

E-Tendering and Performance of Small and Medium Enterprises in Nairobi County Kenya

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Abstract

Small and Medium Enterprises play a significant role to the economic performance of a country. They are a source of income to numerous entrepreneurs, and offer employment opportunities mostly to the youths. However, despite the crucial role the SMEs play, they face numerous challenges which have impacted on their performance with some closing down. One of the areas the SMEs face challenges is sourcing and ordering challenges which have prompted the businesses to adopt e-procurement technologies in order to enhance their procurement functions. The purpose of this study was to investigate the influence of e-tendering, on the performance of SMEs in Nairobi City County, Kenya. Schumpeter's Entrepreneurship Theory, Economic Theory of Entrepreneurship, and Drucker's Entrepreneurship Theory were used to anchor the study. A descriptive research design was used. The target population was the 3000 registered and licensed SMEs operating in Nairobi City County, Kenya. The sample size comprised of 97 SMEs owners or managers. The unit of observation was the SMEs owners and managers. Stratified random sampling method was used to select 97 respondents from the target population. The study used structured questionnaires to collect data. Before data collection exercise, the researcher conducted a pilot study in order to assess the reliability and validity of the research tools. Secondary data was used to supplement the primary data. This data was collected from journals, reports, web sources and other relevant publications. Descriptive statistics and inferential statistics were used in the analysis of quantitative data with the help of Statistical Package for Social Science (SPSS). Descriptive statistics included percentages and frequencies. Correlation analysis and regression analysis was used to determine the effect of the e-procurement on the performance of the SMEs. Charts and frequency tables were used to present the findings. The study found that e-tendering has no significant influence on the performance of SMEs in Nairobi, Kenya. The study recommends that small and medium enterprises should adopt and utilize e-tendering to streamline the procurement process and reduce the costs involved.

Key Words: *E-tendering, Performance, Small and Medium Enterprises*

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I. Background

The integration of business and Internet has long been a common phenomenon around the world. Nevertheless, procurement as one of the major functions of a firm which could substantially affect the firm's profitability or even survival has migrated into electronic platform many large economic entities. In the modern day competitive and highly dynamic sectors, businesses and corporate sectors have realized the need to be abreast with new technological developments as well as manage reduction of operational costs while meeting the organizational goals and objectives and hence the increased adoption of e-procurement (Subramanian, Qualls & Shaw, 2006). The implementation of e-procurement in total is expected to increase the efficiency and productivity of a firm's business operations. In Africa, SMEs are also known as key contributors to economic prosperity of nations. In Ghana, the SMEs represent about 92% of businesses and contribute about 70% of the country's GDP and provide over 80 employments (Selase, 2019). These SMEs operate both in the rural and urban areas and a source of livelihood to a large number of people. Some of these enterprises are organized while others are unorganized. The organized ones usually have established offices and have paid employees while the unorganized who comprises of artisans who operate in open spaces, temporary wooden structures or at home. These enterprises also employ a small number of who work on a casual basis (Donkor et al, 2018). While in Malaysia, the SMEs have greatly adopted e-procurement in order to streamline their procurement operations. According to Tiwari et al, (2019), a large number of SMEs use the e-ordering, e-sourcing, e-tendering, and e-invoicing to enhance their procurement operations. The technologies have enabled the businesses to effectively communicate with customers and suppliers, to check for the prices of goods, to check the availability of goods and services, and to exchange purchase information with both the internal and external parties.

In Nigeria for instance, according to Aduwo et al, (2016), SMEs have to some extent integrated e-procurement in order to maximize its benefits in the procurement of goods and services, in the management of inventory as well as improving the communication between the businesses and the suppliers and the consumers. This has helped to enhance the performance of the businesses. In South Africa, Sithole (2017) observed that the SMEs in South Africa are increasingly utilizing e-procurement technologies to enhance their operations. The common strategies adopted included e-notification, partial e-tendering, e-contract awarding, e-invoicing, and e-contract management. These technologies have largely revolutionized the procurement operations and to boost the performance of the businesses. Locally and specifically in Kenya, the SMEs are increasingly adopting and utilizing e-procurement technologies to enhance the ordering and sourcing processes. The adoption of the strategies is inspired by the pressure they have to deliver quality goods and services on a timely basis. A large number of these enterprises have been having challenges meeting the customers' demands due to delayed delivery of goods. Delayed supply of goods occurs due to lack of efficient and effective procurement systems which ultimately affect constant supply of goods to customers. This leads to customer dissatisfaction and poor business performance. The SMEs therefore adopt various e-procurement technologies such e-tendering to facilitate tendering processes, e-sourcing to determine appropriate suppliers, e-invoicing and e-payment to facilitate payments.

1.1.1 Small and Medium Enterprises

The SMEs are defined according to the number of employees, annual turnover and the balance sheet total. According to the European Commission (2003), SMEs are businesses with less than two hundred and fifty employees, less than fifty million Euros as annual turnover and a balance sheet total not exceeding forty-three million euros. Enterprises with less than ten employees are considered micro enterprises. Enterprises with less than fifty employees are considered small while those with less than two hundred and fifty are considered medium enterprises. Grasmuck (2000) defines an SME as a form of a small registered business entity with five or fewer employees and requiring seed capital of not more than \$35,000. According to Grasmuck (2000), this type of business usually has one owner and has up to employees.

Small medium firms play an important role in the economy of a given nation and for this reason, they have increased considerably throughout the entire world since the 1960s (Calvin, 2002). According to Kayanula and Quartey (2012), SMEs are regarded as efficient and prolific job creators, the seeds of big businesses and the fuel of national economic engines. In Europe, the SMEs are regarded as key economic drivers with significant contribution to the GDP. In Poland for instance, the SMEs generates about 50% of the GDP and a key source of employment and income. The sector employs over 6.3 million people out of the total of 9.0 million of labor in the private sector which signifies the significance of this sector (Oniszczyk-Jastrzabek et al, 2018). In the United States, the SMEs account for the vast majority of firms and contribute approximately half of the country's GDP. SMEs sector is a key driver of the economy and is a key source of income to both the owners and those employed in the sector. In Kenya, the SME sector is a very crucial sector and contributes significantly to the economic development. For this reason, the number of SMEs has increased greatly and this sector accounts for 75% of the job opportunities and contribute about 18.4% of the national Gross Domestic Product. More people are currently venturing into the Small and Medium Enterprise business as a means of curbing unemployment and reducing the poverty rates in the country and enhancing the standards of living. As a result, SMEs have sprung up in every town and village in the country with the youth playing a big part (Nyakundi, 2018).

SMEs in Nairobi are broadly grouped under various categories including light manufacturing, services and commercial and trade. Most of these businesses share common characteristics such as the goods and services they offer and the mode of operation. This therefore implies that the SMEs undergo intense pressure from rivals and customers to lower prices which in turn shrink their profit margins. As a result, the SMEs have been constantly seeking effective innovative strategies of conducting their operations. While the SMEs are vital to the economy, their contribution to economic development is limited by numerous factors. Among the challenges faced are the procurement challenges they face. The businesses have therefore largely adopted e-procurement technologies to streamline their sourcing and ordering processes.

1.2 Statement of the problem

Small and Medium Enterprises play a key role in the socio economic development in Kenya. Despite this importance, they face numerous challenges which have impacted on their performance with some closing down. According to Kenya National Bureau of Statistics (2017), the rate at which the SMES in Kenya are failing is alarming, which compromises its expected contribution to the attainment of the vision 2030. According to Kenya National Bureau of Statistics (2017), a large number of SMEs is registered in the country but only a small number of them survive to the 10th year after formation. This agrees with the findings of a survey conducted by Ogado (2019) who concluded that a large number of SMEs in Kenya do not survive up to their first birthday. While the SMEs contribute greatly to the economic prosperity of the nation, little research

has been conducted to determine the challenges the businesses undergo. A review of past empirical literature brings forth a various contextual, empirical, methodological gap which create the need for more research. Chegugu and Yusuf (2017) conducted a study on the influence of e-procurement practices on the performance of public hospitals in Uasin Gishu, Kenya. The findings established that the hospitals have benefited a lot from e-procurement technologies. The e-sourcing help the hospitals to achieve increased competitiveness in the tendering bids. Generally, the study established that e-tendering is crucial to the businesses in the medical field. Empirical and methodological gaps emerge since the focus was on e-tendering only and contextual gaps emerge as the study was not done in Nairobi. From the available literature, empirical gaps are clear on need to focus on different dimensions of e-tendering. Therefore, it is crucial to undertake a study focusing on different dimensions of e-tendering and influence on SMEs in Nairobi City County in order to fill the gaps and expand the knowledge base.

Objective of the Study: Investigate the effect of E-tendering and Performance of SMEs in Nairobi, Kenya.

II. Literature Review

This study was anchored on the Schumpeter's Entrepreneurship Theory, Economic Theory of Entrepreneurship

2.1 Schumpeter's Entrepreneurship Theory

The theory was founded by Schumpeter (1991). The theory was premised on the idea that creativity and innovation are key factors in any entrepreneur's field. While Schumpeter (1991) argues that entrepreneurship knowledge can go a long way in helping the firm to become successful, the entrepreneur should be innovative in order to accumulate a lot of profit in a highly competitive and dynamic market. In the entrepreneurship theory, Schumpeter takes a case of a capitalist closed economy which is in stationary equilibrium. He argued that the entrepreneurs disturb this equilibrium position through the introduction of an innovation which helps to propel the economy to a new development level. In this case, innovation could occur in different ways such as innovation of new products, innovation in methods of production, innovation in management processes, among other innovations. The entrepreneurship theory is relevant to the study as it accentuates the role of e-procurement on the performance of the SMEs. In relation to Schumpeter's Entrepreneurship Theory, the SMEs adopt e-procurement as an innovation to enable them performs above rivals. The SMES in Nairobi have adopted various e-procurement technologies in order to enhance operational efficiency. In this study therefore, Schumpeter's Entrepreneurship Theory will offer a guide in the understanding of these technologies on the procurement processes and the overall performance.

2.1.1 Economic Theory of Entrepreneurship

Economic Theory of Entrepreneurship was founded by Papanek (1962) and improved by Harris (1970). The theory states that were economic incentive is the key factor that promotes entrepreneurship. The economic gains inspire the entrepreneurs to undertake diverse entrepreneurial initiatives and to adopt measures in order to develop entrepreneurial competencies. The entrepreneurs' inner urge and the desired economic gains have great influence on the development and improvement of entrepreneurial competencies. In the case of SMEs, the desire to achieve greater results inspires the owners to seek means of improving operational efficiencies and competencies. Having identified gaps in the procurement functions, the SMEs now adopt modern specialized e-procurement technologies in pursuit of efficient and effective procurement. The Economic Theory of Entrepreneurship is relevant and applicable in the study of the e-procurement adoption by SMEs in Nairobi. As a remedy to the numerous procurement challenges the businesses have been facing, they largely adopt and integrate technology in their procurement operations. The e-procurement strategies adopted are expected to enhance the sourcing and ordering processes and to improve the performance. In this study, the economic theory of entrepreneurship will assist in understanding the influence of e-procurement on the procurement efficiency and on the business performance.

2.3 Empirical Literature review

E-Tendering and SMEs Performance

E-Tendering is the process through which a firm sends request for information and prices to suppliers and receives response through the internet technologies (McConnell, 2009). This is an e-procurement phase that involves the union of e-access and e-submission phases. This union comes as result of electronic advertisements of calls for tenders and contract notices at e-noticing phase. E-Informing or e-noticing is an e-procurement phase which involves gathering and distributing purchasing information both from and to internal and external parties via the internet facilitated by on-line notification systems (McConnell, 2009). This increases the effectiveness of the tendering process which leads to improved procurement performance (Gunawardhana *et al*, 2012).

The role of e-tendering has been examined by numerous researchers. Eadie *et al* (2007) examined factors affecting e-procurement adoption and migration at the firm level focusing on the firms in various industries. The

study used secondary data which was analyzed using multi-nominal logistic regression. From the analysis, the study established that e-tendering was positively correlated with the procurement performance. The adoption of e-tendering helped in cost reduction thus contributing to the competitive advantage of the organisation. The e-tendering also helped to enhance and increase the communication between the various parties involved in the procurement process. Empirical gaps emerge as the did not focus on the influence of e-sourcing, e-payment, e-invoicing and the focus was not on SMEs. Contextual gaps also exist as the study was not conducted in Kenya and hence the need for another to bridge the gaps.

Gunawardhana and Karunasena (2012) conducted a study on the role of e-procurement at the ministry of water and drainage in Sri Lanka. The study established a positive relationship between e-tendering and procurement performance. The study concluded that the e-tendering improves the coordination of procurement operations and the flow of information and communication between the departments involved in the tender processes. The e-tendering had an alert system that would remind users about critical issues and tasks that have been completed by various teams, helped to reduce human errors and to route documents to suitable and relevant parties. Empirical gaps exist as the study did not focus on the influence of e-tendering, e-payment, and e-invoicing and did not focus on SMES. Contextual gap also exist as the study was not done in Kenya. Empirical gaps emerge the study did not focus on the influence of e-sourcing, e-payment, and e-invoicing. The focus of the study was also on SMEs. Contextual gaps also exist as the study was not conducted in Kenya.

Locally, Chegugu and Yusuf (2017) examined the influence of e-procurement practices on the performance of public hospitals in Uasin Gishu, Kenya. Data for this study was collected from a sample of 367 respondents comprising of junior staff in the hospital. From the analysis, the study found out that the hospitals have benefited a lot from e-procurement technologies. The e-tendering help the hospitals to achieve increased competitiveness in the tendering bids. Overall, study established that e-tendering is crucial to the businesses in the medical field. While the study contributed greatly to the understanding of the influence of e-procurement on performance, empirical gaps exist as the study did not focus on influence of e-sourcing, e-payment, and e-invoicing. The focus of the study was also not on SMEs. Contextual gaps also emerge as the study was not done in Nairobi.

Conceptual Framework

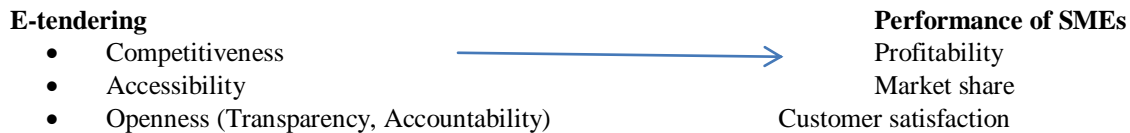


Figure 2.1: Conceptual Framework

III. Methodology

3.1 Research design: The study used a descriptive research design

3.2 Target Population: The target population of the study was the owners of all the registered and licensed SMEs in Nairobi County. According to the Nairobi City County Records (2019), there are 3000 SMEs that are registered, licensed and operational in the Nairobi City County. The target population therefore comprised of 3000 SMEs owners.

3.3 Sample and sampling technique: A sample refers to a smaller and manageable section of a population that is taken and studied to represent entire group. In this study, the sample size of the SMEs was calculated using the Taro Yamane formulae as shown below;

$$n = \frac{N}{1 + N(e^2)}$$

$$n = \frac{3000}{1 + 3000(0.1^2)}$$

n=97 SMEs

The study used a stratified random sampling method to select the SMEs to participate in the study.

Table 3. 1: Category of SME, Target Population and Sample Size

Category of SMEs	Total Number	Percentage	Sample
General Trade, Wholesale, Retails, Stores	1,110	36	35
Professional and Technical Services	780	26	25
Transport, Storage and Communications	720	25	24
Industrial Plants, Factories and Workshops	390	13	13
Total	3,000	100	97

3.4 Data Collection instruments and procedure: The study used both primary and secondary data. Primary data was collected using structured questionnaires.

3.5 Validity and Reliability of research instruments: The researcher used content and face validity to determine whether the questionnaires had issues in terms of clarity and to determine and correct errors. Face validity was undertaken to check for clarity and ambiguity of the questions. Determination of the validity of the questionnaires also involved a pilot study. To test for the reliability of the research questionnaire, the researcher employed a test retest method. This helped to determine the consistency of the questionnaires. The internal consistency was measured using the Cronbach coefficient alpha. A Cronbach value greater than 0.7 was acceptable for the research instrument to be considered reliable

Table 3. 2: Cronbach’s Reliability Alpha

Construct	No. of items	Cronbach's Alpha
E-tendering	8	.717

3.6 Data Analysis and Presentation: Data was analyzed using quantitative analysis method. Descriptive analysis involved percentages and frequencies while inferential analysis was done using correlation analysis and multiple regression analysis method. Regression analysis helped to determine the influence of e-tendering on the performance of SMEs in Nairobi City County.

IV. Findings and Discussions

4.1. Gender of the Respondents

The respondents were requested to specify their gender. The results were as shown in Figure 4.1. From the findings, 65.1% of the respondents were male while 34.9% of the respondents were female. This implies that most of the SMEs’ owners and managers in Nairobi County were male.

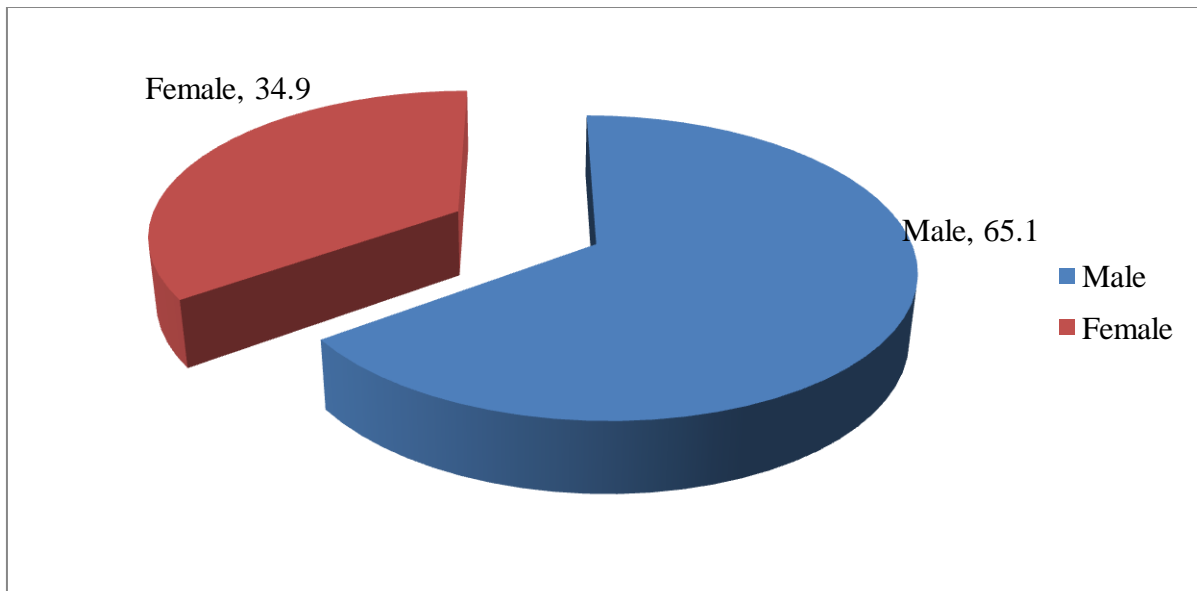


Figure 4. 1: Gender of the Respondents
Source: Research Data (2020)

4.2 Education Level of the respondents

The respondents were requested to indicate their highest level of education. The results were shown in Figure 4.2. From the results, 25.6 % of the respondents specified that they had secondary education as their highest level of education, 23.3% pointed out that they were undergraduates, 18.6 % specified that they had technical certificates, the same percentage (18.6 %) indicated that they had primary education while 14.0 % specified that they had post graduate degrees. This implied that most of the SMEs’ owners and managers in Nairobi County had secondary certificates.

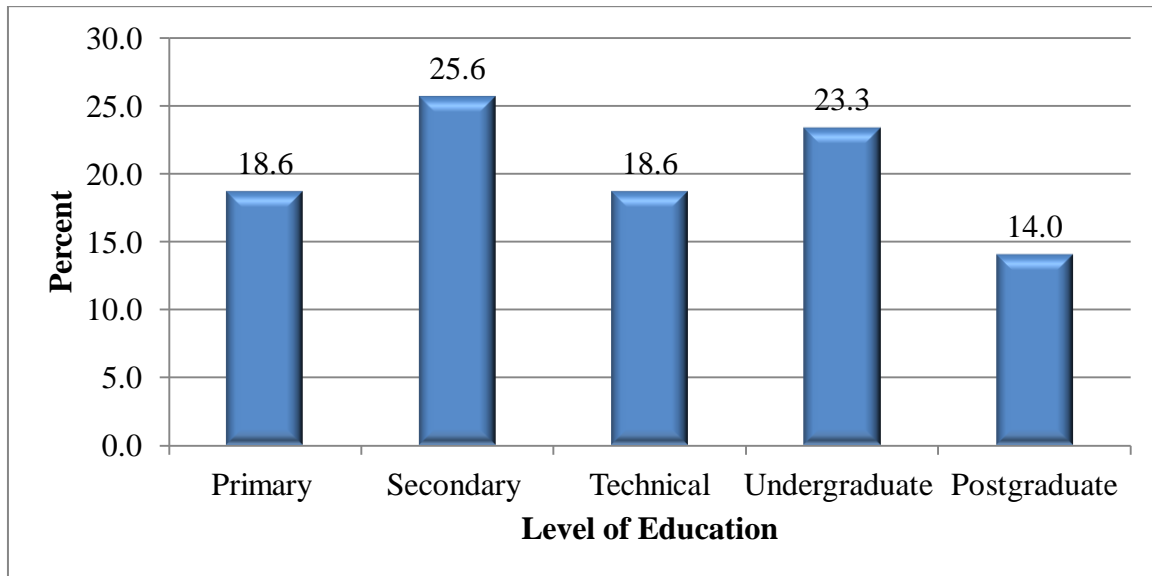


Figure 4. 2: Education Level of the Respondents
Source: Research Data (2020)

4.3 Number of Years in Business

As part of the general information the respondents were requested to specify the number of years they had operated their businesses. The results were shown in Figure 4.3. From the findings, 44.2% of the respondents indicated they had been in business for less than 5 years, 32.6 % specified they had operated their businesses for a period of between 5 and 10 years, while 23.3% specified that they had been in business for more than 10 years. This implies that most of the SME owners had operated their businesses for less than 5 years.

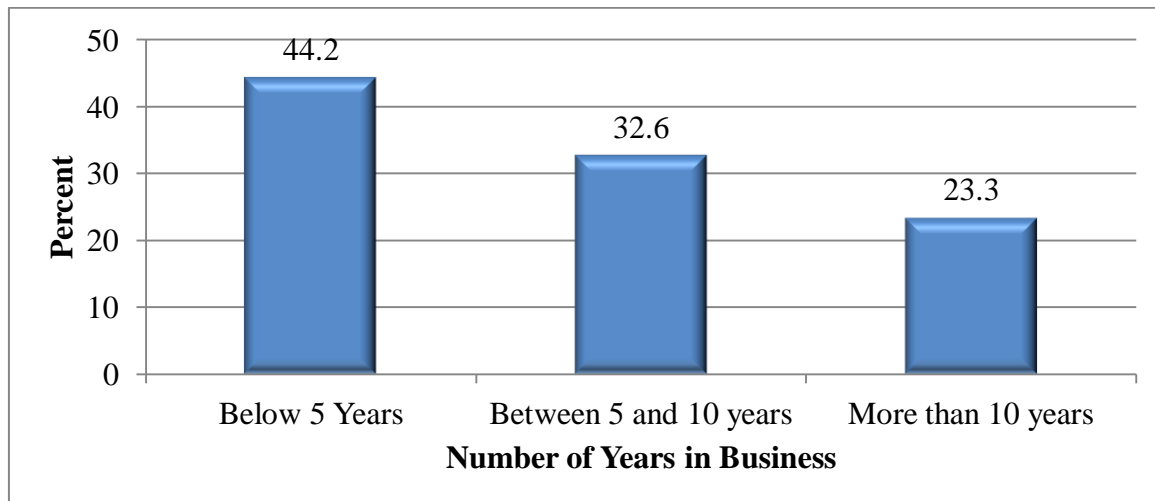


Figure 4. 3: Number of Years in Business
Source: Research Data (2020)

4.4 Number of Employees

The respondents were also requested to specify the number of employees they had in their businesses. The results were shown in Figure 4.4. From the findings 39.5 % of the participants had between 10 and 20 employees, 32.6% had between 10 and 20 employees, 16.3% had between 21 and 30 employees, 9.3% had below 10 employees while 2.3% had more than 50 employees. This implies that most of the small and medium enterprises in Nairobi County had between 10 and 20 employees.

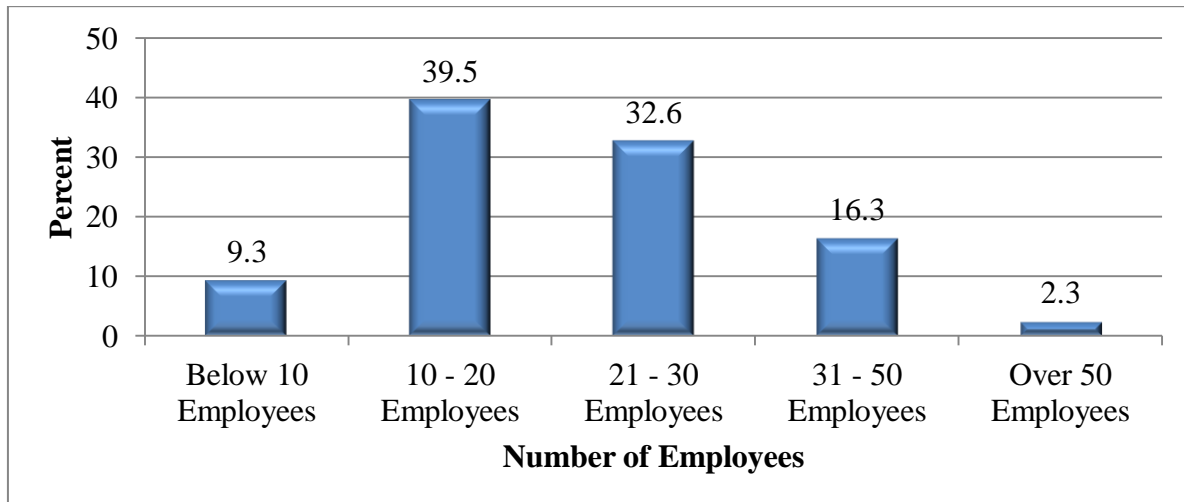


Figure 4. 4: Number of Employees
Source: Research Data (2020)

4.5 Number of Suppliers

The participants were also asked to indicate the number of suppliers they had in their businesses. The results were shown in Figure 4.5. From the findings, 46.5% of the respondents indicated that they had between 5 and 10 suppliers, 16.3% of the respondents had less than 5 suppliers, 14.0% had between 11 and 20 suppliers while 7.0% had between 21 and 50 suppliers. This implies that most of the small and medium enterprises in Nairobi County had between 5 and 10 suppliers.

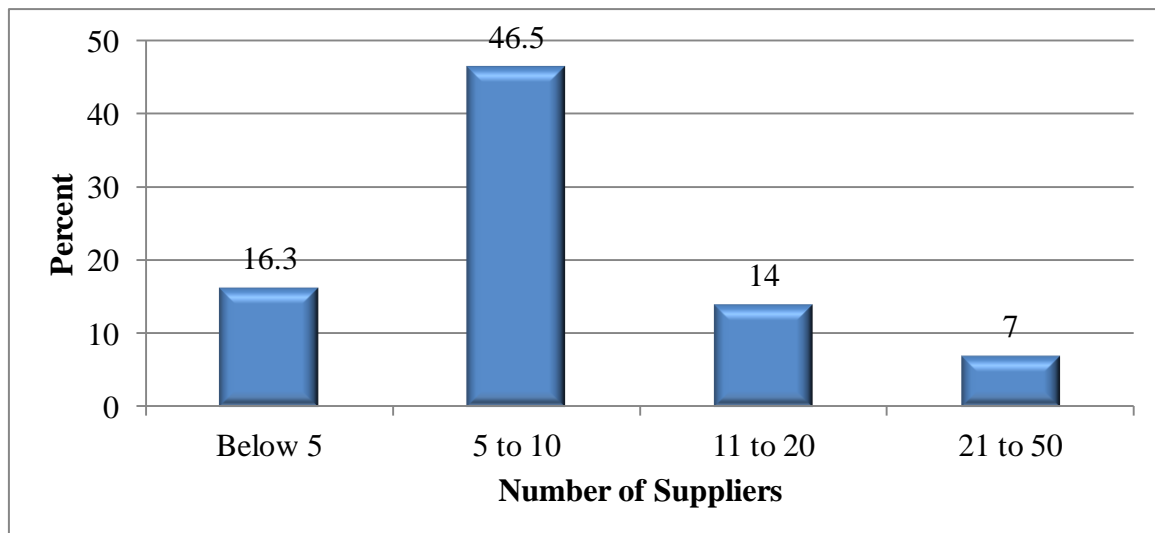


Figure 4. 5: Number of Suppliers
Source: Research Data (2020)

4.6 Influence of E-Tendering on Performance

The respondents were requested to indicate their level of agreement with various statements on e-tendering and various performance metrics. A 5-point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were shown in Table 4.2. As shown by a mean of 3.500 (std. dv = 1.071), the respondents agreed that e-tendering has increased customer satisfaction in the business. Gunawardhana *et al*, (2012) established a positive relationship between e-tendering and business performance measures including customer satisfaction. The respondents were neutral on the statement indicating that e-tendering has increased the profitability of the business, as shown by a mean of 3.314 (std. dv = 1.277). Further, the participants were neutral on the statement indicating that e-tendering has increased the market share of the business. This is indicated by a mean of 3.233(std. dv = 1.299).

Table 4. 1: E-Tendering and Performance

	1	2	3	4	5	Mean	Std.Deviation
E-tendering has increased the profitability of the business	11.6	11.6	33.7	19.8	23.3	3.314	1.277
E-tendering has increased customer satisfaction	9.3	0.0	38.4	36.0	16.3	3.500	1.071
E-tendering has increased the market share of the business	9.3	23.3	25.6	18.6	23.3	3.233	1.299

Source: Research Data (2020)

4.7 E-Tendering and Business Performance

The respondents were asked to indicate the extent of their agreement with various statements on e-tendering and business performance. The results were shown in Table 4.3. As shown in Table 4.3, the participants agreed with a mean of 3.512 (std. dv = 1.176) that e-tendering increases the competitiveness of the procurement process. As shown by a mean of 3.333 (std. dv = 1.305), the respondents also had a neutral stand on the statement indicating that e-tendering increases the accessibility and enhances the procurement process. With a mean of 2.826 (std. dv = 1.108), the respondents were neutral on the statement indicating that e-tendering enables the business to conduct online screening and selections of suppliers. In addition, with a mean of 2.535 (std. dv = 1.134), the respondents were neutral on the statement indicating that e-tendering improves transparency and openness in the tendering process. Eadie *et al.* (2007) indicated that e-tendering helps to enhance and increase the communication between the various parties involved in the procurement process, which in turn should improve transparency and openness. The respondents disagreed with the statement indicating that their business has an online supplier contract management system that facilitates tendering processes. This is shown by a mean of 2.219 (std. dv = 1.424).

Table 4. 2: E-Tendering and Business Performance

	1	2	3	4	5	Mean	Std. Deviation
The business has an online supplier contract management system that facilitates tendering processes.	9.3	14.0	7.0	15.1	54.7	2.219	1.424
E-tendering increases the accessibility and enhances the procurement process.	7.0	12.8	20.9	18.6	40.7	3.333	1.305
E-tendering increases the competitiveness of the procurement process	9.3	11.6	14.0	48.8	16.3	3.512	1.176
E-tendering improves transparency and openness in the tendering process.	9.3	60.5	7.0	14.0	9.3	2.535	1.134
E-tendering enables the business to conduct online screening and selections of suppliers	14.0	19.8	45.3	11.6	9.3	2.826	1.108

Source: Research Data (2020)

4.8 Inferential Statistics

The study used inferential statistics such as correlation analysis and regression analysis to examine the influence of e-tendering, e-sourcing, e-invoicing and e-payment on performance of SMEs in Nairobi, Kenya

4.1.1 Correlation Analysis

Pearson correlation analysis was used during this study to determine the relationship between independent variable i.e. e-tendering and the dependent variable - performance of SMEs in Nairobi). As shown in Table 4.10, e-tendering has a weak positive but significant correlation with the performance of small and medium enterprises in Nairobi County ($r=0.368$, p value $=0.034$). The association was significant since the p value (0.000) was less than 0.05 which is the significant level. These findings are contrary to Chegugu and Yusuf (2017) findings that e-tendering helps institutions to achieve increased competitiveness in the tendering bids, which in turn improves performance. Multivariate regression analysis was used in determining the weight of the association between the dependent (the performance of SMEs in Nairobi City County, Kenya) and independent variables (e-tendering).

The multivariate regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where; Y = is the dependent variable (the performance of SMEs in Nairobi City County, Kenya), β_0 = Constant Term; β_1 - β_1 = regression coefficients; X_1 = e-tendering; ε = error term.

The R-squared was used to illustrate the variation in dependent variable (the performance of SMEs in Nairobi City County, Kenya) that could be explained by the independent variables (e-tendering). The R squared was 0.857 and this implied that 85.7% of the dependent variable (the performance of SMEs in Nairobi City County, Kenya) could be explained by independent variables e-tendering.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925 ^a	.857	.849	1.12413

Source: Research Data (2020)

The ANOVA was used to assess whether the model was a good fit for the data. As depicted in Table 4.12, the F-calculated was 52.410 which was greater than the F-critical (2.484) and the p value (0.000) was less than the significant level (0.05). Therefore, the model was a good fit for the data and hence could be used in explaining the influence of independent variable -e-tendering on the dependent variable the performance of SMEs in Nairobi City County, Kenya.

Table 4. 5 Analysis of the Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.352	1	4.088	52.410	.000
	Residual	6.358	81	.078		
	Total	22.71	85			

Source: Research Data (2020)

The regression equation was;

$$Y = 2.981 + 0.098X_1$$

The results revealed that e-tendering has a positive but insignificant influence on performance of SMEs in Kenya ($\beta_1=0.098$, p value= 0.065). The association was insignificant because the significant level (0.05) was lower than the p value (0.065). This implies that E-Tendering has no significant impact in performance of SMEs in Kenya. These findings differ with those of Chegugu and Yusuf (2017) who found that e-tendering has a positive and significant influence on organization performance. In addition, the findings are contrary to Gunawardhana and Karunasena (2012) findings that there is a positive relationship between e-tendering and procurement performance.

Table 4. 6: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.981	1.036		2.877	0.168
E-Tendering	0.098	0.083	0.093	1.181	0.065

Source: Research Data (2020)

V. Summary

The study found that e-tendering has a positive but insignificant influence on performance of SMEs in Nairobi County. Further the study found that e-tendering increases the competitiveness of the procurement process. However, most SMEs lack an online supplier contract management system that facilitates tendering processes. It was established that e-tendering has increased customer satisfaction. The study also established that e-tendering has moderately increased the market share and the profitability of the business. It was also found that e-tendering moderately increases the accessibility and enhances the procurement process. In addition, e-tendering increases the competitiveness of the procurement process and enables the business to conduct online screening and selections of suppliers. Further, e-tendering moderately improves transparency and openness in the tendering process.

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