

**Determinants of Internationalisation of Information and Communication
Technology Small and Medium Enterprises in Kenya**

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ABSTRACT

The purpose of this study was to investigate the determinants of internationalisation of Information Communication Technology Small and Medium Enterprises (ICT SMEs) in Kenya and why they do not grow to internationalise. The specific objectives were to determine whether human capital, firm and environmental characteristics influence internationalisation of ICT SMEs in Kenya. The research was exploratory and the sample constituted of 48 ICT SMEs, 32 were software providers (SWSPs) and 16 hardware providers (HWSPs). Top executives of Kenyan ICT SMEs in the sample firms formed the key respondents in this research. The results of the study suggest a need for theoretical modifications on a firm's internationalisation process by broadening the perspective and incorporating the strategic context of a firm as adapted from International Entrepreneurship Conceptual Model. The study emphasises the significance of relational networks, both managerial and entrepreneurial, for establishing position in foreign markets. It implies that a firm's evolution is significantly influenced by its business network and by critical events. This highlights the importance of an ICT SMEs entrepreneur's international experience and qualifications which play a vital role in a firm's internationalisation process. The study concludes with recommendations that the government implements its recent policies on ICT, and ensures that the framework put in place will be effective to enable the development of the ICT sector especially among the younger entrepreneurs. Additionally the ICT SMEs should ensure there is availability of value adding and competent human resource base in business management field as well as information technology and develop local content in their products to ensure uniqueness, this will ensure competitive digital products in the international market. Finally, institutions in the ICT sector should work together with the government to facilitate availability of information on foreign operations, regulations, possible international partners as

well as investment opportunities available abroad by coordinating with our foreign embassies, business attaches and avail them to the ICT SMEs.