

**THE ARAB REVOLUTION AND PERFORMANCE OF THE TEA
EXPORTING FIRMS IN KENYA**

BY

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DECLARATION

This research project is my original work and has not been submitted for the award of any degree in any other university.

Signed: í í í í ..í í í í í í í í í í í .. Date: í í í í í í í í í í

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DEDICATION

I dedicate this research project to my husband Murad Alwy for his unconditional moral and emotional support throughout the entire period of study.

To my beloved mother Twafle Bakhshwein, you instilled in me the need to strive and the value of education from a young age.

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ACRONYMS AND ABBREVIATIONS

EATTA:	East Africa Tea Trade Association
MENA:	Middle East and North Africa
TBK:	Tea Board of Kenya

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ABSTRACT

The purpose of this study is to determine the effects of political instability during the Arab Revolution and performance of the tea exporting firms in Kenya. The research design used was a census cross-sectional survey. The population consisted of all tea exporting companies in Kenya who are members of EATTA. The total population was thirty six members and out of these, twenty responded representing a 55.56% response rate. The study used questionnaires as the main method of data collection. The primary data collected was analyzed using descriptive statistics in form of frequency tables and percentages. The findings were presented in form of tables and figures. The study established that majority of tea exporting firms in Kenya have been in the tea trade for over ten years and considered the business external environment to be dynamic. Further it was established that total exports declined during the six year period hence most exporting firms sought other alternative foreign markets while others stored the produce to wait for the market to stabilize. The study also found that annual turnover and tea prices declined for the past six years due to low levels of tea exports. This study contributes to the empirical literature on the effects of political instability on economic growth and industry in other countries. It also confirms that those tea exporting firms highly dependent on the MENA countries were more vulnerable to the impact of political violence hence; this external environment factor does have an effect to local and foreign organizations. Following the findings from this study, it was recommended that tea exporting firms in Kenya should diversify their markets and look for exports to more political stable countries. Policies should also be put in place to cushion the local industries against shocks like political instabilities around the globe.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The revolution that swept the North Africa and Middle East in early 2011 altered the political view of the region with the overthrow of regimes in Egypt, Libya, Tunisia, Syria and Yemen. The monarchies of Jordan and Morocco also went through intense political changes. Virtually all the economies have struggled over the past few years, experiencing both low economic growth and high unemployment. Domestic and external shocks combined to create an outbreak and left the economies in worse shape than they were prior to the revolution. These countries faced political turmoil and social unrest that caused the security situation to deteriorate and created great uncertainty for domestic and foreign investors. This led to a decline in the demand for exports and imports, a reduction in tourism receipts and cutbacks in foreign direct investments.

International business (IB) has been a subject of academic research since the early twentieth century, principally focusing on trade and inter-company relations. The fundamental distinction between domestic and international business is the existence of interventions by Governments of home and host countries in inter-country business activity, which lead to business reactions. According to Ansoff (1980), political risk refers to the complications businesses that governments may face as a result of political decisions or events related to political instability such as terrorism, riots, coups, civil war and insurrections.

Like most sub-Saharan African countries, Kenya's export structure is predominantly composed of primary commodities—mainly tea, coffee and horticulture. This has made the export sector to be more vulnerable to fluctuations in world prices (Were et al, 2002). Heavy reliance on a few export partners, coupled with low domestic consumption relative to production, is one of the major challenges for Kenya's tea industry.

1.1.1 The Environmental Political Factor

According to Mitchell (2010) the practice and study of global environmental politics and global environmental governance have expanded dramatically in numerous dimensions since the 1960s. Some argue that a new 'global politics' is emerging which, like the 'borderless world economy', is characterized by a global political order in which states' political boundaries become much less important (Lewis et al, 1992). In the old system, sovereign states interacted with each other according to rules which they - as states - agreed upon. In the new interconnected global political order, political power and political activity are said to extend across the boundaries of nation-states (Held et al, 1999). 'Global issues' have emerged which require states to coordinate policy-making at levels above the nation-state. These issues include human rights, environmental degradation, and nuclear safety.

All of these issues are such that no one state can effectively regulate on its own. And likewise, economic globalization adds another range of regulatory issues. For this reason, the globalization of politics describes a shift in the locus of decision-making up to either the regional or the international level. Virtually every country in the world is now part of some regional trade arrangement.

1.1.2 The Arab Revolution

Beginning with Tunisia's protests and ousting of Ben Ali in early January 2011, the momentum of the Arab Revolution spread to Egypt, Yemen and Libya. The monarchies of Jordan and Morocco also followed the political changes. The majority of the Arab world was in the hands of a few powerful dictators, who employed countless authoritarian policies. These include Qaddafi of Libya, al-Assad of Syria, Egypt's Mubarak, and Saleh of Yemen. Citizens often had little or no political rights, illustrated clearly with the banning by Gaddafi regime's of political parties for over 35 years (Goldstone, 2011).

During the Arab Revolution these countries faced adverse regional spillovers from the deterioration of the economies in their immediate neighborhood which had serious negative consequences for economic performance. In 2011, the growth of real GDP fell sharply in all the countries except Morocco. In Egypt, the largest economy in the group with a nominal GDP of around \$250 billion, growth fell to less than 2 percent from over 5 percent in the previous year. The picture was broadly similar for Jordan. After growing by an average rate of 6 percent per year over the previous decade, the growth rate in 2011 fell to only 2.6 percent.

In Tunisia, real GDP declined by nearly 2 percent after having averaged a growth rate of 4.5 percent per year over the previous decade. Yemen, which had been growing at the same rate as Tunisia during 2000-10, had a contraction in real GDP of nearly 12 percent in 2011 (Khan, 2014)

1.1.2 Organizational Performance

Performance is a contextual concept associated with the phenomenon being studied (Hofer, 1983). In the context of organizational financial performance, performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization.

Organizational performance is affected by three major factors. They are the organizational motivation to achieve the performance objectives, the influence and impact of the external environment and the organizational capacity to achieve the performance desired. The influence and impact of the external environment is the opportunities and threats of the external environment. Organizational performance is affected by the degree to which the organization interacts with the external environment. Performance will be increased by understanding the external environment and by using this knowledge to influence the environment in favor of the company's strategy.

1.1.4 The Tea Industry in Kenya

Tea is Kenya's main exports and the tea industry is one of the country's largest private sector employers. About 95 percent of the tea produced in Kenya is exported. This adds up to over 50 countries importing Kenyan tea. Kenya's major markets for tea include Pakistan, Egypt, United Kingdom, Afghanistan, Sudan, Russia Federation, Tunisia, Libya and Yemen.

Over 60 percent of Kenyan tea is grown by smallholders. The second largest share comes from estates owned by multinational corporations, and locally owned estates make up the remainder. Over 84% of Kenya tea is sold through the Mombasa auction, which is the second largest tea auction in the world. Teas are offered at the auction by Brokers on behalf of the producers. Buyers who basically export the tea bought, bid against themselves with the highest bidder buying the whole lot bid for, resulting in direct feedback of market prices to factories and farmers. The auction is conducted under the auspices of the East African Tea Trade Association (EATTA) whose membership consists of the brokers, buyers, producers, warehousemen and packers. Producers also sell some of their tea directly through private arrangements with tea importers across the world. This forms about 10% of the total production.

The volume of tea sold at the Mombasa auction has risen six-fold since 1980, to over 400,000 MT. Over 95 percent of the tea was exported mainly in bulk earning over Kshs 97 billion in foreign exchange. This represents about 26 percent of the total export earnings and about 4 percent of Kenya's GDP (EPZA, 2005). Over the last decade, the average price of tea at the Mombasa auction has increased more than 50% from the 1990-2000 average. In 2012 the average price for black tea on the Mombasa auction was around USD 2.85 per kilogram (Tea Board of Kenya, 2011). Tea consumption in Kenya countries is however low. Thus unlike other major producers like China and India that consume most of their teas, prices are controlled by external factors.

1.2 Research Problem

External environment of an industry includes a variety of factors, whose existence, influence its behavior and performance. Yuzbasioglu (2000) analyzed the environmental factors that affected the tourism sector and his findings were external environment of businesses cannot be ignored in the assessment of factors relating to barriers to business growth. Political-legislative factor which is the legal and policy framework includes all laws and legal regulations and policy framework refers to the relational system created between political power and business. Spencer and Gomez (2003) studied on how political environments affect the growth of firms. Their study revealed a country's political environment appeared to have a differential impact on foreign and domestic firms. Andanova and Mitchell (2010) studied global environmental politics and found that there was an interconnectedness with the business performance.

The tea export industry in Kenya has been facing various uncertainties in a dynamic business environment. Intense competitive conditions, severe droughts, crisis in the Middle East and North Africa, sanctions in Iran, fluctuating foreign exchange currency, regulatory reforms and inefficiencies at the port of Mombasa have contributed to the increasing degree of complexity in the market. This information is essential in a world of increasing change and uncertainty as faced by tea exporting firms in Kenya.

Among the studies conducted on the tea industry in Kenya include Nyandoto (2009) focused on Real-Time Strategic Issue Management Practices by large scale tea producers in Kenya. The study revealed that environmental turbulence in the sub-sector had not reached level five, that is, discontinuous and unpredictable. Another study carried out by

Yebei (2012) who conducted a study on strategic issue management by tea exporting companies in Kenya. Her findings revealed that a majority of the respondents consider the businesses external environment to be dynamic hence always changing and that the changes were new, and had not experienced before.

Biegon (2009) studied the challenges facing the Kenyan tea industry in exporting of value-added (branded) tea. His findings were among the various challenges arising due to restrictions to market access and unexpected changes in prices in the world tea markets. Were et al (2002) acknowledges that other non-price factors play a vital role in production and export supply response. The study implies that flexibility in the exchange rate movements and increased volatility, in line with the fundamentals of the economy, might be favorable.

There has been no awareness on any documented study on the effects of the Arab Revolution on the tea exporting firms in Kenya. The tea exporting industry deals with the uncertainty in a dynamic business environment due to increasing magnitude of complexity in the market turbulence. Monitoring the ongoing Arab Revolution will assist the tea exporting firms in Kenya in determining its impact.

This study seeks to answer the following question: What were the effects of the Arab Revolution and the performance on the tea exporting firms in Kenya and the degree of the effects in the tea exporting firms in Kenya?

1.3 Research Objectives

This study's main objective was to determine the effects of the Arab Revolution on the performance of the tea exporting firms in Kenya

1.4 Value of the Study

The research findings of the study are beneficial to various stakeholders. The study contributes to the growing body of knowledge in the area of international organization sector. The findings were used as a source of reference by future researchers and current scholars on the challenges and successful responses to political challenges. It can also act as a basis for further research.

The management of the various tea exporting firms can gain a better understanding of the political challenges faced by the tea exporting firms in Kenya. On the basis of the findings of the study, the leadership of the various tea exporting firms in Kenya are expected to implement measures that could address the challenges that have been identified from an informed position for the benefit of key stakeholders. The study provides survival tools for any tea exporting firms faced with similar challenges.

This study is a great help to policy makers who now have an insight into the challenges faced by tea exporting firms in Kenya and accommodate the possible interventions that could be employed to enhance the industry's effectiveness in the policies to be formulated.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter reviews literature on the Arab revolution and performance on the tea exporting firms in Kenya. These include theoretical literature of the history of the Arab revolution, causes of the Arab revolution, effects of the Arab revolution on various economies, economic policies developed after the uprisings, political challenges, the Arab revolution impact on cross border investment and the conclusion.

2.2 Theoretical Foundation

International business comprises all commercial transactions (private and governmental, sales, investments, logistics, and transportation) that take place between two or more regions, countries and nations beyond their political boundaries. Usually, private companies undertake such transactions for profit; governments undertake them for profit and for political reasons. It refers to all those business activities which involve cross border transactions of goods, services, resources between two or more nations. Transaction of economic resources include capital, skills, people etc. for international production of physical goods and services such as finance, banking, insurance, construction etc. (Mahmud, 2014).

For Adam Smith (1986), the division of labor, in the nascent large-scale industries of his homeland England, provided the base for lowering labor costs, which ensured effective competition across countries. Possible dilemmas in terms of the need for monetary

adjustments for countries having a continuous trade surplus (with absolute advantage in all traded goods) could be shelved aside by relying on the automatic adjustment, in terms of the price-specie flow mechanism, the theory offered by Smith's contemporary, David Hume (1711 [1776]), around the same time. It was left to David Ricardo to sort out the basic premises of a theory of free trade, which Smith had initiated. Industrial capitalism in Ricardo's England was at a relatively advanced stage as compared to what it was in Smith's time, both with rapid growth of large-scale industries and captive markets in overseas colonies. Imports of wage goods had a special role by cheapening wage goods and hence labor cost for industry in Ricardo's England.

Free trade, as opposed to the Mercantilist policies of protection, was championed by both Smith and Ricardo as a route to achieve production efficiency at a global level. Ricardo's cost calculations, despite his concerns for the introduction of machinery on a large scale, were based on labor hours, which were treated as a single homogeneous input with production (in a two commodity world) subject to constant costs.

It was comparative and not absolute advantage, which was considered both necessary, as well as sufficient, to ensure mutually gainful trade across nations, warranting complete specialization in the specific commodity with a comparative advantage in terms of labor hours used per unit of output (Sen, 2010). In the literature a further distinction is drawn between scale economies (external to the firm) that are of "national" origin as distinct from the ones that are "international," the latter arising from developments in the global industry.

As with other scale economies, both are disruptive to the predictive power, as well as the major theorems, of the traditional HOS model. However, gains from trade arise with increased output of industries in trading countries that enjoy national-level scale economies. Similarly, gains from trade are also made possible to industries that enjoy economies arising at an international level. In particular, small economies that otherwise cannot access these economies are supposed to gain by opening up. Thus trade can be beneficial/loss-making with external economies at the international level for nations with possibilities of reaping economies. (Helpman 1984; Ethier 1979).

2.3 The Arab Revolution and Environmental Political Factors

For a long time, economists and social scientists have produced a large body of literature attempting to uncover the effects of political instability on a country's economic performance, especially with regards to output and growth. Political instability is regarded by economists as a serious malaise harmful to economic performance. Political instability is likely to shorten policymakers' horizons leading to suboptimal short term macroeconomic policies. It may also lead to a more frequent switch of policies, creating volatility and thus, negatively affecting macroeconomic performance considering its damaging repercussions on economic performance the extent at which political instability is pervasive across countries.

Recently, the sequence of political and social events of the Arab Revolution has raised new concerns amongst scholars and institutions about the effects of the resulting political unrest on the growth outlook of the directly involved countries and, more broadly, of the Middle-Eastern and Northern-African (MENA) regions.

The Arab revolution is a wave of demonstrations and protests (both non-violent and violent), riots, and civil wars in the Arab world that began on 18 December 2010 and spread throughout the countries of the Arab League and surroundings (Howards, 2011). While the wave of initial revolutions and protests had expired by mid-2012, some refer to the ongoing large-scale conflicts in Middle East and North Africa as a continuation of the Arab revolution, while others refer to the second wave of revolutions and civil wars post 2012 as the Arab Winter.

Starting in the spring of 2011, the Middle East and North Africa (MENA) experienced a wave of protests, revolutions and even civil wars that continue to this day in some parts of the region. The Arab Spring has led to four governments being overthrown across the region, and many others offering political and economic concessions to their populations in response to growing disturbances and unrest. While uncertainty has grown for the entire region, many observers believe that greater stability will eventually bring about democratic governments and reform (Adamova et al, 2013). By December 2013, rulers had been forced from power in Tunisia, Egypt (twice), Libya, and Yemen; civil uprisings had erupted in Bahrain and Syria; major protests had broken out in Algeria, Iraq, Jordan, Kuwait, Morocco, Israel and Sudan; and minor protests had occurred in Mauritania,

Oman, Saudi Arabia, Djibouti, Western Sahara, and Palestine. Weapons and Tuareg fighters returning from the Libyan Civil War stoked a simmering conflict in Mali which has been described as "fallout" from the Arab revolution in North Africa. The sectarian clashes in Lebanon were described as a spillover of violence from the Syrian uprising and hence the regional Arab Spring (CNN, 2012).

The protests have shared some techniques of civil resistance in sustained campaigns involving strikes, demonstrations, marches, and rallies, as well as the effective use of social media to organize, communicate, and raise awareness in the face of state attempts at repression and internet censorship. Many Arab Spring demonstrations have been met with violent responses from authorities, as well as from pro-government militias and counter-demonstrators. These attacks have been answered with violence from protestors in some cases. A major slogan of the demonstrators in the Arab world has been "the people want to bring down the regime".

According to Sullivan (2011), some observers have drawn comparisons between the Arab Spring movements and the Revolutions of 1989 (also known as the "Autumn of Nations") that swept through Eastern Europe and the Second World, in terms of their scale and significance. Others, however, have pointed out that there are several key differences between the movements, such as the desired outcomes and the organizational role of Internet-based technologies in the Arab revolutions.

Asef (2011) acknowledges that in the Arab world, different kinds of people with different goals are taking charge of street demonstrations, each of which must certainly be assessed "in its own context," as the historian wrote of 1848. In Egypt, decisions taken by the military may well have mattered as much as the actions of the crowd. In Bahrain, the conflict between Sunnis and Shiites is clearly central. The role of "Islam" is not the same in countries as different as Tunisia and Yemen. In Libya, the regime has already shown itself willing to use mass violence, which others have avoided. Tempting though it will be to lump all these events together and to treat them as a single "Arab revolution," the differences between countries may turn out to be more important than their similarities.

The Arab revolution is widely believed to have been instigated by dissatisfaction with the rule of local governments, though some have speculated that wide gaps in income levels may have had a hand as well. Numerous factors have led to the protests, including issues such as dictatorship or absolute monarchy, human rights violations, political corruption, economic decline, unemployment, extreme poverty, and a number of demographic structural factors, such as a large percentage of educated but dissatisfied youth within the entire population (Korotayev, 2011). Also, some - like Slovenian philosopher Slavoj Žižek - name the 2009-2010 Iranian election protests as an additional reason behind the Arab revolution. The Kyrgyz Revolution of 2010 might also have been a factor influencing its beginning.

Catalysts for the revolts in all Northern African and Persian Gulf countries have included the concentration of wealth in the hands of autocrats in power for decades, insufficient transparency of its redistribution, corruption, and especially the refusal of the youth to accept the status quo. Increasing food prices and global famine rates have contested but peaceful elections, fast-growing but liberal economy, secular constitution but Islamist government, created a model (the Turkish model) if not a motivation for protestors in neighboring states (Levine, 2011).

Tunisia experienced a series of conflicts over the past three years, the most notable occurring in the mining area of Gafsa in 2008, where protests continued for many months. These protests included rallies, sit-ins, and strikes, during which there were two fatalities, an unspecified number of wounded, and dozens of arrests. The Egyptian labor movement had been strong for years, with more than 3,000 labor actions since 2004.

One important demonstration was an attempted workers' strike on 6 April 2008 at the state-run textile factories of al-Mahalla al-Kubra, just outside Cairo. The idea for this type of demonstration spread throughout the country, promoted by computer-literate working class youths and their supporters among middle-class college students. The government mobilized to break the strike through infiltration and riot police, and while the regime was somewhat successful in forestalling a strike, dissidents formed the "6 April Committee" of youths and labor activists, which became one of the major forces calling for the anti-Mubarak demonstration on 25 January in Tahrir Square.

In Algeria, discontent had been building for years over a number of issues. In February 2008, United States Ambassador Robert Ford wrote in a leaked diplomatic cable that Algeria is 'unhappy' with long-standing political alienation; that social discontent persisted throughout the country, with food strikes occurring almost every week; that there were demonstrations every day somewhere in the country; and that the Algerian government was corrupt and fragile. Some have claimed that during 2010 there were as many as '9,700 riots and unrests' throughout the country. Many protests focused on issues such as education and health care, while others cited rampant corruption.

In Western Sahara, the Gdeim Izik protest camp was erected 12 kilometres (7.5 mi) south-east of El Aaiún by a group of young Sahrawis on 9 October 2010. Their intention was to demonstrate against labor discrimination, unemployment, looting of resources, and human rights abuses. The camp contained between 12,000 and 20,000 inhabitants, but on 8 November 2010 it was destroyed and its inhabitants evicted by Moroccan security forces. The security forces faced strong opposition from some young Sahrawi civilians, and rioting soon spread to El Aaiún and other towns within the territory, resulting in an unknown number of injuries and deaths. Violence against Sahrawis in the aftermath of the protests was cited as a reason for renewed protests months later, after the start of the Arab revolution.

The catalyst for the current escalation of protests was the self-immolation of Tunisian Mohamed Bouazizi. Unable to find work and selling fruit at a roadside stand, on 17 December 2010, a municipal inspector confiscated his wares. An hour later he doused

himself with gasoline and set himself afire. His death on 4 January 2011 brought together various groups dissatisfied with the existing system, including many unemployed, political and human rights activists, labor, trade unionists, students, professors, lawyers, and others to begin the Tunisian Revolution (BBC, 2011).

2.4 Effects of Arab Revolution on various economies

The Arab revolution gave hope to citizens that this was the beginning of a long-overdue process of democratic transition in the Arab world. While the promise of democracy in the Arab transition countries was seen as the driving force in the uprisings, economic issues were an equally important factor. The explosive combination of undemocratic regimes, corruption, high unemployment, and widening income and wealth inequalities all created the conditions for the uprisings. The citizens of these countries thus expected governments to simultaneously address their political and economic demands (Khan, 2014).

The lack of attention to economic policies was presumably due to the fact that the primary focus of governments was in addressing political issues with the intention that once these were resolved they would turn to tackle the economy. Higher oil prices resulted in serious external and fiscal imbalances, except for Libya because it is an oil exporter. Finally, they all faced adverse regional spillovers from the deterioration of the economies in their immediate neighborhood.

According to Khan (2014) all of these factors had serious negative consequences for economic performance. In 2011, the growth of real gross domestic product (GDP) fell sharply in all the countries except Morocco. In Egypt, the largest economy in the group with a nominal GDP of around \$250 billion, growth fell to less than 2 percent from over 5 percent in the previous year.

The picture was broadly similar for Jordan. After growing by an average rate of 6 percent per year over the previous decade, the growth rate in 2011 sank to only 2.6 percent. Libya, Tunisia, and Yemen actually experienced negative growth rates, a phenomenon rarely seen in the developing world. The Libyan case is admittedly exceptional as the civil war resulted in a drastic cut in oil production to less than 0.5 million barrels per day (mbd) from 1.7 mbd in 2010, and also because of the United Nations-sanctioned freeze on Libyan foreign assets. The collapse in oil production the country's main product and revenue source, and the concomitant fall in non-oil GDP led to overall real GDP falling by a staggering 62 percent. In Tunisia, real GDP declined by nearly 2 percent after having averaged a growth rate of 4.5 percent per year over the previous decade. Yemen, which had been growing at the same rate as Tunisia during 2000-10, had a contraction in real GDP of nearly 12 percent in 2011.

Despite the fact that unemployment was a major cause of the uprisings, the picture worsened in 2011-12 in all six countries. 5 Official statistics show that, with the exception of Morocco, unemployment rates were all in double digits. In Egypt, the unemployment rate reached nearly 13 percent in 2012, and in Yemen it hit 35 percent.

While these high unemployment rates are clearly a serious problem, far more worrisome is that the rates of youth unemployment are estimated to be two to three times the overall unemployment rate. The containment of inflation, except in Egypt and Yemen, was the only saving grace of the recessions in the Arab transition countries. Nevertheless, with inflation in the countries running at an average annual rate of 8 percent, governments have to be cognizant of the trade-off between inflation and growth.

While it is possible to generate a growth spurt through expansionary macroeconomic policies, as inflation rises it will eventually have an adverse effect on growth. Empirical estimates for the Middle East and North Africa (MENA) countries show that once inflation reaches 6-8 percent, its effect on long-term growth becomes negative.

According to Thorton (2011) more than a fifth (22%) of privately owned companies globally says that the unrest has had a negative impact on their business. This figure is highest in the North America region where a quarter (26%) of businesses reported a negative impact; Turkey was the country most affected (53%). In Europe, businesses in Denmark (30%) and Spain (29%) claim to have been most negatively affected, followed by the UK and Ireland (both 24%). In the UK, a quarter (24%) of companies say they have seen a negative impact on business as a direct result of the conflict, but just 6% say this will prevent them from doing business with the MENA region in the future. Thorton added that 10% globally said they are now less likely to do business there. BRIC economies displayed the biggest dip in confidence with 17% less likely to do business in MENA countries.

2.5 The Arab Revolution's Impact on Cross-border Trade and Investment

The focus of so much of the information flow from the Middle East and North Africa (MENA) this year has been on the political dynamics associated with the ongoing upheaval in the region. Indeed, in the handful of countries where the Revolution has triggered or is in the process of triggering change, the news really has been mostly about politics in the eyes of the rest of the world. But the "perpetual" Arab Spring has naturally negatively impacted the trade and investment climates of the specific countries affected, as well as having had a profound effect on neighboring countries, companies, and entities that engage in business in MENA.

Businesses in Egypt, Libya, Syria, Tunisia, and Yemen have had to adjust to a harsh, new, and costly reality. The International Monetary Fund estimated in October 2011 that the Spring countries had collectively endured \$56 billion in losses, with \$21 billion having been eroded from gross domestic product (GDP) and \$35 billion lost as a result evaporating income and rising costs, (Wagner, 2011). Libya was the worst affected, with a staggering loss of 29 percent of GDP. The conflict in Libya had cost Tunisia up to \$2 billion in lost trade and tourism revenues as of July of this year, according to Tunisia's central bank governor. Libyan trade and tourism accounted for an estimated 5.5 percent of GDP in 2009. Since January, Tunisia's overall tourism business has plummeted by more than 40 percent. The knock-on effect is undoubtedly similarly distressing in a variety of other countries in the region and beyond.

An important consideration is what comes next. These are uncharted waters based on the sheer scope and scale of the political change that has occurred in MENA, but also because of the ongoing Western fiscal crisis and the West's inability to effectively influence the course of events in the region.

2.7 Performance Measurement of Firms

The concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Alchian & Demsetz, 1972; Barney, 2001; Jensen & Meckling, 1976; Simon, 1976). Those providing the assets will only commit them to the organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets. As a consequence, the essence of performance is the creation of value. So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the organization and the organization will continue to exist.

Venkatraman and Ramanujam (1987) empirically demonstrated that growth and profitability were distinctly different measures of performance, but did not attempt to propose a specific model for overall performance measurement. Robinson (1998) empirically tested the relationship between four separate independent variables (stage of the life cycle, industry concentration, entry barriers, and product differentiation) with eight different measures of performance in new venture research and found significantly

different results between each independent variable and the eight dependent variables. This further demonstrated the existence of multiple dimensions of performance. To diagnose the performance measurement process, based on the indicators identified by Kaplan & Norton (1993) respectively Ittner & Larcker (2003), a list of 22 financial and non-financial indicators. Firms were asked to what extent the indicators from the list were used to measure performance using the 1-5 Likert scale (1 ó not at all used and 5- to a very large extent).

The impact of the performance measurement process on the organizational performance was the objective of many studies in the last few years, driven by the desire to identify whether the way in which performance is measured has a significant and positive impact on organizational performance. In this category falls the study conducted by Bourne et al. (2005) in which the performance measurement process was demonstrated to have a positive impact on the business success.

The crucial importance of nonfinancial indicators, which are based on organizational strategy, which include key measures of success and which are perceived as immune from the various shortcomings of financial measures, was stressed by several authors (e.g. Kaplan 1983, Eccles 1991). Gradually, performance measurement frameworks began to reconcile the use of financial and nonfinancial measures; examples include the balanced scorecard (Kaplan and Norton 1992, 1996), integrated performance measurement (Dixon et al, 1990), stakeholder model (Atkinson et al, 1997), and performance management framework (Otley 1999).

2.8 Conclusion

In conclusion, the above literature review reveals that the Arab revolution has had some effects on various economies worldwide. The Arab revolution has naturally negatively impacted the trade and investment climates of the specific countries affected, as well as having had a great effect on neighboring countries, companies, and entities that engage in business in MENA. The challenge, for businesses of all types, will be to be able to determine whether it is even worth attempting to engage in business in countries undergoing fundamental political change.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides information on the research design adapted, the population of study, data collection method used and the data analysis technique employed to analyze and organize the data.

3.2 Research Design

The study adopted cross-sectional survey design. This design is preferred because the study aiming to establish the effects of the Arab Revolution in the tea exporting firms in Kenya and to determine the performance of these firms during the period of June 2008 to June 2014.

According to Cooper & Schindler (2003) descriptive study is concerned with finding out who, what, where, when and how much of a phenomenon, which is the concern of the study. A descriptive survey was considered appropriate as it enables the researcher to collect a considerable amount of information required for generalization.

3.3 Population of the Study

The population of study comprises of all the tea exporting companies in Kenya who are members of East African Tea Traders Association (EATTA). There are 36 companies as per EATTA register of June 2014 (Appendix III).

All the members were targeted. A census survey was considered appropriate due to the relative small size of the population.

3.4 Data Collection

Primary and secondary data was collected using semi-structured questionnaire (Appendix II). According to Mugenda & Mugenda (2003), questionnaires are used to obtain important information about the population. The questionnaire will contain open and closed ended questions. The main advantage of closed ended questions is that they are easier to analyze since there are in an immediate usable form. Cooper and Schindler (2003) point out that open ended questions help measure sensitivity or disapproval of behavior, encourage natural modes of expression and allows the respondents to include more information, including feelings, attitudes and understanding of the issues.

The questionnaire had three sections where section 1 covered general information about the companies. The general information was required to classify the organizations. Section 2 covered the business environment while section 3 covered issues influencing their performances. The period that was covered was before, during and after the Arab revolution, which was from June 2008 to June 2014. Secondary data was collected from East African Tea Trade Association and The Tea Board of Kenya.

The researcher used a combination of drop-and-pick and mail questionnaires. The questionnaires were addressed to the Chief Executive Officers (CEO) of each organization. The researcher made follow ups through telephone reminders.

The study comprised of 20 tea exporting firms in Kenya. While a total of 36 tea exporting companies as obtained from the EATTA register had been anticipated to take part in the study, only 20 companies were able to return the questionnaires given out to them. This forms a study sample of 55.56% of the target population.

3.5 Data Analysis

The data collected was edited to ensure consistency across respondents and accuracy. A content analysis and descriptive statistics was employed. The content analysis was used to analyze the respondents' view about the effect of the Arab Revolution and the performance of the tea exporting firms in Kenya. Data was grouped into frequency distribution to indicate variable values and number of occurrences in terms of frequency. Frequency distribution table was an informative to summarize the data from the respondents.

To permit quantitative analysis, the data was coded and entries were made into the Statistical Package for Social Sciences (SPSS). The processed data were presented in form of tables, graphs and charts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The objective of the study was to determine the effects of the Arab Revolution and performance of the tea exporting firms in Kenya. The chapter presents an analysis of the data collected from a sample of 20 tea exporting firms in Kenya. Primary data were collected using an interview guide that focused on senior and middle level management staff at the tea exporting firms in Kenya.

Data analysis and report of findings was done using descriptive statistics in the form of frequency tables, percentages, mean and standard deviation. The study indicated that most of the interviewees had worked in the companies for a period between eight years and twenty five years. This is an indication that most of the respondents had thorough knowledge of the tea industry.

4.2 Respondent Organizations' Profile

The study first had to establish the companies' background so as to determine the number of years in the tea exporting business and the countries they export to. The researcher believes the firms' profile will indicate a clearer outcome of the effects of the Arab Revolution if any. The findings were discussed in Table 4.1 and 4.2.

4.2.1 Number of Years Operating in Kenya

The study needed to determine when the respondent company was incorporated to demonstrate the quality of experience in tea exporting trade they could have gained over the years. From this information, the number of years of operation was computed for each organization. The results obtained are summarized in Table 1.

Table 4.1: Number of Years in Operation

Years of Operation	Frequency	Percentage
Over 20	11	55
11 ó 20	7	35
3 ó 10	2	10
Total	20	100

Source: Research Date (2014)

Results of the analysis show that all the respondent companies had at least 3 years of experience in the tea exporting trade. It further shows that 18 (90%) of the sample had over 10 years experience in this business which shows that most of the respondent companies had been in the trade long enough to be able to understand the tea market and its environment. The study also established that 4 other tea exporting companies apart from the 20 respondents had stopped operations and that these companies were less than 3 years in the tea business.

4.2.2 Companies' Exporting Countries

The respondents were asked which the main countries they export to were. Table 2 shows the response.

Table 4.2: Exporting Countries

Exporting Countries	Frequency	Percentage
Multiple	12	60
Middle East	5	25
Africa	3	15
Total	20	100.0

Source: Research Date (2014)

The results showed that 12 (60%) of the sample exported to multiple countries such as North Africa, Asia and the Europe. Out of the 20 respondents 17 (85%) companies exported to at least one Middle Eastern or North African country. 3 (15%) exported their tea to other African countries only. This shows that if the Arab Revolution had any effect on the tea exporting companies, then majority of the respondents would be affected.

4.3 Business Environment

The environment is what gives organizations their means of survival and also a source of threats. It is vital that managers analyze their environments carefully in order to anticipate and if possible influence environmental change (Johnson et al, 2008). The research therefore attempted to inquire on the respondents understanding of their business environment. The findings are discussed under each variable.

4.3.1 External Environment

External environment largely influences the performance of any organization. The respondents were asked to point out existing state of the external business environment for the last six years and the findings are shown Table 3.

Table 4.3: External Environment

External Environment	Frequency	Percentage
Continuously changing	6	30
Unpredictable	13	65
Relatively Stable	1	5
Total	20	100.0

Source: Research Date (2014)

The results of the respondents' evaluation of their company's business environment shows that 13 (65%) of the respondents consider the environment to be unpredictable

while 6 (30%) showed that the environment was continuously changing. This indicates that majority of the respondents consider the external environment to be dynamic.

Further, the respondents were asked how often they surveyed their business environment for deviations and instabilities. This was to observe how the respondent companies were up to date with the changes in the external environment. Table 4 shows the response.

Table 4.4: Survey Environment

Survey Environment	Frequency	Percentage
Weekly	15	75
Monthly	3	15
Quarterly	2	10
Total	20	100.0

Source: Research Date (2014)

According to the information obtained from the respondents, 15 (75%) of the sample survey their business environment on a weekly basis. This response is brought about by the tea auction that takes place weekly. The other 25% that surveyed their environment monthly or quarterly, the study observed that these were small companies and would only look at the environment when they had a consignment to fulfill.

4.3.2 Changes in Tea Prices

Tea price in the industry is one of the most important variables that is used to analyze the trade's performance. There is no single indicator price for tea other than through the auction system, where the price of tea from each estate is determined according to quality, supply and demand of the day. The respondents were asked if the tea prices have changed for the past six years and how have the changes been over the period. All the 20 respondents agreed that the price indeed changed and have been declining for the past six years.

According to EATTA, tea prices are currently at the lowest level within the last 10 years. The tea trade moved to a state of oversupply that has kept a downward pressure on prices for the last two years and this is the root cause of the low prices.

4.4 Effects of the Arab Revolution

The main objective of the study was to determine if there were any effects of the Arab Revolution on the tea exporting firms in Kenya. The research therefore attempted to inquire three possible effects that the Arab Revolution could pertain to the firms. The findings are discussed under each effect.

4.4.1 Exports

Respondents were required to indicate how exports have been affected by the Arab Revolution and Table 5 summarizes the finding.

Table 4.5: Effects on Exports

Effects on Exports	Frequency	Percentage
Decreased total exports	13	65
Decreased exports to Arab countries	5	25
No effect	2	10
Total	20	100.0

Source: Research Date (2014)

According to the response 13 (65%) of the sample say that their total exports decreased. 5 (25%) of the respondents indicated that only their exports to the Arab countries declined while 2 (10%) say there was no effect on them during the Arab Revolution. This shows that a majority of 90% agree that their exports decreased hence showing the effects on the firms' exports in general.

4.4.2 Prices

The study had already analyzed the price changes during the past six years (June 2008 to June 2014) but the respondents were asked if the price change was caused by the Arab Revolution. It has been established that the prices declined due to oversupply and low demand of the tea. Table 6 explains why it is so.

Table 4.6: Effects on Prices

Effects on Prices	Frequency	Percentage
Has caused a decline in tea prices	18	90
No effect	2	10
Total	20	100.0

Source: Research Date (2014)

90% of the respondents showed that the decline in prices was caused by the Arab Revolution. EATTA explains that Egypt imports 23% of the total Kenya's tea exports volume. The political and social unrest faced by Egypt has reduced the total exports by 10% hence causing the price to decline and get to its lowest level in decades.

4.5 Response to the Arab Revolution

An inquiry was made to the respondents on how their organization responded to the effects of the Arab Revolution. This query would assist the study to understand the degree of importance this issue carried out in the tea industry in Kenya. The responses are summarized in Table 8.

Table 4.7: Response to the Arab Revolution

Response to the Arab Revolution	Frequency	Percentage
Sought other alternative foreign markets	10	50
Sought alternative domestic markets	2	10
Cut down productivity	4	20
Stored the produce to wait for the market to stabilize	4	20
Total	20	100.0

Source: Research Date (2014)

The response shows that 10 (50%) of the respondents sought other alternative foreign markets while 2 (20%) sought alternative domestic markets. 20% of the firms sampled cut down productivity and the other 4 (20%) stored the teas to wait for the market to stabilize.

The respondents were then asked how they viewed the Arab Revolution issue and Table 7 shows the finding.

Table 4.8: SWOT

SWOT	Frequency	Percentage
Strength	2	10
Weakness	8	40
Opportunity	6	30
Threat	4	20
Total	20	100.0

Source: Research Date (2014)

8 (40%) of the respondents indicated that the Arab Revolution was a weakness and this was because most of their exports were affected due to this issue. 6 (30%) viewed the Arab Revolution as an opportunity. 2 (10%) of the sample saw the Arab Revolution as a strength since they did not export to the Arab countries. This allows them to purchase the teas at low prices and export to the countries not affected by this revolution. The rest 4 (20%) felt that the issue was a threat to their organization.

4.6 Performance of Organizations

Measuring the performance of a company is challenging. Researchers (Buckley et al., 1988; Littler, 1988; Day and Wensley, 1988) disagree about how to both define and operationalize performance. Most studies on organizational performance use a variety of financial and non-financial success measures. Hence, the respondents were asked to indicate the changes of their companies' annual turnover for the past six years.

Table 4.9: Annual Turnover

Annual turnover	Frequency	Percentage
Increased	4	20
Constant	2	10
Declined	14	70
Total	20	100

Source: Research Date (2014)

Findings in Table 9 show that whereas 70% of the respondents indicated that their companies' turnover declined, 10% indicated that their annual turnover remained constant and 20% of the respondents indicated an increase in their annual turnover. These findings show that majority of the companies performed poorly during the period of the Arab Revolution.

The study went further to measure performance based on the growth rate of the companies' employees for the past six years and the respondents were asked to indicate whether the growth rate of employees had increased, declined or remained constant.

Table 10 summarizes the response.

Table 10: Employees Growth Rate

Employees Growth Rate	Frequency	Percentage
Increased	9	45
Constant	8	40
Declined	3	15
Total	20	100.0

Source: Research Date (2014)

The findings show that whereas 15% of the respondents indicated having a declined employees growth rate, 45% of the respondents indicated that their employees growth rate had increased, 40% of the respondents indicated that their growth rate was constant hence no changes over the past six years.

4.6 Discussion of Findings

In this chapter, an attempt has been made to integrate the information gathered from respondents from the 20 tea exporting firms in Kenya. The results of the analysis of data obtained from questionnaires administered to the respondents secluded various issues related to effects of the Arab Revolution and the performance of the Kenya tea exporting firms. The result showed that the respondents classified their firms' business environments as dynamic and ever changing, is full of uncertainties including threats and opportunities. Due to this, these exporting firms indicated that they surveyed their environment weekly. The respondents' classification of their environment echoes the sentiments of Haberberg & Rieple (2008) who stated that it is important for managers to understand the environments in which they operate, since these have major influence on what their organizations need to do in order to survive and succeed.

The study also revealed that all the 20 tea exporting firms in Kenya agreed that the tea prices have been declining for the past six years. Majority of the respondents indicated that the price decline was caused by the political instability in the Arab world. The study further revealed that exports declined and so did the companies' annual turnover during that period. Hence the outcome of the study agrees with Jong-a-Pin (2009) where he finds that higher degrees of political instability lead to lower economic growth. As regards to private investment, Alesina and Perotti (1996) show that socio-political instability generates an uncertain politico-economic environment, raising risks and reducing investment.

Further, the study established that due to low export levels, the tea exporting firms sought other alternative foreign markets that were more political stable than the Arab world. This

agrees with Ansoff's strategic success hypothesis that stipulates that a firm's performance potential is optimum when the aggressiveness of its strategic behavior matches the environmental turbulence; the responsiveness of its capabilities matches the aggressiveness of its strategies, and when the various components of its capability are supportive of one another. Levels of turbulence will therefore determine the type of response an organization needs to execute in order to survive and succeed (Perrot, 2008).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This study was undertaken with the objective of determining the effects of the Arab Revolution and the performance on the tea exporting firms in Kenya. This chapter presents a summary of the findings gathered from the analysis of the data. Conclusions have been drawn from the study and recommendations put forward as well as limitations and suggestions for further studies.

5.2 Summary

The study sought to investigate the effects of the Arab Revolution and the performance on the tea exporting firms in Kenya. The sample consisted of 20 exporting firms and involved senior personnel at the management level as the respondent. The study found out that majority of the tea exporting firms have been in tea trade for over ten years, a significant period for them to have mastered the dynamic environment exposed to the tea market. Most companies exported their teas to multiple countries and mostly including at least one Middle Eastern or North African country.

Further it was realized that majority of the tea exporting firms felt that the external environment was changing either continuously or the change was unpredictable. Due to the dynamic environment faced by the tea exporting firms the research established that many of these companies surveyed their environment on a weekly basis. Chi-square test carried out on the relationship between demographic characteristics and effects of the

Arab Revolution showed that while there was no significant relationship between effects of the Arab Revolution and when the company was started, there existed a significant relationship between effects of the Arab Revolution and company's external environment.

All the respondents revealed that for the past six years tea prices have been declining although not all agree that the declining prices were caused by the Arab Revolution. The study found that the tea prices are currently at its lowest level. Also, majority of the tea exporting firms in Kenya decreased their total exports and exports to the Arab countries during the six year period.

The study established that most of the respondents' firms sought other alternative foreign markets in order to survive in the tea industry while other firms cut down productivity and some stored the produce to wait for the market to stabilize. Although some of the tea exporting firms viewed the political instability in the Arab world as strength in their organization, the study also revealed that most of the tea exporting firms viewed the Arab Revolution a weakness and felt that they were more vulnerable to these changes. Finally, the research established that annual turnover declined for the past six years but majority of the tea exporting firms increased their employees' growth rate.

5.3 Conclusion

This study analyzes the effects of political instability on performance of the tea exporting firms in Kenya. Conclusions of the study findings were made based on the relationships that were established for each of the different research questions. From the summary, it can be concluded that trends in the company performance were the major source of the effects of the Arab Revolution on the tea exporting firms in Kenya.

Given the performance decline of the tea prices and the annual turnover during the political instability in the Arab world, the study conducted concludes that Kenya's tea exporting firms were affected. The research established that these effects forced the firms to either sought out other alternative foreign markets or stored their produce to wait for the market to stabilize.

In line with the literature, the study established that political instability significantly reduces a firm's performance. The study saw that the firms with wider variety of countries they export to were less affected in the past six year. Most of these firms exported to more political stable countries. Also, it was established that 4 tea exporting firms had closed down during the last 3 years.

5.4 Recommendation

From the observation made in the course of this study, it is recommended that the tea exporting firms in Kenya should look for increased markets globally that will create demand which will absorb Kenya's excess production. Firms should diversify their

clientele profile to mostly export to countries that are not at high risk of political instability. The firms should also invest more in environmental assessment to enable them gather adequate information which would enhance their response speed by minimizing uncertainties.

Policies and regulations should be put in place that can stabilize the business environment. The strength of the local currency in relation to the dollar should also be stabilized. Policies should be put in place that will cushion the local industry players against strategic shocks like political instabilities around the globe.

5.5 Limitations of the Study

The findings of this research were limited due to some factors arising in the course of the study. The biggest challenge in conducting the study was due to the fact that most companies would like to keep their internal information confidential because they would use them to gain competitive advantage. Therefore, the respondents were not very willing to disclose their exporting countries and annual turnover in some cases or give details of how they have implemented their responses.

It was also difficult to convince the respondents that the information given was basically for research purposes. They feared that the information given could reflect negatively on the performance of the company in future.

The method used to collect data also had its challenges because most respondents found it difficult to fill and return the questionnaire. Most respondents preferred to hurriedly reply to the questions verbally on phone. The other challenge was on accessing the senior managers of the firms therefore, in some cases the study relied on data from middle level managers, which may have limited the research findings.

5.6 Suggestions for Further Research

The researcher would recommend further study in this area with an extension of the entire tea trade in Kenya such as to include all the players of the tea trade from the tea farmers, to the brokers up to the local producers. Whereas the current study focused on the effects of the tea exporting firms and its performance in Kenya, future studies should seek to establish whether or not the Arab Revolution affected the performance of other sectors of the economy.

Lastly, the environment is dynamic and keeps changing overtime. With these political changes, the performances were expected to change. Therefore, further studies could be carried out on the tea exporting firms in Kenya to identify how the companies would alter their strategies to other changes in the environment in future and also to found out whether these strategies affect the performance of the firms.

5.7 Implication on the Study

This study contributes to the empirical literature on the effects of social conflict and political instability on economic growth in other countries. The study suggests that policy makers in the tea exporting firms are rightly concerned about stability and economic growth in other countries. Substantial increase in political instability in other countries lowers tea demand for exports in Kenya. The study confirms that those tea exporting firms highly dependent on the MENA countries are more vulnerable to the impact of political violence.

Political instability indicators used in previous studies often do not reflect the concept the researchers have in mind when they examine the effect of political instability on economic outcomes. There is an additional incentive for policies, which aim to contain political violence and aim to achieve stability and peace. This study suggests that policy makers should also be concerned about the negative effects of political violence outside their own country, but within their region. Violent conflict is well known to be detrimental to economic growth in developing countries at least in the short run (Murdoch and Sandler 2002) and the negative impact on the tea exporting industry in Kenya is one of the ways in which violent conflict harms the economy

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APPENDICES

Appendix I: Letter of Introduction



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DATE: 27TH SEPTEMBER 2014

TO WHOM IT MAY CONCERN

The bearer of this letter, **Fatma Al-Beity** of Registration Number **D61/80409/2012** is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

She is required to submit as part of her coursework assessment a research project report. We would like the student to do her project on ***Effects of the Arab Revolution and Performance of the Tea Exporting Firms in Kenya***. We would, therefore, appreciate if you assist her by allowing her to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.



Zephaniah Ogero Nyagwoka

Administrative Assistant, School of Business-Mombasa Campus

Appendix II: Questionnaire

Section 1: Company Data

1. Name of organization: _____
2. When was the company incorporated? _____
3. Job title: _____
4. Which are the main countries your organization exports to?.....

Section 2: The Business Environment

5. How can you explain the developments in the external environment you are operating in the last five years?
 - i. Relatively stable ()
 - ii. Continuously changing ()
 - iii. Unpredictable ()
 - iv. Any other (please specify) _____
6. How often do you survey your business environment for deviations and instabilities?
 - i. Continuous ()
 - ii. Weekly ()
 - iii. Monthly ()
 - iv. Quarterly ()
 - v. Semi-annually ()
 - vi. Annually ()
 - vii. Other (please specify) _____

7. a) Have the prices of tea changed over the past five years?

1. Yes

2. No

b) If yes, how have the prices changed over the period?

- i. Increasing ()
- ii. Declining ()
- iii. Any other (please specify) í ...

8. What effects has the Arab revolution had on the performance of your company?

a) Exports

- i. Decreased total exports
- ii. Increased total exports
- iii. increased exports to Arab countries
- iv. Decreased exports to Arab countries
- v. No effect
- vi. Other (specify) í ...

b) Tea prices

- i. Has caused a decline in tea prices ()
- ii. Has caused an increase in tea prices ()
- iii. No effect
- iv. Other (specify) í ...

9. How did your organization consider the Arab Revolution Issue?

- i. Strength ()
- ii. Weakness ()
- iii. Opportunity ()
- iv. Threat ()
- v. Any other (please specify) í ...

10. How did your organization respond to the effects of the Arab Revolution on Tea markets?

(Tick all that apply)

- i. Sought other alternative foreign markets ()
- ii. sought alternative domestic markets ()
- iii. Cut down productivity ()
- iv. Stored the produce to wait for the market to stabilize ()
- v. Any other (please specify) í ...

Section 3: Performance

11. How has your annual turnover performed for the past five years?

- i. Increased ()
- ii. Constant ()
- iii. Declined ()
- iv. Other (please specify) í

12. How has the tea prices performed in the auction for the past five years?

- i. Increased ()
- ii. Constant ()
- iii. Declined ()
- iv. Other (please specify) í

13. How has your organizations growth rate of employees been for the past five years?

- i. Increased ()
- ii. Constant ()
- iii. Declined ()
- iv. Other (please specify) í

Appendix III: Tea Exporting Members of EATTA

1. Abbas Traders Ltd
2. Afribridge Trade Exporters Ltd
3. Africa Tea and Coffee Company Ltd
4. Afros Tea Limited
5. Al-Emir Ltd
6. Alibhai Rmaji (Msa) Ltd
7. Al-Itihad (1998) Ltd
8. Cargill Kenya Ltd
9. Chai Trading Company Ltd
10. Cofftea Agencies Ltd
11. Devchand Keshavji (Kenya) Ltd
12. Diamond Tea Exporters (K) Ltd
13. Global Teas and Commodities (K) Ltd
14. Gokal Beverages (EPZ) Ltd
15. Hydery (P) Ltd
16. Indo-African Tea Company (Kenya) Ltd
17. Imperial Teas (EPZ) Ltd
18. James Finlay Mombasa Ltd
19. Juja Coffee Exporters Ltd
20. L.A.B. International (K) Ltd
21. Lindop & Company (Kenya) Ltd
22. Lula Trading Co.
23. M.J. Clarke Ltd
24. Mombasa Advance Logistics Limited
25. Mombasa Coffee Ltd
26. Ranfer Teas (Kenya) Ltd
27. Sardia International Co. Ltd
28. Sasini Limited
29. Shakab Imports Exports Co. Ltd
30. Sondhi Trading Ltd
31. Stansand (Africa) Ltd
32. Suwad Enterprise Limited
33. Tanjal Tea Company Ltd
34. Unilever Tea Kenya Ltd
35. United (E.A) Warehouses Ltd
36. Van Rees bv

Source: EATTA Membership List, June 2014