

# AIBUMA 2013 CONFERENCE PROGRAM



African International Business and Management Conference

**AIBUMA Conference**

**University of Nairobi, School of Business**



## The 4th African International Business and Management (AIBUMA 2013) Conference

**The University of Nairobi, School of Business,  
Lower Kabete Campus, Nairobi, Kenya: July 11-12,  
2013**

**Theme**

**"Business and Management Outlook: Optimism or  
Pessimism?"**

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# AIBUMA 2013 Welcome Note

Welcome to the 4th African International Business and Management (AIBUMA 2013) Conference, July 11-12, 2013: The University of Nairobi, School of Business, Lower Kabete Campus, Nairobi, Kenya

The *AIBUMA 2013 Conference* aims at providing a forum for disciplinary and interdisciplinary communications, where researchers (in Social and Natural Sciences, as well as in Engineering), intellectuals, policy/decision makers and Consultants would share the results of their research, studies and thoughts, with regards to societies and private/public organizations. This is an annual event that began in 2010 and is organized and hosted by the School of Business, University of Nairobi. The conference seeks to: showcase research as well as provide a forum for collaboration and fusion with business leadership practice; and plug into the global business thinking by engaging in activities that elevate her visibility in the global arena.

The AIBUMA 2013 is organized into two tracks: the Keynote speeches, which brings in senior corporate leaders and executives; and, the academic conference in which research papers are presented. The AIBUMA 2013 Conference Will Feature Amongst Other Initiatives, the Launch of: African Journal of Business and Management Vol.III: ISBN 978-9966-1570-3-4 and AIBUMA 2012 Proceedings.

## PARTNERS

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# AIBUMA 2013 CONFERENCE COMMITTEE

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**Conference Chair:** S. Onserio Nyamwange, Department of Management Science

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Hada Oketch: ICT, School of Business

Truphena Owiti: **Conference Administrator**

# AIBUMA Chairman's Welcome Address

Distinguished speakers and participants, Colleagues, Ladies and gentlemen,

Good morning. It gives me great pleasure to welcome everyone to the fourth Africa International Business and Management (AIBUMA2013) conference. Feel welcome to this important activity in the academic calendar.

AIBUMA Conference provides a forum for interdisciplinary interactions among researchers, intellectuals, policy makers and opinion shapers in society and in private and public organizations. The conference is organized into two tracks: the Business conference, which brings in senior corporate leaders and executives; and, the academic conference in which research papers are presented. AIBUMA2013 is the fourth in the series of annual AIBUMA conferences. It follows in the footsteps of successful past conferences. Indeed it is the vision of the organizing committee, School of Business, University of Nairobi that AIBUMA will continue to grow and attract high quality papers and presentations from academic and business communities across the world.

The theme of this year's conference is "Business and Management Outlook: Optimism or Pessimism?". The theme was selected on the understanding that the future is uncertain and that the decisions we make are informed by expectations based on forecasts about the future. While some people look into the future and see doom and gloom others see light and hope. Keynote addresses and papers to be presented will generally show how organizations and individuals are facing the future. Are they or should they be optimistic or pessimistic? How do you see the cup? Half full or half empty?

In the next two do days we will have a chance to listen to 18 renowned CEOs from top organizations and respected management thinkers in the country. They will share their experiences and thoughts along the lines of our conference theme. We have also received many academic research papers from a cross spectrum of business areas. I wish to acknowledge the support received from the University of Nairobi fraternity in the preparation of this conference, the School of Business, College of Humanities and Social Sciences, and Nation TV who have partnered with us in publicising the conference and who will be airing the proceedings live on TV on the two days of the conference. Let me also thank my talented team members of the organizing committee for accepting to work beyond their call of duty to make this day a reality. If there is anything we can do to make your experience more enjoyable at this conference please let us know. We encourage participants to give us feedback whether positive or negative.

Ladies and gentlemen, may I once again welcome you to the fourth AIBUMA conference. Please feel at home. I encourage all of us to fully participate in the events of the next two days of AIBUMA 2013 and wish each of us a fruitful experience at this annual event.

**S. Onserio Nyamwange**

AIBUMA 2013 Conference Chair

# CONFERENCE PROGRAM

DAY 1, THURSDAY JULY 11, 2013	
<b>PLENARY: OFFICIAL OPENING - SESSION I</b>	
<b>VENUE: Lecture Theatre</b>	
<b>MC: Dr. Josiah Aduda                      Rapporteur: Mary Kinoti</b>	
<b>TIME</b>	<b>SESSION I: Opening Remarks</b>
7.30 - 8.30AM	Registration - Organizing Committee
8.30 - 9.45AM	Chair AIBUMA
	Dean, School of Business - University of Nairobi
	Principal, CHSS- University of Nairobi
	DVC(SA) University of Nairobi
	VC University of Nairobi Chief Guest Opening Speech
9.45- 10.15AM	Prof. Margaret Kobia- Chairperson, Public Service Commission
10.15 -10.40AM	<b>Group Photo - All HEALTH BREAK</b>
<b>PLENARY: KEYNOTE SPEECHES - SESSION II:</b>	
<b>Lecture Theatre</b>	
<b>MC: Dr. Josiah Aduda                      Rapporteur: Dr. Mary Kinoti</b>	
10.40- 11.05 AM	Eng. Patrick Oboth - Chairman, Kenya Private Sector Alliance
11.05- 11.30 AM	Joshua Oigara - C.E.O, Kenya Commercial Bank
11.30- 11.55 AM	Jeremy Awory - C.E.O Barclays Bank of Kenya
11.55 - 12.20PM	Sicily Kariuki - MD Tea Board of Kenya
12.20 - 12.45PM	Musyoki Muli - Managing Director, Longhorn Publishers
12.45 - 1.30PM	<b>LUNCH BREAK</b>
1.30-2.00 PM	Peter Kebati - C.E.O, Mumias Sugar
2.00--2.30PM	Munir Mohammed - Managing Director, National Bank of Kenya
<b>DAY 1</b>	<b>THURSDAY July 11, 2013</b> <b>THE CONFERENCE SPLITS INTO FOUR PARALLEL SESSIONS FOR PAPER PRESENTATIONS</b>  <b>Parallel Paper Presentation I: Session III:- Lecture Theatre</b>  <b>Parallel Paper Presentation II: Session IV:- S13</b>  <b>Parallel Paper Presentation III: Session V:- S14</b>  <b>Parallel Paper Presentation IV: Session VI:- Board Room</b>  <i>See Details Below</i>

**DAY 1, THURSDAY July 12, 2012**

**PARALLEL PAPER PRESENTATIONS I : - SESSION III**

**Time: 2.30- 4.30PM**

**Venue: Lecture Theatre**

**Session Chair: Prof Francis Kibera**

**Rapporteur: Dr. Zack Awino**

<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.30 -2.45PM	Effect Of Interest Rates Spread On The Performance Of Banking Industry In Kenya	<i>Dr. Bernard K Rop, Bellah Chepkulei;Langat Leonard</i>
2.45 - 3.00PM	The Financial Impact In Africa Of Clean Development Mechanism (CDM) Under The Kyoto Protocol Of 1997.	<i>Professor Muroki F. Mwaura</i>
3.00 - 3.15PM	The Impact Of Local Authority Transfer Fund On Revenue Within Local Authorities In Kenya	<i>Joseph Lumumba Barasa and James Isaiah Amuono</i>
3.15 - 3.30PM	Determinants For Successful IFRS Convergence In Tanzania	<i>Henry Chalu and Mussa Assad</i>
3.30 - 3.45PM	Challenges Of Implementing Commercial Cluster Integration: Latin American (CELAC) Firms As Example	<i>S. Rick Fernandez &amp; Laaria Mingaine</i>
3.45 - 4.00PM	Role Of Planning In Performance Contracting And Its Effect On Employee Performance: A Descriptive Survey Of Kenyan Public Enterprises	<i>Samuel Kimnyak Partoip, robert Ong'eta Kinanga</i>
4.00 - 4.15PM	Influences Of Green Marketing Mix On Brand Loyalty Of Powder Detergents-A Survey Of Supermarket Clients In Meru Central Business District	<i>Gitau Paul Mucai ,Aden Issack Noor</i>
4.15 - 4.30PM	Customer Adoption Of Cyber Banking Technologies: An Empirical Analysis	<i>Dr. Nyangosi, Dr. Nyangau, Dr. Kennedy Nyariki</i>
<b>4.30PM HEALTH BREAK</b>		

**PARALLEL PAPER PRESENTATIONS II : - SESSION IV**

**Time: 2.30- 4.30PM**

**Venue: S13**

**Session Chair: Prof Kaijage**

**Rapporteur: Winnie Nyamute**

<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.30 -2.45 PM	Factors Affecting The Adoption Of Business Process Outsourcing In Kenya's Mobile Phone Companies	<i>Hudson Barasa Ogubi, Cecilia Muganga Okumu</i>
2.45 - 3.00PM	Assessment Of Information Systems Strategic Alignment In Kenyan Public Universities	<i>Kiyeng P. Chumo,</i>
3.00 - 3.15PM	Entrepreneurship Training And Early Retirement: A Twin Muzzle Solution To Un-Employment In Africa	<i>Jacob Mbijjiwe</i>
3.15 - 3.30PM	Priests' Leadership Styles & Youth Participation In Church Activities -Catholic Diocese Of Meru, Kenya	<i>Paul Mucai Gitau, Lawrence Muturi Ndirangu</i>
3.30 - 3.45PM	The Impact Of Tax Compliance On Performance Of Small And Medium Enterprises In Voi Town Kenya	<i>Veronica Kemunto, Dorcas Rono &amp; Anunga, Lucy</i>
3.45 - 4.00PM	Diversity Management Strategies And Quality Decisions In The Banking Sector	<i>Zachary Bolo Awino, PhD.</i>
4.00 - 4.15PM	Attaining Market Competitiveness Through The Judo Strategy: The Easy Coach Bus Company In Kenya	<i>Lawrence Odollo, Debra Muchilwa and Thuo Kuria</i>
4.15 - 4.30PM	Evaluation Of Public Service Management Training Programs: The Case Of The Senior Management Course	<i>Esther Njiru and Susan Ngure</i>
<b>4.30 PM HEALTH BREAK</b>		

**THURSDAY July 11, 2013**

**PARALLEL PAPER PRESENTATIONS III : - SESSION V**

**Time: 2.30- 4.30PM**

**Venue: S14**

**Session Chair: Prof. Evans Aosa**

**Rapporteur: Dr. John Yabs**

<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.30 -2.45 PM	Entrepreneurial Orientation Of Staff In State Corporations In Kenya	<i>Esther Njiru</i>
2.45 - 3.00PM	Banana Ripening Practices And Their Effects On Ripening Quality In South Imenti-Meru County	<i>Gitau Paul Mucai ,Mwirigi M'kirera</i>
3.00 - 3.15PM	The Network Logic And The Stabilization Of Mobile Banking Products In Kenya	<i>Martina Mulwa</i>
3.15 - 3.30PM	Development Of Economic Thoughts	<i>Barasa Odula Elias</i>
3.30 - 3.45PM	The Link Between Strategic Thinking & Strategic Planning: A Conceptual Paper	<i>Shahid Shakir Yakub,Dr. Mary Kinoti</i>
3.45 - 4.00PM	Effects Of Positioning Strategies On Performance Of The Micro And Small Scale Enterprises: The Case Of Furniture Dealers In Huruma Estate	<i>Mutua Stephen Masua,Dr Mary W. Kinoti</i>
4.00 - 4.15PM	Porter Strategic Group Membership Of Restaurants In Nairobi In Response To Bargaining Power Of Suppliers, Customers And Rivalry From Competitors	<i>Belinda Kanana Muriuki and Madara Ogot</i>
4.15 - 4.30PM	Fresh Evidence On Challenges Faced By Manufacturing Informal Sector Micro-Enterprises And Their Influence On Strategic Choice	<i>Madara Ogot</i>
<b>4.30PM HEALTH BREAK</b>		

**THURSDAY July 11, 2013**

**PARALLEL PAPER PRESENTATIONS IV : - SESSION VI**

**Time: 2.30- 4.30PM**

**Venue: Board Room**

**Session Chair: Dr. Kate Litondo**

**Rapporteur: Patrick Kiragu**

<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.30 -2.45 PM	The Influence Of External Environment And Innovation On The Relationship Between Organizational Resources And Firm Performance: A Critical Review Of Literature	<i>Ombaka Beatrice, Machuki V. N and Mahasi John</i>
2.45 - 3.00PM	Project Risk Management Practices And Success Of Capital Projects In Kenya	<i>Bernard S. Musyoka, S.O Nyamwange, Magutu O.P</i>
3.00 - 3.20PM	The Influence Of Corporate Social Responsibility And Operating Environment On The Relationship Between Firm- Level Institutions And Organization Performance	<i>Nyaoke S.O. , Machuki V. N</i>
3.20 - 3.50PM	Challenges Of Cloud Computing In Business: Towards New Organizational Competencies	<i>John Otieno Oredo, James Njihia</i>
3.50 - 4.10PM	Adoption Of Cloud Computing Architecture: Software As A Service For The Development Of Small And Medium Enterprises	<i>Collins Ondiek, Elisha T. Opiyo Omulo,William Okello-Odongo</i>
4.10- 4.30PM	The Impact Of Value Analysis Implementation On Service Delivery In Technical Training Institutions	<i>Gerald Ochieng' Ondiek, Obiero John Abuto</i>
<b>4.30PM HEALTH BREAK</b>		

<b>DAY 2, FRIDAY July 12, 2013</b>	
<b>SESSION I- PLENARY: OPENING SESSION</b>	
<b>MC: Dr. Josiah Aduda</b>	<b>Rapporteur: Magutu O.P</b>
<b>TIME</b>	<b>Lecture Theatre</b>
7.30 - 8.30AM	Organizing Committee
8.15-8.30 AM	Dean, School of Business: <b>Welcome Remarks &amp; Recognition of Keynote Speakers</b>
<b>PLENARY: KEYNOTE SPEECHES - SESSION II</b>	
8.30 - 9.00AM	Prof. Evans Aosa-University of Nairobi, School of Business
9.00-9.30 AM	Xing Quan Zhang-Head, Center for Cities, United Nations Human Settlements Programme
9.30-10.00AM	Isaack Awuondo-Group C.E.O Commercial Bank of Africa
10.00-10.30AM	Kungu Gatabaki-Chairman, Capital Markets Authority
10.35-11.00AM	<b>HEALTH BREAK</b>
11.00-11.30 AM	Prof. Isaac Mbeche-DVC Student Affairs-University of Nairobi
11.30 -12.00PM	Hans Piet-Head of Practice-Mobile Broadband-Region Sub-Saharan Africa(RSSA), Ericsson
12.00-12.30PM	Gor Semelang'o- Chairman-Youth Enterprise Development Fund
12.30-1.00PM	Dr. XN Iraki-University of Nairobi, School of Business
<b>1.00 - 2.00PM: LUNCH BREAK</b>	
<b>THE CONFERENCE SPLITS INTO TWO PARALLEL SESSIONS FOR PAPER PRESENTATIONS</b>	
Parallel Paper Presentation I: Session III:- Lecture Theatre	
Parallel Paper Presentation II: Session IV:- S14	
<i>See Details Below</i>	

<b>DAY 2: FRIDAY July 13, 2012</b>		
<b>PARALLEL PAPER PRESENTATIONS I : - SESSION III</b>		
<b>Time: 2.00- 4.00PM</b>		
<b>Venue: Lecture Theatre</b>		
<b>Session Chair: Dr Owino Okwiri</b>		<b>Rapporteur: Florence Muindi</b>
<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.00 - 2.15PM	Law And Policies On Environmental Management Towards Sustainable Development	Barasa Odula Elias
2.15 - 2.30PM	Market Structures And Models	Barasa Odula Elias
2.30 - 2.45PM	Keeping Cars On The Road: Obstacles And Opportunities In Vocational Education And Training Processes In Kenya For The Motor Vehicle Service And Repair Industry.	Susan W. Ngyre



2.45 - 3.00PM	Factors Influencing Sustainable Revenue Collection At Nairobi Water And Sewerage Company, Kenya	<i>Ann makena Mugendi, Moses Wandera</i>
3.00 - 3.15PM	The Role Of Leadership Processes And Societal Culture In Knowledge Management	<i>Kellen Kiambati, Michael Muchiri</i>
3.15 - 3.30PM	The Relationship Between Competitive Strategies And Human Resource Management Practices Towards Performance Management Insurance Companies In Nairobi.	<i>Matilu Caroline, Leah Nyokabi, Joan Githae, Phylis Marete</i>
3.30 - 3.45PM	Internet Access, Uses And Gratifications Among University Students: A Survey Of The School Of Journalism And Mass Communication, University Of Nairobi	<i>Fronica Monari, Peter Wakoli</i>
3.45 - 4.00PM	Knowledge Management And Performance Of Commercial Banks In Kenya	<i>Charity Maseki And Justus M Munyoki</i>

<b>DAY 2: FRIDAY July 13, 2013</b>		
<b>PARALLEL PAPER PRESENTATIONS I : - SESSION IV</b>		
<b>Time: 2.00- 4.00PM</b>		
<b>Venue: S14</b>		
<b>Session Chair:</b> Dr Ben Mutagwaba		<b>Rapporteur:</b> Henry Ondigo
<b>Time</b>	<b>Paper Title</b>	<b>Author(s)</b>
2.00 - 2.15PM	Farmers Level Of Education And Training And Sustainable Irrigation Of Small Scale Dryland Farming In Kitui Central District	<i>Dr Angeline S. Mulwa, Dorothy Kyalo and Venzi Simon</i>
2.15 - 2.30PM	Employee Attitudes Towards Organizational Diversity On Business Performance; Perspectives From The Small And Medium Enterprises Employees In Kisii Town	<i>Erick Nyakundi Onsongo</i>
2.30 - 2.45PM	Perceived Variables Affecting Performance Of Frontline Managers In Indian Power Distribution Companies	<i>Suresh Vishwakarma</i>
2.45 - 3.00PM	Open Information Communication Technology Infrastructure Sharing Framework. Site Sharing And Its Challenges To Mobile Service Providers Of Kenya	<i>Peter Namisiko W, Maurice Sakwa</i>
3.00 - 3.15PM	Boosting Financial Literacy And Capability: The Case For Inclusion Of Financial Education In The University Curriculum.	<i>Lisiolo Lishenga</i>
3.15 - 3.25PM	An Investigation Into The Challenges Of Internet Banking Adoption In Kenya	<i>Collins Oduor Ondiek, Lelei Joel Amos Njihia Gichamba</i>
3.25 - 3.35PM	Factors Hindering Derivatives Trading At The Nairobi Securities Exchange	<i>Barasa, Joseph Lumumba Mutende, Evans Agala</i>
3.35 - 3.45PM	Profiting From Bonus Announcements In The Nairobi Securities Exchange	<i>James N. Ndegwa</i>
3.45 - 4.00PM	Challenges Faced By Foreign Direct Investors In Kenya	<i>Esther Kairu, Moses Odwori, Joshua Wafula</i>

## TEA BREAK

## CLOSING CEREMONY

4.35PM	<b>Closing Ceremony</b>
1.	Way forward - AIBUMA Chairman
2.	Vote of thanks -Dean School of Business - UON
3.	Closing Speech
4.	Announcements - Dr. Josiah Aduda
5.	Cocktail for Invited Guests

# THE AIBUMA 2013 CONFERENCE PAPERS ABSTRACTS

Paper Title, Authors and Abstract

## **Paper # 1 Effect Of Interest Rates Spread On The Performance Of Banking Industry In Kenya**

**Langat Leonard;** Email:langleon@yahoo.com

**Bellah Chepkulei;** School of Human Resource Development; Jomo Kenyatta University of Agriculture and Technology.

**Dr. Bernard K Rop;** Department of Mining & Mineral Processing Engineering; Jomo Kenyatta University of Agriculture and Technology

### **Abstract**

Banks being at a strategic position constituting a large share of money used in every day transactions, needs to be effective, efficient and competitive in their operations. Interest rates spread, as sensitive economic variable, ought to be adequately harmonized so that savers have the assurance that they are getting the best returns on their savings and that borrowers are getting rates appropriate to their investments. The main objective of the study was to establish the effects of interest rates spread on the performance of banking industry in Kenya. The researcher further sought to determine the influence of credit risk and banking regulations on interest rates spread in the banking industry and their possible effects on bank's performance. Additionally, the researcher wanted to ascertain the influence of macro-economic environment on interest rates spread and its possible effect on commercial banks' performance. The research study utilized descriptive research design and embraced systematic random sampling technique on selecting the fifteen commercial banks in Nairobi city out of the existing forty four in the country. Both primary and secondary data were analyzed and presented in form of tables, means, percentages and frequencies. The raw data was analyzed to provide a clear picture of how interest rates spread (IRS) contribute in the success or failure of the banking sector. Findings showed that Central Bank regulations, credit risk and macro-economic environment played a major role in influencing the extent of interest rates spread and hence contributed to the performance of banking industry. It is evident from the research findings that the spread provided sufficient margins for banks to continue operating in the market. In conclusion, the study found out that interest rates spread to a large extent affect the performance of commercial banks in Kenya. Therefore, the researcher recommended to the banks' management to be both proactive and reactive in harmonizing those elements that have an influence on interest rates spread in order to cushion their institutions from any financial shocks that could be experienced in the banking industry in Kenya. Lastly, it is of great importance for the commercial banks to pay great attention to credit risk when evaluating customers' loan proposals due to the fact that a large chunk of banks' revenue accrues from loans from which interest income is derived.

## **Paper # 2 The Financial Impact In Africa Of Clean Development Mechanism (CDM) Under The Kyoto Protocol Of 1997.**

**Professor Muroki F. Mwaura;** William Paterson University of New Jersey

Wayne, New Jersey. Email: Mwauram@wpunj.edu

### **Abstract**

The purpose of this paper is to investigate the extent to which African Countries have benefited from Carbon Credits arising projects subject to Clean Development Mechanism introduced by Kyoto Protocol in 1997. When the Clean Development Mechanism was introduced, the Third World Countries felt that it would benefit the developed countries and the developed countries held the opposing viewpoint. The 1992 United Nations Framework Convention on Climate Change (UNFCCC) launched a process to confront risks posed by global climate change. The

Paper Title, Authors and Abstract

United Nations Framework Convention on Climate Change (UNFCCC OR FCCC) coordinates worldwide efforts on reduction of Green House Gas emissions. The primary Green House Gases emitted into the environment are Carbon Dioxide, Nitrogen Oxide and Sulfur dioxide and Methane. The most significant effect of Green House Gases over the years has been on Climate Change. The International Carbon Trading system was created to facilitate the stabilization of Greenhouse Gas emissions by encouraging each nation to introduce programs and legislation with the objective, of reducing Greenhouse Gas emissions within its borders. In 2009, 8.2 billion metric tons of carbon dioxide equivalent changed hands worldwide, according to the study by carbon-market research firm Point Carbon, of Washington and Oslo. The monetary value was estimated at EUR 94 billion, or about \$135 billion which translates to an average price of approximately EUR 11.40 per ton.[22] The World Bank's "State and Trends of the Carbon Market 2010 put the overall value of the market at \$144 billion (World Bank, 2010). According to African Carbon Credit Exchange, the African share has been inconsequential "Africa's participation in the carbon markets sits at a mere 2% of worldwide CDM project activity and only 1% of voluntary carbon market activity - a huge shortfall considering the potential benefits of carbon offset revenue for sustainable development on the continent".

**Paper # 3 Challenges Faced By Foreign Direct Investors In Kenya**

**1Esther Kairu, 2Moses Odwori, 3Joshua Wafula**

Department of Finance and Accounting, Masinde Muliro University, Kakamega, Kenya

**Abstract**

The purpose of this paper is to examine the challenges faced by foreign direct investors (FDIs) in Kenya and the possible solutions. It is widely acknowledged that FDI is an important aspect of the recent wave of globalization. Global FDI inflows were \$1.3 trillion in 2012 and could rise moderately to \$1.4 trillion in 2013 and \$1.6 trillion in 2014. In contrast, flows to Africa continued their downward trend for a third consecutive year, though the decline was marginal. Although Africa's outlook for FDI is promising, the expected surge is yet to be manifested. FDI is still concentrated in only a few countries such as South Africa which was the best performing country in the region in 2011. Theories of FDI such as the Eclectic theory and the Product Life Cycle Model which forms the theoretical framework have been discussed as well as the empirical literature of FDI. This study used both primary and secondary data. Primary data was collected from managers of foreign owned firms in Kenya using questionnaires. Secondary data was obtained from publications and journals of foreign-owned firms in Kenya, Kenya Investment Authority and the Ministry of Planning and National Development. The target population was all the foreign-owned firms operating in Kenya. Stratified sampling technique was used to obtain a sample. Foreign firms were stratified according to their nature of business such as manufacturing, agriculture, tourism and transport, financial services, among others. SPSS version 16.0 was used to analyze the data and adequate and relevant statistical tools such as frequencies, percentages and tabulations were successfully used to bring out the statistical validity of the findings. It was on the basis of these findings, that the researcher concluded that the main impediments that the Kenya government must address in order to attract the right level and mix of FDIs are political instability, crime and insecurity, corruption, licensing procedures and institutional factors. This paper proposes possible solutions to these challenges such as government's involvement in attracting foreign investors, improving infrastructure network, reducing the licensing procedures and adopting a policy to honor political and economic programs agreed with development partners.

**Key words;** *Foreign Direct Investments, Challenges, Kenya*

**Paper # 4 The Impact Of Local Authority Transfer Fund On Revenue Within Local Authorities In Kenya**

**Joseph Lumumba Barasa:** Lecturer, University of Nairobi. [jbarasa@uonbi.ac.ke](mailto:jbarasa@uonbi.ac.ke)

**James Isaiah Amuono:** Chief Executive Officer, Ameptax Consultants, Nairobi.  
Ametax@email.com

**Abstract**

There has been constant quest for improved service delivery by the people of Kenya. To achieve that, the Kenya government opted to step in through inception of devolve funds. The intervention was through the introduction of local authority transfer fund (LATF), roads levy, constituency development fund (CDF) etc. Despite the central government financing, the incremental local revenue generated is not justifiable to the financing granted, considering return on investments, value for money. While on the other hand, improved service delivery is justifiable to the financing. The paper highlights is based on a sample size of fifty three local authorities representing the views of a target population of 175 local authorities in Kenya. It commences by obtaining revenue means prior and after LATF. And undertaking T-statistics for volatility of various revenue. This is followed by evaluating the extent on effect on LATF, factors affecting revenue, component matrix analysis and principle component analysis.

**Key Words:** *Constituency Development Fund, Kenya Local Government Reform Program, Kenya Revenue Authority, Local Authority Service Delivery Action Plans, Local Authorities Transfer Fund*

**Paper # 5 Determinants For Successful IFRS Convergence In Tanzania**

**Henry Chalu and Mussa Assad**

**Abstract**

International accounting systems have witnessed a rapid movement towards harmonization since early 1990s. In the process of harmonization, various countries have adopted and implemented international financial reporting standards (IFRS). The tenor of opinion is that IFRS convergence will be successful if critical factors are taken into consideration. Most of accounting literature dealing with IFRS has focused on compliance of IFRS. However this article considers that to understand how organizations adopt and implement IFRS successful, requires a clear understanding on the pressures behind the implementation of IFRS. The article therefore uses institutional perspective to explain the forces behind IFRS implementation. In conclusion, the article suggests that critical factors for IFRS convergence are IFRS adoption infrastructure, investment requirement for IFRS implementation and influence from professional organizations.

**Key words:** *Accounting harmonization, IFRS, institutional theory, institutional isomorphism, multinomial logistic regression*

**Paper # 6 Challenges Of Implementing Commercial Cluster Integration: Taking Latin American (CELAC) Firms As Example**

**S. Rick Fernandez<sup>1</sup> & Laaria Mingaine<sup>2</sup>**

<sup>1</sup>Research Center for Global Innovation & Chinese Entrepreneurship, School of Management, Shanghai University, Shanghai, China. E-mail: saulrick@163.com

<sup>2</sup>School of Management, Shanghai University, Shanghai, China, mingainesl@yahoo.com

**Abstracts**

This paper proposes an innovation in the implementation of Commercial Cluster Integration in firms networking management. As an extension of Latin American firms into other potential

Paper Title, Authors and Abstract

markets, it provides a scenario of countries integration with the aim of reducing multiple international value cost, and delivery timing in the framework of Supply Chain Management, contributing to the issue of innovating cluster networking with the scope of developing the market chain. The idea of this study is the implementation of a commercial cluster platform for Latin American firms, with the support of countries that already have FTA with Overseas markets. As a consequence, the countries integration network becomes part of the supply chain, or the best way is to sign an FTA between external economic group & CELAC, this views could be considered for implementation in future research. The Author proposes that Latin American firms should work in a cooperation unit, with their governments to build the integration. This study explains the reason why; it makes sense for a Commercial Cluster Platform to enter to an external supply chain. It has been argued that other economic groups are potential consumer for CELAC products, and several documents identify the opportunities and risks that the exploration of external market also represents. Nevertheless, on one hand, Commercial Cluster Integration would create more opportunities for Latin American Economies. On other hand, the CELAC could benefit from opportunities of external markets and at the same time, these countries would increase their economies. In this way, Latin American Countries could reduce its unemployment rate. This study looks at the feasibility of a Commercial Cluster Platform between LAC countries, to work freely in external markets. The formulated study questions explore the various advantages and measures of managing Strategic Firms Networking.

**Keywords:** *Commercial Clusters Integration; CELAC; CCI; Supply Chain Management*

**Paper # 7 Role Of Planning In Performance Contracting And Its Effect On Employee Performance: A Descriptive Survey Of Kenyan Public Enterprises**

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**Abstract**

The implementation of Performance Contracting in developing countries such as Kenya has been given a lot of emphasize in both private and public institutions. However, the implementation has been faced with a number of challenges top of this challenges is performance planning. The purpose of this study was to examine the role of planning in performance contracting and its effect on employee performance. Specifically the study aimed at answering the following questions; First, does organization undertake planning in every performance period, Second, what is the level of involvement of employees over the planning period, Third, how does planning make achievement of targets easier and finally, to what extend does planning improve employee performance. The study used the descriptive survey design to collect the views and opinions of respondents. The study area was KENGEN (Okaria) in Naivasha in which 600 employees were the target population and 235 respondents were the sample for the study. Stratified and simple random sampling was used to select the respondent for the study. Primary data was collected using a semi-structured questionnaire, which was accepted at reliability of Cronbach's Alpha 0.923. Descriptive statistics in which frequencies and percentages were used and inferential statistics were done using spearman's rank correlation coefficient and linear regression technique. The findings established that there was a strong positive correlation between the independent variable performance planning and the dependent variable employee performance. Regression analysis established that the effect on the dependent variable (employee performance) was explained by the independent variable (planning) by 57.8

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% . The study revealed that performance planning was an important component of the PC. The study recommended that managers and employees should be engaged in the planning process at the beginning of the contract period for sustainable employee performance. Further, the resources needed (including training) should be established and provided to enable employees to achieve their targets.

**Key Words:** *Planning, Performance Contracting, Employee Performance, Public Enterprises*

**Paper # 8 Influences Of Green Marketing Mix On Brand Loyalty Of Powder Detergents-A Survey Of Supermarket Clients In Meru Central Business District**

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**Abstract**

The general objective of the study was to inquire whether green marketing mix has any influence on the brand loyalty on powder detergent customers. The Objectives were to find out how Green Products attributes, Green Pricing, Green Distribution attributes and Green Promotion attributes influences brand loyalty of powder detergent. The research design for the study was a descriptive survey. The accessible population was composed of 213 internal customers and 398 external customers. Probability sampling technique in the nature of Stratified sampling was used. Data collected from the questionnaires was analyzed by means of descriptive statistics; the study adopted a weighted Likert scale for analysis of attributes and judgmental analysis by use of weighted Likert model. The findings were presented in tables, graphs, percentages and charts. The study found that there was no evidence to support influence of green pricing and green distribution attributes on the purchase decision of powder detergents, while green promotion and green product mix seem to have some noticeable but insignificant influence on purchase decision of powder detergent. The study recommends that green promotional attributes of powder detergents should include Promotion of powder detergents through non pollutant media like degradable recycled material or through electronic media.

**Key words:** *Brand Loyalty, Green marketing, Green Washing, Marketing mix*

**Paper # 9 Customer Adoption Of Cyber Banking Technologies: An Empirical Analysis**

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**Abstract**

Internet and mobile technologies of recent years have gained momentum and are impacting the working of every process including financial services. Financial service providers including banks are turning their necks toward the wave of these technologies. In the essence it has been made mandatory by situations and conditions in the market that they should be adopted to meet customer demands. This paper will focus on the adoption and perceived usefulness of customers on cyber/Internet banking (IB) and cell phone banking (CB) in India, and the. Data

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for this study is primary in nature and collected through a survey conducted on 250 respondents a cross north Indian cities. The result confirms that adoption of IB and CB is on the rise though there is a need for awareness programmes as customers consider it viable.

**Key words:** *Cyber banking, Customer, Internet, Cell phone banking, SMS banking*

**Paper # 10 Factors Affecting The Adoption Of Business Process Outsourcing In Kenya's Mobile Phone Companies**

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**Abstract**

This research is concern with investigating the factors that affect adoption of Business Process Outsourcing in mobile phone companies in Kenya. The study was motivated by the low level of Business Process Outsourcing adoption in these companies amidst high operations cost and shrinking profitability as reported by Communication Commission of Kenya (CCK). The study had three objectives: to determine the extent of Business Process Outsourcing adoption, to establish the enablers of Business Process Outsourcing adoption and to establish the barriers of Business Process Outsourcing adoption by mobile phone companies in Kenya. Twenty eight questionnaires were administered to employees of the four Mobile phone companies in Kenya. In addition there were four interviews. The respondents were selected using stratified and judgmental sampling. The respondents were departmental heads from each of the four companies and interview was administered to individuals with vast experience about the organization and was involved in the company's decision making. Data collected from the questionnaires was analyzed using descriptive statistics and presented using frequency tables. Where data collected from the interviews was analyzed using content analysis. The findings from the study indicate that adoption of Business Process Outsourcing has been adopted by these companies to a very small extent as most of the services produced a mean of more than 2.5. The key enablers to adoption of Business Process Outsourcing were: quality, security & trust to information and profitability. Whereas the main factors that pose as challenges included: cost of Business Process Outsourcing, sales and marketing barriers. In view of the findings, several recommendations were made which may be useful for key decision makers in the mobile phone sector. Mobile phone companies should see adoption of Business Process Outsourcing as a long term investment rather than as a short term investment. In addition there is need for key decision makers to realize that most of the vendors provide security and confidentiality to client information.

**Keywords:** *Business Process Outsourcing, Information Communication Technology, Adoption*

**Paper # 11 Assessment Of Information Systems Strategic Alignment In Kenyan Public Universities**

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**Abstract**

The investment and use of information systems and related technologies has grown exponentially with time. This has been attributed to the expected benefits which result in improving an organization performance, efficiency and creating strategic advantage. Strategic alignment also known as IT/IS-Business alignment is one of the factors which contributes



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immensely to achieving value of IT/IS investments. This paper discusses a research carried out to assess the level of strategic alignment at one of the Kenyan public universities through assessment of alignment levels at the IT/IS planning level and at the implementation of key/strategic IS projects. The assessment is done using Strategic Alignment Maturity Model (SAMM) assessment framework through establishing the maturity level of each of the SAMM six factors; Communication, IT/IS measurement/metrics, IT/IS Governance, Partnership, Infrastructure (Scope and Architecture) and Human Resource Skills at the IT/IS planning level and at the IT/IS project implementation. The findings show varied alignment levels of the alignment factors at the corporate level and at each of the IT/IS projects. Empirically the finding of this paper helps the organization in determining the areas/factors requiring attention to improve on the overall maturity level of an organization and realize business value of the IT/IS investments. Theoretically this paper contributes to the literature on understanding of strategic alignment in organizations through assessment across the entire organization from the strategic planning level to the project implementation level.

**Keywords:** *Strategic Alignment, IT/IS Investments, IT/IS-Business Alignment, Information Systems.*

**Paper # 12 Entrepreneurship Training And Early Retirement: A Twin Muzzle Solution To Un-Employment In Africa**

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**Abstract**

To help ease the problem of un-employment in Africa, a study on the impact of entrepreneurial training and early retirement was carried out in a number of African countries. The study targeted what roles early retirement intervention and entrepreneurial training can do to help boost the percentage of employed population. The study focused on the analysis of un-employment levels, retirement age, demographic characteristics, investment levels among retirees of different ages, wage bills in the public service organizations, employee performance versus experience and a comparative study of those indices among the first world economies. Data was basically got from secondary sources except the data from Kenya, and analyzed by use percentages, time series, trends, ratios, correlation analysis and ANOVA. It was presented using population pyramids, bar charts, graphs, linear regression graphs and pie charts. The study revealed that these countries have a huge proportion of population being youthful, the government or public service is a major employer, there is a high rate of un-employment, there is poor investment patterns among those retiring at the normal retirement age, the public services are faced with huge wage bills, there is low correlation between experience and performance and there is a big difference between the demographic patterns of these countries and those of the western countries. The study suggests that: Early retirement programs should be rolled out to increase chances of more investment hence employment. Governments intervention to fund the retirement programs because there are all the signs that the pension bodies may not be prepared with that. The retirees need to be taken through a thorough entrepreneurial training to ensure that their early retirement benefits are not used for basic consumption instead of investment. Proper and timely evaluation of the programs is done and corrective measures put in place early enough.

**Paper # 13 Priests' Leadership Styles And Youth Participation In Church Activities In The Catholic Diocese Of Meru, Kenya**

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**Abstract**

Efforts to support youths' healthy development and integration into the community have experienced several shifts in focus over the past few decades. Environments conducive to youth leadership are those in which the youth have a sense of ownership and yet are challenged and supported to move beyond their usual comfort zone; such environments are co-created by youth and adults. This study therefore sought to investigate priests' leadership styles and youth participation in church activities in the catholic diocese of Meru, Kenya. The objectives of the study were to; determine the influence of priests' servant leadership style on youth participation in church activities in CDM, establish the influence of priests' transformational leadership style on youth participation in church activities in CDM, find out the influence of priests' entertainment leadership style on youth participation in church activities in CDM and to assess the influence of priests charismatic leadership style on youth participation in church activities in CDM. This study adopted a cross sectional survey method. This study focused on all the priests currently working in Meru and Tharaka Nithi. The accessible population was made up of 187 priests ministering in 58 parishes the sample of 56 priests was selected through a proportional stratified selection between Diocesan priests and Missionary priests. A questionnaire was used to collect the data from the sample respondents. Spearman's correlation coefficient was determined by aid of SPSS computer programme for each variable and results presented in tables. The study found that there is a significant difference between perception of the youth being treated as important people by the priest and their actual experiences and also that there is a significant difference between perception of priest humility in managements of church activities and experience by the youth. The study recommends that priests should evaluate the effects of their Leadership styles in line with individual parish pastoral programs and the attainment of the holistic growth of their members in general and of the youth in particular.

**Key Words:** *Priests' Leadership Styles, Youth Participation, Church Activities*

**Paper # 14 The Impact Of Tax Compliance On Performance Of Small And Medium Enterprises In Voi Town Kenya**

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**Abstract**

Over the years tax has been the main source of revenue for many countries including Kenya. Despite its existence for that long its main objective has not been realized due to high rate of tax non compliance from the tax payers. Small and Medium enterprises are on the increase in our country and they have become a major source of employment, despite this the revenue authority are not able to get the amount of tax as projected due to non compliance issues. The

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study was on survey of SMEs in Voi town and it sought to determine whether there is a relationship between tax compliance and performance of SMEs and to determine the challenges facing SMEs on tax compliance .Data was collected using questionnaire and analyzed using descriptive statistics such as percentages and frequencies. The findings of the research indicated that tax compliance within the SMEs in Voi town had a negative impact on their performances and the major challenges to tax compliance were economic instability, political instability, corruption, inadequate access to information concerning tax systems and stringent government regulations. The major contributions of this study were to highlight the impact of tax compliance on SMEs performance and the challenges they face in ensuring full compliance. In addition practical recommendations were made that the government can implement in ensuring tax compliance has positive impact to SMEs they included subsidizing the cost of acquiring ETR machines, effectively enforcing the strict tax laws and regulations, intensifying efforts in tax awareness campaigns and providing incentives to SMEs to encourage tax compliance.

**Key words:** *Tax compliance, Small and Medium enterprises, Performance, Kenya.*

**Paper # 15 Diversity Management Strategies And Quality Decisions In The Banking Sector**

**Abstract**

Sustainable development & improvement of every country is due training, preserving & maintaining its technological, research & scientific assets, researches improvement, promotion scientific technological development of country and finally its widespread sustainable development. Therefore identifying making contact and supporting this powerful stratum of the society in order to make use of their scientific cooperation and participation in various fields to produce science and technology is a strategic trend for sustainable development based on a national research development program. This study analyzes the monitoring and evaluation of state research development program, evaluation and monitoring procedures and standards, including the different actions taken by evaluation and monitoring agencies and association.

**Paper # 16 Attaining Market Competitiveness Through The Judo Strategy: The Success Case Of The Easy Coach Bus Company In Kenya**

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**Abstract**

The judo strategy provides business managers with the techniques to beat stronger opponents- a key challenge faced by businesses of all ages and sizes, ranging from tiny start-ups to established giants seeking to expand beyond their operational bases. Hence, the judo strategy helps an underdog firm that would otherwise be pessimistic with the presence of stronger competitors to perceive their competitors' inherent advantages as strategic liabilities and thus compete more effectively by employing creativity in movement, balance and leverage in ways that prevent giants from taking full advantage of their superior strengths. This study examines how a relatively small market entrant in the public transport sector in Kenya, Easy Coach, effectively utilized the judo strategy and ultimately outsmarted an entrenched and much stronger market competitor- the Akamba Bus Company. The results of the qualitative research

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offer invaluable insights to business managers on the effective implementation of judo strategy to attain market competitiveness. Finally, propositions for further research are suggested.

**Key Words:** *Judo Strategy, Market Competitiveness, Public Transport Services*

**Paper # 17 Evaluation Of Public Service Management Training Programs: The Case Of The Senior Management Course**

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(nguresusan@yahoo.com; s.ngure@ecu.edu.au)

**Abstract**

This paper assesses the effectiveness of the senior management course offered at the Kenya school of Government (KSG) to middle level management staff as perceived by the participants of the program. The program was developed in the 1960s and has since undergone various reviews with the current revision having been launched in 2008. The aim of the paper is to highlight the reactions of employees, who have gone through the program, on its effectiveness in preparing them for their roles at senior management levels. The research was based on a survey of participant evaluations using the Kirkpatrick framework of training evaluation, at reaction level. The reaction level measures the participants' interest, motivation, and attention levels (Kirkpatrick & Kirkpatrick, 2005). This level is important for the future of the program because the motivation to learn, and changes in behaviour, is greatly influenced by the participants' positive reactions. The key finding was that the perceptions of participants about the relevance, delivery and application of the Senior Management Course vary significantly and correlate negatively with age, job group, years in service and years served in their current job group. The main contribution of this paper lies in highlighting how to improve the effectiveness of management development programmes as well as informing both policy and practice in the public sector.

**Paper # 18 Entrepreneurial Orientation Of Staff In State Corporations In Kenya**

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Kenyatta University

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**Abstract**

The performance of state corporations in Kenya has not been as expected, as demonstrated by reports of unrelenting financial and managerial woes. In an attempt to reign on the mismanagement, the government has developed policies on how to manage the state corporations, with emphasis on self-sustainability. The purpose of this paper is to examine the correlates of entrepreneurial orientation in State corporation in Kenya. This paper analysed entrepreneurial orientation as a prerequisites for self-sustainability in state corporations. To accomplish this, the study adopted a cross sectional survey design and selected a disproportionate stratified sample from the population of state corporations in Kenya. The respondents were employees in eight state corporations. Data were collected using questionnaires and were analysed using descriptive and inferential statistics, and the information is presented in tables. The results of this research indicated that individual Entrepreneurial orientation is critical but lacking to a large extent in staff of state corporations. The paper makes recommendations on how to improve entrepreneurial orientation.

**Key words:** *Entrepreneurial Orientation, State Corporations, correlates*

**Paper # 19 Banana Ripening Practices And Their Effects On Ripening Quality In South Imenti-Meru County**

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**Abstract**

In Imenti South district of Kenya banana (*Musa paradisiaca L*) production has been increasing despite the poor state of rural roads and a disorganized banana marketing system which has results in considerable post harvest losses. To mitigate this, farmers have adopted several coping strategies which include various ripening practices. The efficiency of these practices in enhancing ripening and their effects on duration of ripening and final quality needed to be evaluated. The study was conducted in Imenti South district, a key banana growing area of Meru County. The study involved an experiment to evaluate the effects of those practices on the duration of ripening and quality of bananas. A field survey to identify the on-farm banana ripening practices had been carried out. Five banana ripening practices were found popular with the farmers. The ripening practices involved the use of ripening inducement materials placed in containers with the green bananas. The ripening inducement materials used were; purple passion fruits, avocado pear fruits, leaves of *Croton sp* and dry banana leaves. The fifth practice was where bananas were placed on shelves to ripen without any ripening inducement materials. The five ripening practices were the treatments in this experiment. It was observed that farmers applied any of the ripening practices on any banana variety. However, the Apple banana (AB) locally known as *gachukari* or *gacuru* was mostly placed on shelves or hanged and ripened without any inducement. The five ripening practices were tested in a completely randomized design with three replications. It was found that the practices had an influence on the duration of ripening and quality of bananas. It was observed that the practice where avocado pears and purple passion fruits were used, bananas were influenced to ripen faster. Bananas induced with avocado pear fruits achieved higher sugar levels and a longer shelf life. Findings from this study led to the conclusion that it is beneficial to induce ripening of bananas. Use of avocado fruits influence; faster ripening, develop an appealing peel color, and give bananas a longer shelf life. Further study is recommended with a combination of ripening inducement materials.

**Key Words:** Banana, Ripening Practices, Ripening Quality, Duration.

**Paper # 20 The Network Logic And The Stabilization Of Mobile Banking Products. A Case Study Of Selected Mobile Banking Products In Kenya**

*Martina Mulwa*

**Abstract**

The poor and marginalized have been excluded from formal banking services for a long time. This exclusion has been attributed to various factors key among them geographical access and economic viability. Mobile banking, an ICT based innovation promises to break these two barriers by providing access and also aggregating financial transactions by individuals to constitute viability. Despite this breakthrough, various mobile banking products, particularly those targeting the unbanked have not experienced significant success in uptake and use. The aim of this paper is to underscore relationships in mobile banking, in order to establish what ails the relationships and what needs to be done to stabilize these networks for financial

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inclusion of the poor and marginalized. A multi-case study of three mobile banking products i.e. Equity agent, Coop Kwa Jirani and KCB Mtaani and informed by the Actor Network Theory (ANT) methodology of following actors was undertaken. The research explored the various relationships in agent banking; roles assigned to actors and mitigating strategies for implementation and adoption. Research findings established that the ability of the focal actor to put together actors and create an ecosystem that fosters the relationship is crucial for stability of mobile banking products. Active leadership and deliberate efforts to align roles of recruited actors to the interests of the common product aid in reinforcing coexistence in the network. That notwithstanding, the faithfulness of the key actors to the process is imperative for any network formation effort to be successful. Effective implementation of mobile banking products is a complex process because it targets country diffusion, various sectors, sparse populations mostly of limited resources and the need to achieve scale on both the demand and supply side..

**Keywords:** *Stabilization, Financial Inclusion, Mobile Banking, Poor and Marginalized.*

**Paper # 21 Development Of Economic Thoughts**

**Barasa Odula Elias**

**Abstract**

The purpose of this essay is to consider the significance of new developmentalism for the field of law and development. New developmentalism refers to a theory and practice of development economics, which appears to have entered mainstream development thinking. Its core elements also seem to have been a factor in the dynamic economic growth that has occurred in a number of emerging economies. This trend is significant for the field of law and development because: (a) conventional economic development orthodoxies are seen to have shaped previous law and development movements; (b) these models and their corresponding law reform projects were arguably inadequately adapted to existing domestic circumstances; and (c) new developmentalism represents a departure from conventional development orthodoxies, as it necessitates both learning and adapting to local settings. Yet such a system also creates new challenges for law reformers and policymakers within the international development community (not to mention domestic reformers), and it remains unclear (if not doubtful) that new developmental states can be engineered by external actors and institutions.

**Paper # 22 The Link Between Strategic Thinking & Strategic Planning: A Conceptual Paper**

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**Abstract**

The purpose of this paper is to clarify the salient issues surrounding the concept of strategic thinking. For example, what is strategic thinking? Is it different from strategic planning? If so, is it a replacement for strategic planning? Can strategic thinking and strategic planning be accommodated in the same strategic management regime? Current research states that strategic planning and strategic thinking are basically split sides of the same coin and that each one on its own is necessary, but not sufficient for an efficient strategic management framework. Therefore strategic thinking and strategic planning go hand-in-hand in order to reap maximum benefit.

**Paper # 23 Effects Of Positioning Strategies On Performance Of The Micro And Small Scale Enterprises: The Case Of Furniture Dealers In Huruma Estate**

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**Abstract**

Micro and Small enterprises make significant contribution to employment creation. Nonetheless the ability of the individual firm to create a large number of jobs is restricted to their growth. However, the large numbers of these enterprises ensures that their collective contribution to employment generation is substantial. Positioning is the act of designing a firm's offering and image to occupy a distinctive place in the mind of the target market, with concomitant effect of creating a customer-focused value proposition that would facilitate patronage. Thus a firm needs to consider positioning as one of marketing strategies as way of maintaining competitive advantage. The research sought to understand the positioning strategies applied by these Small and Micro enterprises and their effect on performance. The study adopted a descriptive survey of the Small and Micro enterprises in the furniture industry located in Huruma, Nairobi Kenya. The population of study comprised 50 micro and small scale enterprises. Primary data was used for the purpose of this study. The data was collected using a semi structured questionnaire consisting of both open ended and closed questions. The questionnaire was self administered. The study found that the organizations use the following Positioning strategies to gain a competitive edge in the market: positioning by Quality and customized positioning, product characteristics or customer benefits and positioning by competitor in that order. The study recommends that the government use the findings of this study to develop training programs in marketing and particularly positioning with a view of enabling growth of the Micro and Small Scale Enterprises, which will contribute to achievement of Kenya vision 2030.

**Paper # 24 Porter Strategic Group Membership Of Restaurants In Nairobi In Response To Bargaining Power Of Suppliers, Customers And Rivalry From Competitors**

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**Abstract**

The strategic management literature has very few studies focusing on the hospitality industry, specifically, and the service sector in general. Many of the widely accepted theories, cases and validation studies, focus on the manufacturing industries. In addition, the few studies in the service sector are mainly based on large enterprises, for examples banks, airlines and hospitals. This study takes a departure, by focusing on strategic choices of micro and small restaurants in Nairobi to three competitive forces: bargaining power of buyers, bargaining power of suppliers and rivalry from competitors. Using Porter's typology as a theoretical basis, the study sought to determine which strategies an enterprise are likely to employ as a result of the competitive forces they face. The study looked into business strategies adopted by 286 licensed micro and small size restaurants in Nairobi, in response to the competitive forces they face. Data was derived through the survey method from the managers and owners who were viewed to be

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directly involved in the decision making and therefore would be most knowledgeable on the strategies employed. The study results show that the choice of generic strategies adopted by the restaurants, and therefore their strategic group membership, is influenced by the extent of the strategic forces they face.

**Keywords:** *Restaurants, competitive environment, competitive business strategies, strategic responses, competitive forces*

**Paper # 25 Fresh Evidence On Challenges Faced By Manufacturing Informal Sector Micro-Enterprises And Their Influence On Strategic Choice**

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**Abstract**

The study sought to determine the challenges faced by IS/MEs in the manufacturing sector as well as establish if what influences, if any, they have on the enterprises strategic choice. Porter's model formed the theoretical framework for strategic choice. A total of 135 enterprises were sampled from six regions in Nairobi, Kenya. From the study, 30 challenges were identified and ranked. The top three challenges for the sector were Competition, High Cost of Production and Lack of Adequate Capital. In addition, enterprises experiencing High Cost of Production, High Cost of Transport and High Cost of Capital were more likely to adopt focus low cost strategies within Porter's framework. Those experiencing Hard Bargaining Customers were more likely to adopt differentiation focus strategies, while enterprises adopting mixed strategies are more likely to face Consumer Purchasing Power, Dishonest Customers and Theft as their main challenges.

**Keywords:** *Informal Sector, Micro-Enterprise, Competitive Strategies, Business Challenges*

**Paper # 26 The Influence Of External Environment And Innovation On The Relationship Between Organizational Resources And Firm Performance: A Critical Review Of Literature**

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**Abstract**

Explaining why organizations in the same industry and markets differ in their performance remains a fundamental question within strategic management circles. Researchers have partly attributed the variation to industry structure, resources of a firm, and continuous innovation that keep a firm a head of competition. On a global scale, there is no conclusive established theory or framework that completely explains the source of variation in firm performance. This paper reviews literature on factors that have partial explanation to variation in organization performance namely; organizational resources, external environment and innovation. It is apparent from literature that organization resources have a direct impact on performance. However, this influence is subject to other factors key among them being the external environment and innovation. In an attempt to bring out extant gaps on how the resource - performance relationship is influenced by the external environment and innovation, this paper observes that these factors (external environment and innovation) have been found to have independent effect on performance. To contribute to the current state of play, the paper proposes a conceptual model that can guide an empirical investigation on the influence of external environment and innovation on the relationship between organizational resources and performance. The empirical research, it is hoped will address the identified gaps.

**Key Words:** Resources, External Environment, Innovation, Performance.



**Paper # 27 The Influence Of Corporate Social Responsibility And Operating Environment On The Relationship Between Firm- Level Institutions And Organization Performance: A Critical Review Of Literature**

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\* School of Business University of Nairobi, \*\* Lecturer, School of Business, University of Nairobi

**Abstract**

Performance has been a key research issue both in academia and business as scholars and managers attempt to unravel the way organizations can compete favourably and still remain competitive in the current dynamic environment. Performance has become a key concern for organizations to grapple with. The response to this challenge rests on the strategy a firm chooses to pursue. As organizations attempt to remain focused to their ambitions, a number of factors come into play to shape the performance of these firms. Key among these factors is firm-level institutions (FLIs) which define the environment in which strategic decisions are implemented. Other factors equally involved are corporate social responsibility (CSR), and operating environment. This paper interrogates literature on how CSR and the operating environment can play a role in the relationship between FLIs and organization performance. The paper is grounded on, resource based theory (RBT), Institutional theory, Open systems theory and stakeholder theory. The paper delves into both conceptual and empirical literature to bring to light the state of knowledge on the constructs on the basis of which extant gaps in knowledge are identified. It is apparent that FLIs have an influence on organization performance. However, the paper establishes that CSR and operating environment can alter this relationship. In addition, the study finds that unique internal resources can be harnessed to form sustainable CSR which can lead to sustainable competitive advantage. The paper further establishes a need to conduct research to address the joint effects of FLIs, CSR, operating environment, and performance. To address these gaps, a conceptualization linking FLIs and performance but influenced by CSR and operating environment is advanced to guide empirical research.

**Keywords:** *Corporate social responsibility, operating environment, and organization performance.*

**Paper # 28 Project Risk Management Practices And Success Of Capital Projects In Kenya**  
**Bernard Stephen Musyoka, Onserio Nyamwange, Peterson Magutu**

University of Nairobi, School of Business

**Abstract**

This study sought to establish the extent of application of project risk management practices such as risk identification, risk analysis and ranking, risk response and monitoring and use of risk management tools on Kenya Airports Authority capital projects and the influence of these practices on the success of these projects. This study adopted the case study of the Kenya Airports Authority which has implemented 44 projects which constituted this study's targeted population. The projects had been implemented over the 3 years period from July 2009 to June 2012. Primary data was collected for the purpose of this study. It was collected using interviews and self administered structured questionnaires. Descriptive statistics were used to analyze the data by way percentages, means, variance, standard deviation, correlation analysis and multiple regression analysis. Findings from the study revealed that, risk management practices have been widely applied in projects which were considered to be complex as these projects attracted a lot of public attention because of substantial impacts on communities, economy, environment, and budgets. While there are plenty of risk management practices, tools and techniques available, many projects implementation teams did not often use them. From the analysis of the

data collected, it was proved that risk management has a positive correlation with project success. When used consistently, risk management practices increased the chances of project success. Due to the low application of risk management practices on low uncertainty projects the study concluded that, there's need to create more awareness on project risk management practices. Additional tools and risk management practices need to be developed and tested to determine which tools works best in the different scenarios and environments. This will ensure that risk management improves project performance and success.

### **Paper # 29 Challenges Of Cloud Computing In Business: Towards New Organizational Competencies**

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#### **Abstract**

Cloud computing is a nascent but fast growing innovation that has attracted increasing attention from both researchers and practitioners as a new Information Technology (IT) paradigm. Cloud computing cannot be sufficiently understood as a standalone phenomenon in the IT market, but rather as a core ingredient of a larger transformation of the IT industry that impacts the entire IT ecosystem. Due to the change from enterprise computing to cloud computing, organizations and individuals need to develop new skills and competencies. Extant literature in cloud computing has mainly focused on its affordances and challenges with scant attention given to organizational resources that enable efficient and effective adoption. This paper addresses how organizations can identify their own local cloud adoption challenges and how to overcome those challenges by developing new competencies. The paper draws on resource-based theory to propose new organizational competencies required for seamless migration from enterprise computing to cloud computing. This study was conducted through an extensive review of academic publications on cloud computing as well as professional literature such as industry white papers and technical reports.

*Keywords:* Cloud computing; Resource based theory; Cloud competencies; Service models; Delivery Models; Cloud brokerage.

### **Paper # 30 Adoption Of Cloud Computing Architecture: Software As A Service For The Development Of Small And Medium Enterprises**

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#### **Abstract**

Small- to medium-sized businesses (SMEs) are emerging as significant Internet users and like their larger counterparts increasingly adopting e-commerce. This research suggests that SMEs in different industry sectors may adopt different strategies for e-commerce and have different needs for training and support. It also explores the possibility that the Internet may not be an Inmitigated blessing. Many studies show that MSMEs are the driving engine of growth, job

creation, income generation and competitiveness in domestic and global markets. They also play a pivotal role in innovation and productivity growth. ICT is important tool and regarded as enabler to bring up the competitive level of SMEs in business arena. The paper will present preliminary results of a survey of around 200 SMEs that will drawn from four economically significant sectors in the region: food processing, transport and logistics, media and Internet services. The attention of software vendors has moved recently to Micro, Small to Medium-sized Enterprises (SMEs) offering them a vast range of Enterprise Systems (ES) including ERP, CRM, SCM, Transaction Processing systems and E-Procurement systems, which were formerly adopted by large firms only. From reviewing the literature on the adoption and diffusion of Information Systems' (IS) innovations, the question of 'why some SMEs choose to adopt ES while seemingly similar others facing the same market conditions do not' is still under-studied. This paper intends to fill this gap by developing a model that can be used to predict which SMEs are more likely to become adopters of SAAS. Modern businesses are not possible without help of information technology, which is having a significant impact on the operations of Micro, Small and Medium Sized Enterprises (SME) and it is claimed to be essential for the survival and growth of economies in general. SME is drawing attention in developed and developing countries as well as in transition countries. It is generally recognized that SME play a key role in the revitalization and development of national economy in many countries and particular in the context of Kenya. It is encouraging the development of SME and the role that SME sector can play in promoting economic and social development by creating opportunities for employment. These components are described and discussed while more research and studies on the adoption of cloud computing for SME in Kenya are proposed as necessary. The model should be useful to SME associations as they lobby for implementation of SME policies on the usage of SAAS. Nowadays most of large companies have been using an ERP system, thus ERP vendors are moving their attention toward Micro, small and medium enterprises (SMEs), by offering simplified and cheaper solutions. Such an approach is mostly due to SMEs' lack of internal competence and resources, while most of large companies have been investing time, money and human resources to modify their strategies and exploit the opportunities related to the business use of information technologies. Using direct interviews observation and questionnaire, data will be collected from 200 SMEs located in Kenya. Descriptive statistics and Logistic regression will be as used to analyze the data using SPSS Version 17. SMEs' adoption of other previously studied IS innovations.

**Key words:** *Information technology, Small and Medium Sized Enterprises (SME), Business, IS Innovations, Software As A Service (SAAS), Cloud Computing, Diffusion, Information and communications technology (ICT), ICT Adoption.*

**Paper # 31 The Impact Of Value Analysis Implementation On Service Delivery In Technical Training Institutions - A Case Of Kisumu Polytechnic**

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**Abstract**

Value analysis is defined as the elimination of those parts, activities or processes of an existing product or service that do not affect the quality, functioning or operation of a system, but still incur cost. It is also a systematic and objective evaluation of the value of a good or service,

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focusing on an analysis of function relative to the cost of manufacturing or providing the item or service. Value analysis provides insight into the inherent worth of the final good or service, possibly altering specification and quality requirements that could reduce costs without impairing functional suitability. The study sought to establish the impact of value analysis on service delivery at Kisumu Polytechnic(KP). A cross sectional survey was done using structured questionnaires administered to staff, students and suppliers of KP. The motivation of the study was based on the fact that in pursuit for improved service delivery as a basis for competitive advantage many organizations needed to adopt value analysis for improved management strategies to maintain customer loyalty, since customer base is dwindling because many players are coming into the market to offer same services. In essence, most service delivery approaches needed to attempts to reduce variation and/or waste in processes, so that the desired outcome can be achieved with better utilization of resources especially on training the technician at the least cost. The research established that the average improvement index on service delivery given by the three categories of respondents, gives a mean of 2.92 which is approximately 3 (Medium extent improvement) against maximum improvement index of 5(Greatest extent improvement), the major concerns which were cost reduction and improved were also realized. From the survey result of value analysis implementation at Kisumu Polytechnic, service delivery status improved but not significantly as was expected since it was to a medium extent. The conclusion is that, as a result of value analysis implementation, service delivery status usually improves even though it may to a medium extent.

Key words: *Value analysis, service delivery*

**Paper # 32 Law And Policies On Environmental Management Towards Sustainable Development**

**Barasa Odula Elias**

**Abstract**

Environmental education is the sense of understanding the environment.It gives the interdependence of human life and the rest of the natural world. The 19th century as the industrial revolution at that time, the degrading living conditions of most European countries showed that environmental problems were approaching unhealthy levels. That the effects of industrial revolution had impacted on quality of living conditions and hence saw need of environmental education for better quality of life. During the period of reconstruction, the World War II devastated countries of Europe embarked on a rapid program of industrialization which had extremely damaging effects on the environment. Some of these effects had taken a long time to be remedied. Thus the need of legal protection of the environment was motivated from the need to protect scenic resources for both present and future generations and concern towards the protection of the public health. The main trust of this paper is to look into the ever increasing population in the cities and the few facilities available to such a population, other consequences of the environmental degradation that were felt i.e water, air and noise pollution, pollution from hazardous and environmental wastes and the late threat of global warming and depletion of ozone layer..The paper will also examine the policies and laws affecting the environmental that is(i)the definition of environment,(ii)evolution of environmental education,(iii)international management of the environment,(iv)the role of law in environmental management,(v)basic environmental policies and laws of developed countries,(vi)environmental management policies and laws in the third world countries Kenya as case study,(vii)the defects of present environmental laws.

**Paper # 33 Market Structures And Models**

**Barasa Odula Elias**

**Abstract**

A market is an actual or nominal place where forces of ,operate demand and supply and where buyers and sellers interact (directly or through intermediaries) to trade goods, services, or contracts or instruments, for money or barter. Markets include mechanisms or means for (1) determining price of the traded item, (2) communicating the price information, (3) facilitating deals and transactions, and (4) effecting distribution. The market for a particular item is made up of existing and potential customers who need it and have the ability and willingness to pay for it. This paper would examine and discuss the most common market structure, namely perfect competition, monopolistic competition, oligopoly, duopoly and monopoly. Identify and discuss the Kenyan examples of such market structure and their impact of economics.

**Paper # 34 Keeping Cars On The Road: Obstacles And Opportunities In Vocational Education And Training Processes In Kenya For The Motor Vehicle Service And Repair Industry.**

**Susan W. Ngure**

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**Abstract**

This paper examines opportunities and obstacles in training processes in the motor vehicle service and repair industry (MVRSI) in Kenya. The paper is a response to on-going debate in the media, the business community and training practitioners to the perceived mismatch between the skills offered by the training institutions and the skill needs of the industry. These challenges have also been raised by the Government of Kenya in two documents: the 2005 Kenya Educational Sector Support Program (KESSP) document Delivering Quality Education and Training to all Kenyans and the Kenya Vision 2030 blueprint (GoK, 2007). Data for this study were collected from previous research papers, government documents and business editorials and reports. In addition, primary data were collected from 19 MVRSI businesses, four vocational education and training (VET) institutions and from four education officers drawn from the Ministry of Education Science and Technology (MoHEST) and the Kenya Institute of Curriculum Development (KICD), eight VET trainers. Observations were made in the VET institutions and businesses that took part in this study. The findings suggest that VET in Kenya has suffered from six major obstacles: low program funding; duplication of training services; insufficient trained personnel; limited methods of TNA data gathering and analysis; inadequate quality control, monitoring and evaluation; poor communication of TNA results to the main stakeholders; and, obstacles within the national training objectives. This paper proposes the following opportunities that the VET sector can take to improve its status: the establishment of a training fund; creation of a training coordinating body for the many providers; strengthening the mandate of KICD to include recruitment, training and remuneration of its personnel; incorporating more methods of TNA data gathering and analysis; strengthening methods of national training objective formulation; and, improving monitoring, evaluation and quality control.

**Keywords:** *Human Resource Development, Vocational education and training; Training needs assessment, Training processes.*

**Paper # 35 Factors Influencing Sustainable Revenue Collection At Nairobi Water And Sewerage Company, Kenya**

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**Abstract**

The study sought to investigate specific objectives regarding debt management, billing system, non revenue water and training of staff on their effect to sustainable revenue collection at Nairobi City Water and Sewerage Company. The problem has been the public which was previously provided by Nairobi City Water and Sewerage Company has been inefficient and riddled with many challenges which included inherited debts, poor management of customer data, poor billing systems, age-old infrastructure and employees who were poorly facilitated and motivated. Despite of all this, customer complaints, unwillingness to pay and bad customer perception are on the increase which greatly influence the revenue collected. The study therefore draws best examples globally for comparison as a learning experience. The study employs a descriptive survey case design. The total staff population at the Head office of the company stands at 232 of which a sample size of 70 is being chosen using stratified sampling technique. Data is being collected using questionnaires which are being administered by drop and pick method and later to be analysed using descriptive statistics and factor analysis. While qualitative data will be analysed through content analysis. The results are to be presented using tables and figures for ease of understanding and interpretation. Validity and reliability were both descriptive and evaluative validity. Specific recommendations have been to scholars, NCWSC and the government. The results from the study have clearly indicated that non revenue water, the billing system, debt management and staff training affect sustainable revenue collection at Nairobi Water and Sewerage Company. It would be interesting to see how the NWSC has impacted the city for the years it has been in operation and what are the success factors and the challenges faced in light of sustainable revenue collection as an area of further studies.

**Key words:** *Competitiveness, Nairobi Water and Sewerage Company, sustainable revenue collection.*

**Paper # 36 The Role Of Leadership Processes And Societal Culture In Knowledge Management**

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**Abstract**

This conceptual paper reviews the existing literature on leadership, knowledge management and societal culture, and how these important variables are related to firm performance within the context of Sub-Saharan Africa. Specifically, the paper proposes a conceptual framework which has the potential to explain direct and indirect relationships between leadership, knowledge management and subsequent firm performance. Furthermore, the paper explicates

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some pathways through which societal culture may influence the relationships among leadership, knowledge management and performance. Based on the research model, we propose several testable research propositions and conclude with a discussion of the future research direction.

**Methodology:** A theoretical review of literature

**Paper # 37 The Relationship Between Competitive Strategies And Human Resource Management Practices Towards Performance Management Insurance Companies In Nairobi.**

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**Abstract**

This study was carried out with an objective of establishing the relationship between competitive strategies and human resource management practices towards performance management in insurance firms in Nairobi Kenya. The central hypothesis under investigation in this study is that firms that have aligned their corporate strategy with the Human Resource Management practices stand a better chance to attaining a sustainable competitive advantage as well as good performance. To achieve the objective of the study, the research used a descriptive research design and a census survey comprising of all the 42 registered insurance firms in Kenya. Primary data was collected using structured questionnaires. Once the pertinent data was collected, the researcher carried out an analysis of the same using mean, standard deviation and percentages. Where appropriate, the study results were presented in tables and charts. The study established that most insurance firms have aligned their corporate strategy with the human resource management practices in order to survive and compete in the market. To enhance the competitiveness, the insurance companies use low cost leadership strategy, and differentiation strategy by offering a wide range of products and services. To achieve this, the companies use high skilled and innovative staff and most companies' use staff training and development as means to bridging the gap between human resource competence and competitive advantage.

**Paper # 38 Internet Access, Uses And Gratifications Among University Students: A Survey Of The School Of Journalism And Mass Communication, University Of Nairobi**

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**Abstract**

The Internet is an educational tool with numerous potentials. The University of Nairobi appreciates this immense potential and, hence, has been very keen in facilitating deployment of relevant ICT facilities for both her staff and huge student community. The University has several well-stocked computer labs established on all campuses, which are specifically tailored to address computing needs for students. An extensive intercampus WAN and Campus Wide backbone network enables the labs to tap to several network based services, including 24x7 Web access, E-mail facilities, file-sharing services, library services among other shared server

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services. The study sought to determine the accessibility, uses and gratifications of internet among university students in Kenya with special reference to the School of Journalism and Mass Communication, University of Nairobi. The objective of the research is to find out how students access the Internet, what they use the Internet for, how frequently they use the Internet, what Internet services they use most, how satisfied they are with the Internet services provided by the university, and what problems they face during an Internet search. The university students are believed to be heavy users of internet in carrying out research, communication with their friends and as a source of doing their academic assignments. A structured questionnaire was used for data collection. The findings showed that their attitude towards the Internet was very positive and they used it mainly for study purposes. Results indicated that the most frequently used Internet services were: e-mail, World Wide Web, Instant Messaging and File Transfer Protocol, online databases, dictionaries, encyclopedias and online courses. Google was the most popular search engine for retrieving information on the Internet. However, the use of free database services provided by the University was not satisfactory. The respondents were also dissatisfied with the Internet service provision, slow speed of the Internet connection and inadequate number of computers in computer labs. The researchers recommend that students be trained on how to use the Internet. Technical/ operational measures should be used to control the non-educational use of the Internet resources and services.

*Keywords: internet, internet access, internet uses, internet gratifications*

**Paper # 39 Knowledge Management And Performance Of Commercial Banks In Kenya  
Charity Maseki And Justus M Munyoki**

**Abstract**

This study sought to determine the relationship between knowledge management and performance of commercial banks in Kenya. The study adopted a descriptive research survey. The target population comprised of 43 commercial banks. Stratified random sampling technique was used since population of interest was not homogeneous. Primary data was collected using a questionnaire while secondary data was also collected from the journals, reports and periodicals of the banks. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The information was then presented by use of bar charts, pie charts, tables and in prose-form. The study found that knowledge management greatly affected performance of the commercial banks. Knowledge management enhanced product and service quality; increased productivity and innovative ability. Knowledge management improved performance of employees on their duties in the bank and enhanced employee competence. Knowledge management enhanced the ability of the bank to develop new innovative financial products for its customers, turnaround time of employees, communication process in the bank and profitability of the bank. In addition, effective knowledge management led to enhancement of organizational performance in terms of responding faster to business key issues; creating new business opportunities easily; improving new product development and improving business processes.

**Key words:** *knowledge management, Knowledge transfer*



**Paper # 40 Farmers Level Of Education And Training And Sustainable Irrigation Of Small Scale Dryland Farming In Kitui Central District**

**Dorothy Ndunge Kyalo, Angeline Sabina Mulwa & Venzi Francis Simon,**

**Abstract**

Kitui County geographical position makes it one of the most arid areas in Kenya. It is characterized by hot and dry climate with erratic and unreliable rainfall. Due to limited rainfall (500-700mm), surface water sources are very scarce thus necessitating the search for alternative methods of watering the plants for their survival. A study was carried out with an objective to establish the extent to which the farmers level of education and training on farming skills in accounting and budgeting, control of farms activities, use of fertilizers and pesticides, land use and soil conservation and access market information to sell the surplus produce influences sustainable irrigation of small scale dry land farming in Kitui Central District, Kitui County, Kenya. Descriptive survey research design was adopted. A sample of 150 participants was randomly selected from 1540 small-scale dry land irrigation farmers in the district. Data were collected by use of questionnaire and interview guide. Data analysis was done by use of both descriptive and inferential statistics. The study findings revealed that farmers level of education and training had significantly influenced sustainable irrigation of small scale dryland farming in Kitui Central District as evident by responses from 96.7 per cent of the farmers who strongly agreed (strongly agree and agree) that farmers level of education and training influenced sustainable irrigation for irrigation small scale dryland farming in Kitui Central District. The Mean Score was calculated using the formulae  $\sum fx / \sum f = 588 / 450 = 1.3067$ . The mean score was in between scales points of 1 and 2, with 1 - representing strongly agree and 2 representing to agree. The interpretation of this study findings indicated that most of the farmers were in agreement that level of education and training had influence on the sustainable irrigation of small scale dryland farming. This was because education and training levels influenced the farmers in the ways they were applying new farming technology, manure and practicing farm irrigation. The study recommended that farmers should be provided with informal education and training in order to adopt both indigenous and new technologies that are supportive to the development and growth of sustainable small scale dry land irrigation farming. County governments should prioritize this flagship project in its provision for incentives that promote small scale dry land farming establishment, market access, credit access, and other required infrastructural facilities that could help in enhancing sustainable irrigation of small scale dry land farming. Further study should be done on the relationship between government policy and sustainable irrigation of small scale dry land farming to ensure successful artificial agricultural productivity from the Arid and Semi Arid Lands (ASALs) of Kenya.

**Key words:** *Irrigation, farm activities, farming skills, dry-land farming*

**Paper # 41 Employee Attitudes Towards Organizational Diversity On Business Performance; Perspectives From The Small And Medium Enterprises Employees In Kisii Town**

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**Abstract**

The study focuses on barriers encountered by employees in dealing with workplace diversity in small and medium enterprises in Kisii Town. Discrimination, prejudice and ethnocentrism are cited as the most common challenges in managing organizational diversity. The study clearly

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emphasizes that organizations should take measures to manage diversity to harness and leverage the potential of employees for competitive advantage in the Organizations with diverse employees. The organization management should ensure that the employees are better suited to serve diverse external customers in an increasingly global market. The organizations should have a better understanding of the requirements of the legal, political, social, economic, and cultural environments. The data for this study was collected through a comprehensive survey on the employee attitudes towards organizational management of diversity on business performance, the perspectives of small and medium-sized business operating in Kisii Town. A total of 145 small and medium enterprises were chosen out of a sample of 420 firms, representing 30% of the population, which satisfies the sampling criteria. The target population was stratified sampling into the business industry it represented. The study found out that discrimination was the most frequently encountered barrier for managing workplace diversity; employee performance was not based on their abilities, but on arbitrary characteristics of religion, gender, age, sexual orientation, or physical handicap. The study recommends systematic learning about cultural differences and the way business is conducted where the employee is working, training employees to learn about and be sensitive to cross-cultural differences, encouraging employees to accept diversity, and offering training, which can improve employees' ability to work with diverse others with cultural differences and increase inclusiveness in an organization.

**Key words:** *Managing Diversity, Sexual Orientation, Employee attitude*

**Paper # 42 Perceived Variables Affecting Performance Of Frontline Managers In Indian Power Distribution Companies**

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**Abstract**

Frontline managers in power distribution companies play a significant role in providing the most essential utility services to a large sector of population. Consequent to reforms in the power sector, the job of frontline managers at lately formed power distribution companies (DI(SCOMs) has acquired new dimensions and puts various demands on the time and expertise of the job incumbent. In this context the present paper attempts to qualitatively analyze the opinions of few top and middle managers of lately formed power distribution companies about the performance, competence, and training requirements of their frontline managers. Two questionnaires for Top Managers and Middle managers. Responses were invited from 100 middle managers and 8 Top Managers currently employed or recently retired from erstwhile State Electricity Boards and lately formed Power Distribution companies. Qualitative analysis of both sets of responses was undertaken separately and key areas affecting the performance of frontline managers and corresponding training requirement were identified. With the ongoing changes in the power distribution sector especially with the emergency of SMART technologies, the updating of skills and competencies of the frontline managers is becoming a key concern before management of power distribution companies. This paper can help in understanding the perception of top and middle managers on the various factors affecting frontline managers' performance and their training needs. It can also contribute in formulating effective training and development policies at DISCOMs. Replication of the study in different companies and regions can help in identifying frontline managers' working constraints as well as areas for training.

**Key words:** *power distribution companies, managers, frontline engineers, training, performance.*

**Paper # 43 Open Information Communication Technology Infrastructure Sharing Framework. Site Sharing And Its Challenges To Mobile Service Providers Of Kenya**

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**Abstract**

Open Information Communication Technology Infrastructure Sharing can be defined as the joint use of network facilities by two or more operators subject to agreement specifying relevant technical and commercial conditions. The main reason for ICT infrastructure sharing in mobile service industries in the countries that have implemented has been to cut down expenditure and reduce the need to build new masts on which to locate their equipment. In Kenya, each licensee is expected to build or lease the infrastructure it requires, although the license they own allows them to share their infrastructure on commercial arrangements. As a result of this, penetration of masts in rural areas is increasing at an exponential rate. The construction of towers is mushrooming and in near future towers population across the country will change urban and rural landscape. Despite the Mobile Service Providers interest in Open ICT infrastructure sharing, little attention is being paid to conclusion of deals that leads to Infrastructure sharing. The purpose of the study was to investigate the Challenges to Open ICT Infrastructure sharing by Mobile Service Providers in Kenya. This study was conducted through survey design. Data was collected from employees from Safaricom, Airtel, Yu and Orange was used to study the population. A target population of 2600 employees from the four Mobile Service Providers in Kenya was considered. Both Stratified and purposive sampling techniques was used to identify the respondents. A sample size of 93 respondents was used in this study. Both structured questionnaires and scheduled interviews were used in data collection. Both descriptive and inferential statistics was used to analyse data collected from respondents in this study. The study found out Asset Valuation and Management, Stakeholders cost pressure and cultural alignment as the main challenges to site sharing by Mobile Service Providers in Kenya. The results obtained from this study will be beneficial to stakeholders in Mobile Service industry formulate policies that promote ICT Infrastructure sharing with a view to promoting universal access and saving on expenditures.

**Key words:** *Open ICT infrastructure sharing; site sharing, Mobile Service Providers, Challenges, Kenya*

**Paper # 44 Boosting Financial Literacy And Capability: The Case For Inclusion Of Financial Education In The University Curriculum.**

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**Abstract**

Financial literacy is quickly becoming an essential tool necessary for students to compete in today's financially centered world. Students in some places can still leave university without a basic knowledge of how to balance a checkbook and basic principles surrounding personal savings, budgeting earnings, debt and spending. Yet an increasing number of students will be responsible for their own financial well being in the future, a feat most students are unprepared to take on. As financial literacy has been shown to correlate with good financial decisions, policy makers in general and universities in particular are required to promote educational

programs to improve individuals', and hence society's financial decisions. At a broader level literacy will make for deepening of financial markets, making them efficient and competitive.

**Key words:** *financial literacy, financial capability, financial education*

**Paper # 45 An Investigation Into The Challenges Of Internet Banking Adoption In Kenya**

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**Abstract**

This study concerned the extent of adoption of internet banking and the factors affecting the adoption rate of internet banking services amongst the corporate customers of banks in Kenya. The need for the study arose in view of the increase in trends towards the adoption of internet banking. The study had two objectives namely to determine the extent of adoption of internet banking by corporate customers of the banks and to determine the factors that affect corporate customers' adoption of internet banking in Kenya. The action taken by bankers and policy makers in appropriately addressing critical issues will determine the success of Internet banking. The data was collected from ninety corporate customers from three Kenya Commercial Bank branches in Kisumu City. The respondents were selected using stratified and judgmental sampling. The respondents were the Finance Managers, ICT managers and General Managers and in some cases middle level management staff of the organizations respondents who were believed to have the knowledge required for the study. Questionnaires were used to collect data. Data collected was analyzed using descriptive statistics and presented using frequency tables. The findings from the study indicate that adoption of internet banking services is to a small extent as most of the services produced a mean of less than 3.0. As for factors that affect the adoption of internet banking services; awareness, attitude and perceived ease of use greatly influence adoption rate rather than previous experience and perceived usefulness. In view of the findings, several recommendations were made which may be useful for bankers and other related organizations. Banks should make their customers more aware of their new internet banking products and services, to encourage higher adoption. They could do so by having seminars, exhibitions or giving free-trial periods to give customers an opportunity to evaluate their new inventions. Besides that, education and publicity through mass media could also prove to be effective. Banks should take security of their Internet banking sites into serious consideration since fraud and websites hacking still discourage most of the customers.

**Key words:** *Banks ,Internet Banking, ICT, Adoption.*

**Paper # 46 Factors Hindering Derivatives Trading At The Nairobi Securities Exchange**

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**Abstract**

As from early 2000s, the Nairobi Securities Exchange (NSE) and the market regulator Capital Markets Authority (CMA) endeavored to reform the market. As part of the market reforms

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agenda, the Authority initiated market reforms in 2001 which led to the reorganization of the NSE into four distinct segments: the Main Investments Market Segment (MIMS); Alternative Investments Market Segment (AIMS); Fixed Income Securities Market Segment (FISMS); and the Futures and Options Market Segment (FOMS). To date all but the FOMS remain active. The derivatives market in Africa and specifically the NSE remains underdeveloped. One of the major hindrances to the derivatives market development, which is the focus of this paper, is the regulatory and policy environment. There is need to develop these so as to provide a framework within which the market can operate effectively and efficiently. Other disabling factors to the development of the derivatives market discussed in this paper include; low level of investor sophistication and awareness; lack of commodities on large scale; high frictional costs in the market structure; inadequate risk management; inadequate liquidity; and segmented regulation. The paper further explores the efforts being done by the NSE and the CMA towards the development of the market. This includes the findings of the study undertaken by the CMA on the viability of establishing a futures and options market segment at the NSE. To help understand the factors hindering derivatives market development; in this paper, I have explained key concepts relating to derivatives market development and the various types of derivatives. The benefits and uses of derivatives and their down side/ disadvantages have also been highlighted, drawing from real life experiences across the globe. An overview of studies on derivatives and derivative markets in Latin America, India, South Africa, Asia and Kenya has been discussed.

**Paper # 47 Profiting From Bonus Announcements In The Nairobi Securities Exchange**

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**Abstract**

The question of whether the announcement of issuance of bonus shares by quoted companies is news to stock market participants or it is anticipated by the market has been the subject of research. If the announcement is anticipated, then stock prices should not change drastically during the days surrounding the announcement date. This research employed the event study methodology by using the bonus announcements of eighteen NSE listed companies that occurred during the year 2005 to 2010. The student t-test statistic was employed to test the significance of the average abnormal returns and cumulative average abnormal returns from zero. It is possible to profit from bonus share announcement when the abnormal or excess returns are significant from zero. The results of student t-tests on the average abnormal return (AAR) and the cumulative average abnormal return (CAAR) indicated that abnormal returns were significantly different from zero which implied that there is an anomaly in the semi-strong form efficiency of the NSE with regards to bonus announcements as it is possible to profit from such announcements which is regarded as news by NSE investors.

**Paper # 48 Challenges Faced By Foreign Direct Investors In Kenya**

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**Abstract**

Kenya is a prime choice for foreign investors seeking to establish a presence in Eastern and Southern Africa (Ruth, 2011). Kenya also serves as the East African business hub for many international companies. General Motors, Proctor & Gamble, Microsoft, Ogilvy and Mather, Coca-Cola and Citibank are a few examples of international companies with a presence in

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Kenya. A third of Kenyan banks are foreign owned, controlling 51% of total banking assets in the country. Safaricom for example, is 40 percent owned by Vodafone of the U.K. and Celtel Kenya is 60 percent owned by Celtel of Netherlands (The Republic of Kenya, 2010). However, despite Kenya's international status and despite the many positive aspects present in the country, Kenya as a whole is an underachiever in attracting the right type of FDI (Ruth, 2011). This provides the knowledge gap. Therefore the research question to be addressed in this study is: what are the challenges faced by FDIs in Kenya