INFLUENCE OF ENTREPRENEURIAL COMPETENCY ON SUSTAINABILITY OF TRADING MICRO AND SMALL ENTERPRISES IN NAIROBI COUNTY, KENYA

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ABSTRACT
The study sought to analyse the influence of entrepreneurial competency on sustainability of MSEs at Nairobi County, Kenya. Descriptive research design was adopted in this study. The target population of this study therefore was two hundred sixty four thousand, three hundred and fifty entrepreneurs who own and operate these enterprises within Nairobi County. Stratified random sampling technique was used to select the sample of 385 respondents. The study used questionnaires as the data collection research tool. A piloting test was conducted to test the quality of the questionnaire as well as respondents understanding of the research tool. The study employed both quantitative and qualitative methods of data analysis. Quantitative data analysis was in form of frequency tables and percentages which represented the most commonly used method for descriptive data presentation. Both descriptive and inferential statistics was used to determine the relationship between entrepreneurial competency and sustainability of trading micro and small enterprises in Nairobi County, Kenya. The study found that managerial competency, strategic competency, networking competency and technological competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya. The study therefore recommends that entrepreneurs of micro and small enterprises need to research on the best leadership style such as transformational along transactional leadership style that will improve managerial competency and adopt it; owners of the micro and small enterprises need to lay down clear vision and objectives of their organization, they can involve business consultants in laying them down to ensure they are achievable and also help them in developing clear ways of achieving them, this will ensure that the company/enterprise remains sustainable; entrepreneurs should adopt new technologies in the market which will help them keep up with the trend in technology, and it will help them to market and advertise their products. The study recommends replication of the study in other counties within the country to facilitate the generalization of the research findings. The study further recommends research to be done on the influence of entrepreneurial competency on sustainability of large enterprises in Kenya

Keywords: Managerial Competency, Networking competency, Strategic Competency, Technological Competency and Sustainability of SMEs.
Introduction
The study sought to establish that economic development of any country or any region is a direct result of a purposeful human activity. It is an accepted belief that without entrepreneurial activities the process of industrialization is not possible. Entrepreneurship is said to be a result of both individual and environmental factors. Entrepreneurs are persons who initiate, organize, manage and control the affairs of a business unit that combines the factors of production to supply goods and services. It is believed that a natural talent for business, innovative spirit, risk taking ability and desire to achieve are the major individual characteristics, while social outlook, family traditions, government policies, financial resources and infrastructure are the external environmental related factors influencing entrepreneurship among the youth (Batra, 2003).

MSEs are defined using both qualitative and quantitative methods since they are based on population of workers in the enterprises and other non-quantitative factors. Daniel (2010) defines micro and small enterprise as income generating activity that employs 1-5 workers. It usually starts informally by harnessing locally available resources from the family with the aim of complementing family revenue to meet its needs. The role played by MSEs in the economy is very crucial for any country. For this reason, micro and small enterprises are key constituent of economies all over the world.

Alemany (2014) in a study in Spain, states that MSEs in developing countries have been a source of employment for decades despite the challenges experienced by entrepreneurs ranging from financing, production and marketing as well as human resource development. Furthermore, MSEs are considered to be the force that drives the economy, source of job opportunities and reduces the rate of poverty especially in those countries that are developing. In a study carried out in Nigeria, MSEs have also been found to be a means for achievement of enhanced economic growth and speedy industrialization in addition to feeding large scale industries (Ibrahim, 2008). In Kenya, micro and small enterprises have been found to contribute significantly to economic growth and poverty reduction by increasing production and employment (Kapila, 2008). In the Kenyan context, entrepreneurial competencies such as abilities to spot opportunities which entrepreneurs can capitalize on and ability to innovate are very important in ensuring success of enterprises. Gaps should be identified based on the different dimensions of entrepreneurial competencies before financial assistance is advanced to entrepreneurs.

This will help the entrepreneurs to be innovative and creative and thus enhance performance of their enterprises (Linguli & Namusonge, 2015). In order to ensure sustainability of small enterprises Magara and Kamau (2016) argue that managers need to show high level of competency and also perform multiple roles effectively towards realization of enterprise’s objectives and goals. The authors also added that entrepreneurial competencies play a very significant role in determining how an enterprise performs. Quoting a European Commission report (2012), King’ori and Theuri (2016) opine that development of entrepreneurial competence may result to more innovative behaviour by entrepreneurs. This would mean that the enterprises led by these entrepreneurs are more innovative as opposed to the other enterprises. Mwarania (2012) adds that sustainability of small and micro enterprises can be influenced by market drivers for entrepreneurial response, pricing, customers’ responsiveness, business organization frameworks, among other factors.
Statement of the Problem
In many developing economies including Kenya MSEs have offered an opportunity for alternative source of income, bearing in mind in most of these economies there are high levels of employment especially among young people. It is against this background that the study recognises the critical role played by the MSEs in Kenya and Particularly in its capital city which situated in Nairobi County. Upon review of several studies the study was able to establish lack of sustainability of MSEs in Kenya since several enterprises do not leave to celebrate their third birthday. The study therefore considered establishing the relationship between entrepreneurial competency and sustainability of MSEs in Nairobi County, Kenya. MSEs in developing countries are the main source of job opportunities and also the main source of income (Mano, Iddrisu, Yoshino & Sonobe, 2011). The Kenyan government like the rest of the world is currently embracing the concept of development of entrepreneurship through formulation of favourable strategies and laws. For instance, the enactment of the MSE bill 2006 which led to the creation of a council which facilitated the creation of MSEs and creation of funds for the development of the MSEs (Government of Kenya, 2006). Regardless of these efforts, previous studies on Kenyan MSE Sector reveal a high mortality rate. A study by KNBS (2007) reveals that out of 5 MSEs in the country, 3 of them fail within the first few months. In fact, most of the MSEs do not survive to their third anniversary (Ngugi, 2013) indicating lack of sustainability of the enterprises.

Pursuing new economic related activities requires that the person be well equipped with the right skills to make the right judgement when they do not have the full information. This therefore calls for entrepreneurial competencies that aims at making informed decisions that will translate to sustainability of MSEs. Implying that the competent entrepreneurs preoccupy themselves with actions aimed at helping them to enact environment that they can exploit to their benefit and sustainability (Foss, Foss & Klein, 2007). Empirical research includes; Mwangi and Ngugi (2014) studied how entrepreneurial orientation influences growth of MSEs in Kerugoya, Kenya. Watako (2016) researched on effects of business information on MSEs as agents for poverty reduction in Kariobangi, Nairobi. An entrepreneurial competency is a most needed value for an entrepreneur. The entrepreneur should always have personal competencies, which refers to important personal qualities and abilities that help in the building up of personal strength and in enhancing an individual’s effectiveness in performing certain challenging tasks such as managing one’s own business. It is necessary to recognize the characteristics of the entrepreneur in informal activities, in order to explain the business success or failure based on the various characteristics of the entrepreneurs. The characteristics are an interaction with contingency factors of the informal economy in which the entrepreneur operates and chooses the strategy. This study sought to investigate the influence of entrepreneurial competency on the sustainability of trading micro and small enterprises consequently determining the extent to which it improves sustainability and continued growth of the micro and small enterprises sector.

Objectives of the study
i. To investigate influence of managerial competency on sustainability of trading micro and small enterprises in Nairobi County, Kenya.
ii. To establish the influence of strategic competency on sustainability of trading micro and small enterprises in Nairobi County, Kenya.

iii. To evaluate the influence of networking competency on sustainability of Trading Micro and Small Enterprises in Nairobi County, Kenya.

iv. To assess the influence of technological competency on sustainability of trading micro and small enterprises in Nairobi County, Kenya.

Literature review

Theoretical Review

Personality Trait Theory
The basis of Personality Trait Theory was the Psychologist Gordon Allport. In the year 1936, Allport discovered something great that more than 4000 words found in the English dictionary give a description of personality traits. Allport (1961) described personality as being an organization of oneself of the psychophysical systems determining character behaviour and thoughts. Landstrom (1998) did argue that personality trait theory is a psychological theory emphasizing the individual character traits defining entrepreneurship. Some of the character traits are: “the need for achievement, locus of control, risk taking, innovativeness, and forbearance for uncertainty.” Personality Trait Theory believes that the mentioned characters are unique to every entrepreneur and these characters combined create a distinction between entrepreneurs and those individuals who are not entrepreneurs. This theory can be linked to the study on relationship of managerial competency and sustainability of trading micro and small enterprises especially on the indicators that define the managerial competence which include innovativeness, risk taking and pro-activeness. One of the personality traits in this study may be found among the three personality characteristics featured prominently in entrepreneurial realms. Thus the personality characteristic of personal values such as responsibility and duty can be among the managerial competencies studied herein. The trend of entrepreneurship develops over time through the process of socializing (Owoseni & Akanbi, 2011). Thus this theory covered the two variables of networking competency and managerial competency.

Economic Development Theory
This theory was developed by Schumpeter in 1934. Schumpeter centrally placed human agent in the process of developing the economy and he assigned entrepreneurship a very crucial role in the “Theory of Economic Development”. The Economic theory strongly affects entrepreneurship development. Economics is the source of the idea of bearing risk, innovativeness, growth and capital provision and the growth of a company all of which relate entrepreneurship. Schumpeter, (1934) in his opinion of an entrepreneur, he is an innovative individual who takes risks in production and development of new products, markets and the growth of enterprises, and therefore ensuring it sustainable. An entrepreneur is an innovator and a person ready to take risks which eventually lead to development of the economy. Rostow’s theory (1960) of economic growth can be used in explaining the growth that is experienced in the productivity of a company. Rostow in his opinion, companies go through various stages in the process of growing. The stages are: “traditional society level, then transformation stage, take- off stage, maturity and the final is mass production stage”. Rostow further indicated that majority of the companies do not reach the final stage of the growth process. In the theory it’s stated that when the conditions in the economy are favourable, then entrepreneurship and growth of the economy will occur.
Incentives in the economy are the motivating factors for entrepreneurial activities. This theory can be linked to the study on relationship of technological competency and managerial competency and sustainability of MSE especially on the indicators that define the sustainability of MSEs which include growth, risk taking and pro-activeness.

Penrose (1959) indicated that there are a number of factors that could impact how sustainable enterprises are. Some of these factors are: “managerial competency, uncertainty, risk and the adoption to new technology”. The main limiting factor in the growth of enterprises was indicated to be managerial ability. The main duty of entrepreneurs is to coordinate the activities carried out in their business and also have a vision for the company and develop strategies that will enable them attain the set vision. On the other hand, it’s not all the time that these entrepreneurs have clear vision and therefore they lose the opportunity to grow and expand their business. Growth and success are interrelated since they affect each other. For example, a company that is growing is said to be successful because they attain their set goals. A company can grow either horizontally or vertically (Liedholm, 1990). Vertical growth is graduating and transforming the business into more modern MSEs, while horizontal growth is the creation of more businesses at the same level of micro enterprise. Majority of the MSEs prefer the vertical growth since it’s associated with an increment in employment opportunities. This theory was very crucial in defining how technological competency influences sustainability of micro and small enterprises.

**Entrepreneurial Competencies Model**

Entrepreneurial Competencies Model was developed by McClelland in 1973. This was later taken over by other studies, for instance Mansfield (1996), stated that in the competency model behaviour needed by workers is described in details for the purpose of ensuring that they are effective in their work. Additionally, the following can be included in competency in order to ensure individual success; “clusters of skills, knowledge, abilities, and behaviour” (Davis, Naughton, & Rothwell, 2004). Lee (2008) did argue that the model is of great importance since gives a variety of behaviours that will result to good performance. The characteristics of entrepreneurs have been studied most of the time using the competency approach (Baron & Markman, 2003). For example, Boyatzis (1982) stated that “entrepreneurial” and “managerial competencies” are associated. Additionally, Bird (1995) proposed in “Theory of Entrepreneurial Competencies”, suggested that its worth considering, “education, prior work experience, and industry experience” as some elements affecting developing entrepreneurial competencies; and this view is supported by many studies. For example education has some level of contribution in developing competencies of founders of a business while the skills and capabilities of an individual are improved by their prior work experience especially in recognizing an opportunity in a business (Chandler & Jansen, 1992; Krueger & Brazeal, 1994). The theory helped in explaining the influence of networking competency on sustainability of MSEs in Kenya.

**Core Competence Theory**

Core Competence Theory was coined by management experts Prahalad and Hamel in 1994, core competence theory is a theory of strategy that provides action to be taken by enterprises to achieve competitive advantage in the market. With the current business environment being very competitive and some enterprises getting wound up within a short time, entrepreneurs need to have strategies in place to ensure they always stay ahead of competition. Enterprises core competencies are generally distinctive competencies that can help an enterprise create a sustainable competitive advantage. Agha, Alrubaiee, Jamhour (2012) advise that for enterprises to remain competitive and obtain competitive advantage, it is important for entrepreneurs to
ensure that the performance of their business is increased by having a clear management of dimensions of main competencies such as vision. Odero(2013) adds that competitive strategies that enable enterprises to survive in the competitive environment and emerge stronger are generally hard to imitate. This theory was very important in trying to find out how strategic competency influences sustainability of micro and small enterprises.

Conceptual Framework

Managerial Competency
- Leadership skills
- Communication skills
- Monitoring and control

Strategic Competency
- Vision statement
- Mission statement
- Core values

Networking competency
- Interpersonal skills
- Teamwork
- Networking

Technological Competency
- Computer applications
- E-commerce
- Mobile technology

Sustainability of MSEs
- Increase in Profits
- Increase in Sales Volume
- Increase in Market Share

Independent Variables                  Dependent Variable

Managerial Competency
According to a study on competence of managers and their business success in five European countries which included Belgium; Poland; Portugal; Slovenia; and Spain by Laguna, Wietcheteek, and Talik (2012) it was revealed that success of small enterprises correlated significantly with competence of managers of the enterprises. MatzlerSchwarz, Deutinger, and Harms (2008) in their study in Austria revealed that “transformational leadership” was positively related with “growth and profitability” of small enterprises. The authors suggest that this type of leadership could be an appropriate approach to the management of small enterprises. In order to achieve enterprise performance, Astein (2016) suggest that managers should make use of transformational along transactional leadership style which will enhance performance of enterprises beyond expectations. According to a study on factors required for sustainability of small business in Nigeria by Buowari (2015), small businesses could be sustainable business
entrepreneurs or managers were able to accommodate workers—which is one important aspect of management. Uchenwamgbe (2013) on a study on leadership style and performance of enterprises argues that participatory leadership style positively affects growth of businesses.

In Ghana, a study by Sanda, Sackey, and Faltholm (2011) on managerial competence and non-performance of small firms revealed that executives of small firms possessed managerial competencies and behaviours to enhance how small firms performed, yet these characteristics appeared not to have any positive impacts on how these small firms performed towards making them competitive. Locally, a study which was done in Kirinyaga County on “entrepreneurial orientation on growth of MSEs” by Mwangi and Ngugi (2014) established that “entrepreneurial managerial competence” significantly and positively affected the growth of MSEs. The authors emphasize that it is important for the entrepreneurs to timely plan and identify emerging problems which are likely to affect their businesses. Gakure, Ngugi, Waititu and Keraro (2013) established that managerial skills among other factors played an important duty in sustaining small businesses in Kenya which were owned by families.

**Strategic Competency**

To ensure success of any enterprise it is important that an entrepreneur is visionary and be able to lay down a plan which will act as a guide or provide direction with which the business will follow (Wickramaratne, Kiminami & Yagi, 2014). Though strategic competence mostly require abstract abilities, Li (2009) emphasizes that as an owner of the business, an entrepreneur need to have a clear vision with well laid out objectives which he should work on to ensure success of the business. On their study on strategy development in SMEs, Moore and Manring (2009) opine that network of enterprises will become very important for addressing problems that underlie the global supply chain sustainability and enterprise resilience. In Thailand, Thongpoon and Ahmad (2012) in their study on sustainability of small enterprises and strategic economy established that strategic competency significantly mediated the relationship between sustainable performance of the enterprise and sufficient economy philosophy. “A study on factors that determined sustainability of small enterprises” in South Africa by Wiese and Lotriet (2014) revealed that owners of small enterprises considered establishment of clear business goals and objectives as a significant element that contributed to the sustainability of the businesses.

A study in Embu by Njiru and Njeru (2016) on planning and sustainability revealed that business planning had a positive relationship with sustainability of enterprises. A study in the same county by Magara and Kamau (2016) revealed that strategic positioning gave small business an edge while in their operations, thus enhancing their sustainability. Njeru and Machuki (2015) established positive relationship between strategies and performance of small businesses. Small businesses that have superior strategies in place will be competitive and thus sustainable.

Kamuku (2015) established that most small and micro enterprises run by women under Women Enterprise Fund in Mombasa, Kenya were putting measures in place to place their enterprises strategically in the market to enhance sustainability.

**Networking competency**

Networking competency possesses and applies the use of good communication as well as interpersonal skills, its ability to affect other and gain support (Kaur & Bains, 2013). The ability of an entrepreneur to work with others is the main factor that will contribute to their success. Morrison (2000 as cited in Onyango, 2015) explains that a person’s immediate family setting inspires or discourages certain behaviours, such as entrepreneurship, according to the family unit social values and level of support for independence and deviation from the norm. As such Van
Vuuren and Groenewald (2007) opinionated that if participation in entrepreneurship is viewed as ‘the norm’ in the family context, it is more unlikely to be encouraged. The way MSEs in developing countries perform are greatly affected by their isolation and not their size which affects their accessibility to market, information and support from relevant institutions (Mead & Liedholm 1998:69) and Swierczek and Ha (2003:46-58 cited in Abera 2012). According to Mulugeta (2011), the critical problems of MSEs are identified and categorized as issues related to the market, whose main cause is lack of proper linkage to the market and lack of promotional efforts. Some of the issues related to institutions are; “bureaucratic bottlenecks, lack of awareness, poor monitoring and follow-up”; issues that are related with the operators include having a dependency tradition. Some of the challenges that are related with MSE are failure to have corporation within and among the MSEs and the final one is the issues related with the society and they are inclusive of negative attitude towards products and towards the operators.

In a study by Commonwealth Secretariat, (2002) for instance, women entrepreneurs were found to have limited ability of growth because they had few business contacts, had less knowledge on dealing government bureaucracy and their bargaining power was low. In this case, the study further found out that because women entrepreneurs operated on a small scale, and weren’t members of any professional organization, they had limited access to information. In business, there is great importance of networking and having a professional business relation, because it helps in, “leveraging contracts, initiating collaborations, and partnering with business contacts”. Those entrepreneurs who have strong skills of networking are considered to be trustworthy, can have negotiations with competitors, come up with buy-in with clients and establish their common goals.

**Technological Competency**

The foundation of any company is technology. In our modern society, a lot of efforts is directed in improving technology. This has resulted to rapid development in the world of technology which makes it possible for one to access sophisticated technology with ease. Despite all these developments, MSEs can’t make use of these technologies because of their poor financial structure and them not knowing how to. When an entrepreneur gets access to technology, it promotes their direction to entrepreneurship. There are individuals who become entrepreneurs through availing to technology; the selection of the type of technology is very crucial since it plays a very significant part in entrepreneurship development (Batra, 2003). In an effort to find out “the alignment of information technology application with non-technological competencies among small enterprises” in South Africa and Uganda, Kyobe, Namirembe and Shongwe (2015) revealed that enterprises with adaptive competences could make minor improvements to the existing technology so as to build customer relationship as well as market responsiveness. In the same country, a study by Ajumobi and Kyobe (2017) established that women entrepreneurs who had technological competences especially in the use of mobile phones would use these devices in marketing and advertising their product in social media platforms as well as keep themselves updated with developing trends in the market. Wu, Liao, Tseng and Chou (2015) established that innovation in technology capabilities are very key in the sustainability of business management, and thus enterprises need to integrate business technologies with actors inside their enterprises as well as outside their enterprises.

In developing countries, mobile technology has unlocked extraordinary solutions to the challenges of socio-economic. The solutions provided are inclusive of; “mobile-mediated learning (mobile learning), provision of health services through mobiles (mobile health), ubiquitous platforms for government and citizens’ interactions (mobile government), application
of mobile technology to agricultural value chains (mobile agriculture), and financial services through mobile technology” (Kelly & Minges, 2012). There is significant contribution made by MSEs especially in developing countries which include job creations and opportunities to generate income. They are not exempted though in the transformative power of mobile technology (Donner & Escobari 2010; Liedholm & Mead, 2013). Several business processes have undergone transformation due to E-commerce and will continue being transformed (Al-Qirim, 2007). E-commerce does not have a specific definition, but Turban, King, McKay, Marshall; Lee and Viehland (2008) explained it as “a process of purchasing, selling, transferring, or exchanging products, services, and/or information using the internet and other computer networks”. When assessing “MSEs adoption of e-commerce in Botswana (Olatokun & Kebonye, 2010); Iran (Talebil & Tajeddin 2011), and Kenya (Wanjau, Macharia, & Ayodo 2012) established that factors that resulted to adoption of e-commerce included, the type of e-commerce being adopted and used and also the kind of service provided by the technology. Other studies also found similar results on influence of technological compatibility on acceptance of innovation” (Ortega, Martinex, & De-Hoyos, 2007).

**Sustainability of Micro and Small Enterprises**

There are various ways in which sustainability of businesses can be defined and may result to value added environment, community, clients and mainly the business which could be of different sizes. Rainville (2012) indicated that in business successful sustainability can be achieved by performance that’s a success. A lot of focus has been drawn to the growth of MSEs and the way they perform, but still sustainability cannot be defined universally (Janczak & Bares, 2010). Sustainability can refer to a business continuing for a long period of time (Bookchin, 2007). Blackburn (2007), defined sustainability as a call of action to a task in progress; It can also be defined as future intention. Therefore, “sustainable business” does not imply only a current situation but it can be prediction of the future. It’s also referred to as “discourse of values”. Sha (2012) indicated that “longevity and sustainability” are associated with the age of the enterprise and also the potential of the business to grow. Although sustainability can be defined in numerous ways, business leaders as well as politicians do recognize “the constraints of finite resources in the natural environment” (Bateh, Horner, Broadbent, & Fish, 2014; Dutta, Lawson, &Marcinko, 2012). Sustainability refers to the action of providing assurance of the availability of resources which are required by future generations. In Turkey, Duygulu, Ozeren, Isildar, Appolloni (2016) on a study on sustainable strategy for small enterprises established that enterprises survival, growth rate, and profit as the most frequently component that reflected the significance of sustainability of small enterprises. In a study on business planning competence and sustainability of small enterprises in Embu, Njiru and Njeru (2016) established that most of the entrepreneurs measured sustainability of their businesses based on parameters such as the period business has been in existence, growth rate in number of customers, and trends in profit.

**Research Methodology**

The study adopted a descriptive research design and targeted 385 SMEs in Nairobi County where one respondent per SME was randomly selected and involved in the study. The study used structured questionnaires to collect primary data captured through a 5-point likert scale. Inferential and descriptive statistics was used to analyse data. Results of the analysis were presented by use of tables and figures. Inferential statistics was used to establish the association
between independent variables and dependent variable. The study used the following regression model:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where \( Y \) = Sustainability of MSEs, \( \beta \) = Autonomous Factors, \( X_1 \) = Managerial Competency, \( X_2 \) = Strategic Competency, \( X_3 \) = Networking competency, \( X_4 \) = Technological Competency, \( \beta_1, \beta_2, \beta_3, \beta_4, \beta_5 \) are regression coefficients corresponding to \( X_1, X_2, X_3, X_4 \) respectively, \( \varepsilon \) = Error term, \( \beta \) = the beta coefficients of independent variables.

**Results and Discussion**

The study administered 385 questionnaires where 326 questionnaires were filled and returned. This represented a response rate of 84.7%. According to Mugenda and Mugenda (2008) rate of 50% is considered adequate, a rate of 60% is good and a response rate of 70% and over is considered excellent.

<table>
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<th>Table 1 Demographic Characteristics of respondents</th>
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<td>Demographic Characteristic</td>
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**Descriptive Statistics**

**Managerial Competency**
The study sought to establish the influence of managerial competency on sustainability of SMEs in Nairobi County. Respondents were asked to indicate their level of agreement on statements on managerial competency on sustainability of SMEs on a scale of 1-5 where 1=Strongly Agree; 2=Agree; 3=Neutral; 4=Disagree and 5=strongly Disagree. The results are as shown in Table 2. The findings reveal that respondents agreed that the way they pass information is with clarity, consistent and organized to those involved as shown by a mean of 3.569, they listen to others and shows understanding of what they are saying as shown by a mean of 3.542, they consider themselves to be a transformative leader as shown by a mean of 3.514, and they monitor and control the implementation of plans developed to realise long term objectives as shown by a mean of 3.500. These findings concur with Mwangi and Ngugi (2014) that it is important for the entrepreneurs to timely plan and identify emerging problems which are likely to affect their businesses as well as seek to acquire managerial competencies.

Table 1: Descriptive Statistics on Managerial Competency

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
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<tr>
<td>I pass information with clarity, consistent and organized to those involved</td>
<td>3.569</td>
<td>0.909</td>
</tr>
<tr>
<td>I consider myself to be a transformative leader</td>
<td>3.514</td>
<td>0.826</td>
</tr>
<tr>
<td>I listen to others and show understanding of what they are saying.</td>
<td>3.542</td>
<td>0.878</td>
</tr>
<tr>
<td>I monitor and control the implementation of plans developed to realise long term objectives</td>
<td>3.500</td>
<td>0.832</td>
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Strategic Competency

The study sought to establish the influence of strategic competency on sustainability of SMEs in Nairobi County. Respondents were asked to indicate their level of agreement on statements on strategic competency on sustainability of SMEs on a scale of 1-5 where 1=Strongly Agree; 2=Agree; 3=Neutral; 4=Disagree and 5=strongly Disagree. The findings as presented in table 3 revealed that respondents agreed that they always set standards and work towards them as shown by a mean of 4.401, they have developed long term objectives which will help them realise the vision of their enterprise as shown by a mean of 4.268, they demonstrate high standards of performance and work ethics to achieve goals as shown by a mean of 4.178, they have developed core values which act as their guiding principles as shown by a mean of 4.229, they have articulated a vision for their micro and small enterprise as shown by a mean of 4.293, and they have developed a mission statement for their enterprises as indicated by a mean value of 4.140. These findings concur with Wickramaratne, Kiminami and Yagi (2014) indicated that to ensure success of any enterprise it’s very crucial that entrepreneur be visionary and be able to lay down a plan which will act a guide or provide direction with which the business will follow.

Table 2: Descriptive Statistics on Strategic Competency

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
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<td>I have articulated a vision for my micro and small enterprise</td>
<td>4.293</td>
<td>1.158</td>
</tr>
</tbody>
</table>
I have developed a mission statement for my enterprise 4.140 1.017
I have developed long term objectives which will help me realise the 4.268 1.096
vision of my enterprise
I have developed core values which act as my guiding principles 4.229 1.057
I always set standards and work towards them 4.401 1.194
Demonstrate high standards of performance and work ethics to achieve 4.178 1.037
goals.

Networking competency
The study sought to establish the influence of networking competency on sustainability of SMEs in Nairobi County. Respondents were asked to indicate their level of agreement on statements on networking competency on sustainability of SMEs on a scale of 1-5 where 1=Strongly Agree; 2=Agree; 3=Neutral; 4=Disagree and 5=strongly Disagree. According to the findings presented in table 4, respondents agreed that as an entrepreneur they always put into consideration and provide the appropriate response to the needs, feelings, and capabilities of others as shown by a mean of 4.312, they demonstrate an understanding of others’ needs as shown by a mean of 4.280, as entrepreneurs, they work in corporation and in a constructive manner with others for the purpose of achieving the desired results which include partnership and working as a team to benefit both parties involved as shown by a mean of 4.197, and they effectively develop networks and build alliances with key individuals or groups as shown by a mean of 4.140. These establishments agree with Kaur and Bains (2013) who indicated that networking competency possesses and applies the use of good communication as well as interpersonal skills, its ability to affect other and gain support. They added that the ability of an entrepreneur to work with others is the main factor that will contribute to their success.

Table 3: Descriptive Statistics on Networking competency

<table>
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<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>As an entrepreneur I consider and respond appropriately to the needs,</td>
<td>4.312</td>
<td>1.175</td>
</tr>
<tr>
<td>feelings, and capabilities of others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I demonstrate an understanding of others' needs.</td>
<td>4.280</td>
<td>1.109</td>
</tr>
<tr>
<td>As an entrepreneur, I work cooperatively and constructively with others</td>
<td>4.197</td>
<td>1.059</td>
</tr>
<tr>
<td>in corporation and in a constructive manner with others for the purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of achieving the desired results which include partnership and working as</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a team to benefit both parties involved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I effectively develop networks and build alliances with key individuals</td>
<td>4.140</td>
<td>1.017</td>
</tr>
<tr>
<td>or groups.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Technological Competency
The study sought to establish the influence of technological competency on sustainability of SMEs in Nairobi County. Respondents were asked to indicate their level of agreement on statements on technological competency on sustainability of SMEs on a scale of 1-5 where 1=Strongly Agree; 2=Agree; 3=Neutral; 4=Disagree and 5=strongly Disagree. The findings as presented in table 5 revealed that respondents agreed with the statements that they are capable of using mobile technology such as Mpesa, Airtel money and mobile banking in their enterprise as
shown by a mean of 4.338, as entrepreneurs they consider themselves to have adequate technological competency to enable their enterprise remain sustainable as shown by a mean of 4.248, they are able to use computer applications in daily running of the business as shown by a mean of 4.153, and they market their products on internet using social media platforms as shown by a mean of 4.096. This is in agreement with Batra (2003) who indicated when an entrepreneur gets access to technology; it promotes their direction to entrepreneurship. She added that there are individuals who become entrepreneurs through availing to technology; the selection of the type of technology is very crucial since it plays a very significant part in entrepreneurship development.

Table 5: Descriptive Statistics on Technology Competency

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am able to use computer applications in the day to day running of my enterprise</td>
<td>4.153</td>
<td>1.040</td>
</tr>
<tr>
<td>As an entrepreneur I have adequate technological competency to enable my enterprise remain sustainable</td>
<td>4.248</td>
<td>1.085</td>
</tr>
<tr>
<td>I market my products on internet through social media sites such as Facebook and twitter</td>
<td>4.096</td>
<td>0.986</td>
</tr>
<tr>
<td>I am capable of using mobile technology such as Mpesa, Airtel money and mobile banking in my enterprise</td>
<td>4.338</td>
<td>1.205</td>
</tr>
</tbody>
</table>

Sustainability of Enterprises

Respondents were requested to rate their profits for the period they have been in operation. The results are presented in table 6. From the findings, 29.9% of the respondents indicated that their profits increased moderately over the period they have been in business, 26.1% indicated it increased slightly, 19.1% indicated the increase was high, 12.7% indicated their profits stagnated, 7.1% indicated they decreased slightly, 3.2% indicated it decreased moderately, 1.9% indicated it decreased highly. It is an indication that most individuals had experienced increase in their profits as indicated by a cumulative of 75.2% of the respondents. The findings agree with Mwangi and Namusonge (2014) who established that innovation and growth of enterprises were strongly linked, with the most innovating business reporting increased profits.

Table 6: Rates of Profits

<table>
<thead>
<tr>
<th>Rate</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased slightly</td>
<td>26.1</td>
<td>26.1</td>
</tr>
<tr>
<td>Increased moderately</td>
<td>29.9</td>
<td>56.1</td>
</tr>
<tr>
<td>Increased highly</td>
<td>19.1</td>
<td>75.2</td>
</tr>
<tr>
<td>Stagnated</td>
<td>12.7</td>
<td>87.9</td>
</tr>
<tr>
<td>Decreased slightly</td>
<td>7.1</td>
<td>94.9</td>
</tr>
<tr>
<td>Decreased moderately</td>
<td>3.2</td>
<td>98.1</td>
</tr>
<tr>
<td>Decreased highly</td>
<td>1.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Regression Analysis

The value of adjusted R² was 0.779 which implies that there was 77.9% variation of sustainability of MSEs in Nairobi County, Kenya due to the changes of managerial competency,
strategic competency, networking competency and technological competency. There are other factors that affect the sustainability of MSEs in Kenya that were not covered in this study, this is based on the remaining value of 20.6%. R which is the correlation coefficient shows the association existing between the variables being studied. The value of R was 0.891 which shows that the variables under study are strongly and positively related.

Table 8: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.891*</td>
<td>.793</td>
<td>.779</td>
<td>.01221</td>
</tr>
</tbody>
</table>

To establish whether the data in use is significant, the study used ANOVA. The findings show that the population parameters had a significance value of 0.001; this implies that the data is suitable for making inference of the population parameters since the significance level was less than 0.05. The value of F critical was less than that of F calculated (5.822 > 2.399); implying that managerial competency, strategic competency, networking competency and technological competency significantly influence sustainability of MSEs in Nairobi County, Kenya.

Table 9: Analysis of Variance (Model Significance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>2.352</td>
<td>4</td>
<td>0.588</td>
<td>5.822</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>32.421</td>
<td>321</td>
<td>0.101</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34.773</td>
<td>325</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The coefficients of regression analysis presented in table 10 revealed that managerial competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya as shown by ($\beta = 0.224$, $P = 0.003$). This is an indication that managerial competency with sustainability of MSEs in Nairobi County, Kenya were positively associated. This implies that a unit increase in managerial competency results to an increase in sustainability of trading micro and small enterprises at Nairobi market, Kenya. These findings are in agreement with a study in Cameron by Fokam (2016) that established a positive relationship between both transformational and transactional leadership styles and performance of small enterprises.

Sustainability of MSEs in Nairobi County, Kenya can be significantly and statistically explained by Strategic competency as shown by ($\beta = 0.375$, $P = 0.007$). This is an indication that strategic competency is positively related with sustainability of MSEs in Nairobi County, Kenya. This implies that a unit increase in strategic competency leads to an increase in sustainability of MSEs in Nairobi County, Kenya. The study agrees with a study by Nyariki (2013) which established that strategic management which depends on entrepreneurs skill, energy among other parameters were positively associated with competitive advantage of the enterprises, and thus to enhance sustainability and performance of enterprises.

Sustainability of MSEs in Nairobi County, Kenya can be significantly and statistically explained by Networking competency as shown by ($\beta = 0.264$, $P = 0.003$). This is an indication that networking competency is positively associated with sustainability of MSEs in Nairobi County,
Kenya. This implies that increasing networking competency by a single unit results to an increase in sustainability of MSEs in Nairobi County, Kenya. Jack & Robson (2002:1) and Senjem & Reed (2002:1) established that entrepreneurial networks are of importance especially in gathering and acquiring resources that are scarce and are also very important in starting up a business and developing it.

Technological competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya as shown by ($\beta = 0.321$, $P = 0.005$). This is an indication that technological competency is positively associated with sustainability of MSEs in Nairobi County, Kenya. This implies that increasing technological competency by a single unit results to an increase in sustainability of MSEs in Nairobi County, Kenya. These findings agree with Sekere and Katuse (2016) on their study in Nairobi which found out that continued use of mobile phone by entrepreneurs can boost performance and profitability of small enterprises. Strategic competence is the most significant variable since it has the highest beta value.

Table 10: Regression of coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.442</td>
<td>0.038</td>
</tr>
<tr>
<td>Managerial competency</td>
<td>0.224</td>
<td>0.047</td>
</tr>
<tr>
<td>Strategic competency</td>
<td>0.375</td>
<td>0.066</td>
</tr>
<tr>
<td>Networking competency</td>
<td>0.264</td>
<td>0.063</td>
</tr>
<tr>
<td>Technological competency</td>
<td>0.321</td>
<td>0.056</td>
</tr>
</tbody>
</table>

From the findings of regression coefficients, the optimal model becomes;

Sustainability of SMEs = 0.442 + 0.375 (Strategic competency) + 0.321 (Technological competency) + 0.264 (Networking competency) + 0.224 (Managerial competency)

The results according to the model indicate that technological competency was the most significant variable, followed by strategic competency then managerial competency and lastly networking competency. Strategic competence, technological competency, networking competency and managerial competency positively and significantly influenced sustainability of SMEs in Nairobi County, Kenya.

Conclusion

The study found that managerial competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya. The study also found that managerial competency with sustainability of MSEs in Nairobi County, Kenya was positively associated. The study therefore concludes that increasing managerial competency by a single unit results to an increase in sustainability of MSEs in Nairobi County, Kenya. On strategic competency, the study found that it is very important in ensuring the success of MSEs. The study also established that strategic competency was statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya. The study also revealed that strategic competency with sustainability of
MSEs in Nairobi County, Kenya was positively related. The study therefore concludes that increasing strategic competency by a single unit results to an increase in sustainability of MSEs in Nairobi County, Kenya.

The study found that networking competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya. It also found that the ability of an entrepreneur to work with others is the main factor that will contribute to their success. The study also established that networking competency with sustainability of MSEs in Nairobi County, Kenya was positively associated. The study therefore concludes that increasing networking competency by a single unit results to an increase in sustainability of MSEs in Nairobi County, Kenya.

The study found that the foundation of any business is in technology; which implies that the choice of technology greatly affects entrepreneurship development. The study also found that technological competency is statistically significant in explaining sustainability of MSEs in Nairobi County, Kenya. The study also revealed that technological competency with sustainability of MSEs in Nairobi County, Kenya was positively associated. The study therefore concludes that increasing technological competency results to an increase in sustainability of MSEs in Nairobi County, Kenya.

**Recommendations**

On managerial competency the study concluded that managerial competency with sustainability of MSEs in Nairobi County, Kenya was positively associated. The study therefore recommends that entrepreneurs of MSEs need to research on the best leadership style (for example; “transformational along transactional leadership style”) that will improve managerial competency and adopt it; this will improve the sustainability of the business. On strategic competency, the study concluded that strategic competency with sustainability of MSEs in Nairobi County, Kenya was positively related. The study therefore recommends owners of MSEs to lay down clear vision and objectives of their organization; they can involve business consultants in laying them down to ensure they are achievable and also help them in developing clear ways of achieving them. This will ensure that the company remains sustainable.

The study concluded that networking competency with sustainability of MSEs in Nairobi County, Kenya was positively related. The study recommends entrepreneurs to make sure that they have good interpersonal and communication skills and also possess the ability to influence others and gain their support and more importantly they should have good networking skills. This is important because it will enable them to leverage contracts, initiate collaborations, and partner with other business contacts. On technological competency, the study concluded that technological competency with sustainability of MSEs in Nairobi County, Kenya was positively related. The study therefore recommends that the entrepreneurs should adopt new technologies in the market which will help them keep up with the trend in technology; this will help them to market and advertise their product via social media and other platforms as well as keep themselves up-to-date with market developments, also the enterprise will have competitive advantage.

**Acknowledgement**
I would like to thank the almighty God for the gift of life. I would also like to thank JKUAT for their material support. I also acknowledge my fellow colleagues and family members for their continued support. Finally thanks to my supervisor Dr. Josephine Mutiso for her valuable support and guidance throughout the writing of this research.

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