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ABSTRACT

Sustainability of SMEs is of increasing interest globally as many entrepreneurial ventures perform dismally and are of high mortality rates. It was therefore necessary to conduct research to enhance SMEs survival rates so as to enable the sector to optimally realize the numerous benefits associated with entrepreneurship practice. The purpose of this study was to determine the effect of entrepreneurial competence practices and their impact on sustainability of SMEs in Kenya. The study employed descriptive survey design to realize the intended objectives. The target population under study was the 1015 registered SMEs in Embu County and its environs. The researcher applied stratified random sampling technique since the population was heterogeneous. The study employed questionnaires and document analysis guides to collect required data from a sample of 102 SMEs. The collected data was coded, quantified and analyzed qualitatively and quantitatively. Quantitative data was analyzed by the use of statistical package for social scientists (SPSS) whilst qualitative data was analyzed by content analysis. A substantial number of respondents had not applied entrepreneurial competence practices in their business operations. The study also established that majority of respondents measured business sustainability in terms by trends in profit, increase number of customers as well as age of business. The study concluded that the key entrepreneurial competence practices were found to have a substantial impact on sustainability of SMEs in Embu town and its environs. However, constantly monitoring was found necessary to make the competencies learnt be translated into more practical work as most of the trained entrepreneurs were not fully utilizing the acquired competencies in their ventures to attain desired sustainable levels.

Key words: *Marketing, Entrepreneurial Competence Practices, Sustainability.*

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INTRODUCTION

The researcher attempted to link entrepreneurial competence practices to sustainability of Small and Medium Enterprises (SMEs). According to Shalley (2004), the SME sector plays a vital role in economic development and has attracted the attention of entrepreneurship scholars in recent past. Entrepreneurial ventures are recognized worldwide as they play significant role in economic development. Kauffmann (2006) notes the important role played by the SME sector and particularly its ability to provide reasonably priced goods, services, income and employment to a number of people. It is for these aforementioned reasons that there has been a growing interest and concern by the government and development partners for the improved performance and growth of the SMEs worldwide.

Studies by Chodokufa (2009) have revealed that SMEs cover about 90 percent of African businesses and contribute to over 50 percent of African employment. According to Zacharakis, Neck, Hygrave&Cox (2002), SMEs are increasingly recognized as a leading vehicle for economic development, a prime source of employment, revenue generation, innovation and technological advancement in both developed and developing nations. Historically, the informal sector has played an important role in the process of labour absorption as observed by Lambin (2004). According to Eden (2004), South African government has recognized the important role played by SME sector and has put in place programmes to encourage growth of the sector through interventions such as creation of an enabling legal framework, access to markets, finance, training, capacity building, taxation and financial incentives among others.

The Kenyan is not an exception from the rest of the world as far as the recognition and support of the entrepreneurial ventures are concerned. The important role played by the sector can be traced way back in the year 1972 following the ILO report. The Report placed emphasis on the possibility of the sector creating employment and generating income for the majority of the Kenyan people. As a result of this recognition, the sector was given considerable attention in subsequent government plans. The Sessional paper no. 1 of 1986 and no.2 of 1992 for instance highlighted the importance of the sector to strengthen the Kenyan economy through its potential for poverty reduction and employment creation. Sessional paper no. 2 of 2005 and the Ministry of Economic Planning report of 2007, show that three out of five SMEs fail within their first three years of inception. This is supported by Kenya Bureau of Statistics report of 2004 which showed high failure rates and stagnation among many start-up businesses. The survey revealed that only 38% of the businesses were expanding while 58% had not added workers. The survey also showed that more enterprises were most likely to close in their first three years of operation. The recent study conducted by the Institute of Development Studies (RoK, 2008) confirms the findings as it revealed that 57% of small businesses are in stagnation with only 33% of them showing some level of growth. A further confirmation is highlighted by the Sessional paper no.2 of 2005 which shows that SMEs have high mortality rates with most of them not surviving to see beyond their third anniversaries.

Kenya is facing a major challenge of the creation of employment opportunities for its rapidly increasing workforce (Republic of Kenya, 2013). SME sector is an alternative employer to majority of Kenyans who fail to secure jobs in the public, large private and non-profit sectors (Republic of Kenya, 1999, 2008, 2009, 2012, 2013). In the last three decades, there has been a growing awareness of the relevance of entrepreneurship and small business management in Kenya for sustained economic growth, rapid employment generation and poverty eradication (Republic of Kenya, 1992, 1999, 2012, 2013 and World Bank, 2013). In Kenya, a Baseline Survey (2013), found that SMEs employed about 50 percent of youths and women and they accounted for approximately 79.6 percent of the total labour force (Republic of Kenya, 2013). According to Ngugi and Bwisa (2013), SMEs accounts for a significant proportion of economic activities in Kenya's urban and rural areas as it generates over 70 percent of all new jobs created. They further notes that the role of SMEs in terms of employment creation, income generation, economic diversification and growth, make the sector become critical for future industrial development for the country. Longenecker (2006) cited lack of planning, improper financing and poor management as the main causes of failure of small enterprises. Mbogo (2011) asserts that regardless of the high failure rate by SMEs in Kenya, their enormous contribution to the entire economy cannot be ignored.

The National and Small Enterprise Baseline Survey of 2007 revealed that about 1.3 Million small enterprises were employing about 2.4 Million people in Kenya. This translated to an estimated GDP of 18.8 second to Agriculture and had increased from 13.8 in 1993. The Economic Strategy for Wealth and Employment Creation covering years between 2003 and 2007 (RoK, 2007), shows that nearly 25% of all households engage in some form of small business activity with the majority depending on their business for all households chores. In 2012, the SME sector created (80%) of all jobs in Kenya and contributed an estimate of 20% to the country's GDP (RoK, 2012).

According to Economic Survey (RoK, 2008), a total of 543,300 new jobs were created in Kenya in the year 2009 of which 426,900 were in Micro, Small and Medium enterprises (MSMEs). In the same year, Ksh 806,170 million of GDP which was 59% of total GDP was contributed by the sector (RoK, 2009). The Economic Survey of the Republic of Kenya (2012) shows that the SME sector contributed 79.8% new jobs created in the year 2011 and job creation went up by 5.1% in the sector in question. The Kenya's development plans of 1989-1999, 1994-1996, and 1997-2001 laid emphasis on the vital role the SME sector played in the creation of jobs in the country (RoK, 2012).

Entrepreneurial competencies contribute a major role in the success of SMEs businesses. According to Brophy&Kiely (2002), competency approaches have been considered more than other approaches to identify behaviors related to the superior firm's performances. Ahmad (2007) asserts that entrepreneurial competency approach can be used to describe the phenomenon why some entrepreneurs fail while others succeed in similar situations. A study by Mugion (2013), has identified important entrepreneurial competencies notably efficiency and quality; goal setting; calculated risk-taking; persuasion and networking; systematic planning and monitoring; information seeking; and self-confidence and freedom. Some researchers have cited lack of SME owner's competence, lack of experience in managing businesses, and poor decision-making as causes of business failures especially during crisis (Griffin, 2012; Ropega, 2011).

The role of entrepreneurial competency is a critical in achieving excellence in performance to ensure a sustainable growth and success of a venture amidst a competitive business environment. The term competency has been defined by various researchers in a number of ways. Hoffman (1999), attempted to define competencies in three different ways i.e. the standard of one's performance, results or output; observable output or performance; and knowledge, skills and abilities that represent the underlying attributes of a person. Several studies have relied on the third definition of competency that refers to knowledge, skills and abilities to understand the managerial competencies (Ahmad, 2007). Similarly, Baum et al. (2001) supports that entrepreneurial competencies are the individual characteristics such as abilities, skills and knowledge needed to perform a specific job. According to Brownell (2008) entrepreneurial competencies are specific skills, positive attitudes and attributes/abilities. Brophy&Kiely (2002) defined competencies as behaviors, attitude and knowledge and skills needed to effectively perform a role. UNIDO (2002) also defined a competency as a set of skills related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job.

Researchers have attempted to differentiate innate from acquired aspects of competencies of an individual. According to Bartlett&Ghoshal (1997), innate competencies involve traits, attitudes, self-image, and social roles and are sometimes referred to as "internalized elements". Muzychenko and Saee (2004), observes that acquired aspects of competencies involve components of competencies acquired at work or through theoretical or practical learning (i.e. skills, knowledge, and experience) and they are often referred to as "externalized elements". According to them, internalized aspects of competencies are difficult to change whilst the externalized elements can be acquired through proper training and education programs and need to be practiced (Garavan& McGuire, 2001; Mau & Lau, 2005). The focus of this study was to examine empirically acquired entrepreneurial competencies, how they were practiced and how they impacted growth and sustainability of SMEs.

Statement of the Problem

According to Nieuwenhuizen and Hough (2003), policy-makers worldwide are in agreement that SMEs are becoming increasingly important in terms of wealth creation employment, and the development of innovation. Van Vuuren, Pretorius, and Nieman (2005b) assert that there is no better way to provide basis for rapid economic growth than to increase the number of active entrepreneurs in a society. Henning (2003) observes that the important role played by the SME sector in economic growth has been acknowledged widely. Researchers contend that SMEs are major components of many economics (Besser, Sapp, Miller and Gaskill 2003). Consequently, Medeira, Slater, Robertson and Collins, (2003) affirms that most governments, bilateral and multilateral agencies as well as non-governmental organizations worldwide have formulated policies to assist entrepreneurship development.

Researchers observes that despite the dynamics that led to the rapid growth of the SME sector coupled by numerous efforts by governments to assist the development of SME sector; the sector has proved to be volatile and experiences a high degree of business failure and decline. This is supported by Ahwireng (2003) who observes that most SMEs are unable to create long term sustainable employment and may be responsible for the high number of job and wealth losses. Though the sector faces many challenges and difficulties, Miller et al., (2003) affirms that the sector has great potential for increased employment creation. Thornhill and Amit (2003) while admitting that many SMEs fail, they also affirms that others survive beyond infancy and adolescence and become major success stories, thereby creating wealth for their founders and jobs for the communities around them.

According to Boron (2004a) and GEM, (2005a), very large number of variables is involved to determine success or failure of firms. A study by the Business Times (1997) established that more than six out of ten new businesses fail within the first 18-24 months and identified factors such as lack of planning, improper financing and poor management as the main causes of small business failure. Herrington and Wood (2003) in their study of new firms in South Africa noted that lack of education and training had reduced their management capacity and was thus cited them as the main reasons for the low level of entrepreneurial creation and the high failure rate of new ventures.

Benjamin and Rebecca (2009) presented in their research paper on entrepreneurial competencies amongst SMEs that there was high rate of entrepreneurial failure among their respondents despite the provision supports from governments. They identified entrepreneurial competencies as the missing link to successful entrepreneurship. They contend that the entrepreneurial competencies were critical success factors to entrepreneurship and they deserve serious consideration in entrepreneurial endeavour. A further recent study by Siwan& Jennifer (2010) on entrepreneurial competence demonstrates that the core concept of entrepreneurial competencies, its measurement and its relationship to entrepreneurial performance and sustainability is in need of further research and development in practice.

Based on the above insights, it was clear that researchers had attempted to identify various factors as well as entrepreneurial competencies that affected SMEs sustainability and growth. However, it had not been evidently proven why some SMEs fail whilst others were sustained. Having found an existing gap in the area of application of entrepreneurial competencies in practice since no relevant research studies had been conducted on the area, the researcher was able to come with a research topic entitled “Effect of Marketing Competence Practices on Sustainability of Small and Medium Enterprises in Kenya.

General objective of the Study

The overall objective of the study was to determine the effect of entrepreneurial competence practices on sustainability of SMEs in Kenya.

LITERATURE REVIEW

Theoretical Review

Competence Based Management Theory

According to this theory, organization is viewed as bundles of skills, assets, knowledge and capabilities. From the perspective of this theory, competence is the ability of an organization to sustain coordinated deployment of resources in such a way that the organization is helped to achieve its goals. The theory lays emphases on the relevance of competencies ability to obtain sustainable competitive advantages of a firm. The proponents of this theory have posited that several intensity focused approaches could lead to superior performance of firms (Rumelt, 1999; McGahan and Porter, 1997). The competency based approach has been applied in several studies which have identified competencies of managers (Adam and Chell, 1993; Durken, Harrison and Lindsay, 1993; Lau, et al., 1998; Tweed and McGregor, 2000). According to Sanchez and Heene (2004), the theory of competence management is an integrative strategy that incorporates economic, organizational and behavioural concerns in a framework that is dynamic, systematic, cognitive and holistic.

The competency based approach is an extension of the resource based view which was developed by Penrose (1959). According to resource based view theory, a firm should be considered as a collection of physical and human resources bound together in an organizational structure. Hafeez et al. (2007), classified resources as physical assets and intellectual assets. According to him Physical assets such as plant and equipment are easily distinguishable due to their tangible existence whereas intellectual asset is relevant to the intangible aspect of human resource such as employee skill, knowledge and individual competencies. Resource Based View Theory addresses two key points. According to McMahon and Holms (2009), Resource Based View theory indicates that a resource should provide economic value and must be currently scarce, difficult to imitate or copy, non-substitutable and not readily accessible in factor markets to create competitive advantage. RBVT also according to GottsChalk and Solli-Saether (2005), resources determine firm’s performance. UNIDO, (2003) reports that majority of SMEs in emerging economy cannot compete in an effective way due to their internal human resources gap. The study utilized the Competence-Based Management Theory as well as Resource Based View Theory by emphasizing the critical role played by intellectual human capital in reference to entrepreneurial competencies applied by SME entrepreneurs.

Goal Setting Theory

According to Locke (1968), a goal is the level of performance the individual is trying to

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accomplish; it is the object of behaviours. Goals direct attention and action. Intentions are viewed as the immediate precursors of human actions. Therefore goal-setting may explain how and why behaviour is facilitated or restrained in the pre-training, training, and post-training processes. The entrepreneur attending to training may exert considerable effort in order to make the most of the programme and set high goals upon return to his business. The goal-setting theory holds that once a hard task is accepted, the only logical thing to do is to try until the goal is achieved or abandoned (Locke, ibid).

Seijts, Tasa and Latham (2004) studied the effects of goal-setting on effects of goal orientation as a trait. People with a learning goal orientation tend to choose tasks in which they can acquire knowledge and skill. Seijts et al. (2014) found that a specific high learning goal is effective in increasing a person's performance regardless of their trait orientation. Goal-directed motivations are acknowledged as important elements in the formation of entrepreneurial intentions (Krueger, 1993; Krueger and Brazeal, 1994). Goals are said to lead to intentions, followed by behaviours. The theory maintains that the more specific and challenging the goal, the better the task performance. Further the theory of planned behaviours posits that attitudes are predictive of intentions and that intentions form the basis of planned behaviours (Agzen, 1991). Planning should lead to improved performance as plans pmjrovide more specificity as well as clearer intentions.

A well-developed goal-setting theory of motivation was provided by renowned scholars, Locke and Latham (1990). The theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results and create commitment and acceptance. Under the right conditions, goal setting can be a powerful technique for motivating organization members. Considerable research has indicated that a learning goal orientation has a positive impact on work-related behaviours and performance (Button, Matheu and Zajac, 1995; VandeWalle, 2001; VandeWalle, Brown, Cron and Slocum, 1999; VandeWalle, Cron and Slocum, 2001; Van Yperson and Janssen, 2002). According to Luthans (2011), the learning goal orientation is relevant in today's work environment which requires employees to be proactive, problem solver, be creative, and open to new ideas and adapt to new and changing situation. Goal setting provides a framework explaining how individual personal goals inspire choice (Hertzberg, Mausner and Snyderman, 1959; Locke and Latham, 1990) arguing that human actions lie in goal-related motivations and subsequent intentions (Locke and Latham, 1990). Intentions lead to behaviours and planning is a strong signal of these intentions. For this reason, the subject of planning is important for those interested in promoting and advancing entrepreneurial activity. Therefore no doubt the researcher had a basis to study business planning competence practices for venture performance and sustainability.

Marketing Competence Practices

Marketing, according to Moloney, Fahy and McAleer (2005), refers to a business practice that focuses on the importance of having a profound appreciation for the customer so that the marketer can match or surpass the needs of the intended market better than the competition and as a result provide the firm with a continual competitive advantage in the market place. Keefe (2004) looked at marketing as "the performance of business activities that direct the flow of goods and services from producers to consumers". Consequently, according to Blackman (2003), marketing at the business practice level involves "the selection, the distribution, the pricing and promotion of products and services". Brush et al.,(2009), identifies marketing as one of the obstacles for enterprises to grow as many businesses confront challenges of establishing effective distribution channels, communicating product features, pricing products and services in an attractive way, implementing sales and marketing efforts to win and retain customers and undertake constant product development in order to sustain sales. Marketing enhances firm's competitive advantage and according to Walley (2008), this competitive advantage is the key to firm's success.

A research by Siu, Fang and Lin (2004) on the strategic marketing practices and the performance of Chinese SMEs in Taiwan revealed that their SMEs marketing practices such as cultural value orientation and mediating environmental factors played an important role in shaping the attitudes and behavior of Taiwanese owner-managers and in turn, the marketing practices of Taiwanese. According to Arsalan, Naveed and Muhammad (2011), it is critical for every business to conduct marketing practices. Ghouri, Khan, Malik and Razzaq (2011) emphasize that executing sound marketing strategies adds excellence to a firm's activities and strengthens the competitiveness and market share of the firm. Adres, Salinas and Vallejo (2009) argue that firm's performance has been established to directly depend on efficient marketing practices. Kumar and Patersen (2005) established seven marketing strategies that can maximize the profit ability of a firm as well as improve on its performance. Porter (1985) brought forth a generic strategy which explained that for a business to maximize its performance, it should either strive to be a low-cost producer in its industry or should differentiate its line of products/services from those of other businesses. According to John and John (2006), businesses that use differentiation strategy should focus primarily on marketing as a means of distinguishing their products and services from those of their competitors. Therefore, the marketing practices of the business are linked to maximizing business performance leading to its sustainable growth.

Empirical Review

This section reviews literature on the findings of the past studies similar to the study undertaken. Research on SMEs survival has been carried out all over the world with several studies differing significantly. Several factors have been identified to be key determinants of SMEs survival or failure, although with inadequate empirical results. Studies on entrepreneurial competencies have been conducted by Chandler&Jansen (1992), Chandler & Hanks (1994) and Man and Lau (2002) in order to identify which competencies are vital in starting and maintaining a business. Their studies revealed core primary roles of business founder as scanning environment, choosing potential opportunities and taking advantage of those opportunities by formulating the required strategies. The studies also found credible evidence of direct relationship between founders' entrepreneurial and managerial competencies.

Another study by Bird (2002) demonstrated that business a competency approach seems to be an effective tool in predicting firm performance than entrepreneurial experience alone. Studies by Huck and McEwen (1991) on entrepreneurial competencies for Jamaican entrepreneurs identified three most important competency areas as management, planning and budgeting, and marketing/selling. Study by Sony and Iman (2005) also found a positive relationship between entrepreneurial learning and entrepreneurial competency as they argue that learning process is a process of ability and capability development.

A study by Jones (2010) on entrepreneurial marketing in small business in UK proposed further development of the concept of entrepreneurial marketing towards the concept of entrepreneurial marketing orientation. A study by Kotler (2003) on entrepreneurial marketing in USA identified that entrepreneurial marketing is based upon how marketing practices becomes more formalized. The study noted that small enterprises achieve success as they move towards more formulated marketing practices. Roper (1997) carried out a study that focused extensively on product innovation in Germany and ascertained that the output of innovative SMEs grew significantly faster than noninnovative SMEs implying that innovative products contribute to faster growth of firms.

Study by Hulya (2011) in Turkey was carried out to identify major dimensions of entrepreneurial marketing concept in boutique hotels and determine to what extent current marketing approaches seem to be consistent with the approaches. The results pointed out that Entrepreneurial marketing concept carries great importance for those boutique hotels which adopted and put into effective use of entrepreneurial marketing concepts. Miles and Darroch (2006) found that entrepreneurial marketing processes can be used to foster entrepreneurship within marketing processes, building and reviewing competitive advantage in firms. Studies by Morris et al., (2002) on marketing developed seven core dimensions of entrepreneurial marketing. These include: opportunity driven, proactiveness, innovation-focused, customer intensity, risk-management, value creation and resource leveraging.

In their study of 59 firms in Sweden and USA, Hills et al., (2008) identified different entrepreneurial marketing strategies which include; strategic orientation, commitment to opportunities, opportunity recognition mechanisms, control of resources and management structure. In a sample of 434 SMEs Moreno and Casillas (2008) found that entrepreneurial orientation is positively related to growth, although this relationship is rather complex being dependent on market and other conditions.

Researchers (Lau, Zhao and Xiao, 2004; Prajogo and Sohal, 2001) identified a positive relationship between best business practices and business performance. Further, a joint study by Pusupakumasi and Wijewickrama (2008), relating to both large firms and SMEs also noted the relationship between business practices, management activities and firm performance. They further established that most SMEs are driven by the need to imitate large firm activities in order to establish desirable management activities that they believe will enable them become more efficient and effective if implemented through appropriate knowledge. Mandal, Venta and El-Haub (2008) also observed that best business practices produced best performance.

Strategic thinking and long term planning were identified by Analousi and Karami (2003) as major reasons for SMEs failure. Further, Fawsett and Myers (2001) are of the opinion that organizational performance is directly influenced by organizational strategy and the structure of the organisation. Firm performance has been directly linked to efficient marketing practices according to Adres, Saharias and Vallejo (2009). Furthermore a study by Kurmar and Petersen (2005) established that marketing strategies can maximize the profitability of a firm as well as improve its performance. Business planning practices have been observed to have a positive impact on firms' performance (Eriksen, 2008; Hussam&Raef, 2007). Wickham (1998) further states that business planning is very beneficial for SMEs performance as it forces the entrepreneur/manager to continuously think about open business questions and seek out solutions which are aim to achieve SMEs vision and objectives which result in a higher performance. However, Robinson and Pearse (1984) had a different opinion and argued that strategic planning is not a popular practice among SMEs, because they do not have the time or staff to invest in strategic planning. They further argued that research on the impact of strategic planning for SMEs has been inconclusive as many SMEs do not plan.

Studies such as those by Delmar and Shane (2003); Perry (2001) and Liao and Gartner (2006) all found a positive relationship between business plans and survival whilst Gruber (2007) finds that business plans help achieve market objectives. On contrary, Honig& Karlsson (2004); Tornikoshi&Newbert (2007) all struggle to find any relationship between business plans and performance. Other studies by Gartner and Liao (2005) and Shane and Delmar (2005) found strong evidence that ventures would be terminated during the gestation period between conception and birth.

According to study by Honig and Karlsson (2004), survival of business seems to be unrelated to business planning and there was no relationship between profitability and writing a business plan during the first two years after a business was founded. To conclude, much empirical research ends up inconclusive as to the effect of business planning competence practices on business performance and sustainability.

A study in Turkish by Dincer, Tatoglue and Glaister (2006) observed that SMEs were increasingly turning their attention towards business planning practices. This was probably because of the many benefits associated with business planning for SMEs. Furthermore Wang, Walker and Redmond (2010) have indicated that business planning practices are more common in better performing SMEs. It was suggested that entrepreneur's demographic characteristics, attitudinal, behaviour, managerial and technical competencies are often cited as the most influential factors related to the performance of small and medium sized enterprises (Man, Lau and Chan, 2002; Noor et.al., 2010). Further, the policies, the programmes and strategies of a business basically depend on the personal competencies of its entrepreneur which in turn influence the profitability of the enterprise (Morris, Schindehutte and Allan, 2005).

There is a substantial empirical research which have demonstrated that business planning have nothing to do with success and sustainability of SMEs and end up inconclusive as to the effect of business planning in organizations (Castrogiovanni, 1996; Brinkmann et al., 2010). Neither Brush et al., (2008) nor Tornikoski and Newbert (2007) found a positive effect on performance. Neither Edelman et al., (2008) nor Parker and Belghitar (2006) nor Tornikoski and Newbert (2007) found a positive effect between business planning and becoming operational. In the Netherlands, Van Geldesen et al., (2005) found no effect nor did Honig and Karlsson (2004) with Swedish data.

A research by Siu, Fang and Lin (2004) on the strategic marketing practices and the performance of Chinese SMEs in Taiwan revealed that their SMEs marketing practices such as cultural value orientation and mediating environmental factors played an important role in shaping the attitudes and behavior of Taiwanese owner-managers and in turn, the marketing practices of Taiwanese.

Benjemin and Rebecca (2009) have presented in their research paper that there was a high rate of entrepreneurial failure among their respondents despite the provision of various supports from the governments. The missing links to successful entrepreneurship were identified to be entrepreneurial competencies, defined as the cluster of related knowledge, attitudes, and skills which an entrepreneur must acquire or possess to enable him produce outstanding performance and maximize profits in the business. These entrepreneurial competencies were the critical success factors to entrepreneurship and they deserve serious consideration in entrepreneurial discourse and not to be neglected. Aderemi (2007), made an attempt to find out the impact of owners/managers of small businesses participating in entrepreneurship programs on operational efficiency and growth of businesses. It was found that owner/managers of small businesses who had undergone training in entrepreneurship programs had exhibited superior managerial practices and venture growth compared to owner-managers who had not undergone such training programs.

Mitchelmore and Rowley (2010) had undertaken a literature review of research on entrepreneurial competence in order to provide an integrated account of contributions relating to entrepreneurial competencies by different authors working in different countries and different industrial sectors and at different points in time; and develop an agenda for future research and practice in relation to entrepreneurial competencies. After a lengthy examination, various literature on the field of entrepreneurial competencies, they suggested that although the concept of entrepreneurial competencies has been used widely by government agencies and others in their drive for economic development and business successes, the core concept of entrepreneurial competencies, its measurement and its relationship to entrepreneurial performance and business success is in need of further rigorous research and development in practice.

Research into the reasons for business failure by the European Federation of Accountants (2004) informed a distinction between “internal” and “external” factors. The conclusion was that the most commonly found external causes of small business failure include external price environment and inflation rates, interest rates, wage costs, declining markets, tax rates, bad debts and late payments and market competition. In regard to internal business issues, the European Federation of Accountants (2004), stated that the most commonly occurring internal factors in business failure is linked to poor management and include poor cash flow management, lack of adequate and appropriate marketing research. Market research according to EFA (2004) help businesses to identify their customers, and inform them of the size of customer base, to determine what price customers might be prepared to pay to suggest how demand for the product or service will change according to the price charged, inform them about their competitors and their likely action.

Small Business Research Centre (2008) observed that the most common causes of internal failure are “bad management”. Stating that a common feature of internal issues is the “one person” issue, whereby most if not all of the senior management responsibility is invested in one person who may not have the appropriate range of skills, or may not have the time to apply them appropriately. This one person, usually the entrepreneur, takes on so many of the management functions including those related to sales, marketing, financial control, resourcing, purchasing and planning.

Cornwall (2005) acknowledged managerial incompetence to be serious issue for enterprises. Cornwall (2005) and Zimmerer & Scarborough (1998) viewed failure to plan as a reason for small business failure. Zimmerer & Scarborough (1998) underscored the important role played by the production of business plans and marketing plans. Cornwall (2005) also stated that lack of an adequate viable business plan can lead to issues. These issues can be encountered at any stage of business development life-cycle. Cornwall (2005) stressed the need for entrepreneurs to produce a marketing plan, stating that production of a marketing plan is essential in deciding marketing strategies, customer base and promotion of the firm. Equally Small Business Research Centre (2008) also identified internal causes of small business failure as poor marketing, weak financial control, lack of strategic planning, inadequate liquidity and lack of market awareness

Haynes and Richardson (2007) posit that planning is essential for business success and cited research which identified a link between planning and small business failure, stating that those businesses which had prepared business plans were less likely to fail. Hanushek and Woessmann (2008) observed that entrepreneurs are often good at starting businesses but poor at running them though many entrepreneurs believe that they have an obligation to run their businesses and become great managers as well. Hanushek and Woessmann (2008) concluded that while many entrepreneurs are successful at starting up a business, they are not skilled at running or managing a business to sustainable levels.

It is perceived that all over the world, small businesses have a high failure rate. European Federation of Accountants (2004) reported that the US Small Business Administration had noted that 50% of small business fails in the first year and 95% fail within the first five years. Holland (1998) pointed out that entrepreneurs can avoid many pitfalls of small business failure by engaging in good marketing practices which include profiling of target market, the profiling of competitors and assessing the changes in customer tastes and preferences.

METHODOLOGY

The study adopted a descriptive survey design to find out the relevance of entrepreneurial competence practices on sustainability of SMES in Kenya. The target population of interest was all the SMEs in Embu town and its environs who were located within a distance of 2 Kilometers. According to Embu county trade offices as at 2014 there were 1015 registered SMEs within Embu town and its environs. The sampling frame was a list of all the registered SMEs in Embu town and it's environ which comprised of sub-sectors notably manufacturing, service and trade totaling to 1015. The researcher applied stratified random sampling technique since the population was heterogeneous. A sample size of 10% of the target population was used which gave a good representation of 102 SMEs (out of a total of 1015 SMEs).

The researcher collected both primary and secondary data. Primary data was collected by use of structured open and closed-ended questionnaires whilst document analysis guide was used to collect secondary data. Secondary data obtained from existing literature through document analysis was used to ascertain the facts and complemented primary data. The researcher obtained evidence from documents business plans, financial statements, business records, books of accounts among others.

After collecting the data, the researcher checked questionnaires for accuracy and edited them for completeness and consistencies. Qualitative data was analyzed by content analysis by simple word frequency count. Content analysis involves examining, categorizing, tabulating and recombining evidences to make sense of the data collected and to highlight the important messages, features or findings. Qualitative data was analyzed by descriptive statistics. Descriptive statistics, according to McClave and Sincich (2003), utilizes numerical and graphical methods to look for patterns in a data set, and to present information in a convenient form. Simple descriptive statistics used to analyze data included measures of central tendency, percentages and frequency. Based on the findings, conclusions and recommendations were deduced.

Quantitative data was analyzed by the use of descriptive statistical techniques which included frequencies, percentages, mean, and mode. Statistical packages for social sciences (SPSS) were used to aid in coding, entry and analysis of quantitative data obtained from the closed-ended questions. According to Newton and Jeonghun (2010), SPSS computer software is a more user friendly and most appropriate for analysis of management related attitudinal responses. Data was presented by use of statistical techniques notably charts, tables and graphical displays.

RESULTS AND DISCUSSION

The research study was designed to sample the Owner Managers of 102 SMEs who were involved in manufacturing, trade and service. However, out of the 102 questionnaires distributed, 77questionnaires were properly filled making a response rate of 75%, which was an adequate response rate for statistical reporting. According to Mugenda and Mugenda (2003), a response rate of 50% and above is good for statistical reporting.

Training Providers

The results showed that a significant number of respondents (34%) had received business planning competence training from Learning institutions, 22% of the respondents received training from Micro Finance Institutions (MFIs), 17% of the respondents had received training from Commercial Banks, 14% of the respondents had received training from Development Partners whilst the remaining 13% of the respondents had received training from the Government of Kenya (GoK). The result showed that training institutions stands a better chance to inculcate entrepreneurial competencies as opposed to other training providers.

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Marketing Competences Acquired

The study sought to find out if respondents had acquired marketing competences. The results indicated that 72% of the respondents had acquired Marketing competences whilst 28% had not acquired marketing competence. The acquisition of marketing competencies should provide the business with continual competitive advantage in the market place and according to Walley (2008), this competitive advantage is the key to firm's success.

Specific Marketing Competences Acquired

The study sought to find out the specific marketing competences acquired by respondents. The results are as in Table 1.

Table 1: Specific Marketing Competences Acquired

Marketing Competence Practices	Frequency	Percentage
Marketing segmentation	55	71
Customer analysis	55	71
Competitor analysis	55	71
Marketing mix strategies	55	71
Total	**55**	**71**

The table showed that all respondents (100%) who were trained in marketing practices indicated that they all acquired specific marketing practices. The result indicated that selected marketing management practices were adequately acquired by respondents. Brush et al. (2009) identifies marketing as one of the obstacles for enterprises to grow and retain customers in order to sustain sales. If this obstacle is eliminated by the acquisition of marketing competencies then the enterprise is expected to sustain itself in the long run.

Application of Marketing Competencies

The study sought to find out if respondents applied marketing competencies in their enterprises. The results indicated that 72% of the respondents had not applied marketing competencies whilst 28% had applied marketing competencies.

Application of Specific Marketing Competencies

The study sought to find out which specific Marketing Competencies were being applied by respondents. The results are as shown in Table 2.

Table 2: Application of Specific Marketing Competencies

Financial Management Practices	Frequency	Percentage
Preparation of profit and loss statement	23	30
Preparation of cash flow statement	19	25
Preparation of balance sheet	27	35
Preparation of profitability ratios	15	20

The table showed that 35% of respondents analyze their competitors, 30%segment their markets, and 25% analyze their customers whilst remaining 20% utilize marketing mix strategies. Although researchers such as Arsalan, Naveed and Muhammad (2011) find it critical for firms to conduct marketing practices, a substantial number of respondents in the study do not utilize marketing management competencies optimally despite having been trained.

Extent to Which Marketing Competencies Were Applied

The study sought to find out to what extent respondents agreed on the statements as regards to application of entrepreneurial marketing competencies. The results are as shown in Table 3.

Table 3: Extent to Which Marketing Competencies Were Applied

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean
I have the ability to segment my market	36	20	5	9	5	3.87
I have segmented market for my business	15	12	6	16	26	2.58
I have the ability to analyze my customers	33	23	4	8	7	3.79
I analyze my customers for my business	14	12	8	12	29	2.53
I have the ability to analyze my competitors	35	23	5	7	5	3.91
I analyze competitors for my business	18	11	10	17	19	2.82
I can formulate marketing mix strategies	15	34	5	12	9	3.36
I formulate marketing mix strategies	10	13	9	26	17	2.57

The table indicated that though the respondents had the ability to use marketing management competencies, they rarely utilize them in their business operations. Despite the emphasis placed to the execution of sound marketing strategies to the excellence in a firm by researchers such as Ghouri, Khan, Malik and Razzaq (2011), the results in the study may give reasons why most SMEs fail.

Measure of Business Sustainability

The respondents were asked to state how they measured sustainability of their businesses. Majority of the respondents (78%) indicated that they based their sustainability by trends in profits, 71% indicated increase in number of customers, 65% age in business, 26% indicated increase in assets whilst minority of respondents (19%) indicated increase in no. of employees. The result indicate that most entrepreneurs measure their business sustainability by economic viability as supported by researchers such as Borga et al., (2009) and Habbard (2009) who supported the use of sales and profit as a measure of firms' sustainability.

Document Analysis

The study employed document analysis guide to supplement data obtained through questionnaires. The respondents were asked to provide the researcher with the various documents. The study established that few respondents (14%) kept business plans. Quite a good number of respondents had documents which supplemented information obtained through questionnaires but having them does not guarantee implementation of what they contained.

Regression Analysis

In the study, a multiple regression analysis was conducted to test the relationship among variables. The study employed statistical package for social scientists (SPSS) to compute the measurements of the multiple regression. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable that is explained by all the four independent variables. The equation for the regression analysis model is expressed as:

$\Upsilon=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+e$

Where, Υ=SMEs Sustainability (Dependent Variable),

X_1-X_4 Independent Variables

X_1=Business Planning Competence Practices

X_2=Financial Management Competence Practices

X_3=Marketing Competence Practices

X_4=Human Resources Management Competence Practices

β_0=Coefficient of the Model B_1-β_4=βeta Coefficients of Determination

e= Stochastic Error

The multiple regression equation adopted is as follows:

$Y=1.131+ 0.712X_1+0.885X_2+0.754X_3+0.790X_4+e$

From the regression equation above, it was established that taking all factors in to account and constant at zero, the sustainability of SMEs would be 1.131. The findings presented also show that taking all independent variables at zero, a unit increase in marketing competence practices will lead to 0.754 increases in sustainability. The regression analysis results indicate that there is a positive relationship between the four independent variables with the dependent variable.

CONCLUSIONS AND RECOMMENDATIONS

The study sought to establish effect of marketing competence practices on sustainability of SMEs in Embu town and its environs. A substantial response rate was achieved which enabled desirable statistical reporting Document analysis guides were employed and ascertained the facts and complemented primary data. The instruments obtained data that addressed the objective of the study.

The study established that majority of the respondents had prior marketing management competencies which relate to; market segmentation, customer analysis, competitor analysis and marketing mix strategies. This supports previous research studies on the field of entrepreneurship competencies training conducted by Hynes and Richardson (2007) which established that for SMEs to grow, entrepreneurs must be taught marketing management amongst other competencies. Additionally, according to Walley (2008), marketing enhances firm's competitive advantage which is the key to firm's success. The study also established that marketing competence practices affects sustainability to relatively great extent as perceived by respondents. However majority of trained respondents had not applied acquired marketing competence practices as supported by entrepreneurs availing very few marketing plan documents. The vital role played by marketing practices has been supported by past studies. The study by Brush et al.,(2009), identifies marketing as one of the obstacles SMEs face as they grow they confront challenges of establishing effective distribution channels, communicating product features, pricing products and services in an attractive way, implementing sales and marketing efforts to win and retain customers and undertake constant product development in order to sustain sales.

The objective of the study was to establish the effect of marketing competence practices on sustainability of SMEs in Embu town and its environs. There was evidence that there was a positive relationship between marketing practices and SMEs sustainability as substantial number of entrepreneurs applied key marketing practices such as competitor analysis and market segmentation. However, it is not clear whether applied marketing competences were as a result of learnt skills as majority of the respondents indicated that they did not utilize learnt skills.

To make marketing competence practices training more meaningful to the beneficiaries, the following recommendations were made drawn from the study findings.

- Considering the fact that entrepreneurial competence practices were not optimally utilized, there is therefore an urgency to design an effective business monitoring programmes for policy especially to assess trainees after the training to ensure that the learnt skills enhance sustainability of the SMEs.
- Despite the fact that relevant documents have significant impact to the sustainability of SMEs, the percentage of entrepreneurs who prepare them is wanting. The entrepreneurs should therefore be encouraged to develop and use relevant business documents for their enterprises so as to understand their significance and reap full benefits associated with them.
- Although a considerable number of entrepreneurs have been trained on entrepreneurial competencies, it is not very

clear whether the training is relevant and therefore calls for a need analysis research to determine the exact competencies requirements useful in the informal sector.

- SMEs owners should be encouraged to create a positive attitude towards entrepreneurship training through creative policies so as to apply appropriately learnt skills.
- Considering that a significant number of respondents had not been trained, the government should broaden its efforts to ensure that a high level of entrepreneurial competency literacy is universal to all entrepreneurs.

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