

**INFLUENCE OF GLOBALIZATION ON PERFORMANCE
OF SMALL AND MEDIUM SIZED ENTERPRISES IN THE
ICT SECTOR IN KENYA**

BY

NDUNGU EVAH WANGARI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF REQUIREMENTS FOR THE AWARD OF THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION,
SCHOOL OF BUSINESS
UNIVERSITY OF NAIROBI**

OCTOBER, 2014

DECLARATION

This research project is my original work and it has not been presented for examination in any other University.

Signature

Date

NDUNGU EVAH WANGARI

D61/75777/2012

This Research Project has been presented for examination with my approval as the candidate's University Supervisor.

Signature

Date.....

DR. JOHN YABS

LECTURER,

SCHOOL OF BUSINESS,

UNIVERSITY OF NAIROBI.

ACKNOWLEDGEMENT

I wish to register my gratitude to all those who offered me support while undertaking this research work. My sincere gratitude goes to my supervisor Dr. John Yabs, Lecturer, School of Business, University of Nairobi for his encouragement and his guidance, for the success of this research project.

To my family for giving me the invaluable support to concentrate on this research. My friends and colleagues in the MBA classes, for their moral and material support that contributed a lot in undertaking this research

Lastly, I thank the Almighty God for his provision, love, grace and protection.

DEDICATION

This Research Project is dedicated to my loving family for their support and patience during the entire period of my study. Their encouragement and continued prayers were instrumental towards the successful completion of this course.

Thank you and God bless you.

ABSTRACT

Globalization in a broader sense refers to the widening set of interdependent relationships among people from different parts of the world that happens to be divided into nations in order to facilitate the flow of goods, capital, services and labour. Globalization has had influence on the small and medium enterprises but more so the information and communications technology firms. The information and communications technology sector is lately receiving a lot of attention due to its contribution to the economic growth in terms of employment, wealth creation, and youth empowerment. This research study focused on the influence of globalization on performance of small and medium enterprises in the information and communications technology sector in Kenya. The study employed a cross sectional research design to achieve the objectives. The target population under study was registered ICT companies in Kenya. Of the registered companies 81% were based in Nairobi of which at least 42 Small and medium sized ICT firms were randomly selected as the sample size. Secondary data was gathered from Journal Publications, Articles, Government and Non-governmental bodies statistics on effect of globalization, library material, ICT journals and reports, media publications and various Internet search engines covering the influence of globalization to SMEs in ICT sector. Primary data was collected from respondents by the use of a questionnaire. The main focus of this study was qualitative research in order to provide holistic understanding of the objective. Descriptive analysis and interpretive approach was used to analyze the data. This made the data more meaningful and illustrative in the process of establishing the influence of globalization on SMEs in ICT sector In Kenya. The study concluded that globalization contributed both positively and negatively on the performance of SMEs in the ICT sector In Kenya. Particularly globalization had increased efficiency and effectiveness of service delivery in ICT sector, promoted growth and resulted in more markets for the products and services. It had provided immense opportunities for profitability and establishment of new enterprises, job creation and more revenue for the firms and government. On the other hand it lead to stiffer competition which was difficult to define, sophisticated customer demands, rapid development of technology and employee turnover as a result of competitive poaching. The study recommends for the development of mechanisms for internal capabilities to counter competition and employee turnover, government support sector through enactment of enabling legislations, providing proper infrastructure, cutting down on set up costs and taxes and facilitate training of the professionals. Further, small and medium enterprises can utilize electronic commerce in their global operations to enable them reach a higher number of customers through the internet resource.

TABLE OF CONTENT

DECLARATION.....	ii
ACKNOWLEDGEMENT.....	iii
DEDICATION.....	iv
ABSTRACT.....	v
ABBREVIATIONS.....	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 International Business.....	3
1.1.2 Globalization on Small and Medium Sized Firms.....	4
1.1.3 Small and Medium Sized Firms in Kenya.....	5
1.1.4 SMES ICT Sector in Kenya.....	6
1.2 Research Problem	8
1.3 Research Objective	10
1.4 Value of the Study	10
CHAPTER TWO: LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 Theoretical Foundations.....	12
2.2.1 Globalization as Transference.....	14
2.2.2 Globalization as Transformation.....	14
2.2.3 Globalization as Transcendence	15
2.3 Globalization and Internationalization of SMEs.....	16
2.4 Globalization and Information, Communication and Technology	17

2.5 Impact of Globalization on SMEs in ICT Sector	18
CHAPTER THREE: RESEARCH METHODOLOGY	20
3.1 Introduction.....	20
3.2 Research Design.....	20
3.3 Population and Sampling	21
3.4 Data Collection	21
3.5 Data Analysis	22
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS	24
4.1 Introduction.....	24
4.2 Respondents Profile	24
4.3 Profile of Organization	25
4.4 Finding of the Study.....	26
4.5 Discussion.....	28
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.	30
5.1 Introduction.....	30
5.2 Summary	30
5.3 Conclusions.....	31
5.4 Recommendations.....	32
5.5 Limitations of the Study.....	34
5.6 Suggestions for Further Research	35
REFERENCES.....	36
APPENDICES	40
Appendix 1: Introduction Letter to the Respondents	40

Appendix II: Research Questionnaire.....	41
Appendix III: List of ICT Companies In Kenya.....	44

ABBREVIATIONS

CCK	-	Communications Commission of Kenya
COMESA	-	Common Market for Eastern and Southern Africa
EU	-	European Union
GDP	-	Gross Domestic Product
ICT	-	Information and Communications Technology
IMF	-	International Monetary Fund
OECD	-	Organisation for Economic Co-Operation and Development
SMES	-	Small and Medium Enterprises
UNWIDER	-	United Nations World Institute for Development Economics Research

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The business environment within which each organization operates is complex, dynamic, multi-faceted and has far more reaching effects on an organization. Businesses function as part of a broader environment. They rely on the environment for inputs in form of human, physical, financial and other related resources (Daniels, 2013). The business environment has internal factors which are within an organization and bring out the strengths and weaknesses of the organization. The external environment factors are those that are outside the organization and bring about the opportunities and threats to an organization. Focusing on the dimensions i.e. micro and macro environment; micro environment refers to the immediate peripheral of an organization, it has a regular and direct influence and it consists of suppliers, customers, marketing intermediaries, competitors etc. Macro environment has broader dimensions; it consists of political, economic, demographic, legal, technological and global environment among others. (Hill, 2011)

In Kenya the environment in which businesses operate has been changing significantly over the last few years. This has mainly been impacted by political, economic, social, technological and demographic factors as well as the various developments in the global economy. Kenya has enjoyed a largely stable political environment since independence in 1963 and being surrounded by otherwise unstable neighbors that have been in civil strife, it has largely been seen as economic hub with many multinationals and humanitarian organizations setting base here.

The move to liberalize the economy in Kenya laid the groundwork for an investment friendly environment. Kenya is a member of East Africa Community and COMESA and is one of the signatories of the East Africa Customs Union creating a common external tariff for goods coming from outside the region. This has made it attractive to foreign investors and companies looking to access the East and Central African market. Kenya also enjoys a relatively well developed financial market, with the Nairobi stock exchange and the Capital Markets Authority opening up more listings on the stock markets by giving incentives to new companies that want to list their shares. The last two decades have seen rapid development in technology. Such technologies as mobile telephony were unheard of two decades ago. This has seen the introduction of a digital government, new channels for service delivery in areas such as e-government, e learning, e-health, mobile money and information dissemination. Through the use of modern technology, communication has become more reliable, faster and affordable. It is now possible to transmit data more effectively and at minimal costs. (Scribd, 2013)

The environment in which companies are doing business in Kenya is volatile. This is even more considering that the world has become a global village with what is happening in one country having an impact on countries thousands of miles away. This has been witnessed in Kenya and other countries where by interdependence on each country have increased trade among nations, competition from foreign firms and more specifically the increased global business transaction online or otherwise. Companies will therefore need to gear up to these changes in order to survive.

1.1.1 International Business

International business is important to all organizations because most are either international or compete with international companies. International Business refers to all business transactions both private and governmental that involve participants from two or more countries. (Hill, 2005) International business consists of all commercial transactions—including sales, investments, and transportation—that take place between two or more countries. (Daniels, 2013)

International business has contributed greatly to the rise of globalization or the interdependence between countries. According to Daniels globalization is the ongoing process that deepens and broadens the relationships and interdependence among countries while International Business is a mechanism to bring about globalization. International Business growth is contributed by an increase in and expansion of technology; liberalization of cross border trade and resource movement; development of services that support international business e.g. internet, air and sea transport; growing customer pressures; increased global competition; changing political situations; expanded cross national cooperation's (Daniels, 2013). Companies engage in international business to expand their sales, acquire resources and diversify or reduce risks. There is evidence of current interaction of SMEs with international business which has been realized through a range of cross border activities, including trade, international investment, and participation in strategic alliances, partnerships and networking arrangements affecting a variety of business functions ranging from research and product development to distribution. (Promoting entrepreneurship and innovative SMES in a global economy,

(OECD, 2004) this is so common in the ICT sector whereby strategic alliances and partnerships have played a key role.

1.1.2 Globalization on Small and Medium Sized Firms

Over the last few decades a fundamental shift has been occurring in the world economy. We have been moving away from a world in which national economies were relatively self contained entities, isolated from each other by barriers to cross border trade and investment; by distance, time zones and language, and by national differences in government regulations, culture, and business systems. We are now moving toward a world in which barriers to cross border trade and investment are declining; perceived distance is shrinking due to advances in transportation and telecommunications technology; material culture is starting to look similar the world over, the national economies are merging into interdependent, integrated economic system. This process is referred to as globalization. (Hill, 2011) .Globalization in a broader sense refers to the widening set of interdependent relationships among people from different parts of the world that happens to be divided into nations. It is the integration of world economies through the elimination of barriers to movements of goods, services, capital, technology, and people. (Daniels, 2013)

The effect of globalization on small and medium enterprises (SMEs) has received a lot of attention in Africa and Kenya in particular in the past few years. One of the reasons for the focus on (SMEs) is that these firms make significant contributions to the economy. According to the Economic survey (2006), the sector contributed over 50% of new jobs created in 2005. In Information, Communication and Technology (ICT) sector,

globalization has brought about increase and application of technologies, increased competition especially to the (SMES), companies have to up their game in managing their human resources, and customers are becoming more demanding and in most cases requiring same quality of services as offered by multinational firms.

1.1.3 Small and Medium Sized Firms in Kenya

The definition of small and medium-sized enterprises has been varied across the extant literature. For example, the different sectors of an economy will have different interpretations of the word ‘Small’. Some authors use turnover as a measure; some use the number of employees; some use profitability or net worth as a measure. Some researchers use a combination of measures like number of employees and turnover.

The Government of Kenya (2005) defined SMEs as those enterprises that have between 1 and 50 employees, whether formal or informal.

The importance of small and medium-sized enterprises (SMEs) in Kenya was first recognized in the International Labour Organization report on ‘Employment, Income and Equity in Kenya’ in 1972. The report underscored SMEs as an engine for employment and income growth. According to 2003 Kenya’s Economic Survey the level of employment within Micro and Small Enterprises (MSEs) in 2002 accounted for over 74.2% of the total number of persons engaged in the country. This is evidence that, with proper development strategies, the sector is capable of providing and surpassing the current government’s target of creating 500,000 jobs per year. In Kenya Small and Medium Enterprises are considered as the most prolific source of employment, with the ability to spread investment across the country (Sessional Paper No.2, 2005).

According to Kenya Economic Survey (2008), out of the total 543.3 new jobs created in Kenya in the year 2009, Micro, Small and Medium Enterprises (MSMEs) created 426.9 of them. This was 89.9% of the total new jobs created in Kenya that year. In the same year, the sector contributed KSh. 806,170 million of GDP which is 59 percent of total Gross Domestic Product (2009). The Kenya economic survey (2010) notes that this same sector generated 390.4 thousand new jobs which translated into 87.6 percent of the total jobs generated in 2009. SMEs create about 85 percent of Kenya's employment (African Economic Outlook, 2011 report). While the subsector constitutes close to 85 percent of employment; it only contributes about 20 percent of the total GDP. This implies dismal performance of the subsector. The development trajectory of the subsector thus requires a system which holistically fosters SME development. (Policy Options for Institutional and Regulatory Reforms in Kenya, 2013).

The small and medium enterprises (SMEs) play an important role in the Kenyan Economy. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. 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, 2007).

1.1.4 SMES ICT Sector in Kenya

The information and communications technology (ICT) sector has been the major driver of economic growth in East Africa over the last decade, growing on average by as much as 40%. To date, growth has largely come from innovation by large multinational and local enterprises. (Javier Ewing, Ory Okolloh, Lauren Rawlings, 2010)

Emerging areas of interest and investment that SMEs have ventured into include technology infrastructure and broadband, software development, local content development and (Business Process outsourcing) BPO centers. SMEs in the ICT sector, however, face a set of daunting challenges including access to business and technical skills, access to regional and global markets and limited early stage financing. In addition, these organizations must deal with a complex and immature regulatory environment. Despite these challenges, it is evident that SMEs stand to contribute to several new segments of growth for example value-added locally relevant content, as well as software and mobile applications. (Javier Ewing, Ory Okolloh, Lauren Rawlings, 2010)

According to a report by African Development Bank (AfDB) it singled out inadequate financing, high cost of doing business, capacity development and skills shortage as some of the challenges facing ICT SMEs in the country (Ochieng, 2010). Ochieng on Young Business Kenya, through various interviews with top managers in ICT identified the following as the key challenges in ICT namely: Access to capital as private equity or loans from commercial banks which are always expensive; lack of enough role models in the market as it takes time for such organization head to be accepted as a successful entrepreneur; competitive poaching where securing and maintaining top notch talent is a challenges as employees leave for better pay and inappropriate curriculum where the Computer Science/IT curriculum does not have adequate business courses while the Business curriculum does not have adequate IT/computer science courses and lack of

Government policy on incentives for ICT entrepreneurs e.g. software developers or IT consultants.

Kenya on the other hand has great potential for SMEs in the ICT sector. This is mainly driven by the government support and involvement through ICT Board and its enactment as an economic pillar in the Country`s Vision 2030, regulatory policies and bodies like CCK among others. The country has strong physical space and network capability especially with the laying of fiber optic cables and the growth in internet connections. The country has a tech savvy generation and its prominence to the public and decision makers. There has been a great growth of information and partnership opportunities with ICT multinationals big whips like IBM, Oracle and Microsoft among others whose aim is to get local presence. There also exist untapped potential areas within the ICT sector suitable for SMEs participation. This can be associated with the argument that globalization and international outsourcing help advance developing nations economies (Wild, 2010). It is important to note t hat as the overall ICT sector continues to develop in this country the prospects for this segment will continue to improve.

1.2 Research Problem

Increasing globalization and its influence on performance that comes with it is an important area of debate among the SMEs in Kenya in general but more specifically in the ICT sector. ICT itself (technological innovation) is a major driving force of globalization. (Wild, 2010)

Young Business Kenya cited a wealth report of individuals that control 62% of East Africa's economy. From the report, most of these people make their money from insurance, banking, real estate, agriculture and manufacturing. There was very little mention of ICT sector yet these firms have thrived by adopted of information technology systems, connectivity and communication. This means that there are firms which are providing crucial support services to the main stream sectors. These are mainly the SMEs as the area is not lucrative enough for the big corporations. These firms have played a key role in information systems software implementation, hardware installations, user training, job creation and economic growth yet they face a mired of challenges and sometimes lack direction on how scale up commercialization of innovations. With the introduction of a digital government, new channels for service delivery in areas such as e-government, e learning, e-health, mobile money and information dissemination; ICT is the next big thing and the fastest growing economic sector and we cannot ignore the firms that will see this come to fruition.

Some of the studies that have been conducted that were related to the influence of globalization on the performance of SMEs in ICT Sector include: Chebet (2008); Anthony Wanjohi (2010); Caleb Nyaga (2013) and Robert Mbataru & Kenneth Wanjau (2013).

Past academic studies in this area focused on SMEs or ICT firms and use, but there were hardly any studies conducted that had specifically addressed the issues of SMES in ICT sector in Kenya. There existed an unfilled knowledge gap in the current research literature on the influence of globalization on the performance of SMEs in ICT sector in

Kenya leading to the need of carrying out research on the influence of globalization on performance of SMEs in ICT sector in Kenya.

This research was aimed at answering the question; what is the influence of globalization on the performance of SMEs in ICT sector in Kenya?

1.3 Research Objective

The objective of the study was to determine the influence of globalization on the performance of SMEs in ICT sector in Kenya.

1.4 Value of the Study

To academics, the research will contribute immensely to the existing literature on influence of globalization and will form a basis for further future research. The findings of this study will go towards filling an existing information gap in regard to the influence of globalization on performance of SMEs in ICT sector.

To the government through ICT board and other regulatory bodies can use the findings of this study to see how globalization affects the performance of The SMEs in ICT sector.

The findings can be used to improve the current regulatory framework to improve the performance of the ICT sector and also offer opportunities to the country and its development partners to support and sustain ICT innovations in the country.

To the general Kenyan investor, findings of this study will be used to evaluate the feasibility of investing in the ICT sector with the ongoing challenges in the industry. The

findings of this research will also give strategic insights to players in SME ICT sector in Kenya.

Lastly, these findings will help ICT SME managers to better appreciate the role of globalization in the growth of their firms. This will further sensitize SME firms to find ways to overcome the challenges and increase their competitiveness. This will also help enhance government-private partnerships to promote policies that promote and nurture commercialization of innovations within the SME ICT segment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the existing literature review on the impact of globalization on SMEs and ICT sector. It outlines the Concept of Globalization, Globalization and internationalization of SMEs, Globalization and ICT and its impact on SMES in the Information, communication and technology sector.

2.2 Theoretical Foundations

The concept of globalization has gained intensive debate across disciplines. While the debates have often taken divergent views and positions on the phenomenon of globalization, they have attempted to develop a theoretical concept of globalization.

While there is much disagreement among scholars on the meaning of globalization and on the theoretical tools that are best to understand it, we identify a number of points with which, it is safe to say, most would agree. First, the pace of social change and transformation worldwide seems to have quickened dramatically in the latter decades of the twentieth century, with implications for many dimensions of social life and human culture. Second, this social change is related to increasing connectivity among peoples and countries worldwide, an objective dimension, together with an increased awareness worldwide of these interconnections, a subjective dimension. As well, most would agree that the effects of globalization – of those economic, social, political, cultural and ideological processes to which the term would allegedly refer – are ever present, and that different dimensions of globalization (economic, political, cultural, etc.) are interrelated, and that globalization is multidimensional (Robinson, 2005).

Most of the concepts are more generalizing than specific in their analysis of the aspects of globalization and their influence on political, social and economic aspects of our lives. For example Robinson 2005 focused on theories of global capitalism, world system theory, theories of space, place and globalization, Theories of transnationality and transnationalism, modernity and post modernity and finally on theories of global culture. These and other theories have informed empirical research into global processes, helped recast varied current social science agendas in light of globalization, and provided paradigmatic points of reference for studying social change in the twenty first century. Stohl, 2004 on the other hand explored the evolution of globalization theory, focusing on the work that was most relevant for organizational communication. First was ``Globalizing Organizations'' where she focused on theories of divergence and theories of convergence. She then focused on Organizing Globalization and focused on Cultural theory, Economic theory and Political theory.

In his attempt to develop a concept of globalization, Bartelson (2000) focused on "the constitution of „the global"" to investigate the realism in change caused by globalization.

His discussion focused on the ontological presuppositions and historical trajectory of the concept of globalization, this chapter distinguishes three distinct senses of the idea - transference, transformation and transcendence - and argues that these senses have emerged gradually within discourses on globalization.

2.2.1 Globalization as Transference

According to Armstrong (1998), globalization is a form of intensified transference or exchange of different commodities, including goods and services, across political, economic and cultural boundaries. Similarly, Bauman (1998) affirms that globalization is a change process whose origin is from a single unit. It creates different consequences as goods and services flow from one unit to the other. As such, globalization as transference thus implies exchange across existing unit boundaries and between units and system, but it still presupposes that this system as well as the units remains identical with themselves throughout the globalizing process (Bartelson, 2000).

Drucker (1997) is of the opinion that there is no much difference between globalization and both internationalization and interdependence. Nonetheless, internationalization and interdependence involve intensified exchange and movement of goods and services without causing any notable changes within the unit boundaries. However, Bartelson (2000) opines that while intentions, interests and strategies may vary, globalization leads to change, either positive or negative, within the different units involved in the exchange of commodities.

2.2.2 Globalization as Transformation

Hirst (1995) observes that globalization is a form of transformation that takes place at the systems level and as such affecting both the system and the individual units involved. In this view, Hirst (1995) hold the opinion that the transformation nature of globalization takes place over and above the existing units through the interaction between the variables within the system and the variables across the system.

Bartelson (2000) sees globalization as a process of transformation that occurs at the systems level, and it affects this system as much as it affects the identity of the units. According to Bartelson globalization takes place over and above the units as a result of the interaction between systemic variables across different dimensions and sectors of that system. Thus, globalization is by definition a multidimensional process that takes place outside in. To the extent that this process involves the units, it does so by turning them into reproductive circuits for those systemic processes and forces which ultimately will alter their identity and, eventually, the constitutive rules of the system in which they are situated.

2.2.3 Globalization as Transcendence

According to Bartelson (2000) globalization is neither inside out nor outside in but rather a process that dissolves the divide between inside and outside. Thus when conceptualized in terms of transcendence, globalization brings change not only to the identity of units and system but also to the conditions of existence of objects of inquiry and the fields where they are situated.

Focusing on globalization, Scholte (1997) affirm that globalization is a form of transcendence whose forces determine the identity of the units and systems involved. In this view, globalization is a force that eliminates the boundaries between units and systems to create an encompassing unit with exchange networks. Shaw (1997) is quick to note that when conceptualized in terms of transcendence, globalization leads to changes within the existing systems and units and changes the conditions of existence of these units and systems through the formation of the global link networks (Bartelson, 2000).

2.3 Globalization and Internationalization of SMEs

The emergence of e-commerce in the 1990s has tremendously accelerated the economic globalization. According to a definition proposed by the IMF (2000), economic globalization is “a historical process”, the result of human innovation and technological progress. Economic globalization also relates to the transfer of labor (people) and technology (knowledge) across international borders

In international business studies, firms engage in international business through export or import, strategic alliances, franchises, joint ventures among others. Many SMEs have engaged in international business to improve on the competitiveness of the firm. In the face of continuous liberalization of worldwide trade, the global competition will increase. Thus, it seems necessary to seek response to such questions as: what are the new challenges faced by SMEs in the era of globalization? How are SMEs impacted by globalization? How can SMEs react and what they do to adapt to the challenges?

The main motivations for SME internationalization are: entrepreneurial factors, search for opportunities as a result of shortage in the domestic market (Push factor), to exploit opportunities existing in foreign markets (Pull factor) and sometimes it's the existence of appropriate circumstances on the foreign market and development of the firms (Hill, 2005).

Sustained and healthy growth of this sector is obviously necessary, since it is difficult to imagine rising overall living standards and social peace without such a development (UNU/WIDER, 2001).

2.4 Globalization and Information, Communication and Technology

The advents in information, communication and technology (ICT) and the rapid economic liberalization of trade and investment in most countries have accelerated the process of globalization. ICT is a driving factor in the process of globalization (Daniels, 2013). Improvements in transportation networks and technology are reducing the costs of transportation while improvements in ICT have made an increasing volume of information available affordably.

ICT production and use impact on globalization in several ways as highlighted by UNCTAD information Economy report 2005. ICT is an enabler of globalization. It plays a critical role in the fragmentation of the global value added chain and in shifting parts of production to different geographical locations. By use of ICT, firms are able to exchange knowledge and information online anywhere in the world, communicate just in time with the clients and suppliers and deliver services efficiently. By off shoring and outsourcing, services can be provided by more cost effective suppliers. The ICT sector is highly globalized. ICT components and parts, telecom and computer equipments are manufactured in different locations. In 2004, The ICT sector had a lead role in international trade 13 percent, mergers and acquisitions 20 per cent and business value added 9 per cent (OECD, 2006).

Since the emergence of the internet in the late 1980s and early 1990s, the ICT services industry has developed into the most important industry in the European ICT sector comprising more than 90% of enterprises and about 80% of turnover. This trend is been

replicated in China, India and USA and developing countries. By far the largest proportion of these enterprises is SMEs with less than 250 persons employed. In fact, nine out of ten enterprises within each of the three sub-sectors of the European ICT services industry, ICT wholesaling, telecommunications and ICT consultancy, are micro enterprises with less than 10 persons employed (Ecorys, 2009)

2.5 Impact of Globalization on SMEs in ICT Sector

With increased global competition, the performance of SMEs in the ICT sector industry is greatly influence by globalization.

Micro, small, and medium sized companies in Africa all face broadly similar challenges accessing finance, although their specific needs are different. Three types of financing gaps exist: start-up, working capital, and capital expenditure (Javier Ewing, Ory Okolloh, Lauren Rawlings (2010). According to Ecorys 2009 states that the expectations for future software and IT services demand suggest that businesses keep on spending to keep their information systems running, but may postpone initiation of new projects. The impact of the global financial crisis on the availability of venture capital is expected to significantly stifle innovative start-up companies as well as spin-off opportunities and damage long-term growth prospects especially in European countries. The study also sites lack of commercial orientation of research and development activities .i.e. turning research inventions into successful market innovations.

InfoDev in its study in east Africa region sites challenges related to levels of business skills among entrepreneurs i.e world-class knowledge and training required to launch and

run successful ICT enterprises; lack of a connected network of entrepreneurs i.e. a hallmark of a thriving entrepreneurial community Similar to that of the Silicon Valley in the United States. This network enables mentoring, idea exchange, and sharing of practical advice that make for successful industries. In order to develop world class ICT SMEs, East Africa will need to cultivate entrepreneurs with world-class knowledge and training. Info Dev, through its market research identified the following as high potential areas within the ICT sector that are suitable for SMEs participation. This included Design and user interface development i.e. intuitive user friendly websites to encourage use of E commerce; remote delivery of services by use of simpler applications to enable use technology in sectors such as education and healthcare; linking mobile payment systems with online based e-commerce and trading platforms e.g. Amazon, face book etc; Content generation and software development i.e. demand for cheaper products and products that specifically address local needs, such as applications in local languages.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that guided the study in exploring the influence of globalization on performance of small and medium enterprises in the ICT sector in Kenya. Section 3.2 discusses the research design. Section 3.3 presents population and sample. Section 3.4 presents Data collection. Section 3.5 presents the data analysis.

3.2 Research Design

This research used a cross sectional study through a sample of Small and medium sized ICT firms operating in Kenya. This approach was credited due to the fact that it allowed the study to be carried out in natural, real life setting using probability which increased the external validity of the study. It also allowed analysis of variables under study using linear or multiple regressions as long as the sampling units for the study are many (Nachmias, 1996). It also allows greater flexibility in terms of money and time as well as avoiding the hardship of hunting for respondents more than once to produce high response rate.

The study focused on qualitative research in order to provide holistic understanding of how globalization influences performance of SMEs in ICT sector in Kenya. Using qualitative research in this study promoted an efficient review of the existing secondary information on the influence of globalization on SMEs in ICT sector in Kenya. The

materials used were carefully selected from peer-reviewed sources and authenticated platforms that had updated materials on globalization, SMES and ICT sector in Kenya.

3.3 Population and Sampling

The population of interest in this study comprised of small and medium ICT companies in Kenya. There were over 523 registered ICT companies in Kenya as captured by Soft Kenya online data base. SoftKenya is the leading facilitator and source of information to people of all kinds and need about Kenya. The study conducted a stratified sampling survey owing to the large number of Small and medium sized ICT companies Kenya. According to NaiLab (2008) a Business Incubator / Accelerator that supports Kenyan entrepreneurs with viable innovations in the technology and ICT arena, 81% of all ICT firms were based in Nairobi.

Using the guidelines given by Kothari (2004), a convenient sample of 10% of Small and medium ICT firms located in Nairobi as captured by Softkenya online data base was studied. This totaled to 42 firms (81% of 523 multiplied by 10%). The questionnaires were emailed to respondents to minimize on the costs and time of data collection.

3.4 Data Collection

This study employed primary and secondary research approach. Primary sources of data were used to collect data from respondents by the use of questionnaire as the main instruments of data collection. Open-ended questions were used to allow the respondents freedom of answering questions and the chance to provide in-depth responses.

Questionnaire was preferred because it was efficient, cheap and easily administered. Secondary data was also be used. Secondary Sources of data earmarked for data collection included; Journal Publications of globalization, Articles, Government and Non governmental bodies statistics on effect of globalization, Kenyan ICT Industry firms Websites, library material, ICT journals and reports, media publications and various Internet search engines covering the influence of globalization to SMEs in ICT sector, archived materials on globalization around the globe and SMEs.

In line with the arguments of Fisher (2004), the utility of this approach, secondary research approach, entailed gathering of information from the existing theory and literature on the influence of globalization on performance of SMEs in ICT sector in Kenya. The secondary approach was appropriate because it saved research time while compared to the primary research approach bearing in mind that the research had a limited period of retrieving the information from sources.

3.5 Data Analysis

The data collected was analyzed using descriptive and interpretive approach to give meaning and evaluations to the gathered data. The use of descriptive and interpretive process in analyzing the research data qualitatively made the data more meaningful and illustrative in the process of establishing the influence of globalization on SMEs in ICT sector In Kenya. On the same note, the data collected was analyzed according to the research objective. This was to ensure that the research main findings were clearly understood (Kothari, 2004)

Author's validity and credentials was counterchecked with academic list of approved authors discussing on the topic of globalization, SMEs and ICT sector. The information collected from the sources was valid and reliable; the study counterchecked on the usage of the materials on discussing globalization by accredited institutions and bodies such as universities and government entities

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This Chapter outlines respondent's profile, ICT sector performance as a result of globalization and explains how the data that was collected from respondents was critically analyzed based on facts that respondents raised with regard to sector performance. The data was qualitatively analyzed and measured.

The discussion is based on both primary data and secondary data obtained on the influence of globalization on the performance of SMES in the ICT sector in Kenya.

4.2 Respondents Profile

The study sought to gather information from owners or any individuals working on selected SMEs ICT firms in Kenya on the influence of performance of their firms in light of globalization. The research was designed to gather information from 42 ICT firms based in Nairobi. However, of the 42 earmarked for the data collection, 25 successfully responded. This gave a response rate of 60% of the target population. According to Kothari (2004) this response rate was good since a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

The researcher wanted to establish the position held by respondents. From the research findings it was established that majority were owners or chief executive officers, employees in both mid-level and senior level management. This meant that majority of

the respondents were well informed, well versed with technology and understood the issue of globalization and its influence quite well. Most agreed that globalization has led to faster adoption of better and efficient systems and well as opened up new markets for their products and services. A few of the respondents interviewed were technical staff.

The study sought to find out the highest academic level of the respondents. It was established that majority of the respondents had University Education. The researcher sought to find out the number of years the respondents had worked in the firm. It was established to be an average of 3 years. This could be attributed to the challenge of attracting and retaining skilled labour in the sector characterized by high staff turnover or movement to other established organization.

4.3 Profile of Organization

The study sought to find out details on number of employees, years of operation, markets serviced and nature of business of the respondents organizations.

It was established that most firms cut across various businesses among them digital marketing and advertising, MPesa Agents , Mobile phone and accessories, Computer equipment and accessories, ICT solutions providers, Information Systems Consultancy and Training and ICT support and training services. The number of employees varied based on the nature of the company business. In terms of the number of years of operation and location or markets serviced, it was established that majority of the firms that had been in operation for more than 10 years serviced select countries across Africa and/or East African countries. Those that had been in operation for less than 5 years and this formed the majority, operated either in Kenya only or Kenya and one more country.

4.4 Finding of the Study

Most of the respondents who responded clearly suggested globalization increased efficiency and effectiveness in service delivery, promoted growth in the sector, resulted in more markets for the products and services as well as stiffer competition. It was also noted that it had facilitated share of knowledge and experience across the global market among SMEs in the ICT sector in Kenya.

The findings indicate that most of the respondents clearly understood globalization as interconnection, integration and interrelation among people, goods and services operating in more than one country. Most agreed that globalization and contributed positively to the sector leading to faster adoption of better and efficient systems and well as creation of new markets for their products and services. It was noted that globalization provided immense opportunities for profitability and establishment of new enterprises, job creation and more revenue for the firms and government.

The majority of the respondent felt that the main changes in the Kenya ICT sector had been that of expansion of internet and IT infrastructure, increased skill level in terms of qualified and experience manpower and increased competition. It was noted that globalization contributed to rapid development in technology through the exchange of ideas, meeting changing customer needs and outsmarting competition and by creating the need to keep people interconnected necessitated continuous improvement in technology.

It was also evident from this study that many were the challenges faced by ICT firms as a result of globalization. Some of these challenges included: increased competition which was difficult to define, sophisticated customer demands mainly based on global trends which may not be available locally ,rapid development of technology that changes within a very short time, employee turnover and lack of standardized global regulation in the ICT industry. It is important to note that the issue of employee turnover was emphasized especially due to the difficult faced by SMEs in attracting and retaining skilled labour with high compensation as a key playing factor .As one respondent highlighted *`the small firms nurture the talent while the bigger firms buy talent`* only showed the extent of the challenge facing the SMES which lack capacity to pay huge salaries.

It was established that even though there existed many challenges as a result of globalization, it had its share of benefits. Some of the benefits to the firm highlighted from the study included: more efficient and faster ways of offering services to customers, availability of market for various products and the opportunity to expand business across many countries in the world, information availability and the enablement to gain international competitiveness.

Majority felt that the customer had access to better and more efficient services, improved products, a wider choice of products and reduced cost of products and services. Most of the respondents clearly suggested that the government would support the SMES in the ICT sector through enactment of enabling legislations, providing proper infrastructure, cutting down on set up costs and taxes and facilitate training of the professionals.

The finding indicated that the ICT sector contributed immensely to the economic growth of Kenya through job creation, source of government revenue through taxes and youth empowerment through the establishment of startups and institutions such as ihub and nairobi lab that assist in promoting and advancing the creativity and innovations developed by the youth.

It was interesting to find out from the respondent what emerging areas of interest and investment most SMEs were venturing into. The emerging areas topping the list were software development followed by local content development.

4.5 Discussion

An analysis of the 25 respondents revealed an obvious influence of globalization on SMES in ICT sector in Kenya. Globalization brought about increase and application of technologies, increased competition especially to the (SMES), companies had to up their game in managing their human resources, and customers becoming more demanding and in most cases requiring same quality of services as offered by global companies.

The firms faced stiff competition and this agreed with research finding of Zachary, Young Business Kenya (2010). Nonetheless competition had not been all negative. It had led to better services for customers, some firms leveraged on this to gain international competitiveness as well as cheaper products for the customers. It was worth noting that the increased competition was difficult to define, due to its multifaceted and complex nature.

A study performed by the Excelsior Firm funded by a consortium comprising InfoDev, UKaid and Hivos, (2010) indicated ICT sector had been the major driver of economic growth. This was backed up by respondents indicating that the sector had contributed to job creation, revenue for the government as well as youth empowerment. This also agrees with the to the Economic survey (2006), which indicated that the sector contributed over 50% of new jobs created in 2005.

An analysis of the finding indicated that the globalization made it difficult for SMEs in ICT sector to attract and retain skilled labour. This was mainly attributed to competition from established firms who were able to pay huge salaries which the SMEs could not match.

The data findings analyses indicates tremendous benefits of globalization to this sector namely wider markets for their products and services, efficiency, faster growth, exchange of ideas and availability of information. The finding narrowed down InfoDev (2010) report statistics on the major emerging areas that SMES were engaging as software development and local content development.

By way of interpretive analysis, the findings showed a co relation between the number of years of operation and scope/ location of operation where well established firms are able to engage in business with more than one country. Nevertheless respondents indicated that globalization had assisted SMEs to engage in online business allowing them to trade with customers across various countries of the world.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of the study. In addition, this chapter provides the conclusions of the study, the limitations of the study, suggestions for further research and recommendations. Both primary and secondary information was used to determine the results and findings of the study.

5.2 Summary

The study sought to establish the influence of globalization on performance of SMEs in ICT sector in Kenya. With the an increase of interconnectivity among nations and improved global infrastructure SMEs In ICT sector in Kenya have had both positive and negative Influence of globalization.

However, the solution lie in the adoption of globalization practices in the ICT sector and adaptation of the SMEs to the globalization environment. Most SMES in the ICT sector are putting their best effort to implement strategies in terms human resources, target market and improved services to help them succeed and counter competition. However, there are still some areas in which the SMEs in The ICT sector need to improve in areas like ownership structures and marketing strategies so as to capitalize on the advantages of globalization as well as deal with the negative impacts brought about by globalization.

5.3 Conclusions

This study sought to answer the following research question: what is the influence of globalization on the performance of SMEs in ICT sector in Kenya? It was to achieve this through a cross sectional study of a sample of Small and medium sized ICT firms operating in Kenya. This study achieved that objective by finding out that globalization had both negative and positive influence on the performance of SMEs in the ICT sector In Kenya.

The major negative influence of globalization on the SMEs in ICT sector included stiff competition from other global organizations and competitive poaching where securing and maintaining top notch talent is a challenges as employees leave for better pay. On this note, among other factors that were identified to facilitate the negative influence of globalization on ICT small and medium enterprises include and high costs of conducting global business transactions, inadequate monetary resources to finance global operations especially early stage financing and rapid advancement of technology makes skills acquired very irrelevant in a short period of time.

With the intervention of the Kenyan government and involvement through ICT Board, its regulatory policies of promoting the development of ICt sector, coupled with the country strong physical space and network capability especially with the laying of fiber optic cables and the growth in internet connections the SMES have gradually entered the global market. As such, though these SMEs have not been highly efficient in the global market, they have experienced different positive impacts of globalization including; wider

markets for their products and services, efficiency and faster ways of offering services to customers, faster growth, investment opportunities, exchange of ideas and availability of information and the enablement to gain international competitiveness.

There is a great capacity for SMES in the ICT sector but it's not yet well explored. These include local content development, equipment and accessories supplies, internet and infrastructure and software development.

5.4 Recommendations

The study found out that quite a number of the respondents understood the concept of globalization nevertheless the application of that knowledge on formulation of strategies was lacking. This study therefore recommends that ICT firms formulate policies that adopt globalization practices in order to become competitive, minimize costs and maximize on profitability.

The negative global impacts faced by the Kenyan SMEs in the ICT sector in the international market call for the development of mechanisms for internal capabilities. This would enable the firms to overcome any globalization challenge in the course of their operations.

The study found out that ICT sector had high significant in the Kenya in the process of stimulating and promoting economic growth. To this end, drastic measures are required to ensure that the firms in this sector are efficient in both the local and international

markets. Specifically the government should support the SMES in the ICT sector through enactment of enabling legislations, providing proper infrastructure, cutting down on set up costs and taxes and facilitate training of the professionals.

The study found out that international competition affected the performance of SMES in ICT sector. Therefore, this study recommends setting of standards to regulate the sector locally and globally. It also recommends firms to implement a niche market strategy in which they would become the global suppliers of specialized niche products and services. This would fend off competition from other global competitors. They can utilize the strategy networking whereby they would collaborate with other global organizations to enable them overcome operation costs. Equally, small and medium enterprises can utilise electronic commerce in their global operations to enable them reach a higher number of customers through the internet resource.

It was established that the sector lacked enough role models in the market as it takes time for such organization head to be accepted as a successful entrepreneur in the country. As such, the media, the government and all stake holders should take lead in recognizing the efforts made by pioneers in the ICT sector and highlight their progress. This would play a bigger role in motivating and encouraging young entrepreneurs in the sector.

The study established lack of proper mechanisms of reducing employee turnover as a result of competitive poaching as a daunting challenge among the SMEs in this sector. The study recommends that the firms adopt retention strategies aimed at both short term

and long term benefits to the employee, create a sense of ownership, recognize effort as well as create an attractive package based on the output of an employee. Equally the firms could also enlarge its pool of human resources to ensure proper succession and transition. Finally yet importantly, the firms in this sector should form an association that fights for its rights in terms of coming up with regulatory policies and quality standards, regulating unlawful competition as such elimination unfair competition and employee poaching.

5.5 Limitations of the Study

The ICT sector is usually very busy and thus the researcher experienced delayed feedback from the respondents on the basis that they work within strict work schedules and limited time was available to complete the questionnaires. The challenge was overcome by giving the respondents the questionnaires at the right time for appropriate responses and an extended duration to fill in coupled with telephone and email follow ups.

Most of the respondents were unwilling to respond due to negative perception associated with such studies. The challenge was minimized by targeting more respondents above the set number, increasing the probability of responses.

The respondents approached were reluctant in giving information fearing that the information sought would be used by their rivals. The researcher handled the problem by sending an introduction letter from the University together with the questionnaire and

assured them that the information they gave would be treated confidentially and it was to be used purely for academic purposes.

5.6 Suggestions for Further Research

The study has explored the influence of globalization on performance of SMES in the ICT sector in Kenya. The ICT sector in Kenya however is much larger. This warrants the need for another study which would ensure generalization of the study findings for all the ICT companies in Kenya and hence pave way for new policies.

Further studies should Audit ICT firms in Kenya to assess their efforts to adopt globalization practices and how they leverage this to create a competitive edge in the ICT SMEs habitat.

More studies could also be carried out to establish how ICT firms can minimize challenges experienced as a result of globalization and hence improved productivity and competitiveness.

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APPENDICES

Appendix 1: Introduction Letter to the Respondents



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE...12...MAY...2014

TO WHOM IT MAY CONCERN

The bearer of this letter ...EVAH WANGARI MBUNGU.....


Registration No...B61/75777/2012.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



Appendix II: Research Questionnaire

Please supply the required data by filling in the blanks where space is provided or by ticking against the most appropriate answer.

Respondents name..... [Optional]

Section A: Demographic Data of Respondents

1. What is your position in this Company?
 - Owner/CEO []
 - Senior management []
 - Mid level Management []
 - Technical staff []
 - Administrative staff []
 - Others []
2. Please indicate your highest Academic Level
 - Diploma []
 - Degree []
 - Post graduate [Masters] []
 - PhD []
3. How long have you worked in this Company?
 - Below 1 year []
 - 1 - 2 years []
 - 2 - 3 years []
 - 4 - 5 years []
 - Above 5 years []

Section B: Profile of the organization

4. What is the number of employees in your organization?
 - Less than 10 []
 - 10 - 20 []
 - 20-50 []
 - 50-100 []
 - Above 100 []

5. How long has this Company being in operation?

- Less than 3 years []
- 3 - 5 years []
- 5 - 10 years []
- 11 - 15 years []
- Over 15 years []

6. Which location does your firm serve?

- Kenya only []
- Kenya and one more country []
- East African countries []
- Select countries across Africa []

7. What is the nature of your organizations business?

.....

Section C: Sector Performance

8. What do you understand about Globalization?

.....

9. Do you see any value of globalization to your firm and the ICT industry?

.....

10. In your view, what are the effects of globalization to SME ICT sector in Kenya?

.....

.....

.....

11. What are the main changes in the Kenyan ICT sector situation during the past years?

- Government support through its bodies ICT board and others []
- More qualified and experienced manpower (workers) []
- Expansion of Internet and IT infrastructure []
- Sophisticated customers requirements and demands []
- Increased Competition []
- Other.....

12. Has globalization contributed to the rapid development in technology

Yes [] No []

Please explain

.....

13. Please highlight challenges faced by your firm as a result of globalization

.....

14. What are some of the benefits of globalization?

a) To your firm

.....

b) To the consumers in general

.....

15. What opportunities does globalization present for ICT sector in Kenya?

.....

.....

16. How is the information and communications technology (ICT) sector contributing to the economic growth of Kenya

.....

17. In your view, which are the main emerging areas of interest and investment that most SMEs are venturing into:

- Technology infrastructure and broadband []
- Software development []
- Local content development []
- Support services (Training and implementations of main stream systems) []
- Business Process outsourcing (BPO) centers []
- Others.....

18. How should the government support the SMEs in ICT sector?

.....

19. Does SMEs in the ICT sector face problems in attracting and retaining skilled labour and skilful business leaders? Explain

.....

20. How do you perceive globalization in relation to competition and performance of SMEs in ICT sector?

.....

Appendix III: List of ICT Companies In Kenya

IT, ICT, Technology and Computer Companies in Kenya	
1. Abacus Computer System	262. Interactive Business Technology Ltd ‘
2. Abacus Computer Systems Ltd.	263. Interactive Technology Limited
3. Abovenet Technologies	264. International House Business Centre
4. AccessKenya Group	265. Internet Solutions Kenya
5. Accoladebiz Co. Limited	266. Intersat Africa Ltd
6. Accolade Computer Technologies	267. Invent Cartridges Ltd
7. ADCENTS MEDIA LTD	268. Invent Technologies Ltd
8. Adonis Art and Design	269. Isolutions Associates
9. Advance one Ltd	270. Isys Technologies Ltd.
10. Adwest Communications	271. iTkenya
11. Adwest Communications	272. IT Kids Ltd
12. Afribit Online	273. Iwesotech Services
13. Africa360 Ltd	274. Jambo Telkom Limited
14. Africa Journal Online	275. JASADUBITS SOLUTIONS
15. AfricanColours Limited	276. J.C. Ventures
16. African Desktop Ltd	277. jejobyte communications
17. Africa Online Kenya Limited	278. Jenga Web Ltd
18. Afrinet Cyber Cafe	279. Jenntech Systems
19. Afritech Solutions Ltd.	280. Jonk services
20. A.I Records (Kenya) Ltd	281. Joomla Convert
21. A.I Records (Kenya) Ltd	282. Joseph Co Ltd
22. AITEC East Africa	283. Jossie Product Ambassador
23. A.K. Computerlink Ltd	284. Jowa Technology Ltd
24. Alldean Satellite Networks Ltd	285. Kahawa Digital Solution
25. Alliance for a Green Revolution in Africa – AGRA	286. Kamundu Entertainment
26. Allicos	287. Kemnet Technologies
27. Almond Communications	288. Kenya Microcomputer Systems Ltd
28. Alphabit Technologies	289. Kenya Network Information Centre (KENIC)
29. Alphajiri Kenya	290. Kenya Online Marketer
30. Altech Technologies	291. Kenyaweb.com
31. Alternative Technology Supplies	292. Kenya Webhositng
32. Alwan Communications Ltd	293. Khekonya Telecoms Solutions Ltd
33. Amiran Communications Ltd	294. Kijiji Media
34. Andest Bites	295. Kinetic Technology
35. Arid Land Information Network	296. Kingsoft Company Limited
36. Armaco Kenya Ltd	297. Klay-klay
37. Asper Worldwide Enterprises	298. Knowledge Technology Ltd
38. Asper Worldwide Enterprises	299. Kololua Technologies Limited
39. Aster Global services Kenya Ltd(AGSKL)	300. Krisjonz Computer Ltd
40. Aster Ltd	
41. Astron Computer Ltd	

42. Attika Crafts Agency	301.Kulwant Advisory
43. Avant Garde Design	302.Kwamtandao.Com
44. Avtech Systems Limited	303.Labos Technologies (K) Ltd.
45. Baobab Solutions co. Ltd.	304.Lamu Software
46. Barizi Web Solutions	305.Lantech
47. Begood Computers Ltd.	306.Lantech Ltd
48. Bejeris Jamoh the Xpert	307.ICN Solutions
49. Bell Atlantic Communication Limited	308.Lime Technologies Limited
50. Bell Atlantic Communication Ltd	309.Limpo Business System
51. Bell Computers	310.Linksoft Communications Systems
52. Benjos Investment	311.Linksoft Communication Systems
53. Bensa Technology	312.Linnicom
54. Bermin Cyber Cafe	313.Lino Stationers Ltd
55. BestComm	314.Infotech Systems & Services
56. Bestell Computers Ltd	315.Logisol Africa Limited
57. Best Telecom Limited	316.Lotex Technologies
58. BestWebs Systems	317.lzon Future System Ltd
59. BestWebs Systems	318.Machines Technologies
60. Better Globe ICT	319.Mackphilisa Computer Systems
61. Bewa Computer Systems	320.Macleons Enterprises
62. Billboard Creations	321.Mac More Solutions
63. Birowaks	322.Mafundi wa Mitambo
64. Bitcomm Technologies	323.Magical Kenya
65. Bit Cyber	324.MAGNUM
66. Bloomerg Limited	325.Magnum Data Ltd.
67. Blueline Synergy Limited	326.Magtech Solutions Ltd
68. Blueprint Technologies	327.Mambo Microsystems
69. Blue Violet Interactive	328.Manam Infotech Pvt Ltd
70. Blueweb Technologies	329.Mano Designs & Solutions Ltd
71. Blueweb Technologies	330.Mark Computer
72. Bostelecomputing	331.Mayne Heights International
73. Breezenet Technologies	332.Mc Marvel Acts
74. Bridge Ict	333.MCS – Misters Control System speed monitor
75. BrighterDayWeb	334.MCS(Misters Control System speed monitor
76. Bright Webs Media	335.Mediabase Productions Ltd
77. Broker	336.Mediawise ideals ltd
78. Bromley computer systems	337.Mediawise ideals ltd
79. Bunduz Creative	338.Medibaw (K) Ltd
80. Businet Systems	339.Mentor Systems
81. Butterfly Solutions, Inc.	340.Merc Data Solutions
82. ByTech	341.Metrocomia East Africa
83. Bytech Engineering Ltd	342.MFI Group
84. Byte Systems	343.MFI Office Solutions
85. Calais Communications	344.Michael Jones Software
86. Capstone Computers	

87. Cellulant	345. Microskills Information Technologies (K) Ltd
88. Centrifonline	346. MiDCOM Limited
89. Centurion Systems	347. Miketech Computer Solution
90. C Hear (K) Ltd	348. Mindwaves Technologies
91. Ches Interactive	349. Mink Host Ltd
92. Chirema Telecommunications	350. Mitsumi Computer Garage Ltd
93. Christopher Kyalo Consulting	351. Mobile for Good Ltd
94. ChwaniTech	352. Mobile for Good Ltd
95. CIO East Africa	353. Mobile Solutions
96. CISI Kenya	354. MobiWorld Technologies
97. Cloudnine Interaction	355. Model Office Copiers Investments
98. Cocopie Systems Limited	356. Modern Business Communications Ltd
99. CoffeeWorks Solutions	357. Moktel Communications
100. Comfortrain Computers	358. Mouseatwork.com
101. Communications Commission of Kenya (CCK)	359. Muranga Computers Group
102. Compulynx	360. Mutembei
103. COMP-USA (K) Ltd	361. Mutunguru Cyber Cafe
104. Compusys	362. Muva Technologies
105. Computer Aid International	363. Mwas
106. Computer Lynx Ltd	364. mywebsitenet.com
107. Computer Planet	365. NaiCity – The Nairobi Online Business Directory
108. Computer Planet	366. Nailab
109. Computer Point	367. NairobiNet Online
110. Computer Revolution	368. Naisoft Limited
111. Computer Revolution Ltd	369. Nash cyber
112. Computer Source Point	370. Native Media Technologies
113. Computer Technics Ltd	371. Nditronics Communications Limited
114. Computer Technologies	372. Nero Web Solutions
115. Computer Zone Consultants & Supplies Ltd	373. Netware systems
116. Comtec Group	374. New Com Computer College
117. Comtec Networks Ltd	375. Newtec Concepts Ltd
118. Com Twenty One Ltd	376. Nexus Networx
119. Copycat Limited	377. Nix accessories
120. Copy Cat Ltd	378. Nouvelles Images Limited
121. Crescent Tech	379. Octagon Data System
122. Cyber Africa	380. Octopus ICT Solutions Ltd.
123. Cyber Cafe Pro	381. Office Mart Limited
124. Daniche Solutions	382. Office Savvy Limited
125. Dankam Agency	383. Okoa Doo
126. Data Centre Ltd,	384. Olive Computer Dealers
127. Data Display System	385. One World Networks Ltd
128. Data Perfect Computer Services	386. One World Technology
129. Data Sector	
130. Davetech Systems & Services Ltd	

131.Dechtech Solutions	387.Onpoint Tracking System
132.Deep Africa	388.Onsite Nakuru IT
133.Definitive Technology Ltd	389.Opencast Information Technology
134.Delisys Delivery Systems Ltd.	390.Opensky East Africa Ltd
135.Designergy Company Limited	391.Openview Business Systems
136.Designjobs Interactive Media	392.Openworld
137.Design Village	393.Optical Networks
138.Deviant Design	394.Oracom Kenya Web Solutions
139.Difinit Point Kenya	395.Orange
140.Digital Age Institute Ltd	396.Orange Kenya
141.Digital Consulting Group Limited	397.Orgacilla Merchants Ltd
142.Digital Duka	398.Oryx cyber
143.Digital Edge	399.Pae Mark Designers
144.Digital Edge Interactive	400.Passive Software Technologies Limited
145.Digital Horizons Ltd	401.PC Tech Systems Ltd
146.Digital Link Ict Solution Provider	402.PC World
147.Digitek IT Mart Ltd	403.Peak and Dale Solutions Ltd
148.Digi-Tel Limited	404.Peakt Solutions
149.Dimension computers	405.Pergamon Ltd
150.Direct Communications Systems Ltd	406.PesaPot Holdings Limited
151.Disney Media	407.Pharaohken Solutions.
152.Domains Kenya	408.Pinecrest Studios
153.Dot Com Laptop Computer Garage	409.Pinehearst Systems
154.Dot Savvy Limited	410.Power Innovations Ltd
155.Doxa Interactive Studio	411.Pricedata.net
156.Dynatch Computers	412.Prime Wood Ltd
157.East Africa Data Handlers Ltd	413.Propertyunit.com
158.East Africa Virtual School	414.Protec
159.East Africa Webhost	415.Qaulitywise Enterprises
160.Eastcom Computers	416.Q-Line Technologies Ltd
161.EasyFax	417.Qliwi – Wonderful Websites
162.Easy IT Computer	418.Quad cypher systems
163.Eaxpo	419.Quality Computer Services
164.Eazteq LTD	420.Raidar Creative
165.Ebenezer Movies	421.Rampart Technologies
166.Ebits Online	422.Rampart Technologies
167.Ecommerce Websites Custom Design & Development By Expert Magento,Prestashop, & Joomla developers.	423.Rapid Applications Developers
168.Economic Industries Ltd.	424.Ravenzo Trading
169.Ecrown Technologies	425.Rhino Charge
170.Efficientwebs Ltd	426.Richmond Designers And Printers
171.Elyon Comptch Supplies	427.Rivotek Kenya Ltd
172.Empire Microsystems Ltd	428.Rnemia Technologies
	429.Rnemia Technologies
	430.Rosymaish Technologies
	431.Ryson Communications Group ltd

173. Endeavour Africa Kenya	432. Sahannet
174. Enedu Web Host	433. Sai Office Supplies Limited
175. Enet Online Solutions	434. Saltec Computers
176. Enfinite Solutions Limited	435. Sam Maosa
177. Enigma Technologies Ltd	436. Saptronics Ltd
178. Enlightened IT Development	437. SasaHivi Media Ltd
179. Enterprise Data Freedom Limited	438. Sasahost Limited
180. Enterprise Information Management Solutions (EIM)	439. SawaSawa.com Ltd
181. Entevart Impressions	440. Scafric Enterprises
182. Epay Market	441. ScreeNet Technologies
183. Epicor Software Corporation	442. Security Risk Solutions Ltd
184. Eribros Media Solutions	443. Shamata Technologies
185. Eset	444. Sharcy Corporation
186. Esjo Media Services	445. Shop & Deliver
187. ESRI Eastern Africa	446. Simbanet (K) Ltd
188. Essar Telecom Kenya Limited	447. Simba Photocopy
189. Evans Computing Solutions	448. Simmons Media Relations
190. Evolve Media Limited	449. Smart Boards Intersol
191. Excel Excellence in Networking	450. Smartlink Technologies
192. Express Communications Ltd	451. Smart Link Technologies Ltd
193. Extend Limited	452. Smart Net Cyber
194. Ezra Onsinyo Birundu	453. Smart Web Kenya
195. Fairtech Solutions Limited	454. Snettscom innovative web solutions
196. Fastnet Cyber	455. Softlink Options
197. Fgee Technical Agencies	456. Software Technologies Ltd
198. Finedatta Africa Ltd	457. Sokoletu Creative Limited
199. Fintech Kenya Ltd	458. SolutionsKenya.com
200. First Itech Ltd	459. SpaceWave Technologies
201. F K Electronics	460. Specicom Technologies Ltd
202. Flannes International Limited	461. Spidtell
203. Flint Media	462. Spikenard Web
204. Footprint Computer Solutions Limited	463. Squad Digital Limited
205. Foresight Computer Services	464. Starcom
206. Freelance Web Developer	465. Swift Global (K) Limited
207. Freepac Tech	466. Swift Technologies Limited
208. Frepactech Ltd	467. Swiftweb International
209. Frida Cybercafe	468. Symatec Solutions Company Ltd
210. Friendtech Inc	469. Symbiotic Media Consortium
211. Frontdesk Accessories	470. Symphony
212. Future Technology Ventures	471. Synfotech Technologies Kenya
213. Galaxy Systems	472. Systems Kenya
214. Galle Systems	473. Tadiran Telcom
215. Gemi Technologies	474. Takamori Computers
216. Gem Multimedia Ltd	475. Tangerine
	476. Tangible Business Solutions

217. Gem Multimedia Ltd	477. Taurus Business Systems
218. Gerald product ambassador	478. Tecbytes Computer Solutions
219. Ghafla Kenya	479. Techbiz Ltd
220. Ghetto Entertainment	480. Techmand Solutions International
221. Gift Electrical and Mobile Accessories	481. Technology Today
222. Gigabyte Systems Ltd	482. Techzone Ltd
223. Gigwapi Solutions	483. Telemas Company Limited
224. Global Link Consultants Limited	484. Terabyte Solutions
225. Globaltech It Gurus Ltd	485. Tetra Infotech LLC
226. Golman computers	486. The Handmade Web
227. Google Kenya	487. Tim Studio
228. GotIssuez.com	488. TK Professional Computer Services
229. Graphics Beyond	489. Touchline Technologies Ltd
230. Graphics Beyond LTD	490. Track and Trace Kenya Ltd.
231. Greenline Technology Ltd.	491. Tramigo
232. Gsoco Online	492. Ubunifu Capital
233. Gtech World Enterprises	493. Union Technology Limited
234. Hadem cyber	494. Vic Web Professionals
235. Happy Land Electronics	495. Vilmart Computer Consultants
236. HDS Logic	496. Virtual media solutions
237. Heartbit Computer Solutions	497. Virtualsat Ltd
238. Hilasoft Systems	498. VisualPixel Systems
239. HOME – The Kenyan Homepage	499. Voda World Cellulare
240. Hongkong Yejian Technologies Co., Ltd.	500. voIPKenya
241. Hookup Dating Agency	501. Vybz Kenya
242. HP Kenya	502. Wagold Kenya
243. Hyper Centre	503. Wavelogic Solutions
244. ICL Kenya Ltd	504. Web Focus Solutions
245. Icon Computers	505. Web Host Africa Ltd
246. Icon Telesec Services Limited	506. Webhost Kenya
247. Imagine Brands	507. Webleytech
248. Impact Communications Group	508. Weblink Creations
249. Inet Cyber Cafe	509. Web Professional Services
250. I.Net Microsystems Kenya Limited	510. Web-Sense
251. Infinitydownline	511. Websimba LTD
252. Infinium Technologies	512. Webska Cyber
253. Infisoft Systems	513. WebSoft Development
254. Inflex Africa Technologies Ltd	514. WebSpaceKenya IT Solutions
255. Infocom Ltd.	515. Wencyber
256. Infoken Solutions	516. www.logisticskenya.com
257. Ingenuity Solutions	517. www.operasoftsolutions.com
258. Innovative Computer Solutions Ltd	518. Xerotech Systems
259. Institute of Software Technologies	519. Yukon Enterprises
260. Integrated Networks and Data	520. Zaburi Host
	521. ZeboTech Business Solutions

Systems Ltd. 261.Intellisoftplus	522.Zuku 523.Zuku Fibre Services
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Source: Softkenya.com online data base