

Abstract

Introduction: Innovation is a tool of management for strategic change, as it provides a way of how to create the conditions that make proactive change a natural way of life. It aims at developing a change anticipates, creates and responds effectively to change in the external and internal environments to increase profit potential of an organization. The study was based on the descriptive research design. The target population was 86 respondents who comprised of the senior and middle level managers of deposit taking SACCOs from Nyeri County as of end of 2015 . **Methodology :** The study employed stratified random sampling technique in coming up with a sample of 63 respondents comprising of senior and middle level managers in the deposit taking saccos in Nyeri County. The study employed stratified random sampling technique to produce an unbiased grouping of the heterogeneous population into homogenous subsets within the individual subset to ensure representativeness. The relevant data was collected using questionnaires from 55 respondents representing 87.3% response rate out of the probable 63. Collected data was analyzed using statistical package for social sciences (SPSS) to generate descriptive and inferential statistics. Factors influencing adoption of open innovation strategy in the cooperative societies were measured using multi regression analysis. **Results:** Hypothesis testing revealed that technology consideration, top management commitment and resource availability had positive and statistically significant effect on adoption of open innovation strategy in the cooperative societies. Competitor actions had positive but statistically insignificant effect on adoption of open innovation strategy in the cooperative societies. **Recommendations :** The researcher recommended that cooperative societies embark on embracing new technology as it leads to adoption of open innovation strategy. The study further recommends that cooperative societies should ensure that the strategies to be implemented in the organization has top management support and commitment as they to play major role to ensure smooth implementation. The study suggests that future research could focus on the challenges cooperative societies encounter when adopting of open innovation strategy.