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# Factors affecting adoption of project management processes by Small and Medium sized Enterprises (SMEs) in Nairobi

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**FACTORS AFFECTING ADOPTION OF PROJECT MANAGEMENT  
PROCESSES BY SMALL AND MEDIUM SIZED ENTERPRISES (SMES) IN  
NAIROBI**

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**MBA/84915**

**Submitted in partial fulfillment of the requirements for the award of a Master's in  
Business Administration (MBA) Degree**

**Strathmore Business School**

**MAY, 2019**

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George Kagwa Gacheru

May 2019

### Approval

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## ABSTRACT

The research sought to understand the factors that affect the adoption of Project Management processes among Small and Medium Enterprises (SMEs) in Nairobi, the Capital City of Kenya. Other studies have shown that for businesses to continue delivering value for their customers, there is an urgent need to have a nexus between the process of project management, characteristics of the organization and the project type. Through the research, it was apparent that the project management processes required by SMEs varies greatly from that required by traditional and large projects; the culture among SMEs, financial resources available to them and the management experience all contribute in the low adoption of project management among this latter group of organizations. The research investigated three factors, namely, finance, managerial experience and the business environment. The research was further anchored by two theories, namely, resource based theory and the theory of constraints. The research design was descriptive, targeting a population of SMEs operating in Nairobi. Stratified random sampling was used to select the study sample. Structured questionnaires were used to collect data and the Primary data was collated using questionnaires that were self-administered and sent to respondents. The study concluded that there was a positive and significant correlation between access to financing, managerial experience and the business environment and adoption of Project Management processes in SMEs in Nairobi, Kenya. Using regression analysis, the research established that access to financing has the most influence on the adoption of Project Management processes whilst the business environment and managerial experience were less significant in that order. The study found that to increase the adoption of Project management processes by SMEs, firms should allocate enough funds to the process and train their employees on the use of Project Management processes. Regular training should be embraced to equip the operational team with the required skills in adoption of PM processes.

## ACKNOWLEDGEMENT

I wish to firstly, thank God for giving me the gift of life to write this research. I wish to express my gratitude to my supervisor, Dr. Vincent Ogutu. Finally, I also extend gratitude to my colleagues whose presence offered me the psychological motivation and support.

## **DEDICATION**

I dedicate this research to my wife, children, parents and my entire family who in many ways encourage me to aim highest as education there is no limit.

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## ACRONYMS AND ABBREVIATIONS

SMEs	Small and Medium Enterprises
M&E	Monitoring and Evaluation
CEO-	Chief Executive Officer
G.O.K-	Government of Kenya
GDP-	Gross Domestic Product
GEM-	Global Entrepreneurship Monitor
PM-	Project Management
IFC-	International Finance Corporation
ILO-	International Labour Organization
IP-	Intellectual Property
MFIs-	Microfinance Institutions
OECD-	Organization for Economic Co-operation and Development
PACA-	Participatory Appraisal Competitive Advantage
RAs-	Research Assistants
UNIDO-	United Nations Industrial Development Organization
VAT-	Value Added Tax

## OPERATIONAL DEFINITION OF TERMS

**Micro, Small and Medium Enterprises:** The classification micro and small enterprises (MSEs) or micro, small and medium enterprises (MSMEs), is interchangeably used in reference to SMEs in Kenya and under the Micro and Small Enterprise Act of the year 2012. Micro enterprises have a turnover of Kes 500,000 and are deemed to employ staffs who are less than 10. Enterprises categorized as small range from Kes 500,000 to 5 million in turnover annually and employ staff ranging from 10-49. Medium enterprises are not classified under the act, but have been reported as comprising of enterprises with a turnover that range from Kes 5 million and 800 million and employing between 50-99 staff members (KNBS, 2013)

**Project Management Success:** it means technical performance, specifications and/or mission to be performed of a project is met, and if there is a high level of satisfaction pertaining the outcome of the project among key persons on the team comprising the project, and the efforts of key users or clientele of the project (Yazdanfar and Öhman, 2014).

**Enterprises:** Businesses employing more than 10 people (KNBS, 2013).

**Managerial experience** can be defined as commitment, attitudes, skills, knowledge, education, values, experience, capability, and abilities that aid an entrepreneur and his employees in the activities of starting, running and expanding a business to learn more about how to do so and to enhance efficiency in how owners act in leading their enterprise and in performing tasks for expansion (Mark man & Baron, 2014).

**Business environment factors** refer to the subject influencing the economic feasibility of projects inclusive of the changes in domestic economic conditions of the recipient country or inaccurate plan of development of the project due to unpredictable conditions of the economy (Bhattacharyay, 2016).

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Kenya Vision 2030 is a long-term blueprint of development for the state. It was necessitated by collective aspiration for a much good society as opposed to Kenya has today, by 2030. The motive of Kenya Vision 2030 is competitiveness and prosperity of the country round the globe with a high quality of life by 2030. Its motive is to transform Kenya into an industrialized, middle income country reflecting to a high quality of life to all its citizenry in a clean and secure environment (Kenya Vision 2030).

This Vision is supported by three key pillars: social-economic; and political governance. The main objective of economic pillar is achievement of economic growth at the rate of 10 per every year. After a comprehensive analysis of Kenya's global competitiveness, six key sectors have been earmarked to help attain the 10 per cent growth of the economy per year as envisaged by the economic pillar: manufacturing; tourism; wholesale and retail trade; business process outsourcing (BPO); and financial services (Kenya Vision 2030).

SMEs (Small Medium Enterprises) are active in all the six sectors of the economic pillar, worldwide above 90 per cent of all businesses are SMEs classified in all sectors of the economy. The most common definition of SMEs is anchored on employment, even if there is a variance in how different people classify the upper size limit and lower one of an SME (Ayyagari, Beck & Demirguc-Kunt, 2006). SMEs are also characterized by less structured and formalized approach of management and formulation of strategy and development of business. SMEs contribution is estimated to be at 56% of all employment in the private sector and in the entire world, 36% of the Gross Domestic Product (Arianoff, 2010).

Around the Globe, SMEs are very pertinent to the economy but in the third world countries, they are most significant as they play a dominant role economically, the success of SMEs' is seen as far more pertinent than first world countries (Rwigema and Karungu, 2004). The undertakings of SME specifically in Africa are of vital role for the growth of the economy,

creation of jobs and the poverty eradication. Research pertaining Africans' SMEs have confirmed that averagely, there are many closures of SME than stability, with a probability of only 1% of micro enterprises growing from five and below staffs to more than ten (Rogerson, 2006).

Kenya, as a market economy, depends to a greater extent on small enterprises for provision of employment much needed. Mwarari (2013) study concluded that SMEs in Kenyan context are categorized as micro enterprises employing 1-10 people with a total turnover ranging between Kes 0-5million, Small Enterprise employing 11- 50 people with a turnover between Kes 5-50 million, and medium enterprises employing between 51-100 people and a turnover ranging between Kes. 51-1billion. The current study employed this classification. In most industrialized states, SMEs are the backbone of the economy and play a significant social-economic role. Available estimates indicates that SMEs employ around 7.5 million people in Kenya or 80 per cent of the nation's total employment outside the small scale agriculture and its contribution is 20 per cent to the nation's GDP. Most of the traditional challenges affecting SMEs include lack of financial access, difficulties in innovation exploitation, difficulties in tapping into global supply chains, constrained capabilities in management and hostility in business environment tend to be more and more akin in today's global environment and technology-driven (Watt & Kitagawa, 2009).

#### **1.1.1 Projects in SMEs**

Projects make thirty percent of SMEs turnover and improvement on this by employing processes of project management would enhance efficiency of projects as a result, the overall SMEs performance. Project management can be attributed to the practice of methodologies, procedures, set of skills, know how, and experience for achievement of the project objectives within specified time, scope and cost. There are five project management processes phases namely; initiating, planning, executing, monitoring, and closing for achievement of specified goals and meeting specified criteria of success. Studies presume that processes of project management improve performance by 26%; improves satisfaction

of stakeholder by 30% and minimize failure of project by 26%. The survey assessed 247 enterprises across many sectors of the economy. (Collins, 2015)

In some instances, SMEs do not adopt tools and processes of project management as they do not prioritize or understand their importance. The formality of processes seems to create difficulty and cost hence the organization face upheaval of resources and financing to adopt project management. Time is another consideration in implementing a process more structured and seems like overburdening the enterprise with extra work that might inhibit better performance of tasks on daily basis (Lorenzon 2015).

### **1.1.2 Factors Affecting Adoption of Project Management Processes**

There were many critical success factors identified in the last three decades of which 9 categories can be created, which are as follows clarity of the underlying strategic objective of the project, scope definition of the project continuous communication amongst the project team members (including the user's involvement and the support of the senior management) , reliability of the project triangle and the availability of the resources needed , competency of the project manager and his/her leadership style , competency of the project team and the team's motivation , risk management, change management , organizational and environmental characteristics and appropriate project scope definition, appropriate project communication, appropriate project management competencies, education, managerial experience and business environment (Ng & Tang, 2016).

The most important factors of success in project management by SMEs are attributes of the entrepreneur among them age, experience and education experience, innovativeness and marketing. The business environment also impacts perception towards project management among them the influence of stake holders. Stakeholders such as competitors, customers, and financiers can influence whether SMEs will adapt project management. The second factor of success is development of competence that ensures competitiveness of companies, institutional learning, and culture of organization, management of knowledge

and management of project grounded the basis for the competence in management of project development. (Raija Suikki, Raija Tromsted, Harri Haapasalob, 2006).

In conclusion, successes of SMEs are critical to the growth of the economy and thus the attainment of the vision 2030. Adoption of processes of project management can improve success of the SMEs and assist them in realization of their strategic goals and growth as learning institutions. This research project assessed factors influencing the adoption of project management processes by SMEs with focus on the influence of finance, Experience and the business environment on the adaption of the processes as three objectives of the study.

### **1.2 Problem Statement**

The SMEs perform an important role within the economy of Kenya. As the report from Economic survey (2006) indicated, the small enterprises contribution was 50 per cent and above of the jobs created within the year 2005. As KNBS (2007) highlighted, the small and medium enterprises provided new jobs slightly above 469,000 in financial year 2006-2007, an upsurge of 5.7% compared to prior year. KAM (2009) made an observation that initiating and operating a small enterprise has a bigger likelihood of failure or success.

Within the Kenyan context, SMEs' deployment of PM processes or not is related in a direct way to the devotion of the entrepreneurs who are majorly owners. If there is strong devotion from the founder, management of project was to be deployed. The differing sizes of projects and their success depend on implementation of PM processes adopted. In larger firms, it is swayed to a greater extent formal and with a framework, with presence of permanent structures like offices of project management while in the case of small and medium enterprises, it tends to be less complicated (KAM, 2009)

KAM (2009) highlighted that deployment of functions of project management by small and medium enterprises in Kenya to be adhoc and incongruence with absence of proper plans, financing and management that are poor being underlined as the major cause

pertaining the failure in management of projects by small enterprises. For this reason, if an error is made by in the implementation of processes of management of project, there would be a likelihood of collapsing of the SME hence chances to learn from past mistakes doesn't exist at all.

There are many researchers who have assessed the factors of success contributing to the processes of management of project in the performance of small and medium enterprises (Escriba ´-Esteve, A., Sanchez-Peinado, L. and Sanchez-Peinado, E. (2009), but the assessments attention has mainly been on the contribution of the team that comprise the management and the entrepreneurs who are the founders (Blackburn and Kovalainen, 2009).

SMEs are being earmarked as main contributors to the economy of a nation like Kenya by provision of jobs and platform for bringing innovative ideas. They comprise a larger percentage of the enterprises that operates in Kenya when compared to the large companies. They are engrossed by many hindrances that curtail their performance and as a result their expansion. The major hindrances underscored along the years are the constraints in the financing. The needs of financing by SMEs can firstly be satisfied by its internal funds by capital comprised of debt. The minimal chances of access to finance pose a significant challenge for the entrepreneurs of the SMEs in countries in African continent (Kung'u, 2011).

Past research conducted by Kozan, Oksoy, and Ozsoy, (2016) explained a positive relationship existing between management experience strengthened by qualifications from higher educational and expansion of business. Experience by the managerial team assists in enhancing exploratory skills, improving abilities in communication as well as foresight. These enhanced skills are correlated positively to presenting a plausible case of seeking a loan from a banker at the moment of preparation of a proposal to a loan and thereafter assuring the banker at the time of interviewing the client. Research done in prior years, specifically has inquired how the experience in management impacts the access to credit

facilities. Kumar and Francisco (2015), instigated a strong effect on experience by management in explaining accessibility of finance by SMEs in the context of Brazil.

ILO (2018) implicated that strengthening the policy, regulations and legal environment is important because small and medium enterprises lack resources in terms of management and monetary to tackle complex procedures, or varying and frequent policies in terms of monetary and fiscal. Beck, T., Demircuc-Kunt, A., & Levine, R. (2015). put weight that the focus of the view arising business environment on SMEs per se rather it focuses on environment that all businesses face, medium small or large. Dethier, J., Hirn, M., & Straub, S. (2010). acknowledged that the environment facing business impacts the economy through its effect on investment incentives and by giving pressure on SMEs that in previous times enjoyed a bit of protection.

These studies done prior did not show any consideration on the role played by financial accessibility, experience by management and environment that business operates in as factors in improvement in processes of management of project. There exists a gap in defining key role of projects in small and medium enterprises, yet the management of project does minimal in provision of these enterprises with guidance on managing projects (Project Management Institute, 2010). Murphy, (2012) alluded that although there has been research done that have address the issues surrounding the management of projects by large firms, a few has been published to date pertaining management of projects in SMEs. Garg, A., Goyal, G.P. and Lather, A.S. (2010), implied that there exists no criterion for the implementation of processes of managing project in SMEs, but in the same tone, the Project Management Institute (2010) highlights that further research is needed in this field. Additionally, there is evidence that majority of studies have been done in context of other dispensations among them Ireland by Ledwith (2004) and Murphy and Ledwith (2007). For these reasons, the current study objective was to do an assessment on the factors impacting implementation of PM processes by enterprises Small and Medium (SMEs) in the context of central business district in Nairobi county.

### **1.3 Objectives of the Study**

The Main Objective of the Study is to assess the factors affecting adoption of project management processes by small and medium sized enterprises (SMEs) in Nairobi.

Specific objectives are:

- i. To investigate the effect of finance on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.
- ii. To assess the effect of managerial experience on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.
- iii. To determine the effect of the business environment on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.

### **1.4 Research Questions**

The study sought to answer the following questions:

- i. To what extent does finance affect SMEs adoption of project management processes in Nairobi?
- ii. What is the effect of managerial experience on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi?
- iii. What is the effect of business environment on adoption of project management processes by SMEs in Nairobi?

### **1.5 Scope of the Study**

The study looked at factors that affect the adoption of project Management processes in Nairobi. The study sought to find out which factors affected the adoption the most The research context was be Nairobi and was carried out amongst SMEs that are licensed and

in operation. The study was focused on 102,397 SMEs as per the list by Nairobi County, Trade and Licensing Department (2018).

## **1.6 Significance of the Study**

### **1.6.1 SMEs Managers/Owners**

The results from this enquiry are going to be of use to owner who sometimes are also managers of these SMEs by utilizing the acquired information to come up with strategies for enterprises management of project.

### **1.6.2 Government the County Level and National Level**

The results of this inquiry informs county of Nairobi and Kenyan national Government on reasons why small and medium enterprises are failing in adoption of Project Management. The information guides the government at level of county and national to come up with appropriate policies for creation of a business environment that strengthens adoption of processes of project management amongst SMEs.

### **1.6.3 Researchers and Academicians**

The results of this study will contribute to this field of SMEs adoption of PM processes. It aids acknowledgement of adoption of processes of Project management by Small and Medium enterprises in the county of Nairobi intuiting schools of business to compose relevant literature for research for future and further research.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter outlines the review of empirical literature. It accounts for the prior studies and what have been the findings in the scope of study. This study is premised on a group of theories that have been developed over time and helps in understanding project management as implemented by numerous enterprises. The theories comprise resource based theory and theory of constraints. The two theories agree that project management influence SME performance, but they differ on what they prescribe in order to achieve optimal performance. The literature review captures the influence of the following three factors: access to finance, managerial experiences and business environment on adoption of project management processes in SMEs. The project management processes is to be discussed under the three factors just mentioned. The next elements contained in this chapter include theoretical and conceptual framework.

### **2.2 Theoretical Orientation**

A theory can be termed as a set of statements or principles that are planned to give an explanation on a combination of facts or phenomena especially the ones that have been in many occasion been tested or is extensively acknowledged and made use of to do forecasting of natural phenomena. This study will be anchored on resource-based theory and theory of constraints.

#### **2.2.1 Resource Based Theory**

The resource-based theory is an upcoming and a dominant area of strategic literature seeking to address the question of identity of an enterprise and it is predominantly apprehensive with the strategic capabilities. The perspective of resource-based has an intra-organizational focus and concedes that performance is an end product of capabilities and resources specific to a firm (Barney, 1991; Wernerfelt, 1984). The background of resource-based perspective is that successful firms will base their future competitiveness

on the blooming, unique and distinctive capabilities, that are sometimes intangible or implicit (Teece et al., 1991). The actualization of strategy is or ought to be outlined by the institutions' unique capabilities and resources.

Project management processes will be dependent on enterprise's resources. The theory attributes an enterprise in terms of the capital that integrated the firm. The word resource is defined as characteristics that improve enterprise's effectiveness and efficiency (Wernerfelt, 1984). The resource-based view narrates that its mandatory to develop and obtain resources that are strategic that seem valuable, non-substitutional, rareness, as well as non-imitable by the managers and how an establish appropriate ways that an organization can be developed. However, the resource-based view does not come up with an explanation on how to achieve this. This theory was applied to this study since processes of project management by various SMEs are dependent on the availability of resources to the SMEs which in many instances is influenced by their size, formation of legal structure and industry. SME accomplishment are dependent on the adopted processes of managing projects.

### **2.2.2 Theory of Constraints**

Goldratt, (1984) was the proponent of the Theory of Constraints (TOC) and it is a management theory that states that each system has at minimum one limiting constraint from achieving extent of what it tries to. Infinite output would be produced by the system if limiting constraints do not hold. TOC has been applied on management of project, planning of production, production controllership, management in supply chain, accountancy and measuring performance, and other sections of business and in such facilities not-for-profit among them hospitals and depots of military. These hurdles influence the system output despite being acknowledged or not. It is therefore in a best interest of the manager to point and minimize the challenges facing the system within the institution. TOC in nature is prescriptive and descriptive. It explains the source of constraints in a system and as well provides direction on resolutions. This theory is attributed to systems external and internal to an institution and in chains.

In practice, TOC principles application requires an all angle view of the processes of management of a project in entirety. Concentration is among the key three TOC principles focusing on the more pertinent areas. It means that every process of project management ought to be supervised, although the non-critical ones may be accorded some autonomy. Focus should be accorded to critical areas from the angle of the system of SME in entirety. The focus of all SME is profit maximization and growth. Challenges are the main hurdles in achievement of the objectives of SMEs projects. Appropriateness in challenges identification gives chances to managers in a project in improvement of business environment of SME and it has a positive impact on the indicators of performance. TOC is configured to be a tool for challenges/ constraints management. It is of necessity to have a motive of leaving the constraint around an SME at the moment deemed appropriate and then, through perfect processes of management of project thereof, ensure difficulties control regarding projects.

## **2.3 Empirical Literature Review**

### **2.3.1 Small and Medium Enterprises**

The abbreviations SMME and SME are used inter- changeably across the globe, and there exists no common definition of these terminologies. The location, placement geographically of SMEs and legislation deemed country specific advises the definitions of SMEs differently (Leopoulos, 2006). The 1996 Act 102 of National Small Business in the context of South Africa amended by 2004 Act 29 (South Africa, 2004) classified small enterprises into four namely micro enterprises including enterprises that are survivalist; very small enterprises; small enterprises; and medium enterprises. The differentiating attributes along these categories, excluding micro enterprises, is the staff number. For enterprises categorized as micro, level of turnover is the criterion. SMEs play an important role in the development of a nations' economy. SME encompasses a perception range, differing from state to state and along the originating body of SME statistics report. Among the used criterion in most cases in SMEs definition are the number of employed staff, net assets in total, level of investment and sales.

According to Hatten (2008) the term SME (Small and Medium Enterprises) is put into use in the EU and numerous organizations internationally to attribute to enterprises with scarce resources, particular number of staff employed, while in US the term "SMB" meaning Small to Medium Business is put into use instead. Categorization of as an SME is assessed on the number of staff employed, in most cases ranging between 10 and 100, considering the state the enterprise operates (Norlaphoompipat, 2008).

**Table 2.1 Characteristic features of SMEs**

<b>Characteristics of Micro, Small and Medium Enterprises</b>			
<b>Characteristic</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>
Number of tax payers	very numerous	Many	Moderate
Type of tax payers	Individuals, family owned businesses	Family owned business with some employees; highly specialized self-employers	Legal Entities with several employees, partnerships
Ownership structure	Owner, employee(s) and manager are one and the same	Owner(s) are generally managers	Owner usually different from managers
Type of transactions	Mainly cash, high informality	Cash/Bank some informality	Bank; Much more formal
Place of Business	Frequently non-fixed	Fixed (maybe volatile)	Fixed
Business Administration	Non- professional (family-run)	Some professional assistance	Regular professional advice
Accounting standards	No or few records; very limited understanding	Some records, limited to partial compliance; limited understanding	Partial to good compliance and record keeping
Market reach	Local	Local/regional	National/International
Life-span of business	Very dynamic; rapid creation and dissolution	Dynamic; may disappear, stay small or grow	More stable (consolidated) business activities

**Source: EU (Commission World Bank (2004)**

### **2.3.2 Adoption of Project Management Processes in SMEs**

Turner, J.R., Ledwith, A. and Kelly, J.F. (2010,) articulated that projects constitute a more than a third the total turnover of all SMEs in Ireland, and compared to all activities in the economy, projects in SMEs constitute almost a fifth. This makes excess of what is utilized on large infrastructure projects in the west economies (World Bank, 2007), and not fair enough, the latter attracts more focus Hartog, M., Baker, S., Staal-Ong, P.L. and Westerweld, E. (2008). GDP globally totals to \$50 trillion according to World Bank, (2007) and whenever the figures are applied to the global economy, \$10 trillion is utilized on projects annually by Small and medium enterprises. 10% enhancement in success of project through minimized costs, shorter time frame, or improved functionality regarding the outcome of projects can save up to \$1 trillion, the sum of aid contributed by the G20 nations at their gathering in April 2009 to improve global economy.

SMEs culture varies from bigger firms, and SMEs engages in small projects in size. The practice varies in smaller firms from larger firms. There is need for SMEs to have simpler, people-focused business processes and Turner et al. (2010) asserted that this is the exact way for managing processes of projects. Bresner and Hobbs (2006) elaborated that in large firm, the tool preferred for managing project is oriented in terms of system and procedure, with tools focused to people, among them team building, not commonly ever used. Andersen et al. (2009) indicated that the formal processes of project management employed grasps the formalization of the parent organization, and so indicated that SMEs put into less utilization of approaches that are formal, and more people centered.

Management of project seems to be one of the main challenges that face the current organizations (Söderlund, 2011; Garel, 2013). Basically, management of project is the utilization of knowledge, techniques, skills, as well as tools to tasks in a project to attain or surpass aims and expectations of all the stakeholders. Processes of project management can be categorized into five phases: initiating, planning, executing, monitoring and controlling and finally closing. Management of a project is a well-defined area by project managers. It

has three main attributes to discern it from other arrangements of management and they encompass: manager of the project, the project team and the system of project managing.

According to Murphy and Ledwith (2017), management of a project tends to be progressively of relevance to SMEs as greater parts of the tasks undertaken by SMEs are projects related. Murphy and Ledwith (2017) have undertaken initial investigations regarding management of by SMEs in high-tech and service industries in the context of Ireland. The study recommended that SMEs ought to follow a structure formalized in their implementation of processes of management of project by identification of strategic objectives, KPIs, factors of success, techniques and tools that matches the set criteria. In SMEs, the deployment of management of project or in other respect is rightly related to the dedication of the founding entrepreneurs. If the owner is in strong terms dedicated, management of a project management will be deployed.

As Kitching and Blackburn, (2002) suggested, SMEs, just as large organizations, ought to improve their set of skill in management of project, their information gathering capacity, their knowhow in technology, and their devotion to invest in the staff knowledge and skills. Turner et al. (2009) highlighted that medium enterprises need a bit of formal processes of management to organize the experts input to projects. The processes required by enterprises in size classified as micro and small tends to more flexible and focused on people, emancipating a more laissez-faire style of management (Turner, 2009). The enterprises that inputs their investment in processes of management of project are too costly, or non-critical to the success of business and ought to be considered in a careful manner as the alternative will be adequacy, unconcern, sales decline, customers decline, low productivity, decreasing performance, poor products and services quality, and poor business working environment (Watt & Kitagawa, 2009).

Turner et al. (2017) pinpointed the main challenge to adoption of processes of project management among SMEs was lack of support and resistance emanating from entrepreneurs that are also the owners. These in normal cases do happen because there exist little knowledge regarding management of projects and the benefits that come with it. In

institutions where the entrepreneur who are founders bears no interest, managers of project may either or not use processes of management of project taking into consideration on their own devotion. Managers of project are in many instances likely to utilize processes of management of project to supervise projects for clients who are external than they do supervise internal projects of development. Institutions are many instances likely to employ management of project if the CEO of enterprise or owner will get benefits of its use, and the procedures are easy for adoption and application. In micro, small and medium enterprises, members of the project team want to be included in the project plans implementation to accord their dedication to the plans.

Cooke-Davis (2014) indicated that the importance of practice of Project management are in a wider range captured by metrics of ROI, innovation impact (Turner and Keegan 2004), impact on improvements of procedures (Winch, 2004), and personnel impact (Thamhain, 2014). Processes of project management bestow SMEs with valuable and strategic asset. Benefit accrues when good processes of project management and tools of measurement are good to enhance project success. Know-how of project managers and set of skills utilized for execution of processes and practices of project management are important part of the institution asset of tacit knowledge (Koskinen, Pihlanto, & Vanharanta, 2013). SMEs give consideration to the practical and fundamental knowledge linked with a set of processes of project management as a strategic asset. To put into practice its strategies, enterprises must own the processes of management of project needful in execution of projects.

Current literature has not addressed further factors for success by SMEs amongst them project management impacted by experience of top managers' experience, finance accessibility and the environment around a business. Meredith (2016) inclined that processes of project management entails the being disciplined in organization and management of resources in such a manner that the resources generates all the work needful for completion of a project inside a defined scope, cost and time, (Harvey, 2015). A project is not permanent and is single event done to fashion service or product that has unique features. This attribute of temporariness and single event differs in processes and

operations, lasting semi-permanent functional task to generate similar product or service repeatedly. The management of these systems in many occasion differ and needs differing technical skills and philosophically, hence development of processes of project management becomes important. The challenges encountered in project management are the optimized integrations and allotment of the inputs required in meeting the predefined objectives. The project is thus a keenly chosen initiatives set and selected to utilize limited resources among them money, materials, space, time, people, risk, energy, provisions, quality, communication to achieve the predefined objectives.

### **2.3.3 Finance and Adoption of PM Processes**

According to Baas and Schrooten, (2016), SMEs in many countries around the world find it challenging to get financing facilities due many requirements on accessibility of finances. Small enterprises lack adequate information, and thus, have limited access to project financing externally as contrasted to larger firms. The financing firms are not in a position to answer the challenges of asymmetry of information thus are not able to comprehensively finance projects for expansion of small firms (Hartarska & Gonzalez-Vega, 2016). The accessibility of adequate financial resources is significant for use of processes of project management in expansion of small businesses and their development. This will catapult SMEs in financing their activities both in their operation and investment and becomes competitive by enduring conditions in the unfavorable market through expansion.

According to research performed by Cooley & Quadri, (2014), show that the expansion of upcoming projects in SMEs is curtailed by the lack of finance and shortages of varying resources. For SMEs to achieve their project management goals, finance is essential, and lack of finance can hinder growth. Drever, (2016) argued that lack of finance affects the growth and development of project management processes in SMEs substantial number of them doesn't grasp privileges enjoyed by bigger organizations when it comes to access to finances (Watson, 2006). According to Njeru (2013) in his study determinants of choice of the source of entrepreneurial finances in Thika District growth of project management in SMEs is influenced by the selection of entrepreneurial finances.

Empirical evidence points to the importance of internal finance for growth of project management in SMEs, indicating a relationship deemed positive between growth of projects and internal financing in different countries namely; Germany (Elston & Audretsch, 2010), United States (Carpenter & Petersen, 2012), Meyer, (2011) suggests that in the case of not sufficient internal financing, accessibility to external finances can enable a company to run its projects efficiently and make substantial investments necessary for project management processes growth. Lack of internal finances can be a hurdle, stating the challenges SMEs face in accessibility of the external finances (Becchetti, Garcia, & Trovato, 2010).

Majority of SMEs are small and a failure in projects would mean a disaster in financial terms or even the collapse of the enterprise. Financially risky projects or those that negate strategy of companies ought not to be undertaken in the absence of compelling justifications. To have support from the management, project must have justification of return financially or advantage strategically for the enterprise. Presentation of a superior business case or strategic reason for management of a project forms a part of the consideration. Small companies should carefully assess their capability for undertaking project management. Some of the questions to assess are; are there enough resources, money, set of skill base, knowledge as well as time to put into practice, processes of management of a project the company should also assess risks to the firm and/or the project (Baker, Murphy & Fisher, 2003).

Metcalf and Titard (2006) insinuated that financial performance is the procedure of results measurement in monetary terms of policies and operations. Financial performance and how it is affected by management of project processes is measurable using indicators of liquidity and profitability. Profitability indicates the length business from production factors, makes. Four useful profitability indicators of a project under processes of project management includes operating profit margin, return on assets (ROA), net income, and return on equity (ROE). Liquidity highlights the capability of an enterprise to settle its financial obligations when and as fall due, in absence of owner equity disruption, utilizing the value of the asset

in the market. Liquidity is measurable with the aid of the ratio of current assets to current liabilities.

Success in management of a project is dependent upon decisions of capital budgeting sound in nature. Investment of money by entrepreneurs in businesses should have a benefit that accrue a return from invested resources. Christy (2007) employed increase in earnings per share of a company as a quantification of performance to assess the linkage between performance of earnings as well as practices of capital budgeting, but was unable to detect a consistent relationship between performance of earnings and practices of capital budgeting. There exists less doubt that systems of financial management systems persists to be of consequence to adaption of management of project notwithstanding the relevance of decisions of financing and information on accounting have been referred to in a consistent manner as reasons for of deployment of processes of management of project management.

Majorities of the studies reached an agreement that financing is a key hindrance to growth of processes of project management in small enterprises (Ngobo, 1995; Kibera and Kiberam, 1997; Chijoriga and Cassiman, 1997). It is made worse by the lacking of financial markets among the developing countries. Owners of small enterprises get it hard to access finance for implementation of processes of management of project, expansion of business and categorically encountered by collateralization problems, viability studies and the unexplained bank charges. This means that access to financing for growth of project management processes becomes difficult. Ngobo (1995) conducted a detailed analysis regarding finance as a main constraint factor and precludes collateral, rates of interest, extra bank charges, absence of ability to assess finance proposals and absence of finance management skills as obstacles to processes of project management in SMEs hindering their growth.

Management of finances in SMEs in many instances differ from large firms because of their dynamic nature in their cash flow cycle, general insufficiency of working capital, and the capability to get financing through equity and debt. Projects undertaken by small and

medium enterprises lack managerial skills in finances and systems of accounting present in large firms, and also do not employ professional staffs to manage the systems. The owner or the manager is typically needed to act on these tasks, in most cases, but not all the time, with the help of an accountant (Uwonda, et al., 2013). However, the author has failed to indicate the effect of access of finance on adoption of project management processes by Small and Medium Enterprises with focus on Nairobi and therefore this inquiry was aimed in filling these gaps not adequately addressed.

#### **2.3.4 Managerial Experience and Adoption of PM Processes**

Experience by the management is critical and needed to have an advantage over competition in adoption and development of processes of project management because it is not easy to copy (DeNisiet al., 2013). Experience by the managers is attributed to education, ability, attitudes, values, experience, commitment, knowledge, skills and capacity that aid an entrepreneur and the team in the activities of initiating, leading and expanding a business to get more knowhow and to facilitate owners to be more efficient on their undertakings in leading their enterprise and in undertaking activities for growth (Mark man & Baron, 2014). Absence of capabilities in medium and small enterprises play an important role that impacts the management of project in SMEs success (Tasic, 2010). Most of SME suffer from lack of training in management needed to carry out their routine in management effectively in implementation of project. For this reason, those who own SMEs ought to invest so much in human resource to make sure management of project processes are deployed in the operations of business (King & McGrath, 2012).

As Babalola (2013) stated, the reason behind investment in management experience is entrenched on Firstly, the today's generation must be accorded the requisite knowledge acquired by the past generation. Secondly, the current generation must be given training on application of existing knowledge to be utilized in development of new products, processes and methodologies of production of social services. Lastly, it is pertinent to encourage people to start development of entirely new ideas, procedures, methodology and products contributing to the success of SMEs. Past studies have highlighted that practices

of SMEs project management and SMEs experience by management are correlated positively (Unger, Rauch, Frese, & Rosenbusch, 2014).

The study done by Libecap (2006), stated that through education, there is production of enough individuals who are enterprising and who can bring up sustainable business ventures. The study's findings was that entrepreneurial education was a pertinent ingredient in the molding of new ventures, the possibility of employment of own self, the possibility of inventing products and, the likelihood of business of high technology ownership. The inquiry also insinuated that if employed staff were granted exposure to education on entrepreneurship, turnover and tangibles and intangibles controlled by the staff were probable to grow. In agreement was a study undertaken by Sinha (2016), on education by entrepreneurs' revealing that 72% of entrepreneurs who succeed had technical education at minimum. The study conclusion was that entrepreneurs who attained business as well as technical educational background are better placed to appreciate and did analyze difficult reality and get along with it appropriately which served as a pivotal role in effectiveness by entrepreneurs. Wanigasekara and Surangi (2015), in district of Ghampaha conducted a study in the context of Sri Lanka on a total of 33 SMEs and stated that owners with minimal education than degrees from college might be faced by uncertainties of financial in comparison to those with higher educated and can sustain their business tasks in the market thus being competitive by constantly adjusting to the dynamic business environment. It is evident from above inquiries that education is correlated in a positive direction to success of business.

Majority of managers who lead project teams in SMEs lack training in basic managerial skills and requisite experience. The typical owner or manager of project in small business comes up with an approach to manage a project through a trial and error methodology. As a matter of time, their style of managing is probable rather than being analytical, be more likely to be intuitive, more interested on operations on a basis of day-to-day as opposed to long-term project challenges, and seen to benefit from opportunities than a strategic concept (Hill, 1987). Notwithstanding that this attitude is a key strength at the stage of

initiation of projects because it provides the expected creativity; it may bring up challenges when making difficult project decisions. An outcome on the ability of vague project management by the owners of SMEs as they are not adequately prepared to encounter changes in the business environment and to appropriately plan project and technologies advancement.

A study done by Lumpkin & Marvel (2007) explained that experience takes form of many breath as well as guises of experience is indicated to be an important factor in driving the performance of project of enterprises, with the substantial prior jobs related in a positive manner to new firm performance. Thapa (2007) also revealed positive association between formal education and success of projects in SMEs. The probability of failure was also revealed to be correlated with the experience accrued by the owner/manager's. Human capital seems the agent critical for management of projects in SMEs. Human capacity acquired the tag of an index most critical of competition in business globe to the extent that the building of such capabilities as a result of training has become deeper priority in development of framework of the strategic practices in a project of business organizations (Tim & Brinkerhoff, 2008).

In enterprises classified as micro and small, education and skills are necessary for running projects. Prior studies done have shown that many of the enterprises undertaking project management in the context of Kenya are not well capacitated in skills and education. Prior studies implicated that managers who have acquired more education and training in many cases succeed in the sector of SMEs (King & McGrath, 2002). For small businesses to succeed in Kenya, founders need to be well equipped with set of skills in management of project. Wanjohi and Mugure, (2008) study shown that majority who run projects in SMEs have at minimum acquired education at college level. The authors of previous studies however have not assessed the effect of experience by the management on adoption of processes of management of project by Small and Medium enterprises (SMEs) in the context of Kenya focus being in Nairobi and as a result the study was undertaken to fill in these gaps.

### **2.3.5 Business Environment and Adoption of PM Processes**

Asma et al. (2015) study revealed that in SMEs Project management especially in developing countries, lack support by most of the policies and is faced with limitations classified as institutional emanating from markets imperfection. The owners of these enterprises cited that unfairness is one of key areas mostly affecting success of project management within SMEs. Low cost of conducting business has facilitated cheap products from China and other countries in Asian to gain market entry and give competition to goods produced locally. Asma et al. (2015) conclusions highlighted that unfair competition poses a greater challenge affecting SMEs. Cost savings on both licensing and registration and the cost of business avoiding tax, is an enabler for illegal businesses to lower the costs of managing a project management compared to enterprises that engage in legitimate businesses operations.

Business environment factors underline the issues swaying the economic feasibility of the project which includes changes in conditions of domestic economy of the host country and inaccurate project development plan because of unpredictable economic conditions. According to Bhattacharyay (2016) funding of a project, rate of exchange of foreign currency, investments from abroad and joint venture impacts the projects success in a number of ways. The resources availability is a critical component needed for completion in a successful manner of projects. Funding of a project refers to the provision of adequate funds to settle for the implementation and operationalization of a clearly defined project. In particular instances, it is also needful to get funding to cater for maintenance and operationalization. The framework and funding form will be impacted by the type of project (Leurs, 2015).

Criterion for environment surrounding a business is as articulated by Muller and Turner (2017) as variables measuring and influencing the success of projects. Since success of project might be seen variedly by stakeholders, there is a purpose for comprehensiveness in criteria reflecting their views and interests (Dvir et al., 2015). Westerveld (2013) laid emphasis on the importance of satisfaction of stakeholders in business environment key

criteria for success, complementing, budgeting and quality, and contributes to different lags of time be put into consideration. Determining a set criterion for application to any nature of project seems to be unrealistic (Mir, Pinnington, 2014).

#### **2.4 Literature and Research Gap**

Managers who run SMEs are normal personal whose educational background is inadequate. Thus they may not be armed with the skills to conduct processes of project Management (King & McGrath, 2002). Experience possessed by management is associated to the manager or owner and the institutions. Desouza and Awazu (2006) stated that management concentrates with deployment of material resources, finances and human capital within the framework of processes of project management. Hayton (2003) concluded that the expansion of many enterprises of varying sizes, raise concern that there exists scarce competent managers and is a more serious hindrance on development of the economy. As the firm grows the more is the need for managers or owners to plan, control and coordinate the tasks of the enterprise.

Keyser, De Kruif and Frese (2000) study done in Zambia found that limited accessibility of finances was very common problem for processes of project management implementation in enterprises classified as small and medium. An inquiry done by Koop, de Reu, and Frese (2000) pointed out that the weight of initial capital was positively associated to success of management of project. Other negative factors that were highlighted include corruption, unconducive business environment, and lack of research being conducted in the market economy (Kiggundu, 2002). The current study sought to assess how the various factors affect the adoption of project management processes by enterprises classified as Small and Medium (SMEs).

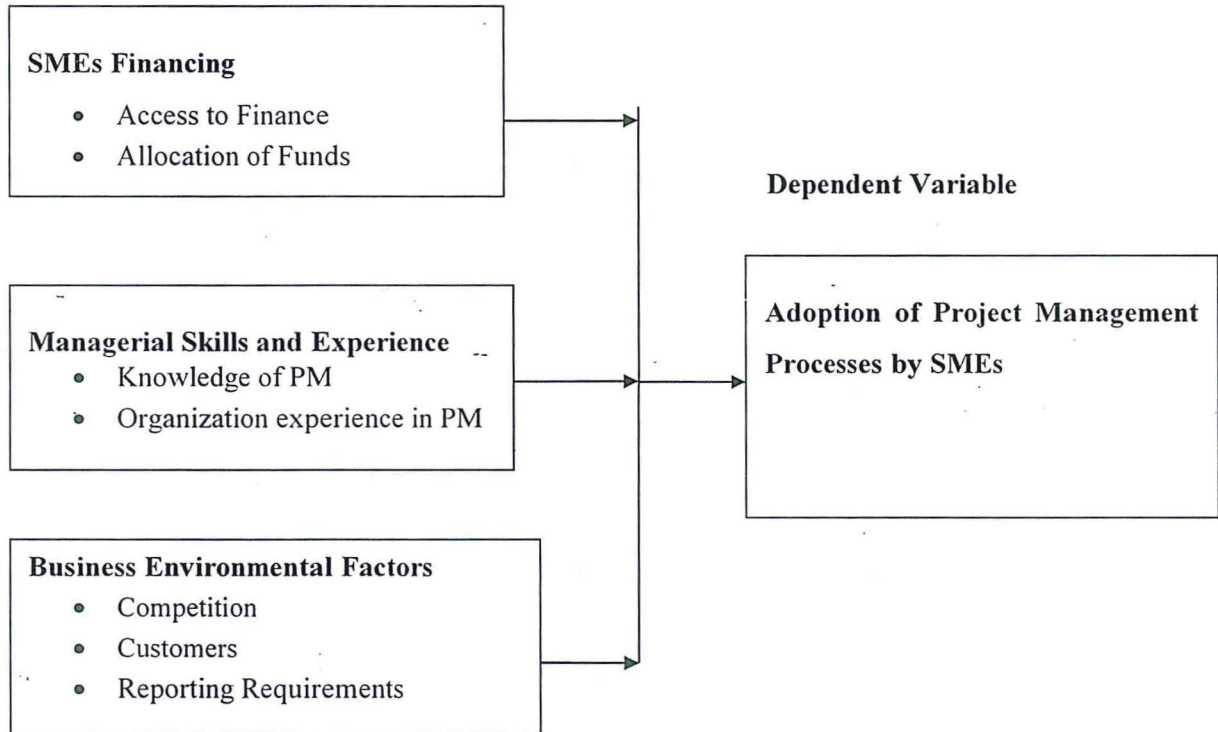
#### **2.5 Conceptual Framework**

As Mugenda and Mugenda (2003) stated, conceptual framework is a presentation in a diagram format of the associations observed between independent variables and dependent variables. The conceptual framework in Figure 2.1 exhibits that the variable classified as

dependent is the adoption of project management processes by Small and Medium enterprises (SMEs). The variables classified as independent are accessibility to financing, experience by management and Business environment.

**Fig 2.1 Conceptual Framework**

**Independent Variables**



**Source: Author (2019)**

## 2.6 Measures of Variables (Operationalization)

**Table 2.2 Measures of Variables**

Objectives	Variables	Indicators	Measurement Scale	Data Analysis Method	Tool of Analysis
Adoption of PM processes	Dependent	PM processes Initiation, Planning, Execution, Monitoring & Control and Closure	Interval Ordinal	Descriptive	Central tendency dispersion regression analysis
To determine the effect of finance on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.	Independent	Access to finance, allocation of funds	Interval Nominal	Descriptive	Central tendency, dispersion, regression analysis
To determine the effect of managerial experience on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.	Independent	Lack of knowledge, Organizations experience	Interval, Nominal	Descriptive	Central tendency, dispersion, regression analysis
To determine the effect of the business environment on adoption of project management processes by Small and Medium Sized Enterprises (SMEs) in Nairobi.	Independent	competition, customers demand, Reporting requirements, Preference of Informality	Interval, Nominal	Descriptive	Central tendency, dispersion, regression analysis

**Source: Author (2019)**

## **2.7 Chapter Summary**

This chapter has assessed the review of literature concerning studies carried out based on the specific objectives related to factors influencing the adoption of PM processes by Small and Medium Enterprises. It has looked at influence of financial availability on adoption of PM processes by Small and Medium Enterprises including access to finance and allocation of funds. The chapter has also discussed influence of managerial experience on adoption of PM processes by Small and Medium Enterprises which entailed knowledge of PM and organization experience in PM. The chapter further discussed influence of business environment on adoption of PM processes by Small and Medium Enterprises including competition, customer reporting, and business requirements. Chapter three outlines the research methodology that was used during the study.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.0 Introduction

This section explores the methodology of the study. It outlines the design of the inquiry, population targeted, techniques used in sampling, instruments used in the research, pilot testing, validity and reliability of the instruments, procedures for collecting the data, methods of to be used in analyzing the data, the models of statistical analysis to be used in the making inferences as well as ethical considerations.

### 3.1 Research Design

The study adopted descriptive research design because it involves collecting and analyzing study units at a time in order to assess strength of relationship among variables. Descriptive design can be termed as data collection exercise to facilitate testing of hypothesis or to provide answers to inquiries pertaining the present status of the studied subject. Descriptive study according to Mugenda and Mugenda (2003) also engages an assessment of the situation of affairs describing, analyzing and reporting conditions that exist or that existed. Variables manipulation was not attempted and the researcher never wanted to control the setting in the research. The conditions pertaining to collection of the data was standardized for data quality enhancement.

### 3.2 Target Population

Ngechu (2004) defines population as a well-outlined or set of services, people and events, things grouped or households undergoing an investigation. The population targeted should exhibit some observed behavior that the researcher sought to make inferences from the results of the study (Mugenda, 2003). In this enquiry 102,397 enterprises that are in size Micro, Small and Medium in Nairobi as per Nairobi County, Trade and Licensing Department (2018) was the targeted population (See Appendix 3). This is informed by the fact that there is no accurate national data base on SMEs in the country. According to Mwarari (2013) Micro enterprises have a maximum turnover of Kes 500,000 and are deemed to employ staffs who are less than 10. Small Enterprises in size range between Kes

500,000 and 5 million as their turnover annually, and ranging between 10-49 staff members. Enterprises that are medium are not classified under the act, but have been reported as comprising of enterprises with a turnover that range from Kes 5 million and 800 million and employing between 50-99 staff members.

**Table 3.1 Target Population**

<b>Departments</b>	<b>Target population</b>
Small and Micro Enterprises	79,793
Medium sized enterprises	22,604
<b>Total</b>	<b>102,397</b>

**Nairobi County, Trade and Licensing Department (2018)**

### **3.3 Sample Design and Sample Size**

Sampling procedure as put by Kothari (2014), is a process followed during selection of a sample (subset) from entire population upon which the study research was based. Creswell (2006) also highlighted that the size of a sample enumerated by the researcher should be in a position to relay enough facts pertaining the whole population and one that analysis is done with a lot of ease. Formula derived by Slovin was used in this study in determining the sample size. This formula is employed to quantify the sample size (n) considering the size of the entire population (N) as well as a margin of error (e). This study sample was selected from entire population using stratified random sampling technique. Stratified random sampling accord equal chances for each unit to be selected within specific population stratas. The strata in this study was various classifications that include Micro, Small and medium Enterprises. The selection of this formula was for the reason that it puts weight on population size.

$$n = N / (1 + Ne^2)$$

Where: n = number of samples, N = entire population, e = error margin which is 0.05

$$n = 102,397 / (1 + 102,397 * 0.05^2)$$

$$n = 499$$

The sample size required was 499 of SMEs as a representative of the population in the study. The study applied a stratified technique of sampling where elements in each frame of sampling were selected for this study. The researcher puts into use simple random technique of sampling as it ended up offering every unit in the entire population an equal chance for inclusion in the sample.

**Table 3.2 Sample Size**

Department	Target population	Sample Size
Small and Micro Enterprises (less than 50 million turn over)	79,793	389
Medium sized enterprises (51-100 million)	22,604	110
<b>Total</b>	<b>102,397</b>	<b>499</b>

**Source: Author (2019)**

### **3.4 Data Collection Method**

The SMEs in Nairobi operate in different sectors. To cover the study adequately in all these sectors, the data collection was based on random sampling where the actual number of targeted respondents of the study is determinable by the population in entirety of the sector against the sample size of 499.

As Gall and Borg (2006) stated, data from primary sources is put together by the aid of questionnaires. The design of the questionnaire is aimed at addressing specific objective, questions pertaining to the research as well hypotheses testing. The study features questions that are both closed - ended as well as open - ended (Greener, 2008). Close-ended items provide precise information which eliminate bias of information as well as aid in analysis of data. Likert scale was anchored by a rating of five point starting from strongly agree to strongly disagree.

### **3.6 Data Analysis and Presentation**

#### **3.6.1 Data Analysis**

Mugenda & Mugenda (2003) instigated that the obtained data availed from the field in raw form is challenging to interpret until it is arranged, coded and analyzed. Qualitative analysis comprised examination, categorization, tabulation and recombination of evidences to tackle questions of the research. Qualitative data was classified into meaningful patterns and observable themes seen to aid in the setting a summary and organizing the data. The analysis was undertaken by the aid of statistical techniques among the counts of frequency percentiles, arithmetic means, modes, tabulation to highlight frequency differences. Analysis was also done descriptively. Ordinal data and nominal data was displayed using tables. Statistical Package for Social Sciences (SPSS) versions 21.0 was deployed to assist in coding, entering and analysis of the data

The following multiple linear regression model was applied during this study to investigate the relationship that exists between various factors and adoption of project management processes (Greener, 2008). Multiple regressions try to establish whether a group of variables jointly can be used to predict a given variable classified as dependent. Multiple linear regression model was given by equation below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where; Y = adoption of processes of project management

$X_1$  = Financial Availability

$X_2$  = Managerial Experience

$X_3$  = Business Environment

$\beta_0$  = regression coefficients

$\beta_1 - \beta_3$  = Beta Co-efficient of Determination

$e$  = Error term

### **3.7 Research Quality**

A pilot test was undertaken on the data collection instrument to test for reliability as well as validity. A pilot study is supposed to minimize probable challenges upfront that might be encountered during the final survey (Cooper & Schindler, 2006). This study conducted a pilot test of the questionnaires upfront before administering the instruments. The pre-testing of the instruments dictated the validity, accuracy, reliability, and clarity. In this study pretesting involved 50 respondents accounting to a 10% of the total sample. As suggested by Hertzog (2008), a 10% of the selected sample to be utilized for a whole study should be used pretesting.

#### **3.7.1 Reliability**

Reliability is an estimate of the degree whereby an instrument of research produces results or consistent data following repeated trials (Bryman, 2003). To test for the reliability of this study's research instrument, a pilot test was conducted in 50 SMEs. To determine reliability of instruments, internal consistency technique was used. Reliability was assessed from scores gotten from a single test overseen by the researcher to subjects in the sample. An outcome prevailing in one item correlated with scores that are acquired from other items.

To facilitate testing of reliability of the research instruments, internal consistency was employed using coefficient obtained from Cronbach's Alpha that lies between 0 and 1. Cronbach's alpha is a computation of consistency internally meaning to what extent of the relationship amongst set of elements are close to each other or related as a group. It is has been thought to be a computation of reliability of the scale according to Greener, (2008). High coefficient values of alpha insinuate there is consistency amidst the elements measurement of the concept of concern. For cronbach's alpha ( $\alpha$ ) to be considered as acceptable, it should be more than 0.7 while the one considered unsatisfactory is below 0.7.

### **3.7.2 Validity**

Validity refers to whether a researcher is estimating the variables sought to be estimated. It is the length to which a construct estimated what it is intended to estimate (Tharenou, Donohue, & Cooper, 2007). Under the current study, the researcher heavily depended on specialists in the area of project management for example supervisors to facilitate face validity and validity of constructs. Face validity as well as validity of construct are improved by molding the instruments of research to match all study objectives. Validity of construct is a judgment grounded on the building up of derived evidence from varying studies by the use of instruments of measure which is specific. Assessment of validity of construct needs establishment of the relationship of the estimate being assessed with variables well versed to be related in theoretical manner to the construct that the instrument seeks to measure.

### **3.7.4 Pilot Testing of the Instrument**

A pilot test was undertaken to put into trial instrument of collecting data on their reliability as well as validity. This study conducted a pilot test of the questionnaires upfront before administering the instruments. The pre-testing of the instruments dictated the validity, accuracy, reliability, and clarity. In this study pretesting involved 50 respondents accounting to 10% of the total sample. As suggested by Hertzog (2008), a 10% of the selected sample to be utilized for a whole study should be used pretesting.

### 3.7.5 Reliability Analysis

The analysis of reliability for the items under this study was assessed through computation of the overall reliability coefficient of Cronbach alpha. The higher the coefficient, the more reliable the test is. The assessment of reliability done on instrument was undertaken through Cronbach Alpha which is a measurement of the consistency internally by determination of how all subjects on a test is related to all other elements and to the summation of test-internal coherence of the collected data. The instruments of the study was deemed reliable as the coefficient of overall Cronbach's alpha for availability of finance, managerial experience, business environment and adoption of PM processes were found to be 0.738, 0.682, 0.812, 0.803 respectively which were higher than the value set as threshold of 0.7 as was eluded by Kothari, (2004). The results emanating from the test of reliability are as highlighted in Table 3.3.

**Table 3.3: Reliability Analysis**

Variable	Cronbach's Alpha
Finance	0.738
Managerial Experience	0.682
Business Environment	0.812
Adoption of PM Processes	0.803

(Source: Primary Data, 2019)

### 3.8 Ethical Considerations

The researcher undertook the study with a clear outlined procedure to make sure approach is ethical to the process. Preceding the undertaking of collection of data, respondent's agreement was sought. There was informing of the respondents that their participation is out of free will and confidentiality of the information was guaranteed as well as being used for this particular research only. To make sure there is confidentiality the collated data from the respondents and all the questionnaires answers was coded. Further, the findings from

this current study were only being put into use for purposes of academic and/or formulation of policy pertaining SMEs.

Consent and approval for the study was sought from Strathmore ethical and review board (Appendix 3). The researcher further got NACOSTI license (Appendix 4) to do the research within Nairobi County.

## CHAPTER FOUR: RESEARCH FINDINGS

### 4.1 Introduction

This chapter elaborates the study inferences, interpretation of these inferences and their discussion as guided by the specified objectives of this research. The results are arranged in such a way that the results of the survey for the control variables as well as the four main factors of the study are presented descriptively.

### 4.2 Response Rate

A total of 500 questionnaires were administered for the study both online and physically. During the survey the toll was set up to only allow one entry per device. 150 surveys were sent out and 91 came back complete. 350 physical surveys were printed out and 349 were returned fully completed making a total of 440 completed surveys. The online platform was then set up to allow multiple entries so that data from questionnaires administered physically were thereafter entered manually. The overall rate of response was assessed to be 88% of the sample size of 500 which is higher than average. A rate of response of 50% and above is deemed enough and acceptable for analysis of data as was indicated by to Kothari, (2004). Hence, 88% rate of response in this current study was deemed sufficient to progress with the analysis of data. Out of the administered questionnaires 41 were not returned at all since the respondents did not respond to the survey. Eighteen of respondents responded to the questionnaire partially and therefore they could not be included in the analysis of the data.

**Table 4.1: Response Rate**

Classification	Sample size	Respondents	Percentage (%)
Micro Enterprises & Small Enterprises	389	235	61
Medium size Enterprises	110	105	96
Total	499	440	88

(Source: Primary Data, 2019)

### 4.3 Profile of the Respondents

#### 4.3.1 Primary Job Function

The respondents were asked to indicate their primary role they played in the business and 26% indicated that they were the owners of the ventures, 21% indicated that they were the directors of the company, 21% indicated that they were the managers of the ventures, 10% indicated that they were the supervisors employed by the ventures and 22% indicated they were employed as operational staff. Only one person skipped the question. It was observed that owners of the businesses were also involved in daily operations of the business.

**Table 4.2: Primary Job Function**

ANSWER CHOICES	RESPONSES	TOTAL
Owner of business	26.32%	115
Director	21.05%	92
Manager	21.28%	93
Supervisor	9.84%	43
Operational	21.51%	94
<b>TOTAL</b>		<b>437</b>

(Source: Primary Data, 2019)

#### 4.3.3 Age of respondents

The respondents were asked to indicate their age bracket. The findings reveal that 12% of the respondents were under 30 years, 52% were in the age bracket of 31-39 years, 25% were in the age bracket of 40-50 years and 10.146% were above 50 years. From the findings, it is clear that majority of the respondents are youths, which was an indication of youth empowerment. Six of respondents skipped this question.

**Table 4.3 Age of respondents**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	<b>TOTAL</b>
Under 30 years	12.21%	53
30-39 years	52.30%	227
40-50 years	25.35%	110
Over 50 years	10.14%	44
<b>TOTAL</b>		<b>434</b>

(Source: Primary Data, 2019)

#### **4.4 Profile of the Businesses**

##### **4.3.1 No of Employees**

The respondents were asked to indicate the number of employees the business ventures had. 23% had less than five employees, 24% had 6-10 employees, 23% had 11-20 employee, 15% had 21-50 employees and 14% had over 50 employees. None of the respondents indicated the exact number of employees. 47% of the respondents thus belonged to micro enterprises, 38% were thus classified as small enterprises and only 14% of the respondents classified as micro enterprises. Majority of the business thus belonged to micro enterprises. Six of respondents skipped this question.

**Table 4.4: Number of Employees**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	<b>TOTAL</b>
Less than 5 employees	22.81%	99
6 - 10 employees	24.19%	105
11 - 20 employees	23.50%	102
21 - 50 employees	15.90%	69
over 50 employees	13.59%	59
<b>TOTAL</b>		<b>434</b>

(Source: Primary Data, 2019)

#### 4.4.1 Annual turnover

The respondents were asked to indicate the estimated turnover annually and 44% indicated less than 10 million, 32% indicated between 10 and 50 million, 12% indicated between 50-100 million, 7% indicated range of 100 – 500 million and 5% indicated over 500 million. Two of the respondents skipped this question. It was observed that majority of the enterprises which was at 77% had a turnover of less than 50 million. Five of respondents skipped this question.

**Table 4.5 Annual Turnovers**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	<b>TOTAL</b>
Less than 10 million	44.37%	193
Between 10 - 50 Million	32.18%	140
Between 50 - 100 Million	12.18%	53
Between 100 - 500 Million	6.67%	29
Over 500 Million	4.60%	20
<b>TOTAL</b>		<b>435</b>

(Source: Primary Data, 2019)

#### 4.4.2 Sector of the Business

The respondents were asked to indicate the sector that the business belonged to. 14% of the respondents indicated that the business belonged to transport and petroleum, 33% belongs to professional and consulting, 13% belong to IT and telecommunication, 14% belongs to construction, 18% belongs to manufacturing and 8% in education sector. 49 of the respondents either skipped this question indicating that they were not aware of the sector the venture was operation in or indicated an industry that was not among the choices.

**Table 4.6 Sector of the Business**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	<b>TOTAL</b>
Transport& Petroleum	14.14%	55
Professional & Consulting	33.42%	130
IT/Telecommunication	13.37%	52
Construction	13.62%	53
Manufacturing	17.74%	69
Education	7.71%	30
<b>TOTAL</b>		<b>389</b>

(Source: Primary Data, 2019)

#### **4.4.3 Years in Operation**

The respondents were asked to indicate the number of years the business was operational. 6% indicated that the business had existed for less than one year, 39% indicated that the business was in existence between 1-5 years, 38% indicated that the business existed between 6-10 years, 17% of the businesses had been in operation for over 10 years. Only two of the respondents were not aware of the number of the years the businesses were operational.

**Table 4.7: Years in Operation**

<b>ANSWER CHOICES</b>	<b>RESPONSES</b>	<b>TOTAL</b>
Less than 1 year	5.73%	25
1-5 Years	39.22%	171
6-10 years	37.84%	165
over 10 years	17.20%	75
<b>TOTAL</b>		<b>436</b>

(Source: Primary Data, 2019)

## 4.5 Results for the Main Variables

### 4.5.1 Demographics Project Management Processes

The current study sought to assess the extent to which the respondents were in agreement with the phrases pertaining adoption of processes of management of project in the business ventures. 75% of the respondents agreed that project management processes are put into practice for all project initiatives, 85% agreed that there are tools and techniques that are utilized in projects initiation, 85% agreed that tools and techniques are utilized in projects planning, for project execution, 86% agreed, for project monitoring and control 82% agreed. The average rating was above three indicating agreement with all questions posed. 18 of the respondents failed to answer the questions in this segment.

**Table 4.8: Adoption of Project Management Processes**

	Neutral	Agree	Strongly Agree	Weighted Average
Project management processes are followed for all project Initiatives	13.37%	71.84%	4.77%	3.71
Project management tools and techniques are used during project initiation.	6.46%	80.62%	5.26%	3.81
Project management tools and techniques are used during project planning.	9.79%	78.28%	6.44%	3.85
Project management tools and techniques are used during project execution.	7.93%	77.64%	8.89%	3.89
The organization has tools for project monitoring and control	10.98%	69.69%	11.93%	3.85
All project initiatives are formally closed within the Organization	5.97%	72.08%	16.23%	3.98

(Source: Primary Data, 2019)

#### 4.5.2 Demographics for Finance

This section of the study was seeking to establish the respondent's agreement level with the phrases pertaining finance and level of adoption of PM processes. Over 85% of the respondents agreed that adequate financing should be availed for undertaking project initiatives in the business ventures. 90% of the respondents agreed that internal funds are used in financing project initiatives. There was an 81% agreement that the firm sought loans from external institutions of financing whether formal or informal. 91% agreed that management availed funds in a timely manner for financing business ventures project management processes. 85% of the respondents were in agreement that organizations availed budget for embarking on training of employees. Majority of respondents agreed that financing is an aspect that affects adoption of PM processes in SMEs.

**Table 4.9: Finance**

	To a Moderate Extent	To a Great Extent	To a Very Great Extent	Weighted Average
There are adequate financial resources to carry out the project initiatives in our organization.	33.41%	47.84%	5.05%	3.43
Internal funds are used to finance project initiatives.	34.53%	49.64%	5.28%	3.47
The owner has applied for and received a loan from either a formal or informal institution to carry out project initiatives.	25.30%	36.39%	19.76%	3.46
The management ensures timely funding of project management processes in the organization.	33.57%	52.28%	5.28%	3.52
Our organization allocates an annual budget for providing project management training to its employees.	23.02%	50.84%	12.47%	3.55

(Source: Primary Data, 2019)

#### **4.4.3 Demographics Managerial Experience**

85% of the respondents agreed that staff were familiar with use of practical skill, tools and techniques of project management processes. Having a project management certification was important as suggested by 88% of the respondents. 87% of the respondents agreed that project staff were conversant with the principles of project management. 86% of the respondent agreed that the organization has a Project management process methodology that it adopts for all the project initiatives. 85% of the respondents were in agreement that the organization has a Project management process methodology that it adopts for all the project initiatives. 86% of the total respondents agreed that project Management Processes are piloted before adoption. 87% of the respondents also agreed that the organization keeps a learnt log from the past projects the organization has carried out. 87% of the respondents claimed that lessons learnt from past projects are available and utilized for future projects. In some instances, SMEs do not adopt tools and processes of project management as they do not prioritize or know how the importance, the formality of processes seem to add difficulty and cost hence the organization face upheaval of resources and financing to do adopt project management.

**Table 4.10: Managerial Experience**

	To a Moderate Extent	To a Great Extent	To a Very Great Extent	Weighted Average
Staff are familiar and have expertise in the use of practical skills, tools and techniques of project management.	30.38%	51.91%	4.55%	3.46
Having a project management certification to be appointed in charge of a project is important.	33.25%	49.52%	5.02%	3.43
Project management staff understand the underlying principles of project management.	33.81%	42.69%	9.59%	3.46
The organization has a Project management process methodology that it adopts for all the project initiatives.	36.36%	42.58%	6.46%	3.37
Project Management Processes are piloted before adoption.	33.98%	42.17%	8.19%	3.36
The organization keeps a learnt log from the past projects the organization has carried out	36.21%	40.29%	10.55%	3.45
Lessons learnt from past projects are available and utilized for future projects.	27.03%	45.93%	15.07%	3.6

(Source: Primary Data, 2019)

#### 4.4.4 Demographics Business Environment

From the results, over 90 % of the respondents were in agreement that there is customer involvement throughout the project management process. 85% agreed that the customer prefers written communication rather than oral communication. 83% of the respondents agreed that progress meetings are held to monitor the progress of our project initiatives. 88% respondents that there are written minutes for all customer meetings. Over 90% said that the organization receives formal feedback from the customers on the project initiatives. 88% were in agreement that the firm handles customer feedback in project management in

a formal way. 92% agreed that project management processes entail so many reports documents and charts that create more work in the project execution. 88% of the respondents agreed that project management entails too many meetings that it reduces time for the actual project execution. 96% agree that Project management processes benefit the organization's competitiveness and 94% believe it has improved delivery of services and thus enhancing competitiveness. Business environment that to a greater extent affect the adoption of project management processes. It is imperative for all stakeholders both internally and externally to be actively put into consideration in brainstorming difficulties in PM processes adoption and way forward and regular communication is done among SMEs stakeholders.

**Table 4.11: Business Environment**

	To a Moderate Extent	To a Great Extent	To a Very Great Extent	Weighted Average
There is customer involvement throughout the project management process.	28.81%	55.00%	5.48%	3.54
My customer prefers written communication rather than oral communication.	31.03%	51.07%	6.44%	3.51
Progress meetings are held to monitor the progress of our project initiatives.	31.50%	49.40%	10.98%	3.62
There are written minutes for all customer meetings.	35.32%	44.15%	9.07%	3.47
The organization receives formal feedback from the customers on the project initiatives.	38.28%	42.34%	8.85%	3.48
The firm handles customer feedback in project management in a formal way.	35.25%	43.41%	9.35%	3.47
Project management processes entail so many reports documents and charts that create more work in the project execution.	31.50%	49.88%	9.79%	3.6
Project management entails too many meetings that it reduces time for the actual project execution.	36.45%	41.25%	10.55%	3.47
Formal communication in a team is key to achieving success in a project.	23.98%	55.88%	11.75%	3.7
Project management processes benefit the organization's competitiveness.	27.58%	48.20%	17.27%	3.75
Project management processes have improved the speed of delivery of our organization's products/ services to customers.	19.86%	55.74%	18.18%	3.85

(Source: Primary Data, 2019)

#### 4.5 Correlation Analysis

This current study deployed Pearson's product moment of correlation in order to test the relationship that was existing between the variables categorized independent and the variable classified as dependent.

**Table 4.12: Correlation Analysis Results**

		<b>Finance</b>	<b>Managerial Experience</b>	<b>Business Environment</b>
Adoption of PM Processes	Pearson Correlation	.736**	.363*	.421**
	Sig.(2-tailed)	.000	.032	.007
	N	440	440	440

(Source: Primary Data, 2019)

#### 4.6 Regression Analysis

Linear regression analysis that was multiple was carried out to determine the influence of the independent variables which were finance, managerial experience and business environment on the dependent variable which was adoption of processes of PM. The study inferred R square which is a measure statistically of the closeness of the data that was observed to the line of regression that was fitted. The findings of the study are well articulated on Tables 4.13, 4.14 and 4.15.

**Table 4.13: Regression Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.741 <sup>a</sup>	.55	.487	.74605

a. Predictors: (Constant), Finance, Managerial experience, Business environment.

b. Dependent Variable: Adoption of PM processes

(Source: Primary Data, 2019)

The R square value in this case is 0.55 which clearly suggests that there is a strong relationship between finance, managerial experience, business environment and adoption of PM processes. This indicates that finance, managerial experience, business environment share a variation of 55% of adoption of PM processes. Only 45% of the variation was explained by other variables not factored in the model.

The ANOVA table in Table 4.14 highlights that the overall model was deemed good fit for the reason being (F value=9.170 and p-value of  $0.000 < 0.05$ ).

**Table 4.14: ANOVA Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	17.334	3	5.819	9.170	.000 <sup>b</sup>
1	Residual	28.463	437	.066		
	Total	40.829	440			

a. Dependent Variable: Adoption of PM processes

b. Predictors: (Constant), Finance, Managerial experience, Business environment

(Source: Primary Data, 2019)

**Table 4.15: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
(Constant)	.324	.161		2.002	.002
Finance	.725	.124	.653	5.803	.000
Managerial experience	.324	.168	.234	1.927	.033
Business environment	.536	.142	.402	3.815	.000

a. Dependent Variable: Adoption of PM processes

(Source: Primary Data, 2019)

The regression model inferred as below:

$$\text{Performance} = 0.324 + (0.725) \text{Fin} + (0.324) \text{ME} + (0.536) \text{BE} + \varepsilon$$

Financing has a positive linearly significant influence on adoption of PM processes ( $\beta=0.725$ ,  $p=0.000<0.05$ ). This means that one unit change in financing while holding all other variables at zero results in 0.725 unit increase in adoption of PM processes. Similarly, managerial experience was found to have a ( $\beta=0.324$ ,  $p=0.033<0.05$ ). Here, holding all other variables at zero, one unit change in managerial experience results in 0.324 unit increase in adoption of PM processes. Business environment was also found to have a positive linearly significant influence on adoption of PM processes ( $\beta=0.536$ ,  $p=0.000<0.05$ ). Here, when all other predictor variables are held at zero, one unit change

in business environment results in 0.536 unit increase in adoption of PM processes. The beta coefficients indicate the relative importance of each independent variables namely; finance, managerial experience and business environment in influencing the dependent variable which is adoption of PM processes. Financing was found to be the most important variable in influencing adoption of PM processes ( $\beta=0.725$ ), followed by business environment ( $\beta=0.536$ ), then managerial experience ( $\beta=0.324$ ).

## **CHAPTER FIVE: DISCUSSIONS SUMMARY CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The study was seeking to establish the factors that influence adoption of processes of PM by SMEs in Kenya. This section of the study provides a summary that elaborates the findings based on the specified objectives of the enquiry. It also articulates the conclusions that are reached from the results inferred and puts across some recommendations to the parties that of the study are significant to and also the section suggests areas of further research to facilitate filling the gaps that are identified in the study.

### **5.2 Discussion of the Findings**

#### **5.2.1 Effect of Finance on Adoption of PM Processes**

The results of the analysis have revealed that finances had a positive as well as significant impact on adoption of processes of project management ( $\beta=0.725$ ,  $p=0.000<0.05$ ). This shows that finance is strongly correlated positively with Adaption of processes of PM. The results were in agreement with the studies done by Cooley & Quadrini, 2014; Hartarska & Gonzalez-Vega, (2016) that indicated that the availability of adequacy of financial resources is essential for use of project management processes in small business expansion as well as in their development. In agreement with the results is empirical evidence that points to the importance of internal finance for growth of project management in SMEs, indicating the positive relationship between projects growth and internal finance in different countries namely; Germany (Elston & Audretsch, 2010), United States (Carpenter & Petersen, 2012), Meyer, (2011). SMEs failed to adopt PM processes for lack of enough funds since their size is small and failure of these projects may collapse the business.

### **5.2.2 Effect of Managerial Experience on Adoption of PM Processes**

The results of the analysis have also revealed that managerial experience had a positive impact which was significant but weak on adoption of processes of project management a ( $\beta=0.324$ ,  $p=0.033<0.05$ ). As it is consistent with this study, experience by the management is critical and needed to have advantage over competition in adaptation and development processes of management of project management for the reason being it is not easy to copy (DeNisiet al., 2013). Experience by the managers or owners of business ventures is attributable to formal education, attitudes, ability, experience, values, commitment, knowledge, skills and capability that aid an entrepreneur and the team in the activities of initiating, leading and expanding a business to get more knowhow and to facilitate owners to be more efficient on their undertakings in leading their enterprise and in undertaking activities for growth and more in processes of management of project as was highlighted by Mark man and Baron, (2014). Managerial experience through skills development is very pertinent in order to make sure that managers and their subordinates are well versed with skills and techniques that lead them in executing their management of project duties. Institutions are in an increasingly manner, being considerate on whom to delegate management duties of projects, and they are starting to make sure that their staff have the skills that are requisite, properly trained and experienced (Taylor, 2006). As portrayed by Taylor (2006), managers of project ought to be fully qualified for the purposes of teaching, training and developing direct reports.

### **5.2.3 Effect of Business Environment on Adoption of PM Processes**

As highlighted by the results of the analysis business environment had a positive impact which was significant on adoption of project management processes ( $\beta=0.536$ ,  $p=0.000<0.05$ ) Thus business environment positively and strongly correlates with adoption of PM processes. The results were consistent with studies done by Leurs, 2015; Muller and Turner (2017); Westerveld (2013) which stated that for the fact that success of project might be perceived differently by SMEs stakeholders, there is a greater need for comprehensiveness in criteria incorporating their interests as well as their views. The

results further highlights that the factors emanating from environment around a business underline the issues swaying the feasibility economically of the project. The results were in agreement with the study done by Asma et al. (2015) that concludes that unfair competition pose a greater challenge that affected SMEs as well as companies that are bigger in Algeria. Project management processes thus has enhanced competitiveness through enhancing success of projects and enhancing delivery of services to customers as well as other stakeholders

### **5.3 Summary of the Findings**

The study sought to find out the factors that influence the adoption of processes of management of project on SMEs in Kenya, case study of SMEs in Nairobi. The study was a cross sectional descriptive design. The target population was SMEs in Nairobi. The study made use of a sample of 600 respondents which was selected using a simple random of sampling technique. The respondents were drawn from three strata based on number of employees as well as annual turnover i.e; Micro enterprises, small enterprises and medium enterprises. 600 questionnaires were administered through survey monkey and physical delivery to respondents, and 440 were returned which translated to a response rate of 73%. The summarized findings of the study are as articulated following the study objectives.

#### **5.3.1 Finances and Adoption of PM Processes**

The results on finances revealed that the adoptions of processes of management of projects are well applicable in organization projects. The study showed that the managers/owners of SMEs must avail adequate financing in order to carry out project initiatives in the organization. SMEs majorly uses internal funds so as to financing project initiatives. It was further revealed that firms should be able to receive loans from external financing institutions whether formal or informal where more funds were needed in addition to internal funds. Management/owners of the SMEs availed funds in a timely manner for financing processes of management of projects as well as budget for enhancing training of employees.

Majority of the respondents thus agreed that financing is an aspect that correlates with adoption of project management processes in SMEs. The major hindrances that have been underscored along the years is the constraints in the financing. The needs of financing by enterprises that are in size small and medium can firstly be satisfied by its funds that emanate internally or by capital comprised of debt. The minimal chances of access to finance pose a significant challenge for the entrepreneurs of the businesses of that are small and medium in Kenya in their adoption of processes of PM.

### **5.3.2 Managerial Experience and Adoption of PM Processes**

Additionally, the results on managerial experience revealed that managerial experience and skills are needed in adoption of PM processes. Staffs were familiar with use of practical skill, tools and techniques of PM processes. Having a project management certification was deemed to be pertinent. Also, employees should be well trained on monitoring tools in organization projects. Majority of the study respondents indicated that project staffs were conversant with the principles of project management and that the organization has a Project management process methodology that it adopts for all the project initiatives. Project Management Processes are piloted before adoption and the organization keeps a learnt log from the past projects the organization has carried out. Lessons learnt from past projects are available and utilized for any future projects. The organization should widely consult on the best monitoring tools to be applied.

It is nonetheless uncertain if tools of monitoring are internationally recognized and if the organization conducts audits on its financial tools in so as to enhance controls of its costs of project. Since SMEs size is small, if an error is made by in the implementation of processes of management of project, there was be a likelihood of collapsing of the SME hence chances to learn from past mistakes doesn't exist at all. This poses a challenge in SMEs adoption of Processes of PM.

### **5.3.3 Business Environment and adoption of PM Processes**

From the results, there is importance for customer involvement throughout the project management process. Customer preferred written communication rather than oral communication. It is imperative for progress meetings to be held to monitor the progress of our project initiatives. Formal feedback received from the customers on the project initiatives should also be incorporated in adoption of PM processes in organizations. Business environment that to a greater extent affect the adoption of project management processes. The findings revealed that it is thus imperative for all stakeholders both internally and externally to be actively put into consideration in brainstorming difficulties and way forward and regular communication be done amongst stakeholders of the SMES.

Responses in this study also confirmed that stakeholders, who include customer, government, suppliers, staffs should actively be involved through formal meetings. A larger percentage agreed that project management processes entail so many reports documents and charts that create more work in the project execution and project management entails too many meetings that it reduces time for the actual project execution and thus curtailing adoption of PM processes. The findings highlighted that engagement of stakeholders enhances their satisfaction, ownership and sustainability of outcomes. Correlation analysis indicated that business environment is significantly and more so positively related to adoption of PM processes by SMEs. From the respondents, it can be acknowledged that the environment facing business impacts the economy through its effect on investment incentives and by giving pressure on SMEs firms that in previous times enjoyed a bit of protection.

The findings indicates that project management processes benefit the organization's competitiveness and it has improved delivery of services and thus enhancing competitiveness. Business environment that to a greater extent affect the adoption of project management processes. These statements were in agreement with hypothesis H<sub>3</sub> that business environment positively correlates with PM processes adoption. It is imperative for all stakeholders both internally and externally to be actively put into

consideration in brainstorming difficulties in PM processes adoption and way forward and regular communication is done among SMEs stakeholders.

#### **5.3.4 Adoption of Project Management Processes**

The study sought to examine the extent to which factors for adoption of project management processes in the business ventures. Deployment of functions of project management by enterprises that are small and medium in Kenya is adhoc and incongruence and absence of proper plans, improper financing and poor management being underlined as the major regarding the failure in project management by small enterprises. Because of their small size, if an error is made by in the implementation of processes of management of project, there will be a likelihood of collapsing of the SME hence chances to learn from past mistakes doesn't exist at all.

Processes of project management should be adhered to in all project initiatives. Tools and techniques should be applied and used in projects initiation, planning, execution as well as monitoring and in controlling of projects. PM processes adoptions are well articulated in implementation of SMEs projects. There are feedbacks on adoption of processes of PM that should be conducted and proper awareness on processes adopted be conducted by business ventures on its staffs. In light of the availed findings, there is an opportunity for adopting PM best practices. In addition, the business venture should embark on benchmarking its PM practices with other institutions though it is not very clear if the methodologies of adopting PM processes are deemed definitive, concise and comprehended easily in the project. Similarly, there exists no clear indication that if the organization have embraced better strategies on adopting PM processes.

#### **5.4 Conclusion**

As revealed by the results of the study it can be deducted that all the variables that are independent (Finance, Managerial experience and Business environment) in this current study influences adoption of PM processes which is the dependent variable. The

correlations were assessed through correlation and regression analysis which revealed that there existed a positive as well as a significant linear relationship between Finance, Business environment, managerial skills with adoption of PM processes. Therefore, the study concluded that Finance, Business environment and managerial skills influences the adoption of PM processes in a positive direction. Business environment influences PM processes adoption the least. Access to finance whether internally or externally, influences adoption of PM processes the most and enterprises failed to adopt PM processes for lack of adequate financing.

## **5.5 Recommendations**

Basing this section on the findings of the study, the following recommendations were proposed in relation to each objective of the study.

### **5.5.1 Finance and adoption of Project Management Processes**

The study recommended that Majority of the respondents thus agreed that financing is an aspect that affects adoption of project management processes in SMEs. The results of the analysis have indicated that the availability of adequate financial resources is essential for use of project management processes in small business expansion and development. As suggested by the study undertaken by (Kung'u, (2011), the needs of financing by of enterprises that are in size small and medium can firstly be satisfied by its funds that emanate internally or by capital comprised of debt. The minimal chances of access to finance pose a significant challenge for the entrepreneurs of the businesses of that are small and medium in countries in Kenya. In agreement with the results is empirical evidence that points to the importance of internal finance for growth of project management in SMEs, indicating the positive relationship between projects growth and internal finance in different countries namely; Germany (Elston & Audretsch, 2010), United States (Carpenter & Petersen, 2012), Meyer, (2011).

### **5.5.2 Managerial Experience and adoption of Project Management Processes**

The study recommends that in order to realize improved adoption of PM processes among SMEs, the ventures should conduct regular training for the operational team and its managers so that they are equipped with the relevant skills especially for project management. The team should undertake project management certifications and more resources for training budgets should be allocated. Project management as well as leadership skills combine the use of knowledge and competencies to achieve set project objectives, and these skills are acquired through training. If an error is made by in the implementation of processes of management of project, there was be a likelihood of collapsing of the SME hence chances to learn from past mistakes doesn't exist at all.

### **5.5.3 Business environment and adoption of Project Management Processes**

The study concluded that not all stakeholders are engaged in resolving challenges and defining way forward for adoption of PM processes within SMEs. The study, therefore, reaches a recommendation that the business ventures should define measures that will make sure that all stakeholders participate in an active manner in resolving difficulties encountered and defining strategies of adoption of processes of management of projects. This will enhance their ownership as well sustaining the solutions in adoption of processes of management of projects.

The business ventures should adopt a model to be used in engagement of customers that builds a background of a proactive two-way process between the business enterprises and the stakeholder where communication by way of proposals and opinions can emanate from either party. As an outcome of parties' engagement, the business ventures can change its practice of normalcy in management of its projects to include changes that will aid in enhancement of its project success and performance.

## **5.6 Areas for Further Research**

This study focused on the factors that influence of adoption project management processes by SMEs in Nairobi due to limitation of time and funding. The same research can be done to find out the factors of influence in project management processes adoption in the entire country. This would avail findings that would be utilized in benchmarking best practices for adoption of PM processes.

Further research could be conducted after practicing in the long term of the recommendations to aid assessment of factors for adoption of PM practices. Since projects management practices are broader, the study therefore recommends the importance for examination of the roles of other factors such as management support, advancement in technologies, cognitive skills on adoption of PM processes by SMEs.

The methodology that was deployed in order to achieve the specified objectives of this research was limited to the way of questionnaires that were structured. In this regard future research could be based on this and build on this study by examining adoption of PM processes in different geographical locations as well as agencies in both ways that are qualitative and quantitative by deployment of other methodologies that are various and that have not been deployed in this study.

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## APPENDICES

### Appendix I: Letter of Introduction

GEORGE KAGWA GACHERU

STRATHMORE UNIVERSITY

P.O. BOX 59857, 00200, CITY SQUARE,

NAIROBI, KENYA.

Dear Valued Respondent,

I am carrying out an important research on *FACTORS AFFECTING ADOPTION OF PROJECT MANAGEMENT PROCESSES BY SMALL AND MEDIUM SIZED ENTERPRISES (SMES) IN NAIROBI*. This is in partial fulfillment of the requirement for the award of the degree Masters in Business Administration at the Strathmore University.

Attached is a questionnaire, please answer all the questions with your own true agreement to each. There are no wrong responses for any of these statements. All information given in the questionnaire will be treated with strict confidentiality and used for the purpose of this research only.

Thank you for taking your time to fill in the questionnaire.

Thank you in advance,

Yours sincerely,

GEORGE KAGWA GACHERU

## Appendix II: Questionnaire

This questionnaire is concerned with investigation of Factors affecting Adoption of PM processes. It is divided into three parts.

### PART I: CONTROLS

**Instructions:** Please indicate your answer with a **tick (√)** on the checkbox when presented with options.

1. How many number of full time employees does your firm have?

- Less than 5 employees
- 6 – 10 employees
- 11 – 20 employees
- 20 – 50 employees
- Over 50
- Exact Number .....(Optional)

2. Estimate annual turnover in Kes

- Less than 10 million
- Between 10- 50 Million
- Between 50- 100 Million
- Between 100- 500 Million
- Over 500 Million

3. Describe your primary job function? Tick one of the given options.

- Owner of business
- Director
- Manager
- Supervisor

Operational

4. Please check category that best describes to company's primary area of business.

Tick one of the given options

Sector	Response
Manufacturing	
Service	
Wholesale	
Retail/hospitality	
IT/Communication	
Construction/property	
Professional services	
- Others (Specify)	

5. Number of Years in Operation. Tick one of the given options

- Less than 1 year
- 1-5 years
- 6-10 years
- over 10 years

6. Age of the business. Tick one of the given options

- Under 30 years
- 30-39 years
- 40-50 years
- over 50 years

7. What is your gender? Tick one of the given options

- Male
- Female

**PART II: Project Management Processes Adoption**

**Instructions:** This subsection is concerned with Project management adoption. Please mark with a **tick** (✓) in the box which best describes your agreement or disagreement. Use the following likert scale; Strongly Agree (SA)=5, Agree(A)=4, Neutral(N)= 3, Disagree(D)=2 and strongly disagree(SD)=1

		SD	D	N	A	SA
#	Project Management Adoption	1	2	3	4	5
1	There is evidence that project management processes are followed for all project initiatives					
2	A project manager is assigned to lead all project initiatives in the firm					
3	Project management tools and techniques are used during project initiation?					
4	Project management tools and techniques are used during project planning					
5	Project management tools and techniques are used during project execution					
6	The organization have tools for project monitoring and control					
7	All project initiatives are formerly closed within the organization					

**PART III: Factors affecting Adoption of PM processes**

This subsection is concerned with Factors affecting Adoption of PM processes. Please mark with a **tick** (✓) in the box which best describes your agreement or disagreement. Use the following likert scale; Strongly Agree (SA)=5, Agree(A)=4, Neutral(N)= 3, Disagree(D)=2 and strongly disagree(SD)=1

	<b>Finance</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
#	<b>A) Access to Finance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	There are adequate financial resources to carry out the project initiatives in our organization					
2	Internal funds are used to finance project initiatives					
3	During the last 12 months the owner has applied for and received a loan from either a formal or informal institution to carry out project initiatives					
#	<b>B) Priotization of Finances</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	The management ensures timely funding of project management processes in the organization					
2	Our organization allocates an annual budget for providing project management training to its employees.					
#	<b>Managerial Experience</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>C) Knowledge of project management</b>					
1	Staffs are familiar and have expertise in the use of practical skills, tools and techniques of project management?					
2	Having a project management certification to be appointed in charge of a project is important					
3	Project management staff understand the underlying principles of project management					

4	The organization has implemented Project management process methodology					
		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
#	<b>D) Organizational experience</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	PM processes piloted before adoption					
2	The firm has learnt from the number of projects the organization has carried out					
3	Lessons learnt from past projects are available for future projects					
	<b>Business environment</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
#	<b>E) customer Formality</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	There customer involvement throughout project management process					
2	Customer Involvement is carried out in project identification					
3	Customer prefers written communication rather than oral communication					
4	Progress meetings are held to monitor the progress of our project initiatives					
5	There are written minutes for all customer meetings					
6	The organization receives formal feedback from the customers on the project initiatives					
7	The firm handles customer feedback in project management in a formal way					
#	<b>F) Reporting burden</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Organizations reports are used in identification of PM processes					
2	Project management processes entail so many reports documents and Charts that create more work in the project execution					

3	Project management entails too many meetings that it reduces time for the actual project execution					
4	Formal communication in a team is key to archiving success in a project					
#	<b>G) Competition</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Project management processes benefit the organization's competitiveness					
2	Project management processes have improved the speed of delivery of our organization's products/ services to customers					
3	Our competitors apply project management Processes to gain competitive advantage					

**Appendix III: List of SME Sectors Targeted in Nairobi**

<b>SME Category</b>	<b>Business Code in Nairobi Area</b>	<b>Number of SME's in Nairobi County</b>
Medium Trader Shop or Retail Services	110	16,804
Small Trader, Shop or Retail Service	115	55,194
Small Transportation Co.	315	2,844
Small Petrol Filling	335	895
Small Storage Facility	365	945
Small Communications Co.	380	175
Small agric. Producer/Processor/Dealer	415	2,452
Medium Lodging House With Restaurant Or bar	515	274
Small Lodging House With Restaurant/Bar	518	236
Medium Lodging House	524	328
Small Lodging House Basic Standard	527	415
Small Restaurant With Bar	546	956
Medium Eating House; Snack Bar; Tea House	552	1,054
Medium professional services firm	610	508
Small professional services firm	615	5,235
Medium financial services	630	512
Small financial services	635	478
Small private health facility	735	65
Small Entertainment Facility	760	75
Small Industrial Plant	815	704
Medium Workshop, Services- Repair Contractor	825	3,124
Small Workshop Service Repair Contractor	830	9,124
<b>TOTAL</b>	<b>NA</b>	<b>102,397</b>

**Nairobi County, Trade and Licensing Department (2018)**

**Appendix IV: Ethical board approval**

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**Final Decision Certificate**

This document certifies that the study:

**"Factors affecting Adoption of project management processes by Small and Medium Sized Enterprises (SMEs): A Survey of SMEs in Nairobi CBD"**

**Principal Investigator:** Mr. Gacheru, George  
**Reference number:** SU-IERC0262/18

Was reviewed and received the following status:

**"approved"**

**Additional Comments:** ----- No Comments from the Reviewers.

---

## Appendix V: Nacosti Certificate

**THIS IS TO CERTIFY THAT:**  
**MR. GEORGE KAGWA GACHERU**  
of STRATHMORE BUSINESS SCHOOL,  
0-300 Nairobi, has been permitted to  
conduct research in Nairobi County

Permit No : NACOSTI/P/19/13441/29886  
Date Of Issue : 22nd May, 2019  
Fee Received : Ksh 1000

on the topic: **FACTORS AFFECTING  
ADOPTION OF PROJECT MANAGEMENT  
PROCESSES BY SMALL AND MEDIUM  
SIZED ENTERPRISES (SMES): A SURVEY  
OF SMES IN NAIROBI CBD.**

for the period ending:  
22nd May, 2020



.....  
Applicant's  
Signature

  
.....  
Director General  
National Commission for Science,  
Technology & Innovation

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Technology and Innovation (Research Licensing) Regulations, 2014.

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TEL: 020 460 7000, 0713 788787, 0735 404245  
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Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)



REPUBLIC OF KENYA



National Commission for Science,  
Technology and Innovation

RESEARCH LICENSE

Serial No.A 24691

CONDITIONS: see back page

## Appendix VI: Plagiarism Check

5/13/2019

Thesis & Proposal Plagiarism Check



### Digital Receipt

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Submission Author	George Gacheru
Turnitin Paper ID (Ref. ID)	1129745570
Submission Title	FACTORS AFFECTING ADOPTION OF PROJECT MANAGEMENT PROCESSES BY SMALL AND MEDIUM SIZED ENTERPRISES (SMES) A SURVEY OF SMES IN NAIROBI CBD
Assignment Title	Thesis & Proposal Plagiarism Check
Submission Date	13/05/19, 17:52

### FACTORS AFFECTING ADOPTION OF PROJECT MANAGEMENT PROCESSES BY SMALL AND MEDIUM SIZED ENTERPRISES (SMES) A SURVEY OF SMES IN NAIROBI CBD

#### ORIGINALITY REPORT

<b>23%</b>	<b>14%</b>	<b>2%</b>	<b>20%</b>
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

## Appendix VII: list of SMEs

IMG Kenya limited  
Protel Studios  
Brisk marketing  
Monross hardware limited  
Cherry interior  
Transcend media  
Kago Farm Ltd  
Empowergen Ltd  
Geonet Limited  
Thrust Boring Techniques limited  
Kenva Limited  
Onfon Media limited  
Kyndercare kindergarten  
Gituamba bakers  
Golf plus limited  
Empire Technologies Limited  
Quins Foods limited  
Getophin enterprises limited  
Labos Limited  
POA Internet  
PRO-EXPO  
Impulse Innovation Ent. Ltd.  
Septre international Co. Ltd  
Ongea ltd  
Green line technologies  
Tecraft Consulting  
Mitambo Technical services  
Matrix software ltd  
Xado east Africa Limited  
Kabern Enterprises limited  
MAFI East Africa  
Innovis Telecom Services Pvt Ltd  
E.W. Wangila & Associates  
Dow int Business Consultants  
Ripples Communication Kenya  
Oasis Technical  
CTU Tec Consult  
Galaxy Services limited  
Uchumi developers ltd  
Ngachocho engineering and construction services  
Makuyu paper  
Ngenyo constructors  
Onjeka enterprise  
Omnion transporter  
Cybertecheque communication and cyber services  
Media edge limited  
Gorgeous general supplies  
Skycorp communication technologies  
Babzi agencies  
Centem engineering and construction  
Procure for you  
Pixel supplier and car hire services  
Dr wherine consultancy  
Hazel afrique ltd  
Myteque ventures  
Airport club  
Jane fruit vendor  
Wamuche merchants  
Pipemania industries limited  
Tecnok communication limited  
Kalonzo advocates  
Kamau and sons construction company  
Apex steel limited  
Sanderting enterprise  
Dewstars technologies  
Jawel company limited  
Kaleke advocates  
Quickem bakery  
Mastermind tobacco  
Amala constructors  
Enns valley bakery  
Ngweya animal feeds ltd  
New deliverance church githurai mpesa  
Emaco limited.  
Smartech computer cyber services  
Rontex project and management consultants

Major Works Engineering ltd	Leaky ventures
Masaba Limited	Jontina enterprise
Oxygen group	Savannah three security
Weta and Associates	Ben consultancy services
Shapa Consulting	Palmat investments
Wing tips limited	Printcon technologies limited
Home boys Events	Specicom technologies
Netware systems limited	Sunset restaurant
Canopy insurance	Kihiu law farm
Taslimu Capital LTD	Lazero club
J Mwangi & Associates ltd	Epican limited
Optinet Tachnologies Limited	Njatha constructors' company
Capital Synagies Africa Limited	Home sweet hotel
Tripple one Motors Limited	Tallow drilling company
Creative enterprice Center	Onyango surveying company
Fikira Mwangi Cunsulting	A-plus academy
Quantum Real Estate Kenya Ltd	Kdf baking industry
James brown group limired	Sam's entertainment Limited
Amfratech Limited	St. Mary's education centre
Impax business solutions ltd	Naivas supermarket githurai
Power-wiz Electro limited	Zam zam limited
Crimson Communication	Pettans githurai 45
Hawk bay insurance Brokers ltd	Caroline company
Gachaga International ltd	Stella vendors
Sustainable foods ltd	Msisiche construction company
Mount Royal suppliers	Mueni wholesalers
Mivec industries	Securex security
Vassay Ltd	Cyberflex computer training
Variety Flooring	Kapeka opticals
Hoist Kenya Limited	Space vec ventures
ABC realtors	Saints solutions
Pasonic Holdings	Basco paints
DK enterprises	Sygenta manufacturers
Brussels flooring	Evolution planters
MHardware company limited	Boteque constructors thika
Eproject Limited	Jubilee meds services
AKS limited	Emily guidance and counselling services
Chrystal limited	Guuht company limited
Ace solutions LTD	Toto's educations' centre

Epicomms ltd	Wamwihaki salon and beautique
Chigwell Holdings Limited	Brothermini enterprise
Riflo Industries	Vitibi cement industry
Nine one one Group	Etihad transport service ltd
DS R00f	Amara africa trainers
Tephillah Roofing Products ltd	Pro gas suppliers
African Cables ltd	Pan and tred
Rock mix ltd	Oilibya petroleum
Jiji Works	Mutwiri constructors
Hekson Construction limited	Kalu works limited
Vakeel Construction Ltd	Abdunazil synthesizers
Spot on Printers	Leather industries
AAKI Consuting Limited	Jenteque manufacturers
Kenwell Motors	Repute services and consultancy
Solai Paintslimited	Jopax agencies
KAAL Holding limited	Mavuno elimu computer training centre
Pivel creative pottery	St. Teresa's hospital
Aquirous solutions	Kazana sacco limited
Kabera solutions limited	Gacheru construction suppliers limited
Clapet ltd	Petlaw agencies
Kobil petrol station Koinange street	Ziyale investments
44 sacco limited	Peepih general supplies
Crownways institute limited	Crystal Consult Co Limited
Gilly's security and investigation services limited	Maurice chef and bakers
Galex nterprise ltd.	Frontline planning and innovations ltd
Nifam general merchants	Outllok solutions limited
Three quality services limited	Kenyatta university
Ajamak solutions	Maisha mabati rolling mills
Lisoden solutions	Pfk consulting limited
Redda consulting group limited	Dhanush infotech limited
Earthline ventures	Keneli engineering solution e.a
Keptz computer college	Evolution consultancy limited
Rhummon company limited	Avidex africa studios limited
Juhudi east limited	Dekam college
Flora bakers	Mlima capital investments
New hope cyber	Mbesekeli training institute
Omni rubber rollers limited, tigoni	Virginia travelers
Quinta engineering ltd.	Kisma traders

Bvac rose ltd	Olibya petro station
Profex investment limited	Hard copy technology
Energy consultant	Sarkat commercial agents
Milestone academy	Splash trading limited
Insight consultant ltd	kimtong cyber café, kahawa west
Mediz diagnostics	Mondial communication
Susan hairdresser	Dr. Lucy consultancy
Keman ventures and training institute	Almoch bakery
Platinum holdings	Wamucho general sellers
Mwangatech	Robytech polythene, namanga road
Digitech solutions	Gachero advocates
Co-plus enterprise	Naivas supermarket githurai
Awake designs	Rahim engineers
Njogu ndungu enterprise	Shiku bakers and supplies
Crescent-tech limited	Jeda Training Institute
Crystal royal limited	Kiwan system limited
Sate east africa limited	Tifa research institute
Sentinel alarms limited	Blitz professional, it and consultancy
Mum vika holdings	Blissmarks services
Mister's bakers ltd	Y.m.c.a training center
Utumishi education centre	Monlinks investments
Kareke academy	Rahum office supplies
Kariokoo leather moulders	Paco company limited
Benjo transporters	Kaluma ino transports
Nyakio contractors	Lakiere michuki
Kizengo transporters	Essy catering
Jamiah enterprise	Githui constructors
Lilex services ltd	Beatric beauty products ltd
Sharpline technologies and contractors	Edunutch consultants and technology
Glory general supplies	Fountain general constructors limited
Palm tree investments	Laine enterprise
Mully office equipment	Tuza consultants.
Uhai bakery	Joam's all in one
Aiwi company constructions limited	Sika transports company.
Shiena enterprise	Kamau construction company
Emerson automation limited	N.t.k transports company
Githembe millers	Kiambu distributors
Contam investment	Abz constructions limited
Fast choice limited	Asl limited

One-point pasha centre	Bilco engineering
Clayworks ltd	Jihan transporters
Real Bakers Ltd	Beta healthcare
Tumaini construction company	Nelig group limited
Counselling healthcare	Blue ring product limited.
3g cyber café	Plot 11 company limited.
St. Martin academy	Mullyoffice equipment
Sunrise educational centre	St. Thomas academy
Guango youghurt	Copia agencies
Rehan enterprise	Jijaze superduka
Beauty kim salon	Wright press
Crystal power energy	Markin auto and general supplies
Kikomba ndogo	Ejaq limited
Graphi-tech designs	Tiez kenya supplies
New life business	Hobby supplies and investments
Harry transporters	Ahadi real estate
Sam cyber café	New kenya transport limited.
Dolphin stationers	Swift food limited
Magufani petroleum station	Koba water ltd
Alpha dairy product ltd	4g cyber LTD
C. Dormans limited	Lafame productions limited (tom mboya st)
Jitegemee kerosene and oil supplier	Merino dealers and estates
Intermass stationers and printers limited	Nicco services
Rahum enterprise	Githaiga enterprise
Triple k security	Pistocrat ventures enterprise
Kristel limited	Betin githurai
Admart limited	Price water house coopers limited
Tropical opticals	Steve communication centre
Naivas bakery	Airplus cooling system ltd
Gemko consultancy services	Brothers coach travelers
Bei rahisi industries.	Super highway commuters
Small heaven cake bakery	Humming bird
Endevour africa limited.	Huckle berry Square constulting
Kentmere gardens	JB enterprises
Jentel planners	SOA Kenya limited
Kasmak agencies	Reime Ltd
Jenko wholesalers	Wadau wasafi ltd