Leadership Alignment, Firm size and Sustainable Competitive Advantage among Deposit taking Savings and Credit Cooperative Societies in Kenya.

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Abstract: Sustainable competitive advantage has been a major topic of interest among managers of both commercial and non-commercial Organizations globally. As the operating environment becomes competitive, managers faced with dwindling performance for their Organisations are concerned not just with achieving competitive advantage but sustaining the same for long term benefit. This is achieved mostly through leadership alignment which is the fit between a firm’s strategy and its internal and external factors. The significance of Leadership alignment in a business context has been devoted to the fit between business competitive strategies and internal factors. Creating a sustainable competitive advantage is the most important goal of any Sacco’s and is the most important single attribute on which each Sacco’s must place its most focus. Strategic leadership is the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary. Strategic leadership is versatile and involves managing through subordinates, and helps organizations to cope with changes that seem to be increasing dramatically in today’s globalized business environment. Strategic leadership demands for the ability to integrate both the inside and outside business environment of the organisation, and engage in multifaceted information processing. The purpose of this study was to analyze the relationship between Leadership Alignment on Sustainability of Competitive Advantage among Deposit taking Savings and Credit Cooperative Societies in Kenya and the moderating effect of firm size on this relationship. The study was anchored on dynamic capability approach. The study adopted a correlational research design where data was collected only once from the respondents by use of questionnaires from four senior managers in each of the one hundred and sixty four SACCOs involved in this study. Statistical package for social sciences (version 23) was used for data analyses. Multi linear regression was used to establish the relationship between the variables and data was presented through descriptive and inferential statistics and all ethical considerations were made. The study found that leadership alignment influences sustainable competitive advantage and also there was a moderate positive relationship between leadership alignment (R= 0.304) and sustainable competitive advantage of SACCOs in Kenya and that sustainable competitive advantage is achieved through leadership alignment. Moreover, firm size was found to influence this relationship. The study recommends that SACCOs in Kenya should strategically align their leadership well in order to sustain their competitive advantage and remain relevant in meeting the needs of their customers.

Key words: Leadership alignment, Sustainable competitive advantage, Firm size

I. INTRODUCTION

The concept sustainable competitive advantage has been a major topic of interest among managers of both commercial and non-commercial Organisations globally. As the operating environment becomes competitive, managers faced with dwindling fortunes for their Organisations are concerned not just with achieving competitive advantage but sustaining the same for long term benefit. Competitive advantage is something that the firm does much better than its competitors that give it an edge in serving customers’ needs and or maintaining mutually satisfying relationships with important stakeholders (Ferrell, 2012)

Sustainable competitive advantage, refers to long-term benefits of implementing some unique values creating products which competitors cannot implement simultaneously, along with the inability to duplicate the benefits of this strategy (Omar Rabeea Mahdia, 2014). An organization's ability to sense and its speed of response is strategy that enables the organization to catch opportunities and avoid threats, enhancing its competitive advantage (Herrera, 2015).

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Source of competitive advantage is based on three dimensions: resources, distinctive capabilities and core competence (Pelc, 2014). Tangible assets are resources such as property, vehicles and machinery, which have fixed long-term capacity and are difficult to transfer for cash. However, tangible assets are not a source of competitive advantage because they are easy to be replicated and are therefore relatively imitable, substitutable and mobile. In contrast, intangible resources are the most important strategically: knowledge or information for example organizational culture, product reputation, organization brand and the perception of service quality. All of these may be transferred for a competitive advantage at any time (James Pearson, 2015).

Pursuit for sustainable competitive advantage has been the primary objective in the study of a firm’s competitive strategy and generation of superior profitability. The term sustainable is considered as encompassing the protection of resources for longer period of time into the future (Arthur A. Thompson, 2018).

Core competencies are special skills and technologies that enable a firm to provide a specific value added to the customers, as they provide the foundation of core products and services which are at the center of an organization’s activities (Lynch, 2018). Attributes of sustained competitive advantage of firms includes sufficient valuable resources for performing strategies, improving effectiveness and efficiency, and generating a sustained competitive advantage. Resources should appear rare, because competitive advantages will sustain not for long and will lose value when managers share resources with competing firms. Success of cooperative organizations hinges crucially on their ability to sustain competitive advantage and achieve superior firm performance. Attainment of sustainable competitive advantage is enhanced when resources are deployed to create value for customers leading to superior performance (Almarri & Gardiner, 2014).

Strategic leadership is the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary. Strategic leadership is versatile and involves managing through subordinates, and helps organizations to cope with changes that seem to be increasing dramatically in today’s globalized business environment. Strategic leadership demands for the ability to integrate both the inside and outside business environment of the organisation, and engage in multifaceted information processing. Strategic leadership was hypothesized to have a positive impact on organizational competitiveness and innovativeness and strategic leaders were repetitively recognized for their decisive role in recognizing opportunities and taking positive decisions that will have impact on innovation process (Safarzadeh, 2015).

Size in relation to contingency theory and as far as this study is concerned refers to the number of workers in an organization, number of years in operation and also include geographic spread in terms of the number of branches. Firm size as determined by the number of employees has been viewed as fundamental component affecting organizational structure, design, and shape. Some researchers claim size influences firm effectiveness and efficiency and some claim it does not.

Small firms are paralyzed by too much specialization while in larger firms, there may be economies of scale that can be gained by maintaining functionally specialist departments and teams. Large firms have complex needs of decision making while some responsibilities of decision are likely to be devolved or decentralized (Daft, 2016).

A co-operative is a business organization jointly owned and democratically controlled by the members, who use its services and are willing to accept the responsibilities of membership. (Muturi, 2013). Success of Savings and Credit Cooperative Societies hinges crucially on their ability to sustain competitive advantage and achieve superior firm performance. Attainment of sustainable competitive advantage is enhanced when resources are deployed to create value for customers leading to superior performance. Performance is a central issue for cooperative organizations because it would have a significant impact on their members’ economy (Gardiner, 2014). Savings and credit Cooperative Societies must remain competitive, relevantly providing dynamic operations and deploying competitive advantage strategies and are effectively self-help organizations upholding environmental sensitivity (Leonidou, 2013)

II. STATEMENT OF THE PROBLEM

Organizational cannot fully achieve their objectives without attainment of competitive advantage based on the existence of intellectual capital and not just the reliance on equipment, buildings or appliances (Stephen, 2015). Well aligned Savings and Credit Cooperative Societies have sustained competitive advantage and are overwhelmed by high levels of new customer acquisition, expansion, attraction of high caliber workforce and high rate of new service innovations while those that are not are fighting for survival with shrinking market share and high level of employee turnover to the extent of some engaging in malpractices and facing governance issues. Savings and Credit Cooperative Societies in Kenya have been adversely affected by inadequate managerial skills and knowledge (Ondieki, 2011). In a study to determine the impact of leadership, corporate governance and regulations on credit risk management of Savings and Credit Cooperative Societies in only three regions in Tanzania (Magali, 2014), study findings may not be applicable in Kenyan set up due to environmental diversity. Again this study left out other internal factors focused by this research study. This study sought to
establish the relationship between leadership alignment and sustainable competitive advantage among deposit taking SACCOs in Kenya and the moderating effect of firm size on this relationship.

**Purpose of the study**
The purpose of the study was to establish the relationship between leadership alignment and sustainable competitive advantage among deposit taking SACCOs in Kenya and the moderating effect of firm size on this relationship.

**III. LITERATURE REVIEW**
Dynamic capabilities view of the firm is the weak form of Resource Based View which is in varying terms (Marzo, 2014). Researchers use dynamic capabilities view to describe how existing firm owners realize quasi-rents through efficient redeployments of a firm’s unique resources to match changing environments (Arend, 2014). The underlying assumption of dynamic capabilities view is that leaders in a firm sense new opportunities, reconfigure resources and capabilities in line with recognized opportunities, and environmental change may create and sustain a competitive advantage (Lahovnik, 2014). To conform to dynamic capabilities view, the leaders develop value from general inputs in a specific and path-dependent way. Dynamic capabilities view has emerged as an attempt to untangle the complex problem of sustainable competitive advantage in today’s dynamic environment (Martin, 2000). The underlying assumption is that firms which are able to sense and then seize new opportunities, and further, reconfigure their resources and capabilities in line with recognized opportunities and environmental change can create and sustain competitive advantage (Teece, 2009). Dynamic capabilities is a firm's behavioral orientation constantly to integrate, reconfigure, renew and recreate its resources and abilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage (Ahmed, 2007). Dynamic capabilities framework is designed to explain why certain firms have competitive advantage in situations of rapid and unpredictable change. In particular, dynamic capabilities focuses on the challenge managers face in leading organizations through periods of deep, fundamental change characterized by Knightian uncertainty (Peteraf, 2016).

**Empirical review**
An elaborated version of Environment, Strategy, Core Competencies, and Organization strategic alignment model, by adding leadership (including the board of directors) as the actor guiding alignment, and sustainable advantage as an outcome was conducted (Katrin, 2016). In another study to investigate the effect of strategic leadership on performance of public universities in Kenya. This was a qualitative research survey that involved 98 respondents who included deans’ head of departments and other top stakeholders within the university set up and revealed that strategic leadership plays a crucial role in effective strategy execution and recommend that leadership in tertiary institutions should be focused on strategy implementation (Silia, 2016). In another study conducted in an Indonesian higher education institution revealed that the three dimensions of strategic leadership they tested gave reasonable contribution to strategy implementation in the institution. The dimensions were strategic expert (strategist), change agent, and visionary leadership. The study consisted of 67 respondents from different strata in the sampled institution (Hidayah, 2015).

**IV. METHODOLOGY**
The study adopted a correctional research design and was carried out in Kenya where one hundred and sixty four SACCOs licensed for deposit taking business were involved. Data was only corrected ones from a target population of six hundred and fifty six senior managers working in these SACCOs that were purposively sampled. Data was analyzed using SPSS version 23 and presented through descriptive and inferential statistics.

**Response rate**
The study gathered a total of 538 responses out of a target population of 656 respondents. This represented 82% response rate which was considered excellent for analysis as stated by (Mugenda & Mugenda, 2012) that response rate of 50% is adequate for analysis and reporting, response rate of 60% is generally good while a response rate of above 70% is excellent.

**Data Reliability Assessment**
The researcher sought to assess the reliability of the data collected to measure the various variables in the study. The purpose of reliability assessment was to assess the internal consistency of the data collected by the research questionnaires. To measure this, Cronbach Alpha was computed to assess the reliability of the data collected. According to (George & Mallery, 2003), Cronbach Alpha value greater than 0.7 is regarded as satisfactory for reliability assessment.
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Table 1: Cronbach Alpha for Reliability Assessments

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach Alpha Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership alignment</td>
<td>8</td>
<td>0.802</td>
</tr>
<tr>
<td>Sustainable competitive advantage</td>
<td>6</td>
<td>0.821</td>
</tr>
</tbody>
</table>

As shown in table 1 above, Cronbach alpha values for leadership alignment were greater than 0.7. From these findings it can be concluded that the constructs measured had the adequate reliability for the subsequent stages of analysis since all the Cronbach Alpha values were greater than 0.7.

Respondents’ characteristics

Majority of the respondents (71.0%) were male while female accounted for 29.0%. This gender distribution implies that there are more men working in the SACCO sector compared to women in Kenya. Moreover, it implies that this sector is more men oriented. In addition, majority of the respondents (48.5%) were within the age category of 31 to 40 years. This means that the workforce in this sector is energetic and productive since it is in its productive years and have more years to work before retirement. The findings further show that most respondents’ highest Level of Education was bachelor degree accounted by 56.1%. Those with masters and Doctor of philosophy (Ph.D.) accounted for 31.4% and 1.7% respectively. It is also revealed that 10.8% of the respondents had other qualifications ranging from diploma holders and certificates holders. These findings implies that majority of people working in this sector are well educated and have a good understating of the sector. In the responses obtained, 30.3% of the respondents were operations managers; 25.3% were finance managers; 23.6% were human resource managers and 20.8% were chief executive officers or branch managers.

Influence of Leadership alignment and sustainable competitive advantage

The study focused on the effect of leadership alignment on sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya. The Table below presents the results from the respondents involved in the study.

Table 2 influence of Leadership alignment on sustainable competitive advantage

<table>
<thead>
<tr>
<th>Leadership Alignment</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers in my organization plan comprehensively to achieve organizational goals</td>
<td>538</td>
<td>3.28</td>
<td>.943</td>
</tr>
<tr>
<td>Managers in my organization have a sustained focus on the organization mission and objectives</td>
<td>538</td>
<td>3.30</td>
<td>1.019</td>
</tr>
<tr>
<td>Other employees in the organization are often involved by managers in working towards achieving goals</td>
<td>538</td>
<td>3.39</td>
<td>.961</td>
</tr>
<tr>
<td>Managers are committed to the organization?</td>
<td>538</td>
<td>3.33</td>
<td>1.078</td>
</tr>
<tr>
<td>Managers in this organization inspire and empower other employees in order to achieve higher performance</td>
<td>538</td>
<td>3.63</td>
<td>.747</td>
</tr>
<tr>
<td>Managers identify and remove bottlenecks to enable other employees perform their duties</td>
<td>538</td>
<td>3.52</td>
<td>.758</td>
</tr>
</tbody>
</table>

The respondents were asked to give their opinion on the relationship between leadership alignment and sustainable competitive advantage. The results revealed that the aspect of Managers in the organization planning comprehensively to achieve organizational goals scored a mean of 3.28(std. deviation 0.943), Managers in the organization have a sustained focus on the organization mission and objectives scored a mean of 3.30 (std. deviation 1.019), other employees in the organization are often involved by managers in working towards achieving goals scored a mean of 3.39(std. deviation 0.961),Managers are committed to the organization scored a mean score of 3.33(std. deviation 1.078), Managers in this organization inspire and empower other employees in order to achieve higher performance scored a mean of 3.63(std. deviation 0.747) while Managers identify and remove bottlenecks to enable other employees perform their duties scored a mean score of 3.52(std. deviation 0.758). From these findings majority of the respondents agreed that leadership alignment influence sustainable competitive advantage. These findings correspond with the findings of a study conducted separately by (Evans, 2016) and (Della Corte & Aria, 2016) in the service industry where they revealed that to remain competitive in business, those at the managerial cadres need to be conscious of the characteristics of services in the industry and strategic alignment of management principles.

The aspect of leadership alignment that scored the highest mean was Managers in this organization inspires and empower other employees in order to achieve higher performance. This means therefore employee empowerment and inspiration my managers is very key in enabling organizations to attain superior performance and sustain their competitive advantage.

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Extent of sustainable competitive advantage as a result of leadership alignment

The researcher sought to establish the extent of sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya as a result of leadership alignment. The Table below Presents the responses from the respondents.

### Table 3: Extent of sustainable competitive advantage as a result of leadership alignment

<table>
<thead>
<tr>
<th>Sustainable Competitive Advantage</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is effective supply chain management in this organization</td>
<td>538</td>
<td>3.64</td>
<td>.662</td>
</tr>
<tr>
<td>There is high rate of service differentiation in this organization</td>
<td>538</td>
<td>3.63</td>
<td>.739</td>
</tr>
<tr>
<td>There is high rate of service innovation in this organization</td>
<td>538</td>
<td>3.54</td>
<td>.783</td>
</tr>
<tr>
<td>This is high rate of responsiveness in this organization</td>
<td>538</td>
<td>3.51</td>
<td>.715</td>
</tr>
<tr>
<td>This organization has economies of scale</td>
<td>538</td>
<td>3.71</td>
<td>.669</td>
</tr>
<tr>
<td>There is cost leadership in this organization</td>
<td>538</td>
<td>3.44</td>
<td>.574</td>
</tr>
</tbody>
</table>

Respondents involved in this study were asked of their opinion in regards to the extent of sustainable competitive advantage among deposit taking savings and credit and cooperative societies in Kenya as a result of various aspects strategic alignment. Their responses indicated that effective supply chain management in the organization scored a mean of 3.64(std. deviation 0.662), high rate of service differentiation in the organization attained a mean score of 3.63(std. deviation 0.739) while high rate of service innovation in the organization score a mean of 3.54(std. deviation 0.758) and high rate of responsiveness in the organization scored a mean of 3.51(std. deviation 0.715). On the aspect of organization having economies of scale the mean score was 3.71(std. deviation 0.669) while cost leadership in the organization scored a mean score of 3.44(std. deviation 0.574). From these findings it is evidence that organizations sustaining their competitive advantage enjoys high levels of economies of scale, this because the aspect of having economies of scale scored the highest mean of 3.71. From these findings, the researcher therefore deduced that sustainable competitive advantage can be attained as a result of leadership alignment.

Effect of firm size on the relationship between leadership alignment and sustainable competitive advantage

The researcher sought to establish the effect of internal constraints on the relationship between strategic alignment and sustainable competitive advantage among savings and credit cooperative societies in Kenya. In this study, organizational size was taken as the internal constraints where three items were used to give an indication of the organizational size ie number of employees, number of branches and year of inception.

### Table 4: Number of employees in the organization

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 49</td>
<td>204</td>
<td>37.9</td>
<td>37.9</td>
<td>37.9</td>
</tr>
<tr>
<td>50 - 99</td>
<td>138</td>
<td>25.7</td>
<td>25.7</td>
<td>63.6</td>
</tr>
<tr>
<td>100 - 149</td>
<td>100</td>
<td>18.6</td>
<td>18.6</td>
<td>82.2</td>
</tr>
<tr>
<td>150 - 199</td>
<td>25</td>
<td>4.6</td>
<td>4.6</td>
<td>86.8</td>
</tr>
<tr>
<td>200 - 249</td>
<td>30</td>
<td>5.6</td>
<td>5.6</td>
<td>92.4</td>
</tr>
<tr>
<td>250 - 299</td>
<td>10</td>
<td>1.9</td>
<td>1.9</td>
<td>94.2</td>
</tr>
<tr>
<td>300 and above</td>
<td>31</td>
<td>5.8</td>
<td>5.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>538</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

(Field Data, 2018)

From the findings in table 4.8 above, majority of the savings and credit cooperative societies (37.9%) had between one and 49 employees with while 25.9% of them had between 50 and 99 employees in their organizations. Other respondents indicated that 18.6% had between 100-199 employees while 4.6% had between 150-199 employees and another 5.6% of savings and credit cooperative societies had between 200-249 employees. Moreover, 1.9% of these savings and cooperative societies involved in this study contained between 250-299 employees while 5.8% had above 300 employees.

Number of employees is a good indication of the organizational size and SMEs are normally defined according to the number of employees employed (Garikai, 2011). Number of employees is the commonly used method to define organizations internationally. Organizations with less than ten employees are classified as micro business and those with ten to forty nine employees as small business while those with fifty to two
Leadership Alignment, Firm size and Sustainable Competitive Advantage among Deposit taking Savings and Credit Cooperative Societies in Kenya. This finding means that on overall, leadership alignment is positively related to sustainable competitive advantage among savings and credit cooperative societies in Kenya. This means that on overall, leadership alignment is positively related to sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya. To establish this, the null hypothesis that there was no relationship between leadership alignment and sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya was tested against the alternate that there is a relationship between leadership alignment and sustainable competitive advantage among savings and credit cooperative societies in Kenya.

Testing of Hypothesis

The study sought to establish the relationship between leadership alignment and sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya. To establish this, the null hypothesis that there was no relationship between leadership alignment and sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya was tested against the alternate that there is a relationship between leadership alignment and sustainable competitive advantage among savings and credit cooperative societies in Kenya.

Table 5: Bivariate correlation

<table>
<thead>
<tr>
<th>Sustainable competitive advantage</th>
<th>Correlation Coefficient (Spearman's rho)</th>
<th>Sustainable advantage</th>
<th>Leadership alignment</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership alignment</td>
<td>Correlation Coefficient</td>
<td>.304</td>
<td>1.000</td>
<td>Positive</td>
</tr>
<tr>
<td>Sig. (P-Value)</td>
<td>.000</td>
<td>Reject H₀</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The findings in table 5 shows a positive correlation coefficient of 0.304 which is statistically significant (p<0.05). This leads to rejecting the null hypothesis and accepting the alternate hypothesis there is a relationship between leadership alignment and sustainability of competitive advantage among savings and credit cooperative societies in Kenya. This means that on overall, leadership alignment is positively related to sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya. This finding agree with the findings of (Al-Zoubi, 2012) who investigated leadership competences and competitive advantage on Jordan telecommunication industry where the study focused on impact of leadership competences on competitive advantage and involved all working companies in Jordan telecommunication industry where simple random sampling was used to select two working companies out of three. The unit of analyses surveyed in the study were middle managers, supervisors and team leaders. A total of one hundred and twenty questionnaires were distributed to respondents and statistical tools such as one way ANOVA and simple regression were used to test the hypothesis. Findings of the study revealed that leadership competences had a significant impact at level of (P≤ 0.05) on competitive advantage by the Jordanian telecommunication companies in the Jordanian market, as well an existence relationship between leadership competences and competitive advantage.

Moreover, these findings also concur with the findings of a recent study conducted by (Evans, 2016) and (Della Corte & Aria, 2016) in the service industry where they revealed that to remain competitive in business, those at the managerial cadres need to be conscious of the characteristics of services in the industry and strategic alignment of management principles. Competitive advantage of service-rendering organizations would be useful in achieving sustainable economic growth in Nigeria.

In addition this finding also validate the findings of (Safarzadeh, Dalghan, Pazireh, & Pouraskari, 2015) where strategic leadership was hypothesized to have a positive impact on organizational innovativeness which is a measure of sustainable competitive advantage. They are also agree with findings of (Ussahawanitchakit, 2012) who studied the impacts of strategic leadership on competitive advantage of electronics businesses in Thailand with competitive environment as the moderator and found out that strategic leadership has an important positive association with competitive advantage.

These findings contributes to the growing empirical work on management practices across organisations (Uchenna & Mair, 2014) and (Ozcan & Santos, 2014). From these findings it can be argued that all leaders in general and particularly strategic leaders should participate in practices and behaviors such as forecasting from which vital information for decision making can be gotten. This can greatly improve competitive position and sustain competitive advantage as well. Therefore, as an implication of this study, the findings can assist management of savings and credit cooperative societies and other organizations strategies to
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position their organizations to success. As a result, the researcher believes that this study findings contributes to the Resource Based theory as explained earlier in chapter two by illustrating its value within an organization.

**Moderating effect of firm size.**

Findings of the study indicates that leadership alignment interacted with firm size and shown a Beta=-0.617(61.7%) and P-value=0.001 implying that the interaction of leadership alignment and firm size contributes to sustainable competitive advantage.

**V. CONCLUSION**

Leadership alignment has a moderate positive relationship (R= 0.304) which is statistically significant at (p<=0.05) with sustainable competitive advantage among deposit taking savings and credit cooperative societies in Kenya. This means a unit increase in leadership alignment causes 30.4% increase in sustainable competitive advantage of deposit taking savings and credit cooperatives in Kenya. Therefore leadership alignment is very important as far as sustaining competitive advantage is concern. Firm size moderates this relationship and causes a -61.7% contribution to sustainable competitive advantage.

**VI. RECOMMENDATIONS**

Sacco Societies Regulatory Authority (SASRA), Board and management of savings and credit cooperative societies should align SACCO leadership and provide proper, appropriate and timely direction in governing, managing and regulating the SACCO to enable them sustain their competitive advantage for effective and efficient service delivery. Managers should be concern about the size of their SACCO to avoid them over growing not to become inefficient.

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