



Performance of Large Tea Firms in Rift Valley Region, Kenya: The Perspective of Innovation Ambidexterity

Rere Joyce Chepkoech, Anne Muchemi, Elishiba Murigi

Department of Business Administration, School of Business, Economics and Tourism, Kenyatta University, Kenya

***Corresponding Author:** Rere Joyce Chepkoech, Department of Business Administration, School of Business, Economics and Tourism, Kenyatta University, Kenya

Abstract: Despite the tea sector performing a key function in Kenya's growth, tea firms have been performing poorly as evidenced by low efficiency, reduced tea quality, low market share and low profitability. This study therefore investigated the effect of innovation ambidexterity on large tea firms' performance in selected Counties in Rift Valley region, Kenya. The research was anchored on dynamic capabilities theory. The philosophical foundation of the study was positivism. The study utilized descriptive and explanatory research designs. The population of the study was 31 large tea firms and a sample size of 217 participants from purposively selected departments was used. Information was gathered using self-administered questionnaires with Likert scale items. Piloting was done to test the reliability and validity of the study tools. Reliability was determined using Cronbach's alpha coefficient of over 0.7. Validity was established by use of construct, face and content validity. The study had a response rate of 93.5 percent. Quantitative and qualitative methods of data analysis were employed. Diagnostic tests were executed to make sure the outcomes of multiple linear regression analysis were dependable. Descriptive statistics were used to explain the features of research variables while multiple linear regression was used to show the magnitude and nature of connections among explanatory and explained variables. Findings showed that innovation ambidexterity had a positive effect on firm performance. Results of the study will be of importance to tea firms and contribute to a new knowledge base to broaden the contextual understanding of innovation ambidexterity.

Keywords: Innovation Ambidexterity, Exploitation, Exploration and Firm Performance

1. INTRODUCTION

The concept of firm performance is uncertain as scholars often agree that there exists no universal common rationale of the concept. Nevertheless, researchers often concur to the fact that firm performance is an outcome of time and firm context. Maziriri et al. (2018) postulate that firm performance evaluates business sufficiency and production in attaining its goals. Kariithi and Kihara (2017) explain that firm performance is utilized as a measure to stipulate advancement of a firm. Firm performance has been measured by financial indicators, but a few researchers advise for an extensive performance notion that includes features of non-financial indicators for example quality, company image, efficiency and effectiveness (Waiganjo, Mukulu & Kahiri, 2012).

Dynamic capability enables firms to incorporate, gather and rearrange resources and capacities to adjust to swiftly changing environments. Innovation ambidexterity is a vital dynamic capability for firm's expansion and survival in the long run (Michelino, Cammarano, Celone & Caputo 2019). Firms have to integrate exploitation and exploration, getting advantages from the two, and thus adjust to developments in the environment to pursue a sustainable ambidextrous capability (Michelino et al., 2019; Wan, Cenamor, Parker & Van Alstyne 2017). As a dimension of dynamic capability, innovation ambidexterity can be considered important for allowing businesses to adapt to change, maintaining competitiveness and achieve short term efficiency and long term growth in a dynamic business environment.

According to Luger et al. (2018), innovation ambidexterity is the mechanisms by which firms balance between exploitation and exploration innovation. According to Peng, He and Li (2015), innovation ambidexterity entails product exploration, market exploitation, service exploitation and market exploration. Product exploration stresses risk-taking and product experimentation, which can improve business to get new products and suggest current changes to meet the requirements of

prospective customers (Ho, Osiyevskyy, Agarwal & Reza 2020). According to He, Pei, Lin, and Ye. (2021), market exploitation is a firm's ability to attain beneficial outcomes by advancement of current marketing procedures, technological abilities, and creation of higher correlation with current markets. Service exploitation is a procedure used to slowly change the service process, establish and make the best use of the current service, reevaluate and improve service procedures (Peng et al., 2015). As indicated by Tokgoz, Akatay and Ozdemir (2017) market exploration is challenging older methods interfacing the market, like new positioning, new channels, new products and new segmentation.

According to Sufang (2020), the low market sale price reduced the profit margin in tea production, processing, wholesale and retail. According to FAO (2022), international tea prices dropped by 9 percent in the year 2022 due to high production in the year 2021, which affected the profit margins of the tea firms. Mbabazi (2020) concurs with this situation by confirming stagnation in tea prices in Mombasa tea auction in 2020 with a kilogram selling at an average price of \$1.92 compared to \$2.23 in 2019. Kenya Institute for Public Policy Research and Analysis (KIPPRA) (2019) further expounds that reduction in March 2019 was due to low efficiency of tea firms in Rift Valley region compared to other regions. Kenya tea industry performance highlights for 2023 was lower at 2.24 USD per kg against 2.49 USD realized in 2022 because of lower prices which were attributed to lower quality of tea (Tea Board of Kenya 2024). These trends have shown a major decline in performance in the tea firm thus the importance of making use of innovation ambidexterity to improve firm performance.

2. STATEMENT OF THE PROBLEM

Tea sector contributes greatly to Kenya's economic development; it contributes 2% of Kenya's Gross Domestic Product (Tea Board of Kenya 2023). In spite of the role played by tea sector in national economy, there has been performance challenges. In Kenya, profits of tea decreased by 9% as the prices of tea plunged because of low quality teas offered (Tea Board of Kenya, 2023). Further, Andae (2022) elucidated that farms have been spending up to Sh15 a kilo for tea plucking, making it the single largest component of production cost due to low levels of efficiency. Ngeno (2023) adds that low efficiency was the major cause of low productivity in Kenyan tea performance in the year 2022.

The vast body of relevant empirical literature provides substantial evidence that innovation ambidexterity has a potential to enhance firm outcomes. Essentially, as a key dimension of ambidexterity typology, innovation ambidexterity concerns firm's ability to balance between exploitation and exploration innovation simultaneously (Luger et al., 2018). Critical review of existent empirical literature divulge research gaps that do not support generalizing outcomes to the Kenyan context of the tea firms (Ceptureanu, Ceptureanu & Cerqueti 2021; Wiratmadja, Profityo & Rumanti 2020). This study therefore examined the effect of innovation ambidexterity on performance of large tea firms in selected counties in Rift Valley region, Kenya.

3. LITERATURE REVIEW

3.1. Dynamic Capabilities Theory

Dynamic capabilities theory was developed as an expansion to and a counter response to the resource based view. Teece, Pisano and Shuen (1997) are the main proponents of this theory. They illustrated that the resource based view was not able to give clarifications about in what way some thriving firms showed quick reaction and adjustable creation of new products, together with managerial capacity to adequately integrate and reorganize external and internal expertise. Teece et al. (1997) suggested how dynamic capability theory could overcome the shortcomings of the resource-based view by incorporating, building, and rearranging external and internal expertise to manage swiftly changeable environments. Firms run in an environment with varied degrees of ambiguity, uncertainty, ramification, and volatility (Bourne et al., 2018). Tea firms need to have a response towards the environment because it also operates in this environment. For this favourable environment, dynamic capabilities are important. Dynamic capabilities are useful as the market change and firm's resources are obtained and utilized in a manner that meets the firm's business environs for higher performance (Eisenhardt & Martin, 2000).

Teece, (2009) explains sensing as enterprises' ability to explore their internal and external environment to find out opportunities while seizing is implementation through new services, products and processes immediately opportunities arise. Luger et al. (2018) explain innovation ambidexterity as the mechanisms through which firms balance between exploitation and exploration innovation.

Exploration applies to work for instance variation, search, experimentation, change and discovery; that is related to sensing which is described by expanded research work. In contrast, exploitation involves efficiency, refinement, execution and selection. Innovation ambidexterity is related to higher performance thus making the view portion of dynamic capabilities.

Research has proved that enterprises that adjust quickly to dynamic environments are those that thrive in the open market. Innovation ambidexterity is viewed as a dynamic capability by its very nature (Kashan & Mohannak, 2017; Tushman & O'Reilly, 1996). Following explanation of Teece, innovation ambidexterity allows rearrangement of exploration and exploitation expertise to adjust to environmental needs. Innovation ambidexterity is an important dynamic capability for firm's growth and survival in the long run (Michelino, Cammarano, Celone & Caputo 2019).

Dynamic capabilities deal with reconfiguring internal and external expertise to manage fast volatile environments. In this study innovation ambidexterity enables rearrangement of exploration and exploitation expertise to adjust to the environmental needs. Innovation ambidexterity is perceived as a dynamic capability of the firm. From this perspective, the tea firms lie mostly in their dynamic capabilities which is the capacity to create, recreate and rearrange capacities and expertise in order to attain superior performance. This research supported the dynamic capabilities view in explicating the independent variable of innovation ambidexterity and firm performance as dependent variable.

3.2. Empirical Literature

A study by Mashahadi, Ahmad and Mohamad (2016) on internationalization performance and innovation ambidexterity of herbal-based firms found that non-technological innovation ambidexterity performs an important function to determine internationalization performance while technological innovation ambidexterity is non-significant. These findings concur with the major studies by Voss and Voss (2013) and Chang, Hughes & Hotho (2011). The respondents were limited to herbal enterprises thus generalization of the results might not be possible while the current study was done in large tea firms. Another research by Selamet (2020) on innovation ambidexterity and performance of enterprises in Jakarta, Indonesia. The research used a survey-based quantitative technique and findings showed that governance behavior has a great influence on performance by use of exploitative innovation pursuits. This study was done in a different context yielding varying outcome, thus if repeated in developing context for instance Africa, the research is probable to have distinct outcomes.

Wiratmadja, Profityo and Rumanti (2020) in Indonesia sought to determine the aspects of innovation ambidexterity on small medium enterprises performance. Quantitative analysis was utilized on data collected from a sample of 223 poultry farmers in West Java. The research findings show that innovation ambidexterity directly affects performance, whereas the impact of environmental dynamism is mediated partially by innovation ambidexterity. The study used structural equation modelling for information analysis whereas this research embraced multiple regression model. In addition, the research was done in Indonesia, which is a different context from this study done in Africa.

Cho, Bonn and Han (2020) did a study on innovation ambidexterity by alternating exploitation and exploration in established and startup hotels and its effects on performance. Outcomes indicated a positively significant connection among innovation ambidexterity and restaurant performance. Results showed that exploitative innovation was most crucial for new hotels, while exploratory innovation was critical for older hotels. The study was done in startup and established restaurants while the current study was done in large tea firms. The use of nonlinear approach can be less flexible compared to linear approach.

Ceptureanu et al. (2021) studied the influence of innovation ambidexterity on Romanian IT firms and questionnaires were conveyed by email to the firm managers and owner. The results indicated a beneficial effect of innovation ambidexterity on performance. All explored firms were chosen randomly from a list of 1200 firms and 307 firms responded, giving a 25.58 percent level of response. As indicated by Fincham (2008), a rate of response of lower than 60 percent increases statistical indication that the sample features may not be generalized to the whole population.

3.3. Conceptual Framework

The comprehensive critical analysis of existent theoretical and empirical literature was significant in developing the conceptual framework shown in Figure 1.

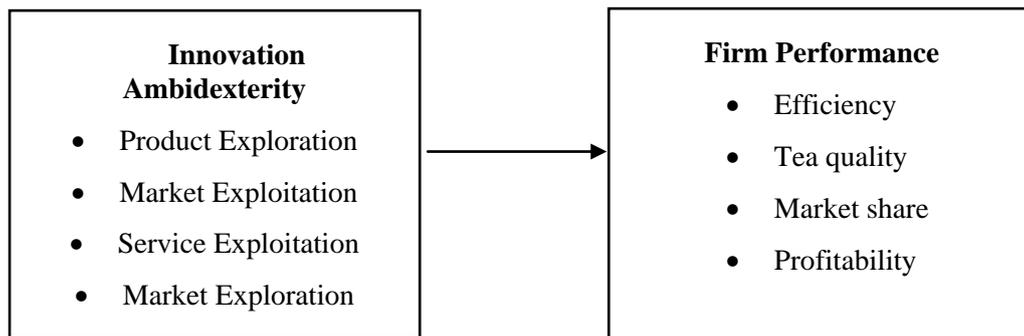


Figure 1. Conceptual Framework

Source: Author (2025)

The conceptual framework gives an illustrative demonstration of the effect of innovation ambidexterity on firm performance. In Figure 1, innovation ambidexterity is hypothesized as a predictor variable for firm performance among large tea firms. Innovation ambidexterity was operationalized as product exploration, market exploitation, service exploitation and market exploration. Further, firm performance was operationalized as efficiency, tea quality, market share and profitability.

3.4. Research Hypotheses

The research was guided by the following hypotheses;

H₀: There is no significant effect of innovation ambidexterity on performance of large tea firms in selected Counties in Rift Valley region, Kenya.

H₁: There is significant effect of innovation ambidexterity on performance of large tea firms in selected Counties in Rift Valley region, Kenya.

4. RESEARCH METHODOLOGY

Research was based on positivism study philosophy that postulates that knowledge is grounded on truth got from objective fact, stated in numbers with explanative and predictive ability, and not based on personal opinions (Furrer, Thomas & Goussevskaia 2008). Further, Lewis and Thornhill (2007) postulate that positivism is recommended for research as it involves gathering of data and testing of hypothesis using statistical methods. The current study adopted the same approach.

Maxwell and Miltapalli (2008) propound explanatory study method as employed where the research intends to describe the connections among variables. In this study, the investigator sought to find the causal connections among distinct variables by discovering the effect of innovation ambidexterity on performance of tea firms. Cooper & Schindler, (2011) explain that descriptive study design allows the researcher to obtain sample features and hypotheses testing, and explain the present association of research variables in their circumstances without influence on them. Shurie (2022) and Ouma (2022) used the same design. The researcher targeted 31 large tea firms in Rift Valley region, Kenya. The choice of large tea firms was supported by the revelation of existence of problem of performance through the review of contextual literature. The heads of quality, finance, production, information technology, field services, strategy and innovation and sales in different large tea firms in selected Counties in Rift Valley region were the respondents. The unit of analysis in this research was large tea firms. The unit of observation comprised of functional areas in large tea firms which include quality, finance, production, information technology, field services, strategy and innovation and sales departments. Heads of department are involved in making strategic decisions and thus informing the practices and behavior of employees in these firms. In this case, 217 heads of functional areas in the 31 large tea firms constituted the population size.

Taking into consideration the small-targeted population, a census method was adopted for all the 31 large tea firms in the research. Census method of gathering and analyzing information from every individual within a defined population. The research used purposive sampling technique to choose different departments' in large tea firms. Respondents included heads of quality, finance, production, information technology, field services, strategy and innovation and sales departments. The sample size was 217 heads of departments.

Table 1. Sample Distribution

County	Number of Tea Firms	Departments	Employees	Percentage
Kericho	16	7	112	53
Bomet	5	7	35	16
Nandi	8	7	56	25
Nakuru	2	7	14	6
Total	31	28	217	100

Source: Author (2025)

The research mainly used open and closed-ended items. The kinds of validity that were appropriate to this research were construct, face and content validity. Face validity concerns investigator’s subjective assessment that the study elements are suitable for measuring the constructs under research. Content validity is the suitability of the content of the tool to correctly address what it is designed to be acknowledged (Saunders, Lewis & Thornhill, 2009). Construct validity checks the extent a study assessment measures the designed theoretical concept (Kimberlin & Winterstein, 2008). It was examined by verification on specific construct illustrated by the assessment results acquired from the information gathered, as it was pertinent for this research.

A pilot study was carried out on twenty two participants drawn from the heads of departments where firm’s decisions are made. The purpose of this preliminary study was to give empirical information for the intention of examining the level of reliability of the research tool. Reliability is crucial as it evaluates the extent to which study tools gives the anticipated consistency measure (Crano& Brewer, 2002). The outcome of reliability test are illustrated in Table 2.

Table 2. Reliability Statistics

Research Variable	Cronbach’s Alpha	Decision
Innovation Ambidexterity	0.813	Reliable
Firm Performance	0.888	Reliable
Aggregate Score	0.850	Reliable

Source: Pilot Data (2024)

The reliability statistics for the research variables ranged between 0.813 for innovation ambidexterity to 0.888 for firm performance. The aggregate Cronbach’s alpha index for the two research variables was 0.850. Reliability statistics exceeded the adopted threshold of 0.7 considered appropriate for verifying reliability of a research tool for intention of statistical investigation (Field, 2009). The benchmark alpha index of 0.7 has been embraced by previous research for decision making on reliability (Kinyua, Njoroge, Wanyoike & Kiiru, 2015; Mogaka & Muchemi, 2021).

Introduction note was sourced from Kenyatta University and delivered to National Council of Science, Technology and Innovation to request for study license. The researcher further sought consent for participating in the research from the heads of departments before data collection. The questionnaires were distributed by the researcher by drop-and-pick later technique to give the participant adequate time to complete the questionnaire. Empirical model gives beneficial approach for analyzing diverse problems across many areas of knowledge. This research used simple linear regression to model the association among the explanatory and criterion variables. Linear regression model is viewed suitable for statistical investigations involving a one continuous response variable and not less than two categorical or continuous explanatory variables (Thompson, 2006). The empirical model chosen for this research is illustrated in equation 1.

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

Where: Y = Firm Performance

X_1 = Innovation Ambidexterity

β_0, β_1 = Beta coefficients

ε = error term

In the model, innovation ambidexterity was regressed on firm performance. This regression analysis was helpful for testing research hypotheses H_0 and H_1 respectively.

5. DESCRIPTIVE RESULTS

5.1. Participants Response Rate

The research tool was administered to 217 heads of departments in 31 large tea firms. Out of 217 questionnaires, 203 were answered and returned signifying 93.50% response rate. The percentage of response was satisfying for evaluation in accordance with recommendations proposed by Mugenda (2009), who demonstrated that 70% level of response and above is outstanding.

Innovation ambidexterity was investigated using product exploration, market exploitation, service exploitation and market exploration. The descriptive data from reactions on innovation ambidexterity are illustrated in Table 3.

Table 3. Descriptive Measures for Innovation Ambidexterity

Product Exploration	Mean	Std. Dev.
Our firm takes care of customer’s needs	3.502	1.059
Our firm commercialize products that are completely new to our firm	3.256	1.272
Our firm creates new products	3.478	1.244
We test new products in our home market	3.591	1.188
Average	3.457	1.191
Market Exploitation	Mean	Std. Dev.
In current markets we boost economies of scale	4.074	0.789
We offer improved products for our home market	4.064	0.879
Our firm expands services for existing clients	4.182	0.759
Average	4.107	0.809
Service Exploitation	Mean	Std. Dev.
We frequently carry out small modifications to current services	3.892	0.861
Our firm enhances provision of effectiveness of services	4.192	0.628
We regularly improve the supply of current services	4.266	0.636
Average	4.117	0.708
Market Exploration	Mean	Std. Dev.
We regularly use fresh opportunities in emerging markets	4.227	0.673
Our firm frequently utilize current distribution avenues	4.291	0.770
We often look for new customers in current markets	4.300	0.647
Average	4.273	0.697
Average Innovation Ambidexterity	3.989	0.851

Source: Survey Data (2024)

The findings in Table 3 reveal that the mean response of observed features of innovation ambidexterity had a narrow range of between 3.256 for product commercialization and 4.300 for looking for new customers. This implied that there was agreement among the study respondents that the innovation ambidexterity results in question were shown in the observed tea firms. Additionally, all aspects of innovation ambidexterity gauged had aggregate mean of 3.989 and standard deviation of 0.851. This displays that tea firm’s practice innovation ambidexterity.

5.2. Descriptive Characteristics for Firm Performance

The study examined non-financial performance indicators as well as financial performance indicators. The non-financial performance comprised of efficiency, tea quality, market share and financial performance was profitability as depicted in Table 4.

Table 4. Descriptive Data on Firm Performance

Efficiency	Mean	Std. Dev.
Tea firm makes optimal use of its financial resources	4.217	0.719
Our firm brings its products punctually without delay	4.251	0.771
Tea firm acts on customers complains swiftly	4.187	0.741
Tea firm reacts to competitors’ threats immediately	4.000	0.758
Our firm gives head of departments opportunity to focus on their main activities	4.128	0.740
Tea firm frequently contrasts advancement made in the firm	4.251	0.630
Average	4.172	0.727
Tea Quality		

Our firm has a clear quality manual	4.355	0.662
Quality management is included in the firm's vision	4.434	0.652
Our management is actively involved in quality improvement	4.438	0.652
Our firm improves products quality	4.310	0.650
Tea firm undertakes quality audits and evaluation regularly	4.399	0.713
Our firm has been given a quality reward	4.202	0.792
Average	4.356	0.687
Market Share		
Our firm market dominance is enhanced	3.818	0.923
Market dominance is enhanced because of increased number of trademarks possessed	3.660	1.094
Usage share is improved because of high number of patents possessed	3.675	0.908
Market dominance is enhanced because of advanced market munificence	3.961	0.763
Our usage share is improved because of enhanced competitive dynamism	4.035	0.829
Our usage share is improved because of enhanced firm's innovation	4.094	0.762
Average	3.874	0.880
Profitability		
There has been notable change in growth in return on investment	4.355	0.705
We have had consistently rise in our annual profits	4.187	0.780
Our firm has increased return on equity	4.438	0.660
Our firm profit is appropriately managed	4.049	0.801
High cost of operation affects the firm's profit	4.222	0.853
Our firm has a high liquidity	4.291	0.731
Improvement in existing processes has increased profits	4.241	0.728
Performance is measured using both qualitative and quantifiable measures	4.148	0.763
Average	4.241	0.753
Average for Firm Performance	4.161	0.762

Source: Survey Data (2025)

The descriptive indicators in Table 4 show that the mean responses for firm performance ranged between 3.660 and 4.438. This implies that all replies to aspects measured for firm performance in this research approximates to a value of 4.00 on the Likert scale. The corresponding standard deviations for the different aspects of firm performance were approximately low ranging between 0.630 and 1.094 which implies that responses were close to their corresponding means. These measures corroborates that the activities elucidated as firm performance were regarded vital for efficient operations and were therefore entrenched in the practices of the tea firms observed in this research.

Additionally, the average mean for firm performance and standard deviation were 4.161 and 0.762 respectively confirming the trend shown in the replies for the diverse features of firm performance. Overall mean response approve that firm performance is vital in large tea firms. Low average standard deviation indicates a slight inconsistency of response hence, overall mean replies is stable and dependable estimate of accurate mean.

6. INFERENTIAL ANALYSIS

In this research linear regression was used as a method for establishing the connection between the groups of variables in the research selected. The research hypotheses derived from the explanatory and response variables were established based on simple linear regression analysis. Hence, innovation ambidexterity was regressed on firm performance. The output of this regression analysis is indicated in Table 5.

Table 5. Multiple Regression for Direct Relationship

Model	R	R Square	Adjusted Square	Std. Error of the Estimate		
1	.801 ^a	.641	.634	.23885		
ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.177	4	5.044	88.4	.000

	Residual Total	11.296 31.472	198 202	.057	17	^b
	Unstandardized Coefficients			Standardized Coefficients		
Model	B	Std.Error	Beta	T	sig	
(Constant)	1.167	.177		6.587		
Innovation Ambidexterit y	.131	.047	.167	2.755	.006	

a. Dependent Variable: Firm Performance

b. Predictors (constant): Innovation Ambidexterity

Source: Survey Data (2025)

The model synopsis in Table 5 revealed that adjusted R-square is 0.634 indicating that innovation ambidexterity jointly explains 63.4 percent of performance of large tea firms. Conversely, 36.60 percent of large tea firm’s performance is traced to other factors. ANOVA output revealed an F-statistics of 88.417 with p value of 0.000. This statistical test proves that the evaluated model gives the perfect match for the observed information, and is statistically significant at 95 percent confidence level and 0.05 margin of error. The unstandardized beta coefficient for innovation ambidexterity was 0.131 with significant p value of 0.006. The evaluated statistical model is illustrated by equation 2

$$Firm\ Performance = 1.167 + 0.131\ Innovation\ Ambidexterity$$

The research sought to establish the effect of innovation ambidexterity on performance of the large tea firms in Rift Valley region, Kenya. The null hypothesis is given, as innovation ambidexterity has no significant effect on performance of large tea firms. The outcome from Table 5 revealed that innovation ambidexterity had unstandardized beta value of 0.131 with a significant value of 0.006. This revealed that there was 95% confidence that innovation ambidexterity affected firm performance. The alternative hypothesis was therefore accepted and null hypothesis rejected. The coefficient of innovation ambidexterity had a positive and significant effect on performance of large tea firms.

Regarding previous studies related to the concept, results were deduced by existent studies by Mashahadi, Ahmad and Mohamad (2016) who researched on international performance and innovation ambidexterity in herbal based firms and observed that innovation ambidexterity positively relates to performance. Further, Selamat et al. (2020) studied innovation ambidexterity and performance of enterprises in Jakarta and discovered that innovation ambidexterity had a major impact on performance. Furthermore, another research by Wiratmadja (2020) on influence of innovation ambidexterity on performance of small medium enterprise showed that innovation ambidexterity directly affects performance.

7. ANALYSIS OF QUALITATIVE DATA

The research sought the opinions of participants on innovation ambidexterity within the large tea firms. It was observed that product exploration greatly helped the tea firm create products that meet customers’ needs. There was a consensus that market exploitation helped tea firm improve its existing skills while service exploitation help the firm create stability and profitability in the short term. It was observed that market exploration allowed tea firm to advance new products and discover new markets. The feedback indicated extensive use of innovation ambidexterity sub variables aimed at improving firm performance.

8. CONCLUSION

The study intended to establish the effect of innovation ambidexterity on performance of large tea firms in Rift Valley region, Kenya. Output of inferential analysis demonstrated that the parameter for innovation ambidexterity was statistically significant. Specifically, these statistical outcomes verified that innovation ambidexterity has a positive effect on firm performance. Subsequently, there was not enough statistical evidence to fail to reject the null hypothesis that there is no significant effect of innovation ambidexterity on firm performance.

9. RECOMMENDATIONS

The head of functional area of information technology may apply strategies that would enhance the practices on innovation ambidexterity by exploitation and exploration. Head of finance department may embrace a policy framework with more resources for exploitation and exploration of firm

capabilities and resources. Similarly, head of strategy and innovation may avail guidance in aid of activities that promote level of discipline, higher trust between heads of departments and application of new ideas. This research was limited to innovation ambidexterity and firm performance as explanatory and explained variables respectively. The coefficient of determination revealed by the regression analysis proved that apart from innovation ambidexterity, there are other factors that are essential to explaining variation in performance of large tea firms. Thus, future researches can be aimed towards determining these other factors so as to improve the empirical literature on the concept of firm performance.

REFERENCES

- Andae, G., (2022). Use of Machines Shaves Tea Farms' Plucking Costs. *The Business Daily*. Kericho: Kenya.
- Birkinshaw, J. & Gupta, K. (2013). Clarifying the Distinctive Contribution of Ambidexterity to the Field of Organization Studies. *The Academy of Management Perspectives*, 27(4), 287-298.
- Bourne, M., Melnyk, S., & Bititci, U. S. (2018). Performance Measurement and Management: Theory and Practice. *International Journal of Operations & Production Management*, 38(11), 2010-2021.
- Ceptureanu, S., & Ceptureanu, E., & Cerqueti, R. (2021). Innovation Ambidexterity and Impact on the Performance in IT Companies: The Moderating Role of Business Experience. *Technology Analysis & Strategic Management*, 34, 1-14.
- Chang, Y. Y., Hughes, M., & Hotho, S. (2011). Internal and External Antecedents of SMES' Innovation Ambidexterity Outcomes. *Management Decision*, 49(10), 1658-1676.
- Cho, M., Bonn, M. A., & Han, S. J. (2020). Innovation Ambidexterity: Balancing Exploitation and Exploration for Startup and Established Restaurants and Impacts upon Performance. *Industry and Innovation*, 27(4) 340-362.
- Cooper, A. C., Gimeno-Gascon, J. F., & Woo, C. Y. (1994). Initial Human and Financial Capital as Predictors of New Venture Performance. *Journal of Business Venturing*, 9 (5), 371-395.
- Cowling, N. (2024). Annual tea production in Kenya 2015-2023. Nairobi: Kenya.
- Crano, W. D. & Brewer, M. B. (2002). *Principles and Methods of Social Research*, (2nd Ed). Lawrence Erlbaum Associates, Mahwah, NJ.
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic Capabilities: What are they? *Strategic Management Journal*, 21, 1105–1121.
- Food and Agriculture Organization of the United Nations (2022). International tea market: Market situation, prospects and emerging issues. Rome, Italy.
- Furrer, O., Thomas, H., & Goussevskaia, A. (2008). The Structure and Evolution of the Strategic Management Field: A Content Analysis of 26 Years of Strategic Management Research. *International Journal of Management Reviews*, 10(1), 123.
- Gituma, I. M., Kimencu L. & Muchemi, A. (2018). Marketing Outsourcing and Performance of Commercial Banks in Kenya. *International Journal of Academic Research in Business and Social Sciences*, 8(12), 1402–1421.
- Ho H., Osiyevskyy O., Agarwal J., & Reza S. (2020). Does Ambidexterity in Marketing Pay Off? The Role of Absorptive Capacity. *Journal of Business Research*. 110 (4):65–79.
- He, P.; Pei, Y.; Lin, C.; Ye, D. (2021) Ambidextrous Marketing Capabilities, Exploratory and Exploitative Market- Based Innovation, and Innovation Performance: An Empirical Study on China's Manufacturing Sector. *Sustainability*, 13(3), 1-21.
- Jenatabadi, H. S. (2015). An Overview of Organizational Performance Index: Definitions and Measurements. University of Malaya: Malaysia.
- Kariithi, J., & Kihara, A. (2017). Factors Affecting Performance of Manufacturing Firms in Kenya: A Case of Pharmaceutical Firms in Nairobi County. *Strategic Journals* (2), 817 – 836.
- Kashan, A. J., Mohannak, K. (2017). Integrating the Content and Process of Capability Development: Lessons from Theoretical and Methodological Developments. *Journal of Management & Organisation*, 25, 748–763.
- Kimberlin, C. L. & Winterstein, A. G. (2008). Validity and Reliability of Measurement Instruments Used in Research. *American Journal of Health System Pharmacists*, 65(1): 2276-2284.
- Kinyua, G. M., Njoroge J. G., Wanyoike R. W. & Kiiru D. M. (2015). Influence of Organization's Structure and Culture on Implementation of Strategies in Constituency Development Fund Board in Kenya. *International Journal of Education and Research*, 3, (11), 209- 218.
- KIPPRA (2019). The Kenya Institute for Public Policy. Fluctuations in Market Earnings for Tea in Kenya: What Could be the Cause and Remedy? Nairobi: Kenya.
- Lewis, P., & Thornhill, A. (2007). *Research methods for business students*. Harlow, England: Financial Times/Prentice Hall.

- Luger, J., Raisch, S., & Schimmer, M. (2018). Dynamic Balancing of Exploration and Exploitation: The Contingent Benefits of Ambidexterity. *Organization Science*, 29 (3), 449-470.
- Liu, G., Chen, Y., & Ko, W.W. (2024). The Influence of Marketing Exploitation and Exploration on Business-To-Business Small and Medium-Sized Enterprises' Pioneering Orientation. *Industrial Marketing Management*, 117, 131-147.
- Mashahadi, F., Ahmad, N. H., & Mohamad, O. (2016). Strategic Innovation Ambidexterity and the Internationalization Performance of Small and Medium Enterprises. *World Journal of Entrepreneurship, Management and Sustainable Development*, 12, 161-175.
- Maxwell, J.A. & Mittapalli, K. (2008). *Explanatory Research. Encyclopedia of Qualitative Research Methods* SAGE Publications, Inc. Thousand Oaks, California.
- Maziriri, E. T., Mapuranga, M., & Madinga, N. W. (2018). Self-Service Banking and Financial Literacy as Prognosticators of Business Performance among Rural Small and Medium-Sized Enterprises in Zimbabwe. *Southern African Journal of Entrepreneurship and Small Business Management*, 10(1), 1-10.
- Mbabazi, E. (2020). *Kenya's Tea Exports Fall to 323,000 Tons in Jan-Aug 2020*. The Kenyan Wall Street. Nairobi: Kenya.
- Michelino, F., Cammarano, A., Celone, A., & Caputo, M. (2019). The Linkage between Sustainability and Innovation Performance in IT Hardware Sector. *Sustainability*, 11, 4275.
- Mugenda, A.G. (2009) *Social Science Research*. Nairobi: Acts Press.
- Mogaka D. & Muchemi A.W (2021). Interfirm Networks and Organizational Performance: A Theoretical Review. *International Journal of Research Publications*, 67 (1):1-17.
- Ngeno, V. (2023). Technical Efficiency and Technology Gap in Kenya's Tea Industry: Accounting for Farm Heterogeneity. *Journal of Development Effectiveness*. 16. 264-281.
- Ouma P. (2022). Competitive Intelligence Strategy and Performance of Regulated Microfinance Banks in Nairobi City County. *Kenyatta University*.
- Peng, Z., He, P.; Li, Z. (2015). Balance of Ambidextrous Marketing Capabilities, Strategic Positional Advantages and New High- Tech Service Venture Performance. *Journal of Management Science and Engineering*, 28, 115-129.
- Saunders, M., Lewis, P. & Thornhill, A. (2009). *Research Methods for Business Students* (5thed.). Pearson: New York, United State of America.
- Shin, D., & Konrad, A. M. (2017). Causality between High-Performance Work Systems and Organizational Performance. *Journal of Management*, 43(4), 973-997.
- Shurie, O. B. F. (2022) Restructuring Strategies and Performance of Small and Medium Commercial Banks in Nairobi City County, Kenya. *Kenyatta University*.
- Sufang, Z. (2020). Study on Total Factor Productivity of Chinese Tea Industry and Regional Disparity Based on DEA-Malmquist Model. *Transactions on Business and Economics*, 17, 717-724.
- Selamet, T., Alamsjah, F., Kosasih, W., & Elidjen, (2020). Innovation Ambidexterity through Ambidextrous Leadership: An Empirical Research on Firm Performance Based On Jakarta SMEs. *Eurasia Journal of Bioscience*, 14, 6857-6864.
- Tea Board of Kenya (2023). *Green leaf hawking blamed for losses*. Nairobi: Kenya.
- Tea Board of Kenya (2023). *Tea manufacturers in Kenya*. Nairobi: Kenya.
- Tea Board of Kenya (2024). *Kenya Tea industry performance highlights*. Nairobi: Kenya.
- Teece, D. (2009). *Dynamic capabilities and strategic management: Organizing for innovation and growth*. Oxford, New York: Oxford University Press.
- Teece, D. J., Pisano G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(7), 509-533.
- Thompson, B. (2006). *Foundations of Behavioral Statistics: An Insight-Based Approach*. The Guilford Publications: New York, United State of America.
- Tokgoz, E., Akatay, A., & Ozdemir, S. (2017). *Impact of Ambidextrous Marketing on Market and Financial Performance*. KnE Social Sciences. New York: USA.
- Tushman, M. L., & O'Reilly, C. A. (1996). Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change. *California Management Review*, 38(4): 8-30.
- Voss, G. B., & Voss, Z. G. (2013). Strategic Ambidexterity in Small and Medium-Sized Enterprises: Implementing Exploration and Exploitation in Product and Market Domains. *Organization Science*, 24(5), 1459-1477.

- Waiganjo, E., Mukulu, E., & Kahiri, J. (2012). Relationship between Strategic Human Resource Management and Firm Performance of Kenya's Corporate Organizations. *International Journal of Humanities and Social Science* 2(1), 63- 68.
- Wan, X., Cenamor, J., Parker, G., & Van Alstynne, M. (2017). Unraveling Platform Strategies: A Review from an Organizational Ambidexterity Perspective. *Sustainability*, 9, 734.
- Wiratmadja, I. I., Profityo, W. B., & Rumanti, A. A. (2020). *Drivers of Innovation Ambidexterity on Small Medium Enterprises (SMEs) Performance*. Telkom University, Bandung: Indonesia.

Citation: Rere Joyce Chepkoech. "Performance of Large Tea Firms in Rift Valley Region, Kenya: The Perspective of Innovation Ambidexterity." *International Journal of Managerial Studies and Research (IJMSR)*, vol 13, no.8, 2025, pp. 1-11. DOI: <https://doi.org/10.20431/2349-0349.1308001>.

Copyright: ©2025 Author. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.