

Behavioural Innovation and Brand Performance of Digital Credit Providers In Kenya

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ABSTRACT : While much of the innovation literature emphasises new products, processes, and strategies, an organisation's capacity to translate any of these into market advantage ultimately depends on the people who implement them. This study examined the effect of behavioural innovation, understood as employees' and organisations' readiness to accept, adjust to, and champion change, on the brand performance of digital credit providers (DCPs) in Kenya. Using a descriptive, cross-sectional, quantitative design, data were collected through a structured, closed-ended, five-point Likert questionnaire administered to marketing managers across all 126 digital credit providers registered in Kenya, following a census approach. Data were analysed using descriptive statistics, Pearson correlation, and simple linear regression in SPSS version 28. Behavioural innovation was found to be highly practised among the sampled firms, with a construct mean of 4.260 (SD = 0.956) across eleven items capturing change acceptance, change-related effort, optimism under adversity, and managerial-system innovation. Behavioural innovation was strongly and significantly correlated with brand performance ($r = .903$, $p < .001$) and, in a simple regression model, emerged as the single strongest predictor of brand performance among all innovation dimensions examined in the parent study, explaining 81.5 percent of the variance in brand performance ($\beta = .903$, $R^2 = .815$, $F(1, 102) = 448.035$, $p < .001$). The null hypothesis that behavioural innovation has no significant effect on brand performance was rejected. The study concludes, consistent with the Dynamic Capabilities Framework, that employee adaptability, change-readiness, and managerial innovativeness function as the human mechanism through which other forms of innovation are converted into market-facing brand value, and that behavioural innovation therefore warrants proportionately greater managerial attention than other innovation dimensions. Recommendations include establishing structured change-management programmes, embedding adaptability and entrepreneurial initiative into recruitment and performance-appraisal criteria, linking recognition and compensation to demonstrated behavioural adoption of innovation, and requiring visible leadership modelling of target behaviours.

KEYWORDS: behavioural innovation, brand performance, digital credit providers, dynamic capabilities, Kenya

I. INTRODUCTION

1.1 Background of the Study

Organisational innovation is frequently discussed in terms of tangible outputs, new products, upgraded processes, and revised strategies, yet a growing stream of research recognises that the ultimate success of any of these initiatives depends on how employees and managers behave in response to them. Behavioural innovation refers to the extent to which individuals within an organisation accept, adapt to, and actively champion change, including their willingness to take on new roles, adjust working methods, remain optimistic in the face of difficulty, seek out information about change, and support the introduction of new managerial systems (Salunke et al., 2019). Unlike product or process innovation, which can, in principle, be purchased or engineered, behavioural innovation resides in people, and it is therefore both harder to build deliberately and, potentially, harder for competitors to replicate.

This distinction is especially consequential in service industries, where the "moment of truth" in a customer relationship is frequently an interaction with a frontline employee or a system whose responsiveness reflects the choices and commitment of the people who designed and operate it. In such contexts, a firm's brand is, in an important sense, enacted by its employees each time a customer interacts with the organisation. Where employees are resistant to change, disengaged from new initiatives, or simply going through the motions, even well-designed products, processes, and strategies may fail to translate into the kind of consistent, high-quality customer experience that builds brand equity. Conversely, where employees are adaptable, optimistic, and

willing to champion new ways of working, the same underlying innovations are far more likely to be implemented faithfully and to generate the customer-facing benefits they were designed to produce.

Kenya's digital credit sector provides a demanding test of this proposition. Digital credit providers (DCPs) operate in a market defined by rapid technological change, frequent regulatory adjustment, and intense competitive pressure, conditions that place a premium on organisational agility. In such an environment, firms are continuously required to adopt new systems, comply with evolving regulation, and respond to shifting customer expectations, placing heavy and repeated demands on employees' willingness and capacity to change. Understanding whether, and how strongly, this behavioural dimension of innovation relates to brand performance is therefore of direct practical relevance to an industry in which the pace of change shows no sign of slowing.

Despite its intuitive importance, behavioural innovation has received comparatively less direct empirical attention in the brand performance literature than product-, process-, or strategy-focused innovation. Much of the existing research on innovative work behaviour, internal branding, and change-readiness has examined intermediate outcomes such as service quality, customer satisfaction, or brand citizenship behaviour, without directly and quantitatively testing the link between behavioural innovation and brand equity or brand performance as a composite outcome (Nicolescu et al., 2026; Afshardoost et al., 2023). This creates a gap that the present study addresses by directly measuring behavioural innovation and testing its statistical effect on brand performance within a single organisational sample.

1.2 Statement of the Problem

Digital credit providers in Kenya must continuously adapt to new technologies, shifting regulatory requirements, and evolving customer expectations, all of which depend on employees' and managers' willingness to embrace and sustain change. Yet, despite the central role that behavioural readiness plausibly plays in determining whether other forms of innovation succeed or fail in practice, there is limited direct empirical evidence quantifying the relationship between behavioural innovation and brand performance, particularly within the digital financial services sector in an emerging-market context such as Kenya. Prior research has tended either to examine behavioural constructs, such as innovative work behaviour or organisational citizenship behaviour, in relation to intermediate outcomes such as service quality and customer satisfaction rather than brand performance directly (Nicolescu et al., 2026), or to study behavioural interventions such as nudges and internal branding campaigns without assessing their longer-term implications for brand equity (Khound & Mishra, 2025; Afshardoost et al., 2023). This leaves managers of digital credit providers without clear, quantified evidence on how much weight to place on behavioural readiness relative to other innovation investments when seeking to strengthen their brand. This study addresses this gap by directly and empirically testing the effect of behavioural innovation on brand performance among digital credit providers in Kenya.

1.3 Objective of the Study and Hypothesis

The objective of this study was to analyse the effect of behavioural innovation on the brand performance of digital credit providers in Kenya. The study tested the following null hypothesis:

H0: Behavioural innovation has no significant effect on brand performance of digital credit providers in Kenya.

1.4 Significance of the Study

For managers of digital credit institutions, this study offers evidence-based guidance on the relative importance of investing in change-management practices, employee development, and leadership behaviour as levers for brand performance, alongside more conventional product-, process-, and strategy-focused innovation investments. For human resource and organisational development practitioners in the sector, the findings provide a basis for embedding adaptability and change-readiness into recruitment, appraisal, and reward systems. For scholars, the study contributes quantitative, sector-specific evidence linking behavioural innovation directly to brand performance, extending a literature that has more often examined behavioural constructs in relation to intermediate outcomes such as service quality or employee engagement rather than brand performance as a composite market-facing outcome.

II. LITERATURE REVIEW

2.1 Empirical Review

Research on behavioural innovation spans several literatures, including innovative work behaviour, internal branding, behavioural economics, change management, and leadership studies, each offering partial evidence relevant to the relationship between employee and organisational behaviour and brand-related outcomes.

Nicolescu, Dominici, Vătămănescu, and Dabija (2026) examined innovative work behaviours (IWB) among employees as factors influencing service and customer outcomes. Based on a multi-firm survey analysed

through structural equation modelling and regression, the study found that IWB had a considerable positive effect on service quality and customer satisfaction, both considered antecedents of brand trust. The research did not directly test brand equity outcomes, however, leaving open the question of whether the documented service-quality gains from innovative work behaviour ultimately translate into stronger brand performance, a question the present study addresses directly.

Afshardoost, Eshaghi, and Bowden (2023), in a meta-analysis examining how internal branding affects employee brand citizenship behaviour, found that internal branding practices help promote employee behaviours aligned with the brand, which ultimately contribute to customer satisfaction and brand reputation. The authors noted a lack of longitudinal studies and limited direct measurement of brand equity, pointing to a need for research, such as the present study, that more directly connects behavioural constructs to measured brand performance outcomes.

Khound and Mishra (2025) conducted a review of field experiments, randomised controlled trials, and A/B testing examining the effects of behavioural innovation interventions, specifically nudges, on consumer decision-making, finding that purchase and engagement behaviour could be significantly enhanced by well-designed nudges. The review did not, however, examine the long-term implications of such interventions for brand performance, suggesting the need to evaluate whether repeated behavioural interventions can build durable consumer-brand relationships and stronger customer-based brand equity over time, a longer-term question that lies beyond the scope of the present cross-sectional design but that motivates its focus on behavioural innovation as an organisational, rather than purely interventionist, construct.

Furr and Eggers (2021) examined behavioural innovation within the context of corporate renewal and its implications for firm reputation, using case studies and mixed-method evidence. The study found that innovative managerial behaviours support strategic renewal processes and contribute positively to organisational reputation, although consumer-level measures of brand equity were not directly evaluated. This finding suggests that managerial behaviour may function as an important antecedent in the relationship between behavioural innovation and brand performance, a proposition supported by the present study's finding that managerial-system innovation items, such as executives searching for new managerial systems, were rated highly by respondents.

Hart (2025) examined how sales performance is shaped through individual realisation, impact, and transformation, offering evidence that behavioural and motivational factors at the individual level are closely tied to performance outcomes in customer-facing roles, reinforcing the proposition that frontline employee behaviour is a meaningful driver of market-facing performance outcomes such as brand performance.

Beyond the immediate marketing and branding literature, a broader stream of research on behavioural economics, change readiness, and organisational behaviour provides converging evidence on the importance of behavioural factors to organisational outcomes. Garus, Mourtzouchou, Mattas, and Ciuffo (2026), examining the competencies that facilitate social innovation within technology transfer offices, found that communication skills, interdisciplinary knowledge, networking, and behavioural insight strongly facilitate the success of innovation-related initiatives, with stronger employee competencies helping to build better relationships and partnerships across stakeholder groups. Akinyelure (2025) demonstrated the value of integrating behavioural data into policy decision-making processes, finding that responsiveness and effectiveness improve when organisations build systems that translate behavioural insight into practice, a principle with direct relevance for digital credit providers seeking to translate customer behavioural data into more responsive service. Lemishko, Titenko, and Shevchenko (2025) found that incorporating behavioural economics principles, such as attention to risk perception, loss aversion, and decision heuristics, into financial policy design improved policy effectiveness by increasing stakeholder acceptance and adoption of interventions, an insight applicable to how digital lenders design and communicate changes to lending processes and terms. Jackson (2025) found that integrating behavioural insights into strategic planning processes improves decision quality, strengthens forecasting, and enhances organisational adaptability, particularly by increasing awareness of cognitive biases among decision-makers, an important consideration for management teams overseeing rapid product and process change in digital lending. Wazi et al. (2025) examined how AI-driven behavioural insights and immersive technologies can enhance sustainable productivity, finding that real-time feedback and individualised decision-making support strengthen human-machine interaction and employee engagement, illustrating how technology can be harnessed specifically to support, rather than replace, behavioural innovation within organisations.

Studies examining leadership and organisational citizenship behaviour further support the centrality of behavioural factors to innovation outcomes. Kanat-Maymon et al. (2017) found that supervisor motivating styles and perceived legitimacy shape employee behavioural outcomes through both moderating and mediating mechanisms, underlining the role of leadership behaviour in shaping employee responses to organisational initiatives, a theme echoed in the present study's finding that respondents strongly endorsed statements about executives searching for, and demonstrating entrepreneurial character in introducing, new managerial systems. Related work on digital transformation and entrepreneurial orientation reinforces this pattern: firms exhibiting innovativeness, proactiveness, and risk-taking as behavioural characteristics have been found to be better

positioned to translate digital initiatives into competitive advantage, since these behavioural traits create an organisational culture of experimentation and change that supports, rather than resists, new technology adoption. Studies of behavioural adoption in consumer and market contexts add further support. Al Amirul, Rashid, Abdullah, and Basari (2026) found that innovative use of social media platforms significantly influences behavioural intention among corporate audiences, improving user experience, communication effectiveness, and brand engagement, evidence that behavioural innovation on the part of organisations, in how they engage customers, can directly shape brand-relevant outcomes such as trust and engagement. Razali (2026), examining consumer adoption of blockchain-based traceability systems using an integrated behavioural-innovation model, found significant relationships between perceived usefulness, trust, technological readiness, and perceived innovation in shaping adoption behaviour, underlining that both organisational and consumer behavioural factors interact to determine whether innovations succeed in the market. Alrohaem, Gallage, and Islam (2026), in a systematic review of behavioural economics and entrepreneurial decision-making, found that psychological and cognitive factors such as overconfidence, risk perception, and loss aversion significantly shape entrepreneurial choices, offering a cautionary note that behavioural innovation, while generally beneficial, operates within the bounds of human cognitive biases that organisations must actively manage rather than assume away.

Finally, studies situating behavioural innovation within broader organisational performance frameworks reinforce its foundational role. Rizki, Parashakti, and Saragih (2019) found that transformational leadership and organisational culture positively affect employees' innovative behaviour and performance, providing direct empirical support for the proposition, central to this study's theoretical framing, that leadership and culture shape the behavioural conditions under which innovation translates into performance outcomes. Zulkarnain, Hadiyani, Ginting, and Fahmi (2024) found that commitment and employee engagement significantly influence readiness for change among plantation officers, a finding mirrored in the present study's result that respondents' willingness to seek help concerning change and to remain informed about change were among the most strongly endorsed behavioural innovation items. Caci et al. (2025), in a systematic review of organisational readiness for change in healthcare settings, similarly conceptualise readiness for change as reflecting the psychological and behavioural preparedness of organisational members to implement change, a conceptualisation closely aligned with the behavioural innovation construct examined in this study. Černe, Čater, Čater, Koman, and Redek (2024) found that management innovation acts as an enabler of firm performance, particularly in the context of Industry 4.0, while Henao-García (2026) similarly found that management innovation functions as a social integration mechanism bridging absorptive capacity, innovation, and performance, both studies reinforcing the present findings that managerial-system innovation items were strongly endorsed by respondents and meaningfully contribute to the overall behavioural innovation construct.

Collectively, this literature establishes strong indirect and partial evidence that behavioural factors, spanning individual change-readiness, organisational culture, leadership behaviour, and managerial innovativeness, are closely tied to innovation success and, in several studies, to service quality, customer satisfaction, and firm performance. What remains less directly established in the literature, and what this study tests explicitly, is the strength of the direct statistical relationship between a composite measure of behavioural innovation and brand performance as an outcome in its own right.

2.2 Theoretical Framework

This study is anchored on the Dynamic Capabilities Framework (Teece, 2007), which holds that a firm's capacity to sense opportunities, seize them through resource reconfiguration, and sustain competitive advantage through ongoing transformation depends fundamentally on organisational and managerial capabilities that are, at their core, behavioural. Teece's framework explicitly identifies the capacity of managers and employees to recognise the need for change and to reconfigure resources accordingly as a microfoundation of dynamic capability. Behavioural innovation, understood as employees' willingness to accept role change, adjust working methods, remain optimistic under adversity, and actively seek information about and support for change, together with managers' willingness to introduce and champion new managerial systems, is therefore not merely a supporting condition for other forms of innovation but the behavioural substrate through which dynamic capability is exercised. On this view, product, process, and strategic innovations are only as effective as the behavioural capacity of the people responsible for implementing them; an organisation may adopt sophisticated new technologies or redesign its processes, but unless employees accept, adapt to, and sustain these changes, the intended gains in efficiency, quality, or market responsiveness are unlikely to materialise fully. Brand performance, in this framing, is the observable, market-facing signal of how successfully an organisation's dynamic capabilities, rooted in employee and managerial behaviour, have been converted into consistent, high-quality customer experience.

2.3 Conceptual Framework and Hypothesis Development

Drawing on the reviewed literature and theoretical framework, this study conceptualises behavioural innovation as an independent variable comprising eleven indicators grouped around two related dimensions: individual change-readiness, including acceptance of role change, adjustment of working methods, effort toward implementing change, optimism in the face of adversity, engagement in change-related behaviours with long-term benefits, help-seeking regarding change, absence of complaint about change, and staying informed about change; and managerial innovativeness, including the novelty of managerial systems within the firm, executive search for new managerial systems, and entrepreneurial character in introducing new managerial systems. Brand performance is conceptualised as the dependent variable, reflecting customer satisfaction and related brand-strength outcomes. Based on the Dynamic Capabilities Framework and the empirical literature reviewed, the study proposes that behavioural innovation exerts a direct, positive, and substantial effect on brand performance, formally tested through the hypothesis stated in Section 1.3.

III. RESEARCH METHODOLOGY

3.1 Research Design and Philosophy

The study adopted a descriptive, cross-sectional research design appropriate for testing statistical relationships among variables measured at a single point in time. The analysis is explicitly quantitative and hypothesis-testing in nature, using standardised, closed-ended measurement instruments and inferential statistical procedures to test the stated hypothesis.

3.2 Population, Sampling, and Study Setting

The study was conducted in Kenya, focusing on digital credit providers (DCPs) operating through mobile and internet-based lending platforms, a sector selected for its well-developed digital financial ecosystem and high rate of digital financial service adoption. A census approach was adopted, targeting all 126 digital credit providers registered and operating in Kenya at the time of the study, with data collected from marketing managers in each firm. Because the entire identified population of DCPs was targeted, the design enabled the study to capture variation across different categories of providers and to generate sector-wide, rather than firm-specific, insight into the relationship between behavioural innovation and brand performance.

3.3 Data Collection Instrument and Measurement

Data were collected using a structured, closed-ended questionnaire administered electronically, supplemented by printed copies delivered in person where necessary. Behavioural innovation, the independent variable in this study, was measured using an eleven-item scale capturing indicators such as acceptance of role change, adjustment of working methods in response to change, sustained effort toward implementing change, optimism about change even in the face of adversity, engagement in change-related behaviours with long-term benefits, help-seeking related to change, absence of complaint about change, staying informed about change, novelty of managerial systems within the firm, executive search for new managerial systems, and entrepreneurial character in introducing new managerial systems. Brand performance, the dependent variable, was measured using a six-item scale adapted from King and Grace (2010), assessing customer satisfaction with the firm's products and services. All items were rated on a five-point Likert-type scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.4 Reliability and Validity

The research instrument was pilot tested with 13 digital credit-related providers drawn from the SACCO sector prior to the main data collection exercise, assessing item clarity, relevance, and administration time. Reliability was assessed using Cronbach's alpha, with a coefficient of 0.70 or higher considered acceptable evidence of internal consistency. Content validity was established through expert review by specialists in digital finance and marketing, while construct validity was assessed using factor analysis to confirm that items intended to measure behavioural innovation and brand performance were appropriately related within, and distinct across, constructs.

3.5 Data Analysis

Data were analysed using IBM SPSS version 28. Descriptive statistics, including means and standard deviations, were used to summarise respondents' ratings of behavioural innovation items. Pearson product-moment correlation analysis was used to examine the strength and direction of the linear relationship between behavioural innovation and brand performance. Simple linear regression analysis was then conducted to test the hypothesis that behavioural innovation has no significant effect on brand performance, using the model:

$$Y = \beta_0 + \beta_4 X_4 + \varepsilon$$

where Y represents brand performance, X_4 represents behavioural innovation, β_0 is the model intercept, β_4 is the regression coefficient for behavioural innovation, and ε is the error term. Diagnostic checks, including assessment of linearity and homoscedasticity through residual scatterplots, normality of residuals through the

Normal P-P plot, multicollinearity through tolerance and variance inflation factor (VIF) statistics, and independence of residuals through the Durbin-Watson statistic, confirmed that the assumptions underlying ordinary least squares regression were adequately satisfied.

IV. RESULTS

4.1 Descriptive Statistics for Behavioural Innovation

Eleven items were used to measure behavioural innovation among the 126 digital credit providers surveyed (105 valid responses were used in the inferential analyses). The overall construct mean for behavioural innovation was 4.260 (SD = 0.956), the highest construct mean recorded among the four innovation dimensions examined in the parent study, indicating that change-readiness and managerial innovativeness were very highly demonstrated among the sampled firms. Since all item means exceeded 4.0, respondents consistently reported a positive orientation toward organisational change and willingness to engage in change-related behaviours. The most strongly endorsed item was that respondents try to keep themselves informed about change ($M = 4.320$, $SD = 0.982$), followed closely by seeking help concerning change when needed ($M = 4.317$, $SD = 0.917$). These results are consistent with Zulkarnain et al.'s (2024) finding that employee commitment and engagement significantly influence readiness for change, and with Caci et al.'s (2025) conceptualisation of organisational readiness for change as reflecting the psychological and behavioural preparedness of organisational members to implement change.

Managerial innovation indicators also recorded high mean scores: respondents agreed that their companies have novel managerial systems ($M = 4.284$, $SD = 0.905$), that executives search for new managerial systems ($M = 4.223$, $SD = 0.949$), and that firms exhibit entrepreneurial character when introducing new managerial systems ($M = 4.231$, $SD = 0.937$). These findings align with Henao-García's (2026) observation that management innovation functions as an important social integration mechanism linking absorptive capacity, innovation, and performance, and with Černe et al.'s (2024) finding that management innovation enables firm performance, particularly in Industry 4.0 contexts. Individual change-readiness indicators, including working toward change ($M = 4.269$, $SD = 0.988$), remaining optimistic about change even in adversity ($M = 4.272$, $SD = 0.972$), and not complaining about change ($M = 4.269$, $SD = 0.927$), similarly recorded consistently high mean scores, reinforcing the overall picture of a workforce that is highly receptive to organisational change within the sampled firms.

4.2 Correlation Between Behavioural Innovation and Brand Performance

Pearson correlation analysis showed a strong, positive, and statistically significant relationship between behavioural innovation and brand performance ($r = .903$, $p < .001$, $n = 105$). This coefficient was the highest recorded among the correlations between any of the four innovation dimensions and brand performance in the parent study, and falls well within Cohen's (1988) "large" effect size category, indicating a particularly close association between employee and managerial behavioural innovation and brand performance outcomes.

4.3 Regression Analysis

A simple linear regression analysis was conducted to test the hypothesis that behavioural innovation has no significant effect on brand performance. The overall model was highly statistically significant, $F(1, 102) = 448.035$, $p < .001$, and behavioural innovation accounted for approximately 81.5 percent of the variance in brand performance ($R^2 = .815$, Adjusted $R^2 = .813$), the highest explanatory power recorded among the simple regression models estimated for any of the four innovation dimensions in the parent study. The unstandardised regression coefficient for behavioural innovation was positive and statistically significant ($B = 0.917$, $SE = 0.043$, $\beta = .903$, $t = 21.167$, $p < .001$), indicating that a one-unit increase in behavioural innovation is associated with a 0.917-unit increase in brand performance. The model constant was not statistically significant ($B = 0.358$, $t = 1.586$, $p = .116$), suggesting that brand performance is very largely explained by the behavioural innovation construct within this model. On the basis of these results, the null hypothesis that behavioural innovation has no significant effect on brand performance of digital credit providers in Kenya was rejected.

V. DISCUSSION OF FINDINGS

The finding that behavioural innovation is not only highly practised among digital credit providers in Kenya but also the single strongest predictor of brand performance among the innovation dimensions examined, explaining 81.5 percent of the variance in brand performance, provides direct empirical support for the proposition, drawn from the Dynamic Capabilities Framework, that a firm's capacity to adapt is ultimately rooted in the people who carry out that adaptation. This result is consistent with Rizki et al.'s (2019) finding that innovations within individual and organisational employee behaviour are associated with improvements in overall company performance, and it extends that finding by demonstrating, in a single regression model, the

substantial explanatory power that behavioural factors hold specifically over brand performance, a customer-facing outcome, in the digital credit sector.

The particularly strong endorsement of items relating to staying informed about change and seeking help concerning change suggests that, within the sampled firms, change-readiness is experienced less as passive tolerance of organisational disruption and more as active, information-seeking engagement with change processes. This interpretation aligns with Zulkarnain et al.'s (2024) finding that employee commitment and engagement significantly influence readiness for change, and with Caci et al.'s (2025) framing of change-readiness as a form of psychological and behavioural preparedness rather than mere compliance. For digital credit providers, which must frequently adjust lending criteria, onboarding procedures, and digital platforms in response to regulatory and market shifts, this active orientation toward change appears to function as a critical, if often invisible, enabler of brand performance: it is plausible that customers rarely observe employees "staying informed about change" directly, but they very likely experience the downstream consequences of that behaviour in the form of staff who can competently and confidently guide them through new products, processes, or platform features.

The strong endorsement of managerial innovation items, including the novelty of managerial systems, executive search for new systems, and entrepreneurial character in introducing new systems, further supports Furr and Eggers's (2021) finding that innovative managerial behaviours support strategic renewal processes and contribute positively to organisational reputation. Read together with the strong individual change-readiness results, these findings suggest that behavioural innovation, within the digital credit sector, operates as a two-level phenomenon: innovative behaviour at the leadership level, in the form of a willingness to introduce and champion new managerial systems, appears to be matched by, and to reinforce, innovative behaviour at the individual employee level, in the form of active, informed engagement with change. This dual-level pattern is broadly consistent with Kanat-Maymon et al.'s (2017) finding that supervisor motivating styles shape employee behavioural outcomes through both moderating and mediating pathways, implying that the strong behavioural innovation–brand performance relationship documented here is likely sustained, at least in part, by the alignment between managerial and employee behaviour within these firms.

The magnitude of the behavioural innovation effect, both in absolute terms and relative to the other innovation dimensions examined in the parent study, is also consistent with the Dynamic Capabilities Framework's central claim that dynamic capability, and hence sustained competitive advantage, is fundamentally a human and organisational, rather than purely technological or strategic, phenomenon (Teece, 2007). For digital credit providers operating in Kenya's fast-moving fintech environment, this suggests that competitive advantage in brand performance is less a function of which specific innovations a firm adopts, whether in products, processes, or strategy, than of whether its workforce and management are equipped, willing, and consistently supported in implementing them. This interpretation offers a plausible explanation for why behavioural innovation outperformed the other innovation dimensions examined in the broader study in terms of its statistical relationship with brand performance: behavioural innovation may function less as one innovation dimension among several and more as the common pathway through which the benefits of product, process, and strategic innovation are ultimately realised in the market.

VI. CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

This study set out to examine the effect of behavioural innovation on the brand performance of digital credit providers in Kenya. The findings demonstrate that behavioural innovation, encompassing employees' readiness to accept and adjust to change, their sustained effort and optimism in implementing change, their active engagement with information about change, and managers' willingness to introduce and champion new managerial systems, is both highly practised among Kenyan digital credit providers and, among the innovation dimensions examined, the single strongest predictor of their brand performance. The null hypothesis that behavioural innovation has no significant effect on brand performance was rejected, with behavioural innovation alone explaining approximately 81.5 percent of the variance in brand performance in the study sample. These findings are consistent with, and provide strong empirical support for, the Dynamic Capabilities Framework's proposition that an organisation's capacity to adapt to a changing environment is fundamentally rooted in the behaviour of its people, and they extend the existing literature, which has more often examined behavioural constructs in relation to intermediate outcomes such as service quality or employee engagement, by directly and quantitatively linking behavioural innovation to brand performance as a composite, market-facing outcome.

6.2 Recommendations

Given that behavioural innovation is the strongest and most consistent predictor of brand performance among the innovation dimensions examined, it warrants proportionately greater management attention than product-, process-, or strategy-focused innovation investments considered in isolation. Digital credit providers

should establish structured change-management programmes, such as change-champion networks, for every major product, process, or strategic initiative, rather than assuming that behavioural adoption will follow structural change automatically. Firms should incorporate adaptability, openness to change, and entrepreneurial initiative as explicit criteria in recruitment, performance appraisal, and promotion decisions, ensuring that behavioural readiness is treated as a core organisational competency rather than an incidental personal trait. A portion of variable compensation or formal recognition schemes should be linked to demonstrated behavioural adoption of innovations, and not solely to output metrics, so that employees are rewarded for the change-supporting behaviours shown here to underpin brand performance. Managers should be required to visibly model the target behaviours themselves, since employee behaviour change is more durable when reinforced by observable leadership behaviour, consistent with this study's finding that managerial-system innovation and individual change-readiness appear to reinforce one another. Future research should consider longitudinal designs capable of tracking whether the strong behavioural innovation-brand performance relationship documented here is sustained as firms mature, and should examine whether specific behavioural sub-dimensions, such as change-readiness versus managerial innovativeness, exert differential effects on brand performance when modelled separately.

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