Performance of Large Tea Firms in Rift Valley region, Kenya: Does Contextual Ambidexterity Matter?

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ABSTRACT

In Kenya tea firms play a crucial function in the economy of the country, noticeably contributing to foreign exchange earnings and general agricultural gross domestic product. Despite this tea firms have been performing poorly, indicated by low efficiency, reduced tea quality, low market share and low profitability. Thus, this research sought to examine the effect of contextual ambidexterity on performance of large tea firms in selected Counties in Rift Valley region, Kenya. The study was based on dynamic capabilities theory, positivism research paradigm and explanatory research design were utilized in this research. The unit of analysis and observation comprised of large tea firms and heads of departments. A semi structured questionnaire was used to collect qualitative and quantitative data from 217 heads of departments in 31 large tea firms using a census survey. The reliability and validity of the study instrument were verified and to enhance the response rate, drop-and-pick later method was used to administer the research instrument. The study was characterized by a response rate of 93.5 percent. Quantitative data were analyzed using descriptive and inferential statistics while qualitative analysed using content analysis. Diagnostic tests were executed to make sure the outcomes of linear regression analysis were dependable. Each test were contingent on 95

percent level of confidence. Tables and figures were used to present data analysis results. The study found out that contextual ambidexterity has a negative effect on firm performance. Results of the research will be of importance to tea firms and contribute to new evidence foundation that is bound to widen the contextual understanding of contextual ambidexterity.

Keywords: Contextual Ambidexterity, Exploitation, Exploration and Firm Performance

1.0 Introduction

Performance is extensively studied globally because it is a complex phenomenon. The aim of any profit-driven firm is to achieve financial performance, as it is the metric for measuring management productiveness. Lately, researchers have given greater concentration on how firm performance improves in changing environments (Bayer, Tuli & Skiera 2017). Firm performance is outcomes that show the firm's environmental, social and economic association with stakeholders (Chen, 2015). Firm performance is a multifaceted phenomenon that enables a firm to achieve required results to all stakeholders (Islam, Khan, Obaidullah & Alam 2011). This is a main component of long-term firm's survival and the tea sector in Kenya is not an exception.

Dynamic capability is the ability to incorporate, develop, and rearrange exterior and interior expertise to manage fast changeable environments (Teece, 2012). Further, Xie, Xue & Wang (2018) explain that dynamic capabilities are the base of firms' competitive edge in eras of quick adjustment. Chowdhury and Quaddus (2017) advanced this explanation of dynamic capabilities as the capacity to discern, take fresh chances, and to rearrange and safeguard complementary and intangible assets with the goal of attaining a continued competitive edge. According to Teece, ambidexterity allows rearrangement of exploration and exploitation expertise to adjust to environmental needs. Guerra, Tondolo and Camargo (2016) also contend that one way a firm needs to establish dynamic capabilities is to be ambidextrous.

Contextual ambidexterity is a firm's ability to build a situation that inspires individuals to decide opinions on the best way to allocate time amidst the differing requirements for exploitation and exploration (Haveli, Carmeli & Brueller, 2015, Soto-Acosta, Popa, & Martinez-Conesa, 2018). Contextual ambidexterity entails social context, management context, employee alignment and adaptability (Koster & van Bree, 2018, Ojha, Acharya &Cooper 2018). Scholars describe social context as a construct that is pertinent to knowledge utilization by providing a way of communicating in social interactions and enhancing firm's capacity to assimilate, transform, leverage and acquire latest knowledge (Jansen et al., 2006). Management context is a system for directing and inspiring persons in a firm to convey excellent results and encouraging accountability for the attainment of those results (Ayers 2015; Birkinshaw & Gibson, 2004). Employee alignment is where the level management systems are coherent and operate together to achieve a set goal (Ates et al., 2020). Adaptability is the ability to rearrange work processes and activities to sort out transformations realized in the environment (Birkinshaw & Gibson, 2004; Hodgson, Herman & Dollimore, 2017).

Globally, tea firms face many challenges including climate change, labour constraints, rapidly changing markets for tea, high fertilizer prices, vulnerable production system, resulting in drop in tea production hence lower profits (Thushara, 2015, Fraats & Huijssoon, 2022). China tea production was affected by low sales growth because of continuous increase in production costs and hence reducing the profit margin. According to Sufang (2020), the low market sale price reduced the profit margin in tea production, processing, wholesale and retail whereas in Srilanka, tea had the largest market share of around 60.2 percent of total tea production, recorded a 7.5 percent decrease in 2018 (Department of Census and Statistics, 2018).

According to FAO (2022), international tea prices dropped by 9 percen**t** during the year 2022 due to high production during the year 2021. This affected the profit margins of the tea firms, and consequently, tea farmers in East Africa realized very low earnings. 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 from December 2018 was due to low efficiency of tea firms in Rift Valley region compared to other regions. Total national production in 2022 declined from 537.8 thousand tons in 2021 to 535 thousand tons in 2022 (Cowling, 2024). 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 contextual ambidexterity to improve firm performance.

2.0 Statement of the Problem

Tea industry contributes significantly to the economy of Kenya. Tea contributes about 23% of total foreign exchange earnings and 2% of the agricultural gross domestic product (Tea Board of Kenya 2025). Despite the part played by tea industry in the country's economy, there has been performance challenges. Profits of tea in Kenya decreased by 9% since the prices of tea dropped because of low quality teas offered (Tea Board of Kenya, 2023). Andae (2022) elucidated that firms have been paying up to Sh15 a kilo for plucking tea, hence the single biggest component of cost of production because of low efficiency level. This cost can be decreased by Ksh.10 if tea picking machines are used. Ngeno (2023) further stated that low efficiency was the main cause of reduced productivity in performance of Kenyan tea in the year 2022.

The extensive body of empirical data provides strong evidence that contextual ambidexterity has ability to boost firm outcomes. Essentially, as a main aspect of ambidexterity typology, contextual ambidexterity is firms being able to build a situation that inspires individuals to make opinions on the best way to allocate time between the varying requirements for exploitation and exploration (Haveli, Carmeli & Brueller, 2015; Soto-Acosta, Popa, & Martinez-Conesa, 2018). A Critical assessment of existent empirical literature reveal research gaps that do not support generalization of outcomes to the Kenyan context of the tea firms (Bernardo, Guido, Roberto & Andrea 2019; Oliver, Senturk, Potocnik, Calvard & Tamasella 2019). This study therefore examined the effect of

contextual ambidexterity on performance of large tea firm in selected counties in Rift Valley region, Kenya.

3.0 Literature Review

3.1 Dynamic capabilities Theory

Dynamic capabilities theory was advanced as an expansion to and a response counter to the resource based view failure to explain development and redevelopment of capacities and resources to manage rapidly changing environments. The theory's key supporters are Teece, Pisano and Shuen (1997) who elucidated that resource based view was unable to give clarifications about what way some thriving companies showed prompt reaction and quick adjustable creation of new products, together with managerial capacity to adequately integrate and reorganize external and internal expertise. Their earlier publications of 1990 and 1994 are amplified in Teece et al. (1997) after they particularly contended to what extent dynamic capabilities theory could solve the shortcomings of resource based view by incorporating, establishing, and rearranging external and interior expertise to manage swiftly changing environments.

In the view of Teece et al. (1997), dynamic capability can be regarded as the origin of competitive edge. Xie, Xue & Wang (2018) argue that dynamic capabilities are the base of firms' competitive edge in eras of quick adjustment. Dynamic capability supersedes the notion that sustainable competitive edge is grounded on a business attainment of rare, valuable, non-substitutable and imitable resources. Dynamic capability enables firms incorporate, gather and rearrange resources and capacities to adjust to swiftly developing environments. Contextual ambidexterity is acknowledged as a key dynamic capability (Birkinshaw & Gupta, 2013).

Firms run in a setting with varied levels of unpredictability, ambiguity, ramification, and volatility (Bourne, Melnyk & Bititci 2018). Tea firms need to have a response towards the environment since it also operates in this environment. For this favourable environment, dynamic capabilities are important. Dynamic capabilities are instrumental as the market change and enterprises resources are obtained and utilized in a manner that meets the firm's business environments for higher performance (Eisenhardt & Martin, 2000).

Research has proved that enterprises that adjust quickly to dynamic environments are those that thrive in the open market. Ambidexterity is viewed as a dynamic capability by its very nature (Kashan & Mohannak, 2017; Tushman & O'Reilly, 1996). Following explanation of Teece, ambidexterity allows rearrangement of exploration and exploitation expertise to adjust to environmental needs. 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). Guerra, Tondolo and Camargo (2016) contend that one way a firm needs to establish dynamic capabilities is to be ambidextrous

Dynamic capabilities deal with reconfiguring interior and exterior expertise to manage fast volatile environments. In this study contextual ambidexterity enables rearrangement of exploration and

exploitation expertise to adjust to environmental needs. Contextual ambidexterity is perceived as a dynamic capability of the firm. From this perspective, the tea firms rely mostly on their dynamic capabilities, which is the capacity to create, recreate and rearrange capacities and expertise in order to get higher performance. This work concurred with the dynamic capabilities theory in elucidating on the predictor variable of contextual ambidexterity.

3.2 Empirical Literature

Literature by Calado (2019) on performance and contextual ambidexterity used hierarchical regression analysis to determine the power of contextual ambidexterity on performance. Research found that autonomy norm and alignment significantly influenced performance and the outcomes proved lower for adaptability. Contextual ambidexterity was measured using adaptability, alignment and autonomy whereas in the current study was operationalized as adaptability, employee alignment with an addition of social context and management context. Hierarchical regression is utilized in analysing simple association with few variables.

A study carried out in Indonesia by Ikhsan, Almahendra & Budiarto (2017) addressed contextual ambidexterity and how it mediates market dynamism and firm culture and the effect on performance. A sample of 133 Indonesia's small medium enterprises in creative industry was used. They found significant associations among contextual ambidexterity, organizational culture and performance. Firm performance was measured using revenue, new product and profitability while contextual ambidexterity was operationalized as competence exploitation and competence exploration. The current study measured firm performance using efficiency, tea quality, market share and profitability. Moreover, contextual ambidexterity was operationalized as social context, management context, employee alignment and adaptability.

The study by Nunes, Martins and Mozziaca, freddo (2018) on the effect of identity strength, service climate and contextual ambidexterity on public firm's performance used correlation research design and found that identity strength, contextual ambidexterity and service climate positively relates to firm performance. The study concluded that superior contextual ambidexterity for performance enhancement was achieved by meticulous collection of ambidextrous activities for management, social support and individuals. Contextual ambidexterity was operationalized as alignment and adaptability while in the current study it was measured using employee alignment, adaptability with an addition of management context and social context. The study used correlational research design while this research used descriptive and explanatory research designs.

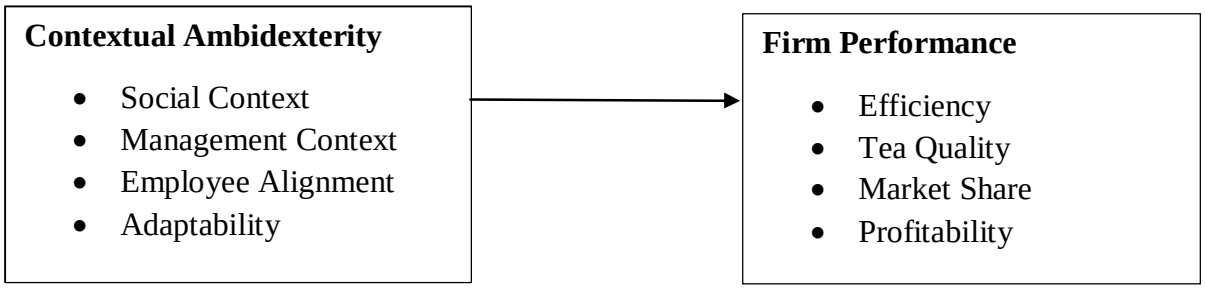
Vickery (2019) analyzed the managerial behaviour that affects contextual ambidexterity and performance using quantitative, descriptive cross-sectional study and results showed that contextual ambidexterity is attained through managerial behaviour that lead to discipline, support, stretch and trust, and on achieving contextual ambidexterity business performance is boosted. Contextual ambidexterity was gauged using exploration and exploitation while dependent variable was business unit performance as a whole. In the current study contextual ambidexterity was measured using employee alignment, adaptability, social context and management context whereas performance indicators; efficiency, tea quality, market share and profitability were used.

Cross-sectional survey study by Bernardo, Guido, Roberto and Andrea (2019) on contextual ambidexterity, business model evolution and performance of start-ups in tech firms in Italy and used stratified random sampling. The study used 267 as its sample of start-ups tech firms and was based on quantitative data using questions and hierarchical multiple regression analysis. The outcomes showed that initial contextual ambidexterity had a negative influence on performance and continuous rise of contextual ambidexterity level had positive influence on performance. The research was done in Italy, which is a different context.

Oliver et. al., (2019) focused on contextual ambidexterity, paradox and team performance under uncertainty. Data were collected using a business simulation undertaken by 68 students teams each comprising 7-10 members, with 545 participants in total. Qualitative data on team activities were collected via direct observation and through presentations and reflective written reports produced by the participants after the exercise. The findings showed that contextual ambidexterity (stretch, discipline and trust-support) correlate significantly with team performance. The variables under contextual ambidexterity were discipline, stretch, support and trust while the current study utilized social context, management context, employee alignment and adaptability.

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.



The conceptual framework gives an illustrative demonstration of the effect of contextual ambidexterity on firm performance. In Figure 1, contextual ambidexterity is hypothesized as a predictor variable for firm performance among large tea firms. Contextual ambidexterity was operationalized as social context, management context, employee alignment and adaptability. Further, firm performance was operationalized as efficiency, tea quality, market share and profitability.

3.4 Research Hypothesis

The research was guided by the following hypotheses;

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

H_1: There is significant effect of contextual ambidexterity on performance of large tea firms in selected Counties in Rift Valley region, Kenya.

4.0 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). 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 that explanatory study method is 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 impact of contextual 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 behaviour 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 is a method of gathering and analyzing information from every individual within a 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 for 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 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
Contextual Ambidexterity	0.882	Reliable
Firm Performance	0.888	Reliable
Aggregate Score	0.885	Reliable

Source: Pilot Data (2025)

The reliability statistics for the research variables ranged between 0.882 for contextual ambidexterity to 0.888 for firm performance. The aggregate Cronbach's alpha index for the two research variables was 0.885. 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).

An 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= Contextual Ambidexterity

β_0, β_1= Beta coefficients

ε = error term

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

5.0 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.

Contextual ambidexterity was investigated using social context, management context, employee alignment and adaptability. The descriptive data from reactions on contextual ambidexterity are illustrated in Table 3.

Table 3: Descriptive Statistics for Contextual Ambidexterity

Social Context	**Mean**	**Std. Dev.**
There exists higher trust between heads of departments in this firm	3.951	.813
Departments heads in this firm enjoys having a great assistance from other departments	4.202	.747
Average	**4.077**	**0.780**
Management Context	**Mean**	**Std. Dev.**
Heads of departments in this firm possess top level discipline	4.113	.785
In this firm there is a way of aiming for stretch goals	4.202	.754
Average	**4.158**	**0.770**

Employee Alignment	**Mean**	**Std. Dev.**
Our firm has steady value system that govern the manner we carry out our duties	4.143	.799
Commonality of purpose is in our firm	4.168	.803
Our firm has a common understanding of objectives	4.197	.796
Our department has the same vision and ambitions with other departments	4.094	.830
Average	**4.151**	**0.807**
Adaptability	**Mean**	**Std. Dev.**
Department heads are encouraged to reconsider how they carry out jobs	4.069	.768
Time is taken to assess firm goals	4.138	.809
Heads of departments are encouraged to promote the application of new ideas	4.118	.748
Average	**4.108**	**0.775**
Average for Contextual Ambidexterity	**4.124**	**0.783**

Outcomes in Table 3 above display that large tea firms in Rift Valley region ensure high trust among department heads to the level exhibited by average score of 3.951 and standard deviation of 0.813. Moreover, heads of departments have great assistance from other departments with average outcome of 4.202 and normal deviation of 0.747. The average for social context was an average rate of 4.077 and standard deviation of 0.780. Furthermore, department heads level of discipline was high with average of 4.113 and normal deviation of 0.785 whereas firm aimed for stretch goals with average score of 4.202 while sample standard deviation was 0.754. Average mean for management context was 4.158 and standard deviation of 0.770.

It was proved that large tea firms had a steady value system that govern the manner they carry out their duties with an average of 4.143 as well as sample standard deviation of 0.799. Commonality of purpose with an average score of 4.168 also standard deviation of 0.803, common understanding of objectives with an average rate of 4.197 and sample standard deviation of 0.796. Further, departments having same vision and ambitions with other departments with average of 4.094 as well as standard deviation of 0. 830. The average for employee alignment was a mean score of 4.151 and sample standard deviation of 0.807.

Large tea firms encouraged department heads to reconsider how they carry out jobs as shown by average of 4.069 and standard deviation of 0.768. Additionally, time is taken to assess firm goals as illustrated by an average score of 4.138 and sample standard deviation of 0.809. More, tea firms encouraged heads of departments to promote the application of new tasks or ideas with average outcome of 4.118 and sample standard deviation of 0.748. Average for adaptability was an average rate of 4.108 and sample standard deviation of 0.775. A mean mark of 4.124 and sample standard deviation of 0.783 display total mean for contextual ambidexterity. This total mean approximates high extent 4 on a 5-point scale used in the work and thus displays that the extent of engagement

relating to contextual ambidexterity in large tea firms are put into practice to a great extent. Further, low total standard deviation of 0.783 showing low variation from mean and thus is a stable and dependable estimation of accurate mean. In this research, participants agree that contextual ambidexterity plays a key role in performance.

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 corroborate 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.

6.0 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, contextual 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 Summary

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 Residual Total	20.177 11.296 31.472	4 198 202	5.044 .057	88.4 17	.000[b]
	Unstandardized Coefficients			**Standardized Coefficients**		
Model	**B**	**Std. Error**	**Beta**	**T**	**sig**	
(Constant)	1.167	.177		6.587		
Contextual Ambidexterity	-0.022	.043	-.030	-.521	.603	

a. **Dependent Variable:** Firm Performance

b. **Predictors (constant):** Contextual Ambidexterity

Source: Survey Data (2025)

The model synopsis in Table 5 revealed that adjusted R-square is 0.634 indicating that contextual 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. Analysis of Variance (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 contextual ambidexterity was -0.022 with an insignificant p value of 0.603. The evaluated statistical model is illustrated by equation 2

Firm Performance = 1.167 -0.022 Contextual Ambidexterity

The research sought to establish the effect of contextual ambidexterity on performance of the large tea firms in Rift Valley region, Kenya. The null hypothesis proposed that contextual ambidexterity has no significant effect on performance of large tea firms in selected Counties in Rift Valley region, Kenya. The outcome of Table 5 unstandardized beta coefficient was -0.022 which p-value 0.603. This indicates that null hypothesis was accepted where a calculated p-value of 0.603 was beyond the 5% significant level. Therefore, there was no significant effect of contextual ambidexterity on performance.

Regarding demographic features, participants were head of departments of large tea firms. The outcomes obtained were consistent with a study by Bernardo, Guido, Roberto & Andrea (2019) who did a study on contextual ambidexterity, business model evolution and performance of start-ups in

tech firms in Italy opined that initial contextual ambidexterity had a negative outcome on performance and continuous rise of contextual ambidexterity level had a positive influence on performance.

The outcomes got on this variable were inconsistent with conclusions reached by Calado (2019) who did a study on contextual ambidexterity and its influence on performance and found that adaptability and employee alignment significantly influenced performance. A study by Nunes, Martins, Mozziaca, Freddo (2018) on influence of contextual ambidexterity on firm's performance found out that contextual ambidexterity positively relates to performance.

7. 0 Analysis of Qualitative Data

The research sought the opinions of participants on contextual ambidexterity within the large tea firms. It was observed that social context has greatly helped the tea firm with marketing, decision making and attracting customers while performance context has helped employees and the firm achieve its goals, improve productivity and retain talent. Further, Employee alignment was also seen as vital because it has increased employee job satisfaction and better performance. Furthermore, adaptability has allowed our firm to react to market alterations, stay relevant and achieve competitive edge. The feedback indicated the use of contextual ambidexterity sub variables aimed at improving firm performance.

8.0 Conclusion

The research examined the effect of contextual ambidexterity on performance of large tea firms in Rift Valley region, Kenya. The null hypothesis proposed that contextual ambidexterity has no significant effect on performance of large tea firms in selected Counties in Rift Valley region, Kenya. There was enough statistical evidence to fail to reject the null hypothesis that there is no significant effect of contextual ambidexterity on firm performance. Therefore, research concludes that contextual ambidexterity negatively and insignificantly affect performance of large tea firms in selected Counties in Rift Valley region, Kenya.

9.0 Recommendations

The head of functional area of information technology may apply strategies that would enhance the practices on contextual 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 contextual ambidexterity and firm performance as explanatory and explained variables respectively. The coefficient of determination revealed by the regression analysis proved that apart from contextual 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.

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