ISSN: 2249-1058

EFFECTS OF HUMAN RESOURCES ON MARKETING EFFECTIVENESS AMONG SMALL AND MICRO ENTERPRISES IN KITUI COUNTY - KENYA

MWANGULU JOHNESTER ALI*
DR. ROBERT OTUYA**
PROF. RONALD CHEPKILOT***

Abstract

The Micro and Small Enterprises play an important role in the Kenyan Economy, the role and importance of Micro and Small Enterprises in a knowledge-based economy has been highly appreciated and acknowledged. Moreover, in the present economy, Micro and Small Enterprises are facing tremendous challenges and threats to survive in a competitive environment. The study examined the effects of human resources on marketing effectiveness among small and micro enterprises in Kitui County. The study was based on Resource based view and Human capital theories. The research used cross sectional survey. The target population was 3,200 registered Micro and Small Enterprises in Kitui County in the main sub-counties of the County such as Kitui, Mutomo and Mwingi towns where this research was undertaken. The sample size was 342 and a total of 241 questionnaires were filled and returned. Descriptive statistics was used and hypothesis testing done. Data was collected using both closed and open ended questionnaires. The study found that human resources positively influence marketing effectiveness among Micro and Small Enterprises in Kitui County. The study concluded that human resources is a significant determinant of marketing effectiveness among small and medium enterprises in Kitui County. The study further concluded that through the recruitment practices adopted, training that

^{*} PhD Candidate, Kabarak University

^{**} University of Eldoret

^{***} Kabarak University

ISSN: 2249-1058

the marketing team undergoes and strategies adopted in retaining a competitive marketing team positively influence marketing effectiveness among Micro and Small Enterprises in Kitui County.

Key Words: Human resources, Marketing effectiveness, Micro and Small Enterprises and Kitui County.

Background of the study

The Micro and Small Enterprises (Micro and Small Enterprises) play an important role in the Kenyan Economy. According to RoK (2012) Micro and Small Enterprises contributed to seventy percent of the Gross Domestic Product (GDP) in 2011 in Kenya. In the United States GDP was 99.7 per cent (Heneman, Tansky& Camp, 2011), China, 99 per cent (Cunningham & Rowley, 2008), Europe, 99 per cent (Daley,2001), Holland, 95 per cent, Philippines, 95 per cent and Taiwan, 96.5 per cent (Lin, 2011) as well as Malaysia, 99.2 per cent (Man & Wafa, 2014; National Micro and Small Enterprise Development Council (NSDC), 2009; Saleh &Ndubisi, 2006). It expanded from employing 3.7million people in 2011 to 5.1 million in 2012 according to a Sessional Paper No. 3 of 2013 (GoK, 2005). Research has shown that the Micro and Small Enterprises concept has been known in Kenya since 1972 when the International Labour Organizational (ILO) introduced it. However, it was not until 2010 that the Kenya Government formulated ways of implementing it in a much publicized nationwide campaign (Baseline survey, 2011). The role of Micro and Small Enterprises in Kenya's development process is significant, particularly in the context of generating employment, wealth creation and income opportunities to thousands of people across the Country (KIPPRA, 2014).

The 2011 National Baseline Survey conducted by Central Bureau of Statistics, ICEG and K-Rep Holdings provides the most recent comprehensive picture of Micro and Small Enterprises in Kenya. Mead (2011) observes that the health of the economy as a whole has a strong relationship with the health and nature of Micro and Small Enterprise sector. When the state of the macro economy is less favorable by contrast, the opportunities for profitable employment expansion in Micro and Small Enterprises are limited. This is true especially for those Micro and Small



ISSN: 2249-1058

Enterprises that have linkages to larger enterprises and the economy at large. Given this scenario, an understanding of the dynamics of Micro and Small Enterprises is necessary not only for the development of support programs for Micro and Small Enterprises but also for the growth of the economy as a whole. It is generally recognized that Micro and Small Enterprises face unique challenges which affect their growth and profitability hence diminish their ability to contribute effectively to sustainable development. The International Finance Corporation (IFC) (2011) identified various challenges faced by Micro and Small Enterprises to which include; inadequate education and skills, technological change, poor infrastructure, lack of managerial training and experience, lack of innovative capacity, scanty market information and lack of access to credit.

Statement of Problem

Marketing effectiveness (capabilities) enable the business to add value to its goods and services, adapt to market conditions, take advantage of market opportunities, and overcome competitive threats (Day, 1994). The marketing effectiveness increases SMEs ability to grow hence would limit high failure rates prevalent in the sector today. The ability to effectively market products or services is influenced by financial, human resources, firm size, managerial skills and Technology among other factors. Since past studies have focused majorly on access to financial resources, there remains a research gap on the effects of firm level characteristics on the marketing effectiveness which once addressed SMEs will improve their ability to market goods and services and overcome the high rate of failure and drive Vision 2030 economic pillar. Starting and operating a small business includes a possibility of success as well as failure. Because of their small size, a simple management mistake is likely to lead to sure death of a small enterprise hence no opportunity to learn from its past mistakes. Past studies identified that a significant number of new Micro and Small Enterprises fail within first five years of their business operation (Zimmerer, Scarborough & Wilson 2008; Hodgents & Kuratko, 2013).

A market driven approach is needed to gain the market knowledge required for getting the product to market. Market knowledge is extremely important, especially for Micro and Small Enterprises as we see it (Kyaka, 2012), since this helps in identifying other actors already on the market that constitutes a threat for their existence. When Micro and Small Enterprises are able to

identify their customers, offer the right products and develop a strategy which gives the organization marketing effectiveness then the failure rates will be substantially reduced. Marketing effectiveness increases sales hence boosting return on investment. Literature review indicated that only two studies on Micro and Small Enterprises have been done before in this County. These studies focused on financial resources. This County therefore requires vibrant Micro and Small Enterprises to create more jobs, increase income per capita. It is with regard to this background that the study sought to evaluate the effects of firm level characteristics on the marketing effectiveness among small and micro enterprises by specifically focusing on the effect of financial resources, human resources, firm size, managerial skills and technology on marketing effectiveness among Micro and Small Enterprises in Kitui County.

Research Objectives

Main Objective.

To examine the influence of human resources on marketing effectiveness among small and micro enterprises in Kitui County

Specific Objectives

- 1. To examine how recruitment and selection affects marketing effectiveness among SMEs in Kitui County
- 2. To determine performance management strategies techniques used by human resources persons and its effects of marketing effectiveness among SMEs Kitui County.
- 3. To examine the impact of employee relations in influencing marketing effectiveness among SMEs in Kitui County.
- 4. To explore the strategies in career planning and its effects on marketing effectiveness among small and micro enterprises in Kitui County

Human Capital Theory

Human Capital theory was proposed by Schultz (2011) and developed extensively by Becker (1964). This theory emphasizes the value addition that people contribute to an organization. It regards people as assets and stresses that investments by organizations in people will generate



ISSN: 2249-1058

worthwhile returns. The theory is associated with the resource based view of strategy developed by Barney (2011). These returns are expected to lead to improvements in performance, productivity, flexibility and the capacity to innovate. This should result to enlarging the skills base and increasing levels of knowledge and competence. Schuler (2011) suggests that the general message in persuasive skills, knowledge and competences are key factors in determining whether organizations and firms will prosper.

According to Hessels and Terjesen (2008), entrepreneurial human capital refers to an individual's knowledge, skills and experiences related to entrepreneurial activity. Entrepreneurial human capital is important to entrepreneurial development. Previous empirical research emphasized that human capital is one of the key factor in explaining enterprise growth. Brüderl et al. (1992) argues that greater entrepreneurial human capital enhances the productivity of the founder, which results in higher profits and therefore lower probability of early exit. Moreover highly educated entrepreneurs may also leverage their knowledge and the social contacts generated through the education system to acquire resources required to create their venture (Shane, 2003).

Human Resources effects on marketing effectiveness

The principles of management in today's world are human factors, knowledge of the subject of business management, the ability to organize own work and the work of a team, interests, self-development and other creative activities. The central figure in professional management – the manager – has to be able to see the prospect of case developments, who can quickly assess the real situation and find the optimal solution to achieve set goals. In this regard, the manager must have certain professional and personal qualities, such as: high competency, flexibility, ability to take risks, aggressiveness and the ability to implement plans, simply to be a team leader ((Tay & Diener, 2011).Human Resource is the most critical agent of micro and small enterprise performance. The recruitment of academically qualified employees is a necessary start for sustainable human capital development in all organizations. Human capacity has become a critical index of competition in the world of business to the extent that the development of such capacities through training has become top priority in designing the strategic plan of business



organizations (Tim & Brinkerhoff, 2008). Bennet (2012) defines management as concerned with the deployment of material, human and finance resources with the design of organization structure. Haimann (1977) looks at management as a process of getting tasks accomplished with and through people by guiding and motivating their efforts. Majority of those who run Micro and Small Enterprises are ordinary lot whose marketing educational background is lacking. Hence they may not well be equipped to carry out marketing routines for their enterprises (King & McGrath, 2012). Managerial skills relate to the owner/manager and the enterprise. Education and skills among human resource are needed to run Micro and Small Enterprises. Research shows that majority of the lot carrying out Micro and Small Enterprises in Kenya are not quite well equipped in terms of education and skills. Studies suggest that those with more education and training are more likely to be successful in the micro and small enterprise sector (King & McGrath, 2012). As such, for small businesses to do well in Kenya, people need to be well informed in terms of skills and management. Micro and Small Enterprises in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications. Further, studies show that most of those running Micro and Small Enterprises in this sector have at least attained college level education (Wanjohi & Mugure, 2008).

Good management of human resource means need for proper planning, control, organizing skills and proper staffing with qualified and competent employees. Harper (2010) observes that the growth of many enterprises of all sizes, suggest that the scarcity of competent managers is a more serious constraint on economic development. As the enterprise becomes larger, the more need for managers to plan, coordinate and control the activities of the enterprise. The owner who is likely to be the manager of the small enterprise may not have the training, skills and experience to steer the operations of the business successfully hence affecting business performance. He/she may operate in a very rigid environment sometimes not dictated by sound business and management decision but by social and cultural norms. The inability to keep proper records, to separate business operations from personal, manage cash flow and growth is likely to affect business performance. The way management tackles problems determines the long-term outcome of an organization (Balfanz & Koelmel, 2009).

ISSN: 2249-1058

RESEARCH METHODOLOGY

Research Design

This study used descriptive survey design. According to Cooper and Schindler (2003) a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive studies provide factual, accurate and systematic data (Mugenda, 2012). The choice of the descriptive research design is based on the fact that in this study, the researcher was interested on the state of affairs already existing in the field and no variable would be manipulated. This study therefore was able to generalize the findings to a larger population. Descriptive design uses a preplanned design for analysis (Creswell, 2003). In this study, inferential statistics and measures of central, dispersion and distribution were applied. Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individual (Orodho, 2003). Ngugi (2012) carried out a similar study to identify challenges hindering sustainability of Micro and Small Enterprises after the exit of the founders in Kenya.

The Study Population

This study was done in Kitui County and targeted 3,200 small and medium enterprises in Farming, Trade, Manufacturing and Service sectors. Data available at department of trade and industrialization in Kitui County (2013) indicate a total of 3,200 Micro and Small Enterprises licensed and operating in main sub-counties such as Kitui, Mutomo and Mwingi. Kitui County was chosen because of its diverse demographic pattern that could be generalized to many areas of the country. The study targeted the Micro and Small Enterprises across the socioeconomic strata, that is, ranging from those in the urban areas to those in the rural areas so as to make it more representative of most Micro and Small Enterprises in Kitui County

Sampling Design and Size

According to Webster (2013) a sample is a finite part of a statistical population whose properties are studied to gain information about the whole. Sampling on the other hand is the act, process or technique of selecting a suitable sample or a representation of a whole population to determine characteristic of the whole population. Stratified random sampling technique was used for this

study. Orodho (2003) states that stratified sampling is applicable if a population from which a sample is to be drawn does not constitute a homogeneous group. The strata consisted of the four categories, trade, service sector, agriculture and manufacturing.

From the above population of 3,200 possible respondents, Kerlinger (2009) indicates that a sample size of 10% of the target population is large enough so long as it allows for reliable data analysis and allows testing for significance of differences between estimates. The sample size depends on what one wants to know, the purpose of the inquiry, what is at stake, what was useful, what had credibility and what can be done with available time and resources (Patton, 2012). A proportionate sample size of a sample of 10% from within each group in proportions that each group bear to the population as a whole was taken using stratified random sample which gives each item in the population an equal probability of being selected. 342 respondents were selected representing a population of 3,200 small and micro- enterprises in commercial farming, trade, manufacturing and service sectors using Stratified random sampling by taking 10% of the target population in each stratum. The sample size of this study was calculated using formula suggested by (Cooper & Emory, 2011) as shown below. The sample size was 3,200 enterprises. Where:

$$n = \frac{z^2 PQ}{\alpha^2}$$

Where: z is the z- value = 1.96

P -Population proportion 0.50

$$Q = 1-P$$

 α = level of significance = 5%

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2}$$

$$n = 384$$

Adjusted sample size (Nf) = n/(1 + (n)/N)

$$Nf = 384/(1 + (384)/3,200)$$

Nf = 241

May 2016



Volume 6, Issue 5

ISSN: 2249-1058

According to the above formula:

nf= desired sample size when the population is less than 10,000,

n= desired sample when the population is more than 10,000,

N= estimate of the population size. The sample size was 342 enterprises.

Data Collection Methods

Creswell (2003) defines data collection as a means by which information is obtained from the subject of investigation. The researcher used questionnaire as the primary data collection instrument. The questionnaire was designed to give a brief introduction and was divided into sections representing the various variables adopted for study. The questionnaire was self-administered through drop and pick method to the selected Micro and Small Enterprises. The questions were designed to collect qualitative and quantitative data. The open ended questions gave the respondents flexibility to answer to the research hypothesis. The researcher used assistants to distribute by hand the questionnaires to be completed by the selected respondents.

Pilot Study

Marczyk, DeMatteo and Festinger (2005) observe that pilot test is the start phase in data gathering of the research process. Pilot test is conducted to detect weakness in design and instrumentation and to provide alternative data for selection of a probability sample. In summary pilot test measures the reliability and validity of the instrument. The researcher implemented a pilot-test to assess the clarity, complexity and the face validity of the measure. In effect, revisions were made that improved the total look and content of the final questionnaire in terms of readability, wording and arrangement. A total of 34 respondents used in the pre-test were drawn from Kabati. This population was not included in the actual study. The results of the pilot study informed areas of improvement of research instruments to enhance validity and reliability data collected be used in the data analysis. Both reliability and validity are discussed below.

Instrument Validity

According to El-Gohary and Gall (2009) validity is the degree by which the sample of test items represents the content the test is designed to measure. Content validity which was employed in



ISSN: 2249-1058

this study is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. The researcher piloted34Micro and Small Enterprises using rule of thumb that is 10% of the sample should constitute the pilot test (Cooper & Schilder, 2011; Creswell, 2003). The proposed pilot test was within the recommendation and the research instrument was found to be suitable for this research. These 34 Micro and Small Enterprises were profiled and excluded from the research sample to avoid contamination.

Reliability

Reliability is the consistency of a set of measurement items while validity indicates that the instrument is testing what it should (Cronbach, 1951). Reliability is the consistency of your measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. A measure is considered reliable if a person's score on the same test given twice is similar. It is important to remember that reliability is not measured, it is estimated. Reliability does not, however, imply validity because while a scale may be measuring something consistently, it may not necessarily be what it is supposed to be measuring. The researcher used the most common internal consistency measure known as Cronbach's alpha (α). It indicates the extent to which a set of test items can be treated as measuring a single latent variable (Cronbach, 1951). The recommended value of 0.7 was used as a cut-off of reliabilities.

Data Analysis

This section outlines the techniques that were used to analyze data and test the variables. Data analysis refers to examining what has been collected in a study and making deductions and inferences (Kombo, 2006). This study collected large amounts of data regarding effects of firm level characteristics on the marketing effectiveness among Micro and Small Enterprises Kitui County. Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data. Data collected was analyzed using inferential statistics. Hypothesis testing was done to establish the relationship of variables.

Response Rate

From the data collected, out of the 342 questionnaires administered, 241 were filled and returned, which represents 70% response rate. This response rate is considered satisfactory to make conclusions for the study. Mugenda and Mugenda (2003) observed that a 50% response rate is adequate, 60% good and above, while 70% rated very good. The recorded high response rate can be attributed to the data collection procedures, where the researcher pre-notified the potential participants (business owners/ managers/directors or business partner) of the intended survey, utilized a self administered questionnaire where the respondents completed and these were picked shortly after and made follow up calls to clarify queries as well as prompt the respondents to fill the questionnaires.

Human Resources

Trained workforce is a source of Marketing effectiveness to the Micro and Small Enterprises.

Organizations with trained work force have shown better performance compared to those with minimal skilled and trained work force. Training can be categorized into on job and off job.

Training brings skills and knowledge of better job performance and increased productivity.

Performance of the Human Resource Department

The study sought to establish the rate of performance of the human resource department in terms of recruitment, training and retention of employees.

Table: Rating of the Human Resource Department on marketing effectiveness

Rating	Frequency	Percentage
Very good	85	35
Good	67	28
Average	82	34
Poor	6	2.5
Very poor	1	0.5
Total	241	100

From the findings, 35% indicated it was very good, 28% indicated it was good, 34% indicated it was average, 2.5% indicated it was poor and 0.5% indicated it was very poor. As Bowen, Morara and Mureithi (2009) posited, education is one of the factors that influence growth of firms. Those entrepreneurs with larger stocks of human capital in terms of education and vocational training are better-placed to rightly position their enterprises in the ever-changing business environments. Finance should be coupled with education, skills, and training for enterprises to graduate from micro enterprises to medium enterprises (King &McGrath, 2012; Bowen, Morara & Mureithi, 2009).

Employment of Business Marketers

To understand these Micro and Small Enterprises better in terms of engaging in Marketing activities through use of qualified marketers, the study sought to establish whether the respondent employ marketers to market their businesses.

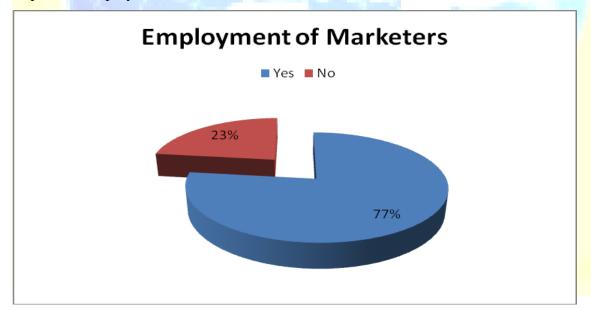


Fig: Employment of Business Marketers

From the findings, 77% employed marketers whereas the remaining 23% did not. Of those who employ marketers, most of them put more focus on managerial skills, marketing experience and marketing related academic qualifications when recruiting marketers into their firms. It important to note that considering three out every Micro and Small Enterprises fail, the few successful one



either have employed a marketer or the owner/manager engages in marketing. This confirms King and McGrath (2012) statement that majority of the lot carrying out Micro and Small Enterprises in Kenya are not quite well equipped in terms of education and skills. The study further suggested that those with more education and training are more likely to be successful in the Micro and Small Enterprise sector.

HR influence on Marketing effectiveness

Human resource in this case involves identification of training needs in marketing, customer care skills, customer care talk and ensuring individuals recruited in sales and marketing have prior managerial skills in addition to ensuring training for staff. The study sought to establish whether HR operations influence Marketing effectiveness of businesses in Kitui County.

Figure: HR operations influence on Marketing effectiveness

Response	Frequency	Percent
Yes	241	100
No	0	0
Total	241	100

From the findings, all the respondents agreed that HR operations affect marketing effectiveness. This emphasis that HR function plays a critical role in marketing. The success of Micro and Small Enterprises can be attributed to marketing. Wanjohi and Mugure (2008) found that education and skills among human resource are needed to run Micro and Small Enterprises. They noted that for small businesses to do well in Kenya, human resource managers need to be well informed in terms of skills and management, they further indicated that Micro and Small Enterprises in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications.

Extent of human resource operation influence on marketing effectiveness

The study sought to establish the extent to which the human resource operations have affected the effectiveness of their marketing strategies

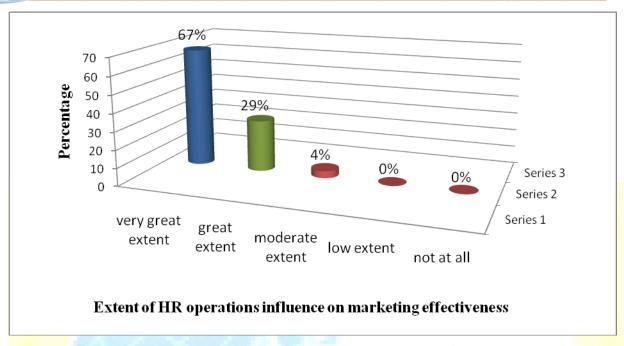


Figure: Extent of human resource operation influence on marketing effectiveness

From the findings, 67% indicated that the extent was very great, 29% indicated that the extent was great while the remaining 4% indicated that the extent was moderate. This is in line with Harper (2010) that the growth of many enterprises of all sizes, suggest that the scarcity of competent HR managers is a more serious constraint on economic development. As the enterprise becomes larger, the more need for managers to plan, coordinate and control the activities of the enterprise. The inability to keep proper records, to separate business operations from personal, manage cash flow and growth is likely to affect business performance. The way management tackles problems determines the long-term outcome of an organization (Balfanz & Koelmel, 2009).

The study also sought to establish the qualities that human resource managers consider when recruiting business marketers. The respondents attested that a lot of attention is paid to individual's listening skill, they should have diversification functions and two brained. They went ahead and explained why these qualities were crucial. The respondents said that it is important to be a great listener. Only if one listens carefully and thoroughly to clients you will be able to understand what their needs are. The more you listen to them, the more you will find out.

The respondents further stressed that the marketer should have Diversity in functions. Experience in a variety of functions like sales, operations and finance is more successful in marketing overall as compared to those with experience solely in marketing. The marketer should be two rained. They asserted that marketers need to be both brained to bring discipline as well as art to the profession.

Influence of aspects of human resource on marketing effectiveness

The respondents were further requested to indicate the extent to which the following aspects of human resource affect marketing effectiveness in their businesses. Their responses were as shown below.

Table: Influence of aspects of human resource on marketing effectiveness

/// // // // // // // // // // // // //	Mean	Std. Deviation
Recruitment and selection	4.400	0.547
Performance management	3.908	1.286
Employee relations	3.888	1.167
Career planning	4.132	0.739

According to the findings tabled above, the respondents indicated that recruitment and selection affects marketing effectiveness in their businesses to a great extent as shown by a mean score of 4.400. The respondents also indicated that career planning affects marketing effectiveness among Micro and Small Enterprises to a great extent as shown by a mean score of 4.132. This is similar with Hunter and Schmidt (2011) who concluded that marketing effectiveness can be achieved through a selection procedure based on ability. Katou and Budhwar (2007) also found that recruitment and selection was positively related to all organizational performance variables such as effectiveness, efficiency, innovation, and quality. Johnson and Scholes (2006) also concurs that "the starting point of successful marketing effectiveness is acquiring, retaining and developing resources of at least threshold standards and it is applied to people as a resource.

Further, the respondents indicated that performance management affects marketing effectiveness in their businesses to a great extent as shown by a mean score of 3.908. These findings agree with that of Hoque (2008) who unearthed that training and development had positive impact on



ISSN: 2249-1058

marketing effectiveness in Bangladeshi context. North & Smallbone (2009) also pointed out that the human department also puts into consideration the reward system within the Micro and Small Enterprise as this will motivate the marketing team to put more effort in marketing the company products. Bowen and Ostroff (2008) asserts that the aim of reward management is to support the attainment of the organization strategic and short term objectives by helping to ensure it has skilled, competent, committed, and well-motivated work force it needs. Lastly, the respondents indicated that employee relations affect marketing effectiveness in their businesses to a great extent as shown by a mean score of 3.888. The findings confirm Tzafrir (2006) findings that when parties to an exchange relationship work together toward a super coordinate goal, relational cohesion increases. In that employee relation serves the dual purposes of enriching jobs and improving marketing processes and outcomes. Employee relation is often realized in the form of increased worker responsibility and autonomy. Katou and Budhwar (2007) also found that formal information sharing is important for the sake of making employee maximize on their job performance. Hunter and Schmidt (2011), information is critical as it affects attitude and motivation of employees.

Retention of employees

The study sought to establish how respondents ensure retention of their well performing employees. From the findings, majority of the respondents preferred to do this by ensuring that they get good salaries which are paid in time and recognizing their effort through promotions. Others preferred to do this by motivating their employees through award of bonuses and subjecting them to trainings to improve their skills. Others preferred to do this by creating social welfare support to its employees to attend to their social related problems.

Hypothesis Testing

A Chi-square (χ^2) test was conducted to test the study hypotheses by examining the significance of relationships between the study variables.

H₀: There is no significant relationship between human resources and marketing effectiveness among Micro and Small Enterprises

H₁: There is a significant relationship between human resources and marketing effectiveness among Micro and Small Enterprises

The null hypotheses imply that the variables- human resources and marketing effectiveness among Micro and Small Enterprises are independent of each other. The researcher wanted to find out whether there was any notable relationship between human resources and marketing effectiveness among Micro and Small Enterprises.

Table: Chi-Square Test for human resources and marketing effectiveness

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.768 ^a	8	.015
Likelihood Ratio	18.034	8	.006
Linear-by-Linear Association	3.115	1	.078
N of Valid Cases	123		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .77.

The calculated Pearson Chi-Square value is 15.768. The associated P-Value (Asymptotic significance) is 0.015. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that 'There is a significant relationship between human resources and marketing effectiveness among Micro and Small Enterprises'

CONCLUSION

The study concluded that human resources is a significant determinant of marketing effectiveness among small and medium enterprises in Kitui County which is through the recruitment practices adopted, training that the marketing team undergoes and strategies adopted in retaining a competitive marketing team.

REFERENCES

- 1. Balfanz, D. and Koelmel B. (2009).Lean or Agile: a Solution for Supply Chain Management in the Textiles and Clothing Industry?. *International journal of operations and production management*, 24(2).151-170.
- 2. Barney, J. B. (2009). Strategic Factor Markets: Expectations, Luck, and Business Strategy. *Management Science*, 32(10).1231-1241.
- 3. Bennet, J. (2012), 1st Ed. Managing for Performance. Business publication inc. Dallas
- 4. Bowen, D. E., & Ostroff, C. (2008). Understanding HRM-Firm Performance Linkages: The Role of the Strength of the HRM System. *Academy of Management Review*, 29(2).203-221.
- 5. Bowen, M., Morara, M. and Mureithi, S. (2009). Management of Business challenges among Small and Micro Enterprises in Nairobi-Kenya. KCA journal of Business Management, 2(1).16-31.
- Budhwar, P. (2013), Rethinking Comparative and Cross-National Human Resource Management Research. *International Journal of Human Resource Management*, Vol.12, No.3, 497-515.
- 7. Cooper, A. C. and DunkelEl-Gohary, W. C. (2011). A New Look At Business Entry: Experiences of 1805 Entrepreneurs. *Frontiers of Entrepreneurship Research*, 1-20.
- 8. Creswell, J. W. (2003). Mixed Methods Research Designs in Counseling Psychology. Journal of Counseling Psychology, 52(2). 224.
- 9. Government of Kenya (2005). Sessional paper No.2: Government Printer, Nairobi.
- 10. Government of Kenya (2005). Sessional paper No.2 of 2005 on the development of Micro and Small Enterprises: Government Printer, Nairobi.
- 11. Haimann, O. (1977). The Role of Micro Finance in Entrepreneurship Development. Enugu, Nigeria.
- 12. Harper, E. (2010). The Status of Bank Lending to SMEs in the Middle East and North, Africa Region: World Bank Policy Research Working Paper 5607. The World Bank, Washington DC.
- 13. Harper, M. and Ramachandran, K. (2010). *Small Business Promotion: Case Studies from Developing Countries*. Intermediate Technology Publ..



- 14. Hodgents, M. and Kuratko R. (2013). Strategic Windows in the Entrepreneurial Process. *Journal of Business Venturing*, *10*(5). 331-347.
- 15. Hoque, M. J. (2008). *Human Resource Development and Organizational Effectiveness*. In R. B. Talukder (Ed.). Management of Change in South Asia (pp.433-451). Dhaka: UPL.
- 16. International Finance Corporation. (2014). Articles of agreement of the International Finance Corporation: as amended by resolutions effective September 21, 2011 and September 1, 1965. International Finance Corporation.
- 17. International Labor Organization (2008). Women entrepreneurs and strategic decision making. *Management Decision*, 45(1).118-130.
- 18. Kerlinger, F. (2009). Foundations of behavior Research.
- 19. King, K. and McGrath, S. (2012). Globalisation, Enterprise and Knowledge: Education, Training and Development in Africa. Symposium.
- 20. KIPPRA, (2014).Legal and other Constraints on Access to Micro and Small Enterprise growth in Kenya: Survey Results: Special Report. Nairobi: Kenya Institute for Public Policy Research and Analysis (KIPPRA).
- 21. Kyaka, M. D. (2012). The Impact of Microcredit on the Growth of Small and Micro Enterprises in Kitui District (MBA dissertation).
- 22. Mugenda, A. G. (2008). Social Science Research: Theory and Principles. *Nairobi:*Applied.
- 23. Mugenda, O. M. (2011). Research Methods: Quantitative and Qualitative Approaches.

 African Centre for Technology Studies.
- 24. Ngugi, P. K. (2012). Challenges Hindering Sustainability of Small and Medium Family Enterprises After the Exit of the Founders in Kenya (Doctoral dissertation, Jomo Kenyatta University of Agriculture and Technology).
- 25. Orodho, A. J. (2003). Essentials of Educational and Social Science Research Methods. *Nairobi: Mazola Publishers*.
- 26. Schein, E. H. (2011). *The Role of the Founder in the Creation of Organizational Culture* (No.TR-12-ONR). Alfred P Sloan School of Management Cambridge MA.



- 27. Schuler, G. (2011). Small Enterprises, Big challenges A Literature Review on the Impact of the Policy Environment on the Creation and Improvement of Jobs within Small Enterprises. Geneva: ILO.
- 28. Schultz, T. W. (2011). Investment in Human Capital. *The American Economic Review*, 1-17.
- 29. Tay, L., & Diener, E. (2011). Needs and Subjective Well-Being around the World. *Journal of Personality and Social Psychology*, 101(2), 354.
- 30. Tim, I. and Brinkerhoff, A. (2008). Perceptions of Success in Business Start-Up and the Impact of Entrepreneurial Education. *Frontiers of Entrepreneurship Research*, 660-661.
- 31. Tzafrir, S. S. (2006). A Universalistic Perspective for Explaining the Relationship between HRM Practices and Firm Performance at Different Points In Time: *Journal of Managerial Psychology*, Vol.21, No.2, pp. 109-130.
- 32. Wanjohi, A. M. and Mugure, A. (2008). Factors affecting the Growth of Micro and Small Enterprises in Rural Areas of Kenya: A case of ICT firms in Kiserian Township. *Kajiado District of Kenya*.
- 33. Zimmerer, T., Searborough, N. and Wilson, D. (2008). Essential of Entrepreneurship and Small Business Management.