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STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF SACCO'S IN THE COUNTY GOVERNMENT OF KAKAMEGA, KENYA

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ABSTRACT

This study sought to establish the influence of strategic management practices on performance of SACCO's in County Government of Kakamega, Kenya. The study was grounded on the Resource dependency theory and The Delta Theory. The study adopted descriptive research design. The population comprised seven SACCOs societies in County Government of Kakamega, licensed by SACCO Societies Regulatory Authority for period ending 31st December, 2019. The unit of observation was top management staffs (manager and assistant manager) from human resource department, finance department, sales and marketing department, and public relation department. Hence, the study target population was 56 respondents. The study adopted purposive sampling technique because the top management staffs were key informants as a result of their personal skills and position within the organization. Primary data was collected using structured questionnaire presented in Likert scale. The data was analyzed using frequency, mean and percentages. Correlation and regression was also be used. The study findings revealed that strategy evaluation and strategy formulation had a positive and significant influence on performance of Sacco's in County Government of Kakamega, Kenya. The study recommended that in order for SACCO's in County government Kakamega to continue enjoying huge customer loyalty and increased market share, there was a need to consider improving strategy evaluation practices such as having structures to correct undesired strategy, provide monthly targets for key departments and ensure regular comparison of SACCO's business performance with set quantitative goals.

Key Words: *Strategic Management Practices, SACCOs Performance, Strategy Evaluation, Strategy Formulation*

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INTRODUCTION

Strategic practices are considered essential practice that separates organizations from one another, the process is also considered key to the organization as it enables organization to achieve its vision, strategy and objectives (Sharabati & Fuqaha, 2014). Saeed, and Arshad, (2012), argue that strategy practice is useful in determining the basic objectives of an organization and allocating resources to their success. A strategy is helpful in specification of the required direction that the organization has to move in order attain its mission. Strategic management is long-term focused, and geared towards futuristic growth potential. It is also holistic, substantial and mainly associated with the senior most management level where company the vision, mission, and culture are determined (Pillania, 2008). This is a continuous process that controls and evaluates the firm's operations. Strategy management has generally had positive effects on the organization's performance in the 2000s (Hitt, Hoskisson & Ireland, 2011; Bambang, Arvand, & Ahmad, 2014). In the contemporary world the unique strategic practices within the firm lead to positive growth in the firm's value (Speculand, 2009).

According to Bryceson and Slaughter, (2011), strategy assists the organization management team in directing the employee activities towards achievement of specific goals and implementation plans. Effective managers use strategy to focus their attention and effort on real firms' priorities, they also use a strategy to provide a consistent framework that guides decisions and actions, and a strategy is also used by managers give companies a renewed sense of purpose (McBain, & Smith, 2010). Lari, (2015) argued that Savings and Credit Cooperatives (SACCOs) have a major role in resources mobilization. International Cooperative Alliance (ICA), (2011) report recognized SACCOs as essential opportunities for economic growth, more than a billion people in the worldwide are associated with co-operatives. SACCOs range from the rural agricultural and livestock co-operative societies to the Sacco's in the urban centers.

All Sacco's in Kenya are controlled by the government by the Sacco Societies Regulatory Authority (SASRA). The mandate of the Authority as provided by the Act includes licensing, supervision and regulation of Sacco societies that carry out deposit-taking business. The SASRA 2016/2017 report revealed that the Kenyan Deposit Taking SACCO recorded total assets of Kshs.342.84 Billion in 2015; this amount grew to about Kshs.393.49 billion in the year 2016 representing a growth rate of 14.8%. This increase was attributed to the better strategic management practices that led to efficient service delivery amongst Kenyan SACCOs (Katela, 2017).

In Africa, there are many challenges and weaknesses in the governance of co-operatives especially with regard to strategic practices. In Somalia, Dahir, and Kavindah, (2018) study on customer relationship management revealed that CRM aids firms to be more competitive and replace the competitor efforts. Forming valuable customer relationships involves understanding the knowledge of customers (Gathecah, 2015). The CRM boosts firms' productivity, customer satisfaction and revenue. In Pakistan, a study by Hussain, Khattak, Rizwan and Latif, (2014) on the influence of Ansoff growth strategies on firm's growth and moderating effect of market environment of food industries revealed that the Ansoff matrix growth strategies significantly contributed in firm's growth except diversification strategy. The firms' capabilities and resources availability also had an influence on the types of growth strategies adopted by the firms in Pakistan.

Strategic practices improve firm profitability resulting to higher rates dividends on member deposits and timeliness loans disbursement (Wanjiku, 2012). Proper strategic planning and fund allocation improves firm's market share. The majority of SACCOs have realized that increased competition in this industry dictates the development of strategies to compete so as to enhance their performance (Dulo 2006). The strategies developed also lead to the SACCOs survivals. SACCOs without clear strategies will find it hard to survive in this market (Wanjiku, 2012). The organization performance of SACCOs in Kenya has drastically changed due to government regulations and stiff competition. Thus, this study was timely to establish the influence of strategic management practices on performance of Sacco's in County Government of Kakamega, Kenya.

The performance of SACCOs is important for the overall stability of the financial sector as one of the key institutions tasked with financial intermediation within the economy (Lari, 2015). Savings and Credit Cooperatives (SACCOs) play a major role in resources mobilization. According to International Cooperative Alliance (ICA), (2011) report, SACCOs are recognized as essential opportunities for economic growth, more than a billion people in the worldwide are associated with co-operatives. As indicated in ICA Report, (2016) report, majority of the SACCOs have managed to retain their membership and attract more new members, but the recent witnessed increased competition from other financial service providers and other factors such as retrenchment have seen SACCO membership decline stimulating the SACCOs to come-up with strategies that will enables remain sustainable. As argued by Kyazze, (2010), the low profitability recorded by majority SACCOs is attributed to poor costing strategies in order to make the loans attractive to the members. SACCOs are facing dynamic challenges in this globalized business where companies require strategic thinking by evolving good strategies so as they become strategically competitive (Ong'ayo 2012).

In spite of research in various aspects of strategic management practices in various sectors, there is no study to establish the influence of strategic practices on organizational performance of Sacco's in Kakamega County, Kenya, and this formed the general objective of this study which will be carried in Kakamega County. Several past studies have been conducted in this field; however, they have presented conceptual and contextual research gaps. A study by Otieno, Mugo, Njeje, & Kimathi, (2015) study sought to determine the effect of corporate governance on financial performance of savings and credit cooperatives. Langat, & Wainaina, (2019) study in Kericho County assessed the influence of strategic management practices on organization performance of deposit taking SACCOs. Another study by Osei, & Ackah, (2015) in Ghana examined the relationship between employees' competent and firm's performance of Pharmaceutical firms while Makanga, & Paul, (2017) study focused on the influence of strategic management practices on performance at Kenya Power & Lighting Company. Of the studies mentioned, none highlighted the influence of strategic management practices on organizational performance of Sacco's in Kakamega County, Kenya. This study therefore sought to fill these conceptual and contextual knowledge gaps by focusing on the influence of strategy evaluation and strategy formulation on organizational performance of Sacco's in county government Kakamega, Kenya.

The Objective of the Study

The objective of the study was to establish the influence of strategic management practices on performance of Sacco's in County Government of Kakamega, Kenya. The study specifically sought to establish the influence of strategy evaluation and strategy formulation on performance of Sacco's in County Government of Kakamega, Kenya.

LITERATURE REVIEW

Resource Dependency Theory

The Resource Dependency Theory was proposed by Barney in the year 1991. As argued by Rehli, (2011) the external resources of an organization define the survival of the business, thus firm managers must ensure that the organization acquires and distributes the resources appropriately. The theory assumes that the environment offers critical resources that are necessary for the survival of the firm (Hawley & Williams, 1996, Turnbull, 1997). The Resource dependency theory is suitable for this study as it can be connected to employee competency. The organizations performance and success relies on its skilled employees and how effectively the organization taps resource (Brown & Sitzmann, 2011). The enhancement of employee competencies significantly improves the firm performance in terms productivity, organisational profits, increases in employee engagement and career development (Ghosh, 2013).

The Delta Theory

The Delta theory was first proposed by Arnoldo, Hax and Dean Wilde II in the year 2003. The theory was generated to strengthen the bond between the customer and the company. The model views the customer the center of management in the business firm. The theory inspects all the available primary possibilities to create customer bonding, it advocates on how to link a business strategy with implementation through the association of adaptive processes. According to Hax, (2003), the model was formulated with an aim of allowing the firms to focus their strategies on customers other than on competitors. The theory is illustrated in a strategic triangle. The three points of delta theory triangle are system lock-in, total customer solutions and product positioning also known as best product strategy. The total customer solution is all about building the customer cooperation, and this helps the firm to attain improved customer share while product positioning allows the firm to get the competitive edge, thus increasing market share (Hax, 2003). The three discussed strategic points enables firms to see strategic positions that can enable the firm to become more competitive hence enhancing sources of profit.

The disadvantage of delta theory is that the delta model does not focus on competition just like Porter's five forces. According to Palgrave, (2001), Delta model theory objects at strengthening the link between the company and the customer, in this sense the customers are not seen as competitors while the Porter's five forces focuses on the bargaining power of customer usually denoted as negotiating. The negative aspect of Delta theory is the product price, the firm only values at strengthening customer rapport. This means that the firm might find it difficult to adjust the price of their products in the near future. The Delta model is helpful to this study as it can be connected to strategic customer relationship an independent variable of this study. As argued by Van Doorn, and Verhoef, (2010), the combined approach helps to manage customer relationships by mainly concentrating on customer retention and developing this relationship. It is critical for Sacco's to understand how strategic and customer-centric CRM supports their efforts to achieve their corporative objectives.

Literature Review

Strategy Evaluation and Performance

According to Grant, (2010), strategy evaluation is a process used to determine whether a given strategy is effective in attaining the objectives of an organization. According to Adebis, (2011), strategy evaluation entails coming up with control practices that constantly assess, evaluate and deliver feedback regarding strategies to be implemented by a given firm.The essential activities that are involved in strategy evaluation and control includes revising internal and external factors that are the foundations for current strategies, assessing performance of the current strategies, and employing the corrective actions (Coulter, 2005). Frequent occurrence of the external and internal factors prohibits firms from realizing its long-term objectives. The external factors that prohibit firms achieving its desired objectives include competitors' actions, changes in technology, changes in demand, government actions and economic changes.

According to Siro (2009), firms are required to repetitively monitor their external opportunities and threats as well as the internal strengths and weaknesses that represent the bases of current strategies to find out whether any changes exists. Otieno (2012) argued that strategy evaluation aids firms to achieve a competitive edge, it also defines

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the business and steer it to the right direction. Thus Sacco's in Kakamega County, Kenya needs to take different strategic orientation where strategy evaluation and control become a central theme to build competitiveness and improve organisational performance. The best formulated and implemented strategies become obsolete as a firm's external and internal environments change. It is essential, therefore, that strategists systematically review, evaluate, and control the execution of strategies (Gakuya, 2015). Neither strategy formulation nor strategy implementation is a once-and for- all-time task. In both cases, circumstances arise which make corrective adjustments desirable. Strategy may need to be modified because it is not working well or because changing conditions make fine-tuning, or even major overhaul, necessary. Even a good strategy can be improved, and it requires no great argument to see that changes in industry and competitive conditions, the emergence of new opportunities or threats, new executive leadership, a reordering of objectives and the like can all make a change in strategy desirable (Davenport, Leibold, & Voelpel, 2007).

Strategy formulation and Performance

According to Dess, (2007) strategy formulation refers to procedures that an organization uses to select suitable options of action in attaining its well-defined objectives (Dess, 2007). The process of strategy formulation is crucial for an organization to achieve its success; it delivers an outline of actions that leads to the expected outcomes. According to Kazmi, (2008) strategy formulation allows firms to cautiously relook at the varying environment and prepare for the probable variations that may arise.According to Adebis, (2011) strategic plan allows a business to assess its resources, assign budgets, and decide the most effective plan for exploiting return on investment. A firm that fails to develop a strategic plan finds it difficult to provide direction or focus to its employees; the organization that lacks a set strategy in the face of business conditions will become reactive rather than being proactive (Adebola, 2012).

The organization will be addressing the unexpected pressures as they ascend resulting to competitive disadvantage of the organization.According to Mwito Sacco (2016) report, the strategic plan indicated strategic pillars are key drivers of organization performance, the institution noted that key organization performance drivers included resource capability, personnel capacity, and organization structure and product innovation. As argued by Abhilasha, & Jyoti, (2015) strategic planning is a major factor that affects the of performance small and micro enterprises. Understanding of management strategy or organization policy and effectiveness is not as easy as some people believe; it requires looking at how company is griped with the challenges and opportunities facing it (Crews, 2010). It requires proper evaluation on the position of an organization, whether the adopted strategy is working well and if not why and how should we go about it? Strategies are means of operationally signing a policy for goals and objective. For company to function very well and to be productive even to its maximum standard effective strategy should be impeded in such company, with this it will have positive effect on sales performance of such organization. According to Stead, & Stead, (2014), management's strategies consist of the analysis, decision and action an organization undertakes in order to create and sustain competitive advantages.

In Kenya, Maroa, and Muturi, (2015) carried as study to establish the influence of strategic management practices on organisational performance of Floriculture Firms. The study target population was 21 floricultural firms. The study used descriptive research design. The study used a questionnaire to collect primary data. The study results revealed that strategy evaluation and organizational performance of flower firms was statistically significant. Chelimo, (2010) conducted a study to investigate the strategy evaluation and control practices adopted at the University of Nairobi. The study primary data was collected using the use of the interview guide. The findings of the study revealed that strategy evaluation and control was carried out regularly and it had assisted the University of Nairobi monitor the performance of its various activities against the set targets of the strategic plan.

Arasa, and Obonyo, (2012) study investigated the relationship between strategic planning and firm performance giving attention to the strategic planning steps. The findings of correlation analysis results indicated that there exist a strong association between strategic planning and firm performance. The study findings also revealed that strategic planning steps that include identification of firm's strategic issues, strategy choice and setting up of implementation positively relate to company performance. Makanga, and Paul, (2017) study focused on the influence of strategic management practices on performance at Kenya Power & Lighting Company. The study adopted descriptive research design. The study also used random sampling to select sample respondents. The study results revealed that strategy planning and organization performance at Kenya Power & Lighting Company was positive and significant

METHODOLOGY

This study adopted descriptive research design. This research design was useful in determining establish the cause and effect correlation between the dependent variables (strategy evaluation and strategy formulation) and the independent variables (organization performance). The target population of the currents study included (7) Sacco societies in County Government of Kakamega licensed by SASRA. The unit of observation was top management staffs (manager and assistant manager) from human resource department, finance department, sales and marketing department and public relation department. Hence, the study target population was 56 respondents. Since the data to be collected was quantitative, the study used descriptive and inferential analysis methods to analyse.

The study used purposive sampling technique to select the respondents (mangers and assistant). The study used primary data that was collected using a questionnaire. The questionnaire had both open ended and closed ended questions. The study used correlation analysis to establish the association between the study variables. The study also used a multivariate regression model to establish the effect of the independent on the de-pendent variable. A regression model was used to establish the relationship between the study variables.

The model was as indicated:

$$\mathbf{Y = \beta0 + \beta1X1 + \beta2X2 + \mathcal{E},}$$

Whereby Y = Performance of Sacco's in County Government of Kakamega, X1= Strategy Evaluation, X2 Strategy Formulation, Ɛ – Is the error term' and βii= 1….2 are the coefficients of the predictor variables.

RESULTS

Correlation Analysis of Strategy Evaluation and Performance of Sacco's

The correlation analysis findings between strategy evaluation and performance of Sacco's in County Government of Kakamega, Kenya were presented in table 1. The results revealed that strategy evaluation is positively and significantly related with performance of Sacco's and the association is strong (0.634, p value = 0.000 <0.05). These findings were concurred with study results by Siro, (2009 who argued that firms are required to repetitively monitor their external opportunities and threats as well as their internal weaknesses and strengths as they presents the bases of current strategies that aids to find out whether any changes exists.

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Table 1: Correlation Analysis Results for Strategy Evaluation

		Strategy Evaluation	Performance of Sacco's
Strategy Evaluation	Pearson Correlation	1	0.634**
	Sig. (2-tailed)		0.000
	N	**45**	**45**
Performance of Sacco's	Pearson Correlation	0.634**	1
	Sig. (2-tailed)	0.000	
	N	**45**	**45**

** Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis of Strategy Evaluation and Performance of Sacco's

The study also conducted linear regression analysis between strategy evaluation and performance of Sacco's in County Government of Kakamega, Kenya. The results were as presented in table 2.

Table 2: Model Specification for Strategy Evaluation

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.634	0.402	0.388	0.703

Predictors: (Constant), strategy evaluation

The results in table 2 revealed that R Square value of strategy evaluation against performance of Sacco's in County Government of Kakamega, Kenya was 0.402 indicating that strategy evaluation has the ability to explain 40.2% of the changes in performance of Sacco's in County Government of Kakamega, Kenya. The findings implied that strategy evaluation is a suitable predictor variable of the performance of Sacco's in County Government of Kakamega, Kenya.

Table 3: Strategy Evaluation Regression Coefficients Results

	Beta	Std. Error	t	Sig.
(Constant)	1.571	0.384	4.087	0.000
strategy evaluation	0.569	0.106	5.38	0.000

Dependent Variable: Performance of Saccos' in Kakamega County, Kenya

The first null hypothesis of the study was strategy evaluation doesn't have significant impact on performance of Sacco's in County Government of Kakamega, Kenya. The regression coefficients results were as presented in table 3. The regression model constant was observed to be positive indicating that strategy evaluation and performance of Sacco's in County Government of Kakamega, Kenya are positively correlated. Therefore, the variable was used in the study model, and provided the following univariate regression model;

Y=1.571+0.569X1

Whereby, Y is organizational performance of Sacco's in Kakamega County, Kenya, while X1 is strategy evaluation. These regression results revealed that strategy evaluation positively and significantly affects performance of Sacco's in County Government of Kakamega, Kenya (B = 1.571, Sig = 0.000, < 0.05). Given that the p-value (0.000) is below 0.05, we rejected the null hypothesis and accepted the alternative, and concluded that strategy evaluation has a statistically significant impact on the performance of Sacco's in County Government of Kakamega, Kenya. These findings were concurred with study results by Siro, (2009 who argued that firms are required to repetitively monitor their external opportunities and threats as well as their internal weaknesses and strengths as they presents the

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bases of current strategies that aids to find out whether any changes exists.

Similarly, Otieno (2012) argued that strategy evaluation aids firms to achieve a competitive edge, it also defines the business and steer it to the right direction. These findings are also similar with Bryceson, & Slaughter, (2011) that revealed strategy evaluation assists the organization management team in directing the employee activities towards achievement of specific goals and implementation plans. Effective managers use strategy to focus their attention and effort on real firms' priorities, they also use a strategy to provide a consistent framework that guides decisions and actions, and a strategy is also used by managers give companies a renewed sense of purpose (McBain, & Smith, 2010).

Correlation analysis of Strategy formulation and performance

Table 4 shows the correlation analysis results showing the association between strategy formulation and performance of Sacco's in County Government of Kakamega, Kenya. The results presented indicated that strategy formulation has a strong positive correlation with the performance of Sacco's in County Government of Kakamega, Kenya (Pearson correlation= 0.752, p value=0.000 < 0.05).

Table 4: Correlation analysis results for strategy formulation

		Strategy formulation	Performance of Sacco's
Strategy formulation	Pearson Correlation	1	0.752**
	Sig. (2-tailed)		0
	N	**45**	**45**
Performance of Sacco's	Pearson Correlation	0.752**	1
	Sig. (2-tailed)	0	
	N	**45**	**45**

** Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis of Strategy formulation and performance

The study also carried out a univariate linear regression analysis to test the link between strategy formulation and performance of Sacco's in County Government of Kakamega, Kenya. The table 5 to 6 presented the findings of regression analysis.

Table 5: Model specification for strategy formulation

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.652	0.425	0.411	0.69

Predictors: (Constant), strategy formulation

The findings of the model summary in table 5 showed an R-square value of 0.425 which implied that strategy formulation accounted for 42.5% of the variation in performance of Sacco's in County Government of Kakamega, Kenya all the other factors held constant. These findings showed that strategy formulation is a good predictor variable of the performance of Sacco's in County Government of Kakamega, Kenya.

Table 6: Strategy formulation regression coefficients results

	B	Std. Error	t	Sig.
(Constant)	1.009	0.464	2.172	0.035
Strategy formulation	0.696	0.124	5.634	0.000

Dependent Variable: Performance of Sacco's' in Kakamega County, Kenya

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The second null hypothesis of the study was strategic strategy formulation doesn't have a significant influence on performance of Sacco's in County Government of Kakamega, Kenya. The regression coefficients results were as shown in table 6. The regression model constant was also observed to be positive indicating that strategy formulation and performance of Sacco's in County Government of Kakamega, Kenya are positively correlated. Therefore, the variable was used in the study model, and provided the following univariate regression model;

$Y=1.009+0.576X_1$

Whereby, Y is performance of Sacco's in County Government of Kakamega, Kenya, while X_1 is strategy formulation. These regression results revealed that strategy formulation has a strong positive and significant influence on the performance of Sacco's in County Government of Kakamega, Kenya (B = 0.696, Sig = 0.000, < 0.05). Therefore, the null hypothesis was rejected and alternative accepted, we concluded that strategy formulation has a statistically significant influence on the performance of Sacco's in County Government of Kakamega, Kenya. This study was similar with the study findings of Bryceson and Slaughter, (2011), that revealed strategy planning assists the organization management team in directing the employee activities towards achievement of specific goals and implementation plans. Effective managers use strategy to focus their attention and effort on real firms' priorities, they also use a strategy to provide a consistent framework that guides decisions and actions, and a strategy is also used by managers give companies a renewed sense of purpose (McBain, & Smith, 2010).

Multivariate Regression Analysis

Table 7: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.753	0.568	0.524	0.62

Predictors: (Constant), strategy formulation, strategy evaluation

The findings in table 7 revealed that jointly, strategic management practices, that is, strategy formulation, and strategy evaluation affects the performance of Sacco's in County government Kakamega Kenya positively as shown by a joint R value of 0.753. The findings also presented an R-square value of 0.568 which revealed that strategic management practices, that is, strategy formulation, and strategy evaluation accounts for up to 56.8% of the variation in performance of Sacco's in County government Kakamega Kenya. This percentage is high; however, the remaining percentage of 43.2% of the variation in performance of Sacco's in County government Kakamega Kenya can be attributed to other factors other than strategic practices. This unlocks up a debate for future studies

The model significance was also established to find out whether the regression model was suitable in predicting performance of Sacco's in County government Kakamega Kenya. The study findings reveal that the overall model linking strategic management practices to performance of Sacco's in County government Kakamega Kenya was significant. The F statistic for the model was 29.207 which was significant (Sig = 0.000, < 0.05), hence an indication that the model linking strategic practices to performance of Sacco's in County government Kakamega Kenya was significant.

Table 8: Analysis of Variance (Model Significance)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.185	4	5.046	29.207	0.000
	Residual	15.383	40	0.385		

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	Total	35.568	44

Dependent Variable: Performance of Saccos' in Kakamega County, Kenya
Predictors: (Constant), strategy formulation, strategy evaluation

Table 9: Regression coefficients

					Collinearity Statistics	
	B	**Std. Error**	**t**	**Sig.**	**Tolerance**	**VIF**
(Constant)	0.51	1.019	0.501	0.619		
Strategy evaluation	0.227	0.137	1.661	0.005	0.465	2.151
Strategy formulation	0.309	0.198	1.56	0.001	0.828	1.208

Dependent Variable: Performance of Saccos' in Kakamega County, Kenya

The study results in table 9 provided the following regression model;

Performance of Sacco's in County government Kakamega Kenya = 0.51+ 0.309(Strategy formulation) + 0.227(Strategy evaluation)

The model revealed that in order of significance based on the values of the t-statistic, the most significant strategy management practice that should be given priority by Saccos' in Kakamega County Kenya is strategy evaluation then strategy formulation followed by strategy formulation. Field (2009) argues that a variance inflation factor of 10 and above revealed the existence of multicollinearity. The variables did not have variance inflation factor above 10 which implied absence of multicollinearity. The model did not violate the classical linear regression assumption of multicollinearity.

CONCLUSION

The study concluded that strategy evaluation positively and significantly affects performance of Sacco's in County government Kakamega Kenya. An improvement in strategy evaluation practices such as the Sacco's in Kakamega County ensuring there structures to correct undesired strategy, Sacco's providing monthly targets for key departments and regular comparison of Sacco's the business performance with set quantitative goals leads to positive performance of Sacco's in County government Kakamega, Kenya. The study lastly concluded that an improvement in strategic formulation practices such as the Sacco's in Kakamega County ensuring that the Sacco's policies encourages staff to work towards the set goals, there is a clear structure of operation to achieve set Sacco's goals and ensuring that all the departments are conversant with their part in achieving the SACCO's leads to a positive significant effect performance of Sacco's in County government Kakamega, Kenya.

RECOMMENDATIONS

The study recommended that in order for Sacco's in County government Kakamega to continue enjoying huge customer loyalty and increased market share, there is a need to consider improving strategy evaluation practices such as having structures to correct undesired strategy, provide monthly targets for key departments and ensure regular comparison of Sacco's business performance with set quantitative goals. Lastly, the study recommended that there is need for all Sacco's in County government Kakamega to consider strategy formulation practices such as ensuring that there is clear structure of operation to achieve set Sacco's goals, ensure that all the departments are conversant with their part in achieving the SACCO's goals, and also ensure that the Sacco's policies encourages staffs to work towards the set goals.

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