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Effect of Strategic Adaptability on Financial Sustainability of Deposit Money Banks in Nigeria

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Abstract:
Banks that have experienced policy reforms and restructuring, to properly position the industry having realized that financial sustainability of their success in the long term depends on strategic adaptability through internal collaboration, external partnership, technological innovation, strategic flexibility and workforce agility. Thus, this study investigated the effect of strategic adaptability on the financial sustainability of deposit money banks in Nigeria. The study adopted the survey research design. The population was 3, 416 management level employees of 10 selected deposit money banks in Nigeria licensed by Central Bank of Nigeria (CBN). A sample size of 664 was determined using Cochran (1997) formula with an additional 30% for attrition. The study used the stratified proportionate random sampling technique. Primary data were collected using a structured and validated questionnaire. The Cronbach's alpha coefficients for the constructs ranged from 0.763 to 0.842. The response rate was 86.9%. The data were analyzed using the multiple regression analysis. The result revealed that strategic adaptability had positive significant effect on financial sustainability of deposit money banks in Nigeria (Adj $R^2 = 0.345$, $F (5,554) = 61.025$, $p< 0.05$). It was concluded that strategic adaptability affects financial sustainability of deposit money banks in Nigeria and it was recommended that management of deposit money banks advance effective strategic adaptability policies in respect to internal collaboration, external partnership, technological innovation, and workforce agility to improve financial sustainability.

Keywords: *Deposit money banks, financial sustainability, internal collaboration, Nigeria, strategic adaptability*

1. Introduction

The banking sector globally is uniquely positioned to deepen economic growth and development through its lending and investment activities. The context in which business decisions are made is, however, characterized by complex and growing challenges relating to population growth, urban migration, poverty, destruction of biodiversity and ecosystems pressure on food sources, prices and security, lack of energy and infrastructure and potential climate change legislation from our trade partners, amongst others. Considering these challenges, academics and professional have developed interests in investigating the sustainability challenges of the banking industry. Moreover, the inability of banks to continuously create valuable, rare, inimitable and non-substitutable resources (human and non-human) constitutes another major challenge in the banking industry.

The challenges of achieving bank sustainability cut across developed, emerging and developing economies due to global dynamic business environment associated with banking operations in different countries (Belen, Torres, Ruozzi, & Vicente, 2020; Budnik, 2019). Deposit money banks in European countries including, United Kingdom (UK), Germany, France, Belgium, and Switzerland have recorded inconsistent financial sustainability due to intense competition among commercial banks in European economies (European Central Bank Quarterly Report, 2021). Andrews and Petroulakis (2019) further asserted that many commercial banks in developed European economies are still experiencing financial instability in which bank sustainability measures like operational sustainability, financial and market sustainability have become more challenging than it was before and after global financial meltdown of 2008. These challenges of under achievement of bank sustainability measures increase risk premium, elevate debt sustainability concerns, and negatively impact on bank profitability. It has also led to imbalances in the ability to compete with non-bank financial sector. These challenges are not being adequately mitigated despite an improving macroeconomic outlook (European Central Bank Quarterly Report, 2021).

Commercial banks in Africa have also not been immune from slowdown in financial performance sustainability, poor operational sustainability and unsustainable market control resulting from inability to adapt strategically (African Development Bank, 2020). According to Africa Financial Stability Board (2020), global crises and recent COVID 19 pandemics have significantly adversely impacted on African banks' sustainability. These challenges have led to weak bank leverage, declining capital and inadequate liquidity for many banks in Africa thus threatening the continuity and sustainability of banks within the continent. International Monetary Fund (2020) asserted that the weaknesses in the banking sector among developing economies like Africa economies including Nigeria drive poor bank sustainability measures which are rapidly transmitted to the rest of the financial system and the economy resulting in a massive contraction of liquidity and credit availability among commercial banks which in turn shorten the bank going concern.

In Nigeria, deposit money banks play an important and sensitive role hence their performance directly affects the growth, efficiency, and stability of the economy (Ifionu & Keremah, 2016). The Nigerian banking environment has experienced rapid transformations in terms of policies and restructuring and these have had positive and negative effects on banking operations due to their responsiveness, flexibility, and competitive capabilities (Olowe, Binuyo, & Nnorom, 2020). Banks that experienced success through policy reforms and restructuring, realised that continuity and sustainability of their success in the long term depends on strategic adaptability through internal collaboration, external partnership, technological innovation, strategic flexibility and workforce agility and the need to achieve entrepreneurship and excellence in the field (Ugwi, 2013). According to Ekweozor and Obara (2020), majority of the deposit money banks in Nigeria record low organisational performance arising from deficiencies in the banking system, which include low capital base, poor rating of a number of banks, insolvency as evidenced by low capital adequacy ratios of some banks, eroded shareholders fund caused by operating losses, and over dependence on public sector deposit.

Ogunkoya (2018) and CBN (2020) further asserted that poor strategic adaptability among Nigeria deposit money banks have contributed to the collapse of many banks thus hindering sustainability of some Nigeria deposit money banks. Olowe *et al*. (2020) assert that Nigerian banking environment has experienced rapid transformations in terms of policies and restructuring and these have had positive and negative effects on banking operations due to their responsiveness, flexibility, and competitive capabilities. In view of the various structural changes in the Nigerian banking industry, there have been inherent observations by stakeholders and concerned bodies on the nature of activities in the Nigerian banking sector. The issue of a non-conducive, unfriendly environment, lack of infrastructure, and insecurity threaten the survival and sustainability of the Nigerian banking system and customers' interests at large. Where there is no conducive environment in areas of security, energy, and infrastructure for operations, financial sustainability may not be achieved. Central Bank of Nigeria (2020) further asserted that deposit money banks in Nigeria are faced with massive and rapid changes in the environment which affect the practices and decisions of bank managers, which bring the problem of unmatched strategic adaptability measures to curb the Nigeria banking industry problem leading to poor financial sustainability.

Moreover, policy measures to stabilize the financial system and increase lending to stimulate the production of goods and services have increased pressures on the Nigerian deposit money banks. The CBN's downward fee revisions to electronic banking charges, which took effect in January 2020 and were designed to ensure the protection of consumer rights as more individuals are financially included, have had a negative effect on banks' fees and commission income (Paul, 2020). Amidst all these, the CBN's aspiration to achieve a financial inclusion rate of 80 percent by 2020 has also led to increasing competition in payments from non-bank competitors (CBN, 2020). The need to bridge the gap between the current state of the banking sector and a more sustainable financial system calls for serious implementation of strategic adaptability to promote financial sustainability of the banking system. It is against this background that this paper seeks to examine how strategic adaptability affects financial sustainability of deposit money banks in Nigeria.

2. Literature Review and Hypothesis Development

2.1. Strategic Adaptability

Strategic adaptability is a social system's ability to sense and understand its internal and external environment and take actions that will achieve a fit between the two (Sussman, 2004). In a similar way, Dalziell and McManus (2004) define strategic adaptability as the engagement and involvement of organizational staff so that they are responsible, accountable, and occupied with developing the organization's resilience through their work because they understand the links between the organization's resilience and its long-term success. This definition aligns with the definition of Sussman (2004) by bringing in the dimension of workers as the instrument of resilience and the ability to understand the environmental dynamism. Denison (2007) defined adaptability as translating the demand of business environment into action. To survive and make profit, organizations and their employees need to continuously adapt to the different levels of environment uncertainty. In addition, Amah and Baridam (2012) defined the concept as the ability to maintain an experimental attitude towards new situations as they occurred and to act in terms of changing circumstances. It was further stated that strategic adaptability could be addressed through two approaches – socio environmental and organisational and the ability to adapt will lead to resilient characteristics. In addition, it was stated that the importance of adaptability is to create competitive advantages over competitors who are not adaptive. To survive and make profit, organizations and their employees need to continuously adapt to the different levels of environment uncertainty (Amah &Baridam, 2012).

Adelaiye, Adubasim, and Adim (2020) defined strategic adaptability as an aspect of resilience that reflects learning, flexibility to experiment and adopt novel solutions and the development of generalized responses to broad classes of challenges. Aluvanze and Senaji (2017) defined strategic adaptability as the ability to advance an organization's mission by strategically changing in anticipation of and in response to circumstances and in pursuit of enhanced results. In the view of this paper, strategic adaptability comprises internal collaboration; external partnership; technological innovation; strategic flexibility and workforce agility.

Internal collaboration entails partnerships between two or more independent enterprises which manage one specific project to improve their competencies and overall performance (Gachengo, 2018). It is a joint activity involving two agencies or more that work together with the intention of increasing public value together instead of separately (Kyalo, 2016). Ashok, Narula and Martinez-Noya (2014), while citing Gulati (1995), and Prahalad and Ramaswamy (2004), defined collaboration as a joint creation of value by the firm and its partners involving in exchange, sharing and co-development. Collaboration constitutes benefits for all parties and well-defined relationships between two or more organizations aiming to attain common goals by these organizations (Bardach & Vij, 2012). The study of Ashok, *et al*. (2014) reveals that in terms of end-user, collaboration is important for process innovation in the service sector. Kyalo (2017) identified the merits of internal collaboration to include enablement of employees to enhance communication; increase firm competitive advantage; enhanced market share; increased firm productivity; and improved productivity through document and file sharing, desktop sharing, chat, social networking and many other features that mobilize employees, business partners.

External partnership refers to an agreed-upon collaboration between businesses with common missions (Vanags, Ābeltiņa, & Zvirgzdiņa, 2018). Although external partnerships can take on several objectives and levels of formality depending upon the nature of the agreement, the overall goal of external partnerships is to share resources in a way that promotes growth for all partners (McFarlin, 2017). Partnerships can take place between businesses in the same industry or even across industries. Su, Tsang, and Peng (2009) stated that external partnership provides a platform for organizational learning, giving partner firms access to new knowledge, through shared decision making, execution of alliance tasks, mutual interdependence and problem solving, firms can learn with and from their partners. It is important that collaboration is created internally and shared belief with external partners (Parida, Westerberg, & Frishammar, 2012), and challenging status-quo (Hall, 1993). Executives are responsible for driving organisational vision for process change, addressing conflicts, governing multi-function process change, motivating stakeholders, and exploiting value from external contact (Kotter, 1995).

Technological innovation is the ability of the organisation to successfully utilise its technology infrastructure and innovation resources to derive value to improve firm sustainability (Rajapathirana & Hui, 2018; Zhang, Khan, Lee & Salik, 2019). It is also the extent to which a firm is knowledgeable about and effectively utilizes information technology to manage information within the firm (Mao, Liu & Zhang, 2015). According to Aiken and Keller (2009), technological innovation refers to the skills, knowledge, experience, body of scientific knowledge and tools used in the design of production of goods and services. Technological innovation can also be defined as rapidly and timeless changing skills that are relevant today and remain relevant in the future and are therefore very desirable (Kiarie, 2014). Chege, Wang, and Suntu (2019) stated that the features of technological innovation are relative advantage, compatibility, complexity, trialability, agility and observability. Mao, Liu, and Zhang (2015) also enunciated the merits of technological innovation to include enhanced productivity, increased market share and bringing citizens new and better goods and services that improve their overall standard of living.

Strategic Flexibility is the increase in a firm's capacity to respond to competitive, highly changing market environment though regulating its goals by supporting knowledge and key capabilities (Ghorban-Bakhsh & Gholipour-Kanani, 2018). Yawson (2020) defined strategic flexibility as the capability to respond to a dynamic environment through continuous changes and systemic actions. Strategic flexibility conceptually indicates the extent of the capability of the firm to change and respond quickly to changing conditions as environmental opportunities and threats emerge (Gathenya, 2012). Indeed, when the flexibility of sustainable resources is high, firms can be confident in profitability of their new product lines by using the market leadership through reducing the time needed for searching resources in demand. In addition, Ghorban-Bakhsh and Gholipour-Kanani (2018) posit that firms could integrate, build, and coordinate between internal and external resources through coordination flexibility to save their costs, time, and resources. Gathenya (2012) and Yawson (2020) stated that strategic flexibility is amenable to innovation performance; develops the competitive advantage of a firm in a dynamic environment and enhances financial sustainability.

Workforce agility means the organisations' or individuals' ability to handle the multitude of unexpected and dynamic changes in an uncertain and volatile business environment and can proactively identify viable solutions (Munteanu, Bibu, Nastase, Cristache & Matis, 2020). Sohrabi, Asari, and Hozoori (2014) defined workforce agility as an organization's ability to rapidly respond and flexibility to cope with the unexpected internal and external environmental changes. Agility can be said to be the ability to gain effective advantage, exploit opportunities and withstand threats derived from frequent and sometimes unexpected changes, responding quickly by reconfiguring resources, strategies, and people in an efficient and effective manner (Baškarada & Koronios, 2018; Holbeche, 2018; Qin & Nembhard, 2010; Walter, 2020; Yang & Liu, 2012). Chonko and Jones (2005) posit that an agile workforce is cross trained that demonstrate two vital behaviors: he/she can react and adjust to changes appropriately and on time: he/she possesses what it takes to convert challenges into benefits for the firm. Lu and Ramamurthy (2011) identified two features' types of workforce agility: market capitalizing agility and operational adjustment agility. An organization with market capitalizing agility can respond and capitalize changes in environments in a timely manner. Operational adjustment agility, on the other hand, stresses the need for flexibility in operations to enable fast and fluid innovation inside companies.

2.1.1. Financial Sustainability

The definition of financial sustainability and its measurement have been offered using different dimensions over the years. It has been defined from the perspective of asset sustainability (Osazefua, 2019; Playford, 2016), financial independence (Price Water House Coopers, PwC, 2006; Wallstedt, Grossi, & Almqvist, 2014), and solvency (Carmeli, 2001; Hur-Yagba, Okeji, & Ayuba, 2015; Wang &Tu, 2007). However, profit plays a crucial role in the going concern of any firm. Its continuous survival depends to a large extent on its periodic profitability (Umobong, 2015). In view of the significance of profitability to sustainability of an organisation, several studies have equated financial sustainability with profitability in current and future periods and measured it with long-term profitability ratios like return on asset (Chari, Chen & Dominguez, 2012; Karaca & Ekşi 2012; Okoye, Arin, Ado, & Isibor, 2017; Umobong, 2015). Financial sustainability is conceived as a measure of the organization's ability to meet its financial obligations, referring to the ability to manage financial resources so that it can meet its spending commitments both now and, in the future, and the ability to cover costs independent of external subsidies from donors or government. Meanwhile, Emmanuel (2015) has defined financial sustainability as the ability of a project, a program, or an organization to maintain broader sources of funding to provide standard services to its clients over time and can be evaluated through profitability, liquidity, solvency, efficiency, and effectiveness. Abdelsalam, Barake and Kulaib (2018) stated that the advantages of financial sustainability to firms are: it improves investors' confidence; increase stakeholder's investment commitment; enhance competitive advantage; and improves firm market share and goodwill.

2.2. Empirical Review

With the growing importance of the sustainability agenda on the business roundtable, with studies confirming that strategic adaptability is essential in advancing the competitiveness of the organization as it not only structures feature that are highly fluid and as such able to adapt to the changes in the environment; but it also advances feature solutions that build on the organization's own capacity for consistency with the changes in its environment (Dublin &Onuoha, 2020; Fowler, Gajewska-De Mattos, & Chapman, 2017). The position of Kihara, Bwisa, and Kihoro (2016) revealed that structural adaptations of the SME firm are positively and significantly related to its performance. Gunday, Ulusoy, Kilic and Alpkan (2018) found that there is a positive effect of innovation on firm performance in manufacturing industries. In addition, the study of Gachenko (2018) found that internal collaboration has a positive significant effect on the firm performance and organizational characteristics were found to have a moderating effect on the relationship between inter-organizational collaborations and firm performance.

Furthermore, Cao and Zhang (2011) found that there is a significant relationship between supply chain collaboration (SCC) and strategic adaptability on organizational performance. It was also revealed that supply chain collaborations improved firm performance by improving collaborative advantage. Collaborative advantage, therefore, mediated the relationship between SCC and firm performance of small firms and not the large firms. The results showed that firm size moderated the relationship between collaboration and performance. In the same vein, the study of Ghorban-Bakhsh and Gholipour-Kanani (2018) revealed that strategic flexibility has a positive and significant impact on knowledge management and organizational innovation. Also, strategic flexibility has a mediation role in organizational learning and innovation while knowledge management system is influential on organizational change resulting from innovation. Organizations need to increase their adaptive capacity by promoting knowledge management to build their resilience to addressing intra-organizational and environmental shocks. The study of Karman (2019) also reported that agility and human resources flexibility affect growth and adaptability which, in turn, affect organizational competitiveness.

Wanjohi, Gathenya, Atikiya, and Kihoro, (2019) conducted a study on organizational adaptability strategies and the performance of firm in Nairobi City County, Kenya. Reid and Zyglidopoulos (2004) conducted a study on the causes and consequences of the lack of strategic foresight in the decisions of multinational enterprises to enter China. The study found that failure of understanding and failure of anticipation caused multinational enterprises failure and collapsed in China. A study by Mungania, Waiganjo and Kihoro (2016) investigated the influence of flexible work arrangements on performance of the banking industry in Kenya. The study revealed that that there is linear relationship between flexible work arrangements and bank performance and that flexible work arrangements significantly influence bank performance in Kenya.

Onuorah, Ibekwe, and Okwuoyibo (2019) discovered that all the indicators of process flexibility adopted except for adaptability, were statistically significant and that process flexibility has positive significant influence on organisational (bank) performance. Several studies (El Chaarani & El Abiad, 2019; Klus, Stefan, Friedrich, & Jürgen, 2019; Mandal, Korasiga, & Das, 2017; Monauni, 2014; Munteanu, Bibu, Nastase, Cristache, & Matis, 2020; Nejatian, Zarei, Nejati, & Zanjirchi, 2018; Obeng & Boachie, 2018; Ozili, 2018; Regina & Oliveira, 2017; Sampath, 2015 among others) have been carried out on the link between technological innovation, strategic alliance, organizational agility and firm performance, however, the researchers identified some gaps in the literature that necessitated this research. First, from the extant review, it was observed that there is a dearth of studies on strategic adaptability and its links to financial sustainability in the Nigeria banking sector. The few studies that concentrated on strategic adaptability conceptualized it as a single variable (Mandal, *et al*., 2017; Nejatian, *et al*., 2018; Regina & Oliveira, 2017). Despite the various studies done, there are still gaps in literature that need to be addressed. Hence, this study intends to fill the gap in literature from the context of a developing nation like Nigeria by hypothesizing that:

- H_{01}: Strategic adaptability and its components have no significant effect on financial sustainability of deposit money banks in Nigeria.

2.3. Theoretical Review

The theoretical perspective of this study is anchored on Resource Dependence Theory (RDT). The RDT was developed by Jeffrey Pfeffer and Gerald R. Salancik in 1978 (Pfeffer & Salancik, 1978). Resource dependence theory explained how the external resources of organizations affect the behavior of the organization in achieving firm objective and goals. The theory is focused on how to design and manage organisations that are externally constrained. RDT offers an internal and external focused perspective of why firms acquire resources to achieve firm performance which is an indicator of sustainability (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009). It also provides an alternative perspective to economic theories of mergers and board interactions towards a better understanding of types of inter-organisational relations (Davis & Cobb, 2010). The RDT theory emphasizes the mutual interaction between organisations in order to support the exchange of resources. The major argument of the resource dependence theory is that organisations attempt to exert control over their environment by co-opting the resources needed to survive (Pfeffer & Salancik, 1978).

The main assumption of RDT is that all organisations critically depend on other organisations for the provision of vital resources and this dependence is often reciprocal (Dress & Heugens, 2013). These interdependencies do cause independent organisations to engage in different inter-organisational arrangements like 'board interlocks, alliances, joint ventures, in-sourcing, and mergers and acquisitions' which assist the organisations' ability to cope with their autonomy and legitimacy (Drees & Heugens, 2013 p.2).

2.3.1. Conceptual Model

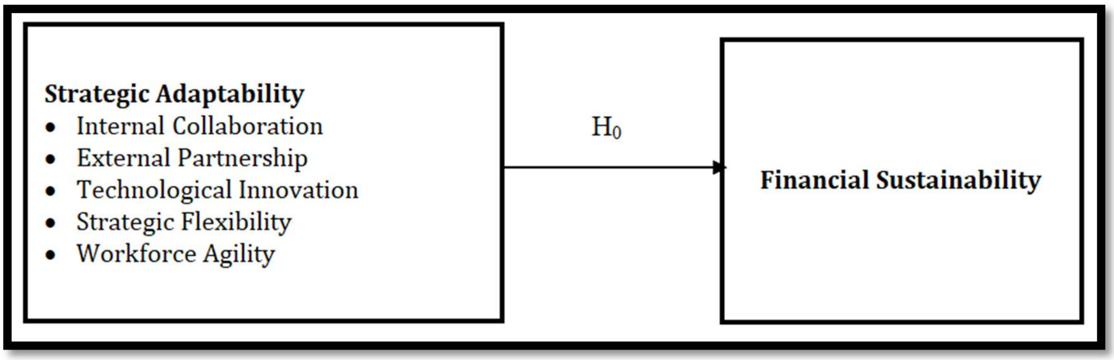

Figure 1: Strategic Adaptability and Financial Sustainability
Source: Researcher's Conceptual Model

3. Methodology

This study adopted survey research design. The adoption of this design is consistent with the studies of various scholars such as Munteanu *et al*., (2020), Nosratabadi, Pinter, Mosavi, and Semperger (2020), Ramnarain, and Pillay (2015), Rivera, and Clement (2018), and Schindehutte and Morris (2015). The population of the study was 3, 416 middle managers, senior managers and executive management of ten (10) selected deposit money banks in Nigeria licensed by Central Bank of Nigeria (CBN) for commercial banking. These banks were selected because these banks have recorded various strategic changes and dimensions of resources in their banking operations of reforming, merging and acquisition of other banks as part of their growth process (CBN Commercial Bank Classification Report, 2020). The sampling unit for this study comprised top and middle level employees which covered Senior Managers, middle Managers and Executive Management in each selected deposit money bank. The selected cadres of employees formulate and implement organizational strategies and policies targeted at engendering bank adaptability and information resources as well as business sustainability measures in deposit money banks in Nigeria.

The Cochran (1997) formula was used to derive a sample size of 511, while an attrition rate of 30% was added to arrive at 664 as used by Anokye (2020), Tejada and Punzalan (2012), and Zikmund (2000). Stratified proportionate random sampling method was adopted. An adapted and structured questionnaire was used to gather information from respondents. The questionnaire followed the 6-point Likert-type scale. The options as indicated in the research instrument range from Very High, High, Moderately High, Moderately Low, Low, to Very Low with scale ratings from 6 to 1 respectively. The instrument Cronbach's Alpha reliability coefficients for the constructs are Internal Collaboration (0.783), External Partnership (0.701), Technological Innovation (0.786), Strategic Flexibility (0.763), Workforce Agility (0.779) and Financial Sustainability (0.749). The hypothesis was tested using the inferential statistics. The model specified is represented below.

$FS = f\,(IC, EP, TI, SF, WA)$ ------------------------------- Regression equation 1a

Transforming equation 1 to econometric model, we have:

$FS = \alpha_0 + \beta_1 IC + \beta_2 EP + \beta_3 TI + \beta_4 SF + \beta_5 WA + \mu_i$

Where:

α_0 = Constant term

FS = Financial Sustainability
IC = Internal Collaboration
EP = External Partnership
TI = Technological Innovation
SF = Strategic Flexibility
WA = Workforce Agility
β_1, β_2, β_3, β_4 & β_5 = Coefficients of Explanatory Variables
μ_i = Error term

4. Results and Discussion

The study collected data on middle managers, senior managers and executive management from ten (10) selected deposit money banks in Nigeria (see Appendix I). The researchers distributed a total of 664 copies of questionnaire to the respondents, out of which 577 copies were rightly filled and returned to the researcher. The response rate of the participants to the questionnaire administered is 86.9%. The analysis was conducted by using the multiple regression analysis at 5% level of significance and the results of the analysis are presented in Table 1.

Model	Beta	T	Sig.	R	R^2	Adj. R^2	Anova Sig.	F(df)
(Constant)	1.384	6.697	0.000	.593[a]	.351	.345	0.000[b]	61.025 (5,554)
Internal Collaboration	0.294	6.563	0.000					
External Partnership	0.156	3.627	0.000					
Technological Innovation	0.096	2.081	0.038					
Strategic Flexibility	0.001	0.025	0.980					
Workforce Agility	0.173	3.801	0.000					

Table 1: Summary of Multiple Regression Analysis for the Effect of Strategic Adaptability Components on Financial Sustainability of Selected Deposit Money Banks in Nigeria

a. Dependent Variable: Financial Sustainability
b. Predictors: (Constant), Internal Collaboration, External Partnership, Technological Innovation, Strategic Flexibility, and Workforce Agility
c. Source: Researcher's Field Survey Results (2022)

Results in Table 1 showed that strategic adaptability (internal collaboration, external partnership, technological innovation, strategic flexibility, and workforce agility) have positive and fairly strong relationship with financial sustainability of selected deposit money banks (R = 0.593, p=0.000). The Adjusted coefficient of determination (AdjR^2) of 0.345 indicates that strategic adaptability components explained 34.5% of the variation in financial sustainability of selected deposit money banks under study while the remaining 65.5% changes in financial sustainability is explained by other exogenous variables different from strategic adaptability components. The results indicate that the overall model was statistically significant at 5% significance level implying that strategic adaptability dimensions financial sustainability (F (5,554) = 61.025, p<0.05). Hence, the result posited that strategic adaptability components adopted by selected deposit money banks in Nigeria influenced financial sustainability.

Furthermore, the results of regression coefficients revealed that a positive-significant effect was reported for all the components of strategic adaptability except for strategic flexibility which shows an insignificant effect. Further, the results reveal that at 95% confidence level, internal collaboration (β = 0.294, p= 0.000), external partnership (β = 0.156, p=0.000), technological innovation (β = 0.096, p=0.038), and workforce agility (β = 0.173, p=0.000) of the selected deposit money banks in Nigeria were statistically significant as the p-values were less than 0.05 and the t-values were greater than 1.96. Based on coefficient of regression table 4.3.2c, the regression predictive and prescriptive models are restated as follows:

FS = 1.384 + 0.294IC + 0.156EP + 0.096TI + 0.001SF + 0.173WA + U_i------------Eqnia (Predictive Model)
FS = 1.384 + 0.294IC + 0.156EP + 0.096TI + 0.173WA+ U_i-----------------------Eqnib (Prescriptive Model)

Where:
FS = Financial Sustainability
IC = Internal Collaboration
TI = Technological Innovation
EP = External Partnership
SF = Strategic Flexibility
WA= Workforce Agility

According to the regression equation above, taking all factors constant at zero, financial sustainability of selected deposit money banks in Nigeria is 1.384. In the predictive model it is seen that of all the variables, only strategic flexibility is statistically insignificant among the surveyed banks, therefore the management of selected banks can downplay that variable, that is why, it is not in the prescriptive model. The result of the multiple linear regression also indicates that taking all other independent variables at zero, a unit change in internal collaboration will lead to a 0.294 increase in financial sustainability of selected deposit money banks in Nigeria given that all other factors are held constant. The results also revealed that a unit change in external Partnership will lead to a 0.156 increase in financial sustainability of selected deposit money banks in Nigeria given all other factors are held constant. Similarly, the results also revealed that a unit change in Technological Innovation will lead to a 0.096 increase in financial sustainability of selected deposit money banks in Nigeria given that all other factors are held constant. Lastly, a unit change in workforce agility will lead to a 0.173 increase in financial sustainability of selected deposit money banks in Nigeria given all other factors are held constant.

Overall, from the results, internal collaboration had the highest relative effect on the financial sustainability of selected deposit money banks in Nigeria with a coefficient of 0.294 and t value of 6.563, followed by work agility coefficient of 0.139, and t value of 3.801. Next in line was external Partnership which had a coefficient of 0.156 and t value of 3.627. The least contributor to financial sustainability was technological innovation with a coefficient of 0.096 and t value of 2.081. Based on the results, this study can conclude that strategic adaptability and its components significantly influence financial sustainability of selected deposit money banks in Nigeria. On the strength of this result (*Adj* R^2= 0.345, *F* (5,554) = 61.025, p= 0.000), this study rejects the null hypothesis (H_0) which states that strategic adaptability and its components have no significant effects on financial sustainability of deposit money banks in Nigeria.

5. Discussion

The results of the multiple regression analysis indicated that strategic adaptability and its components had significant and positive effect on financial sustainability of deposit money banks in Nigeria and provided an overall significant view. The findings are in tandem with extant literature which suggests that strategic adaptability is a force for financial sustainability. Conceptually, more studies like that of Dublin and Onuoha (2020), Fowler *et al* (2017) have established the growing importance of the sustainability agenda on the business roundtable, with their studies confirming that strategic adaptability is essential in advancing the competitiveness of the organization as it not only structures feature that are highly fluid and as such able to adapt to the changes in the environment; but it also advances features solutions that build on the organization's own capacity for consistency with the changes in its environment. Empirically, the findings of this study agree with numerous studies, like Gunday *et al*; (2018) who found that there is a positive effect of technological innovation on firm sustainability in manufacturing industries. In addition, the study of Gachenko (2018) found that internal collaboration has a positive significant effect on the firm performance and organizational characteristics were found to have a moderating effect on the relationship between inter-organizational collaborations and firm performance. Furthermore, Cao and Zhang (2011) also found that there is a significant relationship between supply chain collaboration (SCC) and strategic adaptability on organizational performance. It was also revealed that supply chain collaborations improved firm performance by improving collaborative advantage. Collaborative advantage, therefore, mediated the relationship between SCC and firm performance of small firms and not the large firms.

6. Conclusion and Recommendations

Strategic adaptability is the ability to advance an organization's mission by strategically changing in anticipation of and in response to circumstances and in pursuit of enhanced results. The study focused on the effect of strategic adaptability on financial sustainability of deposit money banks in Nigeria, and the results revealed that internal collaboration (β = 0.294, p= 0.000), external partnership (β = 0.156, p=0.000), technological innovation (β = 0.096, p=0.038), and workforce agility (β = 0.173, p=0.000) had significant effect on the financial sustainability of selected deposit money banks in Nigeria. These findings implied that deposit money banks in Nigeria should focus more on internal collaboration, external partnership, technological innovation, and workforce agility to improve their financial sustainability. This study helped deposit money banks in Nigeria to identify the key strategic adaptability components that will enhance financial sustainability of the selected deposit money banks during the time of crisis. It also provides adequate information on how deposit money banks in Nigeria can improve their overall organisational sustainability through adoption of strategic adaptability. The study recommended that management of deposit money banks advance effective strategic adaptability policies in respect to internal collaboration, external partnership, technological innovation, and workforce agility to improve financial sustainability.

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