



ANTECEDENTS OF EFFECTIVE RIGHTSIZING IN SMALL AND MEDIUM ENTERPRISES IN NAIROBI COUNTY, KENYA

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ABSTRACT

Baseline survey of 2019 defines SMEs as those non Primary enterprises (excluding agricultural production, animal husbandry, fishing, hunting, gathering and forestry), whether in the formal or informal sector which employ 1-50 people. Micro enterprises are those that employ 10 or fewer workers, while small scale enterprises are those that employ 11-50 workers. the Small-Scale Enterprises are often faced with diverse challenges that prevent their growth and optimum performance. These challenges are in diverse areas including access to information, access to credit facilities and finances, poor skills matrix, lack of skills required to cope with market demands and market linkages, and lack of access to business development services that are critical for their competitiveness as well as productivity. This study sought to establish factors impacting effectiveness of rightsizing in small and medium enterprises in Nairobi County. Specifically, the study sought to examine the role of workload on effective rightsizing in small and medium enterprises in Nairobi County and to determine the effect of information technology on effective rightsizing in small and medium enterprises in Nairobi County. The study used a descriptive survey research design. The target population in this study was 128 managers/owners of registered SMEs in Nairobi County. This study was a census of 128 managers/owners of SMEs in Nairobi County. The study collected primary data using semi-structured questionnaires. Collected data was analyzed using both quantitative and qualitative techniques. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics was computed and presentations done in percentages, means, SD and frequencies. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study concludes that workload has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. Further, the study concludes that information technology has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. From the results, the study recommends that the management/owners of SMEs in Nairobi County should ensure employees have positive attitude towards work and also ensure recruitment of competent employees.

Key Words: Antecedents of Effective Rightsizing, workload, information technology, effective rightsizing in small and medium enterprises in Nairobi County

Background of the Study

In almost all economies, small businesses are vital for sustained growth. Evidence available indicates that Small and Micro enterprises played a major role in the growth and development of all leading economies in Asia (OECD, 2017a). The small and micro enterprises (SMEs) play an important role in the Kenyan Economy. According to the Economic Survey (2016), the sector contributed over 50 percent of new jobs created in the year 2015. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2017). Effective rightsizing influences performance of SMEs. Rightsizing methods include, rearranging the existing employees, reducing the number of employees, reorganizing or reducing upper-level management, and reducing the workforce (Kasekende, 2018).

According to Naser (2015) resizing could mean different things for different companies in various industries. For example, for a product-oriented company, rightsizing may mean reducing the sales staff or admin functions, adjusting expenses to balance the costs, etc. but for an IT company, rightsizing would mean reorganizing and restructuring IT infrastructure, database, storage, etc. Kasekende, (2018) established that the initial step in rightsizing is to conduct a detailed analysis of the existing structure of the company. It is therefore essential to understand the factors impacting effectiveness of rightsizing in small and medium enterprises.

Small and Micro enterprises played a major role in the growth and development of all leading economies in Asia (south africa, 2017). In South Africa small businesses provide approximately 75 percent of the net jobs added to the economy and represent 99.7 percent of all employers. There were approximately 22.9 million small businesses in 2019 in US. According to Uganda Bureau of Statistics (2014), the value of goods and services created or generated by small and medium enterprises was USD 1,363,733 million of the total USD 2,360,157 million; thus a contribution of 58%. They employed 2,704,127 people, representing 56% of employment size.

The Kenya government in keeping with global trends has identified SMEs as key economic drivers towards meeting its Vision 2030 aspirations of converting the country into a middle income economy by the year 2030. Small and Medium Enterprises (SMEs) play a major role in economic development in Kenya. Statistics from the Central Bank of Kenya (CBK) indicate that the informal sector represents over 90% of private businesses, contributes to more than 50% of GDP and accounts for about 63% of employment in most East African economies. The sector employs 74% of the labour force and contributes over 18% of Kenya's GDP (Republic of Kenya, 2005) and immensely to key economic agendas which include employment creation, investment distribution, social welfare and poverty eradication.

Small and medium companies (SMEs) have progressively become a potent engine for economic growth and development in today's fast rising and competitive global economy (Islam, Khan, Obaidullah & Alam, 2011). Most governments in a number of growing economies around the world have recognized the critical role that SMEs play in achieving long-term growth, job International Journal of Economics, Commerce and Management, United Kingdom Licensed under Creative Common Page 243 creation, and reducing poverty (Swerczek & Ha, 2003). The importance of the fitness sector in Kenya is envisioned under National Physical Activity Action Plan 2018-2023. Nairobi (Kenya) has gradually become an attractive market for the fitness business due to a raise in middle class group, an attractive environment for fitness business, growing influence of western culture and diets and also the prevalence of underlying health conditions that can be controlled through planned and supported physical activities. The entrepreneurs are now keen on these developments and therefore the current study is keen to study the antecedents of entrepreneurship and how they influence performance of these fitness firms.

Statement of the problem

Baseline survey of 2019 defines SMEs as those non Primary enterprises (excluding agricultural production, animal husbandry, fishing, hunting, gathering and forestry), whether in the formal or informal sector which employ 1-50 people. Micro enterprises are those that employ 10 or fewer workers, while small scale enterprises are those that employ 11-50 workers (Ntakobajira, 2018). According to Alese and Alimi (2016) the Small-Scale Enterprises are often faced with diverse challenges that prevent their growth and optimum performance. These challenges are in diverse areas including access to information, access to credit facilities and finances, poor skills matrix, lack of skills required to cope with market demands and market linkages, and lack of access to business development services that are critical for their competitiveness as well as productivity.

Other challenges include insufficient knowledge in strategic management, effects of dumping and low quality products, poor access to financial services, weak business linkages and lack of promotional services. These challenges when not addressed, leads to a high level of collapse of the Small-Scale Enterprises. Over 60% of the Small Scale Enterprises within Kenya are estimated to fail each year. People in Small Enterprises often have poor leadership skills, poor management styles of their enterprises, lack of awareness on the strategic management practices, and challenges in acquisition of external financial support (Mbwaya, 2017). It is therefore essential to understand the factors impacting effectiveness of rightsizing in small and medium enterprises in Nairobi County.

Various studies have been conducted in Kenya on factors impacting effectiveness of rightsizing. For instance, Oduor (2016) conducted a study on the factors impacting effectiveness of rightsizing in the Commercial State Corporation. Namunyak (2017) conducted an assessment on the factors impacting effectiveness of rightsizing in the Commercial State Corporation in Kenya. Muriungi (2018) conducted a study on the factors impacting effectiveness of rightsizing in the manufacturing firms. However, these studies were limited to specific counties and specific organizations hence the study findings cannot be generalized to the current study. There is therefore a gap on the factors impacting effectiveness of rightsizing in small and medium enterprises in Nairobi County. To fill this, gap the current study seeks to investigate the influence workload, leadership style, information technology and teamwork on effectiveness of rightsizing in small and medium enterprises in Nairobi County.

Objective of the study

The general objective of the study is to establish antecedents of effective rightsizing in small and medium enterprises in Nairobi county, Kenya.

Specific Objectives

1. To examine the role of workload on effective rightsizing in small and medium enterprises in Nairobi County.
2. To determine the effect of information technology on effective rightsizing in small and medium enterprises in Nairobi County.

Theoretical Review

Human Capital Theory

The human capital theory was proposed by Schutz (1961) and developed extensively by Becker (1964) and the theory posits that the knowledge and skill a worker has generated a certain stock of productive capital. This approach also sees people, not as an expense item on their income

statements, rather as an asset capable of not only adding value to their organizations but also in some cases ensuring its very survival in the current competitive environment (Egeou, 2017).

Human capital comprises intellectual capital (which are the unique knowledge and skills that people possess), social capital (which is flexible networks among people that allow the organizations to link, embed and leverage its diverse knowledge) and the organizational capital (which is the institutionalized knowledge possessed by an organization that is stored in databases and manuals). Mesfin *et al* (2018) also adds emotional capital which is the ability to convert the potential in intellectual capital into committed realized action. According to Muya and Kimando, (2018) in Sutherland, a significant amount of an organizations value is possessed by its employees and when the key employees leave companies, they take this value with them. It is indeed the knowledge, skills, and abilities of individuals that create value, which is why the focus has to be on means of attracting, retaining, developing and maintaining the human capital they represent (Ebenezer & Tamatey, 2017). This theory was used in this study to assess the role of workload on the effective rightsizing in small and medium enterprises in Nairobi County.

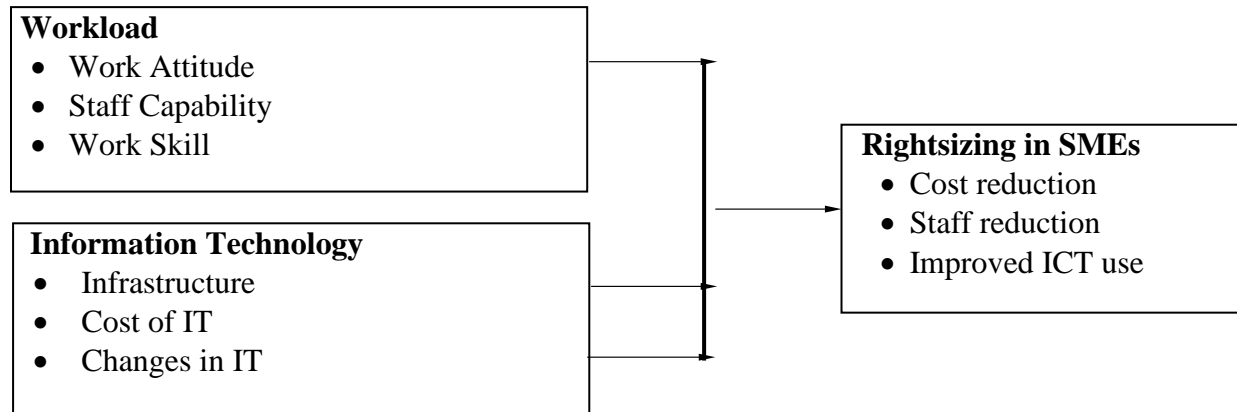
Technology Acceptance Model

The Technology Acceptance Model (TAM) by Davis (1986) portrays why clients acknowledge or dismiss advancement. Davis (1986) identified two distinctive beliefs related to Information System and computer apps that are generally accepted, that is the expected convenience and expected easiness of using innovation. Davis (1986) asserted that there is an association between the take-up of an innovation and the apparent convenience, usability of the advancement, client's disposition towards the innovation and users behavioral intents. Davis (1989) further developed the theory and it's the most broadly theory used to explain the user adoption of technology. TAM is inclined on the field of social psychology. The theory look at behavioral intents of using technology by drawing up relations between behavioral intention, uptake and using the system

Wu and Wang (2021) reported that accessibility of information communication technology contributes to greater business returns with better technology of communication use in comparison with the manual operation. Marangunic and Granic (2014) affirmed that the organizational context influences perceived ease of use and perceived benefits of an information communication technology. This model informs the study through stating that before adoption of e-procurement, attitude of the employees has to be assessed by managers across this new technology of information, so as to avoid waste of resources and implementation failure. This theory was used in this study to assess the effect of information technology on effective rightsizing in small and medium enterprises in Nairobi County.

Conceptual Framework

A conceptual framework is defined as an analytical tool with several variations and contexts and used to make conceptual distinctions and organize ideas (Serakan, 2017). The independent variables of this study include: workload and information technology whereas the dependent variable was effective rightsizing in small and medium enterprises in Nairobi County.



Independent Variables

Dependent Variable

Figure 2. 1: Conceptual Framework

Workload

Workload is defined as the number of tasks and obligations that you have to perform or complete within a specific amount of time. In an organization, the effectiveness work is determined by employee work attitude, staff capacity and employee work skills (Muthoni, 2016). Work attitudes are the feelings that employees have toward different aspects of the work environment. A job attitude is a set of evaluations of one's job that constitute one's feelings toward, beliefs about, and attachment to one's job. Overall job attitude can be conceptualized in two ways. Either as affective job satisfaction that constitutes a general or global subjective feeling about a job, or as a composite of objective cognitive assessments of specific job facets, such as pay, conditions, opportunities and other aspects of a particular job. Employees evaluate their advancement opportunities by observing their job, their occupation, and their employer (Omolo, 2015).

“Capacity” is the maximum amount of work that can be completed in a given period. Capacity is often measured in hours available to be worked by employees. An employee skill set creates an understanding of work duties and how to effectively perform daily job tasks. When an employee has an adequate skill set, she is better equipped to plan each day's activities so that she can reach her production goals. The employee works with her manager to make sure that the employee has the proper skills to execute daily work plans. The manager helps to develop employee development programs to maintain the skill set needed to reach corporate goals (Nakhaima, 2016).

Information Technology

Information technology (IT) is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data. An information technology system (IT system) is generally an information system, a communications system, or, more specifically speaking, a computer system – including all hardware, software, and peripheral equipment – operated by a limited group of IT users. Information technology infrastructure refers to a set of information technology components that are the foundation of an IT service; typically physical components, but also various software and network components (Masenge, 2016).

Empirical Review

Workload and Effective Rightsizing in Small and Medium Enterprises

Muthoni (2016) conducted a study on the influence of capacity building on financial performance and growth of women owned small and medium enterprises in Gikomba market; Nairobi county,

Kenya. The study employed descriptive survey research design. The population of the study was women owning Small and Medium Enterprises (SMEs) at Gikomba Market in Nairobi County. The researcher employed proportionate, simple random sampling techniques in identifying 357 respondents to be included in the sample. From the findings, the study concluded that majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship. Training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs.

Omolo (2015) conducted a study on workload and Performance of Small and Medium Enterprises in Kisumu County, Kenya. The study was conducted in SMEs in Kisumu County using cross sectional survey research design, on a target population of 777 and a sample of 260 clustered randomly selected SMEs, which represent 30% of the target population. Data was collected using structured, semi structured, Likert scale questionnaire and focus group discussion techniques. Data was analyzed using percentages and multiple regression techniques, reported using tables, charts, graphs and figures. The finding of the study showed that the performance of an SME is associated with the status of training and development and that the better the status of training and development in an SME, the higher the performance of the SME.

Nakhaima (2016) conducted a study on the factors that affect financial performance of small and medium enterprises in Kenya. A descriptive research design was adopted for this study. The target population of the study included the 4,560 SMEs in Nairobi County. Data available from the Ministry of Trade and Ministry of Industrialization, (2018) revealed that there were 2500 SMEs in Manufacturing, 1500 SMEs Trading and 560 SMEs in the service industry. Stratified sampling technique was used to determine a sample size of 100 from the total population. The study concluded that workload influence workload influences financial performance of small and medium enterprises in Kenya.

Information Technology and Effective Rightsizing in Small and Medium Enterprises

Masenge (2016) conducted a study on the influence of information and communication technology use on performance of small and medium enterprises in Kenya. This study adopted a descriptive survey research design. The target population under the study was the registered SMEs in Kamukunji sub-county. A sample of 101 SMEs were studied, obtained using 10% of the target population. The study relied on primary data sources and secondary data. Primary data was collected using questionnaires. Descriptive statistics were used to analyze the data. The study also established that the use of ICT led to growth and expansion of the business. The study concluded that information and communication technology has led to the growth of the business through volume of sales, access to new markets, volume of service / products and allowing businesses the capacity to handle a greater volume of work

According to Brynjolfsson and Hitt (2016), ICTs can enhance enterprise performance through indirect cost savings such as labour costs and increased labour productivity, and direct cost reduction of firm's input such as information costs. On top of these short-run impacts of ICT adoption in the production process, the use of ICTs in the transaction process can foster input and output market expansion. However, in the long run, ICT may have an even bigger impact as it can completely restructure the production process and transaction methods, increase flexibility and improve outputs. ICT is clearly considered as a key growth area in this century, specifically, in a dynamic business and highly competition environment which requires utilizing advanced ICT to improve efficiency and cost effectiveness, and to present high quality products and services to their customers.

Mutula and Van Brakel (2016) noted that ICTs, especially the internet, have a significant impact on the operations of SMEs by facilitating their access to global markets, enabling them to sell to international customers, and to compete favourably with large corporations. Strategic use of ICTs is viewed as near solutions to firm's problems. ICT has the potential to reduce the impacts of distance, reduce transaction costs, be used in information gathering and dissemination, inventory control, and quality control. Information and Communication Technology can enable SMEs to participate in the regional and international markets which are strategic for competitiveness, growth and further development.

RESEARCH METHODOLOGY

Research Design

For this study, the study used a descriptive survey research design. Descriptive research design enables the researcher to summarize and organize data in an effective way (Kireru, 2018). It provides tools for describing collections of statistical observations and reducing information to an understandable form.

Target Population

The unit of analysis as defined by Cooper and Schindler (2015) is the individual participant or the object on which the measurement is taken. The target population in this study was 128 managers/owners of registered SMEs in Nairobi County (Nairobi City County, 2021).

Sample and Sampling Techniques

The sample for this study was drawn using the census method. Census method is the statistical enumeration where all members of the population are studied. Therefore, this study was a census of 128 managers/owners of SMEs in Nairobi County.

Data Collection Instruments

The study collected primary data using semi-structured questionnaires. Specifically, respondents were targeted to provide information needed for the study. Babbie (2019) explained that questionnaires are most desirable data collection tools because they are simple to administer and scoring and also data analysis.

A semi-structured questionnaire comprised of both open ended and closed ended questions. In this study, the structured questions used Likert scale and nominal scale. The study will use a five point Likert scale to collect data on the dependent variable and the independent variables. Nominal scale was used to collect data on the demographic information of the respondents (Creswell & Creswell, 2017).

The questionnaire contained seven sections. The background data of the respondents was the first section. The second, third, fourth and the fifth part comprised questions regarding the independent variables of this study, whereas the sixth section covered questions related to the moderating variable. The seventh section consisted of questions regarding the study's dependent variable.

Piloting

A pre-test was conducted to identify and rephrase any ambiguous, misinterpreted or misunderstood questions. In addition, the pre-test will facilitate the removal of typographical errors and determination of whether the questions asked are relevant and appropriate. The pre-test group was sampled randomly and will comprise of 10% of the sample size. According to Babbie (2017), 10% of the sample required for a full study should be used in a sample size.

Data Analysis and Presentation

Collected data was analyzed using both quantitative and qualitative techniques. In qualitative technique, the researcher will perform content analysis on the findings collected from the open ended questions and presented in prose form. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics was computed and presentations done in percentages, means, SD and frequencies. Displaying of the information was done in table and figures. To facilitate this, responses was tallied, percentages of variations computed and data described and interpreted in line with study's objectives and assumptions.

Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. Inferential statistic is used to make judgments about the probability that an observation is dependable or one that happened by chance in the study. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. The bigger the correlation coefficient R, the stronger will the association be between two variables. The values was interpreted between 0 (no relationship) and 1.0 (perfect relationship). The relationship was considered small when $r = \pm 0.1$ to ± 0.29 , while the relationship was considered medium when $r = \pm 0.3$ to ± 0.49 , and when $r = \pm 0.5$ and above, the relationship was considered strong.

Multiple regression models was fitted to the data in order to test the influence of the independent variables on the dependent variable. The study will adopt multiple regression models at 5% level of significance to establish the strength and direction of the relationship between the independent variables.

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics Analysis

Workload and Effective Rightsizing in Small and Medium Enterprises

The first specific objective of the study was to examine the role of workload on effective rightsizing in small and medium enterprises in Nairobi County. The respondents were requested to indicate their level of agreement on various statements relating to workload and effective rightsizing in small and medium enterprises in Nairobi County.. The results were as presented in Table 4.1.

From the results, the respondents agreed that employees in their firm have adequate work skills. This is supported by a mean of 3.877 (std. dv = 1.086). In addition, as shown by a mean of 3.789 (std. dv = 0.876), the respondents agreed that staff capability influences firm performance. Further, the respondents agreed that they are satisfied with staff capability in their firm. This is shown by a mean of 3.631 (std. dv = 0.633).

The respondents also agreed that the employee work attitude influences firm performance. This is shown by a mean of 3.631 (std. dv = 0.904). With a mean of 3.596 (std. dv = 0.937), the respondents agreed that employees in our firm have positive attitude towards work. Further, with a mean of 3.526 (std. dv = 0.840), the respondents agreed that workload influences the rightsizing in small and medium enterprises in Nairobi County.

Table 4. 1: Workload and Effective Rightsizing in Small and Medium Enterprises

| | Mean | Std. Deviation |
|---|--------------|----------------|
| Workload influences the rightsizing in small and medium enterprises in Nairobi County | 3.526 | 0.840 |
| The employee work attitude influences firm performance | 3.631 | 0.904 |
| Employees in our firm have positive attitude towards work | 3.596 | 0.937 |
| Staff capability influences firm performance | 3.789 | 0.876 |
| Am satisfied with staff capability in our firm | 3.631 | 0.633 |
| Employees in our firm have adequate work skills | 3.877 | 1.086 |
| Aggregate | 3.708 | 0.873 |

Information Technology and Effective Rightsizing in Small and Medium Enterprises

The second specific objective of the study was to determine the effect of information technology on effective rightsizing in small and medium enterprises in Nairobi County. The respondents were requested to indicate their level of agreement on various statements relating to information technology and effective rightsizing in small and medium enterprises in Nairobi County. The results were as presented in Table 4.2.

From the results, the respondents agreed that implementing information technology is very costly. This is supported by a mean of 4.210 (std. dv = 0.981). In addition, as shown by a mean of 3.938 (std. dv = 0.809), the respondents agreed that they are satisfied with the extent of adoption of information technology in their firms. In addition, the respondents agreed that their firm embraces information technology. This is shown by a mean of 3.938 (std. dv = 0.809). Further, the respondents agreed that their firm has implemented the possible infrastructures to support information technology. This is shown by a mean of 3.842 (std. dv = 0.821). With a mean of 3.736 (std. dv = 0.708), the respondents agreed that information technology influences rightsizing in small and medium enterprises.

Table 4. 2: Information Technology and Effective Rightsizing in Small and Medium Enterprises

| | Mean | Std. Deviation |
|---|--------------|----------------|
| Information technology influences rightsizing in small and medium enterprises | 3.736 | 0.708 |
| Our firm embraces information technology | 3.928 | 0.925 |
| The firm has implemented the possible infrastructures to support information technology | 3.842 | 0.821 |
| Am satisfied with the extent of adoption of information technology in our firms | 3.938 | 0.809 |
| Implementing information technology is very costly | 4.210 | 0.981 |
| Change in information technology influences rightsizing in small and medium enterprises | 3.964 | 0.967 |
| Aggregate | 3.842 | 0.865 |

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (workload and information technology) and the dependent variable (effective rightsizing in small and medium enterprises) dependent variable. Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4. 3: Correlation Coefficients

| | | Effective Rightsizing In SME | Workload | Information Technology |
|------------------------------|---------------------|------------------------------|----------|------------------------|
| Effective Rightsizing In SME | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | | | |
| | N | 119 | | |
| Workload | Pearson Correlation | .828** | 1 | |
| | Sig. (2-tailed) | .002 | | |
| | N | 119 | 119 | |
| Information Technology | Pearson Correlation | .829** | .172 | 1 |
| | Sig. (2-tailed) | .003 | .079 | |
| | N | 119 | 119 | 119 |

From the results, there was a very strong relationship between workload and effective rightsizing in small and medium enterprises ($r = 0.828$, p value = 0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Muthoni (2016) who indicated that there is a very strong relationship between workload and organization effective rightsizing.

Further, the results revealed that there is a very strong relationship between information technology and effective rightsizing in small and medium enterprises ($r = 0.829$, p value = 0.003). The relationship was significant since the p value 0.003 was less than 0.05 (significant level). The findings are in line with the findings of Nakhaima (2016) that there is a very strong relationship between information technology and organization effective rightsizing.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (workload and information technology) and the dependent variable (effective rightsizing in small and medium enterprises)

Table 4. 4: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .925 | .856 | .857 | .10582 |

a. Predictors: (Constant), workload and information technology

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.856. This implied that 85.6% of the variation in the

dependent variable (effective rightsizing in small and medium enterprises) could be explained by independent variables (workload and information technology).

Table 4. 5: Analysis of Variance

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 172.027 | 2 | 86.014 | 485.95 | .002 ^b |
| 1 Residual | 20.568 | 116 | .177 | | |
| Total | 198.595 | 118 | | | |

a. Dependent Variable: effective rightsizing in small and medium enterprises

b. Predictors: (Constant), workload and information technology

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 238.92 while the F critical was 2.451. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of workload and information technology on effective rightsizing in small and medium enterprises.

Table 4. 6: Regression Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|-------|-------|
| | | B | Std. Error | | | |
| 1 | (Constant) | 0.134 | 0.039 | | 0.872 | 0.001 |
| | workload | 0.387 | 0.112 | 0.384 | 3.545 | 0.003 |
| | information technology | 0.379 | 0.104 | 0.380 | 3.663 | 0.002 |

a Dependent Variable: Effective rightsizing in small and medium enterprises

The regression model was as follows:

$$Y = 0.134 + 0.387X_1 + 0.379X_2 + \epsilon$$

According to the results, workload has a significant effect on effective rightsizing in small and medium enterprises $\beta_1=0.387$, p value= (0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Muthoni (2016) who indicated that there is a very strong relationship between workload and organization effective rightsizing.

Furthermore, the results revealed that information technology has significant effect on effective rightsizing in small and medium enterprises $\beta_1=0.379$, p value= 0.002). The relationship was considered significant since the p value 0.002 was less than the significant level of 0.05. The findings are in line with the findings of Nakhaima (2016) that there is a very strong relationship between information technology and organization effective rightsizing.

Conclusions

The study concludes that workload has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. Findings revealed that work attitude, staff capability and work Skill influence effective rightsizing in small and medium enterprises in Nairobi County.

Further, the study concludes that information technology has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. Findings revealed that infrastructure, cost of IT and changes in IT influence effective rightsizing in small and medium enterprises in Nairobi County.

Recommendations

The study found that workload has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. This study therefore recommends that the management/owners of SMEs in Nairobi County should ensure employees have positive attitude towards work and also ensure recruitment of competent employees.

Further, the study found that information technology has a positive and significant effect on effective rightsizing in small and medium enterprises in Nairobi County. This study therefore recommends that the management/owners of SMEs in Nairobi County should promote use of information technology the firm operations and discourage paperwork.

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