Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 09 Issue 11 November 2026

Article DOI: 10.47191/jefms/v9-i11-08, Impact Factor: 8.735

Page No: 5885-5902

Dynamic Capabilities, Organizational Resilience, Digital Transformation and Organizational Performance of Deposit-Taking Saccos in Nairobi County, Kenya

Abraham Kiptalam Bureti[1], Ambrose Kemboi[2], Lydia Maket[3]

[1,2,3]Department of Management Science and Entrepreneurship School of Business and Economics, Moi University, Kenya

ABSTRACT: This study examined the influence of dynamic capabilities on the organizational performance of deposit-taking SACCOs in Nairobi County, Kenya, and tested the mediating role of organizational resilience and the moderating role of digital transformation. Given the importance of SACCOs and the various challenges they face from digital disruption and regulation, this study aims to investigate the impact of dynamic capabilities on the performance of SACCOs in Kenya's Nairobi County. The survey design was used to collect data directly from the SACCO managers in the study areas. Out of the 240 questionnaires distributed, 210 yielded usable responses for the study, giving the study an 87.50% response rate. The data were collected using five-point Likert scales and analyzed using descriptive statistics, Pearson correlation, hierarchical regression, Hayes PROCESS Models 4 (mediation), 1 (moderation), 14 (moderated mediation), and 59 (second-stage moderated mediation). The findings of the study revealed that dynamic capabilities had a positive and significant effect on organizational performance. Furthermore, dynamic capabilities significantly enhanced the organizational resilience of these SACCOs, and the organizational resilience significantly improved their organizational performance. Additionally, digital transformation significantly predicted their organizational performance. The study also established that organizational resilience partially mediated the relationship between dynamic capabilities and the performance of these SACCOs. The index for moderated mediation was significant, as digital transformation significantly moderated the relationship between dynamic capabilities and the organizational performance of these SACCOs. The findings of this study showed that deposit-taking SACCOs in Nairobi County perform better if they have dynamic capabilities that translate to organizational resilience that is further enhanced through digital transformation. For better organizational performance by SACCO managers, there is the need to strengthen their dynamic capabilities and institute systems that improve their organizational resilience and align their digital systems with their organizational objectives.

KEYWORDS: Dynamic capabilities, organizational resilience, digital transformation, organizational performance, deposit-taking SACCOs, Nairobi County.

1. INTRODUCTION

Member-owned financial cooperatives are an important part of the finance world as they allow individuals to save money and lend to others within their communities. Cooperative financial organizations have been growing in number and the amount of money that they take in from individuals while also facing a variety of different economic environments. Management researchers have begun to investigate the reasons that cooperatives experience the financial outcomes that they do. Beyond their available resources, cooperatives must improve their capabilities and processes within the digital age to experience positive financial and non-financial outcomes (Aguilera et al., 2024; Bourne et al., 2018; Hamann & Schiemann, 2021; Hsu & Lu, 2024; Tawse & Tabesh, 2023). These concepts are especially relevant to SACCOs that take deposits from their members as their performance is evaluated based on both financial and non-financial aspects of their organizations.

African SACCOs face both opportunities and challenges. Many countries in the region have vastly increased the importance of SACCOs in their countries. Yet, there are also significant challenges that SACCOs face in the region, including challenging economic environments and increasing competition from commercial banks and digital lenders. Dynamic capabilities have been studied as a way for SACCOs to increase their performance. Dynamic capabilities are understood as the abilities of SACCOs to sense changes in their environments, take advantage of those changes, and change their resources to maintain a competitive advantage (Arndt et al., 2022; Bitencourt et al., 2020; Buzzao & Rizzi, 2021; Laaksonen & Peltoniemi, 2018; Schilke et al., 2018; Teece, 2018).

However, some studies have also suggested that dynamic capabilities are not directly related to the performance of these organizations (Corrales-Estrada et al., 2025; Li et al., 2022; Mikalef et al., 2020; Scheuer & Thaler, 2023; Zhou et al., 2019).

Kenya has a variety of SACCOs that are both well-regulated and perform well relative to other cooperatives in Africa. However, there are also challenges within the nation with many SACCOs having non-performing loans, lacking profitability, and having a concentration of all of the country's SACCO assets within a few of the largest SACCOs. Additionally, Kenya is one of the most digitized countries in the nation, and its SACCO members are very used to and expect digital banking features and functions from any financial organization (Barba-Sánchez et al., 2024; Hanelt et al., 2021; Kraus et al., 2021; Verhoef et al., 2021; Vial, 2019; Warner & Wäger, 2019).

The largest SACCOs in Kenya are located in Nairobi County. These SACCOs have a variety of different members, including from government agencies, security organizations, parastatals, private organizations, professionals groups, traders, and general consumers from the area. The members of these SACCOs are used to the features of commercial banking and mobile lending applications. Therefore, the SACCOs in this area must offer various features to compete with these organizations and applications (Autio et al., 2018; Chen & Tian, 2022; Konopik et al., 2022; Soto-Acosta, 2020; Zhou et al., 2024). If they do not adapt to digital technologies and improve their capabilities, these SACCOs will struggle to provide their members with the service that they require and expect.

Within organizational theory, the concept of resilience has become a central topic within management research. Resilience is understood as the ability of an organization to sense potential threats to its survival, absorb the impacts of various threats, deal with those impacts during the threat, and adapt to those threats after the threat has passed and its impacts are seen (Conz & Magnani, 2020; Duchek, 2020; Hillmann & Guenther, 2021; Iftikhar et al., 2021; Su & Junge, 2023; Vakilzadeh & Haase, 2021). Financial cooperatives, and especially SACCOs, depend upon their ability to exhibit such features to survive and grow. For instance, they must be able to protect their members' funds, provide services during outages, maintain liquidity, protect against cyber threats, and avoid credit deterioration. Studies have also indicated that an organization's level of resilience directly impacts its performance (Conz & Magnani, 2020; Duchek, 2020; Hillmann & Guenther, 2021; Iftikhar et al., 2021; Su & Junge, 2023; Vakilzadeh & Haase, 2021).

Furthermore, another topic that has emerged in management research is that of digital transformation. Digital transformation has been shown to improve the performance of many organizations through the use of analytics, automation, digital orientation, process redesign, and digital decision making (Abdurrahman et al., 2024; Barba-Sánchez et al., 2024; Hanelt et al., 2021; Karadağ et al., 2024; Kwiotkowska, 2024; Wei & Shen, 2025). However, not all organizations exhibit the same improvements in their performance after undergoing digital transformation initiatives (Abdurrahman et al., 2024; Barba-Sánchez et al., 2024; Hanelt et al., 2021; Karadağ et al., 2024; Kwiotkowska, 2024; Wei & Shen, 2025). It has been suggested that digital transformation impacts the relationships between capabilities, resilience and performance within organizations (Awad & Martín-Rojas, 2024; Biswakarma & Bohora, 2025; Do et al., 2022; Jabbour et al., 2023; Li et al., 2025; Trieu et al., 2023; Wang & Jia, 2025; Wulandhari et al., 2023). Digital transformation for SACCOs in Nairobi County is a topic that is of both interest and importance due to the potential for performance improvements from both digital financial services and improved cooperative performance.

The study will focus on these three concepts for deposit-taking SACCOs in Nairobi County: dynamic capabilities, organizational resilience, and digital transformation. Each of these concepts can improve the performance of SACCOs; digital transformation can impact the relationships between those concepts and the performance of those organizations. The specific aims of this study are to investigate whether dynamic capabilities are related to the performance of these SACCOs in both a direct and an indirect manner (through their impact upon organizational resilience), and whether digital transformation is related to both the direct and indirect relationships between dynamic capabilities and SACCO performance. Data will be collected from these SACCOs to investigate each of these suggested relationships. The study will be organized into five main sections. The first section is the introduction to the study. The second section will review the literature related to each of these concepts and their relationships to each other. The third section will detail the methodology that will be used to perform the study. The fourth section will present the results of the study. Finally, the fifth and last section will include the conclusions of the study, as well as recommendations, implications, limitations, and future research suggestions.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The theories guiding the study of the impact of information systems on SACCOs include dynamic capabilities theory, organizational resilience theory, and structural contingency theory. Dynamic capabilities theory explains how organizations create and renew their capabilities to respond to changes in their environment. For SACCOs, this theory is relevant to the need to monitor their environment and then act according to the information gathered. Organizational resilience theory discusses how an organization

prepares for, endures, and grows from challenges in their environment. Structural contingency theory states that an organization's structure and technology should match their environment. The original foundations of these theories predate most digital-age empirical studies on the theories; however, there have been developments in recent years that study how these theories relate to the digital age and information systems (Arndt et al., 2022; Kero & Bogale, 2023; Laaksonen & Peltoniemi, 2018; Schilke et al., 2018; Teece, 2018).

2.1 Dynamic capabilities and organizational performance

Dynamic capabilities refer to the higher-order capabilities of managers and organizations to sense, seize, and transform opportunities and threats into enhancing their existing assets. The sensing dimension of dynamic capabilities involves monitoring the external environment for changes in the banking sector and the deposit-taking SACCO sector in particular. The seizing dimension involves the use of resources to take advantage of these opportunities. Finally, transforming capabilities involve the actual transformation of a deposit-taking SACCO to take advantage of these new opportunities. The literature demonstrates a positive relationship between dynamic capabilities and organizational performance (Bitencourt et al., 2020; Corrales-Estrada et al., 2025; Correia et al., 2022; Huynh et al., 2025; Li et al., 2022).

The importance of dynamic capabilities for organizations in the financial services sector is especially prominent for SACCOs. A SACCO might have all the resources necessary to demonstrate superior performance, but if it does not have the dynamic capabilities to use these resources effectively, their performance will not be superior. Evidence from the literature on dynamic capabilities in digital contexts shows that organizations will benefit from including digital capabilities in their strategy and using data analytics to make decisions (Abdurrahman et al., 2024; Bieńkowska & Tworek, 2021; Elia et al., 2021; Mikalef et al., 2020; Xiao et al., 2020). This shows that dynamic capabilities will improve the organizational performance of SACCOs. However, the literature on dynamic capabilities suggests that such capabilities do not have a direct effect on organizational performance. They operate through other organizational capabilities, such as operational, digital, and innovation capabilities (Buzzao & Rizzi, 2021; D'Oria et al., 2021; Scheuer & Thaler, 2023; Zhou et al., 2019). These capabilities influence performance, but the dynamic capabilities of an organization enable these other capabilities to manifest themselves. However, the strategic nature of these capabilities indicates their relationship with organizational performance. Hence, the first hypothesis to be tested is as follows:

H01: Dynamic capabilities have no significant effect on organizational performance of deposit-taking SACCOs in Nairobi County, Kenya.

2.2 Dynamic capabilities and organizational resilience

Dynamic capabilities are also expected to have an influence on the resilience of deposit-taking SACCOs. Resilience requires the ability to anticipate, cope with, and adapt to identified risks. Anticipating risks includes the ability to monitor credit risks, liquidity, cyber-risks and others. The coping mechanism includes the response to these risks and adapting the organization's digital channels and communication with members to mitigate the impact of the risks. Adapting to risks involves the review of processes and the redesigning of the organization's policies and digital channels after the occurrence of these risks. These aspects of building resilience also relate to the dynamic capabilities of an organization (Duchek, 2020; Essuman et al., 2022; Iftikhar et al., 2021; You et al., 2023).

More recent studies have also indicated that organizations that invest in dynamic capabilities will experience greater resilience in their operations. Manufacturing, IT, supply chain, and service operations have all indicated that an organization's dynamic capabilities influence its resilience (Do et al., 2022; Kwiotkowska, 2024; Trieu et al., 2023; Wulandhari et al., 2023; Zhou et al., 2025). These organizations experience disruptions to their operations that impact their ability to execute their envisioned plans and meet their set objectives. For example, deposit-taking SACCOs experience disruptions arising from loan defaulters, members losing their employers' digital payments to them, insufficient liquidity, digital channels being down, cyber security incidences, and regulatory changes. These disruptions necessitate the development of a resilience capability as a consequence of their dynamic capabilities for such challenges.

Furthermore, there are also links between the dynamic capabilities of an organization and its learning capabilities. Since dynamic capabilities emerge from the learning that an organization gains from its operations, a resilient organization will also have learning capabilities to prepare for disruptions to their operations. The more lessons that a SACCO learns from its digital channels and collection channels, the more prepared they will be for the next disruption to their operations. Studies on the learning and resilience of organizations show that through establishing feedback and learning loops, double-loop learning, knowledge sharing, and adaptive routines, an organization will exhibit greater resilience within their operations (Argote et al., 2021; Auqui-Cáceres & Furlan, 2023; Conz & Magnani, 2020; Su & Junge, 2023). Based on these arguments, it is possible to formulate the second research hypothesis for this paper as presented below.

H02: There is no significant effect of dynamic capabilities on the organizational resilience of deposit-taking SACCOs in Nairobi County, Kenya.

2.3 Organizational resilience and organizational performance

It is expected that there will be an enhancing effect of organizational resilience on the performance of an organization. The resilience of a deposit-taking SACCO will allow it to protect its deposits, lend money to members, and avoid the negative impact on its performance caused by disruptions. Several research reviews have considered the value of the construct of resilience for management within an organization (Duchek, 2020; Hillmann & Guenther, 2021; Iftikhar et al., 2021; Karunaratne, 2025; Vakilzadeh & Haase, 2021). Resilient organizations have been found in various research studies to have the ability to experience higher levels of performance in their organization during periods of uncertainty. Resilience has been linked to the ability of an organization to experience business continuity, to utilize slackness in resources within the organization, and in being able to restore the trust of stakeholders after any disruptive event within the organization (Beuren et al., 2021; Conz & Magnani, 2020; Essuman et al., 2022; Jabbour et al., 2023; Suleman et al., 2025). Since SACCOs are relied upon by their members for a variety of different services and loans, if the SACCO is not resilient, the members of that organization will experience a negative impact on the performance of the SACCO.

As a financial cooperative, the SACCO relies upon the members of that organization. It is through the continued loyalty, trust, and participation of members that the SACCO is able to function and earn performance within its organization. By being able to demonstrate to its members that their deposits are safe and that the organization is able to provide the services that it offers to members, even in the case of a disruption, the SACCO is able to continue to retain those members, earn their performance, and subsequently its own. Recent research into the concept of resilience within firms has indicated that the concept relates to both the protection of the firm from disruptions to its operations, as well as its ability to enable the firm to perform at a high level (Do et al., 2022; Hillmann & Guenther, 2021; Su & Junge, 2023; Wang & Jia, 2025). Therefore, the third research hypothesis is as follows.

H03: There is no significant effect of organizational resilience on the performance of the organization's deposit-taking SACCOs in Nairobi County, Kenya.

2.4 Digital transformation and organizational performance

Digital transformation involves changes to an organization as a result of the use of digital technologies, digital data, and the changes to the management of an organization as a result. For SACCOs, digital transformation includes changes to the way that they offer banking services, payment services, automate processes, use data and provide cybersecurity. Unlike the digitization of a SACCO, digital transformation involves a complete remodeling of a SACCO's processes, strategies and organizations (Hanelt et al., 2021; Kraus et al., 2021; Vial, 2019; Verhoef et al., 2021; Warner & Wäger, 2019).

Digital transformation can increase the performance of an organization through the reduction of transaction costs, improvement of the quality of the data that is collected, the improvement of the accessibility of members to a SACCO, the improvement of credit scoring of members, improvement of the ability of a SACCO to collect from members who are in default on their loans, the improvement of internal controls of a SACCO and the improvement of decision making abilities of the managers of that organization (Abdurrahman et al., 2024; Barba-Sánchez et al., 2024; Karadağ et al., 2024; Li et al., 2022; Songkajorn & Aujirapongpan, 2022; Zhou et al., 2024). Consequently, if members of Nairobi are very accustomed to utilizing mobile and digital services to complete their banking transactions, the lack of digital transformation services of a SACCO may have a negative impact upon that SACCO's performance due to the potential for the members to choose another organization.

Despite these potential benefits of digital transformation to the performance of an SACCO, it is also possible for the digital transformation of an SACCO to not lead to an increase in that SACCO's performance. For instance, if the digital transformation is not performed effectively, if the members of an SACCO are not trained in how to use these technologies, if there are issues with the data systems of the SACCO or if the information that is collected from members is not secured, it is likely that the performance of that SACCO will not increase as a result (Bhattacharjee et al., 2025; Chen & Tian, 2022; Konopik et al., 2022; Soto-Acosta, 2020; Wei & Shen, 2025). Thus, digital transformation only provides benefits to an SACCO if the processes, credit and risk processes of that SACCO are also transformed to utilize and benefit from those digital technologies. This leads to the fourth hypothesis of this study.

H04: Digital transformation has no significant effect on organizational performance of deposit-taking SACCOs in Nairobi County, Kenya.

2.5 Mediating role of organizational resilience

The role of organizational resilience as a mediating variable is based on the argument that dynamic capabilities may improve the performance of an organization due to its increased resiliency. A SACCO that possesses dynamic capabilities can sense, seize, and transform the risks that it faces and respond appropriately to improve its performance. Resiliency among organizations can improve their performance by ensuring that their operations and services remain in top form and that they can serve more of their members efficiently. Other studies have demonstrated that dynamic capabilities may mediate organizational performance through resiliency, agility, innovation, business continuity, and operational capabilities (Biswakarma & Bohora, 2025; Corrales-Estrada et al., 2025; Do et al., 2022; Li et al., 2025; Scheuer & Thaler, 2023).

The fact that resiliency is a mediating factor for dynamic capabilities demonstrates what these capabilities can do within an organization. The presence of dynamic capabilities does not necessarily make an organization valuable if it does not yield any outcomes from these capabilities. Resiliency within an organization is one such outcome of these capabilities. For the SACCOs in discussion, resiliency can translate the capabilities that they have into better results from their operations. Various studies have demonstrated the mediating effect of resiliency on dynamic capabilities within various organizations (Awad & Martín-Rojas, 2024; Beuren et al., 2021; Essuman et al., 2022; Trieu et al., 2023; Wulandhari et al., 2023).

Furthermore, the mediating effect of organizational resiliency is also in line with the prudential nature of the performance of SACCOs. Since SACCOs cannot achieve high levels of performance through lending money or engaging in digital transactions, their resiliency is vital for maintaining their ability to serve their members and remain in good standing in the community. This factor ensures that dynamic capabilities mediate the relationship with performance of SACCOs. Hence, the fifth hypothesis posits the following:

H05: There is no significant mediating effect of organizational resiliency on the relationship between dynamic capabilities and the organizational performance of deposit-taking SACCOs in Nairobi County, Kenya.

2.6 Moderating role of digital transformation

Digital transformation is also expected to moderate the relationship between dynamic capabilities and organizational performance. Even if a SACCO features skilled managers, digital systems are necessary to achieve strong performance from the organization. Digital transformation can increase the performance value of dynamic capabilities within an organization. For example, digital technologies have been shown to increase agility, information processing, innovation speed, and resource orchestration within an organization (Ilmudeen, 2022; Jing & Fan, 2024; Jørgensen et al., 2024; Kwiotkowska, 2024; Mikalef et al., 2020; Xiao et al., 2020).

Digital transformation may also moderate the relationship between organizational resilience and performance. Resilience produces better results within organizations that have digital channels, data systems, and dashboards to make quick decisions. For SACCOs, digital transformation will allow their resilience to produce better results from the organization. Studies have shown that digital transformation increases the resilience of an organization through the use of digital technologies to enable learning, innovation, information sharing, and coordination (Awad & Martín-Rojas, 2024; Choudhury et al., 2022; Khoa & Tran, 2025; Wang & Jia, 2025; Yoganandham et al., 2025).

The digital transformation may positively moderate the relationship between dynamic capabilities and organizational performance but may not positively moderate the relationship between dynamic capabilities and organizational resilience. The relationship between resilience and organizational performance may also be positively moderated by digital transformation. Digital transformation may have a greater positive effect on the resilience of an organization as compared to the effect of dynamic capabilities on that same organizational resilience. This suggests the possibility of formulating a conditional process model that tests the effect of digital transformation as a moderator of the model while also testing the effect of organizational resilience as a mediator of the model (Igartua & Hayes, 2021; Ilseven & Puranam, 2021; Janse et al., 2021; Kotronoulas et al., 2023). Therefore, the sixth hypothesis is stated as follows.

H06: Digital transformation does not significantly moderate the relationship between dynamic capabilities, organizational resilience, and organizational performance of deposit-taking SACCOs in Nairobi County, Kenya.

3. RESEARCH METHODOLOGY

The study employed an explanatory research design because the researcher wanted to test the hypothesized relationships between the variables. This type of research design is appropriate for investigating cause-effect relationships in the area of organizational performance. The researcher employed a positivist research philosophy to gather data on the research variables. The unit of analysis for this study was the deposit-taking SACCOs in the area. The study used different categories of respondents

to ensure the collection of relevant data on the research variables. These respondent categories included the senior managers, the functional heads, and the supervisors of the SACCOs under investigation.

The target population for this study was the deposit-taking SACCOs in the area of Nairobi County. The different categories of respondents that were utilized for the study are the senior managers, the functional heads, and the supervisors of these SACCOs. A structured questionnaire was used to collect the primary data needed for the study. The choice of using a survey to collect the primary data for this research study was appropriate. Using a survey ensures that all SACCOs are measured the same. It also allows for the testing of the hypotheses that were formulated for the study (Agaku, 2021; Holtom et al., 2022; Story & Tait, 2019; Taherdoost & Madanchian, 2024; Wu et al., 2022).

A total of 240 questionnaires were administered to the SACCOs under investigation. Out of these 240 questionnaires, 210 usable questionnaires were returned. Thus, the response rate to the questionnaires was 87.50%. This response rate for the research study was considered adequate to analyze the study variables. The five-point Likert scale was used to measure each of the variables in the study. Using a five-point Likert scale was appropriate for measuring the variables in this research study. Such a scale is commonly used in the research of dynamic capabilities, organizational resilience, digital transformation and organizational performance (Bakker & Josefy, 2018; Dang et al., 2018; Duchek, 2020; Hamann & Schiemann, 2021; Vial, 2019).

The organizational performance variable was measured using twelve items that assessed different aspects of the performance of the SACCOs. These aspects included financial performance, return on assets, cost-to-income ratio improvement, control of non-performing loans, member satisfaction, member growth, loan turnaround, new product contribution, compliance outcomes, staff productivity, digital channel contribution and performance compared with other SACCOs in the same area. Various studies recommend measuring these different aspects of organizational performance to provide a complete understanding of the performance of an organization (Aguilera et al., 2024; Bourne et al., 2018; Colbran et al., 2019; Hamann & Schiemann, 2021; Tawse & Tabesh, 2023; Treinta et al., 2020).

The dynamic capabilities of the SACCOs were measured using twelve items. These items measured different aspects of the dynamic capabilities. The aspects measured included sensing (the ability to detect member needs and opportunities), seizing (the ability to act on these opportunities) and transforming (the ability to modify the organization's processes and structure to respond to these opportunities). These items are aspects of dynamic capabilities that are recommended to be measured in the assessment of any organization's dynamic capabilities (Arndt et al., 2022; Bitencourt et al., 2020; Laaksonen & Peltoniemi, 2018; Li et al., 2022; Schilke et al., 2018; Warner & Wäger, 2019).

The organizational resilience of the SACCOs was measured using three groups of items. Each of these groups measured a different aspect of the organizations' resilience. The aspect of resilience measured included the organization's ability to anticipate risks and challenges, its ability to cope with these challenges and its ability to adapt to these challenges after they have occurred. These aspects of organizational resilience are those that are recommended to be measured when assessing the resilience of an organization (Conz & Magnani, 2020; Duchek, 2020; Hillmann & Guenther, 2021; Ilseven & Puranam, 2021; Su & Junge, 2023; Vakilzadeh & Haase, 2021).

The digital transformation that occurred within the SACCOs was measured using items that assessed the organization's technology, processes, data use, governance and culture, and its interacting with the external environment. Specifically, the organization's use of modern technology and digital payment platforms, the digitization of organization processes, its data collection, use in making decisions about loans, digital data dashboards, cyber and data privacy practices, staff use of digital skills and tools, use of digital partnerships, use of digital channels and leadership focus on digital transformation were all aspects of digital transformation that were recommended to be measured in assessing the digital transformation of an organization (Barba-Sánchez et al., 2024; Hanelt et al., 2021; Konopik et al., 2022; Kraus et al., 2021; Verhoef et al., 2021; Vial, 2019).

Two control variables were used in the study: the age of each SACCO and the size of each SACCO. These variables were used as controls because it is likely that the older and larger of the SACCOs have more experience and resources to develop the dynamic capabilities, exhibit resilience or undergo digital transformation. These variables are common control variables that are used in research studies on organizational performance (Bakker & Josefy, 2018; Dang et al., 2018; D'Oria et al., 2021; Hung et al., 2021).

The reliability of each of the measurement scales was tested using Cronbach's alpha. The validity of the data collection instruments was tested using factor analysis, the Kaiser-Meyer-Olkin measure and Bartlett's test of sphericity. Descriptive statistics were used to summarize the data. The relationship between each of the variables was assessed using the Pearson correlation coefficient. The importance of the various variables to the performance of the SACCOs was tested using hierarchical regression analysis. Hayes PROCESS Model 4 analysis was used to test the possibility of mediation of the impact of dynamic capabilities and organizational resilience on the performance of the SACCOs. Hayes Model 1 was used to test for the possibility of a relationship between these variables and digital transformation. Hayes Model 14 was used to test for the possibility of a relationship between dynamic

capabilities, organizational resilience and performance with digital transformation in the second stage of the model. Hayes Model 59 was used to test for the impact of all of these variables on the performance of the SACCOs. More specifically, Hayes Model 59 was used to assess the conditional process of organizational dynamic capabilities, organizational resilience and performance with digital transformation (Igartua & Hayes, 2021; Janse et al., 2021; Kotronoulas et al., 2023).

Table 1: Measurement of variables

Variable	Role	Indicators/Dimensions	Measurement
Organizational performance	Dependent variable	Financial targets, ROA, cost-to-income, NPL control, member satisfaction, retention, loan turnaround, product contribution, compliance, productivity, digital channel contribution, peer comparison	12 items, five-point Likert scale
Dynamic capabilities	Independent variable	Sensing, seizing, transforming, analytics, monitoring, partnerships, resource allocation, experimentation and process redesign	12 items, five-point Likert scale
Organizational resilience	Mediator	Anticipation, coping, adaptation, early warning indicators, stress tests, continuity, incident response, after-action learning and recovery metrics	12 items, five-point Likert scale
Digital transformation	Moderator	Digital platforms, end-to-end processes, payment integration, automation, data architecture, dashboards, cyber governance, digital upskilling and partnerships	12 items, five-point Likert scale
Organizational age and size	Control variables	Years in operation and organizational scale	Categorical bands

Source: Survey data (2026).

4. DATA ANALYSIS AND PRESENTATION

4.1 Response Rate

The response rate for the distributed questionnaire was 87.50% (210 out of 240 questionnaires were correctly filled and returned). The high response rate for the questionnaire indicated that the responses were likely representative of the population from which the sample was taken. The sample of respondents included managers and supervisors from the organization. Screening of the dataset for missing values and outliers revealed that there were no missing values for any of the variables to be measured. Thus, the dataset was found to be suitable for the performance of both descriptive and inferential statistical analyses.

4.2 Descriptive Statistics

The descriptive statistics for the four main constructs indicate that all constructs were rated slightly above the midpoint of the five-point Likert scale. The mean score for the construct of organizational performance was 3.0702 with a standard deviation of 1.03288. The mean score for dynamic capabilities was recorded as 3.0821 with a standard deviation of 1.01469. The construct of organizational resilience recorded the highest mean score of 3.1302 with a standard deviation of 1.04494. The digital transformation construct recorded a mean of 3.1067 with a standard deviation of 1.06026. These results indicate that the level of performance, dynamic capabilities, organizational resilience and digital transformation within the deposit-taking SACCOs in Nairobi County is moderate. However, the moderate means indicate that while the SACCOs have made some improvements in these constructs, they still have areas of development to significantly improve these constructs.

The item level results indicated deeper insight on each of the constructs. Results for organizational performance indicated that the items of member retention and growth received some of the highest mean scores while items related to member satisfaction, return on assets and staff productivity received lower mean scores. Dynamic capabilities indicated that items related to governance-enabled resource allocation and innovation scored higher than items related to scanning and codifying lessons from digital pilots. Organizational resilience indicated that items related to incident response, staff improvisation and use of internal capital scored higher than items related to recovery metrics and digital resilience. Finally, results for the digital transformation construct indicated that items related to the contribution of digital channels and the digital transformation vision of leaders received higher scores than items related to unified data architecture and digitization of the end-to-end member journey within the SACCOs.

Table 2: Summary of descriptive statistics

Variable	N	Minimum	Maximum	Mean	Std. deviation	Skewness	Kurtosis
Organizational performance	210	1.17	5.0	3.0702	1.03288	-0.096	-1.006
Dynamic capabilities	210	1.0	5.0	3.0821	1.01469	-0.162	-0.917
Organizational resilience	210	1.0	5.0	3.1302	1.04494	-0.161	-1.079
Digital transformation	210	1.0	5.0	3.1067	1.06026	-0.137	-1.091
Organizational age	210	1	5	3.93	1.262	-1.026	-0.075
Organizational size	210	1	5	2.96	1.46	0.011	-1.368

Source: Survey data (2026).

4.3 Reliability Analysis

The reliability of the scales was tested via the calculation of Cronbach's alpha. The alpha for the organizational performance, dynamic capabilities, organizational resilience, and digital transformation scales were .932, .928, .938, and .936, respectively. Each of these coefficients is well above the threshold of .70 for measurement of reliability. Thus, each scale demonstrated good reliability.

Table 3: Reliability statistics

Construct	Cronbach alpha	Number of items
Organizational performance	.932	12
Dynamic capabilities	.928	12
Organizational resilience	.938	12
Digital transformation	.936	12

Source: Survey data (2026).

4.4 Validity Analysis

Factor analysis also supported the construct validity of the study. The values of the Kaiser-Meyer-Olkin statistics and Bartlett's test of factorability implied that the factor analysis was factorable. The items loaded adequately onto the constructs that they were meant to measure. Thus, the constructs were appropriate for inclusion in the regression analysis to test the hypotheses proposed for the study

4.5 Correlation Analysis

The results of the correlation analysis revealed strong and positive relationships between the main variables under investigation. The relationship between organizational performance, dynamic capabilities, organizational resilience and digital transformation was found to be significantly and positively associated ($r = .718$, $p < .01$; $r = .815$, $p < .01$; $r = .715$, $p < .01$). Furthermore, dynamic capabilities was significantly and positively associated with both organizational resilience and digital transformation ($r = .728$, $p < .01$; $r = .551$, $p < .01$). The relationship between organizational resilience and digital transformation was also significantly and

positively associated (r = .578, p < .01). Overall, then, the results indicated that SACCOs with strong dynamic capabilities, organizational resilience and digital transformation exhibited stronger levels of organizational performance. The strongest correlation between the variables was between organizational resilience and organizational performance, suggesting the role of such an attribute in the performance of deposit-taking SACCOs.

Table 4: Correlation analysis

Variables	OP	DC	ORR	DT	OA	OS
OP	1					
DC	.718**	1				
ORR	.815**	.728**	1			
DT	.715**	.551**	.578**	1		
OA	.677**	.350**	.552**	.455**	1	
OS	.615**	.340**	.530**	.461**	.409**	1

Source: Survey data (2026).

Note: ** Correlation is significant at the 0.01 level (two-tailed). OP = organizational performance; DC = dynamic capabilities; ORR = organizational resilience; DT = digital transformation; OA = organizational age; OS = organizational size.

4.6 Regression Analysis

Before estimating the regression models, the assumptions of regression analysis were assessed. The Jarque-Bera test indicated that the distribution of regression model residuals was acceptable. The variance inflation factors indicated that multicollinearity was not a major concern. Furthermore, the test of linearity and homoscedasticity indicated that the variables were suitable for regression analysis. Hence, a decision to use hierarchical regression models and PROCESS analysis was justified.

The hierarchical regression model indicated that, in Model 1, organizational age and size accounted for 59.6% of the organizational performance variance. In Model 2, when dynamic capabilities were added as a predictor variable, dynamic capabilities accounted for a significant portion of the remaining variance in organizational performance; the model accounted for 79.0% of the organizational performance variance (β = .492, p = .000). In Model 3, when the organizational resilience variable was added, the R^2 value increased to .817, and the organizational resilience variable was significantly related to organizational performance (β = .285, p = .000). In Model 4, when digital transformation was introduced as a model variable, the R^2 increased to .844 (β = .214, p = .000). These regression models indicated that dynamic capabilities, organizational resilience, and digital transformation have a significant relationship with organizational performance.

The mediation model indicated that dynamic capabilities were significantly related to organizational resilience (β = .5742, SE = .0449, t = 12.7838, p = .0000). Additionally, organizational resilience was significantly related to organizational performance (β = .2851, SE = .0518, t = 5.5071, p = .0000). The direct effect of dynamic capabilities on organizational performance was also significantly related (β = .3278, p = .0000). The indirect effect, however, of dynamic capabilities on organizational performance through organizational resilience was .1637 (BootSE = .0335, BootLLCI = .0998, BootULCI = .2316). The confidence interval does not include zero, indicating that organizational resilience is also significantly mediating the effect of dynamic capabilities on organizational performance. Furthermore, because the direct effect is also significant, this is an example of a partial mediation model.

In the moderation analysis of the effect of digital transformation on dynamic capabilities and organizational performance, the interaction between dynamic capabilities and digital transformation was significantly related to organizational performance (β = .1129, SE = .0295, t = 3.8242, p = .0002). The change in R^2 was .0119, which was statistically significant. Furthermore, conditional effects of dynamic capabilities on organizational performance varied significantly with levels of digital transformation; dynamic capabilities had effects of β = .2757 with low digital transformation, β = .4263 with moderate digital transformation, and β = .5486 with high digital transformation. Digital transformation, therefore, appears to moderate dynamic capabilities and organizational performance in the SACCOs case; the SACCOs gained more from having dynamic capabilities if those capabilities were supported by digital transformation of their organizations.

Furthermore, the moderated mediation model indicated that the interaction between organizational resilience and digital transformation was positively and significantly related to organizational performance (β = .0606, p = .0316). Furthermore, organizational resilience had a significantly higher relationship with performance at higher levels of digital transformation; organizational resilience had effects of β = .1741 at low levels of digital transformation, β = .2549 at moderate levels, and β = .3206 at high levels of digital transformation. The conditional indirect effect of dynamic capabilities on organizational performance

through organizational resilience was .1000 at low digital transformation, .1464 at moderate digital transformation, and .1841 at high digital transformation. Furthermore, the index of moderated mediation for this model was .0348 (BootLLCI = .0059, BootULCI = .0639), which is significantly different from zero. Hence, there is a significant moderated mediation effect between dynamic capabilities, organizational performance, and organizational resilience that is significantly moderated by digital transformation.

For the second-stage moderated mediation model using Hayes Model 59, the interaction between dynamic capabilities and digital transformation was not significant; the interaction was insignificant in its effect on organizational resilience (β = .0044, p = .9156). However, digital transformation was significantly related to the dynamic capabilities-organizational performance relationship (β = .1492, p = .0004). Furthermore, the interaction between organizational resilience and digital transformation in this second-stage model was also not significantly related to organizational performance (p = .9156). Furthermore, the conditional effect of dynamic capabilities on organizational performance was insignificant at low levels of digital transformation, but became significantly related to organizational performance at moderate (p = .0019) and high digital transformation (p = .0004). Hence, digital transformation most strongly impacted the dynamic capabilities-organizational performance relationship in Model 14, and in the models where dynamic capabilities had a direct relationship (Model 1) with organizational performance, rather than through its relationship with organizational resilience.

Table 5: Hierarchical regression results

Variables	Model 1	Model 2	Model 3	Model 4
Organizational age (OA)	.418(.040)***	.319(.030)***	.257(.030)***	.224(.028)***
Organizational size (OS)	.287(.034)***	.206(.025)***	.159(.025)***	.127(.024)***
Dynamic capabilities (DC)	-	.492(.036)***	.328(.045)***	.257(.043)***
Organizational resilience (ORR)	-	-	.285(.052)***	.256(.048)***
Digital transformation (DT)	-	-	-	.214(.036)***
R squared	.596	.790	.817	.844
Adjusted R squared	.592	.787	.813	.840
F-statistic	152.596	257.815	228.472	221.103
p-value	.000	.000	.000	.000

Source: Survey data (2026).

Table 6: Mediation, moderation and moderated mediation results

Analysis	Effect	Coefficient / effect	p / CI	Decision
Mediation Model 4	DC -> ORR	.5742	p = .0000	Significant
Mediation Model 4	ORR -> OP	.2851	p = .0000	Significant
Mediation Model 4	Direct effect DC -> OP	.3278	p = .0000	Significant
Mediation Model 4	Indirect effect DC -> ORR -> OP	.1637	BootCI [.0998, .2316]	Significant
Moderation Model 1	DC x DT -> OP	.1129	p = .0002	Significant
Model 14	ORR x DT -> OP	.0606	p = .0316	Significant
Model 14	Index of moderated mediation	.0348	BootCI [.0059, .0639]	Significant
Model 59	DC x DT -> ORR	.0044	p = .9156	Not significant
Model 59	DC x DT -> OP	.1492	p = .0004	Significant

Source: Survey data (2026).

Table 7: Summary of hypothesis testing

Hypothesis	Statistical evidence	Decision
H01: DC has no significant effect on OP	β = .492, p = .000	Rejected
H02: DC has no significant effect on ORR	β = .5742, p = .0000	Rejected
H03: ORR has no significant effect on OP	β = .2851, p = .0000	Rejected

H04: DT has no significant effect on OP	β = .214, p = .000	Rejected
H05: ORR does not mediate DC -> OP	Indirect effect = .1637, CI [.0998, .2316]	Rejected
H06(a): DT does not moderate DC -> OP	DC x DT: β = .1129, p = .0002	Rejected
H06(b): DT does not moderate DC -> ORR	DC x DT: β = .0044, p = .9156	Not rejected
H06(c): DT does not moderate ORR -> OP	ORR x DT: β = .0606, p = .0316	Rejected
H06(d): DT does not moderate indirect DC -> ORR -> OP	Index = .0348, CI [.0059, .0639]	Rejected

Source: Survey data (2026).

4.7 Discussion of Findings

The positive effect of dynamic capabilities on organizational performance illustrates the benefits of having good management capabilities within the SACCOs. The management of resources and the alteration of technological aspects within the organization will result in increased organizational outcomes (Bitencourt et al., 2020; Laaksonen & Peltoniemi, 2018; Schilke et al., 2018; Teece, 2018). The dynamic capabilities that exist within these organizations will impact their financial and non-financial outcomes.

The significant effect of dynamic capabilities on organizational resilience demonstrates the extent to which management is able to handle disruptions within the SACCOs. If an organization is found to be highly resilient, it indicates that it is prepared for disruptions. Studies have demonstrated that there is a relationship between dynamic capabilities and organizational resilience, especially within the face of supply chain and digital disruptions (Do et al., 2022; Essuman et al., 2022; Iftikhar et al., 2021; Kwiotkowska, 2024; You et al., 2023).

The positive and significant effect of organizational resilience on organizational performance indicates that the SACCOs are able to weather any storms that come their way. The capacity for an organization to be resilient will have a positive impact on its ability to perform its functions. Studies have consistently demonstrated that organizations with high levels of resilience will have high levels of performance in terms of the ability to continue to sustain their businesses and maintain the confidence of their employees and stakeholders (Beuren et al., 2021; Conz & Magnani, 2020; Duchek, 2020; Hillmann & Guenther, 2021; Su & Junge, 2023; Vakilzadeh & Haase, 2021). Furthermore, since these are deposit-taking SACCOs, their level of performance will have a direct impact on their members.

The positive effect of digital transformation on the performance of the SACCOs demonstrates that the integration of digital platforms and systems into these organizations has created a positive impact upon their performance indicators. These indicators can relate to the accessibility of their services, the speed at which the members of the SACCOs can perform their transactions, the efficiency of the SACCOs, and the level of engagement between the organizations and their members (Abdurrahman et al., 2024; Barba-Sánchez et al., 2024; Hanelt et al., 2021; Karadağ et al., 2024; Li et al., 2022; Verhoef et al., 2021). Since the majority of the members of these SACCOs in Nairobi are relatively digitally connected and use various digital services provided by SACCOs daily, the importance of digital transformation within these organizations is critical.

The outcome of the mediation model illustrates the extent to which organizational resilience can explain the positive effect of dynamic capabilities upon the performance of the SACCOs. The findings of such an outcome illustrate that dynamic capabilities will have an impact upon the performance of the SACCOs through the impact that they have upon organizational resilience. Studies have demonstrated the relationship between dynamic capabilities and the outcome of organizational resilience, especially within the management of supply chains, digital disruptions, and internal operations (Biswakarma & Bohora, 2025; Corrales-Estrada et al., 2025; Do et al., 2022; Scheuer & Thaler, 2023). It is crucial for the management of SACCOs to not just develop dynamic capabilities within the organization, but also to transform those dynamic capabilities into systems of resilience within the SACCO.

The outcome of the investigation of the moderating effect of digital transformation upon the effect of dynamic capabilities upon the performance of the SACCOs demonstrates that digital transformation will increase the impact of dynamic capabilities upon the performance of those SACCOs. The findings of this study are in line with previous findings that digital transformation within an organization will result in the development of dynamic capabilities within that organization, which will subsequently create positive outcomes in terms of the organization's performance (Ilmudeen, 2022; Jing & Fan, 2024; Konopik et al., 2022; Mikalef et al., 2020; Warner & Wäger, 2019; Xiao et al., 2020).

Furthermore, the outcome of investigating the moderated mediation model indicates that the impact of dynamic capabilities upon the performance of the SACCOs through the mediating effect of organizational resilience will be greater within SACCOs with higher levels of digital transformation. The finding indicates that dynamic capabilities will have a positive impact upon the performance of the SACCOs through the resilience of the organization when the SACCOs have digital channels, digital data systems, and digital

technology to assist in the performance of their various functions. Studies support these findings regarding digital transformation within SACCOs having a positive impact upon the resilience of that organization and its ability to create positive outcomes (Awad & Martín-Rojas, 2024; Choudhury et al., 2022; Khoa & Tran, 2025; Wang & Jia, 2025; Yoganandham et al., 2025).

The insignificant impact that digital transformation has upon the relationship between dynamic capabilities and organizational resilience within model 59 illustrates that dynamic capabilities will positively impact the level of resilience within the SACCOs regardless of the level of digital transformation that exists within that organization. This may be due to other factors that impact the level of resilience within SACCOs, such as the governance structures within the SACCOs, regulatory compliance, liquidity, risk management within the organization and the level of experience within the managers of those organizations. While digital transformation will have an impact upon the performance of the SACCOs, the creation of a level of resilience may rely upon the capabilities of the managers of those SACCOs. Overall, the findings of this study support existing literature on the concept of digital transformation within SACCOs and their impact upon performance. However, the findings of no impact of digital transformation upon the relationship between dynamic capabilities and organizational resilience indicates that while digital transformation impacts the performance of an organization, the capability of that organization to weather any storms that come their way does not depend upon digital technologies.

5. CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to investigate the influence of dynamic capabilities, organizational resilience, and digital transformation on the organizational performance of deposit-taking SACCOs in Nairobi County, Kenya. The findings of the study indicated that each of these three factors had a positive and significant effect upon organizational performance. Furthermore, dynamic capabilities also had a positive and significant effect upon organizational resilience. Resilience emerged as a factor that partially mediated the effect of dynamic capabilities upon organizational performance, while digital transformation emerged as a factor that had a moderating effect upon that same relationship. These findings indicate that the performance of these SACCOs is not dependent upon their size and age, but instead upon the dynamic, resilient, and digital transformation capabilities that each organization exhibits.

Overall, the findings of this study indicate that dynamic capabilities are a key factor in the performance of these SACCOs. Those SACCOs that exhibit stronger dynamic capabilities will experience better performance than those that do not. As such, it is recommended that the managers of these SACCOs work to develop and institute processes and procedures within the organizations that enhance their dynamic capabilities. Furthermore, the findings of the study also suggest the importance of organizational resilience within these organizations. Therefore, recommendations can be made to the managers of these SACCOs regarding the ways in which they can enhance the resilience of their organizations. Finally, recommendations can be made to these SACCOs regarding the implementation of digital transformation within their organizations as well.

In addition to making recommendations to these SACCOs, conclusions can be made regarding the recommendations that are made to each of these groups. For instance, the findings of this study indicate that it is crucial for each of these organizations to increase their level of resilience. Therefore, recommendations can be made to the managers of these organizations as to the changes that they can implement into their organizations to increase that level of resilience. Additionally, it is also recommended that these organizations implement digital transformation within their organizations. Digital transformation should be implemented as a strategic change to each of these organizations.

Furthermore, recommendations can also be made to the regulatory authorities for SACCOs. These regulatory authorities should implement regulations that encourage each of these SACCOs to undergo digital transformation and to enhance their levels of organizational resilience. Additionally, recommendations can be made to these regulatory authorities to implement shared digital systems and platforms within the country that will enable smaller SACCOs that do not have the resources to implement such digital systems themselves.

The findings of this study also make contributions to the existing literature on the topics of dynamic capabilities, digital transformation, and SACCO organizations. Specifically, the findings contribute to the literature on dynamic capabilities by confirming the role of resilience in the dynamic capabilities model. Additionally, the findings also contribute to the literature on digital transformation by showing that implementing digital transformation within an organization has a positive effect upon the dynamic capabilities and the performance of that organization. Finally, the study also makes contributions to the existing literature on SACCO organizations by confirming the importance of these variables within the context of the SACCOs of Nairobi County.

Some limitations to this study exist. For instance, the study was limited by its cross-sectional survey data collection methods. Future studies may consider implementing methods that allow for the observation of the changes in each of these variables over time. Furthermore, other measures of the performance of these SACCOs can also be incorporated into future studies on these

organizations. Finally, other studies may be performed that compare the performance of SACCOs of different counties within Kenya, or that compare the performance of deposit-taking SACCOs to non-deposit-taking SACCOs.

Additionally, future research could also investigate other variables related to these SACCOs, such as their level of cyber resilience, their level of digital governance, the development of partnerships with fintech companies, the use of artificial intelligence within their organizations, their level of trust of members of the SACCOs, and their organizational culture.

5.1 Contribution to knowledge

This study contributes to the recent literature in the management discipline in four ways. First, our study responds to calls to utilize multidimensional performance measures in assessing the effectiveness of co-operative financial organizations (Aguilera et al., 2024; Bourne et al., 2018; Hamann & Schiemann, 2021; Hsu & Lu, 2024; Treinta et al., 2020). Second, our study contributes to the growing literature on dynamic capabilities by examining how those concepts can be applied to the context of co-operative financial organizations (Arndt et al., 2022; Buzzao & Rizzi, 2021; Kero & Bogale, 2023; Laaksonen & Peltoniemi, 2018; Schilke et al., 2018; Teece, 2018). Third, we contribute to the literature on organizational resilience by demonstrating that resilience has a mediating effect on the relationship between dynamic capabilities and financial performance (Conz & Magnani, 2020; Duchek, 2020; Hillmann & Guenther, 2021; Iftikhar et al., 2021; Su & Junge, 2023; Vakilzadeh & Haase, 2021; Yang & Suntrayuth, 2025). Fourth, we contribute to the literature on digital transformation of organizations (Abbas et al., 2025; Ahmat, 2025; Baharudin & Tricahyo, 2025; Bataineh & Aravamudhan, 2025; Bhattacharjee et al., 2025; Jie et al., 2025; Khasmafkan-Nezam, 2025; Kumar et al., 2025; Lee et al., 2022; Ogindo & Njoka, 2023; Qader et al., 2025; Singh et al., 2022; Troise et al., 2025; Zeffirelli & Muhamed, 2025).

REFERENCES

1) Abbas, J., Dabic, M., & Stojcic, N. (2025). Digital divide in industry 5.0: Role of generative AI knowledge bases and intellectual capital in organizational resilience performance under territorial proximity.
2) Abdurrahman, A., Gustomo, A., & Prasetio, E. A. (2024). Impact of dynamic capabilities on digital transformation and innovation to improve banking performance: A TOE framework study. Journal of Open Innovation: Technology, Market, and Complexity, 10(1), Article 100215. https://doi.org/10.1016/j.joitmc.2024.100215
3) Agaku, I. (2021). Methodological considerations for the design and implementation of reliable and valid web surveys. Public Health and Toxicology, 1(1), 4. https://doi.org/10.18332/pht/141977
4) Aguilera, R. V., De Massis, A., Fini, R., & Vismara, S. (2024). Organizational goals, outcomes, and the assessment of performance: Reconceptualizing success in management studies. Journal of Management Studies, 61(1), 1-36. https://doi.org/10.1111/joms.12994
5) Ahmat, M. M. (2025). Financial information systems and SME performance: The mediating role of digital technologies. International Journal of Economics and Finance, 17(7), 52-63.
6) Argote, L., Lee, S., & Park, J. (2021). Organizational learning processes and outcomes: Major findings and future research directions. Management Science, 67(9), 5399-5429. https://doi.org/10.1287/mnsc.2020.3693
7) Arndt, F., Galvin, P., Jansen, R. J. G., Lucas, G. J. M., & Su, P. (2022). Dynamic capabilities: New ideas, microfoundations, and criticism. Journal of Management & Organization, 28(6), 423-428. https://doi.org/10.1017/jmo.2022.57
8) Auqui-Caceres, M.-V., & Furlan, A. (2023). Revitalizing double-loop learning in organizational contexts: A systematic review and research agenda. European Management Review. https://doi.org/10.1111/emre.12615
9) Autio, E., Nambisan, S., Thomas, L. D. W., & Wright, M. (2018). Digital affordances, spatial affordances, and the genesis of entrepreneurial ecosystems. Strategic Entrepreneurship Journal, 12(1), 72-95. https://doi.org/10.1002/sej.1266
10) Awad, J. A. R., & Martin-Rojas, R. (2024). Digital transformation influence on organisational resilience through organisational learning and innovation. Journal of Innovation and Entrepreneurship, 13, Article 69. https://doi.org/10.1186/s13731-024-00405-4
11) Baharudin, A., & Tricahyo, D. (2025). The influence of digital platforms on operational performance through service process capabilities. Enrichment: Journal of Management, 5(2), 133-147.
12) Bakker, R. M., & Josefy, M. (2018). More than just a number? The conceptualization and measurement of firm age in an era of temporary organizations. Academy of Management Annals, 12(2), 510-536. https://doi.org/10.5465/annals.2017.0035
13) Barba-Sanchez, V., Meseguer-Martinez, A., Gouveia-Rodrigues, R., & Raposo, M. L. (2024). Effects of digital transformation on firm performance: The role of IT capabilities and digital orientation. Heliyon, 10(6), Article e27725.

https://doi.org/10.1016/j.heliyon.2024.e27725

14) Barney, J. B., Ketchen, D. J., Jr., & Wright, M. (2021). Bold voices and new opportunities: An expanded research agenda for the resource-based view. Journal of Management, 47(7), 1677-1683. https://doi.org/10.1177/01492063211014276
15) Bataineh, M. J., & Aravamudhan, V. (2025). Navigating in the digital age: Talent management for sustainable performance. Global Journal of Human Resource Studies, 11(2), 34-57.
16) Beuren, I. M., dos Santos, V., & Theiss, V. (2021). Organizational resilience, job satisfaction and business performance. International Journal of Productivity and Performance Management, 71(6), 2262-2279. https://doi.org/10.1108/IJPPM-03-2021-0158
17) Bhattacharjee, B., Mhaske, P., & Haldar, N. (2025). Bridging digital skill gaps in the global workforce: A synthesis and conceptual framework building. Research in Global Human Capital.
18) Bienkowska, A., & Tworek, K. (2021). The moderating role of IT in process of shaping organizational performance by dynamic capabilities of controlling. Applied Sciences, 11(2), Article 889. https://doi.org/10.3390/app11020889
19) Biswakarma, G., & Bohora, B. (2025). Dynamic capabilities and organizational performance: The mediating role of organizational resilience in IT sector. Future Business Journal, 11, Article 173. https://doi.org/10.1186/s43093-025-00592-w
20) Bitencourt, C. C., de Oliveira Santini, F., Ladeira, W. J., Santos, A. C., & Teixeira, E. K. (2020). The extended dynamic capabilities model: A meta-analysis. European Management Journal, 38(1), 108-120. https://doi.org/10.1016/j.emj.2019.04.007
21) Bourne, M., Melnyk, S. A., & Bititci, U. S. (2018). Performance measurement and management: Theory and practice. International Journal of Operations & Production Management, 38(11), 2010-2021. https://doi.org/10.1108/IJOPM-11-2018-784
22) Bresciani, S., Rehman, S. U., & Alam, G. M. (2023). Environmental management control systems, perceived environmental uncertainty and green performance. Review of International Business and Strategy, 33(2), 45-56.
23) Buzzao, G., & Rizzi, F. (2021). On the conceptualization and measurement of dynamic capabilities for sustainability: Building theory through a systematic literature review. Business Strategy and the Environment, 30(1), 135-175. https://doi.org/10.1002/bse.2614
24) Central Bank of Kenya. (2024). Kenya financial sector stability report 2023. Central Bank of Kenya.
25) Chen, H., & Tian, Z. (2022). Environmental uncertainty, resource orchestration and digital transformation: A fuzzy-set QCA approach. Journal of Business Research, 139, 184-193. https://doi.org/10.1016/j.jbusres.2021.09.048
26) Choudhury, A., Wainer, G., & colleagues. (2022). Digital maturity as a predictor of organizational resilience during COVID-19. Business and Economic Research, 12(4), 161-176.
27) Colbran, R., Ramsden, R., Stagnitti, K., & Toumbourou, J. W. (2019). Advancing towards contemporary practice: A systematic review of organisational performance measures for non-acute health charities. BMC Health Services Research, 19, Article 132. https://doi.org/10.1186/s12913-019-3952-1
28) Conz, E., & Magnani, G. (2020). A dynamic perspective on the resilience of firms: A systematic literature review and a framework for future research. European Management Journal, 38(3), 400-412. https://doi.org/10.1016/j.emj.2019.12.004
29) Corrales-Estrada, A. M., Gomez-Santos, L. L., Bernal-Torres, C. A., Rodriguez-Lopez, J. E., & Sandoval-Reyes, J. (2025). Dynamic capabilities contribution to organizational performance: The mediator role of business continuity ordinary capabilities. Cogent Business & Management, 12(1), Article 2493315. https://doi.org/10.1080/23311975.2025.2493315
30) Correia, R. J., Teixeira, M. S., & Dias, J. G. (2022). Dynamic capabilities: Antecedents and implications for firms' performance. Journal of Business and Economics, 15(1), 125-142.
31) D'Oria, L., Crook, T. R., Ketchen, D. J., Jr., Sirmon, D. G., & Wright, M. (2021). The evolution of resource-based inquiry: A review and meta-analytic integration of the strategic resources-actions-performance pathway. Journal of Management, 47(7), 1383-1429. https://doi.org/10.1177/0149206321994182
32) Dang, C., Li, Z. F., & Yang, C. (2018). Measuring firm size in empirical corporate finance. Journal of Banking & Finance, 86, 159-176. https://doi.org/10.1016/j.jbankfin.2017.09.006
33) Do, H., Budhwar, P., Shipton, H., Nguyen, H. D., & Nguyen, B. (2022). Building organizational resilience and innovation through resource-based management initiatives, organizational learning and environmental dynamism. Journal of Business Research, 141, 808-821. https://doi.org/10.1016/j.jbusres.2021.11.090
34) Duchek, S. (2020). Organizational resilience: A capability-based conceptualization. Business Research, 13, 215-246. https://doi.org/10.1007/s40685-019-0085-7

35) Elia, S., Giuffrida, M., Mariani, M. M., & Bresciani, S. (2021). Resources and digital export: An RBV perspective on the role of digital technologies and capabilities in cross-border e-commerce. Journal of Business Research, 132, 158-169. https://doi.org/10.1016/j.jbusres.2021.04.010
36) Essuman, D., Bruce, P. A., Ataburo, H., Asiedu-Appiah, F., & Boso, N. (2022). Linking resource slack to operational resilience: Integration of resource-based and attention-based perspectives. International Journal of Production Economics, 254, Article 108652. https://doi.org/10.1016/j.ijpe.2022.108652
37) Hamann, P. M., & Schiemann, F. (2021). Organizational performance as a set of four dimensions: An empirical analysis. Journal of Business Research, 127, 45-65. https://doi.org/10.1016/j.jbusres.2021.01.012
38) Hanelt, A., Bohnsack, R., Marz, D., & Antunes Marante, C. (2021). A systematic review of the literature on digital transformation: Insights and implications for strategy and organizational change. Journal of Management Studies, 58(5), 1159-1197.
39) Hillmann, J., & Guenther, E. (2021). Organizational resilience: A valuable construct for management research? International Journal of Management Reviews, 23(1), 7-44.
40) Holtom, B., Baruch, Y., Aguinis, H., & Ballinger, G. A. (2022). Survey response rates: Trends and a validity assessment framework. Human Relations, 75(8), 1560-1584. https://doi.org/10.1177/00187267211070769
41) Hsu, H.-Y., & Lu, J. (2024). Do citizen perceptual measures align with archival performance measures? A meta-analysis. International Public Management Journal, 27(4), 508-532. https://doi.org/10.1080/10967494.2023.2204085
42) Hung, D. N., Ha, H. T. V., & Binh, D. T. (2021). The impact of firm size on the performance of Vietnamese private enterprises: A case study. Problems and Perspectives in Management, 19(2), 243-250. https://doi.org/10.21511/ppm.19(2).2021.20
43) Huynh, D. C., Nguyen, P. V., & Truong, G. Q. (2025). The interplay of government support, open innovation, and dynamic capabilities: Driving ambidexterity and performance in Vietnam. Journal of Open Innovation: Technology, Market, and Complexity, 11(2), Article 100356.
44) Iftikhar, A., Purvis, L., & Giannoccaro, I. (2021). A meta-analytical review of antecedents and outcomes of firm resilience. Journal of Business Research, 135, 408-425. https://doi.org/10.1016/j.jbusres.2021.06.048
45) Igartua, J.-J., & Hayes, A. F. (2021). Mediation, moderation, and conditional process analysis: Concepts, computations, and some common confusions. The Spanish Journal of Psychology, 24, Article e49. https://doi.org/10.1017/SJP.2021.46
46) Ilmudeen, A. (2022). Leveraging IT-enabled dynamic capabilities to shape business process agility and firm innovative capability: Moderating role of turbulent environment. Review of Managerial Science, 16, 2341-2379. https://doi.org/10.1007/s11846-021-00486-5
47) Ilseven, E., & Puranam, P. (2021). Measuring organizational resilience as a performance outcome. Journal of Organization Design, 10, 127-137. https://doi.org/10.1007/s41469-021-00107-1
48) Jabbour, A. B. L. de Sousa, Latan, H., & Jabbour, C. J. C. (2023). Does applying a circular business model lead to organizational resilience? Mediating effects of Industry 4.0 and customer integration. Technological Forecasting and Social Change, 179, Article 121641.
49) Janse, R. J., Hoekstra, T., Jager, K. J., Zoccali, C., Tripepi, G., Dekker, F. W., & van Diepen, M. (2021). Conducting correlation analysis: Important limitations and pitfalls. Clinical Kidney Journal, 14(11), 2332-2337. https://doi.org/10.1093/ckj/sfab085
50) Jie, H., Gooi, L. M., & Lou, Y. (2025). Digital maturity, dynamic capabilities and innovation performance in high-tech SMEs. International Review of Economics & Finance, Article 103971. https://doi.org/10.1016/j.iref.2025.103971
51) Jing, H., & Fan, Y. (2024). Digital transformation, supply chain integration and supply chain performance: Evidence from Chinese manufacturing listed firms. SAGE Open, 14(3). https://doi.org/10.1177/21582440241281616
52) Jorgensen, E. J., Sahebalzamani, S., & Zhang, J. Z. (2024). Exploring the connections: Ambidexterity, digital capabilities, resilience, and behavioral innovation. Journal of Business Research, 152, 158-171.
53) Karadag, H., Sahin, F., Karamollaoglu, N., & Saunila, M. (2024). Disentangling the dynamic digital capability, digital transformation, and organizational performance relationships in SMEs: A configurational analysis based on fsQCA. Information Technology and Management. https://doi.org/10.1007/s10799-024-00437-y
54) Karunaratne, D. R. (2025). Organizational resilience: A critical review of a multi-theoretical perspective. Wayamba Journal of Management, 16(1), 1-14.
55) Kero, C. A., & Bogale, A. T. (2023). A systematic review of resource-based view and dynamic capabilities of firms and future research avenues. International Journal of Sustainable Business, 28, 76-103.

56) Khasmafkan-Nezam, M. H. (2025). Harnessing information system capabilities to enhance organizational agility: The interplay of green absorptive capacity, collaborative knowledge creation, and dynamic capabilities. Journal of Enterprise Information Management, 38(7).
57) Khoa, B. T., & Tran, A. V. (2025). Integrating leadership, identity, and knowledge systems for sustainable performance in the era of digital transformation. Discover Sustainability, 6, 43-59.
58) Konopik, J., Jahn, C., Schuster, T., Hossbach, N., & Pflaum, A. (2022). Mastering the digital transformation through organizational capabilities: A conceptual framework. Digital Business, 2(2), Article 100019. https://doi.org/10.1016/j.digbus.2021.100019
59) Kotronoulas, G., Miguel, S., Dowling, M., Fernandez-Ortega, P., Colomer-Lahiguera, S., Bagcivan, G., Pape, E., Drury, A., Semple, C., Dieperink, K. B., & Papadopoulou, C. (2023). An overview of the fundamentals of data management, analysis, and interpretation in quantitative research. Seminars in Oncology Nursing, 39(2), Article 151398. https://doi.org/10.1016/j.soncn.2023.151398
60) Kraus, S., Jones, P., Kailer, N., Weinmann, A., Chaparro-Banegas, N., & Roig-Tierno, N. (2021). Digital transformation: An overview of the current state of the art of research. SAGE Open, 11(3), 21582440211047576. https://doi.org/10.1177/21582440211047576
61) Kumar, A., Kumar, S., & Tiwari, S. (2025). Unlocking blockchain technologies potential in supply chains: A study on cost governance and dynamic capabilities perspective. International Journal of Production Economics, 257, Article 112018.
62) Kuria, J. (2025). Examining the relationship between human resource reporting and tax performance: Insights from SACCOs in Kenya. International Journal of Economics and Finance, 17(9), 25-37.
63) Kwiotkowska, A. (2024). Creating organizational resilience through digital transformation and dynamic capabilities: Findings from fsQCA analysis on the example of Polish CHP plants. Sustainability, 16(14), Article 6266. https://doi.org/10.3390/su16146266
64) Laaksonen, O., & Peltoniemi, M. (2018). The essence of dynamic capabilities and their measurement. International Journal of Management Reviews, 20(2), 184-205. https://doi.org/10.1111/ijmr.12122
65) Lee, M. J., Liang, Y., & Jung, J. S. (2022). Dynamic capabilities and an ESG strategy for sustainable management performance. Frontiers in Psychology, 13, Article 887776.
66) Li, G., Du, K., Liu, L., & Su, F. (2025). Digital transformation and organizational resilience: Unveiling the path to sustainable performance in adversity and crisis. International Journal of Information Management, 84, Article 102934. https://doi.org/10.1016/j.ijinfomgt.2025.102934
67) Li, L., Su, F., Zhang, W., & Mao, J.-Y. (2022). Digital technology-enabled dynamic capabilities and their impacts on firm performance: Evidence from the COVID-19 pandemic. Information & Management, 59, Article 103689. https://doi.org/10.1016/j.im.2022.103689
68) Mikalef, P., Krogstie, J., Pappas, I. O., & Pavlou, P. A. (2020). Exploring the relationship between big data analytics capability and competitive performance: The mediating roles of dynamic and operational capabilities. Information & Management, 57(2), Article 103169. https://doi.org/10.1016/j.im.2019.103169
69) Ogindo, E. A., & Njoka, C. (2023). Digital transformation and financial performance of deposit-taking SACCOs in Nairobi City County, Kenya [Master's thesis, Kenyatta University].
70) Qader, G., Rehman, J., & Shamsi, M. I. (2025). Examining the impact of dynamic capabilities and Industry 4.0 technologies in pharmaceutical manufacturing firms: A sustainable supply chain performance perspective. Business Strategy & Development, 8(2), 147-160.
71) Sacco Societies Regulatory Authority. (2024). The SACCO supervision annual report, 2023. SASRA.
72) Scheuer, L. J., & Thaler, J. (2023). How do dynamic capabilities affect performance? A systematic review of mediators. European Management Journal, 41(6), 914-931. https://doi.org/10.1016/j.emj.2022.12.006
73) Schilke, O., Hu, S., & Helfat, C. E. (2018). Quo vadis, dynamic capabilities? A content-analytic review of the current state of knowledge and recommendations for future research. Academy of Management Annals, 12(1), 390-439. https://doi.org/10.5465/annals.2016.0014
74) Singh, S. K., Del Giudice, M., & Tornberg, P. (2022). Stakeholder pressure, green innovation, and performance in small and medium-sized enterprises: The role of green dynamic capabilities. Business Strategy and the Environment, 31(3), 291-309.
75) Songkajorn, Y., & Aujirapongpan, S. (2022). Organizational strategic intuition for high performance: The role of knowledge-based dynamic capabilities and digital transformation. Journal of Open Innovation, 8(3), Article 117.

76) Soto-Acosta, P. (2020). COVID-19 pandemic: Shifting digital transformation to a high-speed gear. Information Systems Management, 37(4), 260-266. https://doi.org/10.1080/10580530.2020.1814461
77) Story, D. A., & Tait, A. R. (2019). Survey research. Anesthesiology, 130(2), 192-202. https://doi.org/10.1097/ALN.0000000000002436
78) Su, W., & Junge, S. (2023). Unlocking the recipe for organizational resilience: A review and future research directions. European Management Journal, 41(6), 1086-1105. https://doi.org/10.1016/j.emj.2023.03.002
79) Suleman, S., Thaker, H. M. T., & Fatima, H. (2025). Resilience of Islamic financial institutions amid economic disruptions: Lessons from the COVID-19 pandemic. Contributions to Islamic Economics.
80) Taherdoost, H., & Madanchian, M. (2024). The impact of survey response rates on research validity and reliability. In Research methods and quantitative analysis. IGI Global. https://doi.org/10.4018/979-8-3693-1135-6.ch009
81) Tawse, A., & Tabesh, P. (2023). Thirty years with the balanced scorecard: What we have learned. Business Horizons, 66(1), 123-132. https://doi.org/10.1016/j.bushor.2022.03.005
82) Teece, D. J. (2018). Business models and dynamic capabilities. Long Range Planning, 51(1), 40-49.
83) Tipu, S. A. A. (2022). Organizational change for environmental, social, and financial sustainability: A systematic literature review. Review of Managerial Science, 16, 1697-1742. https://doi.org/10.1007/s11846-021-00494-5
84) Treinta, F. T., Moura, L. F., Almeida Prado Cestari, J. M., Pinheiro de Lima, E., Deschamps, F., Gouvea da Costa, S. E., Van Aken, E. M., Munik, J., & Leite, L. R. (2020). Design and implementation factors for performance measurement in non-profit organizations: A literature review. Frontiers in Psychology, 11, Article 1799. https://doi.org/10.3389/fpsyg.2020.01799
85) Trieu, H. D., Nguyen, P. V., & Nguyen, T. T. M. (2023). Information technology capabilities and organizational ambidexterity facilitating organizational resilience and firm performance of SMEs. Asia Pacific Journal of Marketing and Logistics, 35(6), 1239-1259.
86) Troise, C., Corvello, V., & Bresciani, S. (2025). Artificial intelligence and dynamic capabilities: How startups can thrive in entrepreneurial ecosystems amid disruptive change. Small Business Economics, 55(1), 101-118.
87) Vakilzadeh, K., & Haase, A. (2021). The building blocks of organizational resilience: A review of the empirical literature. Continuity & Resilience Review, 3(1), 1-21. https://doi.org/10.1108/CRR-04-2020-0002
88) Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. Journal of Business Research, 122, 889-901. https://doi.org/10.1016/j.jbusres.2019.09.022
89) Vial, G. (2019). Understanding digital transformation: A review and a research agenda. The Journal of Strategic Information Systems, 28(2), 118-144. https://doi.org/10.1016/j.jsis.2019.01.003
90) Wang, Z., & Jia, M. (2025). Digital transformation and organizational resilience. Finance Research Letters, 78, Article 107196. https://doi.org/10.1016/j.frl.2025.107196
91) Warner, K. S. R., & Wager, M. (2019). Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal. Long Range Planning, 52(3), 326-349. https://doi.org/10.1016/j.lrp.2018.12.001
92) Wei, J., & Shen, Y. (2025). Impact and mechanism of digital transformation on performance in manufacturing firms. Innovation and Green Development, 4(1), Article 100205. https://doi.org/10.1016/j.igd.2025.100205
93) World Council of Credit Unions. (2024). Global credit union membership surpasses 411 million: 2023 statistical report. WOCCU.
94) Wu, M. J., Zhao, K., & Fils-Aime, F. (2022). Response rates of online surveys in published research: A meta-analysis. Computers in Human Behavior Reports, 7, Article 100206. https://doi.org/10.1016/j.chbr.2022.100206
95) Wulandhari, N. B. I., Budhwar, P., & Mishra, N. (2023). Organizational resilience to supply chain risks during the COVID-19 pandemic: The role of dynamic capabilities. British Journal of Management, 34(4), 1412-1430.
96) Xiao, Y., Gable, G. G., & Tan, W.-G. (2020). IT architecture flexibility and IT governance decentralisation as contingencies of IT-enabled dynamic capabilities and competitive performance. Information Technology for Development, 26(4), 718-746. https://doi.org/10.1080/0960085X.2020.1808541
97) Yang, H., & Suntrayuth, S. (2025). Enhancing team resilience through team knowledge dynamics: A mediated approach. Frontiers in Psychology, 16, Article 1615909.
98) Yoganandham, D. G., Suthakar, K., & Anand, R. (2025). Strategic digital transformation for sustainable business growth and economic resilience: An empirical assessment. International Journal of Emerging Markets.

99) You, N. N., Tian, X., & Martin, B. (2023). Leveraging resources and dynamic capabilities for organizational resilience amid COVID-19. South African Journal of Business Management, 54(1), Article a3802.

100) Zeffirelli, N. H. E., & Muhamed, A. A. (2025). Enhancing supply chain resilience through digital procurement: An information processing theory perspective. International Journal of Research in Business and Social Science, 9(7), 1962-1967.

101) Zhou, C., Huang, Y., & Liu, R. (2025). Antecedent configurations of organizational resilience in a major crisis: A strategic fit perspective. Journal of Business Research, 162, Article 114893.

102) Zhou, K., Yu, D., & Liu, S. (2024). Seeking decision-making performance: Examining the role of e-commerce capability, organizational agility, and digital business intensity. Information & Management, 61(8), Article 103924. https://doi.org/10.1016/j.im.2024.103924

103) Zhou, S. S., Zhou, A. J., Feng, J., & Jiang, S. (2019). Dynamic capabilities and organizational performance: The mediating role of innovation. Journal of Management & Organization, 25(5), 731-747. https://doi.org/10.1017/jmo.2017.20

There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (https://creativecommons.org/licenses/by-nc/4.0/), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.