B. T., Gabriel, J. M. O., & Ahiauzu, A. (2025). Digital infrastructure capability and organizational agility of deposit money banks in Nigeria. *International Journal of Advanced Academic Research, 11*(3), 45–61.

Nkutt, A. B., & Ayandele, I. A. (2025). Relative importance of organizational agility in customer retention in the Nigerian banking sector. *European Journal of Business and Innovation Research, 13*(3), 14–29. https://eajournals.org/ejbir/wp-content/uploads/sites/20/2025/06/Relative-Importance-of-Organizational-Agility.pdf

Okocha, A., & Nwuche, C. A. (2024). Organizational learning culture and employee work attitude in deposit money banks in Rivers State. *Journal of Strategic Human Resource Management, 13*(2), 112–128.

Ononye, U. H., Ighoroje, J., & Agbogun, O. E. (2024). Digital transformation and firm performance nexus: A study of commercial banks in Delta State, Nigeria. *St. Theresa Journal of Humanities and Social Sciences, 10*(2), 1–15.

Ononiwu, M. I., Onwuzulike, O. C., & Shitu, K. (2024). The role of digital business transformation in enhancing organizational agility. *World Journal of Advanced Research and Reviews, 23*(3), 285–308. https://doi.org/10.30574/wjarr.2024.23.3.2670

Ojogbo, L. U., & Odor, H. O. (2025). Digital leadership and digital transformation in deposit money banks in Nigeria. *International Journal of Advanced Studies in Economics and Public Sector Management, 13*(1), 49–64. https://doi.org/10.48028/iiprds/ijasepsm.v13.i1.04

Ranjan, R. (2024). The evolution of digital banking: Impacts on traditional financial institutions. *International Journal of Progressive Research in Engineering Management and Science, 4*(9), 753–763.

Teece, D. J. (2018). Business models and dynamic capabilities. *Long Range Planning, 51*(1), 40–49. https://doi.org/10.1016/j.lrp.2017.06.007

Udegbunam, J., Igbokwe-Ibeto, C. J., & Nwafor, C. (2023). Digital leadership and digital transformation in deposit money banks in Nigeria. *International Journal of Policy Briefs, 9*(1), 45–62. https://internationalpolicybrief.org/wp-content/uploads/2025/03/ARTICLE-4-1.pdf

Ufua, D. E., Olujobi, O. J., Ogbari, M. E., & Resource-Based View Collaborative. (2025). Strategic agility and competitive advantage of deposit money banks in Delta State, Nigeria. *Journal of Business Strategy and Financial Management, 11*(2), 112–129. https://www.researchgate.net/publication/398875346_Strategic_agility_and_competitive_advantage_of_deposit_money_banks_in_Delta_State_Nigeria

Wegwu, M. E. (2024). Digital transformation and strategic management practices of deposit money banks in Rivers State. *European Scholar Journal, 5*(10), 3–10.

Wegwu, M. E. (2026). Digital transformation and strategic capability of money deposit banks in Rivers State. *Journal of Multidisciplinary Academic Business Studies, 3*(2), 27–44. https://doi.org/10.35912/jomabs.v3i2.3989

Xu, M., Zhang, Y., Sun, H., Tang, Y., & Li, J. (2024). How digital transformation enhances corporate innovation performance: The mediating roles of big data capabilities and organizational agility. *Heliyon, 10*(14), 312-423.

Zhang, Y., Swatdikun, T., Lakkanawanit, P., Huang, S. Z., & Chen, H. (2025). Digital transformation capability, organizational strategic intuition, and digital leadership: Empirical evidence from high-tech firms' performance in the Yangtze River Delta. *Journal of Risk and Financial Management, 18*(7), 405-414. https://doi.org/10.3390/jrfm18070405