

**MEDIATING ROLE OF ENTREPRENEURIAL LEADERSHIP ON SENIOR
TEAM ATTRIBUTES AND ORGANIZATIONAL AMBIDEXTERITY OF
COFFEE MARKETING COOPERATIVE SOCIETIES IN KENYA**

BY

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Background of the study

- **Firms face challenges of exploiting and exploring existing competencies**
- **Ambidexterity is an organizations ability to align its efficiency in management while adapting to changes in business enviroment.**
- **Ambidextrous organizations are most successful as they combine exploration and exploitation**
- **Exploitation is developing new products and improving current market whereas exploration is the search of new data.**

Cont. of background of the Study

- Senior teams (managers) reconcile and overcome barriers in order to achieve ambidexterity
- Senior teams in ambidextrous organizations attributes include shared vision, social integration and group contingency rewards

Cont. of background of the Study

- The desire by senior teams to succeed in organizations and become ambidextrous calls for entrepreneurial leadership.
- Entrepreneurial leadership is the combination of entrepreneurial ability and leadership ability.

Background study cont...

- Entrepreneurial traits include risk taking, seeking innovations being proactive.
- Entrepreneurial leaders glimpse the unseen and uncover the possibilities in the impossible.
- For the success of coffee marketing cooperatives in Kenya, the entrepreneurial process must be embraced by fostering a culture of ambidexterity as the business grows in both exploration and exploitation.
- Entrepreneurial leadership is being adopted by many cooperative societies as a strategy for becoming globally competitive

Global perspective of coffee marketing Cooperatives

- Demand for coffee has increased by 65% over the past two decades leading to massive growth of the global coffee industry
- More than 55 countries produce coffee and 3 billion cups are consumed daily making coffee a vital economic resource by generating more than USD 200 billion sales annually and more than 125 million people had jobs in coffee industry
- Coffee cooperatives have been successful in promoting sustainable coffee production and improving livelihood of small-scale coffee farmers.

Coffee marketing cooperative societies in Kenya

- Kenya relies heavily on coffee export.
- Senior teams have top promote attributes professionalism in coffee marketing of cooperatives
- Therefore it is critical to develop abilities of senior teams and improve their entrepreneurial leadership capabilities thereby turning these organizations to become ambidextrous.
- Studies in Kenya indicate that cooperative a society needs entrepreneurial leadership to ensure effective marketing and management of its resources.
- Thus, entrepreneurial leadership is critical if coffee marketing cooperatives are to expand and thrive over the long term.

Statement of the Problem

- The decline in coffee export from USD 500 Million in 1990s to USD 150 million is an indicator of the difficulty faced by coffee marketing cooperatives in Kenya.
- Coffee marketing cooperatives may collapse if the coffee marketing issues are not addressed to reverse the negative trends
- Entrepreneurial leadership is essential to facilitate collaborations
- Past studies have been done on performance of coffee marketing cooperatives but there hasn't been much research done in Kenya on how entrepreneurial leadership and organizational ambidexterity affect coffee marketing cooperatives in Kenya.
- The study intends to establish the mediating role of entrepreneurial leadership on senior team attributes and organizational ambidexterity in coffee marketing cooperative societies in Kenya.

Objectives of the Study

1

To investigate the influence of shared vision on organizational ambidexterity of coffee marketing co-operative societies in Kenya.

2

To examine the influence of social integration on organizational ambidexterity of coffee marketing co-operative societies in Kenya

Objectives of the study...cont'd



3

To establish the influence of contingency rewards on organizational ambidexterity of coffee marketing co-operative societies in Kenya.



4

To assess whether entrepreneurial leadership mediates the relationship between senior team attributes and organizational ambidexterity of coffee marketing cooperative societies in Kenya.

Significance of the study

- The study established that there is a significant relationship between senior team attributes of shared vision, social integration and organizational ambidexterity in coffee marketing cooperative societies in Kenya.
- The established that entrepreneurial leadership has a role in the mediating function between senior team attributes and organisational ambidexterity
- The study established that coffee marketing cooperatives needs to become ambidextrous by creating marketing systems for efficient service delivery.

Theoretical Perspective

Theory	Proposition	Importance
1. Collective Entrepreneurship	Practice of group of individuals engaging in entrepreneurial affairs (Cook & Plunkett ,2006)	Knowledge of collective effort and shared value
2. Path Goal Theory	Leader helps followers achieve goals (House,1971)	Senior teams ability to deliver quality products and services
3.Upper Echelon's Theory	Organizational outcomes are partially predicted by top management (Hambrick& Mason, 1984)	Explain why coffee marketing cooperatives perform differently

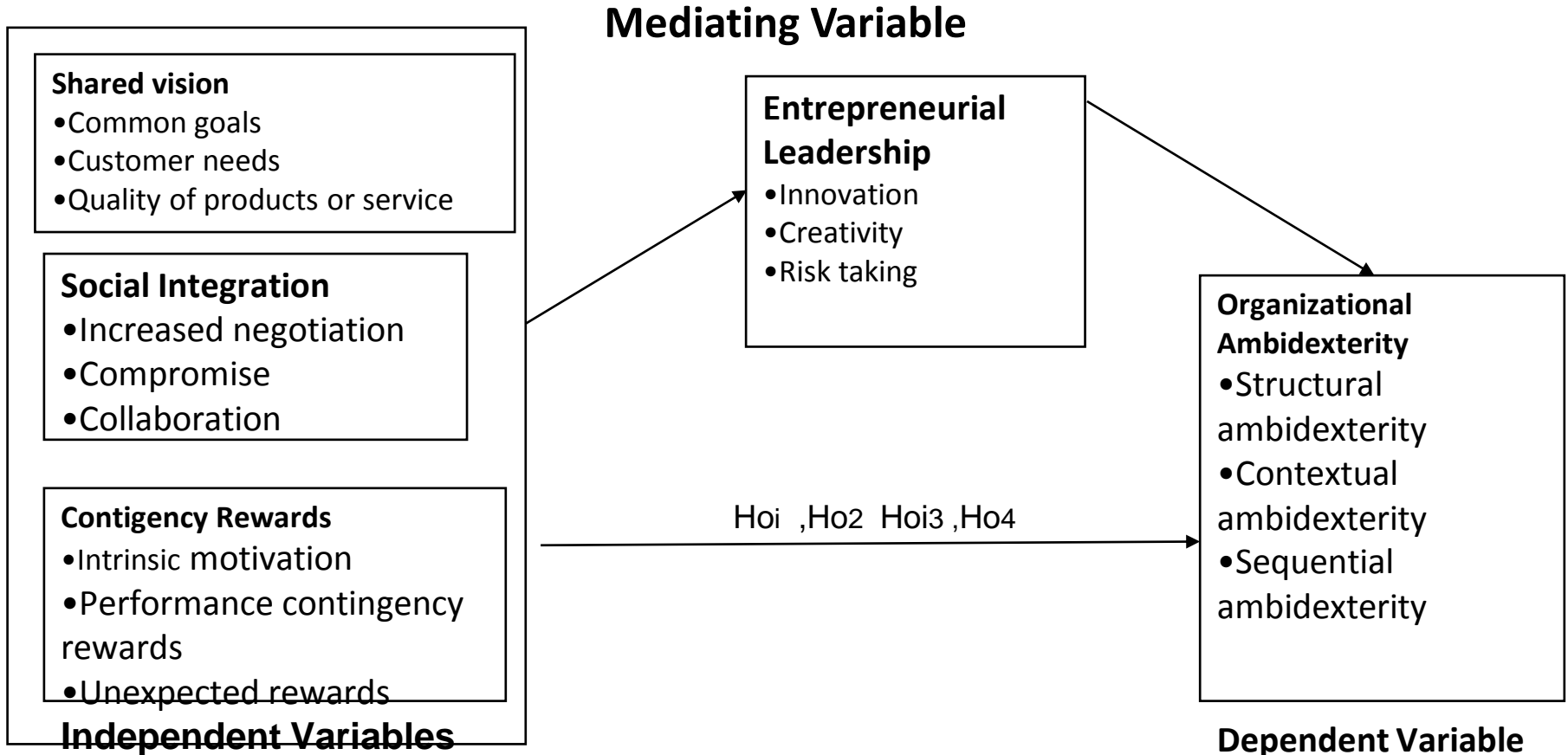
Theoretical Perspective Cont....

Theory	Proposition	Importance
4. Need for achievement theory	Entrepreneurs are people with desire to succeed ,accomplish ,exceed or achieve McClelland's(1961)	Managers as leaders are driven by the need to achieve
5. Entrepreneurial Passion Theory	Entrepreneurial drive to do what they love, through thoughts, feelings and actions (Rusell,2003)	Passion inspires vision motivation, confidence and networking by managers.
6. Cognitive Evaluation Theory	Psychological theory that deals with internal and external Motivation Deci,1975)	Explain why coffee marketing cooperatives perform differently

Literature Review

Senior Teams Attributes	Entrepreneurial Leadership	Organizational Ambidexterity
<ul style="list-style-type: none">• Shared vision	<ul style="list-style-type: none">• Innovation	<ul style="list-style-type: none">• Structural
<ul style="list-style-type: none">• Social Integration	<ul style="list-style-type: none">• Creativity	<ul style="list-style-type: none">• Contextual
<ul style="list-style-type: none">• Contingency Rewards	<ul style="list-style-type: none">• Risk Taking	<ul style="list-style-type: none">• Sequential

Conceptual Framework



Research Methodology

Term	use	Justification
Philosophy	Positivism	Knowledge is generated by accumulation of facts that enable managers make informed decisions
Research Design	Cross- sectional survey	Collect data from single group of respondents
Study Population	436 Mangers from Coffee marketing Cooperative societies	Managers run the affairs of coffee marketing cooperative societies
Sample size	242 Managers	From coffee marketing cooperatives
Sampling Procedure	Sampling Strategy	Multistage sampling

SAMPLE SIZE TABLE

•Table 1: Clustered Managers of Co-operatives as per Coffee Producing Regions in Kenya

Region	Target Group	Sample Size	Percentage from Target Population
Nyanza	54	29	12 * 242
Rift Valley	113	63	26* 242
Eastern	132	73	30* 242
Coast	1	1	0.0022*242
Western	38	21	9 * 242
Central	98	55	23*242
Total	436	242	

•Source: Kenya Coffee Directory (2016)

Sample Size and Sampling Procedures

Since the target population, N, is known, the study used Yamane, Taro (1967) formula to determine the sample size, n from the study population, N and e, is the probability of error (within the desired precision of 0.05 for 95% confidence level). For example, Target population of 436 co-operatives', implying were approximately.

Sample Size Calculation

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

$$n = \frac{436}{1 + 436(0.05)^2} = 242$$

Given that: $n = N$

When n = Desired sample size

e = Level of Significance (5%)

Data Collection Instruments

Data	Instrument	Purpose
Primary data	Self administered questionnaires	From managers of the coffee marketing cooperatives
	Pick and drop	Managers filled them in real time
	Scheduled appointments	For convenience of the managers

Research Instruments Tests

Test	Tool	Result
Pilot Study	Pre testing questionnaire	Remove errors, rectify omissions
Reliability	Cronbach's Alpha Coefficient	< 0.7 for all variables
Validity	Content, Criterion, construct	Entrepreneurship expert views

Data Analysis Techniques

Analysis	Technique	Tool
Quantitative data	Editing, Coding ,Reducing data	SPSS Version 23
Assumptions	Linearity	Microsoft Excel spreadsheet
	Normality	
	Multi-collinearity	
	Standard multiple regression	
	Missing values, outliers	
	Linear Regression	

Data Analysis Techniques- Inferential Statistics

Analysis	Technique	Purpose
Baron and Kenny's (1986)	Mediation algorithm	Steps- Four Regression Equation's
Multi Linear Regressions	Prediction or explain scores	Show relationships between variables
Multiple Regression	New set of Data	Several Variables
Regression Analysis	Show Relationships	Between variables

Summary : Study Objectives and Hypotheses Test Results

Objective	Hypothesis	R ² , t. and P values	Decision
<p>i) To investigate the influence of shared vision on organizational ambidexterity of coffee marketing co-operative societies in Kenya.</p>	<p>H₀₁ There is no significant relationship between shared vision and influence organizational ambidexterity</p>	<p>R²= 0.293 t=8.263, p=0.000<0.05</p>	<p>Reject H₀₁</p>
<p>ii) To examine the influence of social integration on organizational ambidexterity of coffee marketing co-operative societies in Kenya.</p>	<p>H₀₂ There is no significant relationship between Social Integration and organizational ambidexterity in coffee marketing co-operative societies in Kenya</p>	<p>R²= 0.305 t=9.233 p=0.000<0.05,</p>	<p>Reject H₀₂</p>

Summary : Study Objectives and Hypotheses Test Results Cont.

<p>iii) To establish the influence of contingency rewards on organizational ambidexterity of coffee marketing co-operative societies in Kenya.</p>	<p>H₀₃Contingency Reward does not affect organizational ambidexterity in coffee marketing co-operative societies in Kenya</p>	<p>R²= 0.297 t=8.263 p=0.028<0.05,</p>	<p>Reject H₀₃</p>
<p>iv) To assess whether entrepreneurial leadership mediates the relationship between senior team attributes and organizational ambidexterity of coffee marketing cooperative societies in Kenya.</p>	<p>H₀₄There is no statistically moderating influence of Entrepreneurial Leadership (EL) on the relationship between Senior Team Attributes (STA) and Organizational Ambidexterity (OA) Coefficients</p>	<p>p=0.000<0.05,</p>	<p>Reject H₀₅</p>

Summary of the Mediation test

Step	Relationship	Coefficient	t-value	p-value	Condition
Step 1		.752	12.273	.000**	Met
Step 2		.711	12.150	.000**	Met
Step 3		.408	5.180	.000**	Met
Step 4		.445	5.367	.000**	Partially met

Discussions

1. Response rate was 87.5 % from 210 managers of cooperative societies out of 242 which was very good.
2. The registered members of 210 cooperative societies had a minimum of 5,000 to 13,000 members explaining why managers require entrepreneurial leadership skills to achieve ambidexterity

3. Members of cooperative societies were categorized by gender where 60% were males and 8.3% were females giving an insight to managers on of the gender influence on coffee sector.

4. The institutional membership of coffee marketing cooperatives had a maximum of 19 explaining the need for managers to enhance social integration to achieve ambidexterity

5. The age cohort of members of cooperative societies showed age brackets out of 13,000 members 51 and above were 43% thereby informing the managers the people involved coffee farming in order to develop strategies to motivate the youth to be involved in coffee business of which only 9% currently are engaged as they desire to be ambidextrous.

6. The management committee members level of education that 109 chairmen hold o level certificates and only 10 had degrees. This is a great pointer to the managers to enhance capacity building to improve management skills, governance and understanding of coffee market dynamisms in the coffee global market

7. The level of education of staff employed by coffee cooperatives indicated that 56 managers had 0 level certificates and only 1 had a masters degree thereby explaining the need for those managers to establish education programmes that geared towards improving shared vision and achieve and become ambidextrous in management of resources

8. The main coffee cooperative societies business involve weighing and grading of coffee 98%, wet milling 83%, drying of parchment 96% and storage 95%. Only 12.4% are involved in coffee marketing which is the core business. This explains why entrepreneurial leadership is key by managers to ensure the problem of coffee earnings and decline is addressed.

9. The knowledge on the number of years the cooperative society has existed revealed 84 cooperatives had operated more than 51 years and only 18 % had been in coffee business for a period of 10-20 years. This explains why managers need to be entrepreneurial by being creative, innovative to become ambidextrous and sustain these organizations

10. The average turnover of cooperatives indicated that 128 cooperative societies earned between 1-50 million shillings. The remaining 50 Cooperative societies earn more than 50 million shillings annually.

The data explains why managers need to become ambidextrous in order to improve coffee farming which is the source of many rural livelihoods in the 33 counties where coffee is grown.

11. The staff position in coffee marketing cooperatives revealed that every society has at least 8 employees employed on casual basis.

This is a worrying trend for managers as the cooperative organizations utilization of human capital is wanting and calls for enhanced review of human policies.

12. Ownership of cooperative resources was shown in financial statements which revealed that cooperatives owned very buildings valued more than Ksh.600 million and the highest had assets worth more than 1.2 billion.

It is important for managers to have entrepreneurial leadership skills to manage these resources in a manner beneficial to members

13. The study reveals cooperatives are endowed with resources and 54.3% have no issues with resource allocations and their exploitation and exploration by managers proved to have positive effect on performance of coffee marketing cooperatives in Kenya geared towards ambidexterity achievement.

14. The study established that managers do not let others do whatever their intuitions guides them resulting to dismal performance of the coffee cooperatives.

CONCLUSIONS AND RECOMMENDATIONS

Objective 1	Conclusion	Recommendations
<p>To investigate the influence of shared vision on organizational ambidexterity of coffee marketing co-operative societies in Kenya.</p>	<ul style="list-style-type: none">✓ The study established that there is a statistically significant relationship between shared vision and organizational ambidexterity.✓ Shared vision thus enhance employee engagement in the coffee marketing cooperative societies and it is encouraged in the today's world where most of the work has gone virtual.✓ This finding strongly support the entrepreneurial leadership theory✓ However, the study found out that the frequency of the practice of shared vision is still low among the managers of coffee marketing cooperative societies in Kenya hence low performance.	<p>-coffee marketing cooperative societies need to frequently offer contingency reward, provide shared vision and enhance social integration. These will drive senior team attributes that contribute to organizational ambidexterity so as to balance between the current and the future endeavors.</p>

Objective 2

Conclusion

Recommendations

To examine the influence of social integration on organizational ambidexterity of coffee marketing co-operative societies in Kenya.

-The study established that the managers recognize and reward performance that meet agreed upon standards which motivate the employees to maneuver between exploration and exploitation.
-The finding thus support need for achievement theory where employees will strive to meet the set standards of all cooperative societies procedures in order to be rewarded which this study envisions
-This study has demonstrated the non-linear impact that organizational ambidexterity has on innovation performance and how this impact is amplified when the moderating impacts of inward and outward open innovation are included.

managers increase the frequency of contextual ambidexterity, structural ambidexterity and sequential ambidexterity. Contextual ambidexterity can be achieved through resource planning, utilization and control are important in bring about behavior and social change in contributing to organizational ambidexterity such that there is a balanced resource stock today and into the future even at rapid technological changes.

Objective 3

To establish the influence of contingency rewards on organizational ambidexterity of coffee marketing co-operative societies in Kenya.

Conclusion

- As the reward focuses on individual efforts of achievement of realizing the cooperative's mission and vision; social integration was found to be very crucial.
- Social integration encourages achievement of synergy and the study predicts that such group cohesions enhance organizational ambidexterity where no group feels alienated and no individual seem dejected.
- Despite this significance, the study revealed that the practice of social integration is still low among the coffee marketing cooperative societies in Kenya.
- This finding supported experiential learning theory

Recommendations

- Structural ambidexterity can be achieved through to adopting new technologies, implement organizational systems and processes which require to evolve congruently to the changing market condition while balancing organizational resources to meet current and future market conditions.
- Sequential ambidexterity will be achieved when the organization have clear plans to be implemented guided by both short lived and long lived policies that are aimed at achieving optimal utilization of organizational resources through collective action to achieve maximum productivity in any environment now and in the future..

Objective 4

Conclusion

Recommendations

To assess whether entrepreneurial leadership mediates the relationship between senior team attributes and organizational ambidexterity of coffee marketing cooperative societies in Kenya.

- Entrepreneurial leadership was found to statically significantly partially influence the contribution of senior team attribute to organizational ambidexterity.
- The entrepreneurial leadership, though found to be meritorious, had its indicators rated below three on average
- The study scientifically contributes to the new knowledge that there is significant interplay between senior team attributes and organizational ambidexterity as mediated by entrepreneurial leadership.
- The study findings rejects resource based view theory by opining that even well-endowed resourced organization cannot balance between exploration and exploitation in the absence of organizational ambidexterity as influenced by senior team attributes.

- The study recommends that all training for coffee marketing cooperative societies include the senior team attributes, the content of organizational ambidexterity and entrepreneurial leadership. This important to enhance practice so as to move the cooperative societies from below to optimal performance.
- he study predicts this will reduce costs of management and operations since the cooperative societies are operating in a very dynamic and unpredictable environments today

Thank You

for listening to me