THE EFFECTS OF GROWTH ON ORGANISATION DESIGN:
AN EXPLORATION OF CREDIT UNIONS IN SAINT LUCIA

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Doctor of Philosophy in Business

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Abstract

THE EFFECTS OF GROWTH ON ORGANISATION DESIGN:

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Credit unions in Saint Lucia are growing significantly, presenting challenges that may affect their co-operative identity and mission. Few studies have explored how organisational design influences this growth or which elements best support expansion without compromising core values. This study is therefore significant since it examines the factors behind credit union growth in Saint Lucia, assess its impact on identity and mission, and identified strategies to sustain growth while preserving co-operative identity.

A constructivist grounded theory methodology was utilised in this study. Qualitative data were gathered through focus group discussions, guided by semi-structured questions. Using stratified purposive sampling, four focus groups comprising credit union directors and managers were created from the sixteen credit unions on the island to serve as the means to capture data.

The research findings showed that organisation design responses to growth related challenges generate tension between maintaining competitiveness and safeguarding the co-operative identity. It is recommended that the leadership of credit unions in Saint Lucia address the dual challenges through adaptive balancing. This approach involves continuous organisation design modifications to effectively navigate the growth-related challenges. The process is influenced by leadership competence, dynamic capabilities, appropriateness of performance metrics, and prevailing socio-economic conditions.

Declaration

I declare that this thesis has been composed solely by myself and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where stated otherwise by reference or acknowledgment, the work presented is entirely my own.

AI Acknowledgment

I acknowledge my use of Copilot and Chat GBT (https://chat.openai.com/) to proofread and offer suggestions for the chapters of my thesis. This action was completed in 21.09.2025.

The prompts used included: auto rewrite highlighted text; offer writing suggestions for the text below; suggest research material to investigate the topic below.

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Dedication

This PhD is dedicated to my family for their unwavering support throughout this journey. To my wife Delthia for monitoring my progress and reminding me of submission deadlines. To my daughters Ayodele and Destigny, for always checking to ensure I am on course for a timely completion. To my son Obadele, for assuring me that the computer is friendlier than I purport.

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List of Abbreviations

FSRA	Financial Services Regulatory Authority
ICA	International Co-operative Alliance
PEARLS	Protection, Earnings, Asset quality, Rates of return, Liquidity, financial Structure
UREC	Unicaf University Research Ethics Committee
WOCCU	World Council of Credit Unions

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CHAPTER 1: INTRODUCTION

The purpose of this study is to explore the impact of growth on the organisation design of the credit unions in St. Lucia. More specifically, it examines the how the composite growth factors of credit union membership, assets, member savings and deposits, and capital reserves impact the organisation design. The study also examines how the growth of qualitative factors, such as service delivery, governance systems, technology and staff capability impact the organisational design of credit unions in Saint Lucia. The focus of Chapter I is to introduce the background of the study, the problem statement, the purpose, aim and objectives of the study. Additionally, Chapter 1 includes the significance of the study and the research questions.

An in-depth understanding of credit unions requires recognition that unfavourable economic circumstances played a pivotal role in the establishment of these co-operatives (Davis, 2001; Jones, 2001; McKillop & Wilson, 2011). This influence was evident in the early development of credit unions across various regions globally (Ryder, 2005). Co-operative credit unions originated in nineteenth-century Europe to address the challenges of modern capitalism (Jones, 2001). In the United States, they emerged in the early twentieth century to offer affordable credit and oppose predatory lenders (McKillop & Wilson, 2011). In Ireland, the movement began in the 1950s due to unemployment, high interest rates, and illegal money-lending (McKillop et al., 2011), while growing poverty in Britain during the 1980s-1990s spurred communities to establish credit unions as mainstream banks excluded low-income individuals (Jones, 2001). Similar developments occurred across the Caribbean as economic hardship and social change prompted credit union formation (Schipke et al., 2013).

Worldwide, credit unions have grown to meet the financial needs of people (McKillop & Wilson, 2015). This growth has presented both benefits and challenges. The benefits include increased contributions to poverty alleviation and wealth generation, as well as improved access to loans for individuals with lower incomes, which in turn enhances household welfare (Omona, 2021). Another advantage is that credit unions promote the development of self-reliance strategies for addressing challenges at the individual, community, and national levels (Griffith et al., 2009). The expansion of credit unions contributes to an increase in the diversity of financial institution ownership within the market, which in turn influences the behaviour of other market participants (Abrams, 2019; Adams et al., 2007).

The expansion of credit unions has introduced challenges that affect their ongoing development and their adherence to co-operative principles (McKillop & Wilson, 2011). The growth-related challenges encompass issues of governance and management relevance, heightened regulatory requirements, capital limitations, reduced membership engagement, and conflicts between social and economic goals (McKillop & Wilson, 2015).

There is a salubrious nexus between the nature of the organisation design of an organisation and its ability to solve organisational problems (Burton et al., 2006). Since organisation design focuses on addressing challenges associated with creating effective organisations (Stanford, 2018; Worren, 2018) then it provides a means for addressing the growth-related challenges confronting credit unions. If these challenges are not effectively addressed, credit unions risk diminishing their relevance within the market, potentially undermining their contributions to social capital, community engagement, member empowerment, and the moderation of banks' influence in the financial services market (Feinberg, 2001; Feinberg & Reynolds, 2025). It is therefore important for individuals responsible for managing and governing credit unions to develop organisation designs that promote sustainable growth while maintaining co-operative values and principles.

1.0 Background

Credit unions are co-operatives established by pooling the financial and human resources of their members, on a self-help basis, to create economic and social benefits for those members (Kang et al., 2022; Novkovic, 2008). The key features of credit unions are the voluntary nature by which members join and terminate their membership in the organisation (Birchall, 2014; Marcoux et al., 2021; Novkovic, 2008) and the democratic system of governance and control through the practice of one member one vote (Birchall, 2014; McKillop & Wilson, 2011). Credit unions function as financial institutions and a collaborative union of members (Novkovic, 2008; Puusa et al., 2013). In this regard, the credit union has a two-fold function of creating economic value for members in tandem with sustaining the democracy and bond within the alliance of members (Mazzarol et al., 2018).

Credit unions were initially formed as small, community or industry-based co-operatives, and over the past twenty years they have shown significant growth (Vargas-Prieto & Arrieta-Diaz, 2021). This growth reflects the trust and dependence individuals place on credit unions. Additionally, it demonstrates that credit unions have established themselves as significant entities within the financial sector (McKillop & Wilson, 2015). Growth refers to the increase in operational scope, membership base, and financial assets of the credit union (Mamun, 2023). Five key dimensions of credit union growth, as postulated by the World Council of Credit Unions (WOCCU, 2013), are:

1. Membership – Increased number of members contributes to growth by enlarging the co-operative's member base.

2. Asset - Growth in the credit union's overall assets reflects changes in what the credit union owns and serves as a significant metric for measuring continuing credit union expansion.
3. Loan – increased volume of loans and advances extended by the credit union serves as a key indicator of the institution's growth; loans typically represent the largest asset of the credit union.
4. Savings and deposit – Increased savings and deposits provide the credit union funds for issuing new loans.
5. Capital reserves – Increased capital reserves provide the means to buffer economic shocks that the credit union may experience and mitigate the extent to which the co-operative declines.

The World Council of Credit Unions (WOCCU) statistics Table 1 and Table 2 provide evidence that credit unions (financial co-operatives) globally continue to experience significant growth across all the key dimensions (WOCCU, 2014; WOCCU, 2023). Table 1 reveals that in 2013, credit unions across the globe served over 208 million members and held approximately USD $1.4 trillion in savings and shares; USD$1.1 in loans; USD$171billion in reserves and USD$1.7 trillion in assets. Table 2 indicate that by 2022, credit unions were serving approximately 404 million members and held almost USD $3 trillion in savings and shares; USD$2.46 in loans; USD$ 294 billion in reserves and USD$3.6 trillion in assets (WOCCU, 2023).

Analysing the data from Table 1 and Table 2 indicate that between 2013 and 2022 globally, credit union membership expanded by 94.2%, savings and shares expanded by 113.5%, loans expanded by 123.6%, reserves saw an increase of 1.71%, and total assets advanced by 117%. Table 3 indicates that from 2013 to 2022, Europe had the lowest growth rates across all the key dimensions. Asia recorded the largest increases in members and assets, while Africa showed the greatest growth in shares and deposits. Latin America reported the highest growth in loans and capital reserves.

Table 1

Credit Union worldwide 2013

Region	Members	Shares & deposits (USD)	Loans (USD)	Capital reserves (USD)	Total assets (USD)
Africa	17,032,310	4,897,399,936	5,912,184,018	592,620,350	7,175,113,937
Asia	42,017,122	131,488,069,749	114,816,130,025	10,678,103,380	178,815,069,767
Caribbean	3,181,717	4,978,490,539	4,111,575,187	815,527,577	6,044,567,874
Europe	9,194,969	24,370,105,725	11,888,798,946	3,696,649,602	28,739,091,316
Latin America	23,967,259	39,568,270,300	40,470,735,950	9,246,050,467	68,584,514,093
North America	107,607,520	1,161,350,442,079	896,963,638,869	139,932,296,251	1,365,856,395,242
Oceania	4,935,023	66,653,975,379	61,010,119,585	6,665,439,845	77,731,078,399

Note. Data obtained from World Council of Credit Unions

Table 2

Credit Union worldwide 2022

Region	Members	Shares & deposits (USD)	Loans (USD)	Capital reserves (USD)	Total assets (USD)
Africa	43,174,875	21,841,659,153	14,659,617,483	1,096,554,424	24,596,377,656
Asia	144,019,318	535,843,335,961	373,131,232,164	28,607,312,071	640,172,584,038
Caribbean	3,951,604	8,310,978,175	5,825,892,429	1,178,707,867	10,008,779,433
Europe	9,369,774	27,314,527,573	13,506,901,991	4,349,083,382	36,757,328,220
Latin America	50,363,229	117,467,859,798	114,664,089,717	26,957,100,685	177,988,946,297
North America	147,469,721	2,194,421,649,383	1,858,527,398,004	224,267,007,345	2,596,625,842,088
Oceania	5,627,528	89,776,447,046	83,403,799,254	8,038,835,104	112,526,741,416

Note. Data obtained from World Council of Credit Unions

Table 3

Credit union growth rate between 2013 and 2022

Region	Members	Shares & deposits	Loans	Capital reserves	Total assets
Africa	153.4%	346%	148%	85%	242.8%
Asia	242.%	307.5%	125%	168%	258%
Caribbean	24.2%	67%	41.7%	44.5%	65.6%
Europe	1.19%	12.1%	13.6%	17.65%	28%
Latin America	110.3%	197%	183.3%	191.6%	159.5%
North America	37%	89%	107.2%	60.3%	90.1%
Oceania	14%	34.7%	36.7%	20.6%	44.8%

Note. Compiled by the author from data obtained from World Council of Credit Unions

The expansion of credit unions is reflected not only in quantitative metrics but also in significant qualitative advancements, including improvements in service delivery, governance and administrative systems, technological adoption, and human resource development (Abdurahman & Waworuntu, 2017; McKillop & Wilson, 2010). This growth, both in terms of quantitative and qualitative dimensions, has contributed to a variety of favourable outcomes at the individual, community, and economic levels (McKillop & Wilson, 2015). At the individual level, credit union expansion has afforded members reduced costs and improved returns through lower loan interest rates, increased rates on savings, and decreased fees (Birchall, 2013). Moreover, the growth of credit unions has enhanced financial inclusion by providing services to underserved and low-income populations (Muriuki & Country, 2019). From a community development perspective, the expansion of credit unions has been associated with the reinvestment of funds into community projects (Birchall, 2013) and an increase in support for small businesses through business financing (McKillop & Wilson, 2015). As local financial institutions, credit union growth is linked to factors such as economic resilience and community stability (Myers et al., 2012). The reserves and undistributed capital serve as an import component of inter-generational wealth transfer which adds to economic resilience and community development (Novkovic & Semlesa, 2023).

In terms of economic impact, the expansion of credit unions contributes to increased diversity in market ownership and influences the conduct of other financial institutions in the market (Adams et al., 2007). The competitive dynamics resulting from credit union growth prompt other financial service providers to offer lower loan interest rates and enhance their services (McKillop & Wilson, 2010). Additionally, credit union growth creates employment opportunities within local communities (Birchall, 2013).

From a social impact perspective, credit union growth is associated with the generation of social capital, trust, and accountability through member ownership (McKillop et al., 2020). The practice of democratic governance, where members elect directors to credit union boards, provides communities with direct participation in decision-making (Novkovic, 2022). Additionally, credit unions emphasise social responsibility over profit maximisation (McKillop et al., 2020).

Conversely, the growth of credit unions has significant implications for their organisational frameworks, management protocols, and governance structures (Birchall, 2017; McKillop & Wilson, 2015). Growth in membership requires the development of scalable member services, effective orientation procedures, and sophisticated systems for managing member engagement (Abdurahman & Waworuntu, 2017; McKillop et al., 2020). Growth in total assets initiates heightened regulatory obligations, aimed at ensuring the stability of the financial system, with great emphasis on adequacy of capital requirements (Goddard, 2016; McKillop & Wilson, 2011). Achieving compliance has necessitated the implementation of more comprehensive financial management framework which adds to credit union cost of operations (McKillop & Wilson, 2015).

The growth in the scale and diversity of loans issued by credit unions has created the need for dedicated loan underwriting teams, robust delinquency management structures and accompanying financial technology platforms (Silver & Darden, 2020).

Moreover, as credit unions expand into multiple locations, decentralised management approaches and region-specific branding strategies may become necessary (Joo et al., 2017). Additionally, growth necessitates expansion in the size of staff and internal departments which warrant modifications to organisational structure, leadership development, and internal communication (Worren, 2018). Given the influence of growth on the credit union organisation, the conclusion reached is that as credit unions expand, they face an increasing need to adjust work structures and processes to meet organisational objectives. However, these changes tend to affect the preservation of the co-operative identity (Birchall, 2014). Hence, what is needed is organisation design restructuring which fosters growth while as the same time preserves the co-operative identity (Novkovic, 2022).

Organisation design entails the systematic arrangement of roles, processes, and systems within an entity to effectively achieve the strategic objectives and purpose of the entity (Stanford, 2018; Teece, 2019; Worren, 2018). The organisation design defines the division, co-ordination, and management of work to ensure optimal performance of the business entity (Burton et al., 2006). Therefore, this suggest that organisation design is architectural in nature with a strong focus on the purpose and requirement of the organisation. For credit unions, organisation design refers to the arrangement of governance, management, operations, and member relations according to co-operative principles with the aim of fulfilling the organisation's mission and objectives (Mazzoli, 2014). The key elements of a credit union's organisational design are its member-focused structure, governance framework, management setup, operational systems, and organisational culture (Mazzoli, 2014).

It has been noted that credit union growth necessitates adjustments in work structures and processes to effectively achieve organisational objectives (Munkner, 2015). Hence, growth impacts the credit unions' organisation design elements. As credit unions grow, they often adopt processes and systems like those used in the profit-driven financial services sector to remain competitive (Byrne, 2022). In seeking this level of parity, credit unions face challenges in balancing operational efficiency with their commitment to member-centered goals, which can influence the member-focused structure (Birchall, 2017; Byrne, 2022). This could potentially affect the co-operative nature, trust, and relationship between members and the credit union (Davis, 1995; Novkovic, 2022).

Typically, a credit union's governance structure comprises a board of directors, credit committee and supervisory (audit) committee elected by members through a one-member, one-vote system (Birchall, 2014). Hence, those charged with governance are elected by popular vote at a general meeting of members. This traditional process of governance may not guarantee that members with the requisite skills and expertise are elected to address current financial, technological, increasing complexities and regulatory pressures associated with credit union growth (Anakpo et al., 2024; Munkner, 2015). Additionally, as credit unions expand, there can be difficulties in balancing co-operative governance with the professionalised structures which tend to be adopted from the financial services sector (Michaud & Audebrand, 2022; Novkovic, 2022).

Moreover, as credit unions experience growth, their management frameworks typically evolve from informal team-based arrangements to more hierarchical and formalised organisations characterised by clearly defined executive roles (McKillop & Wilson, 2015). During this growth phase, there is risk of mission drift if professional managers emphasise growth or profitability over member needs (Davis, 1995; McKillop & Wilson, 2011). Besides, the complex hierarchical and formalised systems and defined leadership roles distance decision-making from the input of members (Iliopoulos & Valentinov, 2022; Novkovic et al., 2023).

Growth achieved because of increases in the number of branches and areas of operation, may lead credit unions to adopt hybrid structures, involving centralised strategic planning and decentralised branch operations (Nath & Arrawatia, 2022). This operational structure enables consistent policy implementation while addressing local needs (Birchall, 2017). However, it complicates co-ordination and oversight, adding to operational complexity (Joseph et al., 2018; Vargas-Prieto & Arrieta-Diaz, 2021).

Credit union growth is also typically accompanied by digital transformation (McKillop & Wilson, 2011). In such a situation, technology adoption reshapes organisational roles, requiring competencies in data management, cybersecurity, and digital member service (McKillop & Wilson, 2011; Stanford, 2018). Digital transformation enhances operational efficiency (Lana et al., 2025) but could result in homogenised services (Liu et al., 2013) lacking a personal touch. Further, such transformation could create a disparity between members who are comfortable with technology and those who prefer traditional service delivery methods (Liu et al., 2013).

As credit unions grow, they tend to face increasing regulatory compliance which adds to both the cost of operations and organisational complexity (McKillop & Wilson, 2011). Furthermore, these regulatory measures are usually drawn from frameworks used to regulate profit driven entities in the wider financial services sector (Michaud & Audebrand, 2022). Such actions bring organisational and operational similarity (homogenisation) across institutions in the sector (DiMaggio & Powell, 1983; Michaud & Audebrand, 2022). This approach negatively impacts the distinctiveness of credit unions within the marketplace (Novkovic, 2022). This loss of differentiation is the effect of the process of isomorphism (Di Maggio & Powell, 1983). During this process, the credit union adopts characteristics common to traditional banks or other financial institutions. This adoption impacts products, services, organisational culture, and member relationships (Michaud & Audebrand, 2022).

The organisational culture element of the organisation design of the credit union includes the collective values and behaviours that influence work processes within the co-operative. Organisational growth impacts this culture, as expansion leads to alterations in internal relationships, values, and customs (McKillop & Wilson, 2015). Small credit unions often prioritise forming personal relationships and providing customised member service, fostering a sense of community and belonging (McKillop & Wilson, 2015). However, as credit unions grow, they tend to focus more on efficiency, scalability, and reliance on financial performance measures (Malikov et al., 2017).

Performance measures are metrics used by the credit unions to evaluate performance (Pigeon & Rixon, 2023). As credit unions grow, greater focus is placed on financial metrics to assess performance since this is the primary means by which credit unions are evaluated by the regulator (Ferri & Pesce, 2012). Another reason for the increasing reliance on financial metrics is that credit unions are increasingly hiring individuals with backgrounds in banking, who are accustomed to assessing organisational success using financial metrics (Pigeon & Rixon, 2023). Additionally, staff members recruited from conventional accounting and business disciplines may lack training on the unique characteristics of credit unions, leading them to evaluate performance using standard financial measures (Pigeon & Rixon, 2023). Since the purpose of the credit union is to provide the member with both economic and social benefits, then financial metrics while necessary are insufficient to measure the performance of the credit union. Credit unions should implement comprehensive performance metrics to assist leadership in determining if their credit union aligns with co-operative principles and values or is evolving toward an investor-based model (Rixon & Duguid, 2018).

Growth-related changes to the elements of organisation design have resulted in increased organisational complexity (Novkovic, 2022). In terms of its nature, organisational complexity in credit unions refers to the intricate interactions between systems of governance, operations, regulatory commitments and member services (McKillop & Quinn, 2017). This complexity significantly impacts decision-making processes, communication effectiveness, and overall performance of the credit union (Joseph et al., 2018; Vargas- Prieto & Arrieta – Diaz, 2021).

The impacts of growth on organisation design seem to imply that not all organisation design is conducive to sustaining credit union growth and at the same time remaining true to the co-operative identity. This therefore warrants the need to determine the attributes that the credit union organisation design must possess to ensure that growth does not change the co-operative nature of the credit union yet cause the credit union organisation to be responsive to the dynamism of the business environment. Hence, to effectively modify the organisation design of a credit union involves making changes to key organisation design elements to support the implementation a business growth while remaining true to co-operative values and principles. The assertion is that organisation design, by altering its components, can influence how organisations operate and perform (Burton et al., 2006; Teece, 2019).

This study aims to understand how credit unions can effectively manage growth while maintaining their co-operative identity in an increasingly competitive and regulated financial services market. The research location of this study is Saint Lucia, a small island developing state located in the Caribbean. A review of the register of co-operatives of Saint Lucia revealed that the credit union movement started in 1944 with the registration of the first credit union, St. Theresa Credit Union in the southern town of Vieux Fort. The register of co-operatives also revealed that in 1997 there were 21 credit unions with 18 of them having been established between 1976 and 1996. There was a credit union in every major district (the island is divided into 10 major districts).

The registration documents of all the credit unions indicated that these financial co-operatives were established by members out of the need to mobilise their collective resources to address the social and economic inequities persisting in their districts. In the nascent years of the formation of most of the credit unions, agriculture was the mainstay of the economy of Saint Lucia and production took place primarily in rural communities. In such communities, banks did not find it profitable to offer financial services (Mende et al., 2020). On the other hand, as indicated by Mende et al. (2020), credit unions' community knowledge of their members, as well as first-hand knowledge of the local economic conditions enabled these financial co-operatives achieve mutually beneficial credit underwriting. The absence of such low cost yet important information by the banks made credit granting unprofitable to those investor-owned firms (Mende et al., 2020). Hence, credit unions in Saint Lucia filled a need unwilling to be undertaken by the banks.

Table 4 presents data from the Financial Services Regulatory Authority (FSRA) of Saint Lucia about the growth of credit unions in Saint Lucia between 2013 and 2022 (FSRA, 2014; FSRA, 2023). The table showed a 168.3% increase in assets. Their loan portfolio grew by 157% while savings and deposits grew by 211%. Membership increased by 66.9% while total number of employees expanded by 70%. When compared with the global credit union growth statistics presented in Table 3, credit unions in Saint Lucia have experienced growth rates that exceed those documented in the Caribbean, Europe, North America, and Oceania for the period 2013 to 2022.

Table 4

Data on credit unions in Saint Lucia

	2013	2022	Percentage increase
Total Assets	US$206,526,030	US$553,675,007	168.3
Total Loans	US$151,207,037	US$388,118,291	157
Savings & deposits	US$147,118,925	US$457,164,643	211
Members	79,333	132,464	66.9
Employees	203	345	70

Note. Data compiled from FSRA annual reports

Besides these growth dimensions, over the years credit unions in Saint Lucia have adopted technology to enhance the delivery of services and is also now offering an increased variety of loan products and related financial services (FSRA, 2023). As of December 2022, there are 16 credit unions on the island of which 8 started off as community-based entities, 3 in the public sector and 5 in the private sector. Nine of these 16 credit unions now have branches outside their original base of operations (FSRA, 2023). Therefore, over the years 2013 to 2022 credit unions in Saint Lucia have been experiencing significant multi-dimensional growth.

This growth though impacts the organisation design of the credit union and by extension the nature of the credit unions. Organisation design has significant influence on how firms respond to the multiple stimuli in their micro and macro environment (Billinger & Stieglitz, 2009). Therefore, understanding the effects of the growth on organisation design of credit unions in Saint Lucia is of paramount importance in understanding how credit unions ought to respond to challenges in their business environment. Such understanding is also necessary for the leadership of the credit unions as they adapt their organisation design (Teece, 2019) to implement pertinent organisation strategy aimed at achieving the co-operative purpose.

In terms of purpose, and as recorded in the Register of Co-operatives, credit unions in Saint Lucia were established to address the social and economic inequities emanating from the prevailing investor focused economic system. Based on this premise, credit unions became a part of the financial services market to influence and ultimately change the prevailing economic values and principles which underpinned the market (Novkovic, 2018). These financial co-operatives sought to change how financial products and services are created, and who access and consume those products (Novkovic, 2018). This is being done to address the need for social and economic justice in the market (Davis, 1995). In this regard, the growth of credit union in Saint Lucia needs to be sustainable. Sustainable credit union growth involves generating long-term economic and social benefits for members over time, while maintaining the co-operative principles (Munkner, 2015; Novkovic, 2008). This requires adjusting to changes in the business environment without compromising the co-operative nature (McKillop & Quinn, 2017).

Addressing the co-operative purpose of credit unions requires that social capital be an output (Mazzarol et al., 2018). While there is still no consensus on the definition of social capital, in this instance, it is deemed to refer to the network of relationships that are created by members of the credit union when they act in association; hence social capital can be a resource that the credit union can use to achieve competitive advantage in the marketplace (Gilbert et al., 2022). Social capital nurtures the bond between the membership and their credit union (Novkovic et al., 2022).

Producing both social and economic outputs gives the credit union a complex nature (Besharov & Smith, 2014). Hence, as the credit union expands, the organisation grapples with multiple logics derived mainly from the inherent two-fold function of the entity (Byrne, 2022; Carvalho et al., 2015; Novkovic et al., 2022). Moreover, each logic supports a set of organising principles and guidelines relevant to the function of the credit union as the entity seeks to be competitive in the market while demonstrating fidelity to the co-operative ethos (Novkovic et al., 2022). In many cases though, these operative logics conflict with each other (Besharov & Smith, 2014; Pussa & Saastamoinen, 2021). For instance, as the credit union grows issues of efficiency versus democracy becomes more pronounced (Novkovic et al., 2022). In this regard, credit unions in Saint Lucia achieving growth through expansion of branches must understand that pursuing efficiency through centralised decision-making from head office may undermine democracy and local control at the branches. Also, multi-branch operations can create administrative inefficiencies. Another polarised issue of growth is that of scale vis -a- vis co-operative identity. The argument being credit union growth may impact co-operative culture adversely. As credit unions in Saint Lucia grow, the issue of technology versus customised service becomes paramount because rendering service through technology may isolate members preferring in-person service.

However, credit union on the island must find ways to respond to the growth-related challenges of the organisational dyadic challenges, including the opposing polarities of the duality (Novkovic et al., 2022). In their attempts to understand the organisational duality of credit unions, scholars drew from theories steeped in neo-classical economics (Novkovic et al., 2022). However, the reductionist approach inherent in neo-classical economics has the tendency to homogenise the aims and objectives of firms (Teece, 2019). Such an approach does not give due recognition to the specific nature and circumstances of the firms (Novkovic et al., 2022). A salient exclusion of the economics reductionist approach in this regard is the two-fold function of the credit union, which requires fulfilling both economic and social objectives. Additionally, achieving this dual purpose presents a challenge to the credit union due to the conflicting nature of its social and economic objectives (Novkovic et al., 2022; Pussa & Saastamoinen, 2021). Therefore, addressing the two-fold function of the credit unions in Saint Lucia calls for an organisation design with the pertinent attributes that would generate sustainable economic and social benefits for members and hence facilitate sustainable co-operative growth.

Organisation design focuses on addressing the challenges associated with creating and sustaining effective organisations (Stanford, 2018; Teece, 2019; Worren, 2018). It is therefore necessary that credit union be able to determine the appropriateness of the elements of organisation design (systems, structure, processes, technology and culture) to deliver an organisational strategy and solve an organisational problem (Burton et al., 2006). In the case of credit unions in Saint Lucia, the challenges and problems confronting these co-operatives, as they achieve growth, has no manifest solutions. However, these credit union organisational problems are akin to the problems that organisation design seeks to solve. Drawing from the behavioural concepts of the firm (Gavetti et al., 2012), organisation design provides a means for a search process (Huber, 2009) geared at identifying possible solutions to the challenges associated with the growth of credit unions on the island.

Credit unions in Saint Lucia appear to be experiencing growth related organisational complexity. This claim is made based on the assertions posed in the literature in identifying organisational complexity. Fernandez Campos et al. (2019) for instance, assert that complexity pertains to the effects of increased number and variety of elements, and the strength of interdependencies between those elements in an organisation. According to the evidence presented by the Financial Services Regulatory Authority of Saint Lucia, over the years credit unions in Saint Lucia are now offering a variety of loan products and related financial services (FSRA, 2023).

The FSRA also indicated that the total number of employees of credit unions grew significantly over the period 2013 to 2022 (FSRA, 2014; FSRA, 2023). Such growth in the employee complement, along with expansion in the variety of products and services, increases the number of elements that make up the structure of the credit union. This expansion also increases the interdependencies between those elements, when grouped as units and departments (Worren, 2018). During that same period, 2013 to 2022, credit unions on the island experienced significant growth both in terms of asset and in membership. Furthermore, more than half of the credit unions on the island now have more than one branches. All of those increases in the credit unions' scale and scope resulted in the quest to meet the increasing needs of members. Meeting those needs also called for requisite technology and processes to achieve effective organisational performance (Grimes et al., 2019), hence adding to the complexity of the credit union organisation.

Consistent with the point of view of Michaud and Audebrand (2022) the increasing scale of credit unions in Saint Lucia can bring with it growth-related complexity in other aspects of the business environment of the organisation. In this respect, an element of such complexity is the additional regulatory requirement measures for which credit unions in Saint Lucia must now cater. Credit unions are assuming greater ownership of the market share of the financial services (savings and loans) sector. According to the FSRA on December 31, 2022, credit unions total assets was equivalent to 20% of the total assets of banks in Saint Lucia (FSRA, 2023). Consequently, the credit union movement is now deemed to be at a scale that makes it conspicuous in the market. In this regard and using the power granted to the regulator by the Co-operative Societies Act, Chapter 12.6 of the Laws of Saint Lucia, the regulator has asked the larger credit unions to meet the cost of asset quality examinations in addition to the cost of the usual annual audit of financial statements. The argument being that notwithstanding the reports contained in audited financial statements, there is a need to ascertain the level of credit risk being carried by the larger credit unions. And so, the increasing scale of the credit unions in Saint Lucia and the consequent additional regulatory requirements imposed by the regulator, warrants the hiring of additional staff and purchase of specific technology to furnish the additional reports required by the regulator. All those compliance related activities contribute to the organisational complexity of credit unions (McKillop & Quinn, 2017).

Another notable consequence of the expansion of credit unions in Saint Lucia is the erosion of differentiation. This perspective aligns with Novkovic (2022), who observed that as credit unions increase in size, their responses to business challenges may result in diminished distinctiveness from other entities within the sector. In their nascent years, credit unions like other forms of enterprises, espouse differentiation both in terms of what the credit union did and how it did it (Mason, 2020). The emphasis in these early years tends to be on the value of member ownership and operationalising the principle of mutuality to create win-win benefits for the member and the credit union (Mason, 2020). However, as the credit union becomes increasingly established, and in response to the competitive environment and regulatory pressure (Groeneveld, 2020), there is a tendency towards less differentiation and more homogenisation with other firms in the financial services industry (DiMaggio & Powell,1983 Novkovic, 2022).

In the case of credit unions in Saint Lucia, this isomorphism seems to stem from three main sources: coercive, mimetic and normative. The structures developed to comply with regulatory requirements, common to both banks and credit unions, seem to coerce credit unions to act like banks (McKillop & Wilson, 2011). Such structures include the power of regulators supported by legislation (Cardona Mejra et al., 2020). A case in point; developing the means to comply with the capital adequacy requirements of the co-operative legislation in Saint Lucia, calls for credit unions to place greater emphasis on return on assets. Such a concept was more akin to profit motivated investor driven firms like banks. Furthermore, the rapidly changing financial services environment, along with its unclear causes and solutions, brings uncertainty to the credit unions

(Mason, 2020). In this regard, credit unions in Saint Lucia seem to respond by mimicking banks as a convenient model to emulate. A further factor contributing to diminished differentiation is the normative influence exerted by professionals, such as external independent auditors, who establish and disseminate standards drawn from the principles of their profession (Pigeon & Rixon, 2023). This in turn influences the behaviour of firms to be consistent with the norms of the professionals (Eren & Dilber, 2020). However, pursuing a differentiation strategy can enable credit unions to create and seize opportunities in the market and thereby contribute to sustained growth (Islami et al., 2020; Iyer et al., 2019).

Another challenge of growth being experienced by credit unions in Saint Lucia is the suitability of the existing governance system to effectively control the future direction of those credit unions. This challenge stems from the trade-off between operationalising the principle of democracy and achieving organisational effectiveness and efficiency. The collective ownership and associative logic define the governance systems of credit unions (Novkovic et al., 2022) giving rise to systems that reflect the purpose and motivation of the co-operative entity. Further, governance structures and processes are impacted by the nature of the relationship that members have with the co-operative (Novkovic et al., 2023). In co-operatives, governance processes are democratic and situation dependent, reflecting the nuances of change in the business environment and the impact of the changing needs and goals of members.

In the case of Saint Lucia, credit unions elect their board of directors at annual or special general meetings. At such meetings the practice is that a nomination committee presents a slate of candidates to the meeting. The candidates on that slate are chosen to fill skills gaps that exist among the board of directors, *vis-a vis* the needs of the credit union. The democratic process of credit unions allows that, notwithstanding the purposive slate of candidates presented, the meeting has the right to nominate candidates from the floor. In exercising that right, very often electing a director ends up being a popularity contest, not giving due regard to the expertise needed to advance the cause and future direction of the credit union. As Birchall (2017) indicates, this situation calls for a trade-off between having a board of directors representing the voice of members, and a board of directors with the requisite expertise that would provide governance for the sustainable growth of the credit union.

Moreover, Birchall and Simmons (2007) have emphasised the role of governance in joining the members of the co-operative and key stakeholders in ways that bond them to the *raison d'etre* of the co-operative. Governance is therefore charged with the responsibility of creating the organisation design necessary for the effective and efficient functioning of the organisation (Bocken & Geradts, 2020; Bollingtoft, 2009). Then the seemingly popularity contest entrenched in the system of electing officers, very often does not yield the expertise needed to bridge the resource gap necessary to advance the cause and future direction of the credit union.

In addressing all those issues, organisation design theory has been used to explain the impact of organisation design on the way organisations function and perform (Stanford, 2018; Worren, 2018). Organisation design is built on systems theory (Merle et al., 2010; Teece, 2018). Systems theory explains that organisations are made up of elements that are required to be in alignment to achieve the desired results of the business strategy (Merle, et al., 2010). However, the notion of alignment does not cater to the inherent need of organisations to adapt to the continuous and rapid changes taking place in the micro, meso and macro environment (Turner & Baker, 2019). Therefore, this warrants the move to complexity theory and other connectionist approaches for a better explanation of how organisations should respond to challenges (Turner & Baker, 2019). These challenges are posed by technological advancements, climate change, scarcity of resources, severe disruption in supply chains, social, economic, and cultural changes (Revina et al., 2021; Turner & Baker, 2019).

Empirical studies confirm the significance of effective designs and record the risks related to incongruous designs (Ater et al. 2014; Bocken & Geradts, 2020; Nel & Little, 2015; Lee et al., 2015; Teece, 2019). These studies indicate that achieving organisational effectiveness is largely determined by the ability of the organisation to modify its organisation design in responding to the challenges of the ever-changing environment (Bocken & Geradts, 2020). Such dynamic capabilities give the organisation the wherewithal to identify, assess and take advantage of opportunities in the environment (Bocken & Geradts, 2020; Teece, 2019). Hence, the nature of the organisation design of the firm can therefore either fortify or weaken the dynamic capacities and competencies of the firm (Foss & Saebi, 2015; Leih et al., 2015).

Prior studies have focused on how to achieve sustained growth, efficiency and effectiveness through appropriate nexus between organisation design and strategy (Bocken & Geradts, 2020; Kaul, 2019; Miterev et al., 2020). The studies underscored the importance of manipulating organisation design parameters like structure, processes and values in achieving organisation effectiveness. However, all these studies were carried out within the context of investor-owned firms. Regrettably, this has limited application for the credit union enterprise which does not have a profit maximising motive, is member-owned, has member-governance, and has the dual aim of producing both economic and social value for its members (Novkovic et al., 2022).

Meanwhile, credit unions are proving to be a significant source of economic and social value in many economies (McKillop, et al., 2020) including Saint Lucia. Credit unions in Saint Lucia were at one time seen to be on the fringe of the economy. Due to their growing impact, they are now recognised as an integral part of the economy. Credit unions add to income equality and distributional equity in the society (Davis, 1999) which are some of the objective results of the formation of credit unions in Saint Lucia. The institutional capital generated by those co-operatives contributes to intergenerational wealth transfers, a critical factor for the development of communities (Novkovic & Semlesa, 2023). The expanding influence of credit unions in Saint Lucia necessitates further investigation into strategies and organisation design that could support ongoing co-operative growth. It is imperative to recognise that not all credit union organisational design can facilitate growth while adhering to co-operative values and principles.

1.1 Statement of the Problem

Credit unions in Saint Lucia are demonstrating significant expansion in assets, membership, product portfolios, and organisation (FSRA, 2024). However, this expansion induces challenges in the form of organisational complexity, erosion of co-operative distinctiveness and increased regulatory and compliance obligation (McKillop & Wilson, 2011). The growth also raises concern regarding the capability of the traditional credit union governance system to elect skilled officers who can effectively lead and guide the future of these financial co-operatives (Novkovic, 2022).

Addressing these challenges require changes to the traditional organisational models that uphold principles such as member benefit, member-centricity, member governance, and member ownership (Birchall, 2017; Vargas-Prieto & Arrieta-Diaz, 2021). This means that the growth-related adaptation to the credit union organisation design may result in credit unions veering away from adherence to co-operative values and principles (McKillop & Wilson, 2015).

Although this growth-related organisational transformation is impactful on the wellbeing of credit unions, there is a lack of empirical research on how growth impacts the organisation design of credit unions. There is also limited research on the specific characteristics that organisational design must possess to accommodate growth while preserving the co-operative identity and member-centric mission. This gap affects credit unions' capability to manage organisational change and maintain sustainable co-operative growth.

1.2 Purpose of the Study, Research Aims, and Objectives

The purpose of this study is to examine the modifications in organisation design that occur in response to growth-related challenges and to identify methods for bringing these changes in line with co-operative values and principles. This entails determining how growth- related organisation design adaptation impacts the organisation of the credit union. It also include determining the attributes that the organisation design must possess to generate sustained growth while remaining true to the co-operative values and principles. In this vein, the study seeks to provide insights into how the leadership of credit unions in Saint Lucia address growth-related challenges from the business environment while managing the co-operative business and association of members.

The research aims to examine the relationship between credit union growth and the organisation design in Saint Lucian credit unions, with the goals of: (a) theorising that relationship and (b) identifying organisation design characteristics that would support sustainable growth while upholding co-operative values and principles.

The research aims to achieve the following objectives, which are to:

1. determine the factors which contributed to credit union growth in Saint Lucia.
2. identify the changes in organisation design that have resulted from growth.
3. evaluate the effects of these changes on the co-operative identity and the principles that guide credit unions.
4. assess credit union governance systems' ability to elect and support qualified leadership during growth periods.

5. propose organisation design characteristics that support sustained growth while maintaining co-operative differentiation and prioritising member-centricity.

1.3 Nature and Significance of the Study

This study is of an exploratory and applied nature, aiming to examine how growth impacts the organisation design of credit unions in Saint Lucia, with a focus on maintaining the co-operative identity. This study explores how expansion, evidenced by growth in assets, membership, services, organisational enlargement and regulatory demands, influences organisational complexity and diminishes credit union differentiation, thereby challenging conventional credit union organisation design. The research will examine how credit unions are evolving their organisation design, including decision-making processes, governance structures, and work systems. It will assess the implications of these changes on co-operative factors such as member ownership, democratic governance, and member benefits. The study aims to offer crucial insights into how credit unions can achieve sustainable growth while maintaining their co-operative identity, by emphasising governance capacity and the competence of management.

The importance of this research lies in its ability to fill an acute gap in the literature by offering empirical evidence on growth induced organisational transformation in credit unions, specifically within small island developing economies. In practical terms, it will provide strategic direction to credit union leaders, policymakers, and regulators in crafting resilient, mission-driven organisations that can endure external pressures without sacrificing their fundamental values. Such organisations are resources which can be used in improving human welfare (Kickul & Lyons, 2020).

1.4 Research Questions

The research questions for this study emanate from the research aims and objectives. The study therefore seeks answers to the following research questions:

RQ1. What are the factors which influenced the growth of credit unions in Saint Lucia?

An understanding of the factors which influenced the growth of credit unions in Saint Lucia helps address issues pertaining to why credit unions backslide and fail to continue the progress that they have been making. Moreover, the answers also help to determine the factors necessary to enable credit unions to continue to create sustainable value for members. Answers to RQ1 satisfies the first objective of the study, which is to examine the factors which contributed to the growth of credit unions in Saint Lucia.

RQ2. How has the organisation design of credit unions in Saint Lucia changed in response to growth?

Answers to this question helps identify the various changes made to the dimensions of the credit union organisation design and how the changes impact the design. These dimensions include structure, governance, technological transformation and culture. The answers will help to determine how the leadership manipulate organisation design parameters to facilitate the crafting and implementation growth related strategy. Answers to RQ2 satisfy the second objective of the study which seeks to determine the changes in organisation design that have occurred because of growth.

RQ3. How do growth-related organisation design changes impact the practice of co-operative values and principles in credit unions in Saint Lucia?

The answers to RQ3 provide insights into how the leadership of the credit unions describe their understanding of the challenges confronting the sustained creation of social and economic value for members of credit unions while also incorporating co-operative values and principles in that production effort. The answers to this question therefore help determine the nature of the impact of the growth-related changes on the organisation design of the credit unions in Saint Lucia. It also sheds light on the difficulties and abilities of the current credit union governance systems in electing suitable leadership during periods of growth. Answers to this question satisfies the third and fourth objective of the study which are to (a) assess the impact of growth induced organisation design changes on the co-operative identity and principles governing credit unions and (b) examine the challenges and capabilities of credit union governance systems in electing and supporting qualified leadership during periods of growth.

RQ4. What properties must the organisation design of credit unions in Saint Lucia possess to support sustained growth while adhering to co-operative values and principles?

The answer to this question is derived from the synthesis of the answers of the previous three research questions. The answer seeks to satisfy the final objective of the study which is to recommend organisation design attributes that would facilitate the sustained creation of value for members of the credit union in Saint Lucia while preserving co-operative differentiation and focusing on member-centricity.

Given the research questions, the following propositions are derived to guide the study.

1. The unique value proposition presented and accepted by the market accounts for credit union growth.

2. Growth leads to changes in organisational design, such as increased formalisation, adoption of technological tools, and role redefinition, which may add to organisational complexity affecting daily operations and member engagement.
3. Growth- related modifications in organisation design may compromise traditional co-operative principles, which may cause loss of differentiation and friction between efficiency-focused restructurings and the uniqueness of the co-operative form of business.
4. Governance systems within expanding credit unions encounter significant challenges in electing qualified leaders when utilising the traditional method of electing credit union officers to the board and committees.
5. Organisational practices like participatory decision-making, member education, advancing dynamic capabilities and value-based leadership foster sustained credit union growth and reinforce co-operative uniqueness.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

The research focuses on analysing how growth impacts the organisational design of credit unions in Saint Lucia. It examines how leaders interpret environmental stimuli to craft strategies that drive economic and social value for members. The theoretical and conceptual framework, built on the literature review, establishes the assumptions on which the design, development, analysis and interpretation of the study is based (Varpo et al., 2020). Grounded in a complexity theory framework, the study aims to provide a comprehensive understanding of the topic.

The literature review also includes five subtopics: (a) managing organisational complexity using co-operative values, (b) credit union differentiation through isomorphism, (c) adaptiveness and dynamic capabilities, (d) the role of organisation design, and (e) empirical research on credit unions. These sub-topics are necessary since there are several elements within the topic that are to be considered separately and then brought together into the formation of the thesis. The research identifies gaps in existing studies and outlines how these will be addressed in the research project.

The literature review involves searching online databases like Google Scholar and ProQuest to identify relevant peer-reviewed articles, focusing on recent studies and significant earlier works. Additional references are obtained by reviewing citations within these articles. Peer review status for Google Scholar materials is verified using platforms like Elsevier Science Direct, Springer Open Journal, and JSTOR. ProQuest's library services are accessed via Unicaf University, offering filtering options for peer-reviewed content.

The search of the databases is carried out using keywords and combinations of keywords and include: agency theory; business model; co-operative advantage; co-operative business model; co-operative difference; co-operative framework; co-operative identity; co-operative leadership;

co-operative principles and values; competitive advantage; competitive business strategy; complex adaptive systems; complexity theory; corporate governance; credit union effectiveness; credit union governance; credit union growth; credit union performance; credit union sustainability; differentiation strategy; dynamic capability; dynamic capability and performance; dynamic complexity; financial co-operatives; general systems theory; good governance; isomorphism; leadership; management by values; managing change; managing chaos; organisation complexity; organisation design and credit union; organisation design; organisation life cycle; organisation structure; organisation structure and strategy; organisational adaptation; resource based view; resource dependency; stewardship theory; structural complexity; sustainable growth; sustained performance; task uncertainty.

2.1 Theoretical Framework

The theoretical framework for this study provides a basis for understanding and interpreting the research problem. It places the study within the context of existing theories and literature, and supports the design, development, analysis, and interpretation of the study. The framework also points to areas where existing theories can be expanded (Grant & Osanloo, 2014; Lederman & Lederman, 2015; Varpo et al. 2020). Complexity theory forms the core of the theoretical framework.

Investigating social organisations, like credit unions, using a framework of complexity theory is a departure from the traditional mechanistic architype which formed the underpinnings of organisation theory (Arevalo & Espinosa, 2015). A derivative of such mechanistic type of theory is the systems theory (open system) which explains that organisations consist of interrelated elements and subsystems that require alignment to the micro and macro environment to achieve the required results of business strategy (Arevalo & Espinosa, 2015; Merle, et al., 2010; Turner &

Baker, 2019). Along this vein, systems theory makes use of the holistic system concept which posits that the whole is greater than the aggregate of its elements and subsystems (Turner & Baker, 2019). Furthermore, the systems framework studies systems problems within stated boundaries of the elements or subsystems of the total system (Arevalo & Espinosa, 2015; Turner & Baker, 2019). The rationale is that setting boundaries facilitates the understanding of the working of the elements or subsystems of the organisation, and how they act concordantly to produce desired results. The understanding obtained can be used to produce an optimally performing organisation (Yawson, 2013). However, such reductionist frameworks do not provide for the innate adaptability needs of organisations, such as credit unions; a need for on-going innovation in response to stimuli from the internal and external environment (Turner & Baker, 2019). Therefore, the study of organisations, like credit unions, requires a theoretical framework that accounts for the nature of those organisations, including ways to adapt to the circumstances confronting them.

The question that this research is seeking to address pertains to how growth-related challenges can impact the ability of credit unions in Saint Lucia to achieve sustained growth while maintaining co-operative integrity. The systems theory approach with its boundary setting, (Post et al., 2020) would find it daunting to identify clear boundaries in studying the credit union. For instance, in the matter of this research project, one profoundly important element of the credit union organisation is the member. In the social system of the credit union the member has at least four concurrent separate roles, namely: patron, investor, owner, and community member (Cook, 2018); hence in the members' interaction with the credit union a clear boundary does not exist.

The research project aims to reveal the level to which the extant organisation design of credit unions in Saint Lucia can continue to create sustained socio-economic value for members. Organisation design in credit unions focuses on how people and work are organised in the quest to achieve the co-operative purpose (Novkovic et al., 2022). The systems theory framework is limited with regards to this study in that the framework does not provide for the interactions, emotions and experiences of the credit union organisation functioning from an adaptable human relations perspective. Such a perspective is critical in understanding how work is performed in an organisation. Furthermore, in the absence of that perspective, the systems theory approach implies that the credit union organisation is more like a sophisticated machine (Stanford, 2018).

In essence, this study seeks to understand how the leaders of credit unions in Saint Lucia ought to manage and govern their credit unions to achieve sustained growth of those entities, within the context of a continuously changing environment in a small island developing state. Systems theory focuses on transformation at the organisation level, and such transformation is deemed to be passively determined by the environment (Lai & Lin, 2017). Such a notion does not reflect the functional part played by the elements of a social system in adjusting to changes and challenges in the micro and macro environment. Such limitations in systems theory warrant the use of a framework for this study which incorporates adaptive structures in its theories, concepts, and assumptions. Considering those limitations, complex systems theory, as a connectionist approach (Turner & Baker, 2019), offers the means for a better explanation of how credit unions in Saint Lucia should answer to environmental changes. These changes are posed by advancements in technology, the strains for competitiveness, climate change, socio-economic and political vicissitudes (Revina et al., 2021; Turner & Baker, 2019). Hence the complex systems theory framework is deemed to offer greater insights for this research project.

2.1.1 Historical perspective and dimensions of complex systems theory

The historicity of complex systems can be gleaned from the invisible hand metaphor of Adam Smith as he explained the workings of the price mechanism in the economy (Turner &

Baker, 2019). Also, Von Neumann's concept of self-replicating systems and Darwin's theory of evolution provided the pathway to the nascent theories of complex systems (Arevalo & Espinosa, 2015; Turner & Baker, 2019). The literature records three distinct epochs of interest in complexity, namely: holism; general systems theory; complex systems theory, which encompasses chaos and adaptive systems.

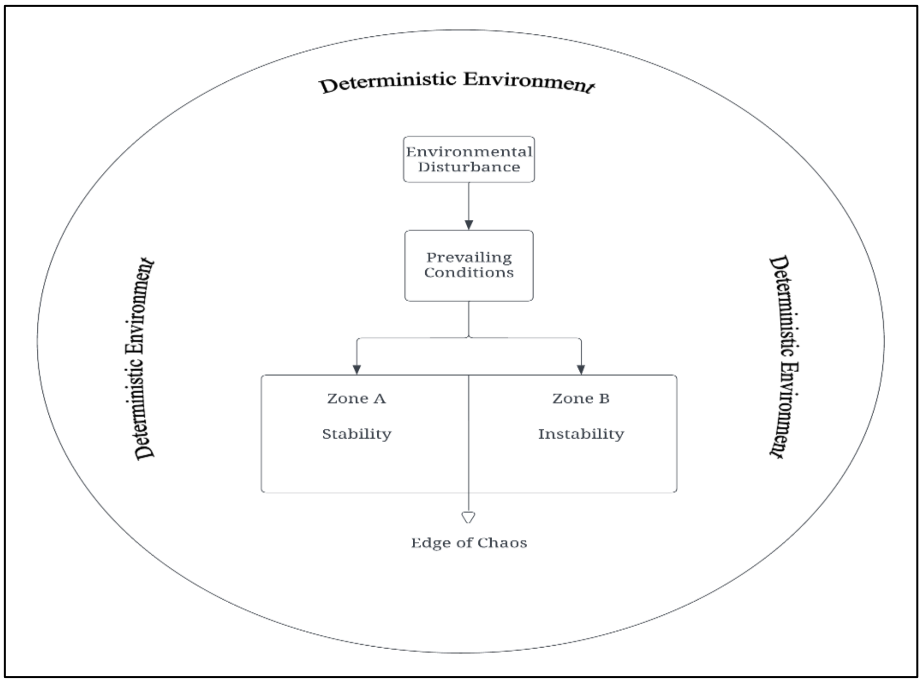
Holism, derived from the teachings of Aristotle and the Gestalt perspective, emphasises the principle that 'the whole is greater than the sum of its parts'. This is to say, the attributes and properties of the whole cannot be deduced by analysing the parts in isolation of each other (Arevalo & Espinosa, 2015; Rosenhead et al., 2019; Siegenfeld & Bar-Yam, 2020; Turner & Baker, 2019). Moreover, general systems theory, primarily through the ground-breaking work of von Bertalanffy (1972), adds to the concepts of holism by focusing on the components of a system and interrelationships between those components or subsystems (Richardson, 2004; Turner & Baker, 2019; van Assche, 2019). Recognising the main ideas and constructs of general systems theory, Kast and Rosenzweig (1972) in their seminal work, posited that a system can either be opened or closed. A closed system has a boundary which safeguards the system, including its elements and subsystems, against environmental forces. On the other hand, open systems do not have this partition. Open systems can be influenced by multiple forces emanating from within or outside of the system (Turner & Baker, 2019). Complex systems theory or complexity theory draws from the concepts of open systems of general systems theory (Richardson, 2004; Strathern & McGlade, 2014).

Complexity theory focuses on the interactions between elements of the system and the environment, and the feedback received from that environment (Lindberg & Schneider, 2013). Complexity theory postulates that systems are unpredictable, however these systems are also influenced by rules which generate order (Arevalo & Espinosa, 2015). Complexity theory has been applied to areas of study including research on organisations (Begun & Thygeson, 2015; George et al., 2019); leadership (Rosenhead et al., 2019; Steinet al., 2022) and management (Hamelt et al., 2012; Penget al., 2022). The key concepts and assumptions of complexity theory approach are distilled under the heading of chaos theory and complex adaptive systems (Turner & Baker, 2019).

Chaos theory has its roots in the field of mathematics and focuses on non-linear dynamic systems, including the unpredictable nature of the behaviour of deterministic rules (Biswas et al., 2018; Turner & Baker, 2019). Chaos theory holds that a chaotic system is characterised by a state of volatile equilibrium, sensitivity to initial conditions, irreversibility and the tendency to be influenced by structures called attractors during the evolutionary stage of the system (Biswas et al., 2018). As depicted in Figure 1, the theory explains that in dynamic systems, the ways in which chaotic systems behave can be separated into two areas of demarcation, including the boundary shared by both areas. The two areas can be considered an area of stability and an area of instability and are the result of feedback from the environment which can be either negative or positive. Negative feedback pushes the system to be innovative and experimentative thereby creating a state of instability (Biswas et al., 2018). On the other hand, positive feedback thrusts the system towards planning, structuring and controlling and hence a state of order and stability (Turner & Baker, 2019). The effective presence of both negative and positive feedback forces leads to chaotic systems (Biswas et al., 2018).

Figure 1

Depiction of a state of chaos



Note. Figure created by the author.

As illustrated in Figure 1, in the area of stability, if the system were to encounter disturbance, based on the prevailing circumstance influencing the system, it would get back to its initial state (Turner & Baker, 2019). However, in the area of instability, even a minute disturbance would lead to behaviour patterns which diverge away from the initial state, and in turn creates more and more divergent behaviour patterns (Biswas et al., 2018). Moreover, the behaviour pattern which emerges from the disturbance would be influenced by the comparative strength of the positive and negative feedback, and laws impacting the behaviour of the system (Rosenhead et al., 2019). Under conditions created by the feedback received from the environment, chaotic systems may operate at the boundary shared by both the area of stability and instability. Some authors refer to this line of demarcation as the ‘edge of chaos’ (Ascoli et al., 2022; Carroll 2020). At this shared boundary, complex systems are deemed to display randomness, in terms of definitive behaviour, within an overall structure of deterministic behaviour\deterministic environment.

Chaotic systems are sensitive to initial conditions. This means that a slight change to the initial conditions of the system can lead to enormously different outcomes thus making the behaviour of the chaotic system unpredictable in a long run perspective (Biswas et al., 2018). The impact a change factor might have can only be predicted for a short run time frame. This implies that a social system, like a credit union, when viewed as a chaotic system, has future states which cannot be predicted. Furthermore, even when management makes slight changes to an organisational factor, such actions can have profound and unintended results. Moreover, due to the counteraction of the negative and positive feedback impacting the chaotic system, such systems are always changing. As a result, the chances of observing a chaotic system returning to its initial state is very low, and so the system behaviour is deemed irreversible (Biswas et al., 2018). This implies that in the case of social systems, corrective actions to the system will not lead back to the initial state, and the implementation of the same action will not lead to the same results. Albeit, during the continuous change, along with the interaction with the environment, chaotic systems create new forms of order (Turner & Baker, 2019). The novel forms of order are generated by structures referred to as attractors (Biswas et al., 2018).

Like chaos theory, complex adaptive systems refer to open dynamic systems, but the complex adaptive systems are capable of self-organising their structural configuration through learning (Turner & Baker, 2019). This self-organisation happens via the dynamical interfaces and feedback of the heterogeneous/autonomous elements and subsystems of the complex adaptive system and its environment (Strathern & McGlade, 2014). Novel states emerge when the systems have learnt to adapt to their environment (Arevalo & Espinosa, 2015; Turner & Baker, 2019). In complex adaptive systems, self-organisation connotes that no internal or external component of the system has a controlling effect on how the system behaves or how the system changes (Arevalo & Espinosa, 2015). From the perspective of complex social systems like credit unions, this implies that credit unions can only be guided along a pathway but not controlled. The self-organising ability of complex adaptive systems also indicates that the exchanges among the components of the system are related to the cognitive dimensions of the components at the micro level. At that level these cognitive dimensions create collective intelligence, that is, the ability of the system to accomplish complex tasks across a variety of domains (Krafft, 2019; Woolly et al., 2015). Accomplishing complex tasks though, requires achieving a variety of sub-tasks which have various levels of complexity. Moreover, the concept of self-organisation helps to account for the emergence of collective intelligence in complex systems (Krafft, 2019). It also helps to explain the incidence of elevated degrees of robustness and tractability in resolving problems and the performance of teamwork in complex social systems (Krafft, 2019). Tractability or flexibility denotes capability of the system to respond to changes in the environment. Robustness discusses the survival capability of the social system notwithstanding some agents or elements failing in their tasks. As such, collective intelligence contributes to the non-linearity of complex social adaptive systems (Krafft, 2019).

Chaos theory and complex adaptive system theory contribute to the tenets of complexity theory approach (Turner & Baker, 2019). Complexity theory espouses that complex systems are characterised by the concepts of path dependence including non-linearity, emergence, and adaptability (Lindberg & Schneider, 2013). The concept of path dependence has to do with the history of nature and circumstance of the system. Path dependent systems are impacted by small changes to the system, based on the history and initial or early conditions of the system. Given that feature, the same factors might impact ostensibly similar systems differently because of the history and initial conditions of those systems (Lindberg & Schneider, 2013). Assuming minute changes in a system can result in large consequences, and within the very system, large changes produce insignificant effects, then these outcomes can prove hard to predict. This incapacity to foretell the future state of a complex system is symptomatic of the lack of linearity of the system (Turner & Baker, 2019).

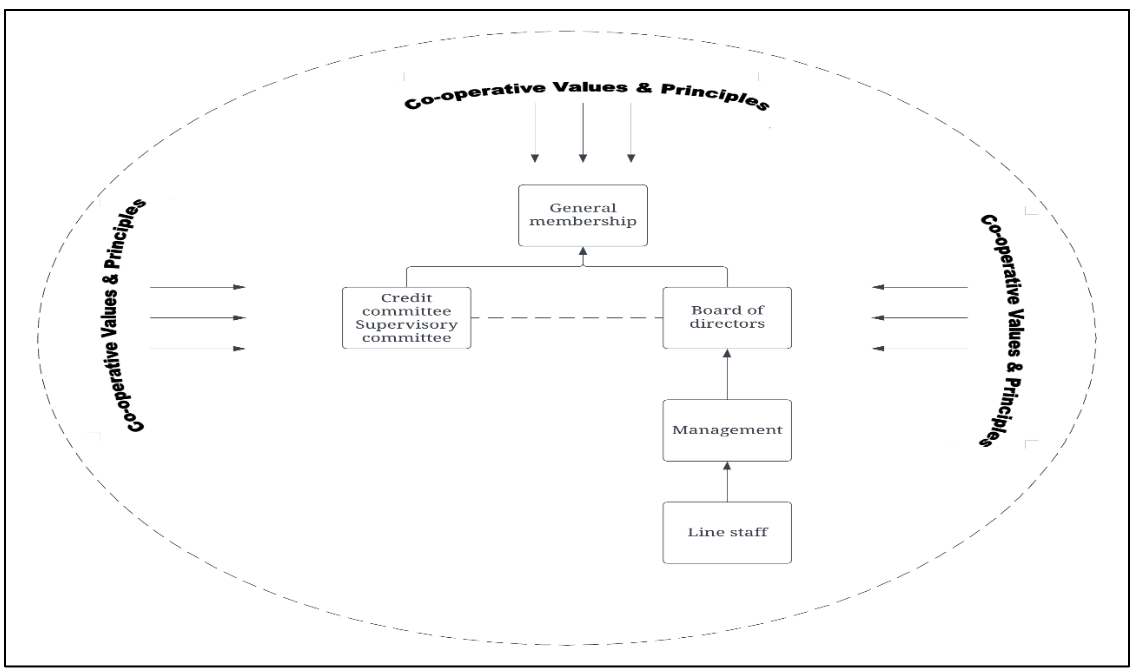
2.1.2 Credit unions as complex social systems

Organisational complexity pertains to the interwoven system for arranging and carrying out work, organisational processes, and relationships inside an organisation (Worren, 2018). Complex organisations are defined by significant levels of distinctness and separation among its many elements and processes, which can influence the overall function of the organisation (Turner & Baker, 2019; Begun & Thygeson, 2015). Drawing from this characterisation of organisational complexity, then complexity in organisations can be identified by the presence of numerous, varied, and interdependent agents and elements. Based on this method of identification, credit union organisations in Saint Lucia are deemed to be complex. These organisations are characterised by multiple agents, principally: the members, the board of governance, supervisory committee, credit committee, management, and line staff.

As indicated in Figure 2, the board of directors and the committees are answerable to the general membership and management is answerable to the board of directors. These agents can have separate mandates which at times can become polarised, however, internalising the concepts contained in the co-operative values and principles influences such behaviour towards convergence to the co-operative purpose (Novkovic et al., 2022). In the process of interaction among the different agents, shared values (internalisation of co-operative values and principles) provide an organisational framework for agents to focus on achieving the co-operative purpose. The member-controlled form of organisation though is not immune to external environmental forces, depicted by the broken line circle in Figure 2, but constancy of purpose is maintained. The work to achieve the co-operative purpose is carried out by crafting and implementing co-operative strategy, that is, strategy aimed at achieving both economic and social value for members of the credit union.

Figure 2

Interactions among agents of the credit union



Note. Figure created by the author.

The co-operative strategy is crafted from the nuanced input of the various agents (Wang et al., 2022). The derived strategy must be in consonance with the co-operative identity while at the same time facilitating the growth of the credit union (Novkovic, 2022). These co-operative strategies may vary in accordance with the feedback received from the environment, such that a new state of the credit union organisation may emerge. However, grounded in co-operative values and principles, the entity which emerges would still have co-operative attributes.

Moreover, another dimension of the organisational complexity of credit unions in Saint Lucia is the multifaceted roles of the member, similarly expressed by Novkovic et al., (2022). When interacting with the organisation, members hold four concurrent roles which bring with them conflicting value expectations for each role. These roles are patron, investor, owner, and community member (Cook, 2008). Leading and managing the credit union organisation therefore necessitates trade-offs among the four value expectations associated with the four roles. The nature and resultant value mix of the trade-off may not always be welcomed by the member, although the degree to which shared co-operative values are internalised may influence the level of dissonance experienced by the member (Novkovic et al., 2022).

Interdependence among the agents of the credit unions can cause new outcome states to emerge particularly when the agents themselves adapt and change over time (Begun & Thygeson, 2015). In the case of credit unions in Saint Lucia, the driver of that adaptation includes the environmental forces of isomorphism, self-learning and new regulatory requirements emanating from the regulator, the Financial Service Regulatory Authority (FSRA) of Saint Lucia. Hence, operating a credit union comprising a multitude of diverse and interdependent players or agents is complex. Also, the aim of the credit union organisation is to deliver both economic and social value, and the process of achieving that aim creates a substantial level of complexity (Novkovic et al., 2022). Albeit, problems associated with complexity in the credit union arise not from the magnitude of organisational complexity as such. The problem stems from growth-related mismatches between the complexity of the action to be taken or the task to be carried out, and the complexity of the system executing the undertaking (Siegenfeld & Bar-Yam, 2020). Eliminating this mismatch of complexities therefore warrants appropriate organisational design and this issue will be considered in this study.

Managing organisational complexity of credit unions calls for pragmatic responses which may include changes to the fundamental ideas and structures within the credit union (Munkner, 2015). In the attempt to remain both idealistic and practical, the credit union relies on its values and principles to determine its business model and the fundamentals of its business strategy. Values serve as an invariable guide to the conduct and practice of the co-operative enterprise while principles are more malleable to feedback from the environment (Munkner, 2015). In the credit union, co-operative values inform how stakeholders and elements of the organisation can relate to each other (Novkovic et al., 2022). Moreover, drawing from those values, co-operative principles serve as instruments by which the co-operative values are operationalised. As discussed in this review, co-operative values hold the credit union organisation together in times of change and instability.

Drawing from pronouncements of the International Co-operative Alliance (ICA), specific co-operative values and principles characterise the credit union. These values are: “self-help, self-responsibility, democracy, equity, equality, and solidarity” (ICA, 1995). Emanating from these values are principles which are instrument oriented and therefore serve as guidelines for operationalising the co-operative values (Birchall, 2014). The ICA expresses these principles as: “voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operative and concern for community’’ (ICA, 1995). Together, these values and principles shape the characteristics and organisation design of the co-operative organisation. Furthermore, these values and principles serve as attractors that influence the pattern of behaviour of the credit union within the chaotic system in which these financial co-operatives operate (Dolan et al., 2003).

Birchall (2014) has questioned the way in which the co-operative principles were determined in that they were agreed upon through consensus, and so other possible principles were not included. He intimated that the principles are a social construct as opposed to the result of scientific inquiry or objective assessments. Such an argument seems to suggest that an objective assessment of the points of view of participants is deemed superior to the dialectical method used by the ICA in determining which suggested principles would be adopted as co-operative principles. Other than saying that some possible principles were left out, Birchall did not advance any arguments to indicate that the method used by the ICA led to a suboptimal outcome.

The environment in which co-operatives interact continues to change rapidly and fundamentally (Munkner, 2015). This then necessitates changes to the structures and ideas that would guide co-operatives into the future. These changes to ideas and principles should entail pragmatic adaptations aligned with the contexts of the operating environment, as opposed to permanent changes to fundamental co-operative values (Novkovic, 2006). The aim is to be able to apply co-operative principles in forms suitable to the contemporary environment. Albeit, in responding to the rapid changes in the environment, some co-operative entities may choose to adapt in ways that are inconsistent with the fundamental co-operative features and identity. This is particularly apparent when entities seek to optimise efficiency and co-operative effectiveness (Galor, 2008) and in the end choose efficiency over co-operative effectiveness. Amid this culture of rapid change, creating an enabling environment to allow co-operative values and principles to guide the future state of the co-operative entity is warranted (Dolan et al., 2003). Creating that enabling environment calls for the requisite organisational design yet there is a paucity of empirical evidence in the literature on the role of credit union organisational design in managing change, thereby giving credence to this research.

2.1.3 Coping with complexity

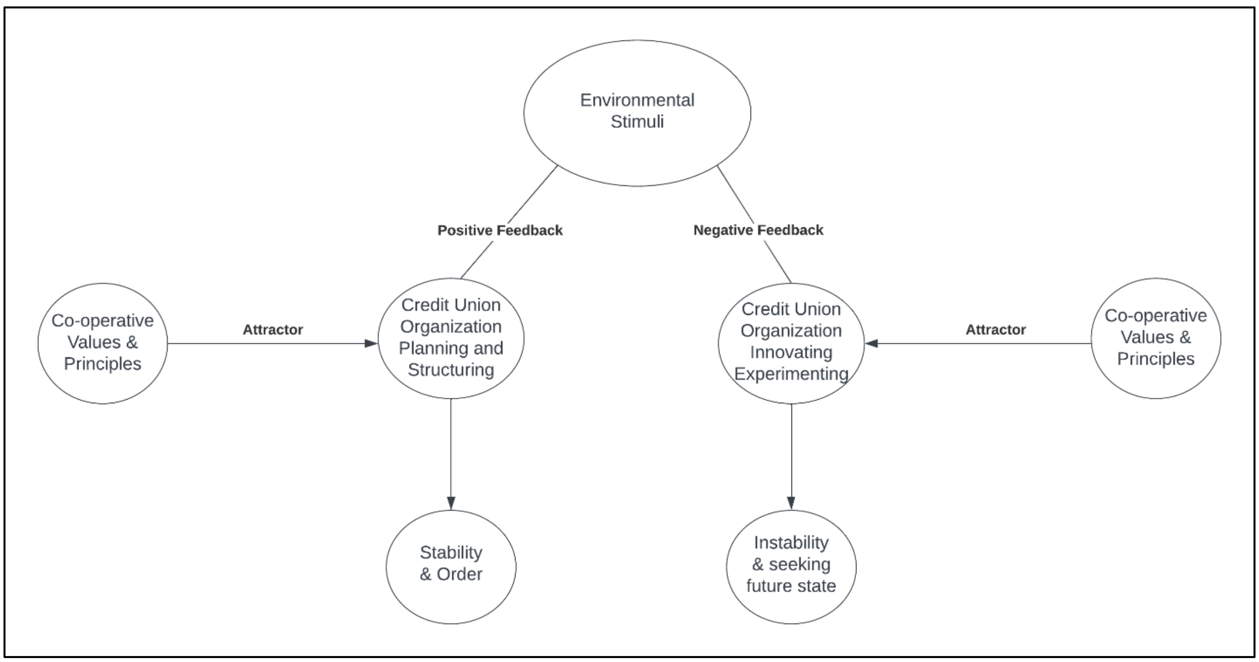
Organisations like credit unions are complex social systems that need a culture of innovation to experience sustained growth within a milieu of organised chaos (Dolan et al., 2003; Olmedo, 2010). However, the increasing rate of complexity linked to rising volatility, improbability, and interconnectedness, looms large as a challenge to achieving that sustained growth (Uhl-Bien & Arena, 2017). Credit unions are thought to provide an alternative space for consumers of financial services through membership in those financial co-operatives (McGrath, 2019). Furthermore, it is posited that these financial co-operatives can meet the diversified needs of users in their capacity as patrons, investors and owners of the co-operative (Novkovic, 2022). However, Wheelock and Wilson (2013) have provided evidence that the environment in which the credit unions operate continue to be dynamic requiring expansive changes to organisation structures, application of values and processes (changes to the parameters of organisation design) to have sustained relevance for credit union members.

Furthermore, McKillop and Wilson (2011) have indicated that the nature of the feedback received from the interactions between credit unions and the changing environment can put the entities in a state of chaos. Along those lines, Biswas et al., (2018) explained that in dynamic systems, instability stems from the nature of the feedback received from the environment. The researchers advanced that negative feedback pushes the system to be innovative and experimentative thereby creating a state of instability. On the other hand, positive feedback thrusts the system towards planning, structuring and controlling and hence a state of order and stability.

However, it is the attractor within the system, as depicted in Figure 3, which configures the future state of the system (Biswas et al., 2018). Attractors are the most stable and the element most resistant to change in the complex system. Attractors are so called, because they 'attract solutions' to the problems encountered by the entity in the complex system (French & Mollinger-Sahba, 2021).

Figure 3

Interaction between the credit union and the changing environment



Note. Figure created by the author.

Dorlan et al., (2013) have deemed organisational values and principles to be an attractor within the culture of chaos. In this vein, Turner and Baker (2019) have argued that organisation values serve as a model exemplification of the behavioural results of the complex system. Hence, these values and principles influence the collective behaviour of agents and subsystems of the organisation and facilitate change and adaptation to the environmental situation (Taneja et al., 2013). Therefore, order is derived from the interaction among agents, sub-systems and the environment, as opposed to the use of the intervention of external parties or agents (Dorlan, et al., 2003; Olmedo, 2013). As depicted in Figure 3, environmental forces and the associated feedback received by the credit union can cause the co-operative to respond in one of two ways depending on the nature of the feedback.

Positive feedback would trigger a process of planning and structuring influenced by co-operative values and principles to maintain organisation order and stability. On the other hand, negative feedback delves the co-operative into a process of innovation and experimentation, seeking a future state. That future state is deemed unpredictable yet through the influence of the co-operative values and principle serving as attractor, the future state of that credit union would have the predictable attributes of the behaviour of a co-operative. This then suggests that in seeking to achieve sustained growth, and guiding the future of credit unions, the organisation should utilise the concepts of co-operative values and principles. These values and principles serve as the attractor that brings order to turmoil and influences the configuration of the future state of the co-operative entity. Olmedo (2010) has indicated that the state of turmoil that self-organises, due to the influence of the attractor, provides the basis for creativity and innovation in the complex social system; credit unions being one such complex system.

Turbulence confronts all facets of the complex social system, and Dolan et al. (2003) is of the view that the best way to deal with such turbulence or chaos, is not by avoidance or trying to control the state of chaos, but by getting to understand its features which would enable the social system cope with the natural flow of the chaotic state. Olmedo (2010) reiterated similar sentiments by stating that traditional management models seek to control and reduce complexity, whereas complexity management requires working with complexity as opposed to trying to reduce it. In this regard, success means taking advantage of turbulence to achieve change and innovation (Olmedo, 2010) thus giving added meaning to the phrase, “innovate or perish”. Using those arguments, the implication for credit unions as they seek to achieve continued relevance and sustained growth, involves addressing the challenge of how to apply co-operative values and principles in ways suitable for the current contexts of chaotic and complex adaptive systems. In this regard, this study seeks to enhance comprehension of the characteristics of chaos and to leverage this insight in formulating recommendations that will enable the credit union social system to effectively manage and adapt to the inherent dynamics of chaotic environments.

Dorlan et al. (2003) has argued that chaotic systems have antagonistic parameters and dimensions, in that chaos is deterministic by reason of its ability to define patterns of behaviour of the social system. Yet chaotic behaviour is unforeseeable, implying that it is not possible to know where the social system is trending to, or moving to, at any point in time. This means that chaotic systems are deterministic in one sense yet non-deterministic in another. In drawing attention to that aspect of chaotic systems, Levy (2000) indicates that such systems portray a fundamental pattern of structure and order even when the systems are in a state of chaos. This is the result of attractors within the systems. Attractors have the tendency to remain relatively stable, and so predictive, as system parameters change.

This notion of an antagonistic dimension to chaotic systems veers away from the view that complex systems are exclusively non-deterministic (Turner & Baker, 2019). Applying that antagonistic dimension to credit unions, co-operative values and principles serve as the attractor and are incorporated into the systems and processes of operations of the organisation. Consequently, the organisation being true to the tenets of co-operative values and principles, notwithstanding its form or structure at any given point in time, would be recognised as a co-operative based on its pattern of behaviour (Munkner, 2015). The deterministic influence of co-operative values and principles impacts where the credit union social system is tending, as opposed to where the credit union is as a social system. From a pragmatic perspective therefore, the credit union needs to engender the means conducive to allow co-operative values and principles define the organisation, notwithstanding the form the organisation may eventually take in achieving sustained growth within the culture of chaos (Birchall, 2014; Novkovic et al., 2022).

The antagonistic character of chaotic systems has implication when it comes to how work processes and workflows are arranged in an organisation and the outcome of the work arrangements. For instance, Smith (2019) has posited that in managing chaos, rational Newtonian approaches could influence organisations into erroneously believing that structuring work and unpredictable processes, to follow the tenets of linearity and reductionism, can make the unpredictable work controllable and predictable. Moreover, empirical studies have shown that this mismatched reductionist approach leads to adverse consequences (Cooper & Wren, 2012; Smith, 2019). A possible explanation for the adverse outcome is that events in complex social systems are created by a constant ebb and flow of interactions among system agents themselves, and feedback received when interacting with the environment (Hood, 2014). In this sense, predicting cause and effect relationship between agents and sub-system of a social system becomes fraught with problems (Cilliers, 2001; Hood, 2014). Another point could be that complex social systems adapt over time. Hence the antagonistic character of the system makes it unreasonable to assume that even with knowledge of agents and sub-systems of the social system, that an intervention at a sub-system will produce predictable events (Cooper & Wren, 2012). This reiterates the notion that in complex social systems like credit unions, the role of management is to guide the entity and not control it along the pathway to achieving the co-operative purpose.

2.1.4 Complexity theory research application and limitations

From the foregoing, it is very apparent that there is not consonance in the literature on how chaos is to be perceived in social system; whether chaos is an impairment in the social system which needs to be controlled or reduced (Worren, 2018) or whether it should be looked upon as an opportunity for creativity or innovation (Olmedo, 2010). A probable reason for this level of dichotomy could be not having an agreed upon definition of chaos as a manifestation of complexity (Daryani & Amini, 2016). Schneider et al. (2014) have indicated that in this regard, the lack of conceptual alignment and differences in interpretation muddy the opportunity for an all-embracing acceptance of the realm of complexity. Furthermore, Revina et al. (2021) have indicated the lack of guidelines which exist for choosing a specific approach for addressing complexity in social systems.

Notwithstanding, proponents of complexity, and its associated theories, continue to propose that the complexity theory approach will advance the means to understanding how social systems can learn and respond more effectively and self-organise into forms that are better suited for their environment (Siegenfeld & Bar-Yam 2020; Turner & Baker, 2019). Exponents of complexity theory often claim that conventional approaches to social systems have been overrun by the increasing rate of complexity in those systems, because of rapid development in information and communication technology (Levy, 2000). These advocates of complexity theory go on to state that several approaches to social system thinking and strategic thinking, including transaction costs and agency theory, imply that organisations are static or close to being static (Brown & Eisenhardt, 1997). These paradigms, it is argued, were keenly relevant when speed, agility and flexibility were less paramount to the success of organisations than they are to the contemporary organisations of today (Niwash et al., 2022).

Moreover, advocates of the complexity theory approach do not accept several key assumptions of neoclassical economics, such as perfect information, diminishing returns, and the idea of rational agents acting on behalf of organisations to maximise a specific objective function (Levy, 2000). The reason advanced for these rejections is that the ontology of complexity recognises that the notion of rational actors neglects key characteristics of complex dynamic systems. Such neglected features include complex social systems comprise multivariate actors (Turner & Baker, 2019) and are influenced by feedback effects from the environment (Levy, 2000). Hence, pertinent understanding of social systems will be achieved only by studying the complexity which forms the quintessence of those social systems (Siegenfeld & Bar-Yam, 2020; Smith, 2019). In this context, complexity is not adequately represented by a reductionist epistemology that relies on assumptions and mathematical models focused on maximising behaviour in social systems (Levy, 2000; Turner & Baker, 2019).

Moreover, advocates of complexity theory posit that a behavioural and administrative approach is more applicable to understanding complex social systems, and so the groundbreaking work of Simon (1990), which elucidates that organisations are made up of networks of agents possessing bounded rationality, continues to be of immense value. The emphasis on human choice and the utilisation of administrative decision making and abductive reasoning to solve organisational problems is in sync with the tenets of complexity (Levy, 2000). The implication of this notion for social systems and credit unions is that due to the constraints of bounded rationality, which includes the limits of available information, a praxis approach may be desirable when seeking to solve problems of the organisation (Blue & Grootenboer, 2019; Cabantous & Gond, 2011; MacKay & Tambeau, 2013). Credit unions intend to achieve sustained growth which calls for adaptation and trade-offs between cost and quality of information, all within a culture of uncertainty. Praxis builds on the satisficing behaviour by utilising theoretical constructs along with the organisational reality of the practitioner (MacKay & Tambeau, 2013) to achieve the goal focused behaviour (intended rationality) of the organisation. Such an approach is consistent with the intention of this study which is to understand how credit unions can remain idealistic and yet be practical.

Complexity theory tenders a promise to offer a better understanding of the workings of social systems (Levy, 2000; Turner & Baker, 2019), however, the theory has been cited for some limitations (Barnett, 2006). For instance, Rosenhead et al., (2019) noted that complexity theory draws its roots from positivism and rationality and so find it ironic that proponents of complexity theory seek to reject key tenets of the science from which complexity theory is derived. It appears that in one sense complexity theory seeks authenticity from the sciences, and in another sense, it decries key fundamentals of that science. Furthermore, some researchers are of the view that many systems are not necessarily chaotic and so linear approximations are good enough for those systems (Iancu & Lanteigne, 2022; Levy, 2000). Another critique is that the non-linearity and opacity of complex systems limit the power of the theory to explain and predict events beforehand, giving the appearance that the theory is more useful in hindsight (Iancu & Lanteigne, 2022). In this sense complexity theory has difficulty in postulating how to improve organisational processes and structures to achieve organisational goals (Taneja et al., 2013). Consequently, in addressing those limitations, this research uses complexity theory as the focal point and conjoins it to other organisation theories, including theories pertaining to governance, dynamic capability and organisation design. Such an eclectic approach would build on the insights of complexity theory and hence provide greater understanding of the reality of the challenges confronting credit unions in Saint Lucia as they seek to achieve sustained co-operative performance.

Complexity theory is based on systems thinking approach and principles of nonlinearity, emergent behaviour, bifurcation, self-organisation, adaptation and interconnectedness among organisational elements. Table 5 shows how these principles support changes in various aspects of organisational design as credit unions grow.

Table 5

Application of complexity theory to the impact of growth on organisation design in credit unions

Dimension	Growth Effect	Complexity Theory Explanation
Operational structure	Growth adds layers, departments, and roles.	Emergence: New departments and hierarchies form as operational diversity increases. Nonlinearity: Each additional unit increases co-ordination complexity significantly.
Governance system	Renders traditional systems inefficient.	Adaptation: Governance system evolves to accommodate need for qualified expertise.
Organisational culture	Growth poses challenges to shared values and identity.	Emergence: Unintentional deviation from co-operative difference, values and principles. Adaptation: Leadership modifies customs to uphold co-operative identity
Innovation & adaptability	Growth can impact agility but can also increase capacity.	Nonlinearity: Increased size can enable innovation through resource availability but also hinder innovation due to bureaucracy. Adaptation: Innovation units form to match environmental complexity.
Member relationships	More difficult to maintain personalised services.	Interconnectedness: Member feedback mechanisms become more dispersed. Adaptation: Member relation systems and digital platforms evolve to ensure member engagement.
Regulatory commitment	Greater scrutiny and systemic risk as the credit union grows.	Adaptation: Credit unions adjust their governance and compliance structures to manage external challenges and bifurcation Interconnectedness: credit unions incorporate legal, ethical, and risk management systems in a more inclusive manner.

Note. Table complied by the author

The complex theory perspective may help credit union leaders and policymakers consider more comprehensive approaches to responding to change pressures. Insights from the complexity theory approach can also be of great help to the credit union leaders in their quest to design resilient, adaptive credit union models that remains true to the co-operative identity while addressing contemporary operational requirements.

The potential of complexity theory to offer insights into the dynamics of organisational change (Arevalo & Espinosa, 2015) serves as the major reason for the theory being deemed an appropriate framework for this research project. Furthermore, the theory has been used as the framework for similar studies pertaining to the dynamism of organisational change. For example, Tong and Arvey (2015) employed complexity theory as a foundational framework to demonstrate how behavioural diagnostic tools can enhance managerial behavioural competencies. Such skills are essential for ensuring that organisations remain relevant and effective amid an evolving business landscape.

In a separate study, Burgelman and Grove (2007) employed complexity theory as a framework to evaluate the influence of strategy formation on the long-term sustainability of firms. Their research posited that an organisation's longevity is contingent upon its leadership’s capacity to align sequences of autonomous and induced strategic processes with varying forms of strategic dynamics. Similarly, Crawford and Kreiser (2015) conducted a study with the purpose of presenting a general over-arching theory that researchers could use to examine the key components and propositions of corporate entrepreneurship strategy. Complexity theory was used as the framework for that study on the premise that the theory provided the concepts and methodical guidance to design and test studies on corporate entrepreneurship strategy. Further, Rosenhead et al. (2019) conducted a study to add to the discourse on the validity and importance of complexity management and leadership on organisational practice. The study entailed a review and critique of literature on complexity theory and complexity leadership. In all those studies mentioned, complexity theory provided descriptions, explanations, and insights into the dynamic processes of change in those social systems researched. Understanding the processes of change can add to the ability of strategic leadership to achieve the objectives of the firm. This is achieved by strategic leadership influencing the context and structure of the parameters of the social system (Boal & Schultz, 2007).

There have been controversies over how complexity theory is to be portrayed (Schneider & Somers, 2006). In one instance, for example, general systems theory has been positioned as the enveloping theory for chaos theory and complex adaptive systems (Yawson, 2013). In another instance, general systems theory and complexity theory are viewed as two distinct theories. In such a perspective, complex adaptive systems are deemed a subset of complexity theory. This research project however adopts the view that complexity theory is separate from general systems theory, although they hold some tenets in common (Goldstien et al. 2010; Turner & Baker, 2019). Also, this study subscribes to the view that complex adaptive systems fall under the umbrella of complexity theory. This research project aims to examine the temporal behaviour of credit unions in Saint Lucia. Similarly, complexity theory investigates the evolution of specific system types over time (Rosenhead et al., 2019), with credit unions representing one such category.

2.1.5 Sub-topics

2.1.5.1 Isomorphism and credit union differentiation

The difficulties presented by a competitive environment and the necessity to always be relevant to the needs of members have obligate that credit unions respond with change processes (Novkovic et al., 2022). These forces of change come from different facets of the environment including changing legislative requirements, the demand for greater diversity in product offerings and the need to use greater amounts of technology to achieve both efficiency and effectiveness (Cardona Mejia et al., 2020; Roszkowska-Menkes & Aluchna, 2017). Moreover, the need to be competitive, and to achieve parity with other service providers in the market, has caused credit unions to accept and implement practices and measures originating from those other service providers (McKillop & Wilson, 2015). This process of acceptance and adoption of practices and procedures originating from other service providers is described as institutional isomorphism (Cardona Mejia et al., 2020). The extent to which such behaviour identifies with the nature and purpose of credit unions is at the heart of this study.

In their groundbreaking work, DiMaggio and Powell (1980), and drawing on concepts from institutional theory, explained that social systems adopt particular practices to deal with the pressures of competition emanating from the environment. In institutional theory, organisations and social systems that make up a defined sector is known as a field (Cardona Mejia et al., 2020; DiMaggio & Powell, 1983). The theory explains that organisations within a particular field produce similar goods and services and also organisations within the field are structured through a multi-faceted process with components that include: (a) increases in the level of interactions among organisations; (b) the emergence of inter-institutional structures; (c) increases in the exchange of information and (d) the development of mutual knowledge among agents of the organisations (Cardona Mejia et al., 2020).

Moreover, Hessels and Terjesen (2010) have explained that the process of inter-institutional structuring and patterns of coalition generate an organisational behaviour deemed acceptable and legitimate to the organisations within the field or sector. Then in such a convention, the individual organisation would scarcely respond to its own environment but to stimuli from the environment of the sector or field, thus facilitating the process of homogenisation (Meyer & Rowan, 2012). DiMaggio and Powell (1980) refer to this process of homogenisation in organisations as institutional isomorphism. They explained that individual organisation in a given sector or field is pushed to be similar to other unit organisation that encounter the same conditions from the environment. This suggests that organisational features are altered to achieve compatibility with the features of the environment. According to DiMaggio and Powell these change pressures can be of three types, namely: coercive, mimetic and normative.

Coercive isomorphism is derived from conventional and unconventional forces exerted both endogenously and exogenously on the organisation (Eren & Dilbert 2022; Meyer & Rowan, 2012). For many organisations, a significant exogenous force would be the coercive power of state regulators supported by legislation (Cardona Mejía et al., 2020). When organisations are challenged with the obligation to answer to powerful elements, like operatives of the state, these organisations have little choice but to comply with the dictates and accept practices that are consistent with the expectations of those powerful operatives (Buchko, 2011). For instance, organisations have little choice but to comply with guidelines and reporting standards articulated by industry regulators. Furthermore, the nature of dependencies among organisations in a highly institutionalised field can coerce unit organisations to alter their behaviour to meet the demands of powerful actors in the field, thus causing the behaviour of organisations in the particular field to become homogenous (Cardona Mejía et al., 2020).

In the case of credit unions, the co-operative principle of "co-operation among co-operatives" promotes a degree of inter-homogenisation of co-operative behaviour on the basis that co-operatives subscribe to a common identity, values and purpose (ICA,1995). Moreover, to counteract the behaviour altering tendencies of regulators, credit unions can band together forming an advocacy unit to influence the nature of legislation intended to regulate those co-operatives (Munkner, 2015). This advocacy unit usually takes the form of credit union leagues or an apex body of co-operatives. The difference between the behavioural standards prescribed by legislation and the actual practices of credit unions is influenced by the extent to which these institutions align with cooperative values and principles.

Consistent with the tenets of complexity theory, it is expected that credit unions, as complex social systems, will evolve in response to its environment. However, the response to environmental feedback should not be extreme, in order to prevent major changes to the institutional behaviour of the credit union (Munkner, 2015). Being a complex social system, and thereby sensitive to initial conditions, changes to the institutional behaviour of credit unions can lead to unpredictable outcomes (Turner & Baker, 2019) which include not being able to distinguish the behaviour of the emerged credit union from that of other forms of financial service providers. This implies that in meeting the realities of contemporary society, credit unions need to make a distinction between the invariable ideas of co-operation, its attractor (co-operative values and principles) and the means of practice which are variable and may need treatment or perturbation overtime (Munkner, 2015). However, this calls for the correct interpretation of feedback received from the field or environment. Even while accommodating change within the field, credit unions as a co-operative grouping must strive for heterogeneity (Martinez-Ferrero & Garcia- Sanchez, 2017) and this is in line with the thinking of neo-institutionalism (Aksom & Tymchenko, 2020). Either credit unions take the agentic route of heterogeneity, when compared to other providers of financial services, or risk its co-operative nature be assimilated by institutional isomorphism (Beaubien & Rixon, 2012).

In the case of Saint Lucia, the setting of this research, the major coercive forces seem to emanate from: (a) the regulator of credit unions, (b) legislation enforced by other agents of the state and (c) the dependence of credit unions on commercial banks for essential services. A case in point, the guidelines on the treatment of impaired assets issued by the credit union regulator mimic those from the Eastern Caribbean Central Bank, the regulator of commercial banks. Another working example is the need for applicants for membership to credit unions to produce two forms of identification in keeping with the Anti-money Laundering Act (2010) of Saint Lucia. This requirement can sometimes prove difficult for applicants who have only one form of identification and therefore impacts the image of the credit union as an inclusive financial services provider. Further, compliance with the legal environment needed for mortgages and other instruments of charge gives credit unions the behavioural appearance of banks. Also, credit unions depend on commercial banks for cheque clearing services, and to access these and other bank services the credit unions' systems must be as specified by the banks. Hence all those factors impose coercive homogenisation pressures on credit unions in Saint Lucia. Consequently, it is essential to examine the challenges presented by coercive isomorphic pressures to credit unions in Saint Lucia as they strive to maintain their distinctiveness; this forms the basis for undertaking the current research project.

Another type of isomorphism that DiMaggio and Powell (1980) spoke of is mimetic isomorphism. They explained that this type of isomorphism arises when an organisation lacks clarity in terms of its goals and procedures. In this situation such organisations tend to imitate the behaviours of other organisations in the field which are thought to be licit and capable of dealing with similar problems (Cardona Mejía et al., 2020; Yang & Hyland, 2012). Mimetic isomorphism occurs also when environmental perturbation creates uncertainty, thereby causing organisations to adopt the behaviours of those organisations with behaviour patterns that are deemed favourable (Buchko, 2011). Such emulation offers rationalisation for action (Buchko, 2011; Cardona Mejía et al., 2020; Yang & Hyland, 2012). Mimetic isomorphism is propagated through channels such as worker exchange programmes, trade and business guilds, and industry tools like benchmarking or best practices (Buchko, 2011; Hansen et al., 2017; Villiers & Alexander, 2014).

In their analysis of mimetic isomorphism, Yang and Hyland (2012) suggest that a key area for further research is how mimetic isomorphism leads organisations to become similar, as well as the operational modes through which such similarities arising from imitation can be identified. They based their suggestion on the argument that organisations display different degrees of choice in response to imitation pressures (Yang & Hyland, 2012). For instance, a firm can make the choice to have product relatedness to other product providers in the field and not imitate any other facet of the structure or processes of the product providers; hence a certain degree of heterogeneity is retained (Yang & Hyland, 2012). The implication for credit unions is the necessity to discern which behaviours in the field are beneficial to emulate and which should be avoided; this study aims to provide such clarification. Research has shown that the power of homogenisation in the local market is stronger when compared to that of the general industry (Yang & Hyland, 2012). This suggests that the location of the firm within the field serves as a moderating factor in determining the degree of mimetic isomorphism of firms within the field.

Drawing from those arguments, it is incumbent on firms, including credit unions in Saint Lucia, to be aware of what they imitate because not all modes for imitation respond the same way. There can be organisational (nature and circumstance) variables with confounding effects, which are not taken into consideration in determining the effects of imitation (Yang & Hyland, 2012). However, there is increasing evidence of interorganisational imitation in the financial services sector (Idroes et al., 2018; Iman, 2023; Webor & El Alfy, 2019; Yang & Hyland, 2012). Considering this evidence, the perceived degree of similarity between credit unions and other providers of financial services in Saint Lucia is an area which will be explored as part of this study.

Such an inquiry will be geared at providing greater understanding of the influence of mimetic isomorphism on financial co-operatives on the island and thereby provide the means to make directional statements on the subject matter.

DiMaggio and Powell (1983) discussed another type of institutional isomorphism known as normative isomorphism. They proposed that organisational homogenisation is associated with professionalism, as professional principles determine work practices. Meyer and Rowan (2012) noted that groups within a profession establish the cognitive and legitimate basis for occupational self-governance and can exert coercive and mimetic influence comparable to that of organisations. Yang and Hyland (2012) expressed similar views, noting that professional organisations not only advocate for their profession and represent the interests of their members, but also significantly influence the curriculum and educational methodologies within the field. Hence professional bodies and their related industry network can engender isomorphism (Teodoro, 2014). Homogenisation is further facilitated through professional elements that delineate and disseminate standards regarding the roles and conduct of organisational and professional behaviour among entities adhering to the profession (Eren & Dilber, 2022). In other words, and from a management perspective, professionalism shapes executive behavioural patterns. Hence, firms with executives belonging to a particular profession would manage differently, when compared to firms being managed by executives who are not from that particular profession. Teodoro (2014) is of the view that the different orientation and consequent behaviour of the executives would be manifested in ways that would affect organisational outcome and results.

In the case of financial co-operatives in Saint Lucia, the work of the independent external auditor can be cited as a significant force of normative homogenisation. The auditor would indicate areas of weaknesses in the systems and *modus operandi* of a credit union based on standards and expected behaviour acceptable to the accounting profession. These norms may not always be in sync with the nature and circumstance of the credit union. Another source of normative homogenisation is derived from the situation where credit unions hire former bank employees to fill senior positions in the credit union. Such employees bring with them years of experience obtained within a culture of banking and the operationalisation of that culture at the credit union can deride the differentiation that credit unions seek to accentuate (Pigeon & Rixon, 2023).

Furthermore, the economies being achieved by firms, particularly in the form of lower transaction cost because of scale, are forcing credit unions to grow in scale of operations to achieve similar economies (Camargo Benavides & Ehrenhard, 2021). This growth in the scale of operations can engender more complexity and the need to be less risk averse, thus necessitating greater reliance on the expertise of professionals (Kaswan, 2014; Leclerc et al., 2020). The critical issue of normative isomorphism, combined with the lack of commitment to co-operative methods by those professionals, may lead to a diminishing of the co-operative distinction (Birchall, 2014). Therefore, considering the homogenising effects of normative isomorphism, it is imperative for credit unions to manage these influences both at the governance level and during recruitment and retention processes, to effectively address their human resource requirements (Novkovic & McMahon, 2023). Then it can be deduced that normative homogenisation forces can have significant impact on the operations and outcome of credit unions as those co-operative entities seek to maintain their uniqueness. Consequently, this study seeks to understand the impact of homogenisation as a challenge to the sustained co-operative performance of credit unions in Saint Lucia.

Co-operative legislation generally requires directors of co-operatives to comply with probity standards. Additionally, directors are expected to work towards achieving the credit union's co-operative objectives. In their role as stewards of organisational resources, directors are expected to possess knowledge of co-operative processes and have the skills necessary to support the objectives of the co-operative (Novkovic et al., 2022). For credit unions, it is important that directors and management engage in education and training related to co-operative leadership (Davis, 2000). This practice supports the effectiveness of the co-operative business model and helps reduce the influence of normative isomorphism.

Munkner (2015) has contended that a significant aspect of the recruitment process for most credit unions is the inherent risk associated with hiring top professionals who have internalised the norms of their profession. While these individuals may possess the requisite management skills and expertise, they often lack an appreciation for or understanding of co-operative objectives. Such circumstances present a consistent challenge to the effectiveness of the recruitment processes within credit unions. As a mitigating strategy, the co-operative can include an induction and orientation programme as part of the recruitment process (Davis, 2000). The induction and orientation programme would be geared at introducing new recruits to the job, supervisor, co-workers and the ‘co-operative way’. Such a programme also forms part of the initial process of organisational socialisation, whereby the recruit acquires the social knowledge and skills necessary to take on an organisational role in the credit union (Luca, 2016). In other words, the induction and orientation program introduce the recruit to the way of life of the credit union and the values and principles that underpin the *modus operandi* of the organisation. The induction and orientation activities, and other co-operative training programmes, are carried out to thwart the normative isomorphic tendencies of professionalism.

A characteristic common to all credit unions in Saint Lucia is that they utilise co-operative values and principles (ICA,1995) in shaping their mode of operations. Munkner (2015) is of the view that these co-operative values and principles represent the fundamental concepts of co-operatives and so provide the means to answer the question of what makes the co-operative different from investor-owned firms. Munkner (2015) discussed that the primary reason for individuals to join co-operatives is self-help through mutual support. This principle motivates people to accept the responsibilities associated with co-operative membership. He thinks that the desire to improve one's socio-economic situation by working together and pooling resources with others who have the same objectives is the essential condition for co-operative success. Several advocates of co-operation assert that if a co-operative fails to prioritise the interests of its members and this objective ceases to be the primary focus of the collective effort, the organisation will lose its co-operative nature (Birchall, 2014; Leclerc et al., 2020; Novkovic, 2005; Novkovic et al., 2022). In this regard, it can be concluded that a collaborative action to help others is not a co-operative action but a benevolent endeavour.

In identifying the co-operative difference, when compared to Munkner, Birchall (2014) was more particular. Birchall insists the basis for the co-operative difference must be the core principles rather than the co-operative values. He contends that other forms of organisations subscribe to similar values and therefore cannot be deemed unique to co-operatives or credit unions. Birchall advocates that the co-operative difference exists in the core principles of member ownership, member control and member benefit. Like Munkner, Birchall was seeking a definitive way to distinguish the co-operative business from other forms of businesses and used the concept of principles as the metric. Generally, a principle is deemed to be an idea recognised as a consistent guide to policy or conduct of action of any kind (Munkner, 2015). Hence, the elements of consistency and invariability make principles valid, notwithstanding time or circumstance (Birchall, 2014).

Principles are derived from facts observed over long periods of time and confirmed by experience (Munkner, 2015). Drawing from those ideas of principles, co-operative principles are those ideas or guidelines which determine the essential features of a co-operative organisation from other organisations (Birchall, 2014). Such a metric can be used to evaluate the methods of practice of co-operative organisations and determine whether practices are in sync with the co-operative principles. This evaluation mechanism is necessary because changes in the micro and macro environment of the co-operative warrants review to practices from time to time. Hence the need to differentiate between principles and the practices which operationalise the principles. In other words, there is the need to distinguish between variable modes of practice and invariable principles which logically define an organisation as a co-operative (Birchall 2014; Munkner 2015).

Moreover, in defining the co-operative difference, the principle of democracy is cited as the principle *sine qua non* (Leclerc, 2020; Novkovic 2005). Consequently, crafting and implementing business strategies designed to fulfil the co-operative's objectives must be guided by the principles of member ownership, member control, and member benefit. However, the co-operative is perceived as having a duality of purpose (Byrne, 2022; Puusa et al., 2013) which dissects into issues of governance and management (Birchall, 2015; Novkovic, 2005). From this perspective, the board of directors governs the co-operative's social and associative goals, while the management team handles business operations. Birchall (2014) has decried this perception stating that it engenders an antagonistic and divided organisation culture with governance and management on either side of the divide. Novkovic et al., (2022) have posited that the best mode of co-operative practice merges the two roles and uses co-operative values and principles as the base on which to formulate and implement business strategy. The argument is that if management objectives are underpinned by co-operative values and principles, then the social goals are automatically integrated into the business strategy.

While the importance of co-operative values and principles may be evident, the application of institutional isomorphism in response to competitive environmental challenges suggests an increasing disparity between these values and principles, and the operational practices of credit unions (Munkner, 2015). This therefore questions the notion of the utility of a co-operative advantage and a co-operative difference (Novkovic, 2005). Given the importance of co-operative differentiation, how the credit unions in Saint Lucia accentuates the co-operative difference will form part of this study.

2.1.5.2 Understanding the co-operative business model and dynamic capabilities

How the co-operative accentuates the co-operative difference informs the business model of the co-operative. An interdependent relationship is deemed to exist among business models, dynamic capabilities and business strategy (Teece, 2018) and so the three concepts can give guidance to firms in the formulation of fitting responses to changes in the business arena (Bocken & Geradts, 2020). However, the makeup of the configuration and design of the organisation can either strengthen or weaken the adaptiveness of the organisation (Foss & Saebi, 2017). Hence, by means of its influence on organisational structure and configuration, a business model impacts the dynamic capabilities of the organisation and can either boost or constrain the success of strategic initiatives (Teece, 2018).

Notwithstanding its importance, there is still the search for a generally acceptable definition for a business model (Massa et al., (2017). This lack of a common meaning stems from the different views held by various researchers and academics on the subject matter (Massa et al., 2017). Baden-Fuller and Morgan (2010) describe a business model as a standard descriptive conceptual framework of a firm's activities. On the other hand, Roome and Louche (2016) view a business model as forming the real attributes of a firm and as such see a business model as a means to creating, dispensing and capturing value for the firm. From another perspective, Dahan et al. (2010) assert that a business model represents an organisation's essential core value logic and strategic alternatives for generating and achieving value for the firm within a value network.

Despite the absence of a common definition for a business model, there appears to be consensus on the significance of business models for the practice of management, the development of policy and theory (Massa et al., 2017). In this regard, Christenson and Kagermann (2008) have argued that business models have become important to managers in formulating business strategy. Consistent with that argument, Brent and Musango (2016) are of the view that opportunities exist for firms to use business models to realign the firm’s quest for profits with innovations that are in line with the specific nature of the organisation.

The significance of a business model was highlighted in research conducted by Brea-Solis et al. (2015). They developed an analytical framework grounded in the economics of business performance to enhance understanding of the relationship between an organisation's choice of business model and its ability to achieve competitive advantage. The key findings include: (a) the selection of a specific business model is crucial for explaining competitive advantage, which entails capturing value relative to competitors in the market; (b) the details of how the business model is executed are essential for explaining performance. Those findings are of significance to this study which is aimed at understanding how the use of the co-operative advantage can enable credit unions in Saint Lucia achieve sustained co-operative performance,

In another study Sohl et al. (2020) sought to understand the degree to which a business model impacts the performance of the firm. Their research findings revealed that business models explain a considerable amount of variance in performance, as measured by the return on assets of the enterprise. Their research findings, like that of Brea-Solis et al. (2015) highlighted the impact of the particulars of implementation, meaning the importance of how a business model is implemented. Sohl et al., (2020) found that business model effects differ with operating experience, intimating that over time, firms can develop proficiencies for designing idiosyncratic business models.

In the perspective of credit unions in Saint Lucia, the viewpoint of a business model as posited by Dahan et al., (2010) best reflects the nature of these financial co-operatives. As organisations based on membership and driven by value, the business model of a credit union illustrates its fundamental value logic and strategic choices for creating value for members and capturing value for the co-operative within a value network. This value network embraces not only suppliers but alliances with other types of co-operatives including producer, worker and consumer co-operatives. This is tantamount to building a business eco-system of co-operatives, with emphasis on how to create and retain value for the co-operatives in the ecosystem. Moreover, a business model of a co-operative functions to generate economic and social value for members in their capacity of patron, owner and investor, within the idiosyncratic character of the co-operative form of business (Mazzarol et al., 2014).

Insights from the research of both Brea-Solis et al., (2015) and Sohl et al., (2020) hold important implications for credit unions. Drawing from those research findings, it is important that the leadership of credit unions in Saint Lucia understands the significance of the choice of activities contained in a business model and how those choices are implemented in furthering the co-operative competitive advantage. The uniqueness of the choice of activities explains competitive advantage, while the performance of the credit union is determined by how these chosen activities are implemented. Then it can be proposed that the configuration and implementation of the credit union business model are related to the competitive advantage and performance achieved by the credit union. Therefore, it is essential for the leadership of the financial co-operative in Saint Lucia to establish business model activities that align with the core values of the co-operative while incorporating efficiency and innovative design principles. Identifying how to achieve such necessary design of business model activities for credit unions in Saint Lucia, is important to this research project.

Like the definition of a business model, there is no consensus on the relationship between business model and business strategy (Bigelow & Barney, 2021). Critics of the business model paradigm argue that the topics and insights considered to be new in business model studies have historically been fundamental to research strategy, and therefore, business model research contributes minimally to literature and practice (Markides, 2013). Proponents argue that business model research does not offer new theories distinct from established ones like Porter's position view (2001) or Kraaijenbrink et al.'s resource-based view (2010). Some critics of the business model concept suggest that the position view and resource-based view are sufficient to address questions related to business models (Bigelow & Barney, 2021).

Advocates of the business model as a distinct field of study acknowledge an overlap with business strategy but also propose that the business model and business strategy are separate constructs worthy of individual and combined consideration (Casadesus-Masanell & Ricart, 2010; Teece, 2018). Both business models and business strategies employ activity systems to elucidate the foundations of competitive advantage, leading to the perception that research on business models may be redundant (Zott & Amit, 2010). However, proponents of the business model argue it enables novel research questions, previously ignored or unexplored by business strategy research, thereby expanding existing knowledge (Amit & Zott, 2015). One such unexplored question identified by Teece (2010) concerns how to create value from customers. The issue is if customers receive value and expect it to be free, they might choose not to pay for it. The typical or traditional research on business strategy has not undertaken issues like these. Business model researchers therefore seek to find solutions to questions pertaining to how to generate revenue from value created for customers who perceive that such value should be free. Hence, in some situations, earning revenue from the creation of value remains complex (Massa et al., 2017). In the case of credit unions in Saint Lucia, the conflicting role of members as patron, owner, investor, and member of a community, creates situations where members expect to consume value for free; hence such behaviour warrants investigation.

And so, how value is created, and revenue generated is yet another point of distinction between business model and business strategy (Priem, 2007). Demil et al. (2015) note that the business model construct includes elements of competition. However, business strategy tends to emphasise value capture and economic sustainability more strongly. Chesbrough and Rosenbloom (2002) state that a business model serves as a preliminary concept for the methods by which value is delivered to the customer, rather than being a completely detailed plan of action. Consequently, the business model emerges from a series of continuous adaptations to new insights and opportunities. According to McGrath (2010), experimentation, rather than positioning or controlling unique resources, is critically important. In this context, proponents of business models argue that investigating the construct may highlight nuances that have been overlooked by conventional business strategy research (Zott & Amit, 2007; Lanzolla & Markides, 2021).

The arguments on both sides of the divide between business model and business strategy have implications for the credit union in Saint Lucia in terms of the ways and means by which the co-operative creates and captures value. Compared to business strategy, the focus of the business model approach on interdependencies and network connections (Bigelow & Barney, 2021) offers more insights for credit union leaders in generating sustained economic and social value for members And it is in this light that this research project aims to understand how the leadership of the credit unions in Saint Lucia can best configure credit union resources to create and deliver value to members in the quest to achieve sustained credit union positive performance.

The notion that a business model is a business organisation's theory of value creation, value delivery and value retention is demonstrated by Johnson et al. (2008). From a professional standpoint, four interactive elements of the business model have been identified:

1) Customer value proposition: the model presents a unique solution tailored to the target customer, which is not offered by other firms. Developing this value proposition necessitates a thorough understanding of the target customers' characteristics.

2) Profit formula: this element describes how the model captures value or generates profits for the firm in relation to the costs associated with providing the value proposition, while maintaining competitiveness on price.

3) Necessary resources: the model highlights the key resources required to create and deliver the value solution to the specific customer. These include human resources, technology, plant, and equipment.

4) Processes: to implement the value proposition effectively, essential processes need to be established. These encompass training, manufacturing expertise, organisation design, and culture, all crucial for leveraging the key resources efficiently and effectively.

Johnson et al. (2008) argue that a thriving organisation creates benefits for customers by solving their problems. They emphasise that the key activity of a business model is to create a strong customer value proposition, especially when alternative goods and services fail to address specific customer issues.

It is in this vein that the co-operative management literature highlights the importance of introducing the co-operative difference into the market and emphasises using this difference to develop a business model for the co-operative that offers alternative value propositions. Mazzarol et al. (2014) for instance, are of the view that the co-operative difference should inform the business model of co-operatives. In this instance though, the researchers are intimating that the nature of the organisation gives precedence to the type of business model design. They argued that a significant output of the business model for co-operatives is the generation of economic and social benefits for members. This value proposition falls outside the purview of investor-owned firms, towards which the business models proposed by Johnson et al. (2008) and Chesbrough and Rosenbloom (2002) are generally oriented.

A business model is a critical framework for managers to assess the effectiveness of a business enterprise in generating value within the marketplace. Chesbrough and Rosenbloom (2002) identified six interlocking elements for analysis:

i. The value proposition, which defines how the firm will provide value to its customers, owners, and other key stakeholders.
ii. The market segments targeted by the firm's activities.
iii. The design of the value chain within the firm used to create and deliver products and services, including complementary assets needed to strengthen the position of the business within the chain.
iv. The structure of costs and potential for profits related to the value offer and the composition of the chosen value chain.

v. The firm's position within the value network connecting suppliers and customers, including identifying firms that can be complementors and those that can be competitors.

vi. The competitive strategy formulated to achieve advantages over rivals.

The distinct nature of co-operative enterprises necessitates adjustments to the business model frameworks proposed by Chesbrough and Rosenbloom (2002) and Johnson et al. (2008) to enhance their relevance for such entities. In this regard, Mazzarol et al. (2014) identified six key elements of a business model that financial co-operative managers should consider when evaluating the effectiveness of their co-operative business model in creating value for members. The six interlocking elements for analysis in the co-operative context are:

(1) Purpose**:** In the traditional business model, a customer value proposition is developed specifically for a targeted market, and products and services are designed to suit the particulars of the consumers in that market. From the co-operative context, however, the primary focus ought to be on the purpose for which the co-operative was created, as this is essential for member attraction and retention. Beyond economic value, a co-operative must offer members social value through access to information and member and community development initiatives stemming from its activities. This combination of economic and social value is referred to by Nguyen (2006) as co-operative benefit. It comprises the set of benefits that members anticipate from their credit union which cannot be obtained from alternative providers of financial services. Hence, co-operative benefit should serve as the basis for measuring co-operative performance.

(2) Profit formula**:** Within the context of a co-operative, the formulation of profit (surplus) pertains to cost structure, revenue logic, and profit appropriation. While the co-operative encounters similar pressures as the investor-owned firm, it does not aim to maximise profits

but rather to maximise co-operative benefits for its members. Therefore, the co-operative must balance member desires with the requirements for maintaining an efficient and sustainable enterprise.

(3) Key resources: Essential resources for achieving the co-operative's purpose include financial assets, human resources, plant and equipment, technology, and a network of co-operative partners guided by the principle of ‘co-operation among co-operatives.’ Other necessary resources include commercial and co-operative knowledge and skills. The co-operative’s organisation design, including structure, culture, and values, critically influences its ability to deliver the member value proposition. Moreover, uniting the membership to align self-interest and collective action is paramount to producing co-operative benefits through the business model (Davis, 1995).

(4) Key processes: Organisational resources must be arranged to enable processes that sustainably deliver co-operative benefits to members. Key processes are integrated into management and activity systems, policies, procedures, and performance indicators for monitoring enterprise performance. A vital aspect of configuring co-operative processes is determining member engagement (Novkovic et al., 2022), strengthening the bond between members and the co-operative. Member voice in decision-making is integral, ensuring alignment between member needs and co-operative activities and initiatives.

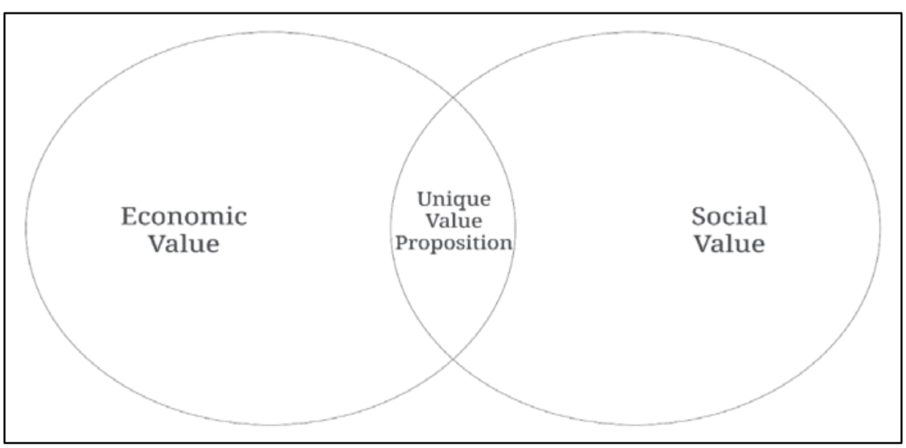
(5) Share structure: Ownership in a co-operative is acquired by patrons purchasing equity shares, thereby becoming members with ownership privileges. The share structure confers voting rights based on the principle of one member one vote, contrasting with the investor-owned enterprise’s right of one share one vote (Barton et al., 2011).

(6) Governance: Governance entails the configuration of the board of directors and management team character, including member engagement strategies. Effective governance aims to unify the membership, management, and board in achieving the co-operative's foundational purpose (Birchall & Simmons, 2007).

Mazzarol et al., (2014) went on further to explain that a co-operative business model provides the leadership of a co-operative the means to examine the persistent problems that may be active in the social and business environment in which the co-operative operates. Along those lines, and in the quest to achieve differentiation and competitive advantage, Islami et al. (2020) have argued that the pursuit of a differentiation strategy can further the capability of the credit union to enhance the means for sustained growth through its distinctive value proposition. This unique value proposition, as shown in Figure 4, is the sum of economic value and social value (Mazzarol et al., 2014; Novkovic, 2022). Co-operative values and principles can be deemed a resource in the hands of management and as such can be leveraged to achieve a competitive advantage in the marketplace (Islami et al., 2020).

Figure 4

Credit union unique value proposition



Note. Figure created by the author.

From a different perspective, proponents of the resource-based view of organisational success (Donnellan & Rutledge, 2019) argue that the strength of internal factors drives organisations to success. According to that perspective, achieving competitive advantage and organisational effectiveness is the outcome of the effective use of the human, physical and other resources of the organisation. In this line of thinking, Porter (1991) indicated that competitive advantage can be the result of price leadership strategies (price lower than competitors) or differentiation strategy (the ability to distinguish and obtain an exclusive price that surpasses the cost of doing so). In terms of credit unions in Saint Lucia, the essence of a differentiation strategy must be focused on accentuating the co-operative unique value proposition in the quest to being a viable alternative provider of financial services in the market (Davis, 2000).

The co-operative unique value proposition differs from that of investor-owned firms, which typically focus on economic value. Research by Islami et al. (2020) showed that pursuing a differentiated strategy improved firm performance compared to a cost leadership strategy. This research is relevant for credit unions in Saint Lucia as they work to distinguish themselves from other financial service providers by proving both economic and social value with the aim to achieve high levels of co-operative performance. The research by Islami et al., (2020) also cited that organisations that follow a differentiation strategy offer products and services that have unique attributes to create competitive advantage in the marketplace. The idea is also to cause customers to have a favourable perception of the products and services of the firm to create product loyalty.

The resource-based view supports that the exclusive features of the product offerings can be a source of competitive advantage when these products are difficult to imitate by competitors (Barney & Hesterly, 2012). And so, this would be the case of the unique value proposition that the co-operative difference offers to members of credit unions. Hence, a unique value proposition can be the basis of differentiation in the market and explains the applied link between business model and business strategy.

From a market structure perspective, credit unions contribute to a greater diversity of ownership forms among financial service providers in the market (Byrne, 2022). They also foster resiliency and diversified ownership of capital in that field dominated by an oligopolistic ownership structure (Byrne, 2022). Credit unions operating in the field must offer products and services at competitive prices, as members expect a distinct value advantage to continue using the credit union's services (Mazzarol et al., 2014). In other words, the unique value proposition is effective only when underpinned by efficient business operations. Credit unions in Saint Lucia should therefore consider reviewing their business model to better understand how value is created for members. This review should examine the efficiency of operations, management and organisation of human and other resources, products and services, and the overall organization design. It can be deduced that a positive relationship exists between the effective pursuance of a differentiation strategy and the performance of a credit union. This assumption will inform the question of the reasons for the growth of credit unions in Saint Lucia.

Moreover, in the quest to achieve superior performance, credit unions must be able to adequately address issues of organisational effectiveness when permanent changes occur in the environment (Teece, 2018). From the perspective of systems theory, proponents advocate that firms use the systems approach to address organisational effectiveness issues (O’Connor, 2008). However, Augier and Teece (2008) contend that systems theory remains abstract for managers. While it offers some lessons, it fails to provide practical guidelines for managerial actions. Teece (2018) believes that within systems theory, managers are viewed as integral parts of the system rather than autonomous agents capable of exerting self-will and ability to design. He argues that the systems theory does not cater for proactive entrepreneurial initiative, and that the systems approach is largely seeking to be in alignment with the existential conditions of the larger system which envelopes the firm. This wholly reactive posture keeps down the major drive of strategic management, and so what strategic managements needs is an approach that acknowledges both evolutionary path dependency and entrepreneurial design. Augier and Teece (2008) assert that the "dynamic capabilities framework" combines both of these facets. Thoughtful of the importance of dynamic capabilities, Breznik and Lahovnik (2016) are of the view that to achieve sustained competitive advantage, the firm must create and engender the aptitude to respond expeditiously and effectively to challenges and opportunities in the business environment.

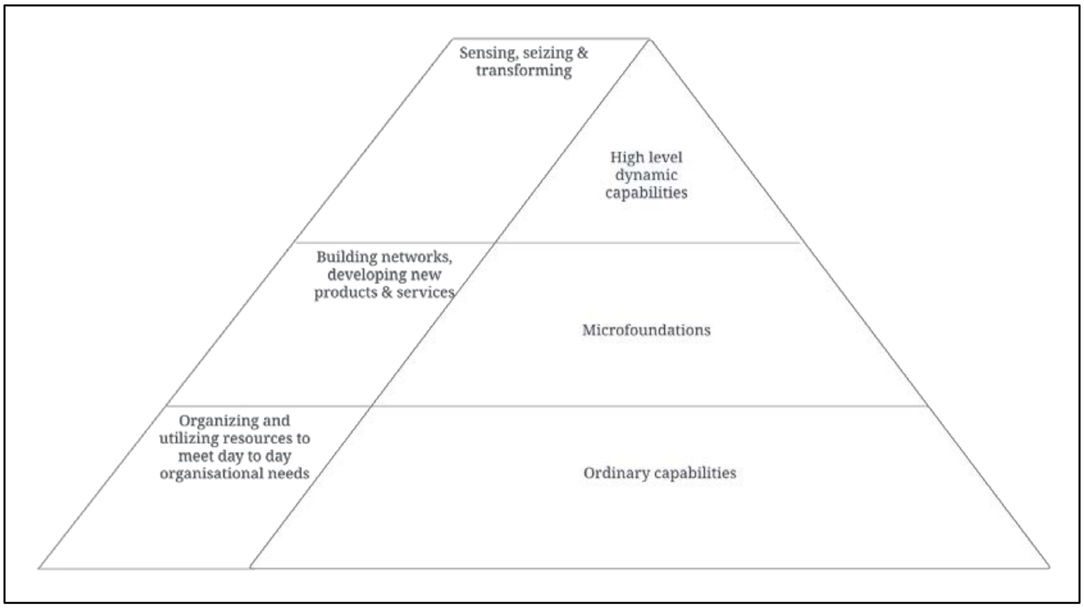
The dynamic capabilities framework provides a means to aid firms sort out and rank the voluminous flow of challenging and incompatible information that reaches managers as they work towards responding to challenges and opportunities in the business environment (Teece, 2007). In this vein, abilities and proficiencies determine what activities the firm can carry out and how effectively it can accomplish changes. Teece (2007) went on to state that the capability framework incorporates three levels of capabilities into a hierarchy as indicated in Figure 5.

At the bottom, ordinary capabilities involve organising and using human resources, plants, and equipment to maintain the enterprise's current operations. Teece (2016) states that ordinary capabilities help a firm reach industry best practices but do not guarantee future suitability. Pursuing industry best practices can make a firm's actions and output easy to duplicate, which does not guarantee long-term competitive advantage. Additionally, constant focus on operational efficiency might hinder a firm's ability to adapt (Teece, 2016).

The second tier of the capability hierarchy comprises what Teece (2007) calls "micro-foundations". He argues that lower-level dynamic capabilities involve methods for forming external relationships or creating new products and services. He believes these capabilities consist of unique practices used less often than ordinary capabilities. These lower-level capabilities allow the organisation to combine, reconfigure, and manipulate ordinary capabilities and other resources (Eisenhardt & Martin, 2000).

Figure 5

The dynamic capabilities framework



Note. Figure created by the author.

According to Teece (2018), high-level dynamic capabilities involve directing competencies and resources to align with the external environment. These capabilities can be summarised as three groups of entrepreneurial activities performed simultaneously across the firm. These activities are sensing, seizing, and transforming, and they encompass organisational processes, including specific managerial decisions.

Sensing activities involve scanning the business environment to gather unstructured data, which the firm must then organise into useful information (Teece, 2018). Managers at various levels within the firm should utilise that information to identify opportunities for meeting unmet consumer demand and recognising emerging technologies or other factors that could affect the future of the firm. The organisation design of the firm must therefore enable pertinent information to reach where it will be effectively evaluated and managed (Teece (2018; Joseph et al., 2018). Furthermore, Teece (2018) asserts that an effective organisation design facilitates devolving authority, creating an undivided organisation culture and the proliferation of a common vision.

Moreover, the seizing capabilities of the firm defines how quickly the organisation systems can respond to identified challenges and opportunities that are deemed important. The seizing capabilities encompass activities including designing, reinventing and implementing business models to harness profitable opportunities in the market (Teece, 2018). The transforming capabilities, however, keep the various elements of the organisational system in alignment with each other thereby reinforcing the activities of each other. The transformation capabilities also align the activity systems to the business strategy of the firm (Teece, 2018). Transforming capabilities are of utmost importance in situations where a new business model warrants substantial changes to the organisational design of the firm (Eisenhardt & Martin, 2000). Then to be “future ready” credit unions in Saint Lucia need to be nurturing an organisational culture that advances litheness, agility and experimentation. These attributes can provide the enterprise with a firm footing for immediate and easier transformation, and so be ready for future advantages (Zenger, 2016).

In terms of future readiness, Rongkung (2018) is of the view that dynamic capabilities lead to enhanced ability to ensure the existence and success of the firm in a dynamic business environment. Pavlou and El Sawy (2011) along with Beltran and Ramesh (2017) cited dynamic capabilities as a prime means by which business enterprises reconfigure their business models and operational processes to generate new value propositions for customers. As suggested by Omeke et al. (2020) it is imperative that credit unions have the ability to use the elements of dynamic capabilities to assess and implement activities, that would exploit worthwhile prospects and take advantage of variations in the business environment. The resultant activities can contribute to competitive advantage. In support of this notion, a study of the effects of entrepreneurial leadership and dynamic capabilities on the growth of small and medium-sized firms by Kory et al., (2015) emphasised the significance of dynamic capabilities in defining the capacity of the firm for proactive self-renewal, and successful prospect identification and value capturing. From the credit union's perspective, this suggests a positive correlation between the possession and utilisation of dynamic capabilities and sustained growth of the credit union. This assumption will inform the research on factors which contributed to the growth of credit unions in Saint Lucia.

2.1.5.3 Designing the credit union: role of governance and management

Organisation design has a profound influence on how organisations function and adapt to the environment in which they operate (Billinger & Stieglitz, 2009). Organisational design aims to improve performance by shaping structures, methods, procedures, and roles (Burton & Obel, 2018). It provides tools and frameworks for practitioners to create, recreate, or find new solutions for organisational issues (Joseph et al., 2018).

In terms of the science on which organisation design is based, Burton and Obel (2018) are of the view that organisation theory supplies the theoretical base for organisation design. They build their case by arguing that organisation theory describes and explains how organisations work, and organisation design relies on this understanding to envisage how organisations may possibly work. The researchers assert that organisation theory resides within the domain of positive science, offering explanations to comprehend work processes, governance, organisational effectiveness, and configuration. Therefore, it elucidates the "what is" of organisations. Organisation design belongs to the field of normative science, aiming to provide designs intended to enhance the efficiency and effectiveness of organisations. According to Burton and Obel (2018), organisation design suggests how an organisation should be configured to achieve effective and efficient performance. This normative perspective on organisation design is supported by Romme (2003) and Puranam (2012), who suggested that design involves the exploration of systems that have yet to be established. These systems may either be entirely new or represent innovative modifications of existing ones.

In determining how an organisation should be arranged to achieve the desired performance, two questions posed by Lawrence and Lorsch (1967) remain pertinent. These questions are: how to effectively separate (differentiate or decompose) the organisation into sub-units, and how to successfully integrate or coordinate these sub-units to attain the desired organisational performance. In seeking answers to these fundamental organisation problems, academics and organisation design practitioners rely on organisation theory in crafting responses. Some of these theories include organisational information processing theory (Galbraith, 1974; Haubmann et al., 2012); strategic choice theory (Child, 1997; Sengul, 2019) and organisation life cycle theory (Jirasek & Bilek, 2018; Mosca et al., 2021).

The information processing perspective of organisation design focuses on the need to balance the capacity of the firm to process information and the required demand for information processing (Galbraith, 1973) This echoes the earlier sentiment of Simon (1967) who posited that the role of organisation design is to examine the flow of information that is indispensable to achieving the objectives of the organisation, thereafter, determine what these information patterns indicate for the design of the organisation. Galbraith (1974) posited that a factor which impacts the demand for information processing is task uncertainty, which relates to the variability and predictableness of tasks due to information deficits. In addressing task uncertainty, organisations need to capture data and interpret information derived from the data, about the organisation and the field in which the organisation operates. Furthermore, the organisation needs to facilitate the sharing and exchange of information throughout organisational sub-units (Burton & Obel, 2018). The information processing theory makes two major assumptions: (a) the greater the level of task uncertainty, the larger the quantum of information that must be managed among those charged with decision making and (b) the greater the degree of interdependency among sub-units, the more information processing that is needed (Galbraith (1974). Interdependency can be defined as the connection among the sub-units in the firm (Joseph et al., 2018). In accomplishing a task, the more connected the sub-units the more interdependent the task (Burton & Obel, 2018). In summary, uncertainty and interdependency generate the need for information processing in firms.

Burton & Obel (2018) have stated that not only the tasks of the firm can be uncertain, so too is its environment and so managing environmental and organisation uncertainty requires co-ordinating or integrating the tasks of the firm to suit both sources of uncertainty. In this regard, in his seminal article, Galbraith (1973) proffers two separate organisation design strategies: (a) lessen the demand for information by creating sub-units (sub-tasks) with minimal correlation (dependence), or (b) increase the information capacity with greater communication (co-ordination) along the vertical hierarchy or horizontally. Moreover, Joseph et al., (2018) are of the view that organisations that are operating in environments that are complex have a greater tendency to have more correlated sub-units and assign more resources to co-ordination. When compared to organisations operating in simpler environments, they would have fewer correlated sub-units and generally be more integrated. Joseph and his colleagues argued that an increase in the use of flatter organisation structures (declining decomposability) is indicative of greater interdependencies within the organisation and consequently, increased need for co-ordination. In other words, the flatter the organisation structure the more resources that has to be expended on co-ordination or integration activities.

In terms of decomposability, Simon (1962), in his groundbreaking work, assumed a holistic posture and posited that complex social systems comprise sub-units that interact with each other in multifaceted ways and that the fundamental benefits of these hierarchical systems are their capacity to adapt. Simon explained that decomposability, breaking the organisation into sub-units, avoids perturbation in one section of the organisation from negatively impacting the other sections of the organisation. Along those lines, Joseph et al., (2018) contends that greater interdependence within the organisation can present several problems to management. These problems include increased difficulty in achieving integration, due to the need for managers to effect changes in their understanding of how information is processed, the need to change the understanding of the capabilities of the organisation and its resource-based advantages. Rivkin (2000) shared similar views by stating that managers might find difficulty in understanding fully the integrative activities of their organisation and how these activities interact. The researcher went on to say that this particular lack of understanding by managers may obscure the true source of the advantage of an organisation (Rivkin, 2000). This could therefore obdurate the task of linking internal organisation nuances to co-ordination activities and the needed organisational behaviour.

Joseph et al., (2018) cited other problems of added interdependence which includes the need for managers to balance the interrelationship activities between integration and experts in their particular field such that goal and interests of the different groupings may clash necessitating increased need for conflict resolution. Along those lines, the problems associated with task uncertainty and interdependence of sub-units may be present in credit unions in Saint Lucia. In working to achieve the co-operative purpose, the member centric credit union organisation design divides the necessary work among work-units, namely, the governance committees (board of directors, supervisory committee and credit committee) elected by the membership. The other work unit being management and staff. In such a design, difficulty can arise in identifying and finding suitable compromise between the work boundaries of these units and the whole work necessary to achieve the credit union objectives. This then reiterates the question of how best to decompose the work of the credit union to achieve both efficiency and co-operative effectiveness. The element of task uncertainty which exists in the operations of organisations (Cordery et al., 2010), credit unions in Saint Lucia being no exception, can impact both organisational efficiency and effectiveness. The rapid changes in the business environment of the credit union means that the functionaries of the organisation would not have advanced knowledge of when and where an organisational problem may arise, nor the best way of addressing the problem, as explained by chaos theory. This then increases the need for information and information processing (Joseph et al., 2018) which in turn can impact efficiency and effectiveness of the financial co-operative.

The tendency of firms to continue to place greater emphasis on flatter hierarchical organisation structures, and the corresponding co-ordination effects of that trend, makes it imperative that dynamics be introduced into the approach of understanding organisation design (Joseph et al., 2018). According to Baumann and Sigglekow (2011), organisation dynamics which includes matters pertaining to search and learning, are critical for the progression of complex social systems, and by extension, understanding the issues of organisation design. In addressing task uncertainties and the complex nature of the firm, managers may choose to adjust or blend the differentiation and co-ordination activities when using the search and learning approach in dealing with task uncertainty (Joseph et al., 2018). Furthermore, managers can also change the roles of specialised talent or change the activities and ways in which co-ordination and co-operation is pursued within the organisation. However, the caution given by Lounamaa and March (1987) is still relevant when they indicated that highly interdependent systems warrant concurrent learning by numerous interrelating elements of the system, which may prove difficult for managers to achieve. This is so particularly in situations where one element cannot foresee the action and behaviour of the other (Puranam et al., 2012; Raveendran et al., 2020). In this regard, success can be achieved by elements making pertinent adjustments in their own sub-tasks and sub-units, while also co-ordinating with other elements through organisational cultural expectations or non-formal communication (Puranam et al., 2012). However, Joseph et al., (2018) warned that adjustments made by one element, aimed at adapting to changing conditions in the environment, can have adverse effects on other elements who are concurrently engaged in adjustments in their own sub-tasks. The researchers indicated that in such situations it may be difficult to determine the best possible design combinations that would yield the desired organisational performance.

The tendencies of firms, and also the organisational designs identified in this literature review, highlights the point that the form organisation design takes are not the sole result of the designer’s methodical planning initiatives, but also evolving responses and reactions of co-dependent, dispersed and situational decision-making (Joseph et al., 2018). Whereas an underlying assumption of organisation design is that organisations are the embodiment of planned designs, however, the issues identified in this review seem to suggest that at best, organisations are partially and imperfectly designed (Puranam, 2012) although Karim (2006) has indicated that planned designs do occur. Ethiraj and Levinthal (2004) have indicated that the organisation designs that emerge, different to that planned by the designer, reflect an evolutionary process. Such a process is deemed to be the outcome of several factors including cognitively limited or rationally bounded designers, task uncertainty, paucity of information, competitive pressures from the field, changing technologies and changes in the priorities and expectations of members of the organisation (Joseph et al., 2018; Puranam, 2012). Then in seeking to understand how organisational challenges impact the organisation design of credit unions in Saint Lucia, the information processing theory, with its focus on the dynamism of search and learning through experimentation, would provide the basis for understanding work decomposition and co-ordination, as the credit union seek the best way to produce economic and social output.

Moreover, from another perspective, organisation design is deemed to be a response to competitive pressure from the field and Sengul (2019) is such an advocate. The researcher sees organisation design as a preferred response to the forces of competition emanating from the field in which the organisation operates. In dealing with such forces, the focus then is not only on endogenous parameters to better the performance of the organisational entity, but on the competitive factors which are exogenous to the firm (Sengul et al., 2012). In dealing with the competitive influences, the design choice of a firm locks it into a commitment to allocate resources, and to follow a particular course of action and so impacts the optimal strategy of the firm (Sengul, 2019). Consequently, the organisation design of the firm influences the strategies of its competitors in the field and so impacts how the competitive enmity between the firm and its competitors develops (Sengul et al., 2012). This indicates that organisation designers ought to be externally focused to determine ways of interacting with the competition, and at the same time be internally oriented to enable the crafting and implementation of efficient and effective strategy (Sengul, 2018).

As argued by Sengul (2019), competition impacts the organisation design of the firm in that intense competition calls for more efficient designs to provide the firm the means to generate innovative responses and be more adaptive to the forces of competition. In this regard, Guadalupe and Wulf (2010) have stated that firms facing staunch competition from the field tend to have flatter organisation structures which enable quick response to changes in the market. The perspective that organisation design is a competitive choice of firms provides opportunities in this research to understand heterogeneity of credit unions in Saint Lucia in the competitive context of financial service providers in the field.

Another perspective of organisation design is the organisation life cycle. In explaining the changes that organisations go through, some researchers developed the theory of the organisation life cycle (Adizes, 1979; Lester et al., 2003; Lippitt & Schmidt, 1967; Miller & Friesen, 1984). This perspective examines the simultaneous interaction of various design parameters of the firm and views the life of a firm as a sequential series of distinct developmental phases (Hanks et al., 1993). A life cycle phase is considered to be a particular formation of design parameters connected to organisation circumstance or structure and so describes how the organisation changes over time (Hanks et al., 1993; Ilyenkova, 2022; Van De Ven, 1992). This perspective views organisational life cycles as a hierarchical and irreversible progression, comprising various actions, behaviours, and structures that follow predictable patterns (Su et al., 2023; Subbart & Smalley, 1999).

While there are several life cycle models to be found in the literature (Adizes, 1979; Lester et al., 2003; Lippitt & Schmidt, 1967; Miller & Friesen, 1984), it is worthy to note that the models are not independent of each other and authors draw from the various models, which may lead to the merging of models in the future (Jirasek & Bilek, 2018). The main differences among the models appear to be in the number of stages which make up the individual models, although there may be other indirect differences (Jirasek & Bilek, 2018). For instance, the earlier models focused on the growth phase of the cycle and terminate with the maturity phase (Lippitt & Schmidt, 1967) while the later models predominantly had five phases (Lester et al., 2003; Miller & Friesen, 1984). This literature review follows the five phases as postulated by Miller and Friesen (1984) because it provides greater insights of the changes organisations go through. The phases are: (a) birth; (b) growth; (c) maturity; (d) revival; (e) decline.

The birth or nascent phase of the organisation life cycle is steeped in organisational effort for survival (Tam & Grey, 2016). The firm is small, flexible with minimal structure, and usually has centralised leadership (Gray & Ariss, 1985). The emphasis at this phase is on product development, acquiring the necessary resources and building support for the business (Jawahar & McLaughlin, 2001). As the firm achieves success in establishing its competitive advantage in the market, expansion in both sales and market share ensues (Kazanjian, 1988). At this growth phase, the emphasis is on managing expansion of production and securing the necessary resources, to facilitate continued growth (Flamholtz, 1995). Also, during this growth phase, the organisation structure and procedures are becoming more formal (Galbraith, 1982). Some researchers distinguish between several growth phases; Scott and Bruce (1987) for instance, makes mention of the early growth phase where the firm transitions from personalised to more administrative approach. A late growth phase is cited by Adizes (1979) and it is characterised by the continued effort to achieve further growth and also the need to formalise the gradually increasing complex business procedures and processes. At this stage, further methodical management is required which impedes the previously unfettered growth inclination (Adizes, 1979). During this phase also, competitive pressure from the field may slow down growth, and with the structure and processes of the firm being more formalised, the firm becomes stable and matures (Dodge & Robbins, 1992).

During the maturity phase, the firm now basks on previous accomplishments, maintains its course of direction and exploits its successes (Dufour et al., 2018). Also, during that maturity phase, organisation structure and processes are formalised and the firm places greater reliance on professional management which is decoupled from ownership (Miller & Friesen, 1984). Yet this may not be the experience of small and medium size firms where ownership may continue to be coupled with management (Jirasek & Bilek, 2018). From the viewpoint of some researchers, Mintzberg (1984) for instance, the maturity phase of the firm starts from the end of the growth phase to the commencement of decline, and it is represented by diminishing ability to be innovative, coupled with increased formalisation, which turns the firm into a bureaucracy with a host of organisational political conflicts. Also, during the maturity phase, the competitive advantage of the firm continues to wear down and so the firm enters the revival phase, in which it boosts its business, or continues to experience declining fortunes, a phase where it grapples with the necessity for change and transformation (Jirasek & Bilek, 2018).

The revival phase of the firm embodies a renewed focus on discovering new opportunities (Jawahar & McLaughlin, 2001). The firm may choose a multi-dimensional form which may entail continuing with its old business line and allocating resources to new business ventures, facilitated by research and development, performance analysis and new business models (Miller & Friesen, 1984). Along the revival phase, the firm tends to be less risk averse (Jawahar & McLaughlin, 2001) guided by data analytics (Hariri et al., 2019; Miller & Friesen, 1984). The firms that prevail through that phase of the cycle undergo further growth or achieve stability in the mature phase once more (Jirasek & Bilek, 2018). However, the firms that do not succeed the revival phase pivot to survival mode (Hanks, 1990) with emphasis on trying to curtail declining market share. Moreover, with insufficient resources to make necessary investments, the firm may find itself in a cycle of declining attraction for its products, and hence a further decline in the resources needed for turning around the ill-fortunes of the business (Miller & Friesen, 1984).

Notwithstanding that the decline phase is often cited as the final phase in the organisation life cycle, firms may not always follow that sequential order (Jirasek & Bilek, 2018; Mintzberg, 1984). And whereas the business decline may lead to the termination of the firm, or loss of independent status through mergers and acquisition, the firm during this decline phase may turn itself into a successful revival (Miller & Friesen, 1984). This suggests that firms may follow different paths when compared to the sequential path advocated by the organisation life cycle theory. This point is made by Mintzberg (1984) who noted that demise is frequent among new firms as well as older firms. Then drawing from the arguments levelled by the advocates and critiques of the organisation life cycle perspective, the major assumption distilled from the arguments, which holds implication for understanding the organisation design of credit union in Saint Lucia, seem to be, growth and the level of adherence to prescribed forms of methods and procedures, (formalism) are the factors that distinguish one stage of the cycle from another (Jirasek & Bilek, 2018).

In applying the organisation life cycle theory to organisation design, Mosca et al., (2021) carried out an inquiry of the life cycle point of view of organisation design. The research focused on the extent to which the life cycle perspective describes the progression of the firm in the actual business environment. Their research findings revealed that the organisation life cycle perspective is limited in terms of it being able to explain the proposed predictable and deterministic path of the organisation design of the firm when exposed to challenges of the real-life business environment. The researchers are of the view that the perspective does not account for the organisation design features specific to each phase of the life cycle. These features include differentiation (both vertically and horizontally), integration mechanisms, mutual adjustments, centralisation and decentralisation (Mosca et al., 2021). Based on their research findings, Mosca and colleagues perceived that the organisation design life cycle is a process driven by the changes and response to changes, linked to the variation and uncertainty of the environment in which the firm operates. The researchers are of the view that in responding to those changes, firms evolve independent of their size along the paths of unpredictable trajectory, (similar to explanations derived from chaos theory) with a variety of equifinal organisational alternative designs.

The organisation design perspectives reviewed in this thesis holds implications for credit unions. Like other forms of organisations, credit unions are becoming increasingly complex and challenging to manage (Miles 2012), necessitating that managers have a new awareness of choices to organisation design, and how these design choices can be created and executed. Then deciding on an organisation design for credit unions in Saint Lucia at a given point in time requires analysis of both internal and external factors to ensure that the chosen design furthers the purpose of the co-operative. Some of the internal factors for consideration would include the attributes of managers and directors of the credit union, the size of the credit union, its technology platform, where the credit union is positioned along its life cycle, and the current projection and speed of change of all of those factors. External factors for consideration would include the structure and degree of competitiveness of the field in which the credit union operates, the impact of government regulation, the state of the macro-economy and the inclination and propensities of those factors.

Focusing on these internal and external factors also warrants the need to harness current efficiencies and at the same time focus on future adaptability (O'Reilly & Tusnman, 2013). Also, understanding that organisations are incompletely designed, credit union managers should therefore pursue an experimental and exploration approach (McGrath, 2010) when generating and executing an organisation design. Moreover, in terms of this research and the research setting, the managers of credit unions in Saint Lucia may require a new level of understanding and competence to favourably address the challenges brought about by the growth of credit unions on the island. Also, this new level of organisational understanding requires a similarly new level of academic inquiry in the area of credit union organisation design, and in particular, obtaining the means to answer the questions of what is the most prudent way to separate the credit union organisation into sub-units and how to integrate or co-ordinate those sub-units to ensure sustained growth and sustained performance; and this is what the research project intends to achieve.

2.1.5.4 The influence of corporate governance on organisation design

Moreover, another important issue for consideration in determining how best to answer the fundamental organisation design problem, is how corporate governance of the organisation impacts the organisation design of the firm. Corporate governance comprises the systems and processes, operationalise by a board of directors, by which a firm is controlled, and its managers made accountable (Charreaux, 2004; Marie L'Huillier, 2014). Corporate governance presents mechanisms which facilitate the firm's need to set and achieve objectives, and also the need to monitor how the firm performs (Madhani, 2017). Wang et al. (2022) are of the view that corporate governance renders oversight to the activities that are aimed at achieving the mission and purpose of the firm and creates the organisation design required to do so. The researchers pointed out that such organisational configuration ought to be situation specific, considering the nature and circumstance of the firm. They also asserted that corporate governance impacts the organisation design of the firm by influencing the strategic decision-making behaviour of the firm.

Governance is a dynamic phenomenon impacted by changes emanating from factors within and external of the organisation (Madhani, 2017). Several perspectives have been presented with the aim of helping to explain the practice of corporate governance. Individually, the perspectives elucidate some facets of corporate governance and are restricted to that facet and therefore do not encapsulate the theoretical foundation of corporate governance in its entirety (Clarke, 2004; Madhani, 2017). This then shows the need for an eclectic approach to understanding corporate governance. The difficulty involved in formulating a general theory of corporate governance is perhaps due to the complex character of the subject matter, particularly since firms in their responsibilities bring together economic and social roles (Clarke, 2004). And so, this literature review looks at the practice of corporate governance using an eclectic approach drawing insights from agency theory, stewardship theory and the resource- based view of the firm.

The agency perspective of governance was introduced to the literature as a theoretical model depicting the relation between one party, called the principal, assigning work to another party, called the agent (Zogning, 2017). The aim of the perspective is to explain the behaviour of firms by focusing on the relationship between the manager as the agent of the firm, and its owners/shareholders as the principal of the firm (Clarke, 2004; Yusoff & Alhaji, 2012; Zogning, 2017). Jensen and Meckling (1976) proposed that the relationship between agent and principal is contractual. The principal hires the agent to perform services and grants them decision-making authority. The agency is deemed problematic if the principal and the personal interest of the agent are in conflict (Madhani, 2017). Moreover, and according to Zogning (2017), the agency perspective makes two major assumptions. The first, that individuals seek to maximise their perquisites and the second is that individuals are opportunistic and would seek to take advantage of the incompleteness of contracts.

Since it may not be possible for the principal to ensure, without cost, that the actions of the agent are in the principal’s best interest, then both parties will have to bear monitoring and commitment costs (Zogning, 2017; Madhani, 2017). And as Jensen and Meckling (1976) put it, agency costs result from skepticism and suspicion between agent and principal based on perceived conflict of interest. Zogning (2017) advocates that to manage "conflicts of interest", it is necessary that mechanisms be established at the level of corporate governance, through the board of directors, to align the interest of all parties to a common goal, and foster accountability. A source of suspicion between the two parties can be information asymmetry, meaning, the difference of information between principal and agent (Yusoff & Alhaji, 2012). Information asymmetry tends to occur in situations where leaders charged with managing the firm may have access to pertinent inside information about the firm which may not be accessible to shareholders (Barbaroux, 2014; Lofgren et al., 2002). Furthermore, shareholders may not have the knowledge and skills to know beforehand whether a particular business decision will serve their best interest or that of the managers. Hence, it is probable that managers may assume opportunistic behaviour by manipulating available information (Zogning, 2017). Therefore, because of those circumstances, corporate governance is geared at monitoring and controlling the decisions and action of the agent (manager) through a system of checks and balances (Yusoff & Alhaji, 2012) and supportive organisation design.

In terms of this research, the agency perspective of governance will provide the basis to understand the extent to which the board and management have shared interests. This includes the extent to which the board sees itself as the representative of the members of the credit union, charged with the task of safeguarding the interest of those members, and provides oversight of management and monitor compliance.

Whereas the agency perspective seeks to establish mechanisms to monitor, control and make managers accountable, through the role of the board of directors, the perspective does not consider other functions for the board of directors which can improve the effectiveness of corporate governance (Madhani, 2017). It is in this regard that this review includes other perspectives which provide insights on the responsibility of corporate governance to advise management on matters relating to strategy, organisation design and in providing access to important resources to the firm. One such perspective is the stewardship view of governance which sees managers as collectivists and trustworthy, who place the wellbeing of the firm ahead of theirs (Martin & Butler, 2017). And according to Keay (2017), such conduct would tend to minimise the costs related to monitoring and controlling the behaviour of managers. Therefore, dissimilar to the agency perspective which places significant attention on conflict and control, the stewardship perspective sees manager as good stewards of the resources of the firm (Donaldson & Davis, 2019) and so the perspective focuses on co-operation and collectivism (Martin & Butler, 2017).

Furthermore, the stewardship perspective of governance provides a non-economic basis for explaining the associational nexus between the agent and the principal of the firm and so provides particular appeal for this research project. Since the culture of credit unions is built around putting the member first, with a major output being social value, then these idiosyncrasies resonate with the non-economic explanations of the association between the agent and the principal, as postulated by the stewardship perspective. The non-economic explanations could help indicate the desired governance attributes required to enable the credit union in Saint Lucia generate sustained social value for its members which is one of the objectives of this research.

In explaining the non-economic basis of the associational node between the agent and the principal, stewardship theory postulates that the manager and the board of directors act as curators of the firm, who are not bent on promoting their personal economic interest and will therefore act in ways that lead to generating benefits for the firm (Sundaramuthy & Lewis, 2003). Then in working towards the success of the firm, the personal needs of the manager and director are met

(Kluvers & Tippett, 2011). The perspective proposes that managers and directors can be driven by matters of economic and social justice, fairness and concerns for the welfare of others (Caldwell & Karri, 2005). A major concern of stewardship perspective though, is that it does not provide explanations for those incidences where directors and managers do not conduct themselves as good stewards of their firms (Madhani, 2017). Notwithstanding, the stewardship perspective of governance will assist this research in understanding the extent to which a partnership of shared interest exists between management and the board of directors. The perspective will also be used to help provide insight into the extent to which the board contributes to strategy formulation and is supportive of management.

Another perspective which aims at providing an explanation of the functioning of corporate governance is the resource-based view of governance. The perspective asserts that the firm is a collective of resources, both tangible and intangible, which can form the pillar of sustained competitive advantage (Helfat et al., 2023). However, to gain a competitive advantage, resources must be rare, valuable, and possess unique and inimitable qualities. And as Madhani (2017) has stated, these attributes are indicative of the unique combination of talent, skills and experience among the members of the board of directors who serve as the core instrument of corporate governance. The resource based-view perspective therefore connects the capabilities and proficiencies of the board that may advance the competitive advantage to the firm. Possessing such characteristics, the board of directors can therefore add value to the firm when it uses its in-depth knowledge and skills in helping to craft strategy and the necessary organisation design.

Moreover, the extensive capabilities of the board also add value in overseeing the execution of strategy (Judge & Talaulicar, 2017), and by extension, the board of directors gains in-depth knowledge of the firm. Such knowledge can translate to being a resource of unique value which is essential to the board exercising its monitoring and controlling function (Fama & Jensen, 1983). Furthermore, with the directors having extensive knowledge of the firm, the board is then able to focus on pertinent decision choices, including alternative organisation designs. The board would also be able to meaningfully understand the business operations of the firm and internal management concerns (Madhani, 2017). Additionally, Hillman and Dalziel (2003) have argued that the in-depth knowledge of the board of directors can be considered an implicit intangible asset, with its usefulness difficult to substitute, and hence an imitable resource. Then consistent with the tenets of the "resource-based theory of the firm", the in-depth knowledge and varied capabilities and proficiencies of directors can be a source of competitive advantage to the firm. Coupled with the ability of the board of directors to provide expert advice on issues of strategy and corresponding organisation design, application of the in-depth knowledge of the firm can further the competitive advantage of the entity which can ultimately lead to exceptional corporate governance (Khanna & Palepu, 2004). Furthermore, the combined idiosyncratic effects of the organisational entity and the expertise of the board of directors on matters of business strategy and organisation design, can build definite resources for the firm, thus giving the firm dynamic capability (Hodgkinson & Healy, 2011).

The resource-based perspective of governance holds important implications for credit unions in Saint Lucia. This is particularly so when designing the structure and required expertise of the members of the board of directors, on a needs basis, at a given point in time. The perspective implies that strategies for filling vacancies on the board should be informed by a needs assessment, which considers the expertise which currently exist among directors, and the skills gap, given the challenges and the circumstance which confront the credit union. The resource-based perspective of governance will therefore inform this research to understand the impact of the varied skills of directors on the performance of credit unions in Saint Lucia.

2.1.5.5 Determining the effective performance of credit unions: an empirical review

Credit unions embody the co-operative model through their adherence to co-operative identity, values, and principles, which form the foundation of their organisational culture (Munkner, 2015). Organisational culture also influences the organisation design of the credit union (Worren, 2018). Moreover, the organisation design of the co-operative entity determines how the several elements of the organisation are arranged. These elements include work, performance management systems, governance systems, processes and structures. The arrangement assumed is in the quest to deliver a business strategy or to resolve an adverse business situation (Stanford, 2018). In this vein, and influenced by its co-operative identity, the organisation culture of a credit union influences how the co-operative entity defines and measures organisational performance. Such performance measures should consider the dual purpose of the credit union and so would account for the creation and delivery of both economic and social value (Novkovic et al., 2022).

In determining the performance of a co-operative, the performance measures should be sensitive to the reality that the credit union must compete with other financial service providers in the field. It is in this regard that this review determines the extent to which extant empirical research on credit union defines and measures credit union performance based on the co-operative identity and the dual nature of those financial co-operatives. Table 6 provides a summary of some cases, which include main research findings, of the empirical studies that are reviewed in this thesis. In situations where empirical performance assessments of credit union do not account for the dual nature of the co-operative entity, gaps would be deemed to be apparent in the literature, and so indications will be provided on how this research project intends to address those gaps.

Torres-Teves et al., (2023) conducted research to understand how Porter's 'generic competitive strategies,' focusing on 'cost leadership, differentiation and focus strategy', impact the business performance of a financial co-operative.

Table 6

Empirical Studies

Author	Year	Sample	Country	Method	Findings
Torres-Teves et al.	2023	263 members and officers of a credit union	Philippines	Mixed method	Both differentiated and focus strategy impacted the performance of the credit union.
Silva et al.	2023	81 credit unions	Brazil	Quantitative	Credit unions experience low profitability rates.
Beaubien & Rixon	2012	2 co-operative insurance providers	USA & Canada	Case study	The co-operatives used benchmarks designed for investor-owned firms which did not consider co-operative identity.
van Rijn	2022	Credit unions	USA	Quantitative	Credit unions are differentiated from other financial service providers.
Jifri et al.	2023	1127 credit unions	USA	Quantitative	In times of stability explorative capability had the greater positive impact on performance. Iin time of crisis exploitative capabilities had the greater impact.

Note. Information in the table complied by the author.

The research utilised a mixed methods approach comprising interviews and regression analysis. The research participants were 263 members and officers of a credit co-operative in the Philippines. As indicated in Table 6, the research findings revealed that generally, both differentiation and focus strategy impacted the business performance of the credit union, as perceived by the research participants. The findings revealed that a positive and direct relationship exists between differentiation strategy and performance, while an inverse effect exists between focus strategy and the general performance of the business of the credit union.

In the study, the researchers did not define what is meant by 'business performance' nor did the study consider the dual purpose of co-operative business. The research made use of a perceptual and therefore subjective method in approximating the general performance of the credit union. As Mckillop and Wilson (2010) have indicated, the business of a co-operative is to generate social and economic value for members. The argument is that if business performance goals are underscored by co-operative values and principles, social value will automatically be an output of the business processes (Novkovic, 2005). Then to assess the business performance of a co-operative by focusing only on financial performance limits the reliance that can be place on the findings, given that the research did not embrace the full tenets of co-operative identity and the dual purpose of the business of a credit union. This then presents a gap in the research. Furthermore, such an analysis suggests that there is no salient difference between a co-operative and an investor- owned firm since the performance of the latter is assessed using a heavy reliance on financial performance indicators. And as Cavaluzzo and Ittner (2004) have indicated, if the choice of measures is flawed, then the effect of measurement evaluation and post evaluation actions are almost meaningless.

Similarly, Silva et al. (2023) implemented research to help to determine factors that influence the performance of credit unions in Brazil. The study utilised a quantitative approach using multiple linear regression. As indicated in Table 6, the research findings indicated that the credit unions experience low profitability rates and that it was necessary that those financial co-operatives increased their investment in productive assets to address the low profitability rates. The study used the PEARLS monitoring and managing system of financial ratios, developed by the World Council of Credit Unions, in determining the financial wellbeing of the credit union participants of the research. PEARLS is an acronym for a set of classified financial ratios which measure the financial performance of credit unions. The acronym stands for: Protection, Earnings, Asset quality, Rates of return, Liquidity and Structure (financial structure). Each ratio has a benchmark score.

Like the study of Torres-Teves et al. (2023), the research on credit unions in Brazil only focused on financial performance indicators to help identify factors which impact the performance of credit unions. Interestingly enough, the study referenced the need for credit unions to be aligned with their co-operative identity while they develop response mechanisms to face regulatory and management challenges. The researchers admitted that the PEARLS System is 90% similar to the financial indicators used by the regulator (Central Bank of Brazil) to monitor both banks and credit unions; banks being investor owned, for profit entities. This implies that credit unions are adopting standards and benchmarks (mimetic isomorphism) that are like those used to assess the performance of entities that do not subscribe to co-operative values and principles. Such a behaviour blurs the difference between a co-operative entity and an investor-owned entity.

It is this blurring of differences, and the impact on co-operatives of the use of benchmarks that are meant for investor-owned firms, that forms the purpose of a research by Beaubien and

Rixon (2012). That research project examined the use of performance benchmarks adopted by two large co-operative insurance providers in Canada and the USA. The research utilised a case study comprising document review and semi-structured interviews. As indicated in Table 6, the research findings indicated that the insurance co-operatives used performance benchmarks that are designed for investor-owned firms, and that the use of those performance measures gave minimal consideration to co-operative values and principles. Beaubien and Rixon (2012) indicated that while the challenges encountered by co-operatives and investor-owned firms are similar, such challenges include having the means to craft and implement strategy to ensure the business thrives, the objectives of the two forms of business are dissimilar. Co-operatives have the purpose of meeting the economic and social needs of members. Contrastingly, investor- owned firms exist to generate profits and maximise returns to shareholders. Hence, given these differences Beaubien and Rixon (2012) opine that the performance measures used to assess the performance of investor-owned firms are deemed unsuitable for assessing the performance of co-operatives. In the case of Saint Lucia, the Financial Services Regulatory Authority, the regulators of credit unions in Saint Lucia, evaluates and monitors the performance of credit union using the PEARLS ratios. Then it is incumbent on the credit union sector to devise co-operative performance measures that reflect the dual purpose of credit unions.

A study to identify the extent to which the organisational and business practices of financial co-operatives in the United States are reflective of the co-operative identity was carried by van Rijn (2022). The research was implemented against the background that a plethora of literature make the claim that credit unions may deviate from the co-operative way as their membership increases and the base from which membership is drawn becomes more and more heterogeneous over time (Guzman et al., 2020; Fulton & Giannakas, 2001; McKillop & Wilson, 2016). In the study van Rijn (2022) tested the hypothesis that credit unions may sooner or later become less distinguished when compared to for-profit financial service providers in the field.

As indicated in Table 6, the research findings revealed that credit unions in the United States are differentiated from banks and other financial service providers in the field. The evidence forwarded to substantiate that conclusion are governance structure, (one member one vote at the credit union, vis-à-vis the one share one vote at the bank) differentials in the compensation structure of chief executive officers, (bank CEO generally receive higher compensation packages when compared to credit union CEO) gender diversity, (more than half of credit union CEOs are women compared to 3% at comparable sized banks) less risk averse when compared to banks and credit unions have a greater tendency to operate branches in low-income communities. Whereas these cited factors which differentiate credit unions from banks are worthy commendations, they do not expressly indicate the operationalisation of the co-operative values and principles and the dual purpose of the credit union form of business. In other words, the research gave insufficient consideration to the influence of co-operative values and principles in the credit union achieving differentiation in the marketplace. This shortfall in the research perspective is deemed to constitute a research gap.

The characteristics of credit unions necessitate that particular care be taken in specifying performance indicators and how performance is to be measured (Fried et al., 1993; McKillop et al., 2020). The organisation design, including its performance management systems and the co-operative culture of the credit union, affects the selection of performance indicators and the measurement of the credit union's performance (McKillop et al., 2020; Stanford, 2018). And as indicated by Beaubien and Rixon (2012) co-operatives need to craft and implement strategies and measure performance in ways consistent with the co-operative culture and identity. In light of the limitations identified in previous studies, this research project aims to investigate the attributes of organisation design that take into account the unique and dual nature of credit unions. The focus is on identifying characteristics that incorporate mechanisms for evaluating both financial and social outcomes. Assessing output based on the dual nature of the co-operative would be essential to enable credit unions in Saint Lucia meet the economic and social value of members.

Dynamic capabilities are also other factors that are considered to impact the performance of firms including credit unions (Fainshmidt et al., 2016; Wilden et al., 2013). In this regard Jifri et al. (2023) researched the effectiveness of explorative and exploitative capabilities, two forms of dynamic capabilities, on the performance of credit union during stable times and times of crisis. As indicated in Table 6, the research utilised a quantitative approach using multiple regression analysis to examine data collected from 1127 large credit unions in the United States. The research findings revealed that in times of stability, explorative capability, with its ability to generate revenue, had the greater positive impact on performance. However, in times of crisis, the exploitative capability, by its ability to reduce expenses, had the greater impact on performance. The research also found that the aggregate impact of deploying both capabilities concurrently would have a positive impact on performance only in stable times and such deployment can be debilitating during times of crisis. The study utilised financial ratios exclusively as the measure of credit union performance and as proxies in the indirect measurement of dynamic capabilities.

Furthermore, Jifri et al. (2023) examined the effectiveness of dynamic capabilities, defining effectiveness as the ability to achieve organisational goals by generating value that customers are willing to pay for, thereby increasing the firm's revenue. In the context of credit unions, this definition of effectiveness overlooks the impact of co-operative values and principles on their performance. However, Guzman et al. (2020) have demonstrated that such an association does exist. This oversight can be deemed a gap in the research project of Jifri et al., (2023). Another oversight in the research is the incomplete picture of the dynamic capability of a credit union in terms of the exclusion of social capital (Mazzarol et al., 2018) or that network of relationship that is created by credit union members when they act in association (Davis, 1999). Such an unobservable resource can serve as a valuable source of dynamic capability both in times of stability and in times of crisis.

Moreover, drawing from the work of Armstrong and Shimizu (2007) a qualitative approach, as opposed to quantitative approach, as used by Jifri et al., (2023) is more likely to provide insights of the impact of such unobservable capabilities, like social network of relationship, on credit union performance. This research project on credit unions in Saint Lucia uses a qualitative approach suitable for their unique characteristics. It aims to fill gaps in empirical literature by emphasising co-operative purposes and assessing both economic and social value delivery.

2.1.5.6 The Desjardins credit union movement

The Desjardins Credit Union Movement stands as the largest co-operative financial group in North America (Christensen et al., 2017). Established in 1900 by Alphonse Desjardins with a single credit union, Desjardins has grown into a major financial institution. It now serves over 7 million members and manages assets exceeding CAD $470 billion (Desjardins Group, 2024). The Desjardins Group was founded with a focus on mutual self-help, local control and financial inclusion (Posca, 2019). Initially, its credit unions were completely independent, managed by volunteer boards, and deeply integrated within their communities (Levasseur & Rousseau, 2001). The early credit union grouping operated through members' shares and deposits, making the credit unions financially independent. Loans were granted mainly for professional tools or necessary durable goods. Credit was seen as a means to foster independence, not encourage debt. Administration of the credit union grouping occurred at three levels (the local credit union, regional federation, and provincial confederation) with volunteer leadership to keep costs low and ensure accountability (Christensen et al., 2017; Posca, 2019).

The 1960's marked the beginning of Desjardin's shift towards more mainstream banking practices through three major changes:

1. Liberalization of credit – Desjardin began offering mortgages and consumer credit. By the year 2000 consumer and mortgage loans represented approximately 50% of total assets (Posca, 2019).
2. Creation of subsidiaries and professional management – Desjardins acquired or created subsidiaries in insurance, trust companies, securities and investment. This enabled Desjardin become the largest co-operative financial complex (Desjardins Group, 2024).
3. External capitalisation and market orientation – to compete with deregulated banks, Desjardins lobbied to issues securities which tied it to investor demands for high returns. The credit union grouping voluntarily adopted international banking standards (Basel Accords). Branch staff transitioned from tellers to financial advisors and rewarded with performance bonuses (Christensen et al., 2017; Levasseur & Rousseau, 2001; Losier, 2021; Posca, 2019).

Desjardins growth brought organisational challenges with it. To manage the increasing complexity, Desjardins implemented significant structural reforms in the year 2000, transitioning from a decentralised to a centralised structure (Posca, 2019). This involved consolidating hundreds of credit unions into larger regional institutions and establishing a single legal entity for operations in Quebec. These changes improved risk management and strategic planning (Jones & Kalmi, 2012). However, it has also caused changes to the Desjardins’ democratic governance model. Although local member control remains important, governance now includes a delegate system at the federation level and professionalised boards (Posca, 2019). While these changes improve accountability, they reduced members' influence over the organisation (Posca, 2019).

Furthermore, the expansion of Desjardins has subjected the institution to increased regulatory scrutiny, by choosing to be regulated as a bank, requiring the establishment of dedicated compliance and audit departments, hence making the organisation more complex. With the creation and acquisition of subsidiaries managed by professional technocrats, the credit union grouping shifted its mission from economic emancipation of members to managerial efficiency (Posca, 2019). Decision- making centralised in the confederation and leadership professionalised, distancing ordinary members from decision making and aligning more with corporate banking culture (Christensen et al., 2017; Levasseur & Rousseau, 2001).

As Desjardins grew, the entity sought to balance co-operative values with market pressures to stay competitive. It continued to invest in community initiatives and member dividends. However, it has adopted strategic management tools from the investor- owned business model sector which has raised concerns about the credit union group losing its co-operative identity (Christensen et al., 2017; Posca, 2019).

The evolution of Desjardins' organisational design has introduced several tensions, including the balance between efficiency and democracy. Centralised decision-making, although aimed at enhancing efficiency, can potentially undermine local democratic autonomy (Novkovic, 2022). An additional point of worry is the relationship between scale and co-operative identity since expansion may compromise co-operative culture (McKillop & Wilson, 2015).

In summary, Desjardins' expansion required a significant transformation in its organisation design. This transformation has enhanced resilience and competitiveness; however, it has also presented challenges, particularly in governance and fidelity to the co-operative identity (Christensen et al., 2017). The Desjardins organisation design has progressed from a decentralised network of local credit unions to a sophisticated, centralised, and technologically integrated financial group (Christensen et al., 2017; Levasseur & Rousseau, 2001). The credit union grouping is now thought to resembles a bank: managed by professional executives incentivised by performance, oriented toward maximising returns for institutional investors rather than prioritising the wellbeing of members (Christensen et al., 2017; Posca, 2019). The Desjardins case offers valuable insights for this research project.

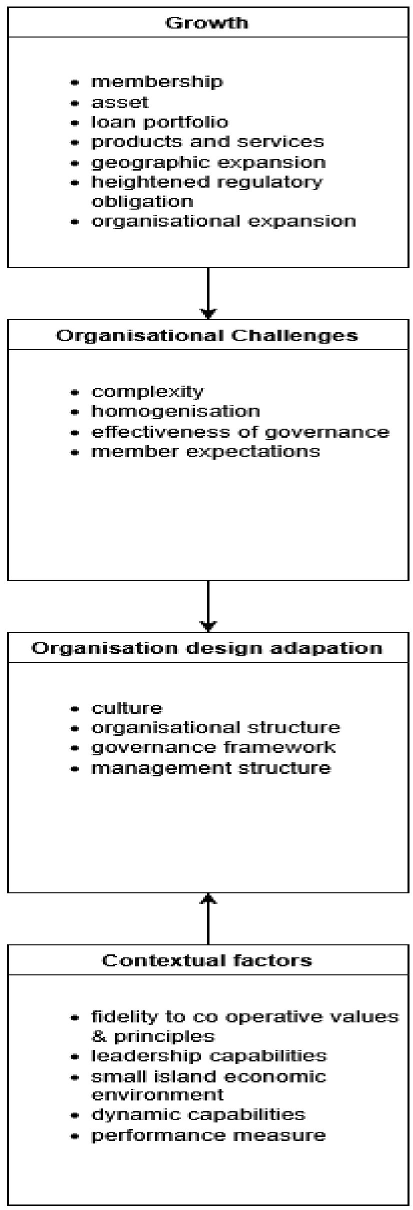
2.1.5.7 The conceptual framework of the research

In carrying out this research project, the theoretical framework, which include the sub-themes of the literature review, informs the conceptual framework used in the study. In this regard, the conceptual framework uses knowledge from the theoretical framework to examine the research problem, taking into consideration the aims and objectives of the research (Creswell & Creswell, 2018). Hence in this project, the conceptual framework, as depicted in Figure 6 offers a systematic approach to explore how and why growth influences changes to the organisational design of credit unions in Saint Lucia.

Growth in credit unions in Saint Lucia occurs through expansion in multiple elements including increases in membership, assets, loans, products and services, broader geographical area of operations, technological development, more personnel and more elaborate governance structures. Figure 6 shows that expansion to these elements of growth creates challenges which serve as mediating factors that necessitate credit union organisation design adaptation.

Figure 6

The conceptual framework



Note. Figure created by the author

For example, larger asset bases introduce new compliance requirements, resulting in regulatory compliance challenges and demands (McKillop & Wilson, 2015). Organisation design responses to these challenges lead to complexity and increased operational costs with greater emphasis on efficiency (Pigeon & Rixon, 2023). Membership expansion carries with it higher demand for a variety of products and services which adds to organisational complexity (McKillop & Wilson, 2015). Furthermore, as the credit union grows, the need to remain competitive and meet members' diverse and evolving expectations may cause the credit union to adopt practices of profit driven firms in the market (Beaubien & Rixon, 2012; Davis, 2000). Besides, expansion across the various elements of the credit union imposes pressure on traditional governance systems, rendering them inadequate for the needs of the expanding credit union (Iliopoulos & Valentinov, 2022).

Figure 6 shows that the growth of credit unions and the accompanying challenges influence modifications to key organisation design elements including culture, organisational structure, governance framework, management and operational structure. This organisation design adaptation could result in shifts from a member-centric, co-operative value-based culture to one which facilitates market-oriented priorities through the process of isomorphism (Pigeon & Rixon, 2023). Also, organisational structure and operations could evolve from a flat hierarchy to one which is layered with specialised departments with the effect of alienating the ordinary member (Birchall, 2017). Furthermore, greater reliance is placed on information and communication technology to carry out work. Such dependency on technology induces a greater degree of complexity to the organisation design of the credit union which can adversely affect the quality of member engagement (Jones & Kalmi, 2012). To address the evolving governance requirements of the credit union, the governance framework is being refined through increased professionalisation and technicalisation. However, these changes may limit the ability of ordinary members to serve as directors, and the accompanying formalisation could create distance from the membership, potentially undermining democratic member control (Michaud & Audebrand, 2022). In evaluating the organisational design changes instituted to address growth-related challenges, these adaptive modifications generate tension between ongoing expansion and preservation of the cooperative identity.

The relationship between credit union growth and changes to various elements of organisational design depends on contextual factors. In this regard, Birchall (2011) notes that in liberalised economies, credit unions often adopt bank-like organisational designs to remain competitive, which may lead to a change in their co-operative identity. McKillop and Wilson (2015) found that as credit unions expand their assets and services, member participation in governance declines due to increased formality and complexity. Novkovic (2006) noted that economic conditions, particularly periods of financial stress, may necessitate pragmatic decision-making, resulting in a shift away from social and co-operative objectives toward prioritising institutional survival.

Figure 6 shows that contextual factors, such as degree of adherence to co-operative values (Novkovic, 2008), leadership capabilities (Pigeon & Rixon, 2023), the nature of small island economics (Cuevas & Fisher, 2006), dynamic capabilities (Teece, 2019), and performance measures (Beaubien & Rixon, 2012), moderate how growth affects organisation design. These factors influence the extent to which a credit union's changes align with its co-operative identity or shift toward investor-owned models.

The co-operative values and principles serve as an attractor that gives the credit union recognisable co-operative traits even in times of change (Novkovic, 2022). When guided by the attractor, the credit union adapts to change but is safeguarded against departure from the co-operative identity and the co-operative purpose (Munkner, 2015). This is achieved by the co-operative reinforcing member-centricity including member-centered governance. However, in situations where credit unions exhibit low fidelity to the co-operative values and principles, this may allow modifications toward hierarchical, efficiency focused organisation designs that may depart from the concepts of member-centricity and the co-operative ethos (Davis, 2000).

The leadership of the credit union, meaning governance and management, is charged with designing the credit union (Munkner, 2015). However, the strength of leadership capabilities determines the extent to which the choice of design permits proactive and judicious adaptation, which supports evolving demands while remaining true to co-operative ideals. Weak and ineffective leadership may result in mis-aligned design choices, which may cause the credit union to drift to investor-owned organisation design model in response to change pressures (Pigeon & Rixon, 2023).

The small size, resource and market constraints, and close social networks of the economic environment can affect credit unions operating in small island states and may limit their ability to achieve economies of scale and scope (Wheelock &Wilson, 2011). This context may require adaptations tailored to the characteristics of a small economy (Feinberg, 2001). Examples of such changes include flatter organizational structures and systems designed to accommodate multiple roles. The presence of close social connections within the economic environment may also make it necessary to implement participatory approaches to decision-making, even as the credit union grows in various aspects (Novkovic & Power, 2005).

Drawing from the dimension of capabilities, credit unions with strong dynamic capabilities are more capable of identifying growth-related challenges and opportunities (Teece, 2018). In response, these credit unions adapt their organisational structures and recompose their processes to preserve the member-centric nature of the organisation design, despite the growth of the credit union (Omeke et al., 2020). In this way, growth leads to effective, rational organisation design changes that show fidelity to the co-operative identity. On the other hand, credit unions with weak dynamic capabilities are more prone to respond slowly to change (Omeke et al., 2021). Such credit unions tend to apply unsuitable or untimely adaptations which may cause organisation design and growth to become mis-aligned. Hence, growth may lead to maladaptation, loss of member-centricity and migration from co-operative values and principles.

Moreover, the nature of the performance measures accentuated by the credit union influence whether growth encourages focus on efficiency or member-centered organisation designs (Beaubien & Rixon). In this sense, a credit union with performance measures that concentrate on member well-being and member governance may preserve participatory design elements even in times of significant growth (Pigeon & Rixon, 2023).

2.2 Summary

This summary outlines the key points and arguments of the literature review which supports the need for this research project. Complex systems theory is central to the theoretical framework of the research project. Other theories of organisation also help add insights to understand the workings of credit unions in Saint Lucia. The concepts of chaos theory and complex adaptive system theory constitute the tenets of complexity theory (Turner & Baker, 2019). Complexity theory espouses that complex systems are characterised by the concepts of path dependency, non-linearity, emergence, and adaptability (Lindberg & Schneider, 2013).

Moreover, complexity in organisations can be identified by the presence of numerous, varied, and interdependent agents or element (Begun & Thygeson, 2015). Based on this method of identification, credit union organisations in Saint Lucia are deemed to be complex and agents of the credit union can have separate mandates which at times can become polarised. However, internalising the concepts contained in the co-operative values and principles can result in those agents having shared value and thus influencing the polarised behaviour (Novkovic et al., 2022).

In the attempt to remain both idealistic and practical, the credit union relies on its values and principles to determine its business model and the fundamentals of its business strategy (Mazzarol et al., 2018). Values serve as an invariable guide to the conduct and practice of the co-operative enterprise while principles are more malleable to feedback from the environment and so determine how values are operationalised (Munkner, 2015). Together, these values and principles shape the characteristics and organisation design of the co-operative organisation. Furthermore, these values and principles serve as attractors that influence the pattern of behaviour of the credit union within the chaotic system in which these financial co-operatives operate (Dolan et al., 2003). Adapting to the changes in the business environment necessitates changes to the structures and ideas that would guide co-operatives into the future. These changes to ideas and principles could call for pragmatic adaptations that are aligned with the contexts of the operating environment, as opposed to permanent changes to fundamental co-operative values (Novkovic, 2006). McKillop and Wilson (2011) have indicated that the nature of the feedback received from the interactions between credit unions and the changing business environment can put the entities in a state of chaos and influence the future state of the co-operative.

Moreover, along the path to that future state, it is the attractor (co-operative values and principles) within the co-operative organisation which configures the future state of the co-operative (Biswas et al., 2018). Attractors are the most stable, and the element most resistant to change in the complex system (Dorlan et al., 2003). Hence, co-operative values and principles, as an attractor, influence the collective behaviour of agents and subsystems of the co-operative organisation and facilitate change and adaptation to the environmental situation (Taneja et al., 2013). In complex social systems, when perturbed, order is derived from the interaction among agents, sub-systems and the environment, as opposed to the use of the intervention of external parties or agents (Dorlan, et al., 2003; Olmedo, 2013). This suggests that in seeking to achieve sustained growth, credit unions in Saint Lucia should utilise co-operative values and principles to bring order to turmoil and so guide the future state of the co-operative entity.

Turbulence confronts all facets of the complex social system, and Dolan et al. (2003) is of the view that the best way to deal with such turbulence or chaos, is not by avoidance or trying to control the state of chaos, but by getting to understand its features which would enable the social system cope with the natural flow of the chaotic state. From a pragmatic perspective therefore, the credit unions in Saint Lucia need to engender the means conducive to allow co-operative values and principles define the organisational transformation of the co-operative within the culture of complexity. In such a situation, the form the credit union organisation may eventually take would still have co-operative attributes. Hence, managing organisational complexity in credit unions entails managing change in unstable environments. The task involves allocating and utilising resources aimed at improving the functioning of these organisations by creating or adjusting roles, processes and structures (Turner & Baker, 2019). This architectural activity also entails crafting and implementing strategies that enable the co-operative to take advantage of turbulence in the environment as opposed to evading it (Dorlan et al., 2003).

Moreover, in the bid to be competitive and to be seen as being on par with other service providers in the financial services market, credit unions accept and adopt practices and procedures emanating from other service providers, through the process of institutional isomorphism (Cardona Mejia et al., 2020). According to DiMaggio and Powell (1980) these change pressures can be of three types, namely: coercive, mimetic and normative. In the case of Saint Lucia, the setting of this research, the major coercive forces emanate from the regulator of credit unions, legislation enforced by other agents of the state, and the dependence of credit unions on commercial banks for essential services. However, there is increasing evidence of interorganisational imitation in the financial services sector (Idroes et al., 2018; Iman, 2023; Webor & El Alfy, 2019; Yang & Hyland, 2012). Considering this evidence, the perceived degree of similarity between credit unions and other providers of financial services in Saint Lucia is an area which will be explored as part of this research project.

Normative forces of isomorphism in Saint Lucia seem to emanate from the work of the independent external auditor. The auditor would indicate areas of weaknesses in the systems and modus operandi of credit unions, based on the norms of the accounting profession. Norms which may not always be in sync with the nature and circumstance of the credit union. The other form of homogenisation, mimetic isomorphism, occurs when environmental turmoil or dynamism creates uncertainty, thereby causing organisations to seek to pattern their behaviours after those organisations with behaviour patterns that are deemed beneficial (Buchko, 2011). The propagation mechanism for mimetic isomorphism includes worker exchanges, trade and business associations, and using industry tools such as "benchmarking" or "best practices" (Buchko, 2011; Hansen et al., 2017; Villiers & Alexander, 2014). Considering this evidence, the perceived degree of similarity between credit unions and other providers of financial services in Saint Lucia is an area which will be explored as part of this research project.

Munkner (2015) is of the view that co-operative values and principles represent the fundamental concepts of co-operatives and so provide the means to answer the question of what makes the co-operative different from investor-owned firms. Birchall (2014) insists though, the basis for the co-operative difference must be the core principles rather than the co-operative values because other forms of organisations subscribe to similar values and therefore cannot be deemed unique to co-operatives or credit unions. Birchall advocates that the co-operative difference exists in the core principles of member ownership, member control and member benefit.

An interdependent relationship is deemed to exist among business models, dynamic capabilities and business strategy (Teece, 2018). Consequently, the three concepts can give guidance to the credit union in terms of effecting a co-operative business model with fitting responses to changes in the business arena (Bocken & Geradts, 2020). Moreover, the choice of a particular certain business model is essential to explaining competitive advantage and capturing value compared to rivals in a market; however, it is the specifics of how the business model is implemented that explain performance (Brea-Solis et al., 2015). Then for credit unions, whereas uniqueness of the choice of activities explains competitive advantage, the performance of the credit union is determined by the particulars of how the chosen activities are implemented. Then it can be proposed that a positive relationship exists between the effective configuration and implementation of a credit union's business model, and the performance achieved by the credit union. Such a proposition will inform this study.

A business model of a co-operative functions to generate economic and social value for members in their capacity of patron, owner and investor, within the idiosyncratic character of the co-operative form of business (Mazzarol et al., 2014). Skeptics of the business model paradigm argue that the issues, concerns and insights, deemed to be newly acquired from business model studies, have historically been the bedrock of strategy research, and so business model research adds very little knowledge to literature and practice (Markides, 2013). Advocates of the business model, as a distinct field of study, do recognise an overlap with business strategy, but also suggests that the business model and business strategy are distinct constructs deserving attention jointly and separately (Casadesus- Masanell & Ricart, 2010; Teece, 2018). The business model is an initial premise of the ways and means by which value is to be delivered to the customer and that it is not a fully expanded and outlined plan of action (Chesbrough and Rosenbloom 2002). As such, the business model results from a progression of successive adaptation to new insights and likelihoods. Then according to (McGrath 2010), experimentation, as opposed to positioning or controlling unique resources, emerges as being critically important for the co-operative business model.

The notion that a business model is a business organisation's theory of value creation, value delivery and value capture is demonstrated by Johnson et al., (2008). From this perspective they recognised four interactive elements of the business model: the customer value proposition; the profit formula; the necessary resource and key processes. They stressed the opportunity for creating consumer value proposition is at its best when alternative goods and services have not been adequately designed to solve the particular problems experienced by customers. It is in this vein that the co-operative management literature has stressed the significance of bringing the co-operative difference into the market. There is a need to use the co-operative difference in developing a business model that would deliver an alternative value proposition made up of social and economic benefits (Mazzarol et al., 2014). Such a value proposition is not in the domain of the investor-owned firms towards which the business model presented by Johnson et al., (2008) and Chesbrough and Rosenbloom (2002) are typically geared.

The constructs which make up the business model as postulated by Chesbrough and Rosenbloom (2002) and Johnson et al., (2008) are deemed not totally suitable for co-operatives for it does not account for the delivery of both economic and social value. In this regard, Mazzarol et al., (2014) identified six elements of a business model on which managers of co-operatives should focus when deciding the degree to which a co-operative business model is successful at creating value for members. The six interlocking elements for analysis in the co-operate context are: purpose, profit formula, key resources, key processes, share structure and governance. Mazzarol et al., (2014) explain that a co-operative business model provides the leadership of a co-operative the means to examine the persistent problems that may be active in the social and business environment in which the co-operative operates. It is along those lines that Islami et al., (2020) have produced evidence that a business model which accentuates a differentiation strategy can further the positive performance. Hence such a business model has the capability to enhance the means for sustained growth for credit unions in Saint Lucia.

From a market structure perspective, credit unions successfully accentuating the co-operative difference fosters resiliency and diversified ownership of forms of business which provide financial services, in a field dominated by an oligopolistic ownership structure (Byrne, 2022). Importantly, credit unions operating in that field must provide high quality products and services at competitive prices as members expect a clear value advantage if they are to continue to use the services of the credit union (Mazzarol et al., 2014). The extent to which credit unions in Saint Lucia accentuate the co-operative difference as a business strategy, will be explored in this research.

Moreover, understanding strategic business management calls for an approach that acknowledges both evolutionary path dependency and entrepreneurial design (Augier & Teece 2008); the ‘dynamic capabilities framework’ provide such an approach. Teece (2007) asserts that the capability framework incorporates three levels of capabilities into a hierarchy: ordinary capabilities, micro-foundation and higher-level capabilities. It is due to the perceived utility of the dynamic capability framework that Rongkung (2018) is of the view that dynamic capabilities lead to enhanced ability to ensure the existence and success of the firm in a dynamic business environment. Kory et al., (2015) emphasised the significance of dynamic capabilities in defining the capacity of the firm for proactive self-renewal, and successful prospect identification and value capturing.

Drawing from the tenets of the business model construct and the dynamic capability framework, it can be argued that the sensing, seizing and transforming capabilities of credit unions in Saint Lucia can enable the entities reconfigure their resources and activities to exploit opportunities in the market it shares with other financial service providers. Hence, this study proposes that the successful co-ordination of dynamic capacities, along with the requisite business model and organisational design, lead to increased membership, increased assets and increased capital base over time, and thereby constituting to the growth of the credit unions in Saint Lucia. This assumption will be used in seeking answers to the research questions.

Business models and business strategy are important issues of organisation design. In terms of the science on which organisation design is based, Burton and Obel (2018) are of the view that organisation theory supplies the theoretical base for organisation design. Organisation design has a profound influence on how organisations function and adapt to the environment in which they operate (Billinger & Stieglitz, 2009). According to Stanford (2018), organisation design concerns configuring the way and means to carry out the work required to accomplish the purpose of an organisation effectively and efficiently, through the execution of strategy. However, in determining how an organisation ought to be configured to achieve the desired performance, two questions that Lawrence and Lorsch (1967) asked are still relevant. They are how best to separate (differentiate or decompose) the organisational entity into sub-units and how best to achieve the integration or co-ordination of those sub-units in the quest to achieve the desired organisational performance.

Several perspectives of organisation design have been proffered in the literature and three of them (information processing theory, strategic choice theory and organisation life cycle are included this study because they account for dynamism in complex social systems. The ‘information processing theory’ asserts that the greater the level of task uncertainty, the larger the quantum of information that must be managed among those charged with decision making, and that the greater the degree of interdependency among sub-units, the more information processing that is needed Galbraith (1974). Along those lines, Joseph et al., (2018) contends that greater interdependence within the organisation can present several problems to management and explained that the rapid changes in the business environment of the firm means that the functionaries would not have advanced knowledge of when and where an organisational problem may arise, nor the best way of addressing the problem (as explained by chaos theory). This then increases the need for information and information processing (Joseph et al., 2018) which in turn can impact efficiency and effectiveness of the financial co-operative.

From another perspective, organisation design is deemed to be a response to competitive pressure from the field (Sengul, 2019). This indicates that organisation designers ought to be externally focused to determine ways of interacting with the competition, and at the same time be internally oriented to enable the crafting and implementation of efficient and effective strategy (Sengul, 2018). The organisational life cycle theory focuses on the concurrent interaction of multiple design parameters of the firm and considers the life of a firm to be a sequential array of different developmental phases (Hanks et al., 1993). In this perspective the organisation follows the five phases as postulated by Miller and Friesen (1984). The phases are: (a) birth; (b) growth;

(c) maturity; (d) revival; (e) decline. The major assumption distilled from this perspective is that growth and the level of adherence to prescribed forms of methods and procedures, (formalism) are the factors that distinguish one stage of the cycle from another and hence define the organisation design of the firm during the phase (Jirasek & Bilek, 2018).

Moreover, another important issue for consideration in determining how best to answer the fundamental organisation design problem, is how corporate governance of the organisation impacts the organisation design of the firm. Corporate governance comprises the systems and processes, operationalise by a board of directors, by which a firm is controlled, and its managers made accountable (Charreaux, 2004; Marie L'Huillier, 2014). The difficulty involved in formulating a general theory of corporate governance is due to the complex character of the subject matter, particularly since firms in their responsibilities bring together economic and social roles (Clarke, 2004). From the governance theory perspective, the aim of the agency theory is to explain the behaviour of firms by focusing on the relationship between the manager as the agent of the firm, and its owners/shareholders as the principal of the firm (Clarke, 2004; Yusoff & Alhaji, 2012; Zogning, 2017). Stewardship theory, on the other hand, sees managers as collectivists acting on behalf of the collective and are trustworthy, who place the wellbeing of the firm ahead of theirs (Martin & Butler, 2017). The theory proposes that managers and directors can be driven by matters of economic and social justice, fairness and concerns for the welfare of others (Caldwell & Karri, 2005).

The resource- based theory of governance asserts that the firm is a collective of resources, both tangible and intangible, which can form the basis of sustained competitive advantage (Helfat et al., 2023). The resource based-view theory therefore connects the capabilities and proficiencies of the board that may advance the competitive advantage to the firm. Possessing such characteristics, the board of directors can therefore add value to the firm when it uses its in-depth knowledge and skills in helping to craft strategy and the necessary organisation design. Madhani (2017).

The review of the various perspectives and theories of organisation design, and the influence of management and governance on organisation design, emphasises the need for an eclectic approach, rather than an appeal to a single theory, to understand what it takes to craft organisation design that is fit for purpose. Different researchers developed varied theories and perspectives of the subject matter based on the researchers' own reasoning, analysis and conclusions of organisational design concerns and problems. Consequently, it may be untenable to produce a unified theory of organisation design that is sound and legitimate for the changing nature and circumstance of the firm.

Moreover, from the perspective of credit unions in Saint Lucia, the tasks of organisation design, corporate governance and management must be aimed at drawing together the association of members, the board of directors and management in a way that marries them to the shared purpose for which the financial co-operative was founded (Novkovic et al., 2022). In fulfilling that purpose, the major challenges that many firms encounter are the increasing pace and scope of change which requires frequent re-design activities (Worren, 2018). Drawing from the different theories and perspectives of organisation design it is proposed that a positive nexus exists between high performance and dynamic organisational change, and that implementing organisation design changes in a particular order (sequencing) generates high performance than holding on to a particular organisation design. Drawing on this proposition, this research project aims to identify the attributes of the requisite organisation design that would advance the ambition of credit unions in Saint Lucia to achieve sustained growth.

To be in consonance with the co-operative identity, performance measures of co-operatives would consider the dual purpose of the credit union and so should account for the creation of both economic and social value (Novkovic et al., 2022). However, this was not so with several studies carried out to evaluate the performance of co-operatives (Silva et al., 2023; Torres-Teves, 2023). In those studies, the performance indicators used were all financial ratios. The characteristics of credit unions necessitate that particular care be taken in specifying performance indicators and how performance is to be measured (Fried et al., 1993; McKillop et al., 2020). And as indicated by Beaubien and Rixon (2012) co-operatives need to craft and implement strategies and measure performance in ways consistent with the co-operative culture and identity, and this concept will inform the design of this research project. The intention is to obtain a through understand of how the performance of the credit union contributed to increasing growth and how that growth impacts the organisation design of credit unions in Saint Lucia.

In developing the means for investigating how growth impacts the organisation design of credit unions in Saint Lucia a conceptual framework was used. The conceptual framework brings together the dynamics of organisational and co-operative forces to facilitate the study. The framework also focuses on how credit unions in small island economies manage the dyadic challenges of growth and the preservation of the co-operative ethos.

Furthermore, the contextual framework draws from the complexity theory approach to understand the connection between growth and organisational change. Utilising constructs from complexity theory indicates that credit union growth presents interconnected changes that result in unpredictable developments in the organisation design of those financial co-operatives. The complexity theory approach also indicates that the credit union organisation must adapt to manage interdependencies among the various organisation design dimensions so as to sustain functionality.

However, in the context of the credit union, organisational transformation, while seeking to achieve greater growth-related efficiency must still support co-operative differentiation.

The main constructs used in the conceptual framework are: the dimensions of credit union growth; organisational complexity; organisation design responses to growth and impact of adaptation on co-operative identity. The conceptual framework also included contextual factors which influence the extent to which growth impacts the organisation design of the credit union. These moderating factors include: co-operative values and principles as an attractor; leadership capabilities; dynamic capabilities; the nature of small island economic environment; position of the credit union in the life cycle and the performance measures used by the credit union.

The literature review, along with the theoretical and conceptual framework, supports a structured analysis of credit union organisation design adaptations in response to growth. This analysis is carried out within the context of a small island developing state.

CHAPTER 3: RESEARCH METHOD

The research method of this inquiry provides a systematic approach for gathering, scrutinising and interpreting the research data with the aim of answering the research questions (Creswell & Creswell, 2018; Gray, 2022). The importance of the chapter lies in the need to explain how the research was carried out to ascertain the achievement of trustworthiness, rigour, and credibility of the research results. The chapter assumes the following structure: (a) the research approach and design; (b) population and sampling; (c) instruments used in collecting the data; (d) study procedures and ethical assurances; (e) data collection and analysis; (f) summary of the main points delineated in the chapter.

The research problem of this inquiry was derived from the observation that over the past decade financial co-operatives in Saint Lucia have been experiencing steady growth in membership, assets, branches of operation and scope of service. This growth however appears to have presented challenges in the form of increasing organisational complexity and loss of differentiation in the co-operative form of business. Furthermore, the responses to the growth-related challenges on many occasions, has opposed the traditional co-operative structures built on democratic governance, member control, and member-centered methods of service delivery. Hence, the traditional model of organisational design appears stressed under the challenges of grow and the complicated demands of the contemporary financial services sector. Accordingly, this warrants a need to understand how organisational growth influences the organisation design of credit unions while adhering to their co-operative identity.

The purpose of this study therefore is to explore and derive a theoretical understanding of how growth impacts the organisation design of credit unions in Saint Lucia. The study aims to identify and interpret the modifications made to organisational culture, structures, systems, and processes on account of growth. In doing so, the research seeks to provide insights useful to credit union leaders, policymakers, and stakeholders on designing robust, member-centred organisations in the face of increasing scale and internal and external challenges.

This study utilises a qualitative research approach, underscored by the epistemological perspective of constructivism. Such a perspective contends that reality is socially constructed through interaction and interpretation of phenomena (Levitt, 2021; Phillips, 2023). The choice of research design is constructivist grounded theory. The design is particularly suitable since this study aims to develop new theoretical understandings about credit union socio-economic phenomena which has not been explored.

Grounded theory allows the researcher to develop a theory emic to research participants' experiences and points of view, as against being imposed from external theoretical constructs (Merriam & Tisdell, 2016). The constructivist grounded theory research design facilitates repetitious, flexible methods of collecting and analysing data (Levitt, 2021). This design is in sync with the research aim to explore how organisational growth is interpreted and handled within the social and organisational context of credit unions in Saint Lucia.

The population of the study is the sixteen credit unions found in Saint Lucia. The credit unions were classified into four groups based on asset size. Using purposive sampling, the largest credit union in each class was chosen to comprise the population sample. The individual credit unions in the sample were represented by their directors and general manager/CEO. These individuals, by virtue of their roles, are well positioned to offer deep understanding into organisational adaptation, strategic responses, and challenges related to the expansion of the credit union in Saint Lucia. Using the largest credit union in each asset class facilitated maximum variation in the population sample and ensured dissimilarity based on credit union size and growth path. The four research participants were organised into four focus groups, with each group composed of 6–8 individuals. The focus groups allowed identifying common patterns of meaning, differing views, and negotiated meaning, which are important in grounded theory (Gray, 2022).

Moreover, the choice of focus group discussions as the method of data collection was based on the ability of the method to facilitate the exploration of shared views of participants. The method also produces rich data from the dynamics among the research participants (Gray, 2022). A focus group discussion guide was used in collecting the data. The guide was designed to invoke reflection, conversation, and exchange among the participants in the focus group. The guide included semi-structured questions that encouraged participants to share their insight and experiences of credit union growth. It also asked them to describe organisational changes and reflect on the impact of those changes on co-operative identity, governance, and on the delivery of member service.

The focus group discussion guide was piloted to test for effectiveness. The structure of the pilot group mimicked that of the focused group used in the research. Assessing the effectiveness of the guide enhanced the quality of data obtained while conducting the research (Barbour, 2018). A digital audio recorder was used to capture all group discussions. Also, copious field notes were taken to document group interactions, body language and the reflections of the researcher.

The research followed a transparent, ethical, and methodical procedure consistent with established research practices. Approval to carry out the research was received from the university's Research Ethics Committee before data was collected. Invitation letters were sent to each individual in the focus group, detailing the purpose of the study, the rights of participants and the voluntary nature of participating in the study.

Written informed consent was received from each participant prior to the discussions, and those participants were given assurance of confidentiality and anonymity. Codes were used in transcripts and reports to safeguard identities. Participants were advised that they could withdraw from the research activity at any time with impunity. The data collected were stored securely, with only the researcher having access. The focus group discussions were held in venues easily accessible to the participants. Furthermore, sessions were arranged at times suitable for the participants to ensure procedural rigour. Rapport was built between the researcher and participants to stimulate open exchange, and all were encouraged to speak. All contributions were respected.

Data collection was carried out over a six-week period. During that time four focus group discussions were conducted with each group session lasting about sixty minutes. The conversations were transcribed verbatim in preparation for methodical coding and analysis. Consistent with the tenets of constructivist grounded theory (Levitt, 2021), data analysis was carried out concurrently with data collection. The data analysis process entailed three key coding stages:

(a) initial coding, where the data were summarised into units of meaning and then grouped into preliminary categories;

(b) focused coding: the summaries were combined thereby creating fewer categories based on patterns of meaning. Focus codes include the sub-categories, categories and cluster of categories.

(c) theoretical coding: relationships among focused codes were investigated to develop core categories and theoretical understandings about how growth impacts organisation design of credit unions in Saint Lucia.

All through the data collection and analysis activities the researcher kept memos and used constant comparison to generate analytic understandings and finetune the theory that emerge from data analysis. The study utilised stratagems that led to theoretical saturation. These procedures ensured that the research findings were trustworthy, pertinent, and rooted in genuine participant experience.

3.1 Research Approach and Design

The research approach and design collectively embody the assumptions, procedures, and strategies to be followed in carrying out the research process effectively (Baimyazaeva, 2018; Gray, 2022). The research approach makes ontological claims pertaining to the nature of the world and the nature of reality (Creswell & Creswell, 2018). The research design, as part of the research methodology, is the strategy to be deployed for obtaining answers to the questions under investigation (Gray, 2022; Merriam & Tisdell, 2016). Collectively, the research approach and design are geared at explaining how the researcher proposes to carry out the study to ensure trustworthy results (Gray, 2022).

In selecting the research approach for this study, the researcher started by first identifying the issues or what is to be researched. This identification phase involved the thorough analysis of the problem statement, the questions being investigated and the theoretical and conceptual framework underpinning the research (Asenahabi, 2019; Gray, 2022). In this way assurance is obtained that the research project is in alignment with all facets of the research process (Stenfors & Bennett, 2020), a factor fundamental to achieving research rigor (Teherani et al., 2015). The next step was to link the issues to a philosophical worldview or paradigm. Thereafter, the interconnection between the issue to be researched and the paradigm was identified. This procedure was also used to select an appropriate design for this research project.

This research inquiry seeks to theorise how growth affects the way work is arranged and carried out in credit unions in Saint Lucia. The study involves getting insights of how the directors and managers of those credit union assign meaning to the feedback obtained from the complex and dynamic business environment. In other words, the issues under consideration are in what ways do the directors and managers of the credit unions construe their experiences derived from social and business interactions. Additionally, how credit union leaders respond to interpretations of their experiences in managing and directing credit unions, considering the complexity of the operating environment. The intricacies associated with these issues are contextual and subjective and so cannot be measured or reduced to a set of observable laws. This therefore renders a qualitative approach as most fitting for this study.

Bazeley (2020) asserts that the qualitative research approach is used in inquiry aimed at exploring and obtaining insights of how people conceptualise the reality of their everyday lives, and how they give meaning to their experiences. Meanings are products of social interactions and therefore not fixed but are revised based on experiences people encounter in their world (Creswell & Creswell, 2018; Gray, 2022; Merriam & Grenier, 2019). In the qualitative form of inquiry, focus is placed on the complexity of the phenomenon being studied and therefore detailed and contextual descriptions are needed (Creswell & Creswell, 2018). In essence, the concern of the qualitative form of inquiry is with issues of reality which are unquantifiable, with a focus on comprehending and obtaining explanations of the dynamics of social connectedness (Queiros et al., 2017).

And so, understanding the factors which inform the construction of the reality of the credit union leaders in Saint Lucia warrants rich narratives which can best be obtained through the qualitative research approach. The approach also allows for a detailed description of opinions and pertinent issues encountered by the research participants and allows for the interpretation of the meanings of the actions of the participants (Rahman, 2020). Hence in this scenario, the approach provides a holistic understanding of the human social experience in a given context (Denzin & Lincoln, 2002).

Concerns have been raised about the subjectivity of the qualitative research approach which is thought to make the approach less valid and lacking generalisability (Gray, 2022). However, as with this study, generalisability of the findings of the study is of less importance as the study seeks to understand the perspective of the leaders of the financial co-operatives in the circumstance and context of the business environment of Saint Lucia.

Having identified the ontological (subjectivism) and paradigmatic (constructivism\interpretivism) factors associated with seeking to understand the perspective of the leaders of financial co-operatives in Saint Lucia, then the constructivist grounded theory research design is considered most suited for this research inquiry. This is particularly so since the emphasis of the study is to obtain insights on how a course of action, or a practice alters over time which is a main strength of the use of grounded theory (Urquhart, 2023).

Grounded theory is deemed to be both a methodology and a research design (Turner & Austin, 2021) whereby the research investigator through induction, theorises a process, an act or phenomenon rooted in the perspectives of the research participants (Gray, 2022; Sebastian, 2019). As such, grounded theory proffers a strategy which moves beyond description and continues along a path towards the theoretical elucidation of a phenomenon (Creswell & Creswell, 2018; Corbin & Strauss, 2015). The types of theory ensued from the grounded theory inquiry are deemed substantive, when compared to grand theory, for it is referent specific (Grey, 2022; Merriam & Tisdell, 2016). Such specificity makes grounded theory particularly useful for this study that seek to find out how processes, systems and structure of credit unions in Saint Lucia change over time.

The constructivist perspective of grounded theory, as expressed by Charmaz (2014), acknowledges the co-creation or co-construction of meaning between the investigator and research participants. The perspective contends that reality is socially constructed through interaction and interpretation (Levitt, 2021; Phillips, 2023). Constructivist grounded theory is supported by the pragmatic paradigm (Charmaz, 2017a). The perspective advances the view of several constructed realities, such that studies are to be considered and situated in the historic, societal and institutional circumstances of the era in which the research was produced (Charmaz, 2014; Kean et al., 2016). Hence, this study catalogues the experiences of leaders of credit unions in Saint Lucia over the period 2013 to 2022 within the context of the nature of the institutions with which the credit unions interface, and within the context of the economy of a small developing country. In terms of the researcher being a passive observer in the research process, constructivist grounded theory advances the idea that values, experiences and background of the researcher cannot be tossed aside during the research process (Charmaz, 2014). The idea is that the prior knowledge be utilised to gain comprehension of the meanings those participating in the research assign to the occurrences of their everyday lives (Farragher and Coogan 2018). However, prior learning and experiences are applied judiciously and not used to the point where it directs the research. In this regard, a reflective approach is pursued.

Ensuring a robust research strategy for this inquiry warrants that the researcher chooses a strategy or design, and associated paradigm, that provides the means to obtaining responses to the research queries. Further, the selection of design should be consistent with the investigator's own perspective of reality (Gray, 2022; Mills et al., 2006). Such a perspective is deemed to be influenced by the historic and social context of the researcher (Gray, 2022). Pertaining to this study, the research investigator subscribes to the tenets of subjectivism and so, given the ontology of relativism, and the epistemology of subjectivism linked to the constructivist perspective of grounded theory, the perspective is considered to be appropriate for this study. Theorising the effects of sustained growth on the arrangement and execution of work in financial co-operatives in Saint Lucia therefore utilises a methodology of inquiry built on regard for subjectivity, reflexivity, and constructivism.

Constructivist grounded theory studies are prevalent throughout the social sciences and in the applied disciplines of the social sciences. Such studies include for example, Khanal (2018) study of accountability for service delivery by those responsible for education services in Nepal. Another study is that of McCreadder and Payne (2014) who examined the experiences of nurses and patients in the use of humour in health care interaction. Another example of the constructivist grounded theory approach is Mekaway (2022) study of the impact of the perception and concerns of businesses on the public-private partnership in the tourism industry in Egypt. Then given the features of this inquiry on financial co-operatives in Saint Lucia, the qualitative approach, along with the constructivist grounded theory research strategy, is deemed fitting to achieve the intentions and aims of this research.

3.2 Population and Sample of the Research Study

The population for this study is the 16 credit unions in Saint Lucia. As at December 31, 2022 the total assets of the 16 credit unions stood at US$544,153,782. These credit unions, which serve as the sample frame and subject of this study, are geographically disbursed throughout the island. Of the 16 credit unions, 8 are community based (50% of the population), 3 are based in the public sector (19% of the population) while 5 are private sector based (31% of the population). Notwithstanding their base of origin, the 16 credit unions have common attributes in the sense that they all use the same core credit union software platform, share ATM services through the credit union league, offer a similar range of products and services to members, and have similar governance structures. This implies that there is a high level of homogeneity among the 16 credit unions. Understanding the nature and impact of sustained growth of financial co-operatives in Saint Lucia is the focus of this study. Hence, these entities being the research population, would be well informed to respond to the queries of this research.

This study used a non-probabilistic stratified purposeful sampling approach. This choice of sample provided the greatest means to learn about the issues which warranted the need for this study. The sampling process involved dividing the research population into strata groups based on asset size. The aim is that the commonalities within each group would engender positive group dynamics and discussion (Campbell et al., 2020; Gray, 2022). Another reason for the stratified sampling is to capture major variations which exist among the strata (Mirriam & Tisdell, 2016). As Patton (2015) indicated, the emergence of similar patterns from the different strata is indicative of the fundamental experiences the groups share in common across the different strata.

In effecting the stratified purposeful sampling, the 16 credit unions, based on total assets, were classified as micro, less than US$38 million; small, US$39 million - $49 million; medium US$50 million - $60 million; large US$61 million and above. The largest credit union in each stratum (4 classes) are chosen to form the focus group interview. The largest credit union per stratum was chosen on the assumption that the credit union would have achieved a certain degree of organisational complexity and so able to provide rich data. Each credit union in the sample was represented by their current board of directors and general manager. Credit unions in Saint Lucia on average have 7 directors plus a general manager. Hence, each focus group would have 8 representatives. However, due to absenteeism on the days of the interview, a total of were 24 individuals were present as opposed to the 32 that was anticipated.

Moreover, the number of representatives that form the focus group follows the recommendation of Fusch and Ness (2015) who indicated that the group size should be between six to twelve; small enough so that all participants can talk and large enough to create a varied group. The four focus groups would have met the selection criteria of the group participants being responsible for policy development and crafting and implementing business strategies on behalf of their credit unions. The four credit unions that ultimately emerged from the sampling process are two community based, and one each from the private and public sector.

Picking one credit union from each class, micro, small, medium, and large, enabled the researcher to cover all the organisational sizes. This method secures maximum variation while maintaining a practicable scope for in-depth, context relevant data collection and analysis. The sample drawn out of the research population is deemed to be characteristic of the population in that they possess the attributes of the population.

Furthermore, in choosing the sample size for this study, a significant factor under consideration was a choice which offered the greatest prospect for achieving data saturation (Aguboshim, 2021; Constantinou et al., 2017). In this regard, Rosenthal (2016) has argued that since generalisability does not constitute the essential target of the qualitative form of inquiry, and the essential target being the garnering of deep understanding of the meaning associated with behaviour, then smaller population sample size is justified to attain data saturation. Namey et al. (2016) are of the view that three to five focus groups are necessary to sufficiently address the research questions and as such achieve data saturation. Along those same lines, Hennink and Kaiser (2022) have postulated that studies based on empirical data achieve saturation using four to eight focus group sessions. And so given the nature of the research approach and design, four focus group interviews are deemed necessary to achieve data saturation.

To achieve data saturation, as recommended by Fusch and Ness (2015), all focus groups were asked the same core research questions. Their responses were analysed for emerging themes, which guided additional questions for subsequent interviews. The interviewees are directors and managers of their credit unions and are therefore charged with formulating and implementing strategies for their organisations. Consequently, these participants possess information relevant to the issues to be explored in the study. The choice of participant is consistent with the advice given by Hammersley (2015) and Mwita (2022) who indicated that when choosing a population sample, the focus must always be on ensuring participants have information which is necessary for answering the research questions, thereby providing opportunities for data saturation.

3.3 Materials/Instrumentation of Research Tools

Typical to all forms of qualitative studies, the research investigator is the main implement for gathering and analysing data (Merriam & Tisdell, 2016; Miles et al., 2020; Yoon & Uliassi, 2022). Besides the research investigator, this inquiry uses the focus group interview as the data gathering tool of the research, assisted by an interview protocol or interview guide (Robert, 2020). In the capacity of research instrument, during the process of undertaking the study, the investigator assigns meaning to data throughout the phases of the study (Corbin & Strauss, 2015). Understanding how credit union directors and managers in Saint Lucia use stimuli from the business environment to account for, and act in leading and managing, is an important objective of this study. In this regard, the human research instrument, with its ability to respond immediately and adaptively to stimuli, is an idyllic means for collecting and analysing the data to meet that study objective. Also, in holding the position of the primary medium by which data is gathered and analysed, the researcher's insights were broaden by drawing on both verbal and nonverbal communication emanating from the participants of the study (Creswell & Creswell, 2018).

Furthermore, as the human research instrument, data was processed immediately, elucidation sought from the participants, and unfamiliar or unforeseen responses explored immediately (Gray, 2022; Merriam & Tisdell, 2016).

Notwithstanding these benefits, the human research instrument can present shortcomings and subjectivities which can impact the data. Moreover, as opposed to attempting to get rid of the subjectivities, the research investigator identified and monitored those subjectivities channelled through the theoretical framework with which the research project is associated (Carmichael & Cunningham 2017). Subjectivities and biases are also enunciated in the context of the values and understandings of the researcher (Charmaz, 2017). Clarification was given on how the biases may be determining how data is collected and interpreted (Stephen et al., 2014). In so doing, the researcher made biases and subjectivities visible to the users of the research and this visibility is achieved through the process of reflexivity (Gray, 2022; Stephen et al., 2014).

Moreover, as part of being the research instrument, the researcher planned an approach for capturing the data to be given by the research participants (Creswell & Creswell, 2018). To this end, this research used a digital recorder along with an interview protocol (Appendix 3D) for recording and capturing the research data. The interview protocol or research guide contained basic information pertaining to the interview, including the core content questions, and format of closure (Creswell & Creswell, 2018). The interview protocol also allowed for making handwritten notes including salient quotes of the interviewees (Creswell and Creswell, 2018; Yin 2018). The research guide was also used to assist the investigator be attentive to the interview process and provides a referral point for the pertinent questions which must be addressed within the ongoing interview (Seidmen, 2013). In crafting the interview guide, the focus was on achieving alignment with the methodological objectives and intentions of the research (Castillo- Montoya, 2016).

Carrying out the set of activities involved in crafting the interview protocol assisted the researcher detect possible problems that may arise during the proposed interview, thereby making the research investigator better prepared (Roberts, 2020) and thereby contribute to research reliability (Yin, 2018).

Moreover, the malleable and emergent character of the constructivist grounded theory research strategy of this inquiry warrants that interview questions are revised, as the research advances, based on the assessment of the initial data (Charmaz, 2014). In this regard, the interview protocol evolved to capture new concepts (Roberts, 2020) as the interviews move towards data saturation. Notwithstanding its free-flowing nature, the focus group interview can benefit from some degree of structure (Roberts, 2020). This was achieved by allowing the interviewees liberty to depict and explain phenomena from their personal perspective with no persuasion from the facilitator (Creswell & Creswell, 2018; Yin 2018). Therefore, the interview process allowed for probing questions in real time, centred on the replies of the interviewees to given questions (Roberts, 2020). In this sense, the interview protocol serves just as a guide.

There is merit in piloting the interview protocol to test for effectiveness and thereafter enhanced, grounded on the reaction gleaned from the piloting activity (Castello-Montoya, 2016; Merriam & Tisdell, 2016). However, it can be argued from the perspective of the constructivist grounded theory, that piloting interview protocols might not be necessary. This is based on the notion that after the initial interview, every subsequent interview is developed from feedback received from previous interview discussions (Urquhart, 2023). Nevertheless, because of the importance of the initial interview in laying the base on which all subsequent interviews will be built, assessing the interview protocol may enhance data quality attained while carrying out the research (Castello-Montoya, 2016). Testing the interview protocol is a feasible means to getting a robust first focus group interview; one which is likely to extract rich and useful data depicting experiences and understandings of those participating in the (Castello-Montoya, 2016).

In this study, the interview guide was piloted using a focus group and interviewees who were not part of the sample used for this inquiry. The structure of the piloting group mimicked the focused group to be utilised in the research project. The pilot focus group comprised five directors of the credit union and its general manager. The piloting activity was aimed at coming up with a tool suitable for the research interviewees and yet compatible with the methodological intentions and objects of the research inquiry (Jones et al., 2014). The pilot testing indicated that some questions were difficult to understand and therefore needed refining. Also, research participants chose that moment to vent concerns unrelated to the issues under consideration. In this regard the research investigator had to be attentive without interruption, to earn the trust of those interviewees. Such an incident enabled the researcher to be better prepared for dealing with similar situations during the actual focus group interviews. The test also indicated the need to use sequel questions to refocus the participant on the research issues, in situations where the answers given are not related to the research issues. This revelation also made the researcher better prepared for the actual interviews.

3.4 Study Procedures and Ethical Assurances

This study received the approval of the Unicaf Research Ethics Committee (UREC) before the commencement of data collection (Appendix 3B). Given that approval, the process of recruiting participants ensued which involved inviting the selected credit unions to participate in the research. This request was made using the gatekeeper letter (Appendix 3C) which highlighted the intention and benefits of the research and solicited the co-operation of the credit unions. Once the selected credit unions agreed to participate, individual letters seeking informed consent were sent to their directors and general managers (Appendix 3D). In this letter, a short description of the study was given using a form and language easily understood by the directors and general managers. The letter also pointed to the right of the participants to end their involvement in the research without having to give reasons and gave assurances of anonymity of information and data. Included in the letter were also the name, address, and telephone number of the researcher who participants can contact for further information or to raise concerns pertaining to the study.

Moreover, the nature of the study necessitates that people be the research participants thereby giving rise to ethical issues (Creswell & Creswell 2018; Gray, 2022; Sim & Waterfield 2019). Among these ethical issues are how confidentiality and anonymity are to be achieved while undertaking the research. Confidentiality pertains to what is done with the data after it is in the custody of the researcher and in particular, the degree to which the data or information is revealed to other parties (Sim & Waterfield 2019). Contrastingly, anonymity focuses on whether research participants can be identified from the data (Gray, 2022).

In collecting the data using focus group interviews, affirmations were made that the data will be collected and relayed namelessly. However, if a declaration of confidentiality were made, this would prevent direct quotations from the data being reported which is typical of grounded theory designs (Miles et al., 2020). In this regard, the assurance of confidentiality is less profound when compared to that of anonymity (Sim & Waterfield, 2019).

Furthermore, the quintessence of anonymity is not the extent to which data are collected namelessly from participants, but the degree to which the data are saved and reported namelessly (Sim & Waterfield 2019). In achieving anonymity in carrying out this research, pseudonyms were assigned to the interviewees and to the credit unions that the interviewees represent. Those same pseudonyms are used on the data capturing tool or the digital files in which the data are stored.

Also, the interview responses are coded and not analysed individually, but at the group level, hence participants will be anonymous. Besides fulfilling the tenets of anonymity, the research investigator is duty bound to safeguard the participants and promote the integrity of the study (Merriam & Tisdell, 2016; Grey, 2022). This research inquiry bore a minimum degree of risk to participants with the issues under consideration not being delicate in nature. The interview sessions were scheduled to accommodate the time schedules of the participants thereby minimising disruptions to their daily routine. The sessions were held in the boardroom of the particular credit unions.

In conducting the focus group interview, wherever possible, horse-shoe layout was used for seating the participants so that they would face each other and therefore more likely to engage in discussion. The researcher served as facilitator and guided the interview using an interview protocol (Appendix 3E). During the focus group interviews as part of the briefing, the facilitator made introductory remarks and asked participants to introduce themselves. Thereafter, details of the intentions of the inquiry and that of the focus group interview were given. The facilitator then defined key terms linked to the interview questions (Appendix 3E). The facilitation continued by offering reassurances of anonymity and mentioned the constraints of group discussion as it relates to confidentiality.

A point which was stressed during the briefing is that participants are at liberty to discontinue participating in the interview with impunity. The facilitator also asked participants permission to use an audio-recorder for recording the interviews to which all participants consented. The facilitator stated that the approximate length of the interview would be one hour and informed participants of the courtesies to be extended during the session, including speaking one at a time. Preceding the actual start of the interview, the research collection tool (Appendix

3E) which served to collect demographic data and a reiteration of signed informant consent (Piper & Simon, 2005) by the participants was distributed and collected thereafter. The facilitator proceeded to ask the main content questions along with ensuing probing questions. The main content questions had been sent to participants ahead of the interview, after they had consented to take part in the study. In doing so the participants got to be informed of the nature of the issues that will be brought up during the interview. Before closing, participants were allowed to share any other information which was not brought up during the interview. In closing the interview, participants were asked whether they would avail themselves for a follow-up interview if one were deemed necessary. All participants indicated that they would make themselves available. The facilitator closed the session by thanking the participants and promised to provide them with a copy of the research abstract after the study is completed.

3.5 Ethical Assurances

Research, regardless of approach, is concerned with turning out well-grounded and trustworthy findings using ethical processes and procedures (Gray, 2022; Merrian & Tisdell, 2016). Research is trustworthy to the extent that rigor was exercised during its implementation (Creswell & Creswell, 2018). One of the elements of rigor and research quality is the need to adhere to the tenets of ethical principles (procedural ethics) when carrying out the research (Gray, 2022; Merriam & Tisdell, 2016). However, in the practice of research, ethics can be a situated endeavour in that there is the need to balance how ethical principles are applied in given situations (Piper & Simons, 2005). Essentially, research ethical principles are used to set standards for conducting research and thus, guide the actions and behaviour of the researcher when carrying out the research (Merriam & Tisdell, 2016; Piper & Simons, 2005). The focus of ethical principles is the protection of the rights of research participants (Gray, 2022). Consistent with the paradigm of constructivism which guides the grounded theory research design of this inquiry, ethical principles covered the following core area of needs: cause no maltreatment to research participants; safeguard participants' informed consent; approbation for the privacy of participants, (Gray, 2022; Merriam & Tisdell, 2016).

The concept of harm or maltreatment includes not just physical harm but both mental and emotional harm (Gray, 2022). In this regard, a study will be deemed harmful if it causes participants to be inconvenienced, ridiculed, humiliated, suffer from mental distress, or induces negative emotional reactions in the participants (Gray, 2022). In adhering to the principle of avoiding harm, the focus group interviews were all scheduled after negotiating the time with the participants. The aim was to minimise interferences in the routine of the participants. Moreover, in carrying out the study, the need went beyond avoiding harm to the participants and included focusing on producing positive benefits (Piper & Simons, 2005; Gray, 2022). Theorising the impact of growth on how work in arranged and carried out by financial co-operatives in Saint Lucia not only adds to the repertoire of knowledge but provides explanations and understandings that credit union leaders (the research participants) can use to better manage their co-operatives. Hence, acting ethically also means designing studies that would not waste the time of participants, and can produce trustworthy and useful results (Gray, 2022; Merriam & Tisdell, 2016).

Informed consent is a major ethical issue in studies involving people as participants (Sim & Waterfield, 2019). The specific importance of consent in focus group interviews is borne out of the vulnerable position in which research participants are placed, in that the research facilitator motivates participants to disclose their understandings or perspectives, and such disclosure is made in the presence of others (Gary & Hart, 1999). However, consent by the research participants gives legitimacy to the data collection activities of the researcher (Schnuriger, 2018; Walker, 2018). The underpinning moral base of permission is the concept of self-rule, and as such, the consent process is perceived to safeguard or foster independent means by which the research participants arrive at a decision (Sim & Waterfield, 2019; Merriam & Tisdell, 2016). In order to conclude that a study has the permission of the research participants, the necessary elements of consent has to be fulfilled (Gray, 2022), namely, the sufficiency of information given to the participants; the degree to which the participants understands the information; intellectual or emotional capacity of the participants to grant or not grant consent, and the lack of intimidation or duress (Fletcher, 2015; Sim, 2010). In this research project, assurances of these four elements were given in the letter recruiting participants and requesting their consent (Appendix 3). The elements were realised and reiterated during the briefing, prior to the actual focus group interview. As part of that briefing, interviewees were once again informed of the intentions and aims of the study, topics that will be discussed, the way the interview will be carried out and the anticipated length of the discussion. The participants were invited to ask questions for further elucidation.

Notwithstanding the pronouncements and assurances, achieving informed consent in focus groups can be problematic due to the interview process being iterative and emergent, as opposed to being fully planned (Sim & Waterfield, 2019). What takes place during the interview is dependent on other participants who may at the spur of the moment raise issues not anticipated by the facilitator (Potrata, 2010). This therefore makes the sufficiency of information, and the degree of disclosure prior to the interview, quite tenuous (Sim & Waterfield, 2019; Wiles, 2013). It is then incumbent on the researcher to guide the interview using situated and contextual ethical responses to unanticipated issues which emerge during the research interview (Goodwin et al., 2020; Perez, 2019). Achieving informed consent can generate significant benefits to the inquiry in that interviewees are liable to be more motivated and therefore be more expressive, confident, and candid in their answers (Crowe et al., 2006). Greater confidence should also increase the degree of participation in the interview, and so all of this could positively impact the quality of data (Markham et al., 2018; Sochacka et al., 2018). To this end, during the briefing, the interviewees were told of the possible benefits of the study and the way in which data will be stored and managed. By understanding the information given, the participant can then envisage the situation to which he or she is agreeing, and by extension, create expectations of their involvement in the study (Crowe et al., 2006; Dooly et al., 2017; Sim & Waterfield, 2019).

Respecting the privacy of interviewees was realised while gathering and examining the data. This was achieved by the practice of the investigator not asking questions which would intrude into the personal life of interviewees (Gray, 2022). Also, giving allowance to the research interviewees to exercise their right to terminate their participation in the discussion at any time or decline to respond to questions considered discomforting or upsetting (Merriam & Tisdell, 2016). Added to that, respecting, and preserving the participants' privacy involves controlling access and use of the data gathered (Lee et al., 2016; Sim & Waterfield, 2019) In this regard, technical and social means were employed (Lee et al., 2016). Using technical methods, the research data is protected from unauthorised access. To this end, the data is accessed only by the researcher using two factor authentication. The data are stored in cloud servers and retained for five years beyond the conclusion of the research and thereafter deleted permanently. The social solutions employed in esteeming the participants' privacy and guarding the data against unauthorised use, entailed the researcher establishing acceptability and understanding among interviewees concerning how the gathered data is to be utilised.

In achieving quality research, the researcher must not only operationalise the tenets of ethical principles while carrying out the research (Guillemin & Gillam, 2004; Goodwin et al.,

2020) but must also achieve research integrity (Merriam & Tisdell, 2016). Research ethics encompasses the moral principles which guide the conducting of research in an accountable and morally valid manner (Gray, 2022). Closely linked to the realisation of ethical principles in research is the concept of research integrity, which refers to research behaviour examined using academic or profession related measures of quality (Komic et al., 2015). So as to achieve integrity in the study, the research investigator has an obligation to produce high quality research made up of accurate information, proper representation of the use of the work of others, and truthfulness before, during and after the research is carried out; these factors all form part of the elements of honesty in research (Miles et al., 2020). While carrying out this research project, research integrity is achieved by providing audit trails and being transparent about the procedures, processes, and findings of the study. Also, research integrity is achieved by giving credit to the work of others used in the study. These practices provide evidence of truthfulness and honesty to all parties participating in the research, users of the research, and others in the field of research.

Another important factor in achieving both research procedural rigor and research integrity, is the declaration of researcher's role in the inquiry (Sanjari et al., 2014; Raheim et al., 2016; Xu & Storr, 2012). The constructivist grounded theory design of this study calls for interactivity between the research investigator and interviewees (Charmaz & Keller, 2016). Such interactions can pose ethical challenges for the researcher by virtue of the dynamics between the research investigator and interviewees (Sanjari et al., 2014). In addressing those issues while carrying out this study, the role of the researcher is made clear by integrating a reflective approach into the processes of the research (Raheim et al., 2016). The action of reflexivity indicates that the research investigator is directly connected to the building of knowledge based on the research, and not a distant observer (Creswell & Creswell, 2018). Therefore, as opposed to being an impartial witness, the researcher is deemed to be someone whose observations are selective and whose interpretation of data are grounded in the research investigator's beliefs and values. (Gray, 2022; Raheim et al., 2016). During this inquiry, through reflexivity, the researcher makes his influence on the research overt to himself and others. Also, reflexivity is necessary to avoid prior learning or experience distorting the insights of the researcher (Ramalho et al., 2015; Stephen et al., 2014).

Furthermore, being clear about the beliefs and values which underlie the stance of the research investigator is critical in judging the quality of the inquiry and the authenticity of its insights (Reid et al., 2018). In this research, the choice of constructivist grounded theory design reflects the epistemological stance of the research investigator who is of the view that knowledge is constructed jointly by the investigator of the study and research participants, and that knowledge is dependent on existing understanding and beliefs. In this inquiry, the investigator holds the position of practitioner-investigator in that the researcher is a credit union manager conducting research on credit unions. This dyadic position brings to the forefront issues of ethical relationships in research (Stephen et al., 2014; Reid et al., 2018). This warranted that the researcher be reflective and assessed the status of this existing relationship within the circumstances of the purpose and intents of the inquiry. Furthermore, the researcher has a working knowledge of the area of study, a shared identity (credit union leaders) as well as a shared corpus of knowledge by reason of having similar or allied professional roles within the credit union sector in Saint Lucia. Also, the researcher knows the interview participants outside the confines of research investigator, hence the need to evaluate the effect of researcher-participant relationship on this study. Whereas the position of the researcher as practitioner-researcher is valuable in generating practice awareness, however it can bring impartialities and assumptions to the research (Gray, 2022; Reid et al., 2018). And so, while carrying out the activities of the study, the researcher remained alert to spot and reflect on incidents which have bearings on the researcher- participant interaction. These incidents, captured in memos, served as research audit trails and disclosure in the context of managing the ethical challenges that ensue from the investigator's role of practitioner- investigator.

The research pursues a constructivist grounded theory design and makes the claim that by virtue of this design, reflexivity is already incorporated. This is so because the design method calls for reflective theoretical sensitivity, which entails using prior knowledge and experience to construct meaning and insights from the study (Charmaz, 2017; Hall & Callery, 2001; Johnson, 2014; Stephen et al., 2014). In carrying out the research method of this study, prior knowledge and personal experience are brought to bear on the analysis of the data. This is done to exploit the value and depth capable of being unearthed, without compromising the primacy and dominance of the empirical data (Carmichael & Cunningham, 2017; Corbin & Strauss, 2008). Whenever personal experiences or prior knowledge are used in making decisions in the study, the researcher recorded in memos the reasons why the prior knowledge or experience was used and the ensuing theoretical ideas and their implications to the study.

Reflexivity involves introspective, investigative self-awareness of the investigator's encounters with events or knowledge, and the general influence on the activities of the research (Raheim et al., 2016). A reflective approach asks that the researcher discloses attributes and inclinations which may impact the research process (Charmaz, 2014; Verschuren, 2016; Reid et al, 2018). The research investigator in this inquiry is the general manager of the largest credit union in Saint Lucia and former head of the government department regulating credit unions. This position of the researcher can bring issues of power dynamics and power asymmetry to the research (Raheim 2016; von Vacano, 2019). At face value, it would appear that power favours the researcher who facilitates the activities of the research, poses questions, while the participants provide answers. However, in carrying out the activities involved in gathering data, power is co-constructed in that the research participants exercise influence in the formation of knowledge (Ben-Ari & Enosh, 2013; Raheim et al., 2016). This power is exerted by the participants choosing what to disclose to the researcher through the dialogic and reciprocal nature of the interview process (Reid et al., 2018). Furthermore, participants may come to the interview with their own agenda and so what is deemed to be knowledge is not only at the behest of the researcher (Karnieli-Miller et al., 2009). Also, whilst carrying out the focus group interviews, the research investigator is dependent on the willingness of participants to contribute to the discussions and share their reflections and experiences on the research questions.

The significance of reflective scrutiny of oneself when carrying out research has been contended in the literature using the argument that personal disclosure can spiral into boundless analysis of the self, at the cost of the purpose and objectives of the inquiry (Finley 2002; Raheim et al., 2016; Weber, 2003; Gray, 2022). In other words, the researcher becomes so engrossed in self-examination that it becomes the actual emphasis of the study. However, in understanding the arguments cited against the use of reflexivity in research, this researcher welcomes and accepts reflexivity to the extent that it is in sync with the researcher's viewpoint towards epistemology, and precepts of constructivist grounded theory. In the absence of critical responsiveness to the research milieu or circumstance, and the role and presence of the investigator, knowledge claims made through the research findings might be gravely compromised (Creswell & Creswell, 2018; Gray, 2022; Rahiem et al., 2016) and thus the need to embrace reflexivity.

3.5 Data Collection and Analysis

In this study, the data for grounded theory was obtained by focus group interviewing. The focus group interview provides the best method for generating the data needed to obtain responses to the queries of this study. The ability of the focus group interview to provide the opportunity to identify the collective perspective of the group is significant for this study, since credit unions in Saint Lucia may have common problems. The research method is also in sync with the characteristics of the constructivist research approach and design (Carmichael & Cunningham, 2017). The shared interactive feature of the focus group interviews allows for validation of ideas and concepts through the group discussions. Further, the type of data generated through the group dynamism which the research method affords, is unique and is not accessible through individual interviews (Merriam & Tisdell, 2016). Moreover, it is this kind of data which is desired to understand how the interviewees interpret and give meaning to the feedback they receive from the business environment as they lead their various credit unions. This is particularly so since these financial co-operatives are competitive with one another yet espouse a commitment to the co-operative values and principles, with one such principle being ‘co-operation among co-operatives.’ Hence the focus group interview affords opportunities for profound understanding of numerous interpretations of a particular subject matter from the research participants.

The focus group interview as a tool for data gathering is well utilised and established in the social sciences and the applied disciplines of the social sciences. Aitken et al. (2019) for example, used focus group interviews to investigate the extent to which public discussions influence the ethical handling of data in banks. In another study using focus group interviews, Alam (2020) examined the characteristics of successful calculus teachers within the socio-culture of India. Chawla and Joshi (2019) examined factors which influenced the attitude and intention of customers in India to use mobile wallets. In yet another study using the focus group interview, Pecorelli et al. (2022) examined the extent to which software testing of mobile phone apps yielded the desired results.

This research inquiry aims to discover and ultimately theorise the effect of growth on how work is arranged and carried out in financial co-operatives in Saint Lucia, grounded in the emic insights of the research participants (Turner & Astin, 2021). The study follows a constructivist grounded theory approach. The two main distinguishing factors of grounded theory are that data gathering, and data analysis are done concurrently and repetitively, and that constant comparison is made between freshly gathered data and previously collected data (Charmaz, 2014). The tenets of these two differentiating factors of grounded theory, along with an inductive approach, form the strategy (Gray, 2022) for the labelling and scrutiny of the data in this inquiry. The research method phase of the inquiry started with the purposeful selection of the research participants to form focus groups, with the culminating point being the achievement of theoretical saturation of themes and thereby obtain the means of responding to the research queries (Hennink et al., 2017).

In the process of achieving theoretical saturation, extant literature content facilitates the researcher adopt a reflexive posture (Carmichael & Cunningham, 2017; Sebastien, 2019) by integrating the consultation of scholarly sources (the theoretical underpinnings of the study) in the analytic process of the data. Such sensitising consultation was applied to each focus group transcript in turn, as part of the analytic procedures. This manner of using literature facilitates the labelling of categories or themes, properties of themes and variations within each theme (Carmichael & Cunningham, 2017). In this study, data collection is done simultaneously with data analysis. The constant comparative approach was utilised to analyse the data. This consists of relating one piece of data to another piece of data to determine whether they are similar or different (Gray, 2022; Merriam & Tisdell, 2016). The objective is to identify associations in the data which are then set up in relations with each other in the building of a grounded theory.

Once all focus group interviews were carried out and transcribed, there was rigorous assessment in which the provisional findings are verified, amended, and reconstructed. In this constructivist grounded theory research, the role of the research investigator warrants that, as opposed to being withdrawn and detached from the data, the investigator be actively engaged in its interpretation (Charmaz, 2014; Charmaz & Keller, 2016). And so, the researcher constructs meaning and understanding from the data as opposed to discovering meaning and understanding (Carmichael & Cunningham, 2017; Charmaz, 2014; Sebastian, 2019).

The data coding process involves assigning interpretative labels to concepts or themes that are constructed from the data (Saldana, 2016). The constructivist grounded theory research method utilises three main steps in the procedures of coding and analysing the data (Charmaz, 2014; Sebastian, 2019). The first phase (initial coding) involves giving conceptual labels or codes to units of data gathered to construct preliminary categories. The second phase (pattern or focus coding) entails combining the preliminary categories to create fewer categories based on patterns of meaning. Pattern codes include the sub-categories, categories and cluster of categories. The third phase of the coding process, the theoretical coding phase, involves investigating the relationships among pattern codes (Charmaz, 2014; Miles et al., 2020) to develop core categories and theoretical understandings about how growth impacts organisation design of credit unions in Saint Lucia.

And so, in the first phase of the data analysis the researcher started by reading the first interview transcript and field notes, to create units of meaning (Levitt, 2021). The units were created by dividing the transcribed texts into manageable portions to facilitate analysis (Rennie, 2000). These units are data segments that offer responses to the quires of the study (Merriam & Tisdell, 2016). This unitising of data enabled the conceptualising of texts into the units of meaning such that each unit contains one dominant meaning pertinent to the question being researched (Levitt, 2021). The content of each unit is conceptualised and coded concurrently. Such an approach addressed one of the fundamental criticisms of grounded theory, which is the need during the analytic process to desist from examining a plethora of phenomenon which do not contribute to answering the research question (Cutcliffe, 2000; Urquhart, 2023). In this regard, the approach of the concurrent conceptualising and coding of units of meaning proffers efficiency and parsimony in that it (a) significantly cuts the time needed to carry out the initial phase of the analytic process; (b) focuses on drawing out meaning from the data from the very beginning of the analytic process and (c) minimises labelling of processes that have little or no bearing on answering the questions being researched, or on the purpose of the inquiry (Levitt, 2021).

During the first phase of the coding process, the segments of data, or units of meaning, were given labels or codes using active verbs or gerunds (Carmichael & Cunningham, 2017; Charmaz & Keller 2016; Johnson, 2014). The active verbs were used in phrases that are specific and clear about how the units answers the question under inquiry. Coding using active verbs enabled the researcher to extract implied meanings from the data which was then used to construct explanations, theoretical assumptions and interconnectedness between codes and themes or categories (Carmichael & Cunningham, 2017). Miles et al. (2020) refer to active verb coding as process coding and these researchers suggest that such coding can comprise conceptual action in the data, for example change, emergence and progress. In keeping with their suggestion, concepts such as strategy, stability, growth, and adaptation were added to the active verb coding, so coding reflected the dynamics of the passage of time (Miles et al., 2020) and so was in sync with the tenor of the research project. As much as possible the codes for the units were grounded in words and expressions used by the focus group interviewees. This ensured that the meaning they espouse is retained.

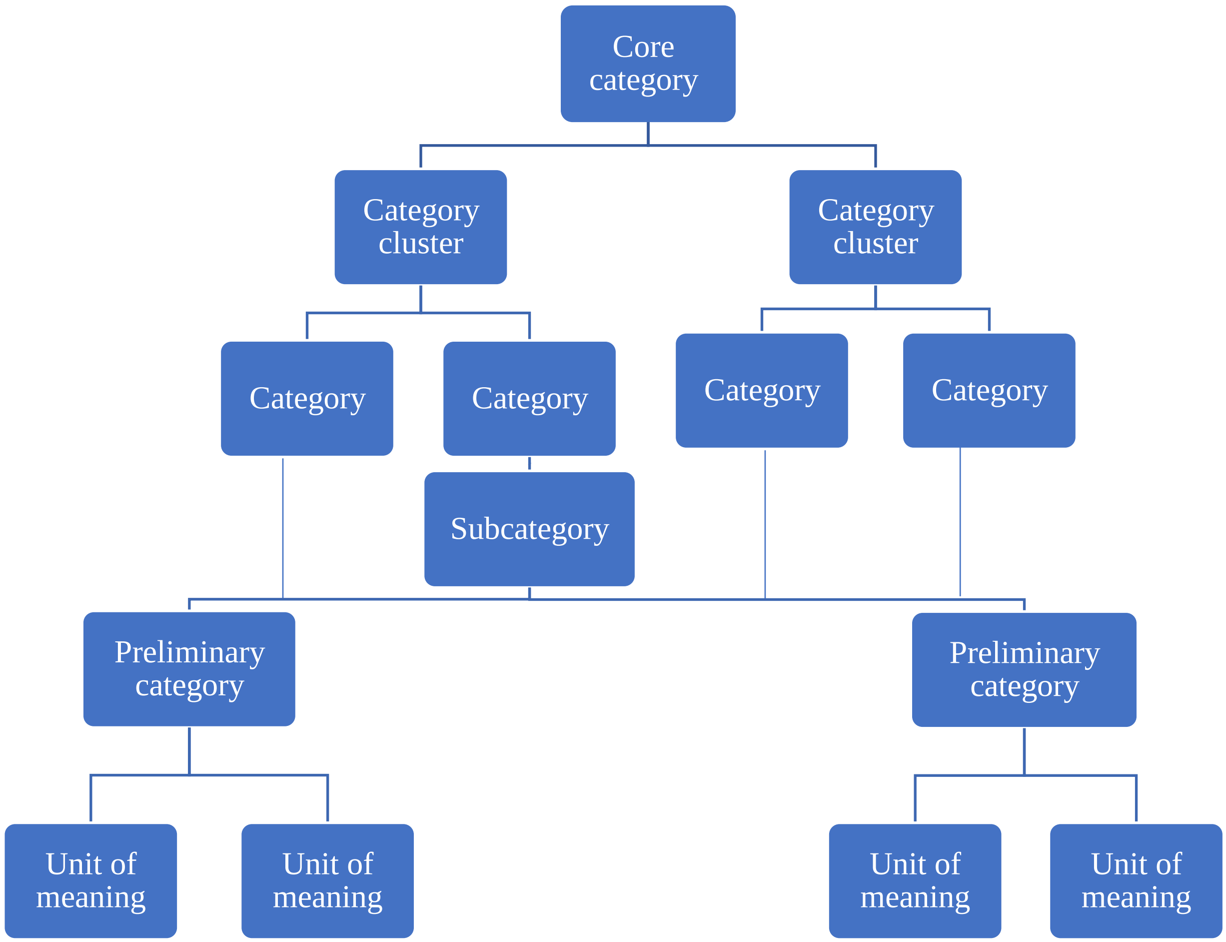
After units of meaning and preliminary codes had been created from the text of the first focus group interview, higher level pattern categories of codes for that text were created. Such an initiative prior to the collection of all data enabled the identification of gaps in the data (Levitt, 2021). In addressing those data gaps, interview questions for subsequent focus group sessions were changed to capture data to fill the data gaps, thereby adhering to the tenets of theoretical sampling (Gray, 2022).

Memos were recorded right through the coding procedures, and in so doing, prior learnings of the researcher, related to the study, were recognised in a critical and reflective manner (Creswell & Creswell, 2018; Gray, 2022). The writing of memos provided a methodical means by which the research investigator captured reflections and notions of the data, including the analytic procedures (Saidana, 2016). Memo writing was also used to jot down new questions that emerged during data coding and analysis (Carmichael & Cunningham, 2017; Saldana, 2016). These memos contribute to the progression of constructing theory (Urquhart, 2023) which is the key objective of this study.

The first phase of the labelling and analysis procedures of the data provided the research investigator with a means to initially précis or summarise data segments. The second phase provided a way of combining those summaries and thereby constructing fewer categories or concepts using pattern codes (Miles et al., 2020). These focus or pattern codes are illative or explanatory in nature and draw together material from the first phase of the coding and analysis process into more meaningful units of analysis. Hence, pattern codes are higher level codes (Saldana, 2020) and as indicated in Figure 7, they include the cluster of categories, categories, and subcategories. Pattern codes are used to summarise data categories, causes, explanation and relationships among various facets of the phenomena (Gray, 2022; Urquhart, 2023).

Figure 7

Hierarchy of categories



Note. Adapted from *Critical Constructivist Grounded Theory* by Levitt, A., 2021 p.64

Furthermore, in this second phase of coding and analysis in creating the higher-level codes, each unit of meaning or data segment is compared with every other segment to create categories that reflect meaning held in common. Data units are then assigned the same code, a different code and in some instances, a sub-category of an existing code thereby demonstrating the features or attributes of that code (Carmichael & Cunningham, 2017; Saldana, 2016). This process of constant comparison also requires that the investigator identify the labels that are associated theoretically (Miles et al., 2020) so that they may be grouped together to form category clusters.

During the third phase of coding, the researcher considered the commonalities across the data categories and cluster of categories in identifying the core category. The core category is the code that captures the dominant idea emerging through the analytic process and offers the most promise, in terms of contributing to theory building (Miles et al., 2020). To be considered beneficial, the core category must possess both fidelity and utility (Levitt, 2021). Fidelity is displayed by the core category being able to explain the relationship and dynamics between the data categories and clusters and thereby provide the means to improve the understanding of the phenomenon being studied. Such understanding is generated and grounded in the data (Urquhart, 2023). On the other hand, the core category displays utility by being able to meet the aims and objectives of the research inquiry. This includes being able to offer innovation and introduce novel solutions in the area of the study (Levitt, 2021).

As the coding and analysis process continued, pattern codes, and propositions constructed from pattern codes were clarified through an iterative process of analysis (Levitt, 2021). This in the main is an inferential process where the research investigator seeks to educe deductions or conclusions and verify them from the data, as part of theory construction (Miles et al., 2020). Table 7 gives a precis, outlining the activities undertaken during the three phases of the labelling and analytic activities. The activities are iterative, notwithstanding the semblance of ordinality.

Table 7

Coding and analysis activities

1. Transcribe recordings of focus group interviews and type up field notes into a document.
2. Read and reflect on the contents of the data.
3. Create units of meaning to code all the data.
4. Keep memos of thoughts and ideas.
5. Identify connections and relationships between codes to create categories and subcategories.
6. Identify how categories relate to create cluster of categories.
7. Search for variations in the data.
8. Review and redefine codes.
9. Describe themes.
10. Compare and relate themes emerging from the different focus groups.
11. Report reflectively on research perspective, values and beliefs.
12. Reach data saturation.
13. Create core category from the cluster of categories.
14. Show how research conclusions are reached from the core categories.
15. Show how data support the responses to the research inquires.
16. Construct substantive theory.

Note. Adapted from *Doing research in the real world,* by Gray, D., 2022, p.774.

3.6 Summary

The chapter accounted for the methodology of the research and was written giving details of procedures and processes to facilitate replicating the study if needed. In the chapter, the study approach and strategy were described indicating that collectively they embody the assumptions, procedures, and strategies to be followed in carrying out the research process effectively (Gray, 2022). The chapter outlined the procedure in selecting the research approach indicating that the method requires that the researcher identify what is to be researched. As indicated by Asenahabi (2019), this identification phase involves firstly, the meticulous scrutiny of the issues which justified the need for the study, the questions of inquiry, and the theoretical framework underpinning the inquiry. This also ensures that the research project is in alignment with all facets of the research process (Stenfors & Bennett, 2020). The next step of the procedure is to link the issues to a philosophical worldview or paradigm. The final step is to identify the interconnection between the issue to be researched, and the paradigm identified (Creswell & Creswell, 2018). These three steps were used to select both an appropriate approach and appropriate design for this research project.

This study examines how credit union leaders in Saint Lucia interpret their experiences gained through social interactions, and how these interpretations inform their actions in leading and managing their credit unions within the complex operational environment they face. The aim is to theorise that process. The intricacies associated with these issues are subjective and cannot be measured or nomothetically reduced to a set of observable laws. Understanding factors which inform the construction of the reality of the credit union leaders warrants rich descriptions which can best be obtained through the qualitative research approach underpinned by a subjectivist/constructivist paradigm.

The chapter indicated that the study approach chosen determines the corresponding study strategy or research design to be pursued (Gray, 2022). Using the same three step procedure used in selecting the research approach, the constructivist grounded theory research design emerged as most suited for this study. The constructivist perspective of grounded theory advances the view of several constructed realities such that studies are to be considered and situated in the circumstances of the time in which the research was produced (Charmaz, 2014; Kean et al., 2016). The multiplicity of realities points to the notion that the values, experiences and background of the researcher cannot be tossed aside during the research process. This point is emphasised by Farragher and Coogan (2018) when they indicated that the aptitude of the research investigator to utilise prior learnings to appreciate the connotations research participators assign to their experiences. The researchers posited that the prior knowledge and experience of the research investigator may point the way to constructing useful theories applicable to contexts related to the area of study. However, Charmaz (2014) warns that all prior knowledge, in the area of study, should be applied judiciously and used as provisional tools, and not to the point where it directs the research.

The chapter also delineated the process of choosing the population and sample for the study. The population for this inquiry are the 16 credit unions in Saint Lucia and serve as the sample frame and subject of the study. The credit unions all subscribe to co-operative values and principles, offer a similar range of goods and services to members, and have similar governance structures and are therefore deemed to be homogeneous in this regard. As the research population for the study, the credit unions have the capability of providing information rich answers for the research queries.

In choosing a sample size for this study, a significant factor under consideration is a choice which offered the best opportunity for achieving data saturation (Aguboshim, 2021). However, the idea of data saturation, how it is achieved or whether a sample size can be decided *a priori* to achieve data saturation, continues to be a source of contention (Braun & Clarke, 2019; Hennink & Kaiser, 2022; Sebele-Mpofu, 2020; Sim et al., 2018). Notwithstanding the contention, qualitative researchers continue to use saturation as a major metric in assessing the appropriateness of sample sizes (Chitac, 2022).

In the context of this study and drawing from the work of Hennink et al. (2019), data saturation is deemed to be achieved at the stage when no new understandings are forth coming from the data, such that the perspective of the research participators have been understood. The study pointed out that in seeking to achieve data saturation and following the advice of Fusch and Ness (2015), the same core content research questions were posed to each of the focus groups and their responses analysed to determine what themes and insights emerge. The participants who form the focus group are directors and managers of their credit unions and are therefore charged with formulating and implementing strategies for their organisations. Consequently, these participants possess information relevant to the issues and queries raised in the inquiry, and thereby providing opportunities for data saturation (Hammersley, 2015; Mwita 2022).

The study went on to indicate that since generalisability is never the essential target of the qualitative form of study, and that the main intention is garnering cognisance of the meaning associated with action, then smaller population samples are justified to attain data saturation (Rosenthal, 2016). Namey et al. (2016) are of the view that three to five focus groups are necessary to sufficiently address the research questions and as such achieve data saturation. Hennink and Kaiser (2022) have postulated that studies based on empirical data achieve saturation using four to eight focus group sessions, particularly in studies involving homogenous research populations. And so given the intentions of the study, along with the character of the population being studied, four focus group interviews are deemed necessary to achieve data saturation. However, considering the iterative and emergent characteristics of the of the grounded theory approach, additional interview sessions would be held if warranted, (Merriam & Tisdell, 2016). Consequently, an adaptive approach to achieving data saturation is pursued (Malterud et al., 2016).

The chapter pointed out that the research used purposeful sampling because the investigator wants to investigate, understand, and gain insights from the population. The choice of sampling provides the means to learn the most about the matters pertinent to the intentions of the inquiry (Merriam & Tisdell, 2016). The sampling procedure utilised non-probabilistic stratified purposeful sampling to pick participants from the population (Gray, 2022). The process involves dividing the research population into small homogenous groups with the aim that the commonalities within each group would engender positive group dynamics and discussion (Campbell et al., 2020; Gray, 2022). Another reason for the stratified sampling is to capture major variations among the strata (Mirriam & Tisdell, 2016).

In effecting the stratified purposeful sampling in this study, the 16 credit unions, based on total assets, are classified as micro, small, medium, or large. The largest credit union in each class is chosen to form the focus group and are represented by their current board of directors and general manager, totalling 8 representatives per group. The number of participants that make up the focus group meets the recommendation of Fusch and Ness (2015) who pointed out that such groups should comprise six to twelve participators; small enough so that all participants can talk and large enough to create a varied group. The four focus groups would have met the selection criteria of the group participants being responsible for policy development and crafting and implementing business strategies on behalf of their credit unions.

The chapter advanced that purposeful sampling aligns the research sample to the intentions and aims of the study, thereby contributing to the credibility of the study results (Campbell et al., 2020). The inquiry adhered to standards of rigor and trustworthiness by ensuring the sampling and research process focused on examining the research design and methods used to derive findings and provides audit trails or depiction details to safeguard research transparency and credibility (Hadi & Closs, 2016).

In constructing audit trail, memos and details are recorded on the undertakings as the study is being implemented (Amin et al., 2020). The content of the memos includes personal reflections, decisions taken with regards to problems and ideas which emerge while collecting and analysing the data (Creswell & Creswell, 2018). Producing trustworthy study is dependent on the sturdiness of the methodology of the inquiry of which the selection of population and research sample play a significant part Gray, 2022).

The chapter presented that typical to all forms of qualitative studies, the research investigator is the principal means of gathering and scrutinising data (Yoon & Uliassi, 2022). In this study, the research data gathering tool utilised is the focus group interview assisted by an interview protocol or interview guide (Robert, 2020). Along those lines, the chapter indicated that the research investigator assigns meaning to data throughout the phases of the study, while serving in the capacity of the main instrument for gathering and scrutinising data (Corbin & Strauss, 2015). Understanding how credit union directors and managers in Saint Lucia use stimuli from the business environment to account for, and act in leading and managing, is an important objective of this study. In this regard, the human research instrument, with its ability to respond immediately and adaptively to stimuli, is deemed an idyllic means for gathering and scrutinising data to achieve research intentions.

In functioning as the instrument of the study, the researcher planned an approach for capturing the data given by the research participants (Creswell & Creswell, 2018). To this end, the researcher used a digital recorder for recording and capturing the research data. The interview protocol or research guide used in the interview sessions contained basic information about the interview, the core content questions, and format for closing the group session (Creswell & Creswell, 2018). The interview protocol was used for asking the core research questions (Yin 2018) and making handwritten notes including salient quotes of the participants. The instrument was used to assist the research investigator remain attentive to the interview process as well as being a reference of the pertinent questions which must be addressed within the ongoing interview (Seidmen, 2013).

The chapter highlighted that the flexible and emergent nature of the constructivist grounded theory design of the research necessitates interview questions are revised, as the research advances. This revision is centred on the result of scrutinising the initial set of data (Charmaz, 2014). In this regard, the interview protocol reflects the concept of theoretical sampling and evolves to capture new concepts (Roberts, 2020) as the focus group interviews move towards data saturation. The chapter indicated that the focus group interview can benefit from some degree of structure; however, the discussion must be allowed to flow uninhibited (Castello-Montoya, 2016). In this regard, the interview protocol simply gives guidance to the interview process.

The study asserted that there is merit in piloting the interview protocol to test for effectiveness, and thereafter improved, using responses and reactions obtained from the piloting activity (Castello-Montoya, 2016; Merriam & Tisdell, 2016). The inquiry pilot tested the interview protocol using a focus group not included in the study sample. The makeup of the group mimicked the focused group to be used in the study. The intention of the piloting activity was to construct an implement fit to guide the study (Jones et al., 2014). The pilot testing indicated that some questions were difficult to understand and therefore needed refining. The test also indicated the need to use sequel questions to redirect participant's attention to the research queries, in situations where participants gave responses unrelated to those queries.

The chapter explained that after the study obtained the consent of the Unicaf Research Ethics Committee (UREC), the process of recruiting participants followed. This involved using the gatekeeper letter to invite selected credit unions to be research participants. With the agreement of the selected credit unions received, individual letters seeking informed consent were sent to their directors and general managers. The letter indicated the intention and the significance of the study. It also pointed to the prerogative of the participant to discontinue from the research without having to give reasons and gave assurances of anonymity of information and data.

Since people are the research participants in the study, this then gives rise to ethical issues (Creswell & Creswell 2019; Gray, 2022; Sim & Waterfield 2019). Among these ethical issues are the achievement of confidentiality and anonymity while carrying out the data gathering and analytic segment of the study. Confidentiality pertains to what is done with the data after it is in the custody of the researcher and in particular, the degree to which the data or information is revealed to other parties (Sim & Waterfield 2019). Anonymity, on the other hand, pertains to whether those participating in the research can be identified from the data (Creswell & Creswell 2019; Gray, 2022).

The chapter spelt out in detail the activities implemented to collect the data. In this regard, declarations were made pertaining to the anonymity of the data gathering and reporting activities. The source of the data is the focus group interviews and so if the declaration is made that data will be kept confidential, this prevents them being reported directly as quotations which is typical of grounded theory designs (Miles et al., 2020). In this sense, the assurance of confidentiality is less profound when compared to that of anonymity (Sim & Waterfield, 2019). In achieving anonymity in carrying out the research, aliases were assigned to the interviewees and to the credit unions that the interviewees represent. Furthermore, the interview responses were coded and not analysed individually, but at the group level, hence participants were anonymous. The study bore minimal risk to participants with the issues under consideration not being delicate in nature. The interview sessions were organised for times amenable to research participants to minimise disruptions to their daily routine. The sessions were held in the boardroom of the particular credit unions.

The chapter argued that research, regardless of approach, is geared at producing usable and trustworthy ideas ethically (Gray, 2022; Merrian & Tisdell, 2016). The study indicated that research is trustworthy to the extent that rigor was exercised in carrying out the activities and processes of the study (Gray, 2022). One of the elements of rigor and research quality is the need to adhere to the tenets of ethical principles (procedural ethics) when carrying out the study (Gray, 2022; Merriam & Tisdell, 2016). Research ethical principles are used to set standards for conducting research and thus guide the actions and behaviour of the researcher when carrying out the study (Merriam & Tisdell, 2016; Piper & Simons, 2005). The focus of ethical principles is on safeguarding the rights of the participants in the study (Gray, 2022). The study indicated how adherence to the ethical principles was achieved with regards to the avoidance of human malfeasance, safeguarding participants' knowledgeable consent to partake in the research, and to respect the privacy of those participants (Gray, 2022; Merriam & Tisdell, 2016).

In achieving quality research, the study argued that the researcher must not only operationalise the tenets of ethical principles (Guillemin & Gillam, 2004; Goodwin et al., 2020) but must also achieve research integrity (Merriam & Tisdell, 2016). Integrity in research refers to the quality of the study when examined using academic or professional norms (Komic et al., 2015). The study achieved research integrity by the investigator producing research made up of accurate information, giving proper representation of the use of the work of others, and being truthful before, during and after the research is carried out (Miles et al., 2020). Furthermore, the integrity of the research is enhanced by providing audit trails and being transparent about the procedures, processes and findings of the study. These practices provide evidence of truthfulness and honesty to those partaking in the study, those who will be using the study, and others in the field of research.

The chapter emphasised that an important factor in achieving both research procedural rigor and research integrity, is the declaration of the role of the research investigator in the study (Raheim et al., 2016; Xu & Storr, 2012). The chapter also indicated that the character of constructivist grounded theory design necessitates that the research investigator and research participants interact (Charmaz & Keller, 2016). Such interactions though can pose ethical challenges for the researcher by reason of the dynamics linking the research investigator and participants (Sanjari et al., 2014). In this regard, the study clarified the researcher's role by integrating a reflective approach into the research undertakings (Raheim et al., 2016). Reflexivity is based on the concept of the research investigator not being a distant onlooker but is wholly connected to the building of knowledge founded on the research (Creswell & Creswell, 2018). Through reflexivity, the investigator's impact on the research is made overt (Ramalho et al., 2015).

The study went on to indicate that being clear about the beliefs and values which underlie the stance of the research investigator is critical in judging the quality of the research and the authenticity of its results (Reid et al., 2018). In this regard, the choice of constructivist grounded theory design reflects the epistemological stance of the research investigator who is of the view that knowledge is constructed jointly by the research investigator and research participants, and that knowledge is dependent on existing understanding and beliefs. The chapter declared that the researcher holds the position of practitioner-researcher by virtue of being a credit union manager conducting research on credit unions. This dyadic position brings to the forefront issues of ethical relationships in research (Stephen et al., 2014; Reid et al., 2018). This therefore warranted that the researcher be reflective and assesses the status of this existing relationship within the circumstance of the intentions and aim the research. Whereas the position of the researcher as practitioner-researcher is valuable in generating practice awareness, however it can bring partialities and assumptions to the research (Gray, 2022; Reid et al., 2018). Hence, during the activities of data gathering the researcher remained alert to spot and gave thought to incidents which have bearings on the researcher- participant interaction. These incidents captured in memos, served as research audit trails and disclosure, in the context of managing the ethical challenges that may ensue from the investigator's role of practitioner- researcher.

During the undertaking of the study, prior knowledge and personal experience is brought to bear on data analysis to exploit the content-rich data, without compromising its empirical primacy and dominance (Carmichael & Cunningham, 2017; Corbin & Strauss, 2008). Whilst carrying out the study, whenever personal experiences or prior knowledge are used in making decisions, the researcher recorded in memos the reasons why the prior knowledge or experience was used, as well as the ensuing theoretical ideas, and their implications to the research.

The chapter accounted that the research investigator is the general manager of the largest credit union in Saint Lucia and former head of the government department regulating credit unions. This position of the researcher can bring issues of power dynamics and power asymmetry to the research (Raheim 2016; von Vacano, 2019). The study argued that at face value, it would appear that power favours the researcher who facilitates the activities and procedures of the study and poses questions, while the participants provide answers. However, in the data gathering undertaking, power is co-constructed as the research participants exercise influence in the formation of knowledge (Ben-Ari & Enosh, 2013; Raheim et al., 2016). This power is exerted by the participants choosing what to disclose to the researcher through the dialogic and reciprocal nature of the interview process (Reid et al., 2018). Also, while implementing the focus group sessions, the investigator is dependent on the willingness of participants to contribute to the discussions and share their reflections and experiences on the queries of the study.

The chapter also indicated that concerns exist about the significance of reflective scrutiny of oneself when carrying out research (Raheim et al., 2016). The argument goes that personal disclosure can spiral into boundless analysis of the self at the expense of the intention and objectives of the inquiry (Finley 2002; Raheim et al., 2016; Weber, 2003; Gray, 2022). However, in understanding the arguments cited against the utility of reflexivity in research, this research project welcomes and accepts reflexivity. This embracing of reflexivity is based on the notion that the impact of the dearth of critical responsiveness on the study approach and study strategy chosen, including accounting for the role and presence of the research investigator, might gravely compromise the knowledge claims made through the findings of the study (Creswell & Creswell, 2018; Gray, 2022; Rahiem et al., 2016).

The chapter provided a thorough portrayal of data to be collected and the means of collection. It also describes the coding of the data and the overall management of the data. The chapter also indicates that the choice of data collection instrument is the focus group interview for it fits in with the constructivist character of the strategy utilised to carry out the study. The type of data generated through the group dynamism which the focus group affords is unique and is not accessible through individual interviews (Merriam & Tisdell, 2016). The study indicated that it is this kind of data which is required to be cognisant of the ways in which the participants infer and give meaning to the feedback they receive from the business environment as they lead their various credit unions. This is particularly so since these financial co-operatives are competitive with one another yet espouse a commitment to the co-operative values and principles, with one such principle being ‘co-operation among co-operatives.’ Hence the focus group interview affords opportunities for profound understanding of numerous interpretations of a particular subject matter from the research participants.

The study examined the degree of structure needed for the questions to be posed during the interview and concluded that the semi-structured questions proved to be the most fitting, based on the character of the research. The semi-structured interview, with its list of questions, facilitates probing of views and opinions, where it is considered necessary that respondents expand on answers to questions (Merriam & Tisdell, 2016). The chapter posited that the semi-structured interview is particularly useful in studies where rich and in-depth description is needed to respond to the research queries (Gill et al., 2008) as obtained with this study.

The study used the focus group interview for data gathering and follows a constructivist grounded theory approach. In this approach data gathering, and data scrutiny are done concurrently and repetitively, and that freshly gathered data are continuously compared with previously collected ones (Charmaz, 2014; Glaser & Strauss, 2017). These two tenets of grounded theory, along with an inductive approach, form the strategy for coding and analysing the data in this inquiry. The research method phase of the inquiry started with purposefully choosing the research participants to form focus groups, with the culminating point being the achievement of theoretical saturation of themes and thereby obtaining the means to responding to the study queries (Hennink et al., 2017).

In the process of achieving theoretical saturation, and consistent with the constructivist grounded theory, consultation of extant literature content facilitated the researcher adopt a reflexive posture (Carmichael & Cunningham, 2017; Sebastien, 2019). This was realised by the researcher integrating the consultation of scholarly sources during the analytic process of the data (Carmichael & Cunningham, 2017). Such sensitising consultation was applied to each focus group transcript in turn, as part of the analytic procedures. Utilising theoretical and empirical sources in this manner facilitates the labelling of categories or themes, properties of themes and variations within each theme (Carmichael & Cunningham, 2017).

In this study, data collection was done over six weeks with each group session lasting approximately one hour. In the study data collection was carried out simultaneously with data analysis. However, once all focus group interviews were carried out and transcribed, there was rigorous scrutiny whereby provisional results were verified, amended, and modified. The study explained that the character of the constructivist grounded theory research approach warrants that the research investigator plays an active role in the activities of data gathering and data scrutiny, as opposed to being withdrawn and detached (Charmaz, 2014; Charmaz & Keller, 2016). And so, the researcher constructs meaning and understanding from the data as opposed to discovering meaning and understanding (Carmichael & Cunningham, 2017; Charmaz, 2014; Sebastian, 2019).

The study described the coding process which involves assigning interpretative labels to concepts or themes that are constructed from the data (Saldana, 2016). In terms of coding and scrutinising the data, the constructivist grounded theory research method utilises a three main step procedure (Charmaz, 2014). The first step involved summarising the data into units of meaning and then grouped into preliminary categories. The second comprised combining the summaries thereby creating fewer categories based on patterns of meaning. These pattern or focus codes include the sub-categories, categories and cluster of categories. The third step of the data coding process, theoretical coding, involved investigating relationships among the focused codes to develop core categories and theoretical understandings about how growth impacts organisation design of credit unions in Saint Lucia.

The chapter outlined that the data analysis started with the researcher reading the first interview transcript and field notes, to identify words or units of data that offer responses to the research queries (Merriam & Tisdell, 2016). The units of data are then given labels or codes using active verbs or gerunds (Carmichael & Cunningham, 2017; Charmaz & Keller 2016; Johnson, 2014) based on the character of the unit of data. Codes are defined, and definitions applied consistently during the coding and analysis process. In continuing with describing the data coding and analysis process, the study indicated that the research investigator scoured all the focus group transcripts line-by-line, and the literature consulted while the data are being labelled. Memos were recorded all through the coding activities, and in so doing, the investigator's prior learnings, in the area of study, was recognised in a critical and reflective manner (Creswell & Creswell, 2018; Gray, 2022).

The study accounted that the first phase of the coding and analysis process give leeway for several theory directions and propositions to emerge as the result of the multiplicity of codes (Carmichael & Cunningham, 2017). However, the data analysis process was utilised not only to obtain information that would lead the way to building substantive theory, but also to amend the interview protocol which was used to guide the next focus group session (Davoudi et al., 2017). This was necessary because the next group session needed to be guided by the concepts, the attributes, and variations of those concepts, which emerged during the analytic procedures of the previous interviews. This process therefore facilitated theoretical sampling which determined the research participants to interview next, and also, the type of data required to be gathered next in order to progress towards the construction of theory (Glaser & Strauss, 1967; Gray, 2022).

CHAPTER 4: FINDINGS

4.1 Overview

The analysis of the responses to the four research questions forms the research results and constitutes the basis of this chapter of the dissertation, which describes how those research results respond to the research problem. In so doing, the chapter is organised by first discussing how data trustworthiness is attained to secure research rigor. The chapter continues with the presentation of the research findings which include describing how the data was analysed to obtain those results. The research findings are presented in order of the four research questions. Next, the findings are interpreted and evaluated vis-a-vis the theories and conceptual framework presented in chapter two. The evaluation of the research findings is then presented in order of the research questions. The chapter ends with a discussion summary of the main points presented.

4.2 Trustworthiness of Data

This study is aimed at producing well-founded knowledge which can impact both the practice and theory of managing financial co-operatives. In achieving this aim, the research results and conclusions must be deemed trustworthy by practitioners and academics (Gray, 2022). This therefore requires careful detail in the conceptualisation and contextualisation of the way in which data are gathered, examined, interpreted and how results and conclusions are presented (Dyar, 2022; Elo et al., 2014). In other words, trustworthiness is secured through methodological rigor.

Research rigor in qualitative studies is described by concepts of trustworthiness which include credibility, dependability, confirmability and transferability (Amin et al., 2020; Gray, 2022; Stenfors et al., 2020). In carrying out the research activities of this inquiry, focus is placed on selecting a research design and method that are best suited for answering the research questions, derive findings and for the reporting of those findings. Complying with the standards of rigor and achieving research trustworthiness necessitates the provision of audit trails or depiction details to ensure research transparency (Hadi & Closs, 2016). Such depictions provide detailed descriptions of how data were gathered, probed and how conclusions were reached throughout the research process (Gray, 2022). Providing audit trails makes it possible to show the extent to which the research is credible and authentic given the data presented, and the degree of congruency with the reality of the participants (Flick, 2018; Merriam & Tisdell, 2016).

In constructing the audit trail, memos and details are recorded on the process of conducting the research while the study is being implemented (Amin et al., 2020). The content of the memos includes personal reflections, decisions taken with regards to problems and ideas which emerge while collecting and analysing the data (Creswell & Creswell, 2018; Merriam & Tisdell, 2016). Producing trustworthy research depends on the robustness of the research methodology of which the selection of population and research sample play a significant part Gray, 2022). Achieving such robustness contributes to the credibility of the research (Cope, 2014; Dyar, 2022).

Credibility involves demonstrating to the reader that the research data, results and conclusions derived from the data makes sense and presents a true picture of the real world of the research participants (Cope, 2014; Miles et al., 2020). In this inquiry, to secure credibility, the study provides documented trails and explanations which are used to justify the choice of research approach, design and data collection, including the data analysis method. Furthermore, documentary evidence is used to indicate that descriptions of phenomena were derived from contextual, meaningful and rich data. Also, trails were established to show that the categories and themes which led to the substantive theory showed fidelity to the data. And so, the trails and explanations can be used by readers to determine the extent to which research findings are sensible and compatible with the reality of the research participants. Moreover, to be deemed credible, the study must also be dependable.

As a standard of rigor, dependability is concerned with the research quality of consistency or reliability (Gray, 2022). This has to do with the degree to which the research findings are consistent with the data collected such that if replicated with similar participants in similar contexts the findings would be consistent and thus dependable (Amin et al., 2020; Janis, 2022; Merriam & Tisdell, 2016). Achieving research dependability can be problematic in the sense that human behaviour is dynamic, and a particular experience might not be repeated exactly (Elo et al., 2014; Merriam & Tisdell, 2016). The aim therefore should be to obtain results that are grounded in the data collected (Elo et al., 2014). Then in this inquiry, dependability is secured by the researcher documenting and explaining how results are realised. In this regard, sufficient audit trails are provided to have other researchers and readers agree that given the data collected, the research results are reliable and consistent, and thus dependable.

Furthermore, in this research project, dependability was enhanced by examining and documenting the characteristics of the research sample to ensure that the research results are consistent with the data collected. (Amin et al., 2020; Merriam & Tisdell, 2016). Also, detailed information of the method of data collection and research results are provided which enables independent readers to authenticate those research findings by following the trail of the researcher (Gray, 2022). Additionally, the documentation of the role of the researcher in the research project gives added transparency to the research methodological process. In enhancing dependability, care is taken to ensure that the research sampling and design process have sufficient audit trails which show the connection between data and the how the researcher interpreted the data (Miles et al., 2020). Moreover, securing research dependability can enhance research confirmability (Amin et al., 2020; Gray, 2022; Merriam & Tisdell, 2016).

As a standard of rigour, confirmability involves demonstrating that the research findings are grounded in the research data and not from the inclination of the researcher (Cope, 2014; Dyar, 2022). To this end, the study documented the epistemological stance of the researcher including beliefs and presuppositions. In this study, confirmability is enhanced by providing rich quotations from the research participants that depict each category constructed from the data analysis. Also, the study establishes audit trails which can be used to follow the order of events in terms of how data were gathered, processed and coded for drawing conclusions. In securing confirmability, an account is given of the methodological limitations of the study, along with the possible effects of those shortcomings. Moreover, when the study has secured creditability, dependability and confirmability, there is increased research transferability (Cope, 2014; Dyar, 2022).

As a standard of rigour, transferability is deemed to be the extent to which the findings of a study are applicable to other situations (Amin et al., 2020; Gray, 2022). In this research inquiry, the strategy used for augmenting transferability is the use of maximum variation in the research sample, thus allowing for a greater range of applicability (Merriam & Tisdell, 2016; Patton, 2015). This is achieved by collecting data and analysing categories and interpretations of credit unions of various asset sizes thereby allowing for greater range of application of the findings by users of the research (Daniel 2019; Patton 2015). Also, research transferability is enhanced by providing detailed context of the study (Flick, 2018). In this regard, care is taken to provide thick descriptions of the characteristics of the research sample and the nature and circumstance of the research setting. Also, detailed descriptions of the research participants are provided including thorough descriptions of research findings supported by quotes from the focus group interviews. All that information enables research users to compare the appropriateness of the study with the user's situation (Amin et al., 2020; Gray, 2022).

4.3 Research Results

This research seeks to theorise how growth impacts the organisation design of credit unions in Saint Lucia. Theorising that impact explains the relationship between growth and organisation design and provides the accompanying logic. In this regard, the substantive theory constructed seeks to explain what might be happening as credit unions grow, and how credit union leaders ought to respond to what might be happening. The theorising process entails constructing patterns of explanations from the data that systematically merges various concepts through statements of relationships (Strauss & Corbin, 1998; Urquhart, 2023). The concepts for the theory building are constructed from the analysis of the data collected from four focus group interviews and Table 8 shows the duration of each of those interviews.

Table 8

Duration of focus group interviews

Credit Union (CU)	Duration (hours)
CU1	0:51:56
CU2	1:00:37
CU3	0:48:41
CU4	1:25:35

Note. Data collected by the author.

The demographic features of the focus group interviewees, as presented in Table 9, revealed that just over half of the participants are female. Also, most of the participants were over forty years old, and half of the total participants were serving in the capacity of director or manager for less than three years. An average of six interviewees represented their credit union during the discussions. This was not inimical to the data collection and analysis process since the group size was still small enough so that all participants could talk and large enough to create a varied group (Fusch & Ness, 2015).

Table 9

Demographics of research sample

	Frequency	Percent %
Gender		
Female	13	54
Male	11	46
Age		
Under 25 years old	0	0
26 – 40 years old	6	25
Above 40 years old	18	75
Length of leadership service		
Less than 3 years	12	50
3 - 6 years	2	8
More than 6 years	10	42

Note. Data collected by the author.

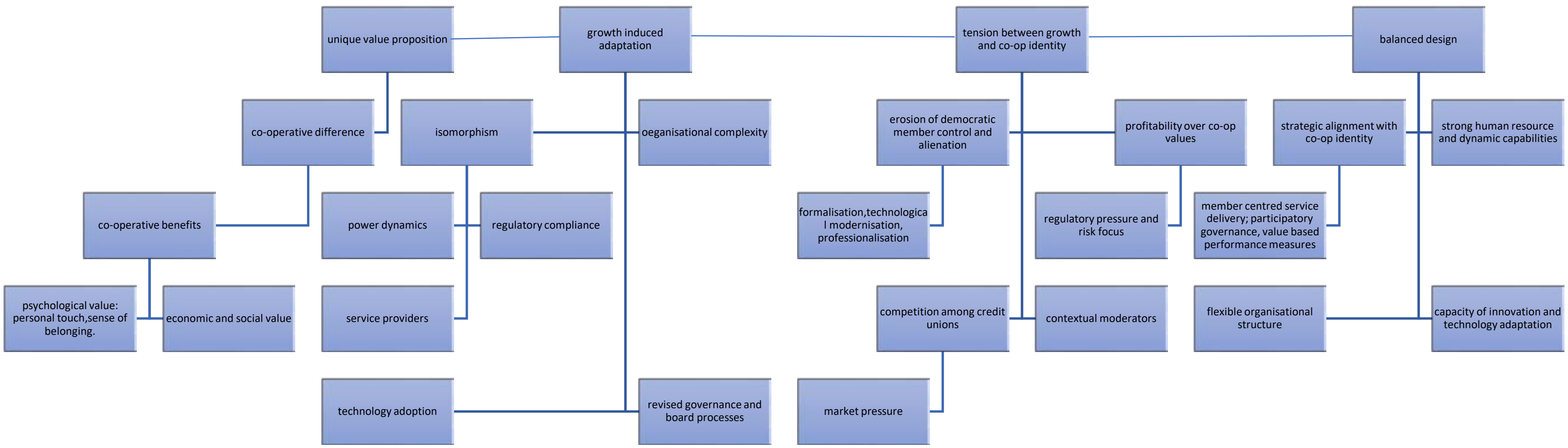
Furthermore, the credit union sample was stratified according to size of assets, namely: micro (less than US$38 million), small (from US$39 million to US$49 million), medium (from US$50 million to US$60 million) and large (greater than US$61 million).

4.3.1 Analysing the data

To gather data for this research, four questions were presented to the focus groups. Due to participant absenteeism on the interview days, only 24 individuals attended instead of the anticipated 32. The structure of analysis of the research questions was guided by the structural format of chapter one (the introduction) and chapter 3 (the methodology) of this dissertation. Analysing the data started with the researcher dividing the data into manageable bits to create units of meaning as indicated in Appendix 4A. These units offer an initial answer to the research questions and are derived from the responses given by the research participants. Concepts were attached to the units of meaning such that each unit conveyed one main meaning related to answering the research questions. This formed the initial category, Appendix 4B to 4E, of the hierarchy of codes as displayed in Figure 8

Figure 8

Hierarchy of codes



Note. Figure created by the author.

Conceptualising each unit of meaning started immediately after the first focus group interview. Data categories were constructed from the initial categories even before the data from the other three interviews were collected. This enabled the identification of gaps in the data which led the researcher to include pertinent questions in the subsequent group interviews to obtain data to deal with the gaps identified and thereby follows the concepts of theoretical sampling (Gray, 2022).

In carrying out the process of constant comparison (Merriam & Tisdell, 2016), the researcher compared each initial category with every other initial category to construct categories that reflect meanings held in common. The process of constant comparison was carried out on all the initial categories derived from the data of the four group interviews. In constructing a hierarchy of categories from the data, clusters were used to group categories that reflect common meaning. Core categories are used to describe the cluster and its categories. The data analysis yielded four clusters of categories and four core categories, as indicated in Table 10. The core categories reflect the main idea derived from the data analysis process. Moreover, during the process of constructing the hierarchy of categories, the researcher added new categories derived from subsequent focus group meeting to the hierarchy. By the fourth group meeting, no new category could have been constructed from the data, thus indicating data saturation had been reached.

Table 10

Cluster and core categories responses to the four research questions

Cluster categories	Core categories
Accentuating the co-operative difference	Unique value proposition
Institutional isomorphism	Grow induced adaptation
Erosion of democratic member control	Tension between growth and co-operative identity
Alignment with co-operative identity	Balanced organisation design

Note. Categories constructed by the author.

4.3.2 Results of research question one

Exploring the impact of growth on the organisation design of credit unions in Saint Lucia requires an understanding of the factors which may have contributed to that growth. In pursuit of such understanding, credit unions (the research participants) were asked to express their feelings and experiences in terms of the factors they thought contributed to the growth of credit unions on the island. All the participants expressed the view that the unique value proposition of credit unions, presented and accepted by the market, seemed to have contributed to growth of credit unions in Saint Lucia. The major themes emphasised in describing that unique value proposition were “personal touch” and “sense of belonging”. The personal touch theme brings to the fore the interpersonal and compassionate manner of credit unions when compared to the other providers of financial services in Saint Lucia. This theme included code categories like empathy, ease of access to manager and sensitivity to genuine need. The sense of belonging theme highlights that members of the credit union experience a strong sense of community, ownership, shared identity and involvement in the decision-making process of their credit union.

Analysis of the two main themes seem to indicate that the credit unions interpreted the concept of creating a unique proposition as delivering not only economic and social benefits to members but also delivering psychological benefits. For instance, credit union 1 (a micro credit union) expressed that, “The credit union is more customer oriented. The banks go towards the bottom line and that’s it.” In a similar vein credit union 2 (a small credit union) was of the view that, “Members feel like they are home when they come to the credit union because of the personal touch.” However, credit union 3 (a medium size credit union) seemed to have expressed the value proposition using an economic focus: “Customers were unhappy when the banks seemingly increased their rates on almost everything. There was a fee for every transaction you did at a bank. There was almost a fee to open the door of the bank.” Credit union 4 (a large credit union) further expounded, using a blend of economic, social and psychological benefits: “The personal touch, the contribution to the quality of community life, a sense of ownership, access to small loans, low service fees, less red tape to deal with,” seemed to account for the credit union growth. The credit unions appeared to be saying that delivering co-operative benefits (economic, social and psychological benefits) is a source of the unique value advantage offered by credit unions in Saint Lucia when compared to other financial institutions.

In advancing this claim, all the credit unions appeared to be of the view that the process of achieving greater efficiency by the other financial institutions seemed to have resulted in the loss of personal relationships with customers and so the customers migrated to credit unions. To quote credit union 1, “The banks moving to greater commercialisation and become more efficient, and in the same vein, it’s like their customers or the clients feel a kind of disconnect.” This sentiment was also echoed by credit union 4: “I think it’s like for a bank … when you walk in you’re essentially just a number. Compared to a credit union when you walk in there is a desire to understand the context of your situation."

Also, all the credit unions seemed to be admitting that a growing public confidence in the safety and soundness of credit unions contributed to the growth of the co-operatives. It is thought that a growing awareness that credit unions are compliant with statutory regulations had instilled confidence in customers which seemed to have caused more and more of them to do business with credit unions. A typical view was expressed by credit union 2 when it stated,

> We have standards to uphold. So, we are guided by a number of policies handed down from the Act. The Societies Act….. this is what guides and keeps the credit unions in check. The Registrar, making sure those institutions follow in compliance. Because people know credit unions are under those contracts, then they do more business with the credit unions.

Furthermore, the credit unions seemed to be of the impression that the improved image of financial co-operatives appeared to have induced more customers to do business with them. A source of that improved image was that credit unions had become as aesthetically pleasing as banks. This concept of an improved image was echoed by credit union 3 in the shared sentiment that, "The face of the credit union is similar to that of any international bank. The buildings that they are housed in, …they have nice big offices like those banks. So you are not missing out on anything."

Another growth contributory factor cited by the credit unions was the proactive activities to build public appreciation of the credit union benefits, as well as promotion of co-operative values and principles. These educational activities over time seemed to have created an increasing consumer awareness of the credit union value advantage, when compared to that offered by other financial institutions in Saint Lucia. In this regard, credit union 4 iterated that:

> We've seen in the past, growth in other financial institutions….the credit union is still attractive, more attractive. I think that's because of the work that has been done in the past, through the AGMs, through the PR to sensitise Saint Lucians as a whole, of the value that the credit union brings to the public.

The importance of continuously promoting the co-operative purpose to build public appreciation for the credit union benefit was reiterated by credit union 3 when it stated that, "So you want to ensure that there is massive promotion of the credit union difference so that anytime they [customers] think of money, first place they should think of is the credit union."

Regardless of the size, credit unions in Saint Lucia seemed to share the sentiment that credit union growth is initiated predominantly by the unique value proposition which embodies economic, social and psychological benefits. This contrasts with the transactional and impersonal character of the value proposition offered by other financial service providers. This member centred approach promotes deep community attachment, trust and loyalty which contribute to credit union growth. The unique value proposition reinforces the co-operative identity which serves as the attractor that maintains the relevance of the credit union.

4.3.3 Results of research question two

Question two sought to determine how growth impacted the various dimensions of the organisation design of credit unions in Saint Lucia. In arriving at that determination, all the credit unions seemed to express the view that growth had developed the need for credit union organisation design adaptation. Further, the credit unions appeared to have given the impression that the need for adaptation was a direct response to feedback from the business environment which entailed managing organisational change through the various organisation design elements. The data analysis identified five major growth-related effects to the organisation design elements of credit unions in Saint Lucia. These effects are complexity; technology integration; governance effectiveness; isomorphism; regulatory and compliance obligations.

In analysing the data, all the credit unions indicated that growth necessitated offering members a greater variety of products and services, which seemed to have added complexity to the operations of the credit union. This effect of growth was articulated by all the credit unions and in particular credit union 3 commented:

> As your membership increases, they demand different products. So before, you probably would just be engaged in savings and lending. Now people want insurance, they want debit cards. So there's a whole different product and you need to have people with the skill set who can provide those products. There was something else, that's the need for online services, in terms of these products. Because of the volume of the work, the number of things that need to change makes work complex.

Also, the credit unions seemed to be of the view that growth in membership and the diverse variety of goods and services demanded called for a larger staff complement with specialised skills to carry out specialised duties. Credit unions made it apparent that the growing staff complement with their specialised skills warranted the formation of new hierarchies and departments to co-ordinate operations which appeared to have increased the organisational complexity of the co-operative. Such a sentiment, for example, was expressed by credit union 2 when it stated that:

> You have a positive correlation between the growth of the organisation and human resources. So management would have to consider that. You also have probably greater issues with staff, the larger your staff, the larger the issues or the more issues you may have.

Credit union 3 added, “You need a whole HR department, something that you did not require if the credit union had remained small.”

Credit unions also seemed to have admitted that the growing size of the business operations necessitated a greater dependency on technology as part of how work is carried out. Credit union

1, for instance, expressed this view adamantly: “So in the organisational design of the credit union, starting from the very lowest of tiers, I think automation in all aspects is necessary and would bring greater value to the credit unions.” However, credit union 4 appeared to have called for an inclusive approach to the use of technology to maintain the member focused value of the credit union. The credit union insisted that notwithstanding the complexity associated with serving a large variety of goods and services to a large membership, credit unions must still be focused on engaging members at a level to understand the context of their individual needs. This sentiment was epitomised by credit union 2:

> Some people are already complaining that as the credit union grows, the personal touch diminishes in the name of efficiency. You find generally that members are complaining that that sort of personal touch they had within their credit unions is diminishing. They are losing it, maybe with the smaller credit unions to a lesser extent, but as credit unions continue to grow, the personal touch is lost as we try to be more efficient.

The credit unions believed that technological transformation should not be allowed to hamper member engagement. This assertion was emphasised by credit union 4 when it intoned: “How do I meet the needs of members who are tech savvy, the members who are not tech savvy, without losing that personal engagement?” Similarly, credit union 2 seemed to be lamenting that the unbridled use of technology appeared to have made the credit union transaction focused and less relationship based. In making that point, credit union 2 accounted that:

> You could see that our aging members, they still want to hold on to their pass books as opposed to automated receipts. They still want to be able to come in and have a conversation and not just do their transaction and leave. I remember they would meet us in the parking lot, because conversations are no longer happening inside. We speak less inside the offices; technology is now making us dumb. The older members would just dialogue with us forever in the parking lot because we don't have that inside anymore. I guess

> that's the price of growth in essence, but at the same time we still have to try and see how much we can not lose this personal touch altogether.

From a governance perspective, the credit unions seemed to express that growth had generated governance challenges including placing greater demands on the time of volunteer directors. In this light, credit unions appeared to be suggesting the need to add more layers to the governance structure by incorporating more committees to assist the board. For instance, credit union 3 expressed:

> So you're looking at other committees to deal with specific aspects of the credit union so that they could feed information to the board. You may want to set up committees to deal with specific things so that they could do the heavy lifting and then provide the different options to the board and then the board could look at it, liaise with the committees and then make a final determination.

The credit unions believed that the board of directors are stewards of the collective resources of the members vested in the credit union. As such credit unions seemed to view the annual general meeting of members as a principal mechanism by which the board of directors give an account of its stewardship to members and receive feedback from members. As credit union 4 accounted:

> Then particularly at AGM the board report should give an account of how the credit union is fulfilling its mandate as a co-operative and how the credit union is doing financially. This can indicate the extent to which the credit union is operating successfully.

Credit union 4 also expressed:

> You generate feedback from them. You get feedback from them in terms of what their needs are, what challenges, what issues they have with us, and ensuring that we give them a voice, a platform to have a voice. To reach us and not feel that we are separated from them.

A challenge that growth seemed to have created pertains to the capability of the traditional credit union governance system to elect skilled officers, who can effectively lead and guide the future of these financial co-operatives. As credit union 1 puts it, "

> Our AGM gives every member the opportunity to hold the highest position in leadership regardless of competence, poses a challenge to successful leadership because what may result from that process is persons who are not totally apt or equipped to deal with the challenges brought about by growth.

In response to the apparent ineffectiveness of the traditional governance system implemented more formalised governance structures. This was reflected by credit union 4 when it askes,

> How do we now design the selection of the board members, the committee members… to be able to get capable persons,,, to provide the guidance, to set policy… to manage the growth that we are currently experiencing? We need to know from these people if they understand what is happening in the business environment, the financial, there should be some knowledge in that area to be able to meet the challenges that growth presents.

Another effect of growth that emerged from analysing the data was the increased regulatory and compliance obligations. The credit unions seemed to be of the view that growth has induced regulatory challenges which has forced credit unions to introduce new roles to follow the requirements of the regulators. As credit union 2 puts it, "So the bigger you grow, the more regulations, the more policies and we see that happening in credit unions now." This view was also shared by credit union 4 which stated, " ..maintaining the requirements of the regulator, it was easy before. Because of growth there has been changes in the legal requirements and it will bring challenges like having to recruit new personnel to manage regulatory compliance."

The credit unions also gave the impression that meeting regulatory requirements contributed to the increasing cost of operations. For instance, credit union 4 iterated:

> So, in other words, growth has caused changes in the regulations. And then it has also caused certain... I mean, you are expected to conform to certain regulations brought about by the changes. So, and it has... because of those things, like with the regulation, it has caused us to spend more money than we would otherwise. So, it is becoming costly, it has become more costly in terms of operating.

The research findings also indicated that most credit unions, as they grew, found it difficult to manage the power dynamics in the field and its apparent influence on the practice of credit unions. It seemed that the difficulty stemmed from forces of institutional isomorphism encountered in the field. Credit unions revealed that a force of institutional isomorphism appeared to be derived from the nature of the oligopolistic market structure, where besides credit unions, there are only four banks. The banks being the dominant player in that field. Credit unions were of the view that banks are the price leaders and seemed to manipulate interest rates to force responses from other financial institutions. Credit unions suggested that the responses to the actions of the banks were homogenising and can at times seemed unfavourable to the financial institutions. For instance, credit union1 indicated that:

> These banks, they would take a hit and offer lower interest rates because they have other streams of revenue generation. They take that hit and they are taking that hit to now force credit unions to also lower their interest rates and credit unions cannot afford to take that hit.

Similarly, credit union 2 cautioned:

> So the banks are just sending money at people. Now, can we risk what the banks are doing? Not as much as the banks. So they lure in our members because there's excess liquidity, they can grant these loans at a lower interest rate. And now we are forced to compete with the banks, but then how low

> can we go? Because we still have to remember our cost of funds. We still have to remember that we are serving the members. So it's not as going into direct competition with the banks. And credit unions have to be extremely careful that they don't try to just keep following the banks and trying to compete directly with the banks when it comes to certain things in terms of financial products and other ways of doing business.

The credit unions also claimed that banks are leaders in the area of financial services technology and have admitted to imitating the processing and procedures of banks in the quest to be current. For instance, credit union 1 suggested that:

> Whilst we're saying the credit unions have proven themselves to be a viable option or alternative to the more traditional financial institution, like the banks, I think there are also many things we can learn from the banks, Number one being the way that they streamline their processes through automation.

This approach to imitating banks was also reiterated by credit union 3:

> What happens at the banks becomes a concern. What is it that they're doing? What are you hearing about them? Naturally human beings have a tendency of always trying to imitate somebody they feel that is good, that is better than them. It's a natural thing. And sometimes your members demand that from you. Your members actually demand that because the banks are doing ABC. Why are you not doing it? So I mean it's almost natural that the credit union crowd, especially now, will look at the banks and use them as models.

In the capacity of banks as service providers, the credit unions seemed to espouse that to access bank services, like cheque clearing services for instance, the credit unions processes and procedures had to be as directed by the banks. The credit unions were of the view that such practices were forcing a degree of homogeneity in the field. Also, the credit unions insisted that other service providers, including agents of the state and the external auditor, use the knowledge gained from their profession in providing mandates and directives. The credit unions seemed to be of the view that those normative forces exert homogenising influence on the practices of credit unions. To guard against this feat, credit union 4 admonished that:

> There is also the challenge to defend our identity against the rulings and conclusions of the external auditor and even government agents. Rulings and conclusions that we are expected to follow. If we follow blindly, they will force us to behave like banks.

The findings of the research indicate that notwithstanding their asset size, all the credit unions were of the view that growth brought challenges of organisational complexity, homogenisation, effectiveness of governance; increased regulatory and compliance obligations and challenges in fulfilling the expectations of members. The credit unions were of the view that these challenges led to organisation design adaptation in the form of greater organisational formalisation, technological transformation, more adept systems for recruiting directors and committee members and more elaborate systems for achieving regulatory compliance.

4.3.4 Results of research question three

This question sought to evaluate the effects of growth-related organisation design changes on the practice of co-operative values and principles that guide credit unions in Saint Lucia. The data analysis revealed that changes to organisation design geared at realising efficiency and regulatory compliance often create tension between growth and fidelity to the co-operative values and principles.

The data analysis indicated that growth had influenced the structure and governance dimension of organisation design. The expansion necessitated the adoption of more sophisticated governance frameworks, including enhanced board responsibilities, the appointment of compliance and human resource officers, and the establishment of formalised leadership selection processes. As credit union 2 noted, “You have to start looking at your entire organisational structure, even the board.” The credit unions were of the view that these structural adjustments to the organisation design introduced challenges to maintaining democratic member control. They seemed to think that increased formalisation had distance decision-making from the general membership. The credit unions were also of the view that growth had made it necessary that appointments to the board be based on skills and qualifications rather than broad member participation. The research participants thought that such approach elevated the standards of operations but necessitated a trade-off between member representation and expertise. The credit unions were of the view that the emphasis on expertise contributed to reduced open and voluntary engagement, which led to decreased inclusivity and member involvement. The credit unions stressed the need to remain true to the credit union way notwithstanding the growth pressures. That sentiment was captured by credit union 4 when it said: “The biggest challenge right now is balance in terms of balancing what forms the essence of a credit union. You have to maintain being a credit union.”

All the research participants agreed that growth had caused the credit unions to place greater emphasis on professionalisation and compliance. They were of the view that the quest to remain competitive and be compliant with co-operative legislation had led to the recruitment of professionals and adoption of specialised human resource and financial controls. As credit union 3 indicated, “Our structure and management has changed. We now had to employ human resource manager, compliance manager and this and that that we didn’t need in the past.” The credit unions thought that the appointment of professionals may have strengthened education, training and information on the inside, however, increasing technicality estranged ordinary members. The credit unions believed that through the process of normative isomorphism, professionalisation in some instances have caused the organisation to veer away from the co-operative mission and purpose. In this regard credit union 4 stressed, “The people you hire, that is important. They must be able to speak the language that you need to ensure that you do not lose sight of the core values. And constantly reminding them…. so that they do not lose sight of the purpose.”

The data analysis also revealed that growth has caused credit union to place greater reliance on technology to carry out work. The credit unions seemed to think that technological modernisation facilitated broader member access across various locations and strengthened the effectiveness of service delivery. However, the credit unions also seemed to believe that increased reliance on technology had alienated the member who have preference for traditional service delivery. The credit unions observed that technological advancements were progressively replacing the traditional practice of in-person annual general meetings, with these meetings now frequently held on virtual platforms. The credit unions were concerned that a decrease in face-to-face interaction had affected levels of member engagement, participation and sense of community. As credit union 4 put it,

> The culture has changed in terms of how we do business. Remember a few years ago when people were going to AGM they would take a bus and stuff like that, but watch what we have done we have it online and people stay at their homes and on their phones. While we adapt to ensure growth is managed efficiently, we need to be able to ensure our core values remain on top.

The analysis of the data seemed to indicate that as credit unions grew, they seem to adopt the behaviours of investor-owned firms in the field. This point was typified by credit union 3 when it expressed, “I think of us looking more like banks now.” The credit unions were also of the view that growth seems to have generated tension between efficiency and the practice of co-operative values and principles. The analysis also seemed to suggest that growth threatens the credit union distinctiveness and hence the need to reaffirm member-centred values. The co-operatives were of the view that these impacts of growth erode the co-operative identity. Along those lines, credit union 4 expressed: “With the growth, the challenge is to maintain our identity. We are credit unions and credit unions by virtue of composition are different from banks.” This sentiment was echoed by credit union 2 when it said, “The reality is, as credit unions grow, we lose some of the things that need to make us credit unions. We need to go back to the core values that have underpinned the credit unions.”

The research participants seemed to be the view that growth had induced increasing regulatory obligations on the credit union. These regulatory compliance obligations include increased audits and new capital adequacy requirements. The credit unions also expressed that growth had created a need for greater focus on profitability and had increased the need for risk monitoring systems. Credit union 4 expressed the sentiments of the credit unions when it stated:

> One of the challenges of growth… the need to maintain the requirement of the regulator. It was easier before. For instance, the amount of capital requirements was smaller and now it forces a greater emphasis on profitability. Growth now forces you to do more monitoring and evaluation to better manage risks to meet the requirement of the regulator and so forth.

Credit unions were of the view that stringent regulatory measures and oversight could impact the autonomy and independence of credit unions. As credit union 3 lamented: “A lot of regulatory policies that have been implemented are affecting the organisation because it is imposing so many things on us that we are bound to implement and subscribe to.”

All the research participants were of the view that the growth of credit unions on the island appeared to have induced aggressive responses from the banks. In this regard, credit union 2 commented,

> So as the credit union continues to grow and become a force to be reckoned with, it poses a threat. And the bigger players in the market never like this, the reality that the small players are coming in, because it's just a game. It's always a zero-sum game, right? And seeing that they are losing customers to the credit unions.

This point was reiterated by credit union 3 when it stated, “The banks …have taken credit unions more seriously because they have seen credit union as a threat.” The credit unions seem to be of the view that loan interest rate manipulation is one of the strategies employed by the bank in addressing the threat posed by the credit unions. This sentiment was best captured by credit union 1 when it said, “They would take a hit and offer lower interest rates to now force credit unions to also lower their interest rates and credit unions cannot afford to take that hit.”

It appears that credit unions surmised that this strategy might have been chosen since banks have diverse income streams when compared to credit unions that rely almost exclusively on loan interest income. As credit union 1 put it, “These banks offer lower interest rates because they have other streams of revenue generation.” The credit unions were of the view that such actions made it difficult to compete with the banks as indicated by credit union 2: “Now can we risk what the banks are doing? Not as much as the banks. They can grant loans at a lower interest rate. And now we are forced to compete… but how low can we go?”

The credit unions believed that in responding to the interest rate strategy of the banks, credit union seemed to have chosen to compete more fervently among themselves. This notion was expressed by credit union 4, “,,, competition among credit unions. Everybody trying to get a bigger part of the market.” These sentiments were also lamented by credit union 1:

> I believe it is an environment of hyper competition, especially among credit unions. I think it is an environment that almost forces credit unions to move away from our core existing principles that we would measure the success of credit unions by. For example, this co-operation among co-operatives. Some co-operatives would find it difficult to compete with banks and so would find it easier to compete with fellow credit unions. For instance, a credit union would not want to share knowledge because they don't want to know that the other credit union is in a position to do better than them. Again, it is becoming like dog eat dog situation when we were supposed to be brothers and sisters.

However, not all credit unions seemed to have shared the notion of fervent competition among credit unions. Credit union 2, for example seemed to be of the view that: “Competitive, but I still find there is a sense of togetherness. And we have the Credit Union League as an example. So yes, there is competition among credit unions but there is a sense of togetherness as well.”

The credit unions appeared to be of the view that meeting the conflicting expectations of members and other stakeholders had caused the organisation to veer away from the co-operative ideals. This sentiment was typified by credit union 3 when it expressed that:

> The current environment is making it truly difficult for credit unions to continue to operate in that true spirit of credit unionism and meet the various expectations of members and others. Because there are so many things being thrown at you from different angles. Everybody has different expectations of you and it is extremely challenging to keep up and to fulfil, if you may say, all of these expectations.

The analysis of the data presented by the credit unions seemed to indicate that all the co-operatives were of the view that growth-related changes to the organisation design of credit unions in Saint Lucia have impacted the practice of co-operative values and principles both positively and negatively. The major areas of impact being democratic member control, member participation, education, training and information, autonomy and independence and co-operation among co-operatives.

The credit unions also seemed to indicate that contextual factors moderate how growth-related organisation design adaptation impacted the practice of co-operative values and principles in Saint Lucia. The contextual themes which emerged from the data were fidelity to co-operative values and principles, leadership capabilities, dynamic capabilities, performance measures and the small island economic environment of Saint Lucia.

Credit unions seemed to view co-operative values and principles as an attractor which guides and shapes the social and economic characteristics of the organisation. The credit unions believed that guided by that attractor, regardless of the form or structure that the credit union organisation took in response to feedback from the business environment, the end result would still carry the co-operative identity. This sentiment was expressed distinctly by credit union 3:

> We're operating in that kind of environment, this competitive dog eat dog environment. So we need to always be on the cutting edge while again not losing who we are. And that's the challenge because you have to move in a particular way and still keep at the back of your mind that I am a credit union. Can that actually work? Do we have to redefine who we are? But if we do, then we lose the whole purpose of why we are. So what are we doing? So we're in constant disequilibrium, if you want to call it that, a credit union. However, allowing the guidance of the co-operative core values brings stability to that disequilibrium.

Additionally, credit union 4 also seemed to have given a succinct explanation of the function of the co-operative values and principles: “To guide us as to how to create.”

The credit unions believed that the extent to which growth-related organisation design adaptation veered the credit union away from the co-operative identity was influenced by the strategic foresight and governance competence of the leaders of the organisation. As credit union 4 put it, “Being able to manage that growth without losing your core identity.” Credit union1 expressed that, “competence poses a challenge to successful leadership when you have persons who are not equipped to deal with the challenges brought about by growth.”

The data appeared to indicate that credit unions were of the view that the dynamic capabilities of the organisation, in the form of innovativeness and responsiveness, influenced the ability of the credit union to remain true to the co-operative identity amidst organisation design change. The credit unions identified research as a principal means of developing credit union specific dynamic capabilities to guide the adaptation of the credit union to the realities of the business environment. This point was typified by credit union 3 when it expressed:

> Do we, as credit unions, just follow trends that other financial institutions are implementing? Or do we need to now move our minds to a more research and development focus where we remain on the cutting edge of change while again trying to stick to our core and fundamental values and beliefs as a credit union? Have we reimagined what banking and finance is? So research and development is key in the credit union sector.

The findings indicated that participants believed the metrics used to measure credit union performance played an important role in determining the adherence of the credit union to co-operative values and principles. The credit unions were of the view that performance metrics which focused only on profitability and efficiency pushed credit unions towards investor-owned businesses models, supported commercial reasoning over co-operative identity. The credit unions believed that performance metrics should measure the impact of the credit union on the lives of its members. As credit union 3 expressed,

> The aim of the whole thing is not to make profits; it is to assist people. You [the credit union] need to feel your presence in the community. You

> need to know that these are your members; you're working for your members; you're living up to your motto of making their lives better.

Credit union 2 expressed similar sentiments:

> I disagree with it [how performance is measured] the main thing they look at is financials. What about the members? Yeah, the members and the employees as well. You may achieve the financial ratios but your members, how satisfied they are. You need something that can measure… how you impact every ordinary member. You need to measure how well you perform against the core values.

The data seemed to indicate that credit unions believed that Saint Lucia's economic and political context influenced how organisational design changes affected the adherence of credit unions to the co-operative identity. The research participants seemed to be of the view that external factors like inflation, vulnerabilities to external shocks and political changes amplified the challenges experienced by credit union leadership and the strategic orientation of the credit unions. The credit unions believed that these contextual factors placed a strain on maintaining co-operative integrity. These sentiments were epitomised by credit union 2:

> …macroeconomic factors, thing happening in the international market that could affect you [the credit union] political interference or a change in government and a change in legislation. And we have inflation here and as you grow your expenses continue to go up. So there's a greater need and more pressure to generate more revenue and emphasise profitability.

The research findings indicated that growth-related adaptation to organisation design generated tension between growth and adherence to the co-operative identity. The extent of drift away from the co-operative identity is moderated by contextual factors and so the credit unions found themselves coursing a path between sustaining competitiveness in the market and preserving the co-operative difference.

4.3.5 Results of research question four

The question sought to determine the properties the organisation design of credit unions in Saint Lucia must possess to support sustained growth while adhering to co-operative values and principles. The answer to this question was derived from the synthesis of the answers of the three previous questions. Integrating the themes from those questions seemed to indicate that credit unions in Saint Lucia must design their entities using interrelated properties to reflect a balance between operational efficiency, regulatory compliance, strategic agility and allegiance to the co-operative value and principles. The key properties of such organisation design that emerge from the analysis are as follows:

1. Strategic alignment with co-operative identity. Such an attribute would seek to ensure that all growth strategies and changes to operations reinforce member ownership, member control and member benefit. This sentiment was typified by credit union 4: “We have to remain current and relevant… but never lose the balance that make us a credit union.”
2. Member centred service delivery. The organisation design must support the preservation of the personal touch, responsiveness, and empathy that are fundamental to co-operative values, even as the credit union grows. Credit union 4 solidified that point when it stated, “We don’t feel predatory…. with the credit unions; it’s not just about selling a product, it’s about understanding members’ needs.”

3. Decentralised and participatory governance. This attribute supports structures and processes that foster member decision making and participation, to preserve the democratic control of the credit union. This point was reinforced by credit union 2 when it stated, “The members are the ones that will determine… because you may have your profits, but your members are not happy.”
4. Flexible and evolving organisational structure. The organisation design must be malleable to facilitate change to the organisational structure in response to stimuli from the internal and external business environment. The design must also be able to facilitate the incorporation of specialised roles and new committees without forsaking the co-operative philosophy. This sentiment was expressed particularly by credit union 2: “As we grow, we must have a compliance officer… and an alternate. All those things are pressures as we grow.”
5. Strong human resource capability. This property of the organisation design supports the recruitment and retention of qualified and co-operatively minded personnel. It’s systems and processes must promote the means to ensure that board and committee members are capable of coursing through complexity. This organisation design quality was particularly highlighted when credit union 4 articulated: “We need persons not only with qualifications but with experience and values that align with our co-operative mission.”
6. Capacity for innovation and technological adaptation. The organisation design must possess the attribute of embracing technology to enhance efficiency and organisational effectiveness. The design must at the same be preserving the quality

of engagement that members demand. This attribute was emphasised when credit union 3 indicated that, “The structure must include investment in technology…. and support members who are both tech-savvy and not tech-savvy.”

7. Entrenched risk and compliance mechanisms. This design attribute supports sturdy systems of internal control, risk management and compliance systems and processes, integral to governance and operations. As credit union 4 put it: “You need internal audit team, compliance officer…. because growth increases exposure to regulatory and operational risks.”

8. Growing dynamic capabilities. This property fosters continuous education for members, employees, board and committee members. This attribute is necessary to strengthen co-operative culture, co-operative specific innovativeness, responsiveness and strategic capacity. This sentiment was epitomised by credit union 2 when it asserted that, “There’s greater emphasis now on training and development – that’s how we evolve.”

9. Capacity for design thinking. Such an attribute reinforces that the credit union must be idealistic yet practical. This organisation design property focuses on making the organisation problem solution oriented, supports design thinking and experimentation. This attribute was epitomised by credit union 4 when it stated: “So at no point should we believe that we have reached the point. It always a moving target which has to be designed.”

10. Value-based performance measurement. The design must have embedded mechanisms which evaluate performance not only using financial indicators. The

design must facilitate indicators which measure member satisfaction, community impact and adherence to co-operative values and principles. As credit union 2 put it: "You can have a surplus…. but if your members are unhappy, you're not a true co-operative."

Pooling together the organisation design properties necessary to achieve sustained co-operative growth revealed that to sustain growth while remaining true to the co-operative identity, credit unions must implant co-operative values and principles in their organisation design. This would enable the financial co-operatives to practice adaptive balancing; that is, flexibly managing growth-related challenges while remaining true to the co-operative identity.

4.4 Evaluation of Findings

The analysis of the text data enabled the construction of four core categories: (a) from research question one, 'unique value proposition of credit unions'; (b) research question two, 'growth induced organisation design adaptation'; (c) research question three, 'tension between growth and co-operative identity'; (d) research question four, 'balanced organisation design.'

4.4.1 Evaluation of research question one findings

The research finding emanating from research question one seems to indicate that the value proposition of a credit union is the composite of not only social and economic benefits but also the opportunity to achieve affective connectedness between the member and the credit union. The literature on co-operative value proposition, for instance Mazzarol el al. (2014), Nguyen (2006) and Novkovic (2022) acknowledges co-operative benefits (economic and social value) as attributes of the co-operative value proposition. However, the contribution of affective connectedness, (psychological value) as an attribute of the co-operative value proposition was not identified and so this finding can be considered an extension of the literature on co-operative value proposition. The finding provides additional value to the literature on co-operative strategy and business model, in terms of means of generating co-operative advantage in the market.

Furthermore, analysis of the relationship among the categories, constructed from the data analysis, points to a finding that the credit union value proposition is deemed unique, when compared to the proposition of investor-owned financial service providers. It is the offering of not only economic value but also social value that creates the uniqueness. This finding is consistent with the literature on co-operative benefits. Mazzarol et al. (2014) for instance, stated that other than economic value, co-operatives offer members access to information and community development programmes. Similarly, Nguyen (2006) indicated that co-operative benefits, the offering of both economic and social value to members, is unique in that it is not offered by investor-owned providers of financial services. Furthermore, the research finding indicated that psychological value when added to the co-operative value proposition, adds to the uniqueness of the co-operative value proposition.

Additionally, the findings from research question one seemed to indicate that accentuating the co-operative difference help shape the unique value proposition which contributed to the growth of credit unions in Saint Lucia. It is noteworthy that the literature on accentuating the co-operative difference, for instance, Leclerc et al. (2020), Munkner (2015) and Novkovic et al. (2022) focused on how the co-operative difference shapes the mode of operation of the credit union, when compared to that of investor-owned firms. However, the issue of the relationship between accentuating the co-operative difference and the performance of co-operatives was not dealt with, and so, this research finding can be deemed an extension of the literature on the effects of accentuating the co-operative difference. This finding could provide additional value to the literature on the effects of accentuating the co-operative difference and co-operative business strategy in small island developing states like Saint Lucia.

Another finding seems to indicate that the customer's perception of the credit union influenced the level of business that customers transact with the financial co-operative. This finding confirms that of Bravo et al. (2012) and Dam and Dam (2021) where both studies indicated that the perception the consumers holds of a firm influences the intention of the customer to do business with and remain loyal to that firm. The research finding from the data also appears to indicate that co-operative education, a marketing initiative, has a lagged effect on customers. This finding is consistent with the literature on the effects of marketing on behavioural change. De Canha et al. (2020) for instance, explained the delayed change in behaviour between the implementation of marketing activities and customer behavioural changes as being lagged.

4.4.2 Evaluation of research question two findings

The analysis of data presented the finding that growth-related challenge appeared to have induced changes to the credit union organisation design. One such challenge seemed to be the homogenising influence of power dynamics in the field which seemed to have impacted the organisational culture element of the organisation design of the credit union in Saint Lucia. This finding is consistent with the literature on institutional isomorphism. For example, Cardona Mejia et al. (2020) and DiMaggio and Powell (1980) both indicated that firms take up practices of powerful actors in the field to be in sync with the anticipations of those powerful actors.

Additionally, the analysis of the data seemed to reveal that the oligopolistic nature of the market seemed to serve as a facilitatory force for institutional isomorphism. It is worthy to note that the literature on institutional isomorphism, for instance, Cardona Mejia et al. (2020), Eren and Dilbert (2022) focused on the nature of change pressures and forces of homogenisation among firms in the field. However, the issue of the influence of an oligopolistic market structure as a distinct faciliatory source of change pressure was not considered. Consequently, this research finding can be deemed an extension to the literature on sources of institutional isomorphism in small island economies and so provides additional value to the literature in this regard.

Another finding from the research seems to indicate that credit unions achieving systemic presence in the field, through growth, induced regulatory pressures which resulted in extensive regulatory compliance mechanisms to be now part of the organisation design. This finding is consistent with the literature on the role of the regulator. For example, Pacces and Heremans (2012) stressed that regulators should monitor providers of financial services to detect timely derivation of systemic risks and institute guidelines to manage those risks.

The research findings also revealed that growth resulted in organisational complexity which induced changes to the organisational structure of the design of credit unions in Saint Lucia. This finding is consistent with the literature which indicates that to manage increasing complexity, the organisation re-designs the organisation structure and the role of individuals within that structure (Waeger & Weber, 2019; Worren, 2018).

Another research finding appeared to indicate that growth had induced challenges to the governance and board of the credit unions in Saint Lucia in terms of board and committee selection. The growth-related pressures caused that the selection be more formalised and based on the requisite skill and experience of members. In the traditional way, selection was based on members ‘general participation in the affairs of the credit union. This finding is in line with the literature which indicates that the dynamics of organisational adaptation involves changes to the governance structure and processes of the co-operative (Iliopoulos & Valentinov, 2022). The aim is to achieve an integrated board with diverse skills that embodies both member representation and professional expertise (Eckart, 2009; Davis, 2000, Novkovic et al., 2023). This finding is also consistent with the literature on the resource-based perspective of governance. Madhani (2017) for instance, pointed out that the diverse skills and capabilities among the members of a board, who serve as the main tool of governance, adds value to the firm. The researcher went on to state that this value is created when the board of directors uses their diverse skills and capabilities to help craft and implement strategies, along with producing the requisite organisation design to respond to changes in the environment.

The research findings also revealed that growth challenges, because of expansion in the elements of the credit union, resulted in the adoption of technology in the general make-up of the credit union organisation design in Saint Lucia. This finding is consistent with the literature which points out that changes in the dynamics of the operations of the credit unions induced the adoption of technology in the bid to increase organisational efficiency and effectiveness (Lana et al., 2025; McKillop & Quinn, 2013).

4.4.3 Evaluation of research question three findings

The analysis of the data seems to point to the finding that the major impact of growth-related organisation design adaptation was tension between the various organisation design elements and co-operative identity. For instance, the research finding seemed to indicate that changes to organisational structure and the framework of governance, through formalisation and professionalisation, had created challenges for democratic member control. The formalised structures had distant decision making from the ordinary member. This finding is consistent with the literature on the effects of complex governance structures and professionalism. Novkovic et al., 2023 have indicated that while these adaptation strategies may improve accountability, they reduce members' influence over the co-operative thus creating challenges in practicing democratic member control.

The findings of the study seemed to indicate that technological transformation as a response to growth pressures, whiles providing a means to timely and increased access to members, caused members who are not comfortable with technology to feel alienated. This finding is in line with the literature which indicate the technological transformation in credit union could lead to loss of engagement to the section of the membership who prefer direct personal contact (Loiser, 2021; McKillop & Wilson, 2010).

The research also revealed that market challenges which induced increased competitive behaviour among credit unions led to weakened adherence to the co-operative principle of co-operation among co-operatives. This finding is interesting in that the literature on co-operative growth strategies, Munkner (2015) and Novkovic et al. (2022) for example, focused on how differentiation can be used to craft and implement business strategy to gain competitive advantage and ultimately improved market share. The literature did not account for the ways credit unions would act among themselves towards the responsorial strategies of dominant firms in the market. Hence this concept of inter-credit union competition as a growth strategy in a highly competitive market is deemed an extension of the literature on the effects of heightened competitive strategy of dominant firms on credit unions in the market.

The findings of the research also revealed that in adapting to regulatory pressures, the credit unions faced challenges in terms of the autonomy and independence of the co-operative. In effect, adapting to regulatory pressure cause the credit union to trade profitability vis-a-vis co-operative values. This finding is consistent with the literature which asserts that regulatory pressures and austere state oversight impact the autonomy and behaviour of credit unions (Christensen et al., 2017; Miner & Novkovic, 2020; van Rijn, 2022).

The research results also indicated that there were contextual factors which seemed to moderate the impact of organisation design adaptation on the practice of co-operative values and principles of credit unions in Saint Lucia. The research findings indicate that those moderating factors seemed to be leadership skills, dynamic capabilities, degree of adherence to the co-operative values, performance measures and the socio-economic context of Saint Lucia.

In this regard, the research findings seemed to point out that poor leadership skills can stifle the effectiveness of democratic governance and by extension, the co-operative ethos. This occurs when the volunteer leaders lack the skill and capacity to course through the complexity of credit union growth. This finding is consistent with the literature on the impact of leadership on the overall performance of the co-operative form of business (Singh, 2023; Withey, 2015). Furthermore, data analysis seemed to indicate that co-operative specific knowledge is a means by which the credit union leadership can guide the adaptation of the credit union organisation design in response to stimuli for the field. This finding is consistent with the literature on the role of co-operative education. Munkner (2015) for instance, pointed out that research is necessary to find ways suitable for applying co-operative values and principles to the exigencies of contemporary society. As Davis (1999) indicated, it is the application of the combined co-operative and commercial knowledge that leads to successful co-operative business model adaptation.

Analysis of the data also seemed to indicate that the extent to which credit union veered away from the co-operative identity was influenced by their reliance on the co-operative values and principles for guidance. This finding is reflective of the literature on the role of the attractor (organisation values and principles) in complexity theory (Biswas et al. 2018; Munkner, 2015). The literature indicates that notwithstanding the unpredictable impact of organisation design adaptation on the future state of the credit union, but due to the influence of the attractor, that future state would have the predictable properties of the attractor (Munkner, 2015).

The research also revealed that the absence of co-operative aligned metrics in measuring credit union performance seemed to influence the extent to which credit unions drifted away from the co-operative identity. This finding is consistent with the literature which indicated that relying solely on financial metrics to measure co-operative performance cause credit unions to morph and gradually adopt values of investor-owned firms (Kleanthous et al., 2019; Pigeon & Rixon, 2023).

The research findings also indicated that the economic and political context of Saint Lucia seemed to affect how organisation design changes in Saint Lucian credit unions influence adherence to co-operative values and principles. This finding aligns with the literature which posit that the nature of the economic and political environment in which the credit union operates can create conflict between commercial imperatives and adherence to co-operative ethos. In this regard, Birchall (2011) pointed out that in liberalised economies, the challenge to compete with commercial banks has led some credit unions to imitate the investor-owned business model of those banks, with the effect of veering away from co-operative values and principles. Mckillop and Wilson (2011) indicated that political and legislative factors, particularly the enactment of one- size-fits all standardised regulations erode the uniqueness of the co-operative form of business. The researchers indicated that those factors contribute to the veering away from the co-operative identity.

The research findings seem to indicate that in responding to growth related challenges, the credit union changed its organisational state (form, structure, systems, processes). However, guided by the co-operative principles and values the new state would possess attributes of the co-operative identity. Based on this finding, the prediction is, when led by co-operative value and principles, the credit union organisation design facilitates the creation of the know-how to guide the credit union through chaotic dynamics, in achieving sustained credit union growth with co-operative integrity.

4.4.4 Evaluation of findings of research question four

The research question sought to identify the organisation design attributes which would enable a credit union support sustained growth while remaining true to co-operative values and principles. The research finding seems to point to the impermanence of organisation design and the need for a dynamic process in relation to managing the conflict between achieving efficiency, regulatory compliance, remaining competitive and at the same time preserving the co-operative identity.

In realising such a dynamic process, the research findings point to two sets of five attributes which the credit union organisation design must possess. The findings are consistent with the literature. The first set facilitates the ability of the credit union to remain true to the co-operative values and principles. The other set of attributes are geared towards promoting sustained growth. The five key attributes which fosters conservancy of the co-operative values and principles are:

1. Strategic alignment with co-operative identity which would foster principles of member ownership, member control and member benefit (Munkner, 2015).
2. Member centred service delivery which would encourage member economic participation (Davis, 2000).
3. Decentralised and participatory governance which would foster member decision making and democratic member control (Miner & Novkovic, 2020).
4. Strong human resource capabilities which would enhance the ability to course through dynamic chaos and promote education, training and information (Davis, 2000).
5. Value-based performance measures which monitors and report on how the activities of the credit union are consistent with the co-operative identity (Beaubien & Rixon 2012; Pigeon & Rixon, 2023).

The five attributes geared towards promoting sustained growth are: dynamic capabilities, capacity for design thinking, flexible and evolving structure, entrenched risk and compliance mechanisms and capacity for innovation and technological adaptation.

1. The research finding that the dynamic capability attribute supports sustained growth is consistent with the literature. Teece (2017) for instance, indicates organisation design to be a dynamic venture which facilitates the sustenance of repeated value creation.
2. Capacity for design thinking is a necessary attribute of the organisation design needed to create sustained growth finds support in the literature. Foster (2021) for example, accounts that design thinking provides an approach to problem solving which is apt for

seeking solutions to challenges that firms encounter in their quest to realise innovation and growth. In a similar vein, Liedtka (2018) indicated that the organisation design which fosters design thinking is one that focuses on both problems and solutions and hence builds organisational capabilities necessary for sustained growth.

3. The finding that a flexible and evolving organisational structure is a design attribute which supports sustained credit union growth is consistent with the literature. This flexibility is needed particularly to accommodate technological transformation which warrants changes in how work is arranged and carried out (Doherty, et al., 2010; Nandi & Kumar, 2016).
4. Capacity for innovation emerged as one of attributes which supports credit union sustained growth. This result is consistent with the literature which indicate that product, service and process innovation is essential for the growth and sustainability of the credit union (Musah et al., 2023).
5. The research finding indicated that the ability of the credit union organisation design to embed risk and compliance mechanisms as part of the design is an attribute which sustains growth. This finding is supported in the literature which asserts that credit unions need to be continuously monitoring and assessing risk and compliance exposure within the context of seeking credit union growth opportunities (Schroeder, 2012).

4.5 Building the substantive theory

The main proposition guiding this research is that, as credit unions in Saint Lucia grow, they engage in a continuous process of adaptive adjustments which entails always changing their organisation design to manage tensions between operational demands and the conservancy of the co-operative identity. Then in building a substantive theory, components of the theory are constructed into a theory building model using the relationship among the core categories derived from the research findings (Urquhart, 2023). Table 11 provides a summary of the theory building model.

Table 11

Theory building model summary

Stage	Core category	Significant dynamics	Result
Growth initiator	Unique value proposition	Trust, personal touch, concern for community	Member addition, loyalty, growth
Response to growth	Organisation design adaptation	Complexity, technology, governance and management formalisation, regulatory compliance, isomorphism	Expansion of operations, strategic realignment
Challenges emerge	Tension with co-operative identity	Alienation, loss of member democratic control, drift from co-op values	Risk of eroding co-operative essence
Strategic response	Designing for sustained growth	Entrenched co-op values, innovation, participatory governance	Reassertion of co-op identity, balanced adaptability

Note. Table compiled by author

The results from research question one revealed that the credit union unique value proposition was the main factor contributing to credit union growth in Saint Lucia. Credit unions offered economic, social and psychological benefits in contrast to the transactional and impersonal character of the other service providers in the field. This member-centred approach binds the credit union to the community, builds trust and loyalty, (Novkovic, 2022) which contribute to growth. As presented in Table 11, the theory building component derived from this this finding is that the unique value proposition anchors the co-operative identity and its attractor (co-operative values and principles) and thereby sustains the co-operative form of business.

The research results from question two indicated that due to increased membership and associated demands of growth, credit unions faced challenges and responded by adapting their organisation design. The adaptations were in the form of diversified services, expanded staff, new hierarchies, technology integration, formalisation of governance and increased regulatory and compliance obligations. The theory building component from this finding is that those responsive adaptations to the organisation design introduced the risk of credit unions veering away from the co-operative purpose and is summarised in Table 11.

The findings from question three revealed that organisation design changes geared at achieving operational efficiency and regulatory compliance often create tension between growth and co-operative values and principles. This tension is evidenced by the organisation design changes inducing reduced democratic control, declining member participation, technocratic governance and detachment from fundamental co-operative practices. As presented in Table 11, the theory building component from this result is that credit unions find themselves coursing a path between maintaining competitiveness and safeguarding the co-operative difference.

Research findings from question four indicated that to sustain growth while remaining true to their identity, credit unions in Saint Lucia must integrate co-operative values into their organisation design. This embedment of co-operative values involves aligning the organisation design strategically to the co-operative identity; service being member centred; decentralised governance; evolving but value grounded structures; human resource systems which appreciates both competence and values; performance measures beyond profitability.

The theory building component from this finding is that, embedding co-operative values and principles into the organisation design enables balanced adaptive adjustments. These balanced adjustments enable flexibility in managing growth challenges, while endorsing the co-operative identity. Synthesis of the theory building components led to a substantive theory stating that credit unions in Saint Lucia address the dual challenges of growth and identity preservation through a process of adaptive balancing. This involves ongoing organisational design adjustments that manage the tension between increasing operational demands and maintaining the co-operative ethos. The process is influenced by moderating factors such as leadership competence, dynamic capabilities, performance metrics, and the socio-economic environment.

4.6 Summary

This study seeks to theorise the impact of growth on the organisation design of credit unions in Saint Lucia. In achieving this aim, research rigor must be secured in the analysis of the data to ensure that the research findings are credible (Gray, 2022). In this research project, rigor is secured by pursuing approaches to build research trustworthiness which include credibility, dependability, confirmability and transferability. In complying with the standards of rigor, the research method provides audit trails and details to ensure research transparency. In constructing the audit trails, details are recorded on the process of implementing the research while the study is being carried out. Transparency contributes to research credibility and thereby enables the reader to determine the extent to which the research findings and conclusions reached make sense and are reflective of the realities of the credit unions (Gray, 2022). Transparency, through audit trailing, is established to show that the research categories from which a substantive theory is created, show fidelity to the research data.

In securing research dependability, the researcher documents and explains how the research results are obtained (Dyar, 2022). Sufficient depiction details are provided to have other researchers and readers agree that based on the data collected, the research results are reliable, consistent and thus dependable. In carrying out the research, confirmability is secured by providing evidence that the research findings are grounded in the research data and not the inclination of the researcher. In achieving confirmability, the epistemological stance of the researcher is declared, including beliefs and opinions. Furthermore, in enhancing confirmability, the research provides rich quotation, from the credit unions, that inform each research theme constructed. Also, in securing confirmability an account is given of the limitations of the research along with the possible effects of the limitations.

The research project secured the attribute of transferability by using maximum variation in the research sample. This strategy enables collecting data and analysing categories of credit unions of various sizes and thereby enables a greater range of applicability of the research findings (Daniel, 2019). Also, to enhance transferability, thick descriptions of the characteristics of the research sample is provided, along with the nature of the research setting, Saint Lucia. This information enables research users to compare the appropriateness of the research with the situation of the user.

The substantive theory being constructed seeks to explain the relationship between growth and organisation design and provides the logic that binds that relationship between the two. In the process of theory building the data is divided into manageable bits to create units of meaning

(Urquhart, 2023). Concepts are attached to the units of meaning in a way that each unit conveys one main meaning relevant to answering the research question. Meanings held in common are put together to form categories which are further grouped into clusters. Core categories are used to describe the cluster and its categories. Four core categories are constructed from the data analysis: value proposition as the foundation of growth; growth-instigated changes to organisation design; tension between growth and co-operative identity; adaptive balancing.

In terms of findings, the results of research question one seem to indicate that regardless of size, credit unions are of the view that delivering the co-operative value proposition is a factor which accounts for the growth of the credit unions in Saint Lucia. The research finding seems to indicate that the co-operative value proposition is made up of economic, social and psychological benefits. Furthermore, the finding seems to be saying that delivering the three-factor value proposition is a source of value advantage in the market, when compared to the value proposition of other financial service providers.

The research participants are of the view that a growing confidence in the safety and soundness of credit unions, as well as improved physical image, have contributed to the value proposition. The research participants also seem to agree that over time, public education on the co-operative from of business increased the awareness of consumers of the benefits of credit unions and this also contributed to the favourableness of credit unions on the island.

Evaluating the findings of research question one indicates that the psychological benefit of the three-factor value proposition is delivered when the credit union presents members with the opportunity to achieve affective connectedness with the co-operative. This factor is not covered in the extant literature on the co-operative value proposition (Mazzarol et al., 2014; Nguyen, 2016;

Novkovic et al., 2022). This finding can therefore be considered an extension of the literature and provides additional value to the literature on the uniqueness of the co-operative value proposition when compared to that of the investor-owned firms.

Furthermore, the research finding seems to indicate that accentuating the co-operative difference contributed to shaping the value proposition offered by credit unions in Saint Lucia. This role of the co-operative difference was not dealt with in the literature (Leclerc et al., 2020; Munkner, 2015; Novkovic et al., 2022). This research finding can therefore be deemed an extension of the extant literature and provides additional value to the literature on the role of the co-operative difference in crafting and implementing business strategy for the co-operative form of business.

Moreover, the research finding also seems to indicate that customers' growing positive perception of the credit union contributed to the growth of credit unions in Saint Lucia. This finding is consistent with the literature on the role of perception in influencing customers' behaviour (Bravo et al., 2012; Dam & Dam, 2021). Then in providing a succinct answer to research question one, it can be said that the factors which contributed to the growth of credit unions is Saint Lucia are contained within the context of using the co-operative social systems to create and deliver a unique value proposition in the market.

The findings from research question two seem to suggest that all the research participants are of the view that growth related challenges create the need for adaptation to the credit union organisation design in response to challenges from the business environment. The research finding seems to indicate that the growth of the business operations necessitates greater dependency on technology to carry out work. Further, membership growth, along with the diverse variety of goods and services demanded, calls for larger staff and specialised skills and departments to co-ordinate work, and this adds complexity to the credit union organisation design.

The finding also seems to indicate that the micro credit unions are of the view that since credit unions are unable to respond directly to the price leadership strategies of the banks, credit unions appear to be competing vehemently among themselves as a growth strategy. The other credit unions (small, medium and large) seem to be of a different view. They appear to suggest that while competition among credit unions exists there was still togetherness. The findings also show that growth induced increased regulatory compliance obligation, which also contributed to increased cost of operations.

The results of research question two seem to suggest that as credit unions in Saint Lucia grow, their leadership encounter difficulty in managing the ensuing power dynamics and its influence on the nature of the organisation design of the credit unions. The source of the difficulty seems to be the forces of institutional isomorphism which militates against credit unions accentuating the co-operative difference in the market. The research finding also seems to reveal that the nature of the oligopolistic financial services market, with banks being the dominant players, to be a source of institutional isomorphism. Furthermore, credit unions mimic the banks in the use of technology, processes and procedures. Also, dependency of credit unions on banks for essential services seems to force a degree of homogeneity to access those services. The research findings revealed agents of the state and the external independent auditor as sources of coercive and normative forces of isomorphism.

The findings indicate research as a key means of obtaining co-operative specific knowledge to guide the adaptation of the credit union organisation design in response to stimuli from the field.

The research results also seem to suggest that the growth of credit unions in Saint Lucia warrants the need for stronger leadership and greater skills diversity among members of the board of directors. The findings indicate that the system of selecting directors via the popular vote at the annual general meeting is outmoded. In adapting to those governance challenges, the credit union adopted a more formalised approach to governance.

The evaluation of the findings of research question two seem to indicate that the nature of the responses to growth related challenges encountered by credit unions in Saint Lucia are influenced by the organisation design of the credit unions and this finding is consistent with the literature on the role of organisation design (Billinger & Stieglitz, 2009; Joesph et al., 2018).

Furthermore, the research findings which suggests that co-operative specific knowledge is a means by which the credit union can guide the adaptation of the co-operative organisation design, is consistent with the literature on the role of co-operative education (Davis, 1999; Munkner 2015). The research finding which seems to indicate that in responding to the price leadership strategy of the banks, credit unions engaged in staunch competition among themselves is not found in the extant literature. Whereas the literature on the co-operative difference focuses on how differentiation can be used to gain competitive advantage in the market (Munkner, 2015; Novkovic et al., 2022) the literature did not account for 'co-operation atrophy' as a response to dealing with increased competitive behaviour in the market. This finding therefore extends the literature on co-operative strategy and provides additional value on how co-operatives might respond to competition from dominant firms in the market.

Moreover, the research findings which seem to suggest that responses to growth related challenges are cause for the need for diverse skills among members of the credit union board of directors is supported by the literature on the resource-based view of governance (Madhani, 2017). Synthesizing the findings of research question two seem to indicate that how credit unions adapt their organisation design in response to growth-related challenges is influenced by the relative strength of internal organisational forces and external forces in the business environment.

The analysis of the data for research question three indicates that growth induced the need for more complex organisational and governance frameworks. These complexities such as formalisation and professionalisation, presented difficulties for democratic member control. Formalised structures led to decision making becoming more distant from ordinary members. This finding is consistent with the literature on the effects of complex governance structures and professionalism. Novkovic et al., 2023 have indicated that while these adaptation strategies may improve accountability, they reduce members' influence over the co-operative thus creating challenges in practicing democratic member control.

Also, the study found that while technological changes improved access for members, they also left those uncomfortable with technology feeling excluded. This finding is in line with the literature which indicate the technological transformation in credit union could lead to loss of engagement to the section of the membership who prefer direct personal contact (Loiser, 2021; McKillop & Wilson, 2010).

The research also found out that market challenges which induced increased competitive behaviour among credit unions led to weakened adherence to the co-operative principle of co-operation among co-operatives. This finding is interesting in that the literature on co-operative growth strategies, Munkner (2015) and Novkovic et al. (2022) for example, focused on how differentiation can be used to craft and implement business strategy to gain competitive advantage and ultimately improved market share. The literature does not address how credit unions interact with each other in response to the strategies employed by dominant firms in the market. Therefore, the concept of inter-credit union competition as a growth strategy in a highly competitive environment serves as an addition to the existing research on how intensified competitive strategies of dominant firms influence credit unions in the market.

The findings of the research also revealed that in adapting to regulatory pressures, the credit unions faced challenges in terms of the autonomy and independence of the co-operative. In effect, the credit union had to trade profitability vis-a-vis co-operative values. This result aligns with existing research indicating that regulatory requirements and strict oversight by authorities can affect credit unions' autonomy, resulting in a tendency towards investor-owned business models (Christensen et al.). 2017; Miner & Novkovic, 2020; van Rijn, 2022).

The research results showed that certain contextual factors may influence how organisation design adaptation affects the implementation of co-operative values and principles within credit unions in Saint Lucia. The research findings indicate that those moderating factors seemed to be leadership skills, dynamic capabilities, degree of adherence to the co-operative values, performance measures and the socio-economic context of Saint Lucia.

The research indicates that inadequate leadership skills may impede the effectiveness of democratic governance and, consequently, the co-operative ethos. Such limitations are particularly evident when volunteer leaders lack the necessary expertise and capacity to navigate the complexities associated with credit union growth. This finding is consistent with the literature on the impact of leadership on the overall performance of the co-operative form of business (Singh, 2023; Withey, 2015).

Moreover, analysis of the data suggests that specialised co-operative knowledge enables credit union leadership to effectively direct organisational design adaptations in response to developments within the sector. This finding is consistent with the literature on the role of co-operative education. Munkner (2015) for instance, pointed out that research is necessary to find ways suitable for applying co-operative values and principles to the exigencies of contemporary society. As Davis (1999) indicated, it is the application of the combined co-operative and commercial knowledge that leads to successful co-operative business model adaptation.

The data suggests that credit unions' deviation from their co-operative identity depended on how much they relied on co-operative values and principles for guidance. This finding is reflective of the literature on the role of the attractor (organisation values and principles) in complexity theory (Biswas et al. 2018; Munkner, 2015). The literature indicates that notwithstanding the unpredictable impact of organisation design adaptation on the future state of the credit union, but due to the influence of the attractor, that future state would have the predictable properties of the attractor (Munkner, 2015).

The research further indicated that the lack of co-operatively aligned metrics for evaluating credit union performance may contribute to credit unions deviating from their co-operative identity. This finding is consistent with the literature which indicated that relying solely on financial metrics to measure co-operative performance cause credit unions to morph and gradually adopt values of investor-owned firms (Kleanthous et al., 2019; Pigeon & Rixon, 2023).

The study found that Saint Lucia's economic and political environment impacts how credit union organisation design changes affect their commitment to co-operative values and principles. This finding is supported by existing literature which indicates that economic and political factors can cause tension between a credit union's commercial goals and its co-operative values. Birchall (2011) observed that within liberalised economies, credit unions, facing competitive pressures from commercial banks, have increasingly adopted the investor-owned business model of these institutions. This shift has resulted in a departure from traditional co-operative values and principles. Mckillop and Wilson (2011) found that political and legislative influences, particularly the implementation of uniform standardised regulations, can reduce the distinctiveness of the co-operative business model. The study suggests that these factors are associated with changes to the co-operative identity.

The research findings suggest that, in addressing growth-related challenges, the credit union effects changes to its organisational form, structure, systems, and processes. Nevertheless, adherence to co-operative principles and values would ensure that the organisation’s new state retained key aspects of the co-operative identity. Based on this finding, the prediction is, when led by co-operative value and principles, the credit union organisation design facilitates the creation of the know-how to guide the credit union through chaotic dynamics, in achieving sustained credit union growth with co-operative integrity.

Research question four aimed to identify the organisational design attributes that would enable a credit union to achieve sustainable growth while upholding co-operative values and principles. The findings indicate that organisational design is inherently impermanent, highlighting the necessity of a dynamic approach to managing the tensions between efficiency, regulatory compliance, competitiveness, and the preservation of co-operative identity.

In realising such a dynamic process, the research findings point to two sets of five attributes which the credit union organisation design must possess. The first set facilitates the ability of the credit union to remain true to the co-operative values and principles. These attributes are: member centred service; systems of participatory governance; human resource systems that appreciates both competence and values ; performance measures beyond profitability; strategic alignment with co-operative identity. The other set of attributes are geared towards promoting sustained growth. These attributes are: dynamic capabilities; design thinking; capacity for innovation and technological adaptation; flexible and evolving structures; entrenched risk and compliance mechanisms.

One of the main objectives of this study is to theorise the effects of growth on the organisation design of credit unions in Saint Lucia. The study is guided by the main proposition that as credit unions grow they engage in a continuous process of adaptive adjustments which entails always changing their organisation design to manage tensions between operational demands and the conservancy of the co-operative identity. Then in building a substantive theory, components of the theory components are constructed using the relationship among the core categories derived from the research findings. Four theory building components were constructed from the core categories which emerged from the data analysis. The four components are:

I. the unique value proposition anchors the co-operative identity and its attractor (co-operative values and principles) and thereby sustains the credit union form of service provider.

II. Growth induced adaptations to the organisation design introduced risks of credit unions veering away from the co-operative purpose.

III. Organisation design changes geared at achieving operational efficiency and regulatory compliance often find credit unions coursing a path between maintaining competitiveness and safeguarding the co-operative difference.

IV. Embedding co-operative values and principles into the organisation design enables balanced adaptive adjustments. These balanced adjustments enable flexibility in managing growth challenges, while endorsing the co-operative identity.

Synthesising the four theory building components constructed from the data analysis results in a substantive theory. The theory shows that Saint Lucia's credit unions address growth and identity challenges through adaptive balancing This process is influenced by the degree of adherence to co-operative values, leadership capabilities, performance measures, and socio-economic conditions.

CHAPTER 5: IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSIONS

5.0 Introduction

Credit unions in Saint Lucia were established to deal with the socio-economic inequities that prevail on the island because of the outputs and outcomes of the investor-based economic system. This research indicates that credit unions appear to be achieving some degree of success in remedying the inequities through the provision of social, economic and psychological benefits. This value proposition seems to be preferred by consumers to the extent that credit unions in Saint Lucia are experiencing significant growth and in keeping with the reasons why those credit unions were established, this growth must be sustained. However, there appears to be challenges connected to that growth, and seeking solutions to those challenges is the motivation of this study.

The problem statement of this research therefore articulates that credit unions implement changes to their organisation design in response to growth related challenges. However, these changes cause credit unions to veer away from the co-operative identity. The main effects of the growth-related challenges pertain to organisational complexity, loss of credit union differentiation and the continued appropriateness of the governance system to effectively guide the future of credit unions on the island. The organisation design adaptation response includes transforming the credit union organisational culture, organisational and operational structure and the governance framework.

There is a paucity of research on how growth impacts the organisation design of credit unions. Hence, in the quest to find solutions to the research problem, this study seeks to theorise the effects of growth on the organisation design of credit unions in Saint Lucia. To obtain the means to build that theory, the study examines the factors which contributed to the growth of credit unions on the island. The study also examines the challenges that growth poses to the governance and management of the credit unions in Saint Lucia. It also investigates how the response to the challenges impacts the organisation design on the island. The study determines the attributes of the organisation design necessary to create sustained growth while maintaining co-operative integrity. In carrying out the research activities, the study also seeks to contribute to adding utility to theory and practice pertinent to the co-operative form of business.

This research follows a constructivist grounded theory design (Levitt, 2021). Data is collected using focus group discussion with participants comprising credit union directors and managers on the island. Stratified purposive sampling (Sharma, 2017) is used to select the research participants. In this research, the sixteen credit unions on the island are classified as micro, small, medium and large based on assets. The largest credit union in each class is selected to form the research sample thus giving variation in the characteristics of the research sample, made up of four focus groups.

The nature of the constructivist grounded theory approach gives rise to research limitations which are identified in the dissertation. The limitations are managed so that they do not adversely affect the rigor of the study. However, readers and users of the research must interpret the findings within the context of the research limitations. People are the research participants of this study and so it gives rise to ethical considerations. This includes achieving informed consent as well as achieving confidentiality and anonymity while gathering, analysing and presenting the findings from the data.

This fifth chapter of the dissertation focuses discussion on the implications of the research findings, followed by recommendations for application. The chapter continues with recommendations for future research and ends with conclusions and lessons learned from the research. The discussions are developed per research question.

5.1 Research implications

The implications of this study refer to the consequences, impacts, and significance of its findings for credit unions in Saint Lucia. Additionally, the research implications clarify the meaning of the results and their contribution to theory, credit union operations, regulatory frameworks and national policy development.

5.1.1 Implications and conclusions – research question one

The research finding of question one appears to indicate that the growth of credit unions in Saint Lucia is the outcome of credit union endogenous capabilities interacting with external conditions and value-based differentiation. The endogenous capabilities include the nature of the value proposition, the quality of leadership and member co-operative education. The external conditions include the presence of economic and social distress, market vacuities and the nature of regulatory obligations.

By leveraging co-operative social systems to highlight the distinctiveness of the co-operative model within the market, an effective strategy was implemented. This approach resulted in formulating a unique value proposition that supported the growth of credit unions in Saint Lucia. The implication of this research finding for practitioners is that the co-operative system is a tool accessible to the leadership of the credit union when crafting and implementing strategy. The co-operative system is the composite of the co-operative values and principles, co-operative performance measures, co-operative governance and co-operative management. The elements of the co-operative system must form the basis of key performance indicators for assessing the content and delivery of the unique value proposition.

The research indicate that the credit unions implemented a co-operative strategy which entailed selecting distinct approaches to value provision, differentiating activities from those commonly employed within the industry. As it is, the co-operative social system provides a structure of activities which reinforces one another, thus making it difficult for investor- owned firms in the field to imitate. The implication of this finding for practice is that as a basis of strategy, the co-operative system be used to construct barriers to imitation and thereby achieve differentiation in the field.

The extant literature on the effects of accentuating the co-operative difference, as indicated in chapter two, places emphasis on how the co-operative difference characterises the manner of operations of co-operatives when matched against investor-owned firms (Leclerc et al, 2020; Novkovic, 2005). The research finding indicate that accentuating the co-operative difference goes beyond characterising the operations of the co-operative; it impacts performance. The research findings demonstrate that performance is affected by the way the co-operative system's activities are executed to generate a combination of economic, social, and psychological value, which collectively influence the overall performance of the credit union. The implication of this finding for practitioners is that the dynamics of the co-operative system offers the means to co-ordinate the implementation of activities aimed at achieving the desired co-operative performance. Based on those insights the conclusion reached is that there seems to be a positive relationship between accentuating the co-operative difference and the performance of credit unions.

Another factor which seemed to have accounted for the growth of the credit union was the impact of public awareness of the benefits of credit union membership. The research finding seems to indicate a lagged effect of the educational and marketing activities aimed at creating awareness of the benefits of credit unions when compared to other service providers in the field. The effect was deemed to be lagged in that the public awareness activities yielded behavioural changes, choosing credit unions over other financial service providers, long after the implementation of the public awareness activities. Those public activities included the hosting of financial literacy fairs targeting secondary school children, community presentations on how to achieve financial wellness and mass media advertisements stressing the human-centred nature of credit unions. The lagged effect highlights the need for credit union practitioners to implement sustained credit union educational activities in the field. This is deemed necessary since the desired behavioural change seems to occur in periods after the implementation of the educational activities.

The research findings from research question one holds implications for practice in terms of providing insights into an initial understanding of the critical factors to consider in designing an approach to achieving sustained credit union growth in Saint Lucia. The success of credit unions on the island seems to contribute to remedying the economic and social injustices which appear to be present in the investor focused economic system. Then, this research findings could inform the work of policymakers and the regulator of credit unions in terms of helping to create an enabling environment in which credit unions can leverage their contributions. The research findings could also be useful to researchers of co-operative strategy who seek further understanding of process driven approaches to implementing co-operative differentiation strategy. The implication of the research finding for theory is that growth combines economic, social, and psychological value, broadening the idea of co-operative identity as an attractor.

5.1.2 Implications and conclusions – research question two

Research question two yielded findings which were not covered in the literature review of chapter two. This gap was realised by the power dynamics theme which emerged from the analysis of data. This theme gives a critical-constructivist perspective (Levitt, 2021) to the research findings by placing emphasis on the role of power in the field in which credit unions operate. Theoretical sensitivity to the emerging theme warranted that a review of literature be carried out to obtain insights on the theme. The review points out that power dynamics provide understanding into how power is dispersed, preserved and exercised among institutions (Foucault, 1982; Phillips, 2023).

Furthermore, the literature indicated that power is unequally distributed in the field, and the more powerful institutions use their power to maintain their dominant position (Jovanovic, 2010). Also, power is a dynamic phenomenon which is continually negotiated, challenged and reassigned through interactions, and so the power dynamic phenomenon can influence or control outcomes (Theo, 2015). The outcomes are the results of socio-economic and political influences that characterise the way institutions interact with each other in the field (Jovanovic, 2010). In this regard, institutional factors, like the oligopolistic market structure where just a few firms offer financial services to the market, can play a substantial role in accentuating the nature of power dynamics in the field. Another factor which perpetuates the power dominance can be the technological advantage held by firms in the field (Miele & Tirabeni, 2020). The reason being that the relative ability of the dominant firm to own and use new technologies, to enhance innovation and entrepreneurship, also gives those firms the ability to influence events in the field in the quest to maintain their power base (Ahlborg, 2024; Ding, 2024; Norris & Reddick, 2013).

Moreover, since power is deemed to be a dynamic interplay between or among firms, then how power is distributed and exercised in the field can be changed (Brown, 2009; Foucault, 1980; Theo, 2015). The theme of power dynamics identified in the data analysis has implications for credit union practitioners. Specifically, it highlights the importance of managing the context in which power is exercised to influence power relationships in the field. An important contextual factor is the extent of popular support for the credit union; that is, the extent to which the credit union is grounded in the community. Credit unions in Saint Lucia have been immersing into the local geographical or occupational communities through public activities including the hosting of financial literacy fairs targeting secondary school children. Other activities include community presentations on how to achieve financial wellness and support for community cultural events, sports and other benevolent activities. These community grounding initiatives, as well as having attained significant systemic presence, appear to have contributed to a diversification of power within the financial services sector in Saint Lucia. The implication of this research finding for practice is that community support is as an important systemic resource which can be used to influence power dynamics in the field.

The research finding also indicate that advocacy is a tool which the leadership of the credit union in Saint Lucia use to influence how power is distributed and exercised. Advocacy initiatives include drawing attention to the work that the credit union is doing in transforming the lives of their members and the community. The power dynamic theme which emerged from the data analysis can be of interest to researchers of the co-operative form of business in applying a critical theory approach to understand how power dynamics impact the workings of credit unions.

The conclusion reached from the research findings is that there seems to be a direct relationship between influencing the context in which power is exercised, and the degree of plurality of power in the field in which the credit union operates.

The research findings related to research question two also indicate that organisational adaptation occurred in the credit union in response to growth-related challenges. These changes include increased complexity due to the challenges brought about by expanded services, additional staffing, and more hierarchical layers to the organisational structure. Another effect of growth pressure was the adoption of technology which impacted how work is arranged and carried out. The research finding also indicated that governance reform was undertaken because the traditional governance system was not adequately addressing challenges associated with governance skills-based needs associated with growth. However, these organisation design adaptation risks the credit union drifting away from the co-operative values and principles. The implication of this research finding for practice is that proactive organisation design prevents identity erosion under increasing organisational complexity.

The research results also indicate that changes to organisation design are associated with meeting expanded regulatory requirements as the credit union grows. This finding holds implication for both regulators and policy makers. Regulators should recognise the unique model of credit unions and thereby construct regulatory protocols which facilitate financial integrity and conservancy of the credit union identity. Policy makers should consider the role of credit unions in engendering social and economic inclusion and create a legislative environment which promotes that role.

The research also highlighted the homogenising influence of the dominant players in the field. The study pointed to the isomorphic effects of changes to the organisation design because of coercive and normative pressure from the regulators and professional who render services to the credit union. The research findings indicate that homogenisation erodes the differentiation of credit unions in the field and so impacts the effectiveness of the co-operative advantage and its accompanying strategy. The implication of this finding for credit union practice is that relying on the tenets of the co-operative principles and values to determine which practices in the field to emulate and which is not worthy of emulation hedges against the forces of isomorphism/homogenisation. In this regard, the challenge for the leadership of the credit union will always be how to operationalise the tenets of the co-operative identity in ways that are adaptively relevant to the business environment. This implies that the leadership of the co-operative needs to pursue the co-operative purpose and the ideals of co-operativism while giving due consideration to the realities of the field in which the credit union operates. The research findings implication for theory is that growth introduces dyadic challenges related to identity and isomorphism, which play a significant role in influencing the design of co-operative organisations.

5.1.3 Implications and conclusions – research question three

Growth-related changes to the organisation design of credit unions in Saint Lucia seem to have resulted in tension between expansion and co-operative identity. The research findings revealed that formalisation and professionalisation appear to be distancing members from decision making and thereby eroding democratic member control. The implication for practice is that organisation design which is formalised and professionalised consistent with purpose of the credit union promotes democratic member control. This can be achieved by hiring professionals who are in sync with the co-operative values and principles. This is also accomplished by the credit union leadership supporting a culture of co-operative organisational socialisation, with co-operative values integrated into both onboarding and ongoing training processes.

The research indicated that regulatory and risk focus challenges pushed credit union organisation design to concentrate on efficiency and profitability over co-operative values. The findings also revealed that the regulator tends to use coercive and normative forces of isomorphism, in the form of rulings and guidelines, to push the credit union to adopt stipulated practices drawn from investor-owned business models. These practices are at odds with the co-operative identity and undermine the credit union's efforts to sustain differentiation within the marketplace. These regulatory rulings and guidelines arise from rigorous audits and stricter capital adequacy requirements. In this environment, the autonomy and independence of credit unions is compromised.

This finding therefore holds implications for practice for both the leadership of the credit union and the regulator. The implication for credit union practice is that contesting unfavourable rulings and guidelines of the regulator requires both co-operative and commercial knowledge. On the other hand, the regulator should acknowledge the co-operative model and implement oversight that supports it, while refraining from introducing rulings and guidelines aimed solely at achieving uniformity within the sector. The implication for policy makers and legislators is that credit union legislation should allow for flexibility in regulation to safeguard co-operative identity.

Furthermore, the research findings revealed that market challenges and competitive behaviours seemed to have caused credit unions effect changes to their organisation design. The research finding suggested that a source of change pressure is the inter-dependency between the credit union and banks. Credit unions in Saint Lucia rely on banks for foreign exchange and cheque clearing services. The research findings revealed that banks leveraged their position of service provider to achieve more favourable revenue generating terms from credit unions. The implication of the research finding for credit union practice is that taking an agentic approach is essential to managing relationships with dominant firms and preventing further strengthening of their power and competitiveness. In terms of implication for policy makers, there is need for enabling legislation to allow credit union to share or provide themselves with their own services essential to carrying out the credit union purpose. Such legislation would facilitate the credit unions in meeting the vacuity of financial inclusion left by banks.

The research finding also appears to indicate that credit union growth induced competitor retaliation from the banks. This retaliation however seemed to have brought greater levels of competition among credit unions. This action de-emphasises the co-operative principle of co-operation among co-operative and seemed to have created a situation which can be described as co-operation atrophy. The rationale behind this strategy seems to be that it is more plausible competing with fellow credit unions when compared to competing with the banks. The implication for practice from this finding is that the leadership of the credit unions develop mechanisms to facilitate inter-co-operative collaboration. A possible mechanism could be shared services and platforms for technology and regulatory compliance.

The study points to the moderating effects of contextual factors on the impact of organisation design adaptation. The contextual factors identified were quality of leadership, dynamic capabilities, adherence to co-operative values, performance measures and the socio-economic context of Saint Lucia. The finding that the quality of leadership modifies the impact of organisation design adaptation means that whereas democratic leadership supports the ideals of the credit union, it can limit effectiveness when leaders lack the capacity to course through complex growth dynamics. Putting this finding into practice necessitates that the credit union provide for continuous education for members, staff, board and committee members, to strengthen strategic capacity. Such an approach would also build dynamic capabilities, enhancing the ability of the credit to be innovative and seize opportunities to generate co-operative benefits for members.

The research findings indicate that turbulence within the field may encompass factors such as competitor retaliation, evolving legislation, technological advancements, shifts in power dynamics, and changing member demands. The findings also indicated that when guided by co-operative values and principles, the changed credit union which emerges in response to the turbulence would still have attributes of a co-operative. However, the extent of the co-operative attributes is influenced by the strength of the co-operative values and principles on the culture of the credit union. The implication of this finding for credit union practice is that utilising the co-operative values and principles, in the role of attractor, to inform strategic changes enables the credit union to both adapt to the environment and maintain the co-operative identity. The conclusion reached is that the attractor (co-operative values and principles) defines the boundaries within which the credit union will adapt to change.

The study result that the metrics used in evaluating the credit union performance influence the impact of change means that the choice of metrics reflects the factors which are being managed. The implication for practice of this finding is that what is not measured is not managed and the exclusive use of financial metrics encourages commercial logic over co-operative identity. The implication of the research finding for regulators and policymakers is that formulating the right mix of performance indicators is essential to preserving the mission of the credit union while enabling prudential standards.

The research findings also indicate that the credit union growth-related organisation design adaptation is modified by the nature of the socio-economic and political context of Saint Lucia. The findings reveal that external uncertainties like inflation and political shifts intensifies the challenges on governance, credit granting and strategic orientation. This finding also indicates that while growth can enhance the financial stability of the credit union in times of crisis, it also brings in risk of drifting away from the co-operative purpose as a means of survival. These findings hold implications for practice. The research results warrant the credit union leadership lead and manage with calculated strategies and contextual sensitivity while maintaining the co-operative ethos. These finding indicate the need for policy makers to incentivise credit unions that are demonstrating social impact. The implication of the research findings for theory is that, in periods of growth, credit unions encounter adaptive tension between efficiency and co-operative values. This relationship is influenced by contextual factors.

The conclusion drawn out of the research finding is that organisation design changes aimed at addressing the challenges of growth often create tension between maintaining competitiveness, regulatory compliance, and co-operative values.

5.1.4 Implications and conclusions – research question four

The aim of research question four is to determine the credit union organisation design properties which would facilitate the creation of sustained co-operative growth while maintaining co-operative integrity. In this regard, Table 12 outlines the key organisation design properties which emerged from the data analysis process.

Table 12

Key organisation design properties

Property	Description
Strategic alignment with co-operative identity	Organisation design must facilitate the upholding of the principles of member ownership, member control and member benefit.
Member centred service delivery	Organisation systems must preserve the personal touch and responsiveness to individual member needs.
Decentralised and participatory governance	Design structures must enable broad member participation and democratic decision making.
Flexible and evolving organisational structure	Design must facilitate the introduction of new roles and units without compromising the co-operative spirit.
Strong human resource capabilities	Facilitates the hiring and retention of staff and volunteers who are qualified and value-aligned, to lead and serve effectively.
Capacity for innovation and digital transformation	Technology must facilitate enhanced access and efficiency while reinforcing human connection.
Embedded risk and compliance mechanisms	Robust internal systems must mitigate growing regulatory and operational risks.
Capacity for nurturing dynamic capabilities	Design must support continuous development of staff and members, build capacity to be innovative, identify and seize opportunities to create member benefits.
Capacity for design thinking	Facilitates the solving of problems by identifying member needs and creating practical solutions based on empathy and ideation.
Value-based performance measurement	Supports performance measures which include member satisfaction, community value, and fidelity to co-operative values and principles.

Source. Compiled by author from research data analysis

The research indicates that to support sustained growth while adhering to co-operative principles, the credit union organisation design must be strategically aligned with the co-operative identity. This design would ensure that growth and operational changes reflect the concepts of member ownership, democratic governance and member benefit. Furthermore, the findings revealed that organisation design should be capable of sustaining the personal approach, responsiveness, and empathetic qualities inherent in co-operative values, even as the credit union expands.

As captured in Table 12, the research findings also indicate that a needed attribute of the organisation design is the ability to support a malleable organisational structure that can integrate specialised roles and new committees into the structure as the credit union expands. The research also points to the need for the organisation design to be able to facilitate the recruitment and retention of qualified and co-operatively minded staff. This is to ensure that the credit union leadership can manage through complexity as the credit union grows. These findings have implications for credit union practice: (a) credit union adaptation strategies be focused on maintaining both contemporary relevance and adherence to co-operative values and principles; (b) volunteer selection and staff hiring process recruit persons not only with qualifications but with experience and values that are in sync with the co-operative purpose; (c) invest in systems which balances efficiency with inclusiveness.

The research also indicates that, to achieve sustained growth while maintaining the co-operative identity, credit union organisation design must be capable of supporting innovation and digital transformation. This attribute enables the adoption of technology to boost efficiency and access while maintaining member engagement. The implication for practice is that the credit union be designed to balance the adoption of technology with member engagement.

The research finding also pointed out that credit union definitive knowledge seems to be a means by which the co-operative can guide the crafting and adaptation of the credit union organisation design in response to changes in the field. Credit union specific knowledge also seems to be a significant means of manoeuvring power dynamics in the business environment. This implies the need for the co-operative leadership to utilise co-operative specific research to facilitate the means of combining credit union knowledge and commercial knowledge when designing and implementing credit union adaptation.

The research findings also suggest the need for the credit union organisation design to have the capacity of supporting the development of dynamic capabilities. This suggests that the leadership of the credit union ought to identify and nurture the components of dynamic capabilities in seeking to create an organisation design that would enable sustained credit union growth. The research results indicate dynamic capabilities facilitate the credit union in adapting its organisation design in response to feedback from the field. The implication of this finding for credit union practice is that designing the credit union is not a programmed intervention but a changeful process. In this regard, the most effective organisation design for the credit union seems to be one that is driven by dynamic capabilities for it makes the credit union change ready. Consequently, the conclusion reached is the extent to which credit unions in Saint Lucia can create sustained growth seems to be influenced by the degree to which dynamic capabilities shape the organisation design of those credit unions.

The research findings therefore hold implications for credit union practitioners in terms of recruiting human resources, both paid and volunteer. The need is for human resources with aptitude for learning and able to apply intelligence to sense and seize opportunities to create benefits for the credit union member. To this end credit unions in Saint Lucia must: (a) invest in co-operative-based education systems for the ongoing development of volunteers and staff; and (b) implement reward and recognition systems which provide compensation for innovativeness and pursuit of opportunities aimed at enhancing member benefits.

In terms of other implications, the research findings provide useful insights to organisation design researchers who seek understanding of the influence of dynamic capabilities on the organisational performance of firms. The implication of the research finding for policymakers is that incentivising co-operative education and establishing frameworks that ensure democratic practices facilitate credit union grow while adhering to the co-operative identity. Additionally, the development of enabling legislation to strengthen credit unions' capacity to leverage dynamic capabilities advances the co-operative mission.

The research finding also seems to suggest that design thinking is a significant component of the organisation design of the credit union. Design thinking seems to cause the leadership of the credit union to focus on the central role of processes and structures anticipated to deliver the strategic intent of the co-operative. The implication for practice is that the leadership of credit unions in Saint Lucia use the design thinking methodology as a tool to integrate the operative logics involved in the credit union producing economic, social and psychological value for members.

The research points to the need for the organisation design to possess the ability to support value-based performance measurement. The design must facilitate the evaluation of credit union success not just by financial indicators but by member satisfaction, community impact and adherence to co-operative values and principles. The implication for credit union practice is that integrated performance frameworks that balance financial and social metrics facilitated sustained growth while adhering to co-operative values. The implication for policymakers is to formulate incentives for credit unions whose performance reflects measurable social impact. The theoretical implication of the research findings is that co-operative identity serves simultaneously as a constraint and an enabler within organisational design, influenced by adaptive balancing mechanisms.

Synthesising the research findings from question four indicates that organisation design facilitates credit union self-organisation and provides the architecture for the emergence of new structures and processes in response to feedback from the field. Furthermore, the nature of the organisation design (vision, culture, structures, processes) of the credit union can reinforce or undermine the capabilities needed for growth while adhering to co-operative values and principles. This suggests that the leadership of credit unions in Saint Lucia must seek answers to, not what is the best organisation design for their credit union, but rather, what is the appropriate organisation design given the challenges confronting the credit union. This implies that different organisation designs solve different problems and hence the need to configure the organisation design to match the strategy to be implemented or the problem to be solved. This therefore calls for a malleable organisation design to deal successfully with the specific nature of change.

The conclusion reached is that the attributes of the organisation influences the credit union's ability to achieve growth objectives while maintaining adherence to co-operative values and principles.

5.2 Research limitations

The findings from the four research questions provide insights which enable the construction of a substantive theory which seeks to explain and predict the effects of growth on the organisation design of credit unions in Saint Lucia. In so doing, the research contributes to the literature on the impact of growth on credit union organisation design. The research findings also offer practical applications to the leadership of the credit union in their quest to lead and manage their co-operative entities in creating sustained growth in fidelity to the co-operative way. Insights from the research findings could prove useful to researchers and policy makers seeking an understanding of factors which influence the performance of credit unions. However, the interpretation and application of the research findings must be understood within the context of the assumptions, limitations and delimitations associated with the research.

The study was carried on the following assumptions: (a) credit unions in Saint Lucia are homogenous; (b) directors and managers are good source of information for answering the research question and (c) the answers of the research participants are honest and factual. The choice of sampling posed study limitations; the population sample studied were selected using purposeful sampling and so the research findings can only be generalised to credit unions in Saint Lucia. This choice was made based on the notion that the research needed to garner deep understanding of the meaning associated with the behaviour of the credit union leaders in Saint Lucia. Credit union directors and managers are assumed to have such information which could not be accessed from other sampling methods. The study comprised four credit unions out of a total of sixteen on the island. However, Namet et al. (2016) asserted that three to five focus groups are necessary to sufficiently address qualitatively based research questions and to achieve data saturation. In this regard, the credit unions were categorised into four groups based on total assets, and the credit union with the largest asset base in each category was selected to form the research participant. The credit unions are assumed to be homogenous and so the findings could be deemed reflective of the opinions of all the credit unions that make up the research population.

Furthermore, the use of the focus group interview as the means of collecting data realised a situation where some participants were more dominant in the interview and in some cases their views ended up being the views of the group. In such situations the facilitator prompted the less dominant participant to speak. Also, not all the selected directors and managers attended the interviews. Hence, the absence of some of the directors and managers meant that the perspectives of the research participants were limited to those present and so based on the assumption of homogeneity, the responses are deemed to be the view of the credit unions in Saint Lucia.

Thematic analysis was employed to examine the research data. While this analytical approach is valuable, it is susceptible to researcher subjectivity and bias, as well as the potential for oversimplification or overlooking subtle nuances (Gray, 2022). The researcher addressed the limitations of thematic analysis by implementing reflexivity, maintaining an audit trail, and thoroughly documenting each stage of the analytical process to ensure transparency. Additionally, the research employed a systematic methodology utilising hierarchical coding. The researcher intentionally sought disconfirming evidence to rigorously test emerging themes and exercised discernment in data selection to prevent overcoding, prioritising substantive coding over excessive detail.

Another factor is that, though gender may have an impact on the meaning of experiences encountered by participants, since the data were being analysed on a group basis and not individually, the potential impact of gender was not evaluated relative to the research findings. This then warrants future research to infuse a gender perspective in the analysis of the experiences encountered while leading and managing credit unions in Saint Lucia.

The delimitations of the research include the study is restricted to credit unions in Saint Lucia and so the institutional relationships highlighted in the research are nuanced by the economic, social and regulatory issues unique to the island. Care was taken though to provide detailed contexts and audit trails to give a clear picture of the research setting and enhance the transferability of the research findings. Hence, it is incumbent of the users of the research to determine the extent to which the research findings are transferable to the situation of the reader or researcher user.

5.3 Recommendations for application

One of the objectives of this study is to use the research findings to construct recommendations that credit union practitioners and executives could use to manage viable and purposeful credit unions. Recommendations are also provided to regulators and policymakers to support credit unions in attaining long-term, sustainable growth.

5.3.1 Research question one

The research finding from research question one gives the idea that the use of the co-operative social systems to give prominence to the co-operative difference in the market, seems to have been an effective strategy, and that strategy contributed to the growth of credit unions in Saint Lucia. In putting this finding into practice, and as indicated in chapter two, the leadership of the credit union must be mindful that efforts to achieve credit union growth may distort the co-operative uniqueness, create the need to accept compromises and ultimately, loss of the co-operative advantage (Novkovic & Power, 2005). In other words, growth can be a menace to the strategy of accentuating the co-operative difference. Then in managing the hazard of growth, the recommendations for practitioners are:

i. establish service standards specific to co-operatives and monitor them through key performance indicators;

ii. leverage the co-operative social activity system to add features to existing services or create new services that competitors in the field would find difficulty in imitating (Porter, 1999). The aim is to preserve the co-operative advantage by offering services compatible with the needs of members as they go through the different stages of life, from infancy to adulthood. The idea being that member value expectations are dynamic (Suter & Gmur, 2014).

iii. serve the needs of members more thoroughly and offer variety with a credit union distinction (Davis, 2001). This could be achieved by using design thinking methodology (Foster, 2012; Liedlka, 2018) to identify unmet needs of members and create innovative solutions to fulfil those needs;

iv. strengthen member education and co-operative identity campaigns;

v. maintain the personal touch and member engagement alongside digital tools;

vi. consider the co-operative approach when determining which industry changes may be beneficial to adopt. Changes in the financial services sector are generally intended to improve efficiency through increased productivity, quality, and speed of service (Porter, 1996). Various techniques and management tools are available to support these goals, including benchmarking, time-based competition, and data analytics. It is advisable that the credit union leaders consistently communicate the credit union's distinctive position, based on human-centred values, across the organisation as part of ongoing organisational socialisation. This can help employees make informed choices about applying traditional profit-driven management tools and techniques in their work, in ways that would maintain the co-operative advantage.

The literature reviewed in chapter two shows that emphasising the co-operative difference influences how a credit union operates. The research findings though suggests that this distinction affects not only operations but also performance. Ultimately, it is the implementation of the co-operative system's processes within the differentiation strategy that shapes the credit union’s unique impact and success. Then in putting this idea into practice the recommendations are:

i. credit union leadership differentiate their approach to creating and delivering services from that of investor-owned firms. This includes providing offerings designed to strengthen the relationship between members and the credit union. Service delivery ought to be personalised, fostering a sense of connection between members and the co-operative (Davis, 1999; Birchall, 2014). Both the service and its delivery should integrate the member’s perception, purpose for acquiring the service, and cognitive engagement, resulting in a cohesive and meaningful experience for the member (Carter & Gilovich, 2010; Gilovich & Gallo, 2020).

ii. whenever possible, credit unions should pursue activities that distinguish their resource allocation from those of investor-owned firms in the industry. Such activities may reinforce the credit union's connection to the geographic or occupational community in which it operates (Bianchi & Vieta, 2020). These initiatives ought to focus on delivering social, cultural, and environmental benefits to members and their communities. The underlying philosophy prioritises the generation of positive impact as a means of income, rather than adopting the investor-driven approach of generating income to achieve beneficial outcomes.

In putting both recommendations into practice, a human centred approach ought to define the process of implementation (Munkner, 2015; Novkovic, 2022).

The inherent characteristics of the co-operative business model provide a distinct competitive advantage. However, it is essential that the leaders of the credit unions recognise that this advantage is not enduring. Due to the highly competitive nature of the oligopolistic financial services market, such advantages may vacillate (McGrath, 2013). Then it is incumbent on the leadership of the credit union to strategise to create and seize opportunities in the market (Teece, 2018). To remain competitive within the industry, it is recommended that credit union leadership in Saint Lucia integrate elements of competitive advantage, innovation, and organisational design. By doing so, they can effectively develop and implement initiatives that emphasise member democratic control, member ownership, and member benefit at regular intervals in the marketplace

(McGrath, 2013). Executing this strategy requires an organisational structure that supports the agility necessary to capitalise on emerging opportunities in the market.

Furthering the point of sustained competitive advantage, the finding of this research seems to indicate that achieving a value advantage in the market contributed to the growth of credit unions in Saint Lucia. The value advantage is one of the attributes of the competitive advantage and the three-factor value proposition (economic, social and psychological) seems to create that value advantage. Since the value advantage is a factor of competitive advantage, then in achieving sustained growth, it is recommended that the leadership of the credit union be innovative in terms of how the value proposition is offered to the member or customer. This calls for customised approaches to the delivery of the value proposition to meet the disparate economic, social and psychological needs of members/customers, and thereby develop deep member relationships.

The research finding also pointed out that the nature of the perception that the customer has of the credit union influences the extent to which the customer does business with the co-operative. Perception is a dynamic phenomenon (Hoffman, 2015) and so the recommendation is that the leadership of the credit union ought to obtain insights of the factors which account for customer's perception at given points in time. The research finding also indicated the member's awareness of the value advantage of the credit union, when compared to other service providers in the field, helps to create favourable perception of the credit union. Then it is binding on the leadership of the credit union to manage the education and marketing activities of the co-operative using context appropriate approaches to induce favourable perceptions in customers.

All those recommendations associated with research question one are aligned with the concepts expressed in chapter two except for two recommendations derived from new insights: (a) leveraging the utility offered by the three-factor credit union value proposition to achieve value advantage in the market; (b) using a human centred approach to influence how the credit union difference is implemented, drawing on the notion that how strategy is implemented influences credit union performance.

5.3.2 Research question two

The power dynamics theme which emerged from research question two did not form part of the concepts contained in chapter two. This research finding, using a critical-constructivist lens, seems to indicate that there is a direct relationship between influencing the context in which power is exercised and the degree of plurality of power in the field. Hence, in achieving the co-operative purpose there is a need for the credit union to be able to influence power dynamics among institutions with which the co-operative relates (Theo, 2015). Then in putting the research finding into practice, the recommendation is that the leadership of the credit union design and implement activities which would ground the co-operative in the geographical or occupational community that it serves (Bianchi & Vieta, 2020). This means that the credit union should contribute to and participate in community and cultural activities. The credit union should also support the local population to participate in development work thereby increasing the credit union's presence in the field.

The research finding also speaks to the homogenising influencing of power dynamics through the proffering of industry standards and tools of best practices. Acquiescing to such influence would erode the differentiation strategy of the credit union. It is the responsibility of co-operative leadership to determine which industry practices and standards are appropriate for adoption. In this context, it is recommended that credit union leaders address the risk of isomorphism by applying co-operative identity guidelines (Munkner, 2015). Such a recommendation is consistent with the concepts of the role of co-operative values and principles contained in the literature review of chapter two. To implement co-operative values and principles in a manner that remains responsive to the evolving business environment, it is recommended that credit union leaders adopt a praxis approach (Wainwright, 2022). This methodology enables the organisation to pursue its co-operative objectives while simultaneously addressing contemporary business realities.

The research finding also seems to indicate that the oligopolistic nature of the market, in which the credit union operates, facilitates mimetic and coercive forces of institutional isomorphism and so serves as a source of change pressure for credit unions. Furthermore, the degree of inter-dependency between the credit union and dominant firms in the market also seems to serve as a source of homogenisation. In this regard, the recommendation is that the leaders of the credit union monitor the possible impacts of the dealings of the co-operative with the dominant firms. Credit union leaders should consider an agentic approach to manage relationships and service utilisation with dominant firms, as this could help mitigate the potential increase in those firms' power (Jovanovic, 2010). The credit unions should seek to minimise their dependence on banks and seek collaborative and co-operative based approach to provide service that are needed in common but are procured from banks.

The research findings also show that as credit unions experience increases in membership and demand, they encounter organisational design challenges related to growth. Adaptation to these changes results in additional complexity due to diversification of services, expansion of staff, and the development of new hierarchies. To address increased complexity, the recommendation is that the credit union consider modular operating models (Snihur & Tarzijan, 2018). This approach enables the co-operative simplify complexity by dividing the elements of the credit union's organisation design into flexible modules. Each module can innovate autonomously while remaining aligned with overall strategy. Key benefits of the approach include improved complexity management without centralisation, faster innovation with regulatory compliance, increased resilience to change, and stronger alignment between strategy, member needs, and operations (Bask et al., 2010).

The study also found that as credit unions grow, their organisational structure tends to become more formalised and professional, particularly in governance, due to challenges facing traditional governance systems. To address potential negative effects of this shift, it is recommended that credit union implement competency-based nomination processes to select directors, complemented by ongoing training in co-operative values and principles (Novkovic, 2022).

The research indicates that as membership increases, the number of perspectives and voices often exceeds what the original governance system can effectively manage. Consequently, decision-making may become concentrated within a small subset of members. It is therefore recommended that the board of directors allocate resources to establish mechanisms, such as information and communication technology platforms, that enhance access, voice, and representation for the entire membership (Novkovic et al., 2023).

The research findings indicate that when credit unions reach systemic presence, competitors tend to respond. The findings seem to suggest that the response involves dominant firms adopting cost leadership strategies and leveraging the reliance of credit unions on the services of the dominant firms. As a result, the terms and conditions for services provided to credit unions become more stringent. In this regard, the recommendation is that the leaders of the credit unions should determine the feasibility of pooling together (in the form of credit union service organisations which offer shared services) and so minimising the reliance on banks for services. Also, to remain competitive, the co-operatives should consider strategising around achieving non-price advantages in the market (Suter & Gmur, 2013).

Another research finding appears to be that competitor retaliation induced greater levels of competition among credit unions, creating a situation the researcher described as co-operation atrophy. After dominant firms adopted price leadership strategies by lowering loan interest rates, some credit unions were unable to match these rates. As a result, members left those credit unions for ones that could offer interest rates aligned with market conditions. In other words, some credit unions lacked the capability to respond to high change density and are therefore not able to improve their member value proposition. In such a situation the recommendation is to reconstruct the credit union sector through mergers and amalgamation, to be better able to obtain the means to continue to be competitive and relevant to the needs of members (Grashuis & Franken, 2022).

Furthermore, the finding of the research seems to point to the idea that having reached systemic presence, the credit union experiences greater scrutiny from the regulator. This greater level of perusal may entail the use of coercion to push credit unions to adopt specified practices and standards. Such practices and standards may conflict with the co-operative identity and co-operative differentiation. The recommendation therefore is for the leadership of the credit union to use the support of its general membership to lobby and advocate against rulings and guidelines deemed hazardous to perpetuating the co-operative difference and co-operative identity (Munkner, 2015).

Given the role of credit unions in supporting members and contributing to community development, regulators and policymakers should facilitate conditions that support the ongoing growth of credit unions. The following recommendations are provided for consideration:

a. credit union practitioners be consulted in the formulation of co-operative legislation and guidelines;
b. that credit unions be seen as social partners and consulted when creating policies impacting social transformation;
c. guard against fiscal and other similar policies having a negative impact on the operating costs of credit unions. These financial co-operatives play an important role in strengthening community economies through the creation of benefits to members. Hence, governmental policies which add to the operating costs of credit unions would directly decrease the resources available to benefit the members and compromise achieving the co-operative purpose.

5.3.3 Research question three

The results for research question three suggest that organisation design changes related to growth can create challenges in balancing growth and co-operative identity. The research shows that growth has rendered the traditional governance structures inadequate requiring the implementation of more complex governance frameworks. This change seems to have weakened democratic member control by distancing decision-making from members. To address this research finding, it is recommended that the credit union leadership assess organisation design changes for impact on co-operative values and principles to ensure that they are integrated into operational requirements (Munkner, 2015).

The research finding also appears to indicate that professionalisation and technological modernisation may lead to member alienation. For instance, virtual annual general meetings may cause loss of member engagement and feelings of ownership. The recommendation is that credit union leaders use technology to enhance member access and efficiency, but it must also be reinforcing human connection (Novkovic et al., 2023). The leadership should ensure that virtual annual general meetings, for instance, facilitate authentic two-way communication, rather than serving solely as reporting sessions. Furthermore, the leadership must evaluate the adoption of technology to ensure that it does not disenfranchise those who prefer more traditional access to services.

The research seems to demonstrate that regulatory compliance related to growth and the complexities of risk management have driven a greater emphasis on profitability rather than focusing on co-operative principles. Credit unions appear to be experiencing increased compliance requirements because of more frequent regulatory audits and stricter capital adequacy standards. These state oversight measures may influence the level of autonomy and independence credit unions maintain. Based on this research finding, it is recommended that credit unions work together through their leagues to seek legislation that aligns with co-operative values (Davis, 1999). The recommendation for regulators and policymakers is to develop a regulatory framework which balances financial prudence with credit unions maintaining autonomy and independence.

The study also appears to find that market challenges and aggressive bank responses to credit union growth have sparked internal competition among credit unions, thereby weakening their co-operation. To respond to this research finding, it is recommended that credit unions enhance collaboration by establishing shared services and pursuing joint initiatives. Such efforts may help mitigate the oligopolistic influence exerted by banks.

The research indicates that contextual factors moderate the extent to which organisation design adaptation causes the credit union to veer away from the co-operative identity. The research seems to identify the key contextual factors to be leadership capabilities, fidelity to co-operative values, the nature of the economic and political environment, dynamic capabilities and performance measures. Based on this research finding, the recommendation is that credit unions:

a. invest in leadership training;
b. embed co-operative values and principles in credit union growth strategies;
c. craft and implement strategies aimed at enhancing dynamic capabilities (Teece, 2018);
d. develop integrated performance frameworks that balance financial and social metrics (Pigeon & Rixon, 2023);
e. report non-financial outcomes alongside financial statements (Davis, 2001).

5.3.4 Research question four

The fourth research question yielded the insight that, to achieve sustained growth while upholding co-operative values and principles, credit union leaders in Saint Lucia should design their co-operatives with interrelated properties that support the harmonisation of operational efficiency, strategic agility, and adherence to co-operative identity. The research identified ten key organisation design properties:

i. strategic alignment with co-operative identity;
ii. member-centred service delivery;

iii. decentralised and participatory governance;
iv. flexible and evolving structure;
v. strong human resource capabilities
vi. capacity for innovation and technological adaptation;
vii. entrenched risk and compliance mechanisms;
viii. growing dynamic capabilities;
ix. capacity for design thinking;
x. value-based performance measurement.

Based on the research findings, the recommendations for credit union practice are:

i. develop an adaptive balancing credit union guide (playbook) containing processes, strategies and standard operating procedures reflecting the ten key organisation design properties;
ii. establish agile squads and innovation cells (Agnihotri & Bhattacharya, 2019) dedicated to designing, building, testing and delivering value to credit union members (Wördenweber & Weissflog, 2005);
iii. publish member impact metrics alongside financial reports (Pigeon & Rixon, 2023).
iv. translate organisation design attributes into a maturity self-assessment framework (Viloria-Núñez et al., 2022) typical to that indicated in Table 13 to be used annually for board reflection and strategic planning.

Table 13

Credit union maturity self-assessment framework

Dimensions	Questions	Score (1= weak 5= strong)	Notes (evidence)
Identity alignment	Do all major decisions pass a co-operative identity test (ownership, control, member benefit)?		
Member centred service	Have service journeys been mapped for various member segments, including digital, assisted, and in-person?		
Participatory governance	Are boards/committees selected with both competency and member legitimacy?		
Flexibility & adaptiveness	Do structures support rapid adaptation, such as cross-functional or temporary teams?		
Human resources & training	Are recruitment, onboarding and training aligned with co-operative values and skills?		
Technology adoption	Is technology adoption balanced with human-touch adoption for inclusion?		
Risk & compliance	Are there proportionate risk/compliance frameworks with early warning dashboards?		
Dynamic capabilities & innovation	Does the credit union invest in leadership, training, and co-operative specific research & development?		
Performance measurement	Are financial, member-outcome and community impact metrics reported side by side?		

Note. Framework developed by author

5.4 Recommendations for future research

The findings of this research project contribute to the literature on how growth impacts the organisation design of credit unions. The research findings also sparked issues warranting further research aimed at providing greater insights in the field of co-operative organisation design. The issues and recommendations for further research are made based on the four research questions.

5.4.1 Recommendations from research question one

Notwithstanding its applicability to credit unions in Sain Lucia, this research project was carried out within constraints that bounded the insights it offered and so warrants further research. The results pertaining to research question one suggest that the co-operative social system, as outlined in chapter two, has been effectively leveraged to highlight the unique attributes of co-operatives within the marketplace. This strategic approach appears to have played a significant role in supporting the expansion of credit unions in Saint Lucia. With the co-operative system viewed as a resource, this finding then is consistent with the concepts of the resource- based view of the firm (Donnellan & Rutledge, 2019). However, there is need for further research to understand how the factors which constitute the co-operative social system interact to produce an effective differentiation strategy. Such understanding could be useful to credit union leaders in their quest to leverage windows of opportunities (McGrath, 2013) in the market, and in crafting and implementing strategy in the attempt to achieve sustained competitive advantage. Also, the insights could be useful to researchers of management and business strategy who focus on building or extending theories which explain the sources of competitive advantage.

Findings from the study also indicate that the benefits of the three-factor (economic, social and psychological) value proposition seem to have given credit unions a value advantage in the market which contributed to the growth of credit unions in Saint Lucia. Given that the credit union membership in Saint Lucia has identified psychological value as a benefit to them, then there is need for further research on how to develop the affective qualities of credit unions. There is also the need to quantify each value component's (economic, psychological and social) contribution to growth and member retention. Such insights could be useful to researchers in strategy management by providing concepts that could extend the literature pertaining to customer value proposition. Furthermore, the insights could provide information to credit union leaders on how to enhance the value components to make value proposition even more unique. Besides, further research is warranted to offer understanding on how members of credit unions in Saint Lucia perceive the overall value they receive from their credit unions. The notion being to create and sustain value for the credit union member, the co-operative must first know what the member values and then determine how that value is to be offered. Therefore, the imperative is that the leadership of the credit unions understand the tangible and underlying value that members seek (Suter & Gmur, 2014). Insights on how members perceive value could provide the credit union leadership with pertinent information necessary for designing the co-operative business model, to best satisfy the needs of members by delivering the requisite value.

5.4.2 Recommendations from research question two

Research question two sought to understand how growth-related challenges impacted the organisation design of credit unions in Saint Lucia. The research indicates that a key growth challenge is handling power dynamics, as dominant firms use their influence to retain their advantages (Jovanovic, 2010). In this regard, the research findings seem to indicate that being grounded in the community is a means by which credit unions in Saint Lucia could influence power dynamics in the field. The significance of this finding highlights the necessity for credit union leadership to modify the organisational design in ways that would provide support to effectively implement initiatives that foster deeper community engagement and garner widespread support from local stakeholders. Notwithstanding such insights, there is need for further research to evaluate the extent to which credit unions being grounded in the community influences power plurality in the field.

Another finding of the research is that power dynamics seem to have a homogenising influence on the practices of credit unions. Dominant firms exercising that influence could erode the effectiveness of the differentiation strategy of credit unions (Novkovic, 2022). The power dynamics theory explains this finding by indicating that the dominant firms exercise power to achieve socio-economic outcomes (Theo, 2015; Jovanovic, 2010). Insights from the finding could be useful to the leaders of the credit in helping hedge against the homogenising influence of power dynamics by determining which practices in the field to emulate and which to avoid. Despite the utility of the research finding, additional research is required to establish a structured framework that enables credit union professionals to evaluate the co-operative alignment of industry practices.

Furthermore, the research findings appear to indicate the need for the leadership of credit unions in Saint Lucia to manage growth-related organisational complexity. Insight from this research finding could prove beneficial to the leadership of the credit union in their quest to integrate and co-ordinate how work is arranged and carried out to achieve organisation efficiency. While these insights are useful, additional research is required to understand how organisational complexity influences the role of elements within the co-operative social system as they adapt to changes in the field. There is also need for further research on determining the most effective methods for managing complexity in credit unions. Insights from such studies could be joined to theories on managing organisational complexity and could be of value to researchers focused on understanding change management.

The results related to research question two indicate that credit unions in Saint Lucia have achieved a systemic presence, prompting the credit union regulator to implement more rigorous oversight and introduce guidelines comparable to those enforced for dominant firms within the financial services sector. The research findings therefore cited statutory regulations as a source of homogenisation and hence at enmity with the objective of credit unions achieving differentiation in the marketplace. In this regard, there is need for further studies focusing on the impact of legislation on the development and competitiveness of credit unions in Saint Lucia. Credit union practitioners could use insights from such studies to better monitor the impact of legislation on credit unions. Such insights could also enable those practitioners to be better able to contribute to discourse on the justification of contents of legislation impacting credit unions in Saint Lucia. Furthermore, such insights can help policymakers appreciate the contribution that credit unions are making to the socio-economic development of the country and the challenges (legislative or otherwise) associated with making that contribution.

The research findings also seem to indicate that credit unions in Saint Lucia have been able to influence the prevailing restricting behaviour of the dominant firms in the market and so enable the credit unions to have systemic presence in the market. Such a finding could be deemed to be tantamount to positive feedback from the environment. As explained by chaos theory, this positive feedback could encourage the leadership of the credit union to initiate a process of planning and structuring to leverage that position (Turner & Baker, 2019). Notwithstanding the research findings on the apparent gains achieved by the credit unions in Saint Lucia, there is a need for further research on how credit unions were able to influence the seemingly oligopolistic behaviour of the dominant firms to create credit union advantages. Such insights could prove valuable to the leadership of the credit union in planning and finetuning the implementation processes of the co-operative differentiation strategy. Furthermore, empirical insights gleaned from such research could be merged into business process theories or theory-based principles and could be useful to researchers of organisational economics who focus on using economic tools to help understand how organisations are structured, designed and perform. The insight could also be of use in helping organisational economists understand the behaviour of organisations towards external organisations.

Furthermore, the research findings indicate that the dominant firms in the field appeared to have used price leadership as a strategy to gain competitive advantage (Porter, 2008) now that credit unions have systemic presence. The recommendation for manoeuvring through this milieu is for credit unions in Saint Lucia to apply a mix of price and non-price strategies to continue to be competitive in the field. In crafting and implementing non-price strategies credit unions must first be aware of the different types of latent value that members find beneficial. Including benefits from that range of latent value to the credit union value proposition can add to the co-operative difference in the market and can prove to be a unique selling point (Suter & Gmur, 2014). In this regard, further studies are needed to determine the range of latent value offered by credit unions in Saint Lucia and the extent to which the latent values meet member value expectations. Findings from such studies can be useful to the leaders of the credit union in crafting and implementing a mix of price and non-price strategies aimed at achieving competitive advantage in the market. Insights from these studies could also be useful to researchers focused on understanding consumer buying behaviour.

Moreover, findings of the research seem to indicate that the leadership of the credit unions in Saint Lucia experience conflicting commitments when trying to deliver on the value expectations of stakeholders, achieve sustained growth and continue to be true to the co-operative way. Furthermore, the research findings indicate that the stakeholder's expectations are polarised and therefore necessitate trade-offs in the delivery of value. The nature of the value trade-offs seems to depend on the power of the stakeholder. Insights from this finding could prove useful to the leadership of the credit unions in managing the delivery of value to the various stakeholders. However, further research is needed to explore the means of optimising the value trade-offs as a way of addressing the conflicting commitments based on the nature and circumstance of those commitments. Insights from such research could prove beneficial not only to the leaders of credit unions but to researchers of organisational economics and those of the critical theory approach who focus on understanding how power is attained and exercised in organisations.

5.4.3 Recommendations from research question three

Research question three focuses on how growth-related organisation design changes impact the practice of co-operative values and principles. The research findings seem to suggest that the design changes impact the credit union in ways that generate tension between growth and co-operative identity.

Moreover, the research findings seem to reveal that turbulence or perturbation to elements of the co-operative social system induce unpredictable change (co-operation atrophy for instance) and instability to the credit union, warranting a search for stability through innovation and experimentation. The understanding drawn from this research finding could be beneficial to the leaders of the credit union as they grapple with the emerging state of the credit union, in response to perturbation from the field. In this regard, the research insight could help to guide strategic changes that will enable the co-operative to adapt to the environment and at the same time maintain fidelity to the co-operative identity. Although the insights from the research findings are useful, there is still a need for further research to determine the causal paths linking organisation design choices and credit union outcomes in the context of small island economies. Insights from such a study could prove to be beneficial not only to credit union leaders but also to organisation design researchers who seek to understand the relationship between organisation design adaptation and outcomes. Such insights could be pertinent, for researchers anticipate a more complex, ever changing and competitive business environment that organisation will have to face in the future (Bollingtoft et al., 2009).

Additionally, the research finding seems to suggest that the reaction of the dominant firms to the credit unions achieving systemic presence induced greater levels of competition among credit unions. Such behaviour by credit unions seems to go contrary to the co-operative principles and seems to create ‘co-operation atrophy.’ The research finding also seems to suggest that the way credit unions in Saint Lucia respond to perturbation from the field is dependent on the strength of the co-operative values and principles on the organisational culture of the credit union. This research finding therefore provides insights that credit union practitioners could use to judge the level of solidarity among credit unions. However, further research is needed to explore the notion of co-operation atrophy and the contextual factors which may lead to such a waning of the principle of co-operation. Such insights could be useful to credit union leagues and umbrella organisations of co-operatives when designing activities of a unified front to represent the interest of co-operatives and influencing institutional relationships in the field.

5.4.4 Recommendations from research question four

Research question four seeks to determine the organisation design properties which would contribute to credit unions in Saint Lucia create sustained growth while adhering to co-operative values and principles. The research findings suggest that organisational design properties which strike an appropriate balance can support sustained growth while upholding the co-operative identity. The insight gleaned from this research finding could be useful to the leadership of the credit union as they ponder on creating the appropriate adaptive organisation design, along with the pertinent business model, in response to the challenges facing the credit union.

Notwithstanding the usefulness of the insight, further research is warranted to validate adaptive balancing across diverse co-operatives. Such empirical information can be incorporated into organisational behaviour theories and could be relevant to leaders of credit unions, other co-operatives, and researchers examining how changes in elements of organisation design affect organisational adaptability.

Additionally, the research finding seems to identify key attributes which the credit union organisation design must possess to facilitate balanced designing. This research finding is useful to the leadership of the credit unions in terms of developing or investing in systems underpinned by the essential properties of the organisation design necessary to achieve balanced design. Notwithstanding the benefits of those insights, there is still a need for further research to understand how to manipulate the essential components of organisation design to achieve the appropriate design given the stimuli received from the business environment. The findings of such studies could provide insights and could contribute to the literature on how organisation design properties or attributes of co-operatives must change to provide effective responses to the changing business environment.

Furthermore, the importance of organisation design facilitating agility is highlighted in the research findings of this study. However, there is need for future studies to determine how to assess the level of agility that the organisation design of credit unions in Saint Lucia facilitates. Such knowledge would prove useful in organisational policy formation aimed at guiding business processes and the manipulation of the business model to seize windows of opportunities in the market. Such knowledge can be applied in designing quick responses to the needs of members and to keep up with members' changing demands. The idea here is that being able to be relevant to the needs of members is a dynamic phenomenon.

The contribution of co-operatives to the economic development of countries is widely acknowledged (McKillop et al., 2020). This study indicated that in the case of Saint Lucia, credit unions were instituted to seek to remedy the social and economic injustices stemming from the established investor focus economic system. Hence, there is need for studies to determine the extent to which credit unions contribute to the socio-economic development in the context of small island developing countries. Furthermore, as part of the socio-economic development activities credit unions allocate resources to building and developing community welfare. In this regard, studies are needed to determine the extent to which the credit union members perceive such allocation of resources to be individual benefits of the member.

This study revealed that success of a credit union is the result of the interaction of a complex set of factors possessing both financial and non-financial attributes. These factors include the organisational culture of the credit union, delivery of a unique value proposition (made up of economic, social and psychological benefits) and systems level exchange with institutions in the field. The credit union performance measuring tool used by credit unions and the regulator in Saint Lucia, measures only financial factors and so provides a limited attempt to measure the success of a credit union. Hence, there is the need for studies that would create integrated metrics for measuring the performance of credit unions in small developing countries.

The study employed a qualitative methodology, utilising thematic analysis for data interpretation. It is recommended that future research validate these findings through a quantitative approach. Additionally, the substantive theory developed from this research offers a foundational framework for scholars and co-operative practitioners to better understand the influence of growth on the organisational design of credit unions in Saint Lucia. The constructed theory is detailed and context-oriented, indicating a need for additional research to relate the substantive theory to more formal theories. The goal is to develop a theory in which the relationship between concepts is more abstract and less dependent on specific contexts, allowing for broader conceptual applications (Urquhart, 2023).

5.5 Conclusions

The conclusion section of this research dissertation draws together key insights from each chapter of the thesis with specific focus on the research results. The section provides a summary demonstrating the significance of the study, the contribution it makes to the extant literature, theory, policy and practice. A summary of recommendations for future studies is also included.

5.5.1 Context of the study

As outlined in Chapter One, credit unions in Saint Lucia are experiencing notable growth, which may result in deviations from their original identity and mission. This study seeks to examine the underlying factors contributing to this expansion. The study also seeks to assess the potential impact of this expansion on the credit union identity and mission and identify strategies to sustain growth while mitigating any drift from core values.

The study points out that over the period 2013 to 2022, the rate of growth of credit unions in Saint Lucia surpassed that of the Caribbean region in all measured growth dimensions. Member and community ownership of these credit unions add to income equality and distributional equity in the market (Davis, 1999). The institutional capital (reserves) owned by these co-operatives contributes to intergenerational wealth transfers (Novkovic & Semlea, 2023). This suggests that credit unions are held in trust across generations, rather than being exclusively owned by current members. The transfer of intergenerational wealth plays a significant role in community development (Novkovic & Semlea, 2023). Therefore, it is important for the credit unions in Saint Lucia, a small island developing state, to continue to be successful.

On the issue of success, the study indicates that organisation design provides a means for addressing the challenges connected to the growth and continued success of credit unions in Saint Lucia. This is because organisation design focuses on the creation or manipulation of elements of organisational structures, work processes, organisational co-ordination and culture, to deliver a business strategy and solve an organisational problem (Burton et al., 2009; Worren, 2018). It is in this regard that this study explores the impact of growth on the organisation design of credit unions in Saint Lucia. The study follows a grounded theory constructivist approach (Levitt, 2021) underpinned by complexity theory. Complexity theory offers a robust framework for constructivism (Doolittle, 2014), which serves as a foundational element of pragmatism and enables the integration of multiple paradigms to address problems (Gray, 2022). This approach aligns with the objectives of the present study. Unlike the reductionist approach, complexity theory examines how the components of an organisation interact with one another and respond to environmental stimuli, which can result in new patterns or structures. This perspective aims to offer a broader understanding of organisational dynamics (Turner, 2019). Hence, complexity theory connects to the research problem, purpose, significance and methodology of this study.

There is no prior evidence on the effects of growth on the organisation design of credit unions in Saint Lucia. Hence, this study sought to empirically determine the likely impact of growth-related challenges on credit unions on the island. Evidence from the study could impart logical insights which could provide answers useful to the leadership of credit unions on the question of sustained growth while preserving the co-operative identity. The evidence of the study is derived from the analysis of focused group interviews of twenty-four directors and general managers of credit unions in Saint Lucia. This study is constructed by way of criticism of the investor-owned form of business.

Exploring the issues surrounding the growth-related challenges experienced by credit unions in Saint Lucia is facilitated by the four research questions as indicated in chapter one. For ease of reference these research questions are repeated here and they are:

1) What are the factors that influenced the growth of credit unions in Saint Lucia?

2) How has the organisation design of credit unions in Saint Lucia changed in response to growth?
3) How has growth-related organisation design changes impact the practice of co-operative values and principles in credit unions in Saint Lucia?
4) What properties must the organisation design of credit unions in Saint Lucia possess to support sustained growth while adhering to co-operative values and principles?

Each of the four research questions is connected and forms the core of the research project. The questions address systems of interaction involving either members and the credit union or the credit union and its dynamic operating environment. Hence, each question can be charted to the conceptual framework of the research study outlined in chapter two. Research question one, for instance, focuses on identifying the factors which influenced the growth of credit unions in Saint Lucia within the context of a complex micro and macro business environment. Insights from answers to the research question helps with understanding why credit unions may regress and not be able to create sustained value for members while adhering to co-operative values. Along this same vein, research question two focuses on determining the nature of the changes to organisation design made in response to growth related challenges of the credit unions in Saint Lucia. Examining growth-related challenges and organisational design responses can provide insights for developing organisation structures and processes that facilitate strategy implementation, aiming to achieve sustained social, economic, and psychological benefits for credit union members on the island, while maintaining co-operative integrity.

Research question three focuses on the ways in which the growth-related changes to organisation design impact the operationalisation of co-operative values and principles. The emphasis is on understanding how the increasing scale of the credit unions influences adherence to the co-operative identity. The final research question concentrates on the attributes or properties which the organisation design of credit unions in Saint Lucia should possess to facilitate the required institutional relationships with actors in the business environment. The research question also investigates the capabilities necessary for coping and dealing with the dynamism of the internal and external business environment of the credit union with the aim of creating sustained co-operative benefits for members. Applying an understanding of appropriate attributes may help direct credit union resources toward achieving those specific attributes. Research question four examines how the various systems (including power dynamics, competition, and statutory regulation) interact within the complex business environment and co-operative social structure, to influence the credit union’s capacity to remain relevant to its members' needs.

This conclusion section discusses how the findings derived from analysing responses to the four research questions address the central research problem of the dissertation. A synopsis of the main findings is captured in Table 14 However, a further summary of results for each of the research questions is provided citing implications and recommendations for theory, practice, policy and future research.

Table 14

Synopsis of key research findings

Research question one

(a) Unique value proposition accounted for the growth of credit unions in Saint Lucia.
(b) Psychological value is an added benefit of the unique value proposition dispensed by credit unions in Saint Lucia, thus making the unique value proposition a three-factor benefit of economic, social and psychological value.
(c) Accentuating the co-operative difference not only characterises the operative structure of the credit union but also influences the performance of the credit union in the field.

Research question two

(a) Growth is a cause for credit union organisation design adaptation in Saint Lucia.
(b) Power dynamics have a homogenising impact on the organisational practices of credit unions in Saint Lucia.
(c) The oligopolistic nature of the market facilitates institutional isomorphism in the financial services sector in Saint Lucia.
(d) Credit unions in Saint Lucia have been able to change the nature of the restricting behaviour of the dominant firms in the field to gain market share,
(e) Competitor retaliation generates staunch competition among credit unions in Saint Lucia, thereby creating a situation of co-operation atrophy.

Research question three

Growth generates adaptive tension between operational efficiency and commitment to co-operative identity, influenced by the internal capabilities of credit unions, as well as the prevailing political and economic context.

Research question four

(a) Organisation design underpinned by co-operative values and principles facilitates the flexible management of growth challenges while reaffirming co-operative integrity.
(b) Co-operative identity functions both as a constraint and capability in co-operative design.
(c) Credit unions in Saint Lucia respond to the dyadic challenges of growth and preservation of co-operative identity through a process of adaptive balancing.
(d) Structuring the credit union organisation with interrelated design elements that balance operational efficiency, strategic flexibility and fidelity to co-operative values, supports sustained growth in alignment with the co-operative identity.

Note. Table complied by the author.

5.5.2 Summary of results and recommendation from research question one

The research indicates that the expansion of credit unions in Saint Lucia is largely attributable to the strategic utilisation of co-operative social systems, which emphasise the unique value proposition of the co-operative model within the financial services sector. Accentuating this co-operative distinction shapes not only the operational approach of credit unions (Munkner, 2015), but also their overall performance. The findings suggest that the effectiveness of credit unions is influenced by how successfully co-operative values and principles are integrated into their activities.

The co-operative difference creates a unique value proposition with economic and social benefits (Mazzarol et al., 2014; Nguyen, 2006; Novkovic, 2022). Research also indicates credit unions in Saint Lucia offer psychological value, making their value proposition a combination of economic, social, and psychological benefits.

Based on the research results, the recommendations for practice are that the leadership of the credit should:

1. formalise the co-operative difference in service standards and monitor them as key performance indicators;
2. strengthen member education initiatives and implement strategic identity marketing campaigns;
3. maintain the personal touch as part of the member-centred service delivery alongside digital tool.

The recommendation for regulators and policy makers is the need to design legislation and regulations that facilitate an environment where credit unions can thrive. The implication of the research findings for theory is the three- factor unique value proposition extends the co-operative identity as an attractor. The implication for practice means the need for the leadership of credit unions to operationalise the member owned, member control and member benefit nature of the credit union through key performance indicators and training. The significance of the research findings for future research is the need to quantify each component of the unique value proposition contribution to credit union growth. The implication of the research finding for theory is that the unique value proposition, a blend of economic, social and psychological value extends co-operative identity as an attractor.

Analysis of the findings related to the first research question reveals that credit union growth in Saint Lucia is primarily attributable to their unique value proposition. This value proposition sets credit unions apart from the typically transactional and impersonal nature of banks. Furthermore, the member-focused approach adopted by credit unions fosters stronger community connections, trust, and loyalty, which in turn drives the continued growth of credit unions. Hence, the conclusion constructed from the research findings is that the credit union unique value proposition anchors the co-operative identity and is the attractor that sustains credit union relevance and growth in Saint Lucia.

5.5.3 Summary of results and recommendation from research question two

A critical-constructivist approach (Levitt, 2021) was adopted to examine the power-related themes identified in the analysis of data from research question two. Through this lens, the findings indicate that power dynamics exert a homogenising influence on the organisational practices of credit unions in Saint Lucia. Consequently, when striving to express the co-operative difference, it is essential for credit union leadership to shape the expectations of influential stakeholders involved with the organisation. This perspective is grounded in the understanding that power is dynamic; it is continuously negotiated, contested, and reassigned (Theo, 2015).

The research findings also suggest that the oligopolistic structure of the market, a small number of firms holding significant influence, contributes to institutional isomorphism within the sector. The research indicates that isomorphism weakens the differentiation strategies of credit unions. Given the research results, the recommendation is that in addressing power dynamics in the field leaders of the credit union in Saint Lucia utilise the key resources and key processes of the co-operative system of activities, to create socio-economic and political outcomes which lead to power plurality in the field. An additional recommendation is that the credit union be immersed in the geographical and occupational community in which it is founded and thereby leverage the support of the community to influence power dynamics in the field. Advocacy is another tool which credit unions in Saint Lucia should use to create greater levels of power plurality. This involves drawing attention to the social transformation that the activities of the credit union is realising in the lives of their members and communities.

The research also shows that credit unions adjust their organisational design to fulfil requirements for accessing bank services. Furthermore, the research findings indicate that the credit union movement had attained a scale where failure would significantly affect the financial and monetary systems in Saint Lucia. Consequently, regulators apply coercive and normative isomorphic measures, in the form of rulings and guidelines, prompting credit unions to adopt practices pertinent to banks.

To address institutional isomorphism, it is recommended that credit union leadership conduct a thorough assessment of the extent of interdependence with dominant industry participants. Appropriate measures should be implemented to ensure that institutional relationships do not reinforce the influence of these leading firms. When facing regulatory isomorphism, leaders should draw on both co-operative and commercial expertise to negotiate or contest unfavourable rulings.

The research findings suggest that as membership and demand increase, credit unions in Saint Lucia are forced to modify their organisation design. This evolution has led to heightened organisational complexity, the integration of advanced technologies, more formalised governance processes, expanded regulatory and compliance responsibilities, and a trend toward homogenisation. In addressing growth-related changes to the credit union organisation design which leads to organisational complexity, the recommendation is that the leadership of the credit unions in Saint Lucia adopt modular operating models for complexity management.

The recommendation for dealing with the adverse effects of the technology adoption is that the credit union leadership develop comprehensive technology roadmaps that incorporate assisted digital solutions to enhance member inclusivity. The recommendation for the adoption of a new governance model is to professionalise governance with competency-based nominations and provide training on how to operationalise co-operative values and principles.

The research findings hold implications for theory, practice, policy and future research. The implication for theory is that credit union growth triggers dyadic challenges of identity versus isomorphism in shaping co-operative organisation design. Also, power dynamics of dominant firms erodes the differentiation strategy of less powerful players in the field. The implication for practice is that proactive design prevents identity erosion under organisation complexity and regulatory compliance. For policy makers the implication is an enabling environment facilitates the local social transformation work of community focused organisations.

Notwithstanding the usefulness of the research finding, further research is needed on how the grounding of credit unions in their communities contributes to generating plurality of power. Given the benefits of credit unions operating in an enabling environment, there is need for further studies focusing on the impact of legislation on the development and competitiveness of credit unions in Saint Lucia. Also, there is the need for future studies to evaluate the effectiveness of shared service models in promoting co-operation among co-operatives.

The key conclusion constructed from the research result of question two is that growth-related adaptation to credit union organisation in Saint Lucia introduces risks of veering away from the mission of the co-operative.

5.5.4 Summary of results and recommendation from research question three

The results from research question three seem to suggest that growth generates tension between maintaining competitiveness and safeguarding the co-operative identity. This tension is reflected in reduced democratic control, declining member participation, technocratic governance and alienation from traditional practices. The research results also indicate that the impact of growth-related changes on the practice of co-operative values and principles is moderated by contextual factors.

The research finding suggests that growth caused credit unions to have systemic presence in the market. This presence seems to induce competitor retaliation from the dominant firms. This strategy of competitor retaliation appears to generate staunch competition among credit unions creating a situation of co-operation atrophy. The credit union leadership should address co-operation atrophy through shared service through the Saint Lucia Credit Union League.

Based on the research findings of how organisation design adaptation impact the practice of co-operative values, the recommendation is that the leadership of credit unions in Saint Lucia conduct co-operative value impact reviews before implementing major organisation design changes. Additionally, performance metrics be broadened to encompass member outcomes and community impact. Leadership should explore investing in training aimed at developing dynamic capabilities and engaging in initiatives that encourage co-operation among co-operatives, which might help reduce competitive conflicts.

The theoretical implication of these research findings is that credit unions encounter adaptive tension between efficiency and participation, influenced by leadership capacity. From a practical perspective, the findings suggest that co-operative principles should be effectively translated into operational requirements. For future research, it is recommended to examine mechanisms that sustain member participation and a sense of belonging, particularly within the context of small island states. The principal conclusion drawn from the third research question indicates that organisational growth compels credit unions to navigate the balance between maintaining competitiveness and preserving the unique characteristics of the co-operative model.

5.5.5 Summary of results and recommendation from research question four

The research findings indicate that to achieve sustained growth while maintaining co-operative values, credit unions in Saint Lucia should incorporate design elements with properties that balance operational efficiency, strategic agility, and adherence to co-operative principles. The results suggest that a balanced organisational design facilitates credit union growth without compromising co-operative integrity. Based on the research results the recommendation for practice is that the leadership of credit unions in Saint Lucia nurture organisation design elements with attributes that:

1. ensures growth initiatives and operational changes reflect member ownership, democratic governance and member benefit;
2. maintain the personal touch, responsiveness and empathy characteristics of co-operative values, even as the credit union expands;
3. incorporate governance structures that promote member participation preserving democratic control;
4. adapt the organisation structure of the credit union to integrate specialised roles;
5. promote the recruitment and retention of qualified and co-operatively minded staff;
6. embrace technology to increase efficiency and member accessibility while preserving member engagement;
7. integrate robust internal control systems, risk management and regulatory compliance as part of governance and operations;
8. promote the growth of dynamic capabilities;
9. develop the capacity for design thinking;
10. evaluate credit union success beyond profitability to include member satisfaction, community impact and adherence to co-operative values.

The recommendation for regulators and policymakers is to balance credit union autonomy with prudential standards that include member and community impact reporting.

The theoretical implication of these research findings is that co-operative identity serves both as a constraint and an enabler within credit union design, shaped by adaptive balancing. In practical terms, organisations should translate design attributes into a maturity self-assessment model and invest in systems that achieve a balance between efficiency and inclusiveness. The implication for the regulator is to establish co-operative-specific performance benchmarks. In terms of future research, the implication is to quantitatively validate adaptive balancing within the context of small island developing countries.

The key conclusion derived from research question four is that integrating design features which promote operational efficiency, strategic agility, and compliance with co-operative principles facilitates adaptive balancing, allowing credit unions in Saint Lucia to effectively manage growth-related challenges while maintaining a strong commitment to the co-operative identity.

The substantive theory constructed from the research indicates that credit unions in Saint Lucia address both institutional growth and identity maintenance by engaging in adaptive balancing, involving ongoing organisation design adjustments to manage the demands of expansion while retaining the co-operative nature of the credit union. This process is influenced by moderating factors such as leadership abilities, organisational capabilities, performance measures, and the broader socio-economic context.

5.7 Contributions of the study

As pointed out in chapter one, there have been prior studies on how to achieve organisational efficiency and effectiveness, which can lead to sustained growth, through appropriate alignment between organisation design and strategy, Kaui (2019) and Miterev et al.,

(2020) for instance. However, these studies were carried out within the context of investor-owned firms and so have limited application for the co-operative form of business. Empirical studies ascertain the importance of effective organisation designs and record the malaise of incongruous designs, again, all within the context of investor-owned firms (Bocken & Geradts, 2020; Lee et al., 2015; Teece, 2019). In addressing the dearth of studies applicable to credit unions, this study offers new contributions to existing literature and theory.

5.7.1 Contribution to literature

This is the first study on how growth impacts the organisation design of credit unions in Saint Lucia. Its findings therefore provide additional utility to existing literature pertinent to the co-operative form of business. In this regard, this study makes four unique contributions to the extant literature on co-operative management:

1. Three-factor co-operative value proposition.
2. Accentuating the co-operative difference influences the performance of co-operatives.
3. The oligopolistic market structure as a source of institutional isomorphism.
4. The concept of co-operation atrophy.

The three-factor co-operative value proposition

The literature presents that members of co-operatives are driven by short-term economic benefits and may migrate to competitors who offer better economic returns (Mazzarol et al., 2014). In this regard, the aim of the co-operative is to find ways to reduce members' sensitivity to economic returns and hence remain loyal to the co-operative. This notion draws from the neo-classical economic belief that human beings are economic players in the market seeking to maximise personal utility (Zogning 2017). Furthermore, these economic players are opportunistic and the relation between players are of a contractual nature (Jensen & Meckling,1976; Zogning 2017). Drawing from the literature on consumer behaviour, Mazzarol et al. (2012) posit that the degree of emotional connectedness that exist between the member and the co-operative can reduce that economic sensitivity and thereby influence member loyalty to the co-operative. Furthermore, co-operatives have appreciated the need for member education, sharing of information and building community as sources of motivation to enhance member loyalty (Davis, 1999). The literature therefore posits that the success of the co-operative is based on the delivery of a value proposition comprising social and economic benefits (Mazzarol et al., 2014; Novkovic et al., 2022; Nguyen, 2006). In other words, the success of the co-operative is based on appealing to the economic man assumption of human economic behaviour.

This perspective of the success of a co-operative based on creating economic and social value for members is limited. While the perspective accounts for the co-operative functioning from a human relations perspective it does not provide for the interactions of the co-operative functioning from a member experience perspective, a feat innate to the co-operative form of business. In creating that member experience, the products, services and interest rates produced by the credit union (co-operative) is deemed a go between or interface between the member and the credit union (Jetter & Gerken, 2007). It is the co-operative member relationship, along with the products, services and interest rates, namely the value proposition, and how it is delivered, that create memorable experiences for the member (Pine & Gilmore, 2016). In this sense, the experience becomes the product and forms the basis of value advantage in the market, as indicated in this study. The psychological benefit is integral to the member experience and adds value to the co-operative proposition. That aspect of the member experience can compensate for the relative disadvantage of the product or service, when compared to other products and services in the market (Jetter & Gerken, 2007). This then challenges the economic man understanding of the member of the co-operative. In other words, the hedonic experience adds uniqueness to the co-operative value proposition as indicated by this research. Hence, the research finding suggests that the business of the co-operative is to generate economic, social and psychological benefits for the member and so forms the three-factor co-operative value proposition. This research finding therefore contributes to the literature on co-operative value proposition specifically and co-operative business model generally.

Influence of the co-operative difference on co-operative business performance

The extant literature postulates that accentuating the co-operative difference in the market characterises the operative functions of the co-operative social system (Leclerc et al., 2022; Novkovic, 2005). The thesis seemed to be based on the role of co-operative values and principles in defining the organisational behaviour of the co-operative (Birchall, 2014; Munkner, 2015). This perspective is limited in that it does not account for the influence of accentuating the co-operative difference on the performance of the co-operative.

The findings of this study indicate that the unique value proposition derived from accentuating the co-operative difference in the market is a factor which contributes to the growth of credit unions in Saint Lucia. Hence, accentuating the co-operative difference impacts not only the operative functions of credit unions but also impacts how the credit union performs. This insight therefore adds additional utility to the literature on co-operative business strategy.

The oligopolistic market structure as a source of institutional isomorphism

The existing literature advances that organisations within a field respond to stimuli from that field to generate organisational behaviour deemed acceptable to organisations within the field (Cardona Mejia et al., 2020; Hessels & Terjesen, 2010). This response process facilitates organisational homogenisation or institutional isomorphism (DiMaggio & Powell 1980; Meyer & Rowan, 2012). The literature explains the source of homogenisation could be both endogenous and exogenous to the organisation (Eren & Dilbert 2022; Meyer & Rowan, 2012). The literature went further to identify the sources of homogenisation to be state regulators supported by legislation, the nature of dependencies among organisations in the field, systems of benchmarking and best practices (Buchko, 2011; Hansen et al., 2017). Another source of homogenisation cited are service providers including professional bodies and the external independent auditor (Eren & Dilbert, 2022; Yang & Hyland 2012). However, one limitation of the identified sources of institutional isomorphism is that they do not account for the nature of market structure which defines the field in which the organisation operates. This study reveals that the oligopolistic nature of the market facilitates the process of homogenisation. This finding therefore extends the literature on sources of institutional isomorphism in the field.

The concept of co-operation atrophy

The oligopolistic nature of the financial services market placed service providers as either price leaders or price followers (Kim et al., 2021). The research finding of this study indicates that some credit unions cannot assume a favourable position, by undercutting or otherwise (Amir & Stepanova, 2006), against the price leadership strategies implemented by the dominant firms in the field. As price followers, this pushed credit unions to compete amongst themselves for market share, thereby forsaking the co-operative principle of “co-operative among co-operatives” thus resulting in “co-operation atrophy”. This means that in situation of high competition in the market, credit unions tended to rely less on the co-operative values and principles to inform their business practices. The extant literature on co-operative business strategy (Davis, 1999; Mazzarol et al., 2014; Novkovic et al, 2022) does not give an account of such a ramification of market pressures and competitive behaviour on credit unions. This research finding is therefore unique and adds value to the literature on managing the co-operative advantage in the market.

5.7.2 Contribution to theory

Complexity theory forms the key framework on which the research problem is investigated. Complexity theory is an approach comprising chaos theory and complex adaptive systems (Turner & Baker, 2019). The result of the study indicates that the dominant firms in the field accentuated a strategy of price leadership to gain competitive advantage in the market, when credit unions in Saint Lucia achieved systemic presence. This strategy seems to be a form of competitor retaliation in response to the growth in market share being experienced by those credit unions. The study further indicated that some credit unions responded to the competitor retaliation by using competition among credit unions (inter-competition) as a strategy to retain or grow market share. This strategy seems to have resulted in co-operation atrophy, a manifestation of opportunity tension for the credit unions. Opportunity tension (Goldstein et al., 2010) arises from the inability of the credit unions to use their *modus operandi* to resolve the problems presented by competitor retaliation. Then discontinuing adherence to the principle of “co-operation among co-operatives” (co-operation atrophy) is the credit union’s way of experimenting or innovating to test means of releasing the opportunity tension.

Co-operation atrophy implies that the credit unions are guided by two attractors; one which espouses “co-operation among co-operatives” and one which does not. The two attractors would be in conflict and thereby creating crisis to the social system (Dimitrov & Wong, 2000). One attractor can be terminated by altering the parameters of that attractor and thereby putting the attractor under control, by activities of deliberate intervention of critical value, to the extent that the attractor loses stability (Yu et al., 2022). The research indicates that the combination of economic, social, and psychological value associated with emphasising the co-operative difference contributes to an expanded understanding of co-operative identity as an attractor.

The findings of this research suggests that membership in the Saint Lucia Credit Union League (umbrella organisation of credit unions) serves as containment of co-operation atrophy and inter-competition, by the League providing support to guide how the perturbation of competitor retaliation is managed (altering the parameters of the second attractor) thus stemming more divergent behaviour. In this sense, the new credit union state which is realised through activities consciously implemented, seems not the result of self-organisation as postulated by complexity theory. The new state is constructed to address the opportunity tension experienced in the business environment of credit unions in Saint Lucia. This finding therefore makes a theoretical contribution to complexity theory. The finding indicates that there may be circumstances which could lead to the construction of a new state, as opposed to a new state emerging through self-organisation, in response to perturbation experienced by social systems. These circumstances appear to include: (a) the presence of more than one attractor; (b) altering the parameters of the attractor (or attractors) to be terminated; (c) construction of the new state.

This study also makes a theoretical contribution by utilising power dynamic theory (a critical theory approach) in constructing and interpreting the results of the research findings. This study is among the first to draw understanding from power dynamics theory in explaining how the co-operative difference is withered away by forces of homogenisation in the field. The explanation also includes how power dynamics impact the commercial and social practice of the co-operative in its quest to achieve enduring co-operative performance. Power dynamics theory postulates that the more powerful institutions in the field use their power to maintain their dominant position (Jovanovic, 2010) and so the power phenomenon can influence or control outcomes (Theo, 2015). Evidence from this study points to the homogenising influence of power dynamics on the organisational practices of the credit union. Another contribution to theory is the research finding that credit union growth triggers dual challenges of co-operative identity versus isomorphism, in shaping credit union organisation design.

Additionally, a unique contribution of this study is through the substantive theory constructed from the research findings. In particular, this research contributes to the organisational life cycle change processes theory. The life cycle change process focuses on the concurrent interaction of multiple organisation design parameters of the organisation. The theory considers the life of the organisation to be a sequential array of different development phases (Adizes, 1979; Ilyenkova, 2022; Miller & Friesen,1984; Su et al., 2023) and so describes how the organisation changes over time. While there are several life cycle models to be found in the literature, the models are not independent of each other (Jirasek & Bilek, 2018) and the essence of the models is captured in the five-phase model as postulated by Miller and Friesen (1984). The phases are: (a) birth; (b) growth; (c) maturity; (d) revival; (e) decline. The model tends to advance a fatalistic view of the organisation change process, leading to a degeneration hypothesis.

The substantive theory constructed from the research findings links the dynamics of intra-organisational factors to the external forces of power dynamics and institutional isomorphism in the field, to explain organisational change process. The substantive theory asserts that effective adaptive balancing could lead an organisation to enduring performance, as opposed to the fatalistic and degenerative view postulated by the life cycle theory. Furthermore, the substantive theory derived from this study has specificity to the practice of credit unions, which is usually lacking in theories with wider appeal. The substantive theory explains the process of how credit unions in Saint Lucia change over time. An additional theoretical insight is the finding that co-operative identity serves simultaneously as both a limitation and an enabling factor in co-operative design, shaped through adaptive balancing.

This study concludes that credit union development in Saint Lucia involves distinct challenges as well as opportunities. It is essential for practitioners to demonstrate purposeful leadership, for regulators to apply informed oversight, and for policymakers to enact legislation guided by strategic vision. A collaborative approach among credit union practitioners, regulators and policymakers will be vital to support the continued growth of credit unions in Saint Lucia, ensuring their progression, while maintaining foundational co-operative principles.

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APPENDICES

Appendix 3A: REAF

REAF_DS - Version 3.3 AP

UNICAF UNIVERSITY RESEARCH ETHICS APPLICATION FORM DOCTORAL STUDIES	UREC USE ONLY: Application No: Date Received:

Student's Name: Lucius Ellevic

Student's E-mail Address: ellefig@hotmail.com

Student's ID #: R2105D12217965

Supervisor's Name: Dr Douglas Akwasi Adu

University Campus/Program: Unicaf University Zambia: PhD Doctorate of Philosophy

Research Project Title: The effects of growth on organization design: an exploration of credit unions in Saint Lucia

1. **Please state the timelines involved in the proposed research project:**

Estimated Start Date: 08-Apr-2024 Estimated End Date: 9-Oct-2024

2. **External Research Funding (if applicable):**

2.a. Do you have any external funding for your research?

☐ YES ☑ NO

If YES, please answer questions **2b** and **2c**.

2.b. List any external (third party) sources of funding you plan to utilise for your project. You need to include full details on the source of funds (e.g. state, private or individual sponsor), any prior / existing or future relationships between the funding body / sponsor and any of the principal investigator(s) or co-investigator(s) or student researcher(s), status and timeline of the application and any conditions attached.

2.c. If there are any perceived ethical issues or potential conflicts of interest arising from applying for and/or receiving external funding for the proposed research then these need to be fully disclosed below and also further elaborated on, in the relevant sections on ethical considerations later on in this form.

3. **The research project**

3.a. Project Summary:

In this section fully describe the purpose and underlying rationale for the proposed research project. Ensure that you pose the research questions to be examined, state the hypotheses, and discuss the expected results of your research and their potential.

It is important in your description to use plain language so it can be understood by all members of the UREC, especially those who are not necessarily experts in the particular discipline. To that effect ensure that you fully explain/define any technical terms or discipline-specific terminology (use the space provided in the box).

Over the past nine years credit unions in Saint Lucia have been experiencing significant growth. The problem is, there appears to be challenges associated with the growing scale of the credit union which may impact the degree to which the growth can be sustained. Those challenges include organizational complexity,loss of differentiation and the suitability of the existing governance system to effectively guide the future direction of credit unions in Saint Lucia. Prior studies have focused on how to achieve sustained growth through appropriate alignment between organization design and strategy, within the context of investor-owned firms. Regrettably, this has limited application for the credit union enterprise which is member- owned, mission driven, and has the dual aim of producing both economic and social value for its members. Those factors warranted this research which will seek to find answers to the following : a) what are the factors which influenced the growth of credit unions in Saint Lucia? b) what are the challenges the growth pose to the leadership of credit unions in Saint Lucia? c) how has the growth related challenges, identified by the credit union leaders, impacted the organization design of credit unions in Saint Lucia? d) What are the attributes of the organization design that is necessary to enable credit unions in Saint Lucia create sustainable economic and social value for members?

It is expected that the research findings will indicate: a) declining satisfaction of bank customers and credit unions positioning themselves as viable alternatives to banks contributed to credit union growth; b) challenges faced by the credit union leadership include managing organizational complexity, loss of credit union differentiation and developing suitable governance systems to effectively guide the future of credit unions in Saint Lucia; c) work processes, structures and roles have been adjusted to be compatible with the organization design demands created by credit union growth; d) the desired attributes of the organization design of credit unions in Saint Lucia must result in facilitating adaptation, and nurturing the organizational dynamic capabilities necessary to address the ever changing micro and macro environment in which credit unions operate. The nature and circumstance of the growth of credit unions in Saint Lucia needs to be understood so as to provide the leadership pertinent information necessary to to craft and implement strategies to ensure the sustained growth of the credit unions.

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3.b. Significance of the Proposed Research Study and Potential Benefits:

Outline the potential significance and/or benefits of the research (use the space provided in the box).

The findings of this study will inform the leadership of credit unions on the pertinent matters of organization structure, governance and the operationalization of the co-operative principles. The effective manipulation of these organization design parameters forms the essence of appropriate organization design. This study is also timely in that the success of the current organization design of credit unions in Saint Lucia warrants discourse that would seek to elevate designs that continue to be dynamic and appropriate for the volatility and unpredictability of the business environment.

This study is significant in that it aims to make a theoretical contribution by bridging the knowledge gap which presently exist in organization design theory. Existing organization design theory lacks the ability to explain and make predictions pertaining to the constructs necessary to facilitate business strategy that would deliver both social and economic output in non-investor owned enterprises. The study also aims to contribute to the literature through its emphasis on how to apply the research findings to mitigate or manage growth related challenges associated with the co-operative enterprises. Those findings can be of relevance to the operations and practice of financial co-operative and other forms of membership owned enterprises in other parts of the world.

4. **Project execution:**

4.a. The following study is an:

- ☐ experimental study (primary research)
- ☐ desktop study (secondary research)
- ☐ desktop study using existing databases involving information of human/animal subjects
- ☑ Other

If you have chosen 'Other' please Explain:

Primary research using focus group interviews based on the fundamental qualitative research design

4.b. Methods. The following study will involve:

☐ a Quantitative methodology
☑ a Qualitative methodology
☐ a mixed methods approach

If you have chosen mixed methods please state below whether you are going to proceed with triangulation or not.

☐ YES ☐ NO

4.c. Please state below which tools you are going to use:

A	B	C
Select the tools to be used in your study	**Select how the tools selected in column A will be administered (select one or more)**	**Select what types of questions will be included in the tools previously selected in column A (select one or more)**
Interviews ☐	☐ Face-to-face ☐ Online with camera (synchronous live discussion with camera) ☐ Audio only (synchronous live discussion without camera, i.e., via phone)	☐ Open-ended questions ☐ Close-ended questions ☐ Includes section related to demographics
Focus Groups ☑	☑ Face-to-face ☐ Online with camera (synchronous live discussion with camera) ☐ Audio only (synchronous live discussion without camera, i.e., via phone)	☑ Open-ended questions ☐ Close-ended questions ☑ Includes section related to demographics
Questionnaire ☐	☐ Face-to-face self – administered questionnaire ☐ Online, i.e., via phone or any other platform. The researcher reads the questions to the participants ☐ Online asynchronous self-administered questionnaire (i.e., via email)	☐ Open-ended questions ☐ Close-ended questions ☐ Includes section related to demographics

A	B	C
Select the tools to be used in your study	**Select how the tools selected in column A will be administered (select one or more)**	**Select what types of questions will be included in the tools previously selected in column A (select one or more)**
Experiments ☐	☐ Face-to-face ☐ Online with camera (synchronous live discussion with camera) ☐ Audio only (synchronous live discussion without camera, i.e., via phone) ☐ Asynchronously via any online platform	☐ Open-ended questions ☐ Close-ended questions ☐ Includes section related to demographics
Tests ☐	☐ Face-to-face ☐ Online with camera (synchronous live discussion with camera) ☐ Audio only (synchronous live discussion without camera, i.e., via phone) ☐ Asynchronously via any online platform	Provide a brief description of the test in the box 'Other' below.
Other		

5. **Participants:**

5 a. Does the Project involve the recruitment and participation of additional persons other than the researcher(s) themselves?

☑ YES **If YES, please complete all following sections.**

☐ NO **If NO, please directly proceed to Question 7.**

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5 b. Relevant Details of the Participants of the Proposed Research

State the number of participants you plan to recruit, and explain in the box below how the total number was calculated.

Number of participants: 32

There are 16 credit unions in Saint Lucia and four of them will be selected to form the focus groups. Each group will have eight participants, seven directors and a general manager (subject to meeting the inclusion criteria).

Describe important characteristics such as: demographics (e.g. age, gender, location, affiliation, level of fitness, intellectual ability etc). It is also important that you specify any inclusion and exclusion criteria that will be applied (e.g. eligibility criteria for participants).

Age range From 25 To 65

Gender
☑ Female
☑ Male

Eligibility Criteria:

- Inclusion criteria: must have served for at least one year as a current director or general manager of the selected credit union.
- Exclusion criteria: directors who attended less than 50% of the monthly meetings during the year will be excluded.

Disabilities/Disorders: You should only include the participants who can provide informed consent for themselves. Individuals who have a mental disability and are not in a position to provide their own consent should not participate in the study. Please provide information for any other disabilities/disorders the participants may have:

directors and managers would have met the probity criteria and so would be in a position to provide informed consent.

Other relevant information (use the space provided in the box):

Initially 4 focus group interviews are expected. However, subsequent sessions will be held until data saturation is reached. Of the 32 participants, 36% are female; 64% male.

5 c. Participation & Research setting:

Clearly describe which group of participants (described in 5b) is completing/participating in the material(s)/tool(s) described in 4c above (use the space provided in the box)

There are 16 credit unions in Saint Lucia. For this study using total assets, they will be classified as micro, less than US$38million; small, US$39million - $49million; medium US $50- $60million; large US$61 plus. The largest credit union in each class (4 classes) will be chosen to form the focus group interview and will be represented by their current board of directors and general manager, totaling 32 representatives.

5 d. Recruitment Process for Human Research Participants:

Clearly describe how the potential participants will be identified, approached and recruited (use the space provided in the box).

The participants will be selected from the largest credit union classified as micro, small, medium or large. The researcher will obtain permission from the Board of the credit union via the gatekeeper letter to use the directors and general manager of the credit union as participants. Request will also be made of the credit unions to provide information on the level of attendance of directors at board meetings during the past year. Each of the participants who meet the inclusion criteria will be sent e-mails inviting them to participate in the research project. The participants will be required to sign Informed Consent Forms and also informed of their rights to discontinue their involvement in the research at any time, with impunity. The researcher will also present a lecture to the credit union sector and through that medium mobilise support for the study.

5 e. Research Participants Informed Consent.

Select below which categories of participants will participate in the study. Complete the relevant Informed Consent form and submit it along with the REAF form.

Yes	No	Categories of participants	Form to be completed
☑	☐	Typically Developing population(s) above the maturity age *	Informed Consent Form
☐	☑	Typically Developing population(s) under the maturity age *	Guardian Informed Consent Form

* Maturity age is defined by national regulations in laws of the country in which the research is being conducted.

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5 f. Relationship between the principal investigator and participants.

Is there any relationship between the principal investigator (student), co-investigators(s), (supervisor) and participant(s)? For example, if you are conducting research in a school environment on students in your classroom (e.g. instructor-student).

☑ YES ☐ NO

If YES, specify (use the space provided in the box).

Researcher is the general manager of one of the credit unions in the study. All potential participants are at the same level or are superior to the researcher and that the researcher has no direct or indirect control or influence of the potential participants.

6. Potential Risks of the Proposed Research Study.

6 a. i. Are there any potential risks, psychological harm and/or ethical issues associated with the proposed research study, other than risks pertaining to everyday life events?

☐ YES ☑ NO

If YES, specify below and answer the question 6 a.ii.

6 a.ii Provide information on what measures will be taken in order to exclude or minimise risks described in 6.a.i.

6 b. Choose the appropriate option

		Yes	No
i.	Will you obtain a written informed consent form from all participants?	✔	☐
ii.	Does the research involve, as participants, people whose ability to give free and informed consent is in question?	☐	✔
iii.	Does this research involve participants who are children under maturity age? **If you answered YES to question iii, complete all following questions.** **If you answered NO to question iii, do not answer Questions iv, v, vi and proceed to Questions vii, viii, ix and x.**	☐	✔
iv.	Will the research tools be implemented in a professional educational setting in the presence of other adults (i.e. classroom in the presence of a teacher)?	☐	✔
v.	Will informed consent be obtained from the legal guardians (i.e. parents) of children?	☐	✔
vi.	Will verbal assent be obtained from children?	☐	✔
vii.	Will all data be treated as confidential? If NO, explain why confidentiality of the collected data is not appropriate for this proposed research project, providing details of how all participants will be informed of the fact that any data which they will provide will not be confidential.	✔	☐
viii.	Will all participants/data collected be anonymous? If NO, explain why and describe the procedures to be used to ensure the anonymity of participants and/or confidentiality of the collected data both during the conduct of the research and in the subsequent release of its findings.	✔	☐

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		Yes	No
ix.	Have you ensured that personal data and research data collected from participants will be securely stored for five years?	☑	☐
x.	Does this research involve the deception of participants? If YES, describe the nature and extent of the deception involved. Explain how and when the deception will be revealed, and who will administer this debrief to the participants:	☐	☑

6 c. i. Are there any other ethical issues associated with the proposed research study that are not already adequately covered in the preceding sections?

☐ Yes ☑ No

If YES, specify (maximum 150 words).

6.c.ii Provide information on what measures will be taken in order to exclude or minimise ethical issues described in 6.c.i.

6 d. Indicate the Risk Rating.

☐ High ☑ Low

7. Further Approvals

All researchers are advised to check the regulations pertaining to research and General Data Protection Regulation (GDPR) of the country in which the research will take place as each country may have different restrictions on conducting research. **Are there any other approvals required (i.e., from a ministry or public agency in the country, in addition to ethics clearance from UREC) in order to carry out the proposed research study?**

☐ YES ☑ NO If YES, specify.

8. Application Checklist

Mark √ if the study involves any of the following:

- ☐ Children and young people under 18 years of age, vulnerable populations such as children with special educational needs (SEN), racial or ethnic minorities, socioeconomically disadvantaged persons, pregnant women, elderly, malnourished people, and ill people.
- ☐ Research that foresees risks and disadvantages that would affect any participant of the study such as anxiety, stress, pain or physical discomfort, harm risk (which is more than is expected from everyday life) or any other act that participants might believe is detrimental to their wellbeing and/or has the potential to / will infringe on their human rights / fundamental rights.
- ☐ Risk to the well-being and personal safety of the researcher.
- ☐ Administration of any substance (food / drink / chemicals / pharmaceuticals / supplements / chemical agent or vaccines or other substances (including vitamins or food substances) to human participants.
- ☐ Results that may have an adverse impact on the natural or built environment.

9. Further documents

Check that the following documents are attached to your application:

		ATTACHED	NOT APPLICABLE
1	Recruitment advertisement (if any)	☐	☑
2	Informed Consent Form / Guardian Informed Consent Form	☑	☐
3	Research Tool(s)	☑	☐
4	Gatekeeper Letter	☑	☐
5	Any other approvals required in order to carry out the proposed research study, e.g., institutional permission (e.g. school principal or company director) or approval from a local ethics or professional regulatory body.	☐	☑

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10. Final Declaration by Applicants:

(a) I declare that this application is submitted on the basis that the information it contains is confidential and will only be used by Unicaf University for the explicit purpose of ethical review and monitoring of the conduct of the research proposed project as described in the preceding pages.

(b) I understand that this information will not be used for any other purpose without my prior consent, excluding use intended to satisfy reporting requirements to relevant regulatory bodies.

(c) The information in this form, together with any accompanying information, is complete and correct to the best of my knowledge and belief and I take full responsibility for it.

(d) I undertake to abide by the highest possible international ethical standards governing the Code of Practice for Research Involving Human Participants, as published by the UN WHO Research Ethics Review Committee (ERC) on http://www.who.int/ethics/research/en/ and to which Unicaf University aspires to adhere.

(e) In addition to respect any and all relevant professional bodies' codes of conduct and/or ethical guidelines, where applicable, while in pursuit of this research project.

✔ **I agree with all points listed under Question 10**

Student's Name: Lucius Ellevic

Supervisor's Name: Dr Douglas Akwasi Adu

Date of Application: 30-Oct-2023

Important Note:
Save your completed form (we suggest you also print a copy for your records) and then submit it to your UU Dissertation/project supervisor (tutor). **In the case of student projects, the responsibility lies with the Faculty Dissertation/Project Supervisor.** If this is a student application, then it should be submitted via the relevant link in the VLE. Please submit only electronically filled in copies; **do not** hand fill and submit scanned paper copies of this application.

Appendix 3B: Approval from UREC

UREC Decision, Version 2.0

Unicaf University Research Ethics Committee Decision

Student's Name:	Lucius Ellevic
Student's ID #:	R2105D12217965
Supervisor's Name:	Dr Douglas Akwasi Adu
Program of Study:	UU-DOC-900-3-ZM
OfferID / GroupID:	O60067G67721
Dissertation stage:	DS3
Research Project Title:	The effects of growth on organization design: an exploration of credit unions in Saint Lucia
Ethical conditions for approval:	No comments.
Methodological recommendations:	
Decision*:	A. Approved without revision or comments
Date:	January 11, 2024

All Doctoral students are advised to check the regulations pertaining to research and General Data Protection Regulation (GDPR) of the country in which the research will take place as each country may have different restrictions on conducting research.

i. Approval from a local Research Ethics Committee (REC) or professional regulatory body such as Institutional Review Board (IRB)

ii. Approval from Ministry or public agency

*Provisional approval provided at the Dissertation Stage 1, whereas the final approval is provided at the Dissertation stage 3. The student is allowed to proceed to data collection following the final approval.

UNICAF UNIVERSITY

UREC Decision, Version 2.0

Unicaf University Research Ethics Committee Decision

Student's Name:	Lucius Ellevic
Student's ID #:	R2105D12217965
Supervisor's Name:	Douglas A. Adu
Program of Study:	UUZ: PhD Doctorate of Philosophy
Offer ID /Group ID:	O45830G46824
Dissertation Stage:	1
Research Project Title:	The effects of growth on organization design: an exploration of credit unions in Saint Lucia
Comments:	No comments
Decision*:	A. Approved without revision or comments

Appendix 3C: Gatekeeper Letter

UNICAF UNIVERSITY

UU_GL - Version 2.0

Gatekeeper letter

Institution / Organization : Mon Repos Co-operative Credit Union

Address: Mon Repos, Micoud, Saint Lucia

Date: 30-Oct-2023

Subject: Request to participate in research study

Dear Mr. Joseph

I am a doctoral student at Unicaf University Zambia.

As part of my degree I am carrying out a study on the effects of growth on the organization design of credit unions in Saint Lucia.

I am writing to enquire whether you would be willing to allow your credit union participate in this research.

Participating entails you informing your Board of Directors and the General Manager that I will be inviting them to represent their credit union in a focus group interview. I am also requesting their email addresses so that I can send that invitation to them. The interviews are expected to take place during the second quarter of 2024 and are expected to take about one hour. I would also be grateful for information on the number of board meetings held last year and the actual number attended by each director. To be selected as a participant in this research, directors must have attended at least 50% of board meetings.

Subject to approval by Unicaf Research Ethics Committee (UREC) this study will be using open ended interview questions.

Credit unions in Saint Lucia have been experiencing significant growth, however, there appears to be challenges accompanying the growth. Understanding the nature of the challenges is the focus of this study.

Thank you in advance for your time and for your consideration of this project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,

Lucius Ellevic

Student's Name: Lucius Ellevic
Student's E-mail: ellefig@hotmail.com
Student's Address and Telephone: Sapphire Laborie. Mobile 2855009
Supervisor's Title and Name: Dr. Douglas Akwasi Adu
Supervisor's Position: Tutor
Supervisor's E-mail: d.adu@unicaf.org

Appendix 3D: Informed Consent Letter

UNICAF UNIVERSITY

UU_IC - Version 2.1

Informed Consent Form

Part 1: Debriefing of Participants

Student's Name: Lucius Ellevic

Student's E-mail Address: ellefig@hotmail.com

Student ID #: R2105D12217965

Supervisor's Name: Dr Douglas Akwasi Adu

University Campus: Unicaf University Zambia (UUZ)

Program of Study: PhD Business Administration

Research Project Title: The effects of growth on organization design: an exploration of credit unions in Saint Lucia

Date: 30-Oct-2023

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150 words).

The purpose of this study is to get to understand the nature of the challenges that accompanies the significant growth being experienced by credit unions in Saint Lucia. Such understanding would provide pertinent information to the leadership of the credit unions, in their quest to craft and implement strategies that would ensure the sustained growth of the credit unions. The study is significant in that it seeks to bridge the knowledge gap by explaining and making predictions on the constructs necessary to facilitate business strategy deliver both social and economic value in non-investor owned enterprises. Four focus groups have been identified to provide data for the study. The sixteen credit unions in Saint Lucia has been classified as micro, small, medium and large and the largest credit union in each class was selected to form the four focus groups. Your credit union happens to be one of the four and as a director of that credit union, you are invited to participate in the focus group interview. Your knowledge of credit unions and your responses to the research question would provide invaluable data for the research.

The above named student is committed to ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, Lucius Ellevic **, ensure that all information stated above is true and that all conditions have been met.**

Student's Signature: ____________________

UNICAF UNIVERSITY

UU_IC - Version 2.1

Informed Consent Form

Part 2: Certificate of Consent

This section is mandatory and should to be signed by the participant(s)

Student's Name: Lucius Ellevic

Student's E-mail Address: ellefig@hotmail.com

Student ID #: R2105D12217965

Supervisor's Name: Dr Douglas Akwasi Adu

University Campus: Unicaf University Zambia (UUZ)

Program of Study: PhD Business Administration

Research Project Title: The effects of growth on organization design: an exploration of credit unions in Saint Lucia

I have read the foregoing information about this study, or it has been read to me. I have had the opportunity to ask questions and discuss about it. I have received satisfactory answers to all my questions and I have received enough information about this study. I understand that I am free to withdraw from this study at any time without giving a reason for withdrawing and without negative consequences. I consent to the use of multimedia (e.g. audio recordings, video recordings) for the purposes of my participation in this study. I understand that my data will remain anonymous and confidential, unless stated otherwise. I consent voluntarily to be a participant in this study.

Participant's Print name:

Participant's Signature: ______________________

Date:

If the Participant is illiterate:

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had an opportunity to ask questions. I confirm that the aforementioned individual has given consent freely.

Witness's Print name:

Witness's Signature: ______________________

Date:

2

Appendix 3E: Interview Protocol

Introduction

Facilitator introduces himself and discusses the purpose of the research.

Title of Research: An exploration of the effects of growth on organisation design: the case of credit unions in Saint Lucia.

Purpose: to understand how growth impacts the organisation design of credit unions in Saint Lucia.

Gives an indication of the structure of the interview (number of questions and the duration of the interview).

Informs participants that their participation in the interview will be anonymous since responses will be coded and analysed not individually but at the group level.

Inform participants that the interview will be recorded.

Ask participants whether they have any questions.

Circulates document ‘Data collection tool’.

Collects completed document from participants.

Provide housekeeping information (exits, washrooms).

Rapport Building

Have participants talk about themselves, their jobs and their affiliation to their credit union.

Main Content Questions

1. What are the factors you think influenced the growth of credit unions in Saint Lucia?
   Pertinent notes and quotes from responses:

2. What are the challenges (the difficulties) the growth of credit unions here in Saint Lucia pose to the leadership of credit unions?
   Pertinent notes and quotes from responses:

3. How has the growth- related challenges that you have identified, impacted the organisation design of the credit unions?
   Pertinent notes and quotes from responses:
4. What qualities must the organisation design of credit unions possess that would enable credit unions in Saint Lucia create sustainable economic and social value for members?
   Pertinent notes and quotes from responses:

Is there any further information that you would like to share that we have not brought up?

Pertinent notes and quotes from responses:

Closing the interview

Thank the participants for their time.

Assure participants of the confidentiality of the interview

Ask participants whether they would avail themselves for a follow-up interview if one were deemed necessary.

Promise the participants an abstract of the study.

Subsidiary questions

1. How would you describe the environment in which credit unions operate?
2. What impact do you think the nature of the environment have on operating the credit union as a true co-operative?
3. What are the attributes a credit union should possess in order to cope successfully in the environment you have described?
4. How has the growth of credit unions impacted the way work is carried out at the credit union?
5. How has the growth of credit unions impacted how the regulator sees credit unions?
6. What challenges has the growth of the credit union posed for management?
7. What challenges has the growth of the credit unions posed for governance?

Appendix 3F: Research Collection Tool

Interview Information

Demographics

______Female ______Male Prefer not say

Age range: ______under 25 ______26 - 40 ______above 40

Introduction

Title of Research: An exploration of the effects of growth on organisation design: the case of credit unions in Saint Lucia.

Purpose: to theorise the impact of growth on the organisation design of credit unions in Saint Lucia.

The interview will include four core questions, and other probing questions. It is anticipated to last about an hour and recorded digitally.

The interview will be anonymous since responses will be coded and analysed not individually but at the group level.

Key terms that will be used in the interview are growth, organisation design and leadership.

Growth: sustained increased in assets and members.

Organisation design: devising how to do the work required to realize the purpose of an organisation effectively and efficiently. This involves determining the appropriateness of the organisation's systems, structure, processes, technology and culture to deliver an organisational strategy and solve an organisational problem.

Leadership: the board of directors and general manager of the credit union.

Questions and issues from participants

Questions can be raised on any matter pertaining to the research and the interview.

Statement on informed consent

I have read and understood the preceding information pertaining to this research. I have had the chance to ask questions and to discuss it. I have received acceptable responses to all my questions and have received adequate information pertaining to this research. I understand that I am at liberty to withdraw from this research at any time, without providing a reason for revoking my participation and without negative consequences. I consent to the use of audio recording during my participation in this research. I understand that my data will remain anonymous.

☐ I hereby consent willingly to be a participant of this research study.

Appendix 4A: Units of Meaning

What factors influenced the growth of credit unions in Saint Lucia?

Credit Union 1

1. The comparative ease and convenience of accessing financial services at credit unions.
2. The process of achieving greater efficiency at banks resulted in the loss of personal relationships with customers and so bank customers migrated to credit unions.
3. Credit unions are seen as more accommodating to the needs of customers when compared to banks.
4. Focusing on profits is deemed to make the banks less customer oriented.

Credit Union 2

1. Generations of members remaining loyal to credit unions.
2. Credit unions providing diversified and competitive products and services over time.
3. Credit unions now catering to the needs of millennials.
4. Providing greater promptness and ease of doing business relative to banks.
5. People perceiving credit unions as being safe and well managed and so more people are confident doing business with credit unions.
6. Credit unions accentuating the co-operative difference through their business processes.
7. Credit unions providing a feeling of belonging.
8. Providing more customized services when compared to banks.
9. The welcoming feeling that credit unions provide.
10. Providing a sense of ownership.
11. The awareness that credit unions are compliant with statutory regulations and this instills confidence in customers.

Credit Union 3

1. Credit unions have become viable alternatives to banks.
2. The increasing cost of doing business with banks in terms of transaction fees drove customers to credit unions.
3. The growing awareness of the democratic rights of ownership exercised at credit unions when compared to just being a customer at a bank.
4. Credit unions have become as aesthetically pleasing as banks.
5. Credit unions continue to cater to the needs of vulnerable groups.
6. The growing awareness of credit unions' ability to withstand economic hardship.

Credit Union 4

1. The personalised services that credit unions continue to offer while banks have discontinued that manner of service.
2. People's belief that credit unions contribute to the quality of life of the local community.
3. Credit unions providing a sense of ownership.
4. Credit unions providing small loans which banks would not.
5. Low service fees when compared to banks.
6. Growing confidence in the credit union by the populace because credit unions are seen as successful.
7. Credit unions are seen as being more empathetic to the needs of customers.
8. Credit unions provide customers easy access to interact with the management of the co-operative.
9. Credit unions' continued focus on meeting the needs of members as opposed to the main focus of creating value for investor owners.
10. People getting a sense of belonging while dealing with credit unions.
11. Credit unions have the desire to understand the context of the situation of the customer in formulating a solution to the need of the customer.
12. Credit unions provide a sense of identity by members being linked to either a community or occupation based credit union.
13. A sense of loyalty knowing that through membership in the credit union, one contributes to the growth and development of the community.
14. Persons experiencing economic shocks turn to credit unions for financing to alleviate the shock because credit unions are more empathetic.
15. The awareness, through past marketing and educational activities, of the value that credit unions create, is now bearing fruit.
16. There seems to be a greater appreciation of difference between banks and credit unions and so more and more people are choosing to do business with credit unions.
17. Credit unions taking advantage of the opportunity provided by banks leaving the market because of dwindling profits.
18. Credit unions have become more innovative in the creation of products and services.
19. Credit unions are deemed to engage in relationships with customers while banks are perceived as predatory.
20. Greater transparency when dealing with credit unions when compared to banks.

How has the organisation design of credit unions in Saint Lucia changed in response to growth?

Credit Union 1

1. A greater reliance on technology to carry out work.

Credit Union 2

1. Supervisors and managers having more people under their span of control since more people are now needed to carry out the work of the credit union.
2. Redesigned organisation structure of the credit union in order to achieve process efficiencies.
3. More committees to assist board.
4. Greater dependence on technology to carry out work.
5. Work is divided into more specialised departments and specialised personnel.

Credit Union 3

1. Staff with specialised skills to carry out specialised duties.
2. New departments to co-ordinate specialised tasks.
3. Changes to the organisation structure due to more staff with diverse skills.
4. Greater investment in technology to achieve both efficiency and effectiveness.
5. More specialised committees to assist board.
6. Need for a co-operative value research and development focus to inform processes and activities to ensure fidelity to the co-operative identity.

Credit Union 4

1. Restructure how work is carried out to include monitoring and evaluation activities as a means of managing risks.
2. More internal auditing.
3. Specialised department so that greater focus be placed on particular activities.
4. Process of how boards and committees are selected redesigned to improve the output of the current process and yet must remain democratic.
5. Adopt technology to provide diverse means so that members can voice their opinions of the workings of the credit union.

How has growth-related organisation design changes impact the practice of co-operative values and principles of credit unions in Saint Lucia?

Credit Union 1

1. Using the popular vote of the membership to select volunteer directors who are competent to deal with the complexities of growth is not working.
2. Less emphasis on the base from which membership is drawn but more emphasis on arriving at rational arm’s length decision.
3. The emphasis on surplus to pay dividends to members.
4. Systemic risks to the monetary system forces focus on regulatory compliance.

5. Greater emphasis on efficiency as opposed to building relationships with members.
6. Market pressure causing hyper-competition among credit unions.
7. Appropriate board and management skills can be used to design strategies to control the negative effects of change.

Credit Union 2

1. Managing the different risks and regulatory compliance pressure result in greater emphasis on efficiency and surplus.
2. Need for regular updating of policies.
3. Tight regulation affecting how we do things.
4. Growth in membership and assets dilutes the bond between the member and the credit union.
5. Larger staff complement and formal structures affects member engagement.
6. Moving from a homogenous to a more heterogeneous based credit union as a result of growth changes the relational culture between the member and credit union.
7. Online service means of rendering member service weakens the quality of engagement and the member's feeling of ownership.
8. Increased competition among credit unions.
9. Addressing the greater demand on the time of volunteers/directors and committee members as a result of growth.
10. Looking more and more like banks.
11. The nature of the politics and economy can influence how credit unions behave.

Credit Union 3

1. More complex way of leading and managing the credit union which furthers the ordinary member from making decisions in their co-operative.
2. Larger membership means less personal relations and virtual AGM's making the credit union impersonal.
3. Greater focus on hiring professional staff and risk veering away from what the credit union believes.
4. Ordinary no longer eligible to be elected since growth calls for a board with diverse technical skills thus impacting democratic member control.
5. Managing change in the competitive environment can remove focus on remaining true to the co-operative identity.
6. Regulators now treat and regulate credit unions as banks which cause credit unions to behave like banks to achieve regulatory compliance.
7. How success is measured influences the behaviour of credit unions.

Credit Union 4

1. Greater level of board and management complexity which make members less involved in the running of the credit union.
2. More members mean greater reliance on automation to deliver services and so lessens the sense of ownership.
3. As credit union becomes bigger, they tend to look like banks in make-up and how service is delivered and this interferes with how a credit should behave.
4. Increased competition among fellow credit unions.
5. Greater use of technology to give more member access to services.
6. Less focus on socialising a heterogeneous membership to the co-operative way.
7. Strategies geared at being competitive conflicts with the co-operative way.
8. Continuously learning how to respond to dynamism of growth calls for appropriate leadership skills.
9. Having board of directors that are in sync with the demands created by the operating environment.
10. Greater levels of regulatory compliance obligation impact the independence of the credit union.
11. The exclusive use of financial ratios to measure performance pushes credit unions to the model of banks.
12. Strategies to meet regulatory compliance forces a greater emphasis on profitability which traditionally has not been the focus of credit unions.

What qualities must the organisation design of credit unions in Saint Lucia possess to support sustained growth while adhering to co-operative principles?

Credit Union 1

1. Facilitate an entrepreneurial approach that would enable the generating of continuous growth and surplus, to be used to pay dividends and provide social benefits to members.
2. Capable of accounting for how the work of the credit union impacts the quality of life of members.
3. Innovative; innovation is instilled into strategic planning.
4. Being able to model processes, in the business environment, that increases both effectiveness and efficiency.
5. Must be able to facilitate the creation of multiple income streams.
6. Speedy decision-making processes.
7. An organisation structure that is reflective of the need for ease of communication and decision implementation.

8. Adaptable to the changes in the business environment.
9. Facilitate various management styles befitting various situations.

Credit Union 2

1. Organisational culture must resonate with the co-operative philosophy.
2. The human resource factor, both paid staff and volunteers must exude the co-operative spirit.
3. Adaptable to the dynamism in the market.
4. Must be able to educate members as to the reason for changes in processes and procedures.

Credit Union 3

1. Embracing technology that would contribute to both the effectiveness and efficiency of the credit union.
2. Must be self-renewing.
3. Must be adaptive and responsive to feedback from the environment.
4. Must have a research and development focus.
5. Must have an enterprise risk management focus.
6. Must be change ready.

Credit Union 4

1. Ability to adapt to changes in the environment.
2. Ability to influence the field in which credit unions operate.
3. Exploratory- always seeking for ways to meet the diverse needs of members.
4. Ability to advocate for the co-operative way in the face of rising regulation.
5. Ability to assess the health of the credit union as a co-operative.
6. Must have means of receiving and processing feedback to determine whether the co-operative purpose is being fulfilled.
7. Must be solution focused.
8. Innovative
9. Self-renewal and self- reflection.
10. Ability to build organisational capabilities through a human resource development approach.
11. Means of engaging members.
12. Ability to link the interest of members to the interest of the co-operative.
13. Ability to meet the needs of members today while building capital for the future.
14. Ability to engage members to the vision of the co-operative.
15. Ability to seize opportunities.
16. Ability to envisage the future members want and build organisational capabilities to get there.

17. Must see the co-operative as a never-ending game where keeping score is only to be able to measure where the organisation is at a given point in time.
18. Documentation of factors which lead to success to derive models which can be modified to guide growth and serve as a datum of learning.
19. Strong emphasis on organisational socialisation.

Appendix 4B: Code Category of the Responses to RQ1.

Initial category

1. Credit unions provide greater customer value when compared to other financial institutions.
2. Credit unions provide a feeling of belonging when compared to other financial institutions.
3. Growing confidence in the safety and soundness of credit unions.
4. Credit unions are becoming more aesthetically pleasing.
5. Customers understand the value of credit unions when compared to other financial institutions.

Category

1. Unique value proposition
2. Operationalising the co-operative difference (sub-categories: member centred services, member control and member ownership)

Appendix 4C: Code Category of the Responses to RQ2

Initial category

1. Managing change.
2. Regulators and service providers as source of isomorphism.
3. Power dynamics in the field.
4. Using technology.
5. Increased organisational elements (variety of products and services; increase in staff).

Category

1. Growth induced adaptation
2. Institutional isomorphism; (sub-categories: regulatory demands; market structure; power dynamics; role of service providers).
3. Complexity (sub-categories: governance & management framework; increased organisational elements).
4. Technological adoption.

Appendix 4D: Code Category of the Responses to RQ3.

Initial Categories

1. Increasing dependence on technology to carry out increased volume of work which impacts member engagement.
2. The need for specialised departments and specialised personnel to arrange and carry out work which can cause member alienation.
3. The need for board directors to be composed of diverse technical skills which can impact the eligibility of ordinary members to become directors.
4. Increased regulatory obligations and heightened focus on risk shifts focus on profit over co-operative values.
5. Strategies to respond to increasing competitive behaviour in the market cause internal competition among credit unions.
6. Co-operative values and principles as a guide to organisational behaviour and practice.
7. Effective leadership skills to design the credit union given the context of the business environment in which it operates.

Category

1. Tension between growth and co-operative identity.
2. Erosion of member control and member engagement (sub-categories: professionalisation; technical modernisation).
3. Profitability over co-op values (sub-category: regulatory obligations and risk focus).
4. Internal credit union competition (sub-category: market challenges and competitive behaviour)
5. Contextual moderators (sub-categories: degree of reliance on co-op values; leadership skills; dynamic capabilities; performance measures; national context)

Appendix 4E: Code Category of the Responses to RQ4

Initial Category

1. Remaining relevant to the needs of members.
2. Managing regulatory compliance pressure that resulted from growth.
3. Being able to account for the impact of the credit union on the lives of members.
4. Credit unions being self-renewing and self-reflective as part of designing the preferred future.
5. Being solution focused.
6. Being malleable and agile.
7. Operationalising co-operative values in the context of contemporary business environment.

Category

1. Balanced organisation design.
2. Strategic alignment with co-operative identity (sub-category: member centred service; participatory governance).
3. Flexible and evolving organisational structure.
4. Strong human and organisation dynamic capabilities.
5. Capacity for innovation and technological adaptation.
6. Embedded risk and regulatory compliance mechanisms.
7. Capacity for design thinking.
8. Value-based performance measures