

**INFLUENCE OF INNOVATION MANAGEMENT PRACTICES ON PERFORMANCE OF
SMALL AND MEDIUM ENTERPRISES IN CONSTRUCTION INDUSTRY IN NAIROBI CITY
COUNTY, KENYA**

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ABSTRACT

The purpose of this study was to establish the influence of innovation management practices on

performance of small and medium enterprises in construction industry in Nairobi City County, Kenya. The study was guided by the following specific objectives: To find out how technological innovation , product innovation , process innovation and market innovation influence performance of small and medium enterprises in construction

industry in Nairobi City County, Kenya

. The area targeted in this study was Nairobi City County. The study was based on the Economic Theory of Entrepreneurship, Adaptive Structuration Theory, Diffusion of Innovation Theory, Technical Acceptance Model and Marketing Theory. The study was limited to the 3330 registered construction SMEs with National Construction Authority in the construction industry which will give insights on the various performance related problems faced by the construction enterprises in the county.

A sample

size of 100 small and medium enterprises was chosen and data was collected and analyzed. The design of this research was a descriptive survey research. The study adopted descriptive and inferential analysis method. The study established that technological innovation, product innovation, market innovation and process innovation enhance performance

of SMEs in the construction industry. Therefore, from these quantitative results

it can be deduced that the study which sought to establish the influence of innovation management practices on performance of SMEs in the construction industry was achieved because it established they influence performance

of SMEs in the construction industry

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A comparative study should be carried out to compare whether the findings also apply for other SMEs in different regions in order to validate whether the findings can be generalized in Kenya.

Key Words: *Technological innovation, Product innovation, Process innovation, Market innovation, Performance*

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