

INNOVATION STRATEGY AND PERFORMANCE OF DEPOSIT MONEY BANKS (DMBs) IN ABUJA

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ABSTRACT

The study examines innovative strategy and performance of selected Deposit Money Banks (DMB) In Abuja, Nigeria. It addresses the problem of lack of comprehensive understanding of how technological, collaborative, and process innovation strategies impact the performance of DMBs in Abuja. The descriptive survey design with a sample size of 171 randomly selected DMBs was employed. The study utilized Primary data source via the used of questionnaire. Multiple regression analysis was used with the aid of Stata13. The study found that there was positive and significant effect of technological innovation, collaboration innovation and process innovation strategies on the performance of DMBs in Abuja Nigeria. The study therefore concluded that innovation strategy positively and significantly influences the performance of DMBs in Abuja, Nigeria. The study recommended that the Managements of DMBs in Abuja should ensure that there are regular provisions of technologically innovative devices, enhance collaborative relationship with relevant organization and other financial Houses as well as CBN so as to benefits their external factors and ensure regular improvement on processes innovation strategy so as to improve their overall performances.

Keywords: Innovation Strategy, Performance, Deposit Money Banks (DMBs)

INTRODUCTION

The influence of innovative strategies on organizational performance cannot be overemphasized. In the banking sector, the transformation of inventive ideas within a business to achieve a change in the economic or social potential of the organisation is essential for the organization's survival. Globally, the banking industry operation is dynamic, complex and competitive due to technological advancement and globalization. This requires firms including Deposit Money Banks (DMBs) to devise strategies to enables them gain upper hand over rivals. Thus, the need for management to determine the necessary competences and innovations. Innovation is one of the various

competence's firms develop to enable them outsmart competitors.

Olatunle and Gumus (2023), aver that innovation is linked to business performance and has emerged as a major source of competitive advantage. Innovations in strategy areas like technological, collaborative, and process strategy are essentially needed to meet organizational goals (Costa, et al 2017). The banking sector makes substantial contributions to productivity and growth through a variety of activities and services, as the African continent is composed of highly diverse economies and various countries, including Nigeria, are at varying phases of development. The financial services industry is exceedingly fragile due to its inherent

hazards and fragility. DMBs and other financial institutions frequently encounter risks and uncertainties, as they are essential components of financial operations regulation.

As a result, it is imperative to effectively manage and control these risks, as they have the potential to have substantial impacts on the institutions. Piening and Salge (2015), recommend risk management in which managers initially identify the risk, compile clear, consistent, and operational risk management measures, determine which measure to implement to reduce risk, and establish systems to monitor the resulting risk positions. This can be accomplished effectively by employing the appropriate innovation strategies. Supplying and procuring financing, distributing resources, extending credit to individuals and enterprises, and serving as a bridge between deficit and surplus are all essential functions of DMBs in any economy. Therefore, DMBs need to create innovative strategies in the area of technological, collaborative, and process strategy to achieve their performance goals.

According to Mboma (2008), financial infrastructure advancements lessen the issue of businesses lacking funds and working capital. According to Baker et al. (2016), the results of innovation include innovative and appealing services, higher customer happiness, development and welfare, and productivity gains. In today's rapidly evolving financial landscape, DMBs face increasing challenges in maintaining competitiveness and improving performance. The banking sector, particularly in Abuja, FCT, is experiencing significant changes driven by technological advancements, shifting customer expectations, and intensifying competition. Despite the recognized importance of innovation in enhancing organizational performance, there

is limited empirical evidence on how specific innovative strategies influence the performance of DMBs in this region.

The problem this study aims to address is the lack of comprehensive understanding of how technological, collaborative, and process innovation strategies impact the performance of DMBs in Abuja. While these strategies are often touted as crucial for success in the banking sector, their actual influence on bank performance remains unclear. Also, despite a lot of studies on innovation strategy using different component of innovation such as product differentiation, diversification, pricing strategies and organizational performance in different countries, most of the studies focus on manufacturing and retail businesses (Adimo, 2018; Kamau 2013; Shafiwu & Mohammed, 2013; Adewale, et al. (2018), Njuguna, 2018; Balaji & Ragavhan, 2017) but only a few studies was done in quoted firms, particularly, DMB in Nigeria, to the best of the researchers knowledge.

This knowledge gap hinders the ability of bank managers and policymakers to make informed decisions regarding the allocation of resources towards innovation initiatives. Furthermore, the interplay between these different innovative strategies and their combined effect on bank performance is not well understood. These problems might lead to sub-optimal implementation of innovation strategies, potentially resulting in wasted resources and missed opportunities for performance improvement.

Therefore, the inquiry main objective is to determine the influence of innovative strategies on the performance of selected DMB in Abuja. This is crucial for developing effective policies and practices that can enhance the competitiveness and sustainability of DMBs in Abuja, and potentially in the broader Nigerian banking

sector. Thus, the hypotheses tested based on the objective of the study are: (i) H₀₁. Technological innovation strategy has no significant influence on the performance of DMB; (ii) H₀₂. Collaborative innovation strategy has no significant impact on the performance of DMB; and (iii) H₀₃. Process innovation strategy has no significant influence on the performance of DMB.

LITERATURE REVIEW

Conceptual Review

Innovative strategy is a method that organisations employ to generate and secure value by establishing and executing new business models, processes, or ideas (Pisano, 2015). To achieve a competitive edge, it is necessary to identify distinctive opportunities, utilise creativity, and frequently challenge established market norms. It is enhancing or altering an existing business model and implements a strategy for establishing new business markets (Christensen, et al., 2016). According to Soi (2016), these strategies establish a new market and value network, subsequently disrupting existing markets and value networks. The competitive strategies are closely linked to some of these innovative strategies. Ellickson (2016), identifies four innovative strategies: product differentiation, product diversification, pricing strategy, and product promotion and marketing. Nevertheless, the investigation implemented the three perspectives of inventive strategies: technology innovation, collaborative innovation, and process innovation (Christensen et al., 2016).

According to Lee and Berente (2022) and Teece (2020), technology innovation is the process of creating, developing, and implementing new or significantly improved technological products, processes, or services that result in improved functionality,

performance, or value for users. It frequently entails using scientific or technological knowledge in a practical way to solve issues or meet market demands in novel ways (Kahn, et al., 2021; Nambisan, et al., 2019). In the context of DMBs, this deals with the usage of technologies like e-banking, POS, Mobil banking's etc. Technology advancement drives financial transactions. A tool for financial development may be the application of mechanical breakthroughs to satisfy new trade opportunities, social requirements, and environmental difficulties. Technology Innovative Capability is a key component of the seriousness of the firms, and concentration intensity influences creative development. Technology innovation ought to be developed so that it can organize the organization's promotional abilities and be considered as mirroring the organization's key design and achievement (Richard et al., 2017).

According to Wegner et al. (2021) and Radziwon & Bogers (2019), collaborative innovations are networks of interconnected systems or groups of people, organisations, or other entities that cooperate to accomplish shared objectives or resolve challenging issues. These networks make use of group expertise, assets, and skills to produce value that would be hard or impossible to produce on an individual basis (Randhawa, et al., 2022). Shared goals, sharing of resources and information, distributed decision-making, adaptable and flexible structures, and reciprocity and trust among members are important features of collaborative networks (Bogers, et al., 2018). Industry consortia, R&D alliances, supply chain partnerships, open innovation platforms, and virtual organisations are a few examples of collaborative innovation or networks (Ahuja, 2020). It will be easier for companies to share knowledge and information to strengthen their capacity for innovation if they deal with and maintain positive relationships with

suppliers, competitors, customers, research organisations, and business partners (Tsai, 2009). Clients, suppliers, competitors, research foundations, universities, and government backing are all avenues through which cooperative organisations might expand upward (Zeng et al., 2010).

Implementing new or considerably enhanced production or delivery processes in an organisation is known as process innovation (Trantopoulos et al., 2017; Hervás-Oliver et al., 2021). It is the series of actions from the inception of an initiative to its execution. In the banking industry, it entails making adjustments to methods, tools, or software that can improve productivity, quality, or flexibility in the provision of services (Bauer & Leker, 2023). Efficiency gains, cost savings, improved quality, greater adaptability or reactivity, and environmental sustainability are important components of process innovation (Piening & Salge, 2015). Process innovation can take many different forms including innovations in technology (automation and AI integration), organisations (new management techniques), logistics (supply chain optimisation), and improvements in service delivery (Bauer & Leker, 2023). Process innovation can result in major competitive advantages, especially in the banking industry, and is essential for preserving competitiveness in quickly changing markets. It is a maverick and entrepreneurial approach that is an inspiring catalyst for breakthrough growth. It is predicated on an ambitious, all-encompassing viewpoint that necessitates radical thinking, questions the current quo, and calls for the stakeholders in an organisation to use both their left and right brains (Piening & Salge, 2015).

Organisational performance, according to Singh et al. (2016), is the discrepancy between an organization's intended and actual outputs. Richard et al. (2017) defines

organisational performance as the combination of financial performance, product market performance, and shareholder return. Kiragu (2015) says that an organization's success can be determined through both financial and non-financial methods. According to Mohamed (2019), the majority of organisations frequently choose to gauge their performance through financial methods. Das Nair and Dube (2017), stated that market share, profitability, reputation/position, and productivity are the key indicators of an organization's performance. Banks employ standard, economic, and market-based performance metrics. These are used to assess whether a business can raise its market value by generating an economic rate of return higher than the cost of capital invested. As its metrics for measuring organisational performance, this study looked at customer happiness, sales performance, operational efficiency (productivity), and market-based organisational growth.

Theoretical Review

Resource Based Theory serves as the study's foundation. (RBT). Instead of focusing on the competitive environment to uncover sources of competitive advantage, RBT contends that organisations should look within. Wernerfelt (1984), initially created a theory of competitive advantage based on the assets that companies create or obtain in order to carry out their product market strategy. The fundamental contribution of Wernerfelt (1984), was the realisation that organisations can gain an edge in product market strategy implementation by recognising the importance of organization-specific resources and competitiveness amongst organisations depending on resource availability (Grant, 2010).

All components that an organisation makes available to people completing creative jobs are referred to as resources (Grant, 2010). These resources can include the right kind of funding, supplies, equipment, expertise, information, time to create original work in the field, and training (Grant, 2010). The idea offers an additional perspective on innovation by analysing how resources might generate competitive advantage through tailored inventive methods that boost output and expansion. An organization's competencies and resources are the main factors taken into account when developing its strategy. According to Grant (2010), these elements serve as the foundation for an organization's identity and strategy, as well as the fundamental drivers of its profitability. Understanding the connections between resources, capabilities, competitive advantage, and profitability as well as the mechanisms via which competitive advantage can be maintained over time are essential to a resource-based approach to innovation strategy.

To do this, tactics that maximise the organization's distinctive qualities must be designed.

Nevertheless, despite the benefits provided by the RBV, critics of the theory have argued that it is overly optimistic about its potential benefits, particularly in light of the theory's deficiency in generalizability and definitional problems. Despite the fact that the RBV is self-verifying, this justification is circular and functionally flawed (Priem & Butler, 2001).

Empirical Review

Olatunle and Gumus (2023), investigated the impact of innovation strategies on small and medium enterprises (SMEs) performance in Kaduna State, Nigeria using a cross-sectional survey method. Data collection was

conducted from 338 small and medium-sized enterprise (SME) owners in Kaduna North and Kaduna South using Krejcie and Morgan (1970), sample size determination table. A convenience sampling technique was used to select specific SMEs from each LGA and a self-administered questionnaire was used. Using multiples regression for data analysis, the findings reveal that process and product innovations positively influence SMEs performance, while technological innovation has a negative impact, suggesting a need for technological overhaul in SMEs. The variables included that relates to the present study are process and technology innovation and the focus on SMEs open a gap for further study.

The impact of open innovation practices on SME performance, the mediating role of innovation strategy in this relationship, and the relationship between absorptive ability and incoming and outgoing open innovation practices were all examined by Carrasco-Carvajal et al. (2023). Partial Least Squares-Structural Equation Modelling (PLS-SEM) was used in the study to examine the correlations. Interviews with 194 managers of manufacturing SMEs in Chile with a particular employee range of 10 to 250 were used to gather empirical data. In SMEs, both inbound and outbound open innovation practices and absorptive capacity were mediated by innovation strategy. It has been demonstrated that open innovation methods enhance SME performance. The study limited the generalizability of the findings to SMEs in other industries or areas by focusing exclusively on manufacturing SMEs in Chile with a defined employee range. Furthermore, there can be specific restrictions when using PLS-SEM as the main analytical technique in comparison to other statistical techniques, which could have an effect on the analysis's depth.

Osintsev and Khalilian (2023), investigated how organisational performance in hospitals in the public and commercial sectors is affected by innovation and strategic planning. Approximately 72.41% of the 63 surveys that were gathered were completed. To look at the associations between the variables, SEM-PLS was used. The findings show that innovation has a beneficial effect on organisational performance. The study's innovation variables were not well defined, and the industry it was employed in called for more research. Gošnik, et al. (2023), investigated the connection between performance, a company's customer-facing innovation strategies, and shifts in the external business environment. 3007 SMEs make up the population of the empirical study, while 163 SMEs make up the sample. For data analysis, the structural equation modelling (SEM) method was applied. According to the findings, modifications to a company's external environment have an impact on its customer strategy, which in turn has an impact on the company's performance. According to the empirical study, companies that employ the differentiation approach outperform those that use any other strategy in terms of ROA, EVA, and CR. The study's limitations were from its scope and industry.

Using a desk study review methodology, Manji and Laghari (2022), identified key themes about the influence of strategic innovation on the corporate performance of organisations by reviewing pertinent empirical research. The results showed that innovation significantly and favourably impacted organisations' corporate success. An empirical investigation is necessary since the study lacks an empirical component. Guyo and Thoronjo (2022), used a descriptive study methodology, a target population of 200 employees, a sample size of 80, and the chi square test to investigate the impact of process innovation strategies on organisational performance in Isiolo County

Referral Hospital, Kenya. Data gathering methods included the use of both closed- and open-ended questionnaires. The results of the study showed a strong correlation between organisational success and process innovation techniques. Thus, the study concludes that innovation initiatives have a significant impact on organisational performance. The study's robustness and the need for additional research are limited when process innovation and chi-square are the only methods used. Amar (2015), studied how a company's operating performance was affected by its strategy for product diversification. The study, which used a survey approach with a sample of 75 respondents, focused on the industrial of SMEs in South Sulawesi, Indonesia. Questionnaires were used to gather the data, which was then processed using the path analysis method. The findings demonstrate that the vertical and horizontal product diversification approach has a substantial and detrimental impact on SMEs' operational performance. As a result, while strategy is covered in the study, few predicted factors are included, and the sample size is too small to allow for generalisation. Adimo (2018), investigated the connection between Sameer Africa Kenya's organisational performance and its tactics for product differentiation. Questionnaires that respondents self-administered were used to gather primary data. The study discovered a favourable correlation between organisational success and product differentiation strategy. Generalisation was challenging because the study's population, sample, and data processing methods were unclear.

METHODOLOGY

The descriptive survey design was used for this study. This is because it describes the characteristics of the respondents via

responses collected. The population of the study consists of top management staff of all DMBs in Abuja, FCT. The research population comprises the senior employees of all DMBs in FCT Abuja totalling about 899. The Sample was determine using multistage sampling procedure. First five banks were randomly selected from the DMBs in Abuja. They include First bank, Access bank, Unity bank, Guarantee trust bank and Zenith bank. Second, the respondents who are senior employees were randomly selected using Taro Tamane formula. The Taro Yamane sample size determination technique (1967), which was improved by Smith (2008), was used to determine the sample size:

$$n = \frac{N}{3 + N(e)^2}$$

Where; N= Population size; n= Sample size;
e= Error of Margin (0.05)

$$n = \frac{899}{3 + 899(0.05)^2} = 171$$

Because there were 899 management staff members in the population overall, the sample size was estimated to be 171, and the distribution was random, with a 0.05 or 5% confidence interval error. Guarantee Trust Bank (number 52), First Bank of Nigeria (number 58), United Bank of Africa (number 23), Access Bank (number 17), and Zenith Bank (number 21) make up the proportionate sample size.

The primary source of the data was a structured questionnaire meant to gather information about respondents' originality. The questionnaire's Likert scale, which is calibrated and has scores of 5, 4, 3, 2, and 1, ranges from strongly Agree, Agree, Undecided, Disagree to Strongly Disagree. A total of 171 copies of the questionnaire were distributed, and 170 were returned. The returned copies were used for data analysis. Professionals evaluated the instrument's face validity, and the Cronbach's Alpha test was utilised to determine the reliability coefficient. Table 1 displays Cronbach's Alpha test results that range from 0.7094 to 0.8548, all of which are higher above the 0.7 threshold suggested by Nunnally (1978), and attest to the instrument's dependability

Table 1: Reliability test for Innovation Strategy and MDBs Performance

Scale	Dimensions	Items	Cronbach's Alpha	Remark
TI	Technology Innovation	5	0.7094	Acceptable
CI	Collaborative Innovation	5	0.8033	Acceptable
PI	Process Innovation	6	0.8548	Acceptable
OP	MDBs Performance	6	0.8262	Acceptable

Source: Researcher's computation via Stata, 2024

The data was analysed using multiple regression analysis with the help of Stata13, as well as descriptive and inferential statistics via mean, standard deviation, minimum, and maximum. The regression analyses the relationship between the independent and dependent variables. The model for the OLS

is: $OP = \alpha + \beta_1 TI + \beta_2 CI + \beta_3 PI + \epsilon$. Where: TI= Technology innovation; CI = Collaborative innovation; PI = Process innovation; α = Intercept; $\beta_1 \dots \beta_3$ = coefficient of determination; ϵ = Error term; OP= Organizational Performance.

RESULTS AND DISCUSSIONS

Descriptive Statistics

The true nature or picture of data collected is presented by the descriptive statistics.

Table 3: Summarize of TI, CI, PI, AND OP

Variable	Obs	Mean	Std. Dev.	Min	Max
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TI	170	2.690196	.3759106	1.333333	3.777778
CI	170	4.101176	.5449052	1	5
PI	170	4.010784	.6517422	1	5
OP	170	3.965599	.4496828	1.061728	4.790123
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Source: Research Computation from Stata, 2024

Table 3 presents the descriptive results for Technology Innovation (TI), Collaborative Network (CI), Process Innovation (PI), and Organizational Performance (OP). The result shows that Technology Innovation (TI) has a Mean: 2.690196, Std. Dev.: 0.3759106, Min: 1.333333, and Max: 3.777778. The mean of 2.69 suggests a moderate level of technology innovation among DMBs in Abuja. The standard deviation of 0.38 indicates relatively low variability in responses among the respondents. Collaborative Innovation (CI) Mean is 4.101176, Std. Dev is 0.5449052, Min of 1, and Max of 5. With a mean of 4.10, collaborative networking appears to be quite high among the DMBs in Abuja. The standard deviation of 0.54 suggests moderate variability in responses. Process Innovation (PI) has a Mean of 4.010784, Std. Dev. of 0.6517422, Min of 1, and Max of 5. The mean of 4.01 indicates a high level of process innovation among the MDBs in Abuja and the standard deviation of 0.65 shows more variability in responses compared to TI and CI. Organizational Performance (OP) has a Mean of 3.965599, Std. Dev. of 0.4496828, Min: 1.061728, and Max of 4.790123. With a mean of 3.97, organizational performance is reported as relatively high among the DMBs

in Abuja. The standard deviation of 0.45 suggests moderate consistency in responses among respondents.

The results from the data suggests that DMBs in Abuja are more focused on collaborative networks and process innovation than technology innovation. This could imply that they prioritize partnerships and internal process improvements over technological advancements. The lower mean for technology innovation (2.69) compared to other variables might indicate a potential area for improvement. Organizations might benefit from increasing their focus on technological innovations. Also, the high mean for organizational performance (3.97) aligns well with the high means for CI (4.10) and PI (4.01). This suggests that the emphasis on collaborative networks and process innovation may be contributing positively to organizational performance. In conclusion, the data implies that the surveyed DMBs are performing well, with a strong focus on collaborative networks and process innovation. However, there might be an opportunity to enhance technology innovation efforts to potentially drive even better organizational performance.

Table 4 Spearman's Correlation between TI, CI, PI, and OP

	TI	CI	PI	OP
TI	1.0000			
CI	0.2421	1.0000		
PI	0.2489	0.5647	1.0000	
OP	0.2566	0.5696	0.5576	1.0000

Source: Research Computation from Stata, 2024

Table 4 present result for the correlation analysis between Technology Innovation (TI), Collaborative Innovation (CI), Process Innovation (PI), and Organizational Performance (OP). It shows that TI (Technology Innovation) has weak positive correlations with CI (0.2421), PI (0.2489), and OP (0.2566), CI (Collaborative Network) has moderate positive correlation with PI (0.5647) and OP (0.5696), PI (Process Innovation) has moderate positive correlation with OP (0.5576), and OP (Organizational Performance) has moderate positive correlations with CI (0.5696) and PI (0.5576), and weak positive correlation with TI (0.2566).

The weak correlations between TI and other variables suggest that technology innovation has a limited relationship with collaborative networks, process innovation, and organizational performance in this context. This could imply that the organizations might not be fully leveraging technological innovations to enhance their networks, processes, or overall performance. Also, the moderate positive correlation (0.5647) between CI and PI suggests that organizations with stronger collaborative innovations tend to have better process innovation, or vice versa. This implies that

fostering collaborations might lead to improvements in process innovation, or that process innovations might enhance collaborative capabilities. More so, CI and PI show the strongest correlations with OP (0.5696 and 0.5576 respectively), indicating that both collaborative innovations and process innovations have a moderate positive relationship with organizational performance suggesting that focusing on improving collaborative innovations and process innovations could potentially lead to better organizational performance.

Holistically, the moderate correlations between CI, PI, and OP imply that a balanced approach to these aspects of innovation might be most beneficial for organizational performance and the weak correlation between TI and OP (0.2566) compared to the moderate correlations of CI and PI with OP suggests that there might be a gap in how technology innovation is being utilized or implemented to drive organizational performance. However, these results suggest that while all forms of innovation have positive relationships with organizational performance, collaborative innovations and process innovations appear to have stronger associations with performance compared to technology innovation.

Table 5: Regression Result

Source	SS	df	MS	Number of obs = 170		
				F(3, 166) = 74.90		
Model	19.6540457	3	6.55134857	Prob > F = 0.0000		
Residual	14.5202297	166	.087471263	R-squared = 0.5751		
				Adj R-squared = 0.5674		
Total	34.1742754	169	.202214647	Root MSE = .29576		
OP	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
TI	.1213339	.0655929	1.85	0.066	-.00817	.2508378
CI	.3734696	.0569249	6.56	0.000	.2610796	.4858597
PI	.2250798	.0480125	4.69	0.000	.1302859	.3198738
_cons	1.204776	.2057689	5.85	0.000	.7985142	1.611037

Source: Research Computation from Stata, 2024

Table 5 present the regression result of Organizational Performance (OP) as the dependent variable and Technology Innovation (TI), Collaborative Innovations (CI), and Process Innovation (PI) as independent variables. The result shows the model Fit, F-statistic (3, 166) = 74.90, $p < 0.0000$. This means the model is statistically significant, indicating that the independent variables collectively have a significant effect on the performance of DMBs in Abuja. The R-squared of 0.5751, Adjusted R-squared of 0.5674 suggest that approximately 57.51% of the variance in organizational performance is explained by the three independent variables. With an R-squared of 0.5751, there's still 42.49% of the variance in Organizational Performance unexplained by this model, indicating other factors not included in this analysis also play a role in determining organizational performance.

More so, the individual variable effects are that Technology Innovation (TI) Coefficient of 0.1213339 indicate that for every unit increase in TI, OP is expected to increase by 0.1213339 units, holding other variables constant. Collaborative I (CI) has Coefficient of 0.3734696, indicating that for every unit increase in CI, OP is expected to increase by

0.3734696 units, holding other variables constant. Process Innovation (PI) has a Coefficient of 0.2250798 indicating that for every unit increase in PI, OP is expected to increase by 0.2250798 units, holding other variables constant. The constant (1.204776) represents the expected value of OP when all independent variables are zero.

Furthermore, Innovation (TI) has a p-value of 0.066 and a corresponding T-value value of 1.85 which implies that it is marginally significant at $\alpha = 0.10$. Thus, H_{01} which states that technological innovation strategy has no significant influence on the performance of DMB is rejected at 10% level of significant. Also, Collaborative Innovation (CI) has a p-value of 0.000 and a T-value of 6.56 resulting to the rejection of H_{02} that collaborative innovation strategy has no significant impact on the performance of DMB. Similarly, H_{03} which states that process innovation strategy has no significant influence on the performance of DMB is rejected because of the p-value of 0.000 and the corresponding T-value of 4.69.

The means that collaborative network and process innovation have highly significant positive effects and technology innovation

has a marginally significant positive effect on the performance of MDBs in Abuja. These results are similar to the findings of Olatunle and Gumus (2023) which discovered that process and product innovations positively influence SMEs performance; Carrasco-Carvajal et al, (2023) that open innovation practices were shown to improve SME performance; and Osintsev and Khalilian (2023) that organizational performance is positively impacted by innovation. The finding is also analogue to the conclusion of Gošnik, et al. (2023) that innovation strategy via differentiation results to higher performances (ROA, EVA, and CR); Manji and Laghari (2022) that innovation had positive and significant influence on the corporate performance of businesses; and Guyo and Thoronjo (2022) that innovation strategies greatly influence organizational performance. However, finding is dissimilar with the result of Olatunle and Gumus (2023) which discovered that technological innovation has a negative impact.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that innovation strategies (technological, collaboration network and process innovation strategies) have positive and significant effect on the performance of DMB in Abuja, Nigeria. The study recommended based on the findings and conclusion that: (i) Managements of DMB in Abuja ensure that there are regular provisions of technological innovative devices such as POS, mobile banking etc, to further boost performance of the banks. (ii) Managements of DMBs should also support and further collaborative network relationship with relevant organization and other financial Houses as well as CBN so as to benefits their external factors and maintain competitive advantage. (iii) The managers of DMBs should continue and improve on their process

innovations so as to improve their overall performances.

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