STRATEGIC RENEWAL, ENVIRONMENTAL DYNAMISM AND COMPETITIVE FINANCIAL PERFORMANCE OF DEPOSIT TAKING SACCOS IN KENYA

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ABSTRACT

Strategic renewal is a change process adjusting a firm's strategic direction to achieve long-term competitiveness. This process aligns the organization's internal capabilities with shifts in the external environment, driven by changes in technology, markets, industries, and the economy. The objective of this study was to establish the influence of Strategic Renewal on the competitive financial performance of Deposit Taking Saccos (DTS) in Kenya. The study also sought to determine how environmental dynamism moderates this relationship. Anchored on the ambidexterity theory of leadership for innovation the study was a pragmatic study of 715 Senior Head Office staff and 159 branch managers from 62 DTS from which a sample of 278 participants was derived. A semi-structured questionnaire having both closed and open-ended questions was used to collect primary data from the respondents, while secondary data was obtained from the Sacco Societies Regulatory Authority (SASRA's) Annual Sacco Supervision Reports for the years 2017-2021. Data was analyzed using binary logistic regression which revealed that Strategic Renewal was a positive and significant predictor of the probability of competitive financial performance in DTS. It also established that Environmental Dynamism did not have a significant moderating effect on this relationship. The study encourages DTS to continuously redefine their strategic intent, enhance their HR competence, build organization-wide commitment to competitiveness, and establish strategic partnerships with key public and private sector organizations in order to remain competitive. Further, the study strongly recommends that although DTS ought to pay attention to customer tastes and preferences, changes in technology as well as competitor strategies, they should be careful not to deviate from their traditional business model.

Key Words: Strategic Renewal, Competitiveness, Environmental Dynamism, Saccos

INTRODUCTION

Since the 20th century, technological advancements have led to new entrants displacing existing market leaders. However, evidence indicates that incumbent firms can resist this through strategic renewal, thereby enhancing their performance and shaping the future of entire industries. Although startups often dominate new market entries, established organizations that undergo renewal achieve greater success in terms of survival and performance (Echambadi, Bayus, & Agarwal, 2008; Helfat & Lieberman, 2002).

Tanya and McGee (2015) define strategic renewal as a change process that aligns a firm's strategic direction with shifts in the external environment, driven by technological, market, industry, and economic changes. This process involves redefining the organization's mission and creatively reorganizing resources to foster innovation in products and technologies. Strategic renewal revitalizes the business, alters its scope and competitive approaches, and enhances shareholder value. Key characteristics of strategic renewal include significantly affecting long-term prospects, refreshing or replacing organizational attributes, and providing a foundation for future growth and development (Helfat & Agarwal, 2009).

Kuratko (2017) emphasizes that top-level managers shape the strategic entrepreneurial context, overseeing and supporting innovations in processes, products, and administration. First-line and mid-level managers execute and implement these initiatives, playing a critical role in the entrepreneurial process. Without strong and sustained commitment from managers at all levels, any strategy is likely to fail.

Strategic renewal can occur as discontinuous transformations, such as major changes in technology or customer demand, fundamentally altering strategy and organization (Floyd & Lane, 2000). Alternatively, incremental renewal helps firms gradually adapt to external changes, reducing the need for larger transformations. Both continuous and discontinuous renewals can lead to significantly different strategies and organizational structures.

In the financial sector, credit unions or financial cooperatives, known as Savings and Credit Co-operative Societies (SACCOs) in Africa, provide financial services to members. Deposit-taking SACCOs (DTS) serve members and accept public deposits. Heightened competition, regulatory changes, customer demands for quality services, and rapid technological shifts have necessitated strategic re-evaluation among DTS to avoid closure. Enhancing efficiency, customer convenience, reliability, and accessibility is crucial for earning public confidence (Ozturk & Coskin, 2014; SASRA, 2017). Thus, strategic renewal is essential for DTS to remain competitive in a dynamic environment.

Research Problem

A survey by Financial Sector Deepening in Kenya, funded by UK Aid, revealed Saccos were largely illiquid, insolvent, lacking effective controls, and failing to monitor loan delinquency (KUSCCO, 2021). For example, Mwalimu National Sacco lost over 2 billion shillings in Spire Bank and half a billion in a slow-return housing project (Michira, 2019). Moi University Sacco's 500 million investment in MUSCO Towers failed, leading to its auction and license withdrawal due to 1.2 billion liabilities (Ochieng', 2020). Kates and Galbraith (2013) warned that repeated structural changes offer little benefit and create cynicism. A study on how Strategic Renewal impacts the financial competitiveness of DTS was necessary so that its findings could inform Saccos accordingly thereby preventing further losses that could derail the confidence of the public in financial cooperatives. Additionally, Besides, Kenya's Vision 2030 of being vibrant and globally competitive economy that will create jobs and promote savings will be in jeopardy.

Objectives of the Study

- To determine the influence of Strategic Renewal on the Competitive Financial Performance of Deposit Taking Saccos in Kenya.

- To examine the moderating influence of Environmental Dynamism in the relationship between Strategic Renewal and the Competitive Financial Performance of Deposit Taking Saccos in Kenya.

LITERATURE REVIEW

Ambidexterity Theory of Leadership for Innovation

This theory is founded on the works of Duncan (1976), who posited that organizational ambidexterity is a firm's ability to align itself and be efficient in the management of current business demands yet being able to adapt to changes occurring within and without the organization (Zacher & Rosing, 2015). March (1991), furthered Duncan's concept by describing organizational ambidexterity as balancing exploration and exploitation; that is a quality of being both adaptable and creative yet maintaining traditional, conventional or proven methods of doing business. In his view, exploration involves processes like risk-taking, flexibility, experimentation, discovery, variation, search and innovation. Exploitation on the other hand involves choice, selection, refinement, production, efficiency, implementation and execution.

The keyword in ambidexterity is that not only should an organization renew itself by creating breakthrough processes and products, but it should do so without necessarily destroying or hindering its traditional or conventional business models. This theory resonates with this study in that despite the fact that Saccos ought to juggle with environmental and competitive forces entrepreneurially, they must needs not digress from the traditional principles of cooperatives. They must apply both exploration and exploitation at the same time. Other than traditional cooperative principles, they must also adhere to the regulations set by government and other stakeholders in the cooperative movement.

Empirical Review

Using 100 years of data across 22 industries, Echambadi et al. (2008) show that large diversifying entrants played a significant role in creating new industries. Diversifying entrants benefit directly from their scale and pre-entry experience (Klepper and Simons 2000). Chen et al. (2008) document their advantage, relative to entrepreneurial startups, in overcoming the challenges of growth and withstanding subsequent technological shocks, in part due to their prior experience in the reconfiguration of resources and capabilities that enabled diversified entry (Helfat and Raubitschek 2000). Diversifying entrants also play an important role in shaping the subsequent evolution and growth of new industries through investments they make in developing the necessary infrastructure and complementary assets (Agarwal and Bayus 2002) and enhancing the legitimacy of the industry (Baum and Oliver 1991, Haveman 1994).

In a study on strategic renewal and its impact on performance in the banking industry, Sudhartio and Kusuma (2020) found that renewal enabled banks to remain ahead of the competition, gain competitive advantage translating to superior performance. Strategic renewal also provides long-term success for corporate organizations. Sawaean and Ali (2020) studied the impact of strategic renewal, from the perspective of learning orientation and entrepreneurial leadership in relation to performance of Small and Medium Enterprises (SME) in Kuwait, with capacity to innovate as a moderator. It indicated that learning orientation and entrepreneurial leadership positively and significantly affected performance of organizations. Further, innovation capacity mediated significantly in the relationship.

Paudel (2019) studied strategic renewal in terms of entrepreneurial leadership and organizational innovation in relation to performance of businesses in Pokhara valley, Nepal. Findings showed that the association between entrepreneurial leadership, organizational innovation and business performance was positive and significant. Further, organizational innovation mediated significantly in the association between entrepreneurial leadership and business performance. In Malaysia, Rahim, Abidin, Mohtar, and Ramli (2015) studied the effect

of strategic renewal in terms of entrepreneurial leadership towards organizational performance of SME in Malaysia. The study established that entrepreneurial leadership and organizational performance had a positive and significant association.

Supartha and Saraswaty (2019) studied the impact of strategic renewal brought about by entrepreneurial leadership on performance of financial cooperatives in Indonesia. The study found that entrepreneurial leadership had a significant effect on organizational performance. In China, Yixu (2020) studied the influence of strategic renewal on organizational performance of SMEs. Strategic renewal was studied in terms of learning ability and entrepreneurial leadership. The study considered different learning abilities and leadership styles against performance of organizations. Results showed that transformative leadership correlated positively and significantly with organizational

growth, learning ability and financial performance. The study also found that transactional leadership correlated positively with growth and learning ability as well as financial performance.

METHODOLOGY

The study was a pragmatic study of 715 Senior Head Office staff and 159 branch managers from 62 Deposit Taking Saccos (DTS) from which a sample of 278 participants was derived. A semi-structured questionnaire having both closed and open-ended questions was used to collect primary data from the respondents, while secondary data was obtained from the Sacco Societies Regulatory Authority (SASRA's) Annual Sacco Supervision Reports for the years 2017-2021. Data was analyzed using binary logistic regression, the results of the analysis being presented in the form of odds ratio, that is the probability to for the DTS being either competitive financially or not competitive when Strategic Renewal was applied.

RESULTS

Strategic Renewal in Deposit Taking Saccos
Table 1
Status of Strategic Renewal Implementation

	Strategy implemented		Strategy not implemented		
Strategic Renewal parameters	N	%	N	%	Total
Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission)	168	88	23	12	191
Management commitment to enhancing HR competence	170	89	21	11	191
Organization-wide commitment by employees to competitiveness	161	84	30	16	191
Establishment of partnerships with key public and private sector organizations	169	94	88	12	191

Table 1 shows the state of implementation of Strategic Renewal and its parameters. It shows continuous redefinition of strategic intent at 88%; management commitment to enhancing HR

competence at 89%; organization-wide commitment by employees to competitiveness at 84%; and establishment of partnerships with key public and private sector organizations at 94%.

Table 2

Most effective factors in Strategic Renewal

Strategic Renewal factors	Frequency	Percent
1. Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission)	42	22.0
2. Management commitment to enhancing HR competence	65	34.0
3. Organization-wide commitment by employees to competitiveness	28	14.7
4. Establishment of partnerships with key public and private sector organizations	56	29.3
Total	191	100.0

Source: Research data (2023)

The study inquired which of the four strategic renewal parameters was the most influential. Table 2 shows that majority, 34%, cited management commitment to enhancing HR competence. This is in tandem with Bakri (2017) who posited that an organization should never expect to meet its objectives if it does not have talented, skilled and efficient employees with the needed intellect to get the work done. 29.3% cited establishment of partnerships with key public and private sector organizations, 22% cited continuous redefinition of strategic intent while the remaining 14.7% cited organization-wide commitment by employees to competitiveness.

Environmental dynamism

Environmental dynamism was studied as a function of change in technology, change in the tastes and preferences of members and customers and change in competitor strategies.

Table 3

Status of the Impact on Environmental Dynamism on Strategic Renewal Implementation

Environmental Dynamism parameters	Change affected strategy		Change did not affect strategy		
	N	%	N	%	Total
Changes in the tastes and preferences of Sacco's customers and members	165	86.4	26	13.6	191
Technological changes	161	84.3	20	10.5	191
Change in competitor strategies	166	86.9	25	13.1	191

Source: Research data (2023)

Table 3 shows the perceived impact of Environmental dynamism on the Sacco's quest for competitive financial performance through strategic renewal. Changes in competitor strategies had the greatest impact at 86.9% with changes in the tastes and preferences of my Sacco's customers and members trailing at 86.4%. Technological changes came third at 84.3%.

Table 4

Most effective factors in Environmental Dynamism

Environmental Dynamism factors	N	%	Total
Changes in the tastes and preferences of Sacco customers and members	66	34.6	191
Technological changes	38	19.9	191
Change in competitor strategies	87	45.5	191

Source: Research data (2023)

The study inquired which of the three Environmental dynamism parameters was perceived to be the most influential. Table 4 shows that majority, 45.5%, cited Change in competitor strategies. 34.6% cited Changes in the tastes and preferences of Sacco customers and members; while the remaining 19.9% cited Technological changes.

Determination of Competitive Financial Performance

The dependent variable for this study was competitive financial position. To begin with, financial position was measured on the basis of asset base, deposits and turnover. Therefore, competitive financial position was determined on the basis of the turnover, deposits and asset base of the selected Saccos relative to the respective averages in the Sacco industry over the 2017-2021 period.

Table 5

Average Financial Performance of Deposit Taking Saccos in Kenya (2017-2021)

	2021	2020	2019	2018	2017	Total	Average
Annual Average Turnover (millions)	617	492	464	371	362	2,307	461
Annual Average deposits (millions)	2,694	2,464	2,212	1,965	1,755	11,092	2,218
Annual Average assets (millions)	3,927	3,587	3,237	2,846	2,542	16,138	3,228
Number of Registered DT Saccos	176	175	172	174	174		

Source: Sasra (2017-2021 Annual Sacco Supervision Reports)

Table 5 shows the average annual performance of the DTS in Kenya over the 2017-2021 period. DT Saccos whose average turnover, deposits and assets were greater than or equal to the industry average of Kshs. 461 millions, Kshs. 2,218 millions and Kshs. 3,228 millions respectively were categorized as competitive while those that fell below were less were counted as 'not competitive'. Thus, the dependent variable was a categorical variable, where observations either fell in the competitive group, or the 'not competitive' group. Interestingly, only the DTS that were competitive on asset base, were the same that were competitive on deposits and were the same that were competitive on turnover.

Since the dependent variable is dichotomous, the results of the analysis was presented in the form of odds ratio, that is the probability to fall in one or the other group. A dichotomous dependent variable meant that the data would only be analyzed using Binary Logistic regression method. Being that a dichotomous dependent variable violates all the assumptions of normality, multicollinearity and homoscandesity and the test for parallel lines hence, there was no need to conduct the test for these assumptions. Further, the error terms (residuals) do not have to be normally distributed.

Inferential Statistics of Analysis of Research Variables

Using empirical data collected in this research, this section analyses the relationships between the research variables Strategic Renewal, demonstrated in four constructs- continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission); management commitment to enhancing HR competence; organization-wide commitment by employees to competitiveness; and establishment of partnerships with key public and private sector organizations; and Competitive Financial Performance.

Four binary logistic regression models have been applied with the first model being an analysis of the four-dimensional constructs of strategic renewal in relation to Competitive financial performance of DTS. The second model is an analysis of the four-dimensional constructs of strategic renewal in relation to Competitive financial performance of DTS, when environmental dynamism was

introduced. The third model was an analysis of the combined effect of the four-dimensional constructs of strategic renewal in relation to Competitive financial performance of DTS. The fourth and last model is an analysis of the combined effect of the four-dimensional constructs of strategic renewal in relation to Competitive financial performance of DTS when environmental dynamism was introduced.

Classification table for Beginning block, variables not in the equation

Table 6

Classification Table^a

			Predicted		
			Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461		Percentage
	Observed		0	1	Correct
Step 1	Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461	0	0	55	0
		1	0	136	100
	Overall Percentage				71.2

a. Constant is included in the model

b. The cut value is .500

Source: Research data (2023)

The classification Table 6 for the null model indicates how well the model was able to predict the correct category (whether competitive or not competitive) before the predictors were added into the study. The overall percentage accuracy of the model was 71.2%, that is how well the model was able to give correct predictions. The suitability of the model is demonstrated if the overall percentage accuracy of the model increases once the predictors are added to the model.

Model 1 for Strategic Renewal parameters and Competitive Financial Performance of Deposit Taking Saccos in Kenya

The model demonstrated the relationship between the predictors/Strategic Renewal parameters – that is, continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission); management commitment to enhancing HR competence; organization-wide commitment by employees to competitiveness; and establishment of partnerships with key public and private sector organizations - and the outcome (Competitive Financial Performance). It presents the odds for being either competitive or not competitive as well as how statistically significant the odds were. If odds ratio was greater than 1, the probability of falling in the 'competitive' group was greater than the probability of falling in the 'not competitive' group. If the odds ratio was less than 1, the probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 7

Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step	9.881	4	.042
Block	9.881	4	.042
Model	9.881	4	.042

Source: Research data (2023)

Table 7 presents the Omnibus Test of Model coefficients, which is a test of model fit in which significance implies that the model is a good fit for the data. In this test the probability value was p=0.042. Since the probability is less than the 0.05 threshold, then it means that the model adequately describes the data, or rather the model fits the data well.

Table 8

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	219.439[a]	.050	.072

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Source: Research data (2023)

Table 8 presents the model summary with the -2 Log likelihood as well as the Cox & Snell R Square as well as the Nagelkerke R Square which are basically pseudo-R squares for the relationship between the dependent variable and the independent variables. Conventionally, the Nagelkerke R Square is preferred since it ranges from 0 to 1, unlike the Cox & Snell R Square. Thus the 0.072 value of R-square implies that about 7.2% variation in the dependent variable is determined by the independent variable. The model summary gives the pseudo R^2 which is technically not very useful in interpreting technical variations between the dependent and independent variables in this case of Binary Logistic Regression. Thus, this cannot be depended on because the relationship between the variables is not linear.

Table 9

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	1.859	3	.602

Source: Research data (2023)

Table 9 presents the Hosmer and Lemeshow Chi-square Test, which is another test for the goodness of fit of the model on the data in which non-significance implies that the model is a good fit for the data. The significance or probability value was 0.602, and so being greater than 0.05 confirms that the model is a good fit of the data.

Table 10

Contingency Table for Hosmer and Lemeshow Test

		Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461 = 0		Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461 = 1		Total
		Observed	Expected	Observed	Expected	
Step 1	1	12	12.000	9	9.000	21
	2	7	7.076	13	12.924	20
	3	6	3.948	8	10.052	14
		3	3.991	13	12.009	16
	4	27	27.985	93	92.015	120

Source: Research data (2023)

The goodness of fit is confirmed by the contingency Table 10 for Hosmer and Lemeshow Test in that it shows that the values are almost equal for both the observed and the predicted values.

Table 11

Classification Table[a]

| | | | Predicted | | |
| | | | Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461 | | Percentage |
	Observed		0	1	Correct
Step 1	Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461	0	12	43	21.8
		1	9	127	93.4
	Overall Percentage				72.8

a. The cut value is .500

Source: Research data (2023)

The classification table 11 indicates how well the model is able to predict the correct category (whether competitive or not competitive) once the predictors are added into the study. The specificity of the model as being able to predict that the observation falls in the not competitive group (Y=0) is 21.8% while the sensitivity of the model, i.e., the model's ability to predict that the observations fall in the competitive group (Y=1) is 93.4%. Thus, the model has a low specificity and a high sensitivity. The overall percentage accuracy of the model is 72.8%, that is how well the model is able to give correct predictions.

Table 6 showed that without the predictors, the overall percentage accuracy of the model was at 71.2% and with the predictors the overall percentage accuracy of the model was at 72.8% implying that there was an improvement of the null model once the predictors were added. The classification table is particularly important in that it provides an indication of how well the model is able to predict the correct category once the predictors (independent variables) are added into the study. Comparing this classification to the one in Block zero shows whether or not there is an improvement in the classification when predictors are added.

Table 12

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Odds Ratio
Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission)	.488	.477	1.045	1	.307	1.628
Management commitment to enhancing HR competence	1.284	.496	6.689	1	.010	3.611
Organization-wide commitment by employees to competitiveness	.256	.449	.324	1	.569	1.292
Establishment of partnerships with key public and private sector organizations	.089	.511	.030	1	.862	1.093
Constant	-.926	.775	1.427	1	.232	.396

Source: Research data (2023)

Results in Table 12 show that:

Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission) was a positive and insignificant

(B=0.488, S. E=0.477, p=0.307) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in continuous redefinition of strategic intent, the odds of competitive financial performance changed by a factor of 1.628, implying that the odds increased.

Management commitment to enhancing HR competence was a positive and significant (B=1.284, S. E=0.496, p=0.010) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in management commitment to enhancing HR competence, the odds of competitive financial performance changed by a factor of 3.611, implying that the odds increased.

Organization-wide commitment by employees to competitiveness was a positive and insignificant (B=0.256, S. E=0.449, p=0.569) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in organization-wide commitment by employees to competitiveness, the odds of competitive financial performance changed by a factor of 1.292, implying that the odds increased.

Establishment of partnerships with key public and private sector organizations was a positive and insignificant (B=0.089, S. E=0.511, p=0.862) predictor of the probability of Competitive Financial Performance, with odds ratio indicating that for every one unit increase in establishment of partnerships with key public and private sector organizations, the odds of competitive financial performance changed by a factor of 1.093, implying that the odds increased.

Model 2 for Strategic Renewal parameters, Environmental Dynamism and Competitive Financial Performance of Deposit Taking Saccos

This second model considered the relationship between Strategic Renewal parameters – that is, continuous redefinition of strategic intent; management commitment to enhancing HR competence; organization-wide commitment by employees to competitiveness; and establishment of partnerships with key public and private sector organizations with competitive financial performance when environmental dynamism was introduced.

The model presents the odds for being either competitive or not competitive as well as how statistically significant the odds were. If odds ratio was greater than 1, the probability of falling in the 'competitive' group was greater than the probability of falling in the 'not competitive' group. If the odds ratio was less than 1, the probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 13

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Odds Ratio
Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission)	.615	.486	1.600	1	.206	1.849
Management commitment to enhancing HR competence	1.414	.525	7.250	1	.007	4.114
Organization-wide commitment by employees to competitiveness	.308	.470	.429	1	.512	1.361
Establishment of partnerships with key public and private sector organizations	.249	.532	.219	1	.640	1.283
Environmental dynamism	-1.371	.448	9.385	1	.002	.254
Constant	.382	1.132	.114	1	.736	1.465

Source: Research data (2023)

Results in Table 13 show that, Continuous redefinition of strategic intent (Core business, business model, Goals and objectives, Vision, mission) was a positive and insignificant (B=0.615, S. E=0.486, p=0.206) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in continuous redefinition of strategic intent, the odds of competitive financial performance changed by a factor of 1.849, implying that the odds increased.

Management commitment to enhancing HR competence was a positive and significant (B=1.414, S. E=0.525, p=0.007) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in management commitment to enhancing HR competence, the odds of competitive financial performance changed by a factor of 4.114, implying that the odds increased.

Organization-wide commitment by employees to competitiveness was a positive and insignificant (B=0.308, S. E=0.470, p=0.512) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in organization-wide commitment by employees to competitiveness, the odds of competitive financial performance changed by a factor of 1.361, implying that the odds increased.

Establishment of partnerships with key public and private sector organizations was a positive and insignificant (B=0.249, S. E=0.532, p=0.640)

predictor of the probability of Competitive Financial Performance, with odds ratio indicating that for every one unit increase in establishment of partnerships with key public and private sector organizations, the odds of competitive financial performance changed by a factor of 1.283, implying that the odds increased.

Being that the effect and significance of the four Strategic Renewal parameters remained unchanged after the introduction of Environmental Dynamism, it implies that the moderating effect of Environmental dynamism on the relationship between each of the Strategic Renewal parameters and competitive financial performance of DTS was not significant.

Model 3 for Combined Strategic Renewal initiatives and Competitive Financial Performance of Deposit Taking Saccos

This third model considers the Strategic Renewal in its entirety and how it interacts with competitive financial performance. The model presents the odds for being either competitive or not competitive as well as how statistically significant the odds were. If odds ratio was greater than 1, the probability of falling in the 'competitive' group was greater than the probability of falling in the 'not competitive' group. If the odds ratio was less than 1, the probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 14

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Strategic Renewal	.808	.327	6.112	1	.013	2.243
	Constant	.429	.243	3.121	1	.077	1.536
a. Variable(s) entered on step 1: Strategic Renewal							

Source: Research data (2023)

Table 14 shows that overall, Strategic Renewal was a positive and significant (B=0.808, S. E=0.327, p=0.013) predictor of the probability of competitive financial performance, with odds ratio indicating

that for every one unit increase in Strategic Renewal, the odds of Competitive Financial Performance changed by a factor of 2.243, implying that the odds increased.

Model 4 for Combined Strategic Renewal initiatives, Environmental Dynamism and Competitive Financial Performance of Deposit Taking Saccos

This last model considers the Strategic Renewal in its entirety and how it interacts with competitive financial performance when environmental dynamism is introduced. The model presents the odds for being either competitive or not competitive as well as how statistically significant

the odds were. If odds ratio was greater than 1, the probability of falling in the 'competitive' group was greater than the probability of falling in the 'not competitive' group. If the odds ratio was less than 1, the probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 15

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
	Strategic Renewal	.931	.340	7.480	1	.006	2.537
Step 1[a]	Environmental Dynamism	-1.313	.433	9.189	1	.002	.269
	Constant	1.350	.411	10.775	1	.001	3.858
a. Variable(s) entered on step 1: Strategic Renewal, Environmental Dynamism							

Source: Research data (2023)

Table 15 shows that when considered together with Environmental Dynamism, Strategic Renewal was still a positive and significant (B=0.931, S.E=0.340, p=0.006) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in Strategic Renewal, the odds of Competitive Financial Performance changed by a factor of 2.537, implying that the odds increased.

Being that the positive and significant effect of Strategic Renewal remained unchanged after the introduction of Environmental Dynamism, it implies that the moderating effect of Environmental dynamism on Competitive Financial Performance of DTS was not significant.

CONCLUSION

This study found that Strategic Renewal had a positive and significant influence on the Competitive Financial Performance of Deposit Taking Saccos in Kenya. This finding largely agree with those of Oduor, Adoyo and Mule (2022) who indicated that audit committee characteristics accounted had a strong effect on financial performance and Wairegi and Waithaka (2020) who found that although SACCOs differed significantly in

knowledge creation, knowledge creation positively and significantly enhanced SACCO performance; and Ondwari (2020) who established that a positive and significant relationship existed between Debt restructuring and return on assets for the deposit taking Sacco's in Nairobi County.

RECOMMENDATIONS

The likelihood of a DTS being competitive financially increased with strategic renewal efforts. Thus, the study recommends that DTS should continuously redefine their strategic intent; have their management commit to enhancing HR competence; foster organization-wide commitment by employees to competitiveness; and establish partnerships with key public and private sector organizations. On the flipside, although DTS should renew and reposition themselves strategically, they should not be obsessed by it because environmental dynamism did not moderate significantly in the relationship. This implies that DTS should be more concerned with service to members, adherence to the principles of Cooperatives, as well as the exploitation of traditional/proven business models even as emphasized by the Ambidexterity Theory of Innovation.

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