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

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ABSTRACT

Organizational architecture refers to the entire organization, including its structure and culture, control systems and incentives, processes, and people, while Strategic Organizational Architecture describes the context within an organization through which a strategic and entrepreneurial vision can be translated into specific entrepreneurial behaviours, processes and outcomes. The objective of this study was to establish the influence of Strategic Organizational Architecture on the competitive financial performance of Deposit Taking Saccos (DTS) in Kenya. The study also sought to determine how environmental dynamism moderates this relationship. Anchored on the ambidexterity theory of leadership for innovation the study was a pragmatic study of 715 Senior Head Office staff and 159 branch managers from 62 DTS from which a sample of 278 participants was derived. A semi-structured questionnaire having both closed and open-ended questions was used to collect primary data from the respondents, while secondary data was obtained from the Sacco Societies Regulatory Authority (SASRA's) Annual Sacco Supervision Reports for the years 2017-2021. Data was analyzed using binary logistic regression which revealed that Strategic Organizational Architecture was a positive and significant predictor of the probability of competitive financial performance in DTS. Further, the study established that the moderating effect of Environmental Dynamism in this relationship was not significant. The study recommends that for DTS to remain competitive, they ought to emphasize on building agile and adaptive organizational structures, creating an organizational culture favourable for risk seeking; ensuring that resources are adequate and well prioritized, and establishing competitive performance measuring systems and controls. On the flipside, the study recommends that although DTS ought to pay attention to customer tastes and preferences, changes in technology as well as competitor strategies, they should be careful not to deviate from their traditional business model.

Key Words: *Strategic Organizational Architecture, Saccos, Competitiveness, Environmental Dynamism*

INTRODUCTION

Organizational architecture encompasses the structure, control systems and incentives, processes, culture, and people within an organization. The organizational structure formally manages the firm, while the control system measures manager and unit performance. Incentives reward managerial performance, processes dictate decision-making and work execution, and organizational culture comprises shared values and norms among employees (MBA Knowledge Base, 2022).

Baligh (2006) describes organizational architecture, or design, as the creation of roles, processes, and formal reporting relationships within an organization. This metaphorical architecture aligns the organization's strategy, structure, and competitive environment. It provides a framework for realizing core qualities outlined in the vision statement, deploying business processes, and ensuring these qualities are consistently reflected in services offered to clients.

Agarawal and Helfat (2009) state that strategic refers to "that which relates to the long-term prospects of the company and has a critical influence on its success or failure." They emphasize that something is strategic if it relates to a firm's future prospects in a substantial way. Thus, for an organization's architecture to be described as strategic, it has to provide a foundation for future growth and development and significantly improve the long-term competitiveness and survival of the firm. Ireland, Covin and Kuratko (2009) described Strategic Organizational Architecture as the context within an organization through which a strategic and entrepreneurial vision can be translated into specific entrepreneurial behaviours, processes and outcomes.

In Africa, Savings and Credit Co-operative Societies (SACCOs) provide financial services to members, with Deposit-Taking SACCOs (DTS) also accepting public deposits. Increasing competition, regulatory changes, higher customer demands, and rapid technological advancements compel DTS to strategically re-evaluate operations to avoid closure. Enhancing efficiency, customer convenience, reliability, and accessibility is crucial for earning public trust (Ozturk & Coskin, 2014; SASRA, 2017).

Building strategic organizational architecture in a dynamic environment has the potential enhancing the competitiveness of firms, including DTS. Nduati and Oluoch (2021) investigated liquidity determinants in Kenyan SACCOs, focusing on capital adequacy, bank size, and non-performing loans. Their study revealed significant influences of these factors on the liquidity risk thus recommended that stakeholders, particularly management, must ensure appropriate structures for survival.

Research Problem

A survey by Financial Sector Deepening in Kenya, funded by UK Aid, revealed SACCOs were largely illiquid, insolvent, lacking effective controls, and failing to monitor loan delinquency (KUSCCO, 2021). For example, Mwalimu National Sacco lost over 2 billion shillings in Spire Bank and half a billion in a slow-return housing project (Michira, 2019). Moi University Sacco's 500 million investment in MUSCO Towers failed, leading to its auction and license withdrawal due to 1.2 billion liabilities (Ochieng', 2020). Kates and Galbraith (2013) warned that repeated structural changes offer little benefit and create cynicism. A study on how Strategic resources and decisions impacts the financial competitiveness of DTS was necessary so that its findings could inform Saccos accordingly. This is because if aggressive exploration and exploitation of corporate resources in DTS are not studied, more and more savings and deposits that members and customers have worked very hard to accumulate may be lost. Further, the confidence of the public in financial cooperatives will reduce significantly as it was in the late 1990s and so Kenya will not realize the vision of being vibrant and globally competitive economy that will create jobs and promote savings.

Objectives of the Study
- To determine the influence of Strategic Organizational Architecture on the Competitive Financial Performance of Deposit Taking Saccos in Kenya.

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

LITERATURE REVIEW

Ambidexterity Theory of Leadership for Innovation

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

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

Empirical Review

Whilst seeking to know the internal factors or architecture in an organization that supports entrepreneurship, Haarhuis (2015) collected data from 4 case studies drawn from Northern Netherlands. The results revealed seven factors were important part of this architecture. These were: long-term orientation, resources, strategic legitimation, networking, work discretion and autonomy, management support, and organic structure. In Bangladesh, Hoque (2018) sought to know the role of organizational culture in mediating in the association between performance of SMEs and entrepreneurial orientation. The study found that entrepreneurial orientation and organizational culture positively affected SME performance.

In a study on the Competitive Advantage as a Mediating Variable to the Relationship Between financial performance and intellectual capital, Melani, Wahyuni and Candrawati (2019) found that intellectual capital positively and significantly affected to financial success both in direct effect. Ahmad, Nasurdin, and Zainal, (2012) did a study on enhancing job performance through intrapreneurship, with a mediating role of organizational architecture. The study used a sample of 263 engineers and managers of multinational companies in Malaysia and found that elements of organizational architecture components, specifically work discretion, management support, and time availability and reward and reinforcement, had positive significant effect on intrapreneuship. Additionally, intrapreneurial behavior positively affected job performance.

The studies of Alnachef and Alhajjar (2017) as well as Arsalan, Sarfraz and Awan (2018) indicated that adequacy of human capital positively influenced firm performance. Delić, Đonlagić and Mešanović, (2016) studied the role of an organization's structure in enhancing intrapreneurship capacity in large firms in Bosnia and Herzegovina and found that internal factors and attributes of the large firms hindered intrapreneurship development.

In Kenya, Kogo and Kimencu (2018), Gakenia (2015) and Odhon'g and Omolo (2015) all established a significant linkage between quality of human resources and the performance of the firms. Nyamute and Njiru (2018) studied financial performance of Kenya's state corporations and their organizational structure.

Findings showed that structure complexity, structure formalization, structure centralization and organizational size had significant and positive influence on the corporations' financial performance. Machocho (2015) studied Strategy-Structure Alignment and Financial Performance of the top 100 SMEs. Findings of the study revealed that the strategy-structure alignment was one major factor that determined the firms' success.

In a study that correlated organizational structure with financial performance in investment groups that participate in Capital Markets in Kenya, Onyuma (2020) found that organizational structure generally had a positive and significant effect on financial performance of the investment groups. Mwebia, Senaji and Mwambia (2019) studied organizational factors and the performance of dairy cooperatives in Kenya and established that performance was significantly related with management and training.

Ngeno (2021) studied capital adequacy framework, fund allocation strategy, and financial performance. The study found that credit management, risk management, internal financing, selection of portfolio and capability of managers had a positive and significant influence on Sacco financial performance. Further, with prudent external financing, the Saccos had the potential of attaining favourable outcomes. The same study established that fund allocation moderated significantly in the association between financial performance and capital adequacy framework.

METHODOLOGY

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

RESULTS & DISCUSSION

Strategic Organizational Architecture in Deposit Taking Saccos

Table 1
Status of Strategic Organizational Architecture Implementation

Strategic Organizational Architecture parameters	Strategy implemented		Strategy not implemented		Total
	N	%	N	%	
Agility and adaptiveness of organizational structure and design	170	89	21	11	191
Favorableness of organizational culture to risk seeking and new product/venture creation	162	85	29	15	191
Adequacy of organizational resources for taking advantage of opportunities in the environment	169	89	22	11	191
Effectiveness of systems for control and measuring performance	161	84	30	16	191

Table 1 shows the state of implementation of Strategic Organizational Architecture and its parameters. It shows that Agility and adaptiveness of organizational structure and design was at 89%; Favorableness of organizational culture to risk seeking and new product/venture creation was at 85%; Adequacy of organizational resources for taking advantage of opportunities in the environment was at 89%; while Effectiveness of systems for control and measuring performance was at 84%.

Table 2

Most effective factors in Strategic Organizational Architecture

Strategic Organizational Architecture factors	Frequency	Percent
Agility and adaptiveness of organizational structure and design	42	22
Favorableness of organizational culture to risk seeking and new product/venture creation	18	9
Adequacy of organizational resources for taking advantage of opportunities in the environment	74	39
Effectiveness of systems for control and measuring performance	57	30
Total	191	100.0

Source: Research data (2023)

The study inquired which of the four Strategic Organizational Architecture parameters was the most influential. Table 2 shows that majority, 39%, cited Adequacy of organizational resources for taking advantage of opportunities in the environment as a priority. 30% cited Effectiveness of systems for control and measuring performance; 22% cited Agility and adaptiveness of organizational structure and design; while the remaining 9% cited Favorableness of organizational culture to risk seeking and new product/venture creation.

Environmental dynamism

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

Table 3

Status of the Impact on Environmental Dynamism on Strategic Organizational Architecture Implementation

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

Source: Research data (2023)

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

Table 4

Most effective factors in Environmental Dynamism

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

Source: Research data (2023)

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

Determination of Competitive Financial Performance

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

Table 5

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

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

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

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

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

Inferential Statistics of Analysis of Research Variables

Using empirical data collected in this research, this section analyses the relationships between the research variables Strategic Organizational Architecture, demonstrated in four constructs- agility and adaptiveness of organizational structure and design; favorableness of organizational culture to risk seeking and new product/venture creation; adequacy of organizational resources for taking advantage of opportunities in the environment; and effectiveness of systems for control and measuring performance; and Competitive Financial Performance.

Four binary logistic regression models have been applied with the first model being an analysis of the four-dimensional constructs of Strategic Organizational Architecture in relation to Competitive financial performance of DTS. The second model is an analysis of the four-dimensional constructs of Strategic Organizational Architecture in relation to Competitive financial performance of DTS, when environmental dynamism was introduced. The third model was an analysis of the combined effect of the four-dimensional constructs of Strategic Organizational Architecture in relation to Competitive financial performance of DTS. The fourth and last model is an analysis of the combined effect of the four-dimensional constructs of Strategic Organizational Architecture in relation to Competitive financial performance of DTS when environmental dynamism was introduced.

Classification table for Beginning block, variables not in the equation

Table 6

Classification Table[a]

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

a. Constant is included in the model

b. The cut value is .500

Source: Research data (2023)

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

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

The model demonstrated the relationship between the predictors/ Strategic Organizational Architecture parameters – that is, agility and adaptiveness of organizational structure and design; favorableness of organizational culture to risk seeking and new product/venture creation; adequacy of organizational resources for taking advantage of opportunities in the environment; and effectiveness of systems for control and measuring performance - and the outcome (Competitive Financial Performance). It presents the odds for being either competitive or not competitive as well as how statistically significant the odds were. If odds ratio was greater than 1, the probability of falling in the 'competitive' group was greater than the probability of falling in the 'not competitive' group. If the odds ratio was less than 1, the probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 7

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	220.410[a]	.046	.065

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

Source: Research data (2023)

Table 7 presents the model summary with the -2 Log likelihood as well as the Cox & Snell R Square as well as the Nagelkerke R Square which are basically pseudo-R squares for the relationship between the dependent variable and the independent variables. Conventionally, the Nagelkerke R Square is preferred since it ranges from 0 to 1, unlike the Cox & Snell R Square. Thus the 0.065 value of R-square implies that about 6.5% variation in the dependent variable is determined by the independent variable. The model summary gives the pseudo R^2 which is technically not very useful in interpreting technical variations between the dependent and independent variables in this case of Binary Logistic Regression. Thus, this cannot be depended on because the relationship between the variables is not linear.

Table 8

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	2.789	2	.248

Source: Research data (2023)

Table 8 presents the Hosmer and Lemeshow Chi-square Test, which is another test for the goodness of fit of the model on the data in which non-significance implies that the model is a good fit for the data. The significance or probability value was 0.248, and so being greater than 0.05 confirms that the model is a good fit of the data.

Table 9

Contingency Table for Hosmer and Lemeshow Test

		Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461 = 0		Competitive if Average Turnover≥461; Not Competitive if Average Turnover<461 = 1		
		Observed	Expected	Observed	Expected	Total
Step 1	1	10	10.953	9	8.047	19
	2	11	7.543	12	15.457	23
	3	6	6.245	18	17.755	24
	4	28	30.259	97	94.741	125

Source: Research data (2023)

The goodness of fit is confirmed by the contingency Table 9 for Hosmer and Lemeshow Test in that it shows that the values are almost equal for both the observed and the predicted values.

Table 10

Classification Table[a]

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

a. The cut value is .500

Source: Research data (2023)

The classification table 10 indicates how well the model is able to predict the correct category (whether competitive or not competitive) once the predictors are added into the study. The specificity of the model as being able to predict that the observation falls in the not competitive group (Y=0) is 21.8% while the sensitivity of the model, i.e., the model's ability to predict that the observations fall in the competitive group (Y=1) is 93.4%. Thus, the model has a low specificity and a high sensitivity. The overall percentage accuracy of the model is 72.8%, that is how well the model is able to give correct predictions.

Table 6 showed that without the predictors, the overall percentage accuracy of the model was at 71.2% and with the predictors the overall percentage accuracy of the model was at 72.8% implying that there was an improvement of the null model once the predictors were added. The classification table is particularly important in that it provides an indication of how well the model is able to predict the correct category once

the predictors (independent variables) are added into the study. Comparing this classification to the one in Block zero shows whether or not there is an improvement in the classification when predictors are added.

Table 11

Variables in the Equation

Strategic Organizational Architecture parameters	B	S.E.	Wald	df	Sig.	Odds Ratio
Agility and adaptiveness of organizational structure and design	1.195	.610	3.838	1	.052	3.303
Favorableness of organizational culture to risk seeking and new product/venture creation	.118	.553	.046	1	.831	1.125
Adequacy of organizational resources for taking advantage of opportunities in the environment	.304	.451	.453	1	.501	1.355
Effectiveness of systems for control and measuring performance	.082	.513	.026	1	.872	1.086
Constant	-.558	.685	.663	1	.415	.572

Source: Research data (2023)

Results in Table 11 show that:

Agility and adaptiveness of organizational structure and design was a positive and insignificant (B=1.195, S. E=0.610, p=0.052) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in agility and adaptiveness of organizational structure and design, the odds of competitive financial performance changed by a factor of 3.303, implying that the odds increased.

Favorableness of organizational culture to risk seeking and new product/venture creation was a positive and significant (B=0.118, S. E=0.553, p=0.831) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in favorableness of organizational culture to risk seeking and new product/venture creation, the odds of competitive financial performance changed by a factor of 1.125, implying that the odds increased.

Adequacy of organizational resources for taking advantage of opportunities in the environment was a positive and insignificant (B=0.304, S. E=0.451, p=0.501) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in adequacy of organizational resources for taking advantage of opportunities in the environment, the odds of competitive financial performance changed by a factor of 1.355, implying that the odds increased.

Effectiveness of systems for control and measuring performance was a positive and insignificant (B=0.082, S. E=0.513, p=0.872) predictor of the probability of Competitive Financial Performance, with odds ratio indicating that for every one unit increase in effectiveness of systems for control and measuring performance, the odds of competitive financial performance changed by a factor of 1.086, implying that the odds increased.

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

This second model considered the relationship between Strategic Organizational Architecture parameters – that is, agility and adaptiveness of organizational structure and design; favorableness of organizational culture to risk seeking and new product/venture creation; adequacy of organizational resources for taking advantage of opportunities in the environment; and effectiveness of systems for control and measuring performance with competitive financial performance when environmental dynamism was introduced.

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

probability of falling in the 'not competitive' group was less than the probability of falling in the competitive group.

Table 12

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Odds Ratio
Agility and adaptiveness of organizational structure and design	1.038	.637	2.650	1	.104	2.822
Favorableness of organizational culture to risk seeking and new product/venture creation	.580	.593	.954	1	.329	1.785
Adequacy of organizational resources for taking advantage of opportunities in the environment	.307	.474	.420	1	.517	1.359
Effectiveness of systems for control and measuring performance	.278	.532	.273	1	.602	1.320
Environmental dynamism	-1.419	.457	9.628	1	.002	.242
Constant	.094	.754	.015	1	.901	1.098

Source: Research data (2023)

Results in Table 12 show that,

Agility and adaptiveness of organizational structure and design was a positive and insignificant (B=1.038, S. E=0.637, p=0.104) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in agility and adaptiveness of organizational structure and design, the odds of competitive financial performance changed by a factor of 2.822, implying that the odds increased.

Favorableness of organizational culture to risk seeking and new product/venture creation was a positive and insignificant (B=0.580, S. E=0.593, p=0.329) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in favorableness of organizational culture to risk seeking and new product/venture creation, the odds of competitive financial performance changed by a factor of 1.785, implying that the odds increased.

Adequacy of organizational resources for taking advantage of opportunities in the environment was a positive and insignificant (B=0.307, S. E=0.474, p=0.517) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in adequacy of organizational resources to enable the Sacco take advantage of opportunities in the environment, the odds of competitive financial performance changed by a factor of 1.359, implying that the odds increased.

Effectiveness of systems for control and measuring performance was a positive and insignificant (B=0.278, S. E=0.532, p=0.602) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in the effectiveness of systems for control and measuring performance, the odds of competitive financial performance changed by a factor of 1.320, implying that the odds increased.

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

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

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

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

Table 13

Variables in the Equation

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

Source: Research data (2023)

Table 13 shows that overall, Strategic Organizational Architecture was a positive and significant (B=0.875, S. E=0.330, p=0.008) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in Strategic Organizational Architecture, the odds of Competitive Financial Performance changed by a factor of 2.398, implying that the odds increased.

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

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

Table 14

Variables in the Equation

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

Source: Research data (2023)

Table 14 shows that when considered together with Environmental Dynamism, Strategic Organizational Architecture was still a positive and significant (B=1.135, S. E=0.354, p=0.001) predictor of the probability of competitive financial performance, with odds ratio indicating that for every one unit increase in Strategic Organizational Architecture, the odds of Competitive Financial Performance changed by a factor of 3.110, implying that the odds increased.

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

CONCLUSION

The findings of this study agree with those of Siteienei and Thuita (2021) who established statistically significant positive effect of cash management on financial performance of Deposit Taking Saccos; Buluma, Kung'u and Mungai (2017) who established that SASRA regulations on resource management improved

financial performance of the SACCOs; Ademba (2019) who established that Capital adequacy, asset quality, operational efficiency, and liquidity were positively and significant related to financial performance of deposit taking SACCOs. Mutanda and Wahome (2018) also indicated that Liquidity ratio as recommended by SASRA had the highest effect on financial performance of DTS in Kenya.

RECOMMENDATIONS

This study recommends that DTS ought to focus on establishing agile and adaptive organizational structures and designs, organizational cultures that are favorable to risk seeking and new product/venture creation; building adequate organizational resources for taking advantage of opportunities in the environment; and setting up effective systems for control and measuring performance because all these increase the likelihood of achieving competitive financial performance. On the flipside, although DTS should rebuild and reposition themselves strategically, they should not be obsessed by it because environmental dynamism did not moderate significantly in the relationship. This implies that DTS should be more concerned with service to members, adherence to the principles of Cooperatives, as well as the exploitation of traditional/proven business models even as emphasized by the Ambidexterity Theory of Innovation.

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