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Corporate Social Capital and Performance of Certified Small Tea Producer Organizations in Kenya

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Abstract

The aim of this study was to investigate the relationship among fairtrade practices, corporate social capital, market innovation, and the financial performance of certified small producer organizations in emerging economies, with a focus on data from Kenya in East Africa. Specifically, the study aimed to explore how corporate social capital affects the financial performance of FT-certified small tea producer organizations. The research employed a descriptive cross-sectional design, gathering primary data through semi-structured questionnaires from 67 small tea producer organizations affiliated with the Kenya Tea Development Agency (KTDA). These organizations operate in 17 counties where tea cultivation occurs; collectively serving 560,000 smallholders in Kenya. Data analysis encompassed both descriptive and inferential statistics. The findings indicated a significant influence of corporate social capital on the financial performance of certified tea producer organizations, highlighting a notable association between these variables. This study contributes to theory, policy, and practice by enhancing our understanding of the relationship between performance and corporate social capital in the context of small tea producer organizations.

Keywords: *corporate social capital, organization performance, Kenya*

1. Introduction

Small tea producer organizations (STPOs) are pivotal to the economic landscape of both developing and developed economies. They not only contribute to national gross domestic product (GDP) growth but also play a crucial role in employment creation (Geiger & Eric, 2011). These organizations have significantly bolstered the socioeconomic development of various economies by providing employment, goods and services, and contributing to tax and export revenues. In developing countries like Kenya, STPOs, particularly in agriculture and manufacturing sectors, are vital for economic growth, livelihood support, social stability, and economic diversity. Kenya, in particular, relies heavily on its tea industry, which is integral to achieving its Vision 2030 goals. Annually, Kenya produces approximately 350 thousand tonnes

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of tea, accounting for 10% of global tea production. The tea sector contributes 4% to Kenya's GDP and 10% to its Agricultural GDP. Moreover, tea exports constitute 17% of Kenya's export earnings and directly or indirectly employ over 3 million people. Despite the presence of large-scale estates, the majority (62%) of Kenya's tea output comes from more than 560,000 independent smallholder farmers. Fairtrade certification, spearheaded by the European Fair Trade Organisation (EFTA), has been instrumental in helping small-scale producers in developing countries like Kenya access international markets by promoting ethically produced products such as tea. However, challenges remain, as noted in the Tea Board of Kenya's (2020) annual report, which highlights issues like overreliance on one product (black CTC tea) and minimal value addition. Given the critical role of STPOs in Kenya's tea sector and broader economy, there is a pressing need for independent research studies focusing specifically on small tea producer organizations. Existing literature suggests a gap in studies that focus into the unique challenges, opportunities, and impacts of these organizations within the tea industry. Research in this area could provide valuable insights into enhancing fairtrade practices, leveraging corporate social capital for market innovation, and ultimately improving the performance and sustainability of small tea producer organizations in Kenya and similar contexts. While STPOs in Kenya make significant contributions to economic development and sustainability, continued research and strategic interventions are essential to address current challenges and optimize their potential impact on both local communities and the global market.

1.1 Research Problem

The concept of corporate social capital has emerged as crucial for enhancing businesses' competitiveness, profitability, and growth in various industries. Corporate social capital encompasses the network of relationships, trust, and social interactions that enable firms to achieve strategic objectives effectively (Lee & Cowling, 2012). It is associated with fostering innovation and supporting transformative processes within organizations. Additionally, extensive research underscores a positive correlation between corporate social capital and firms' sustainability, highlighting its pivotal role in ensuring organizational longevity (Greene, 2016).Corporate social capital facilitates improved communication, enhances collective actions, optimizes stock management, utilizes intellectual capital efficiently, and provides better access to resources necessary for organisation expansion (Adler & Kwon, 2012). Moreover, it promotes the flow of information and encourages innovation, particularly beneficial for start-ups looking to enhance their overall performance (Fort & Ruerd, 2009).Despite significant scholarly attention to corporate social capital in broader contexts, there remains a noticeable gap regarding its specific impact on small tea producer organizations. Existing studies predominantly focus on developed economies such as the United States and Europe, with limited exploration in developing economies like those in Asia (Varis & Littunen, 2010). Particularly in East Africa, there is a dearth of research on how corporate social capital influences small tea producer organizations. Therefore, this study aims to investigate the relationships between corporate social capital and the performance of small tea producer organizations in Kenya. By addressing this gap in the literature, the research seeks to provide insights into how social capital dynamics affect the operational efficiency, sustainability, and growth of small tea producers in the Kenyan context. Understanding these dynamics is crucial for enhancing the performance and sustainability of small tea producer organizations, thereby contributing to broader economic development and social welfare in the region

1.2 Research Focus

This study aimed to address the following research question: What is the impact of fairtrade practices, corporate social capital, and market innovation on financial performance certified small producer organizations in Kenya? Specifically, one of the study's objectives was to evaluate the influence of corporate social capital on the performance of certified small producer organizations.

2. Literature Review

Corporate Social Capital (CSC) encompasses the network of relationships, trust, and social interactions that a firm builds with its stakeholders, such as employees, customers, suppliers, investors, and the wider community. This intricate web of connections and resources is increasingly recognized as a potent driver of positive influences on overall organizational performance. Researchers and institutions have recently intensified their focus on the theory of social capital, underscoring its pivotal role in shaping modern organizations (Dai & Zhao, 2015).

The concept of corporate social capital has garnered significant attention across diverse studies. It is regarded as the cohesive force that binds institutions together, facilitating the accumulation of resources through durable networks of relationships (Fraser & Alberto, 2014). Within organizations, corporate social capital manifests in varying degrees among different groups, high, medium and lower responsibility groups—each experiencing distinct levels and features of social capital benefits (Garcia & Ruiz, 2018). These distinctions are attributed to the dimensions of social capital, which include structural, cognitive, and relational aspects (Tasdemir & Bahar, 2017).From a content perspective, the structural dimension lays the foundation for relational and cognitive dimensions. Meanwhile, cognitive dimensions enable the development of relational bonds within organizations (Davidson, Dai, & Honig, 2016). From a process perspective, Tasdemir and Bahar (2017) identified four drivers—stability, closure, interdependence, and interaction—that foster the creation and evolution of social capital within organizations. Research has consistently shown a positive correlation between social capital and organizational sustainability across all dimensions. For entrepreneurs and managers, cultivating strong ties in social, organizational, and personal networks is crucial for leveraging social capital effectively (Bacon & Christopher, 2010). Enhanced social capital among organizational members facilitates knowledge sharing and idea transfer, thereby improving organizational performance (Antonioli et al., 2016).

Studies also highlight the role of social capital in enhancing internal communication and organizational effectiveness. Baumann and Nikolai (2012) concluded that higher social capital correlates positively with corporate performance. Araujo and Easton (2012) emphasized that social networks serve as vital sources of information and knowledge, complementing employee experiences and impacting organizational performance. In specific sectors, such as the Kenya textile industry studied by Batjargal and Yi (2008), social capital was found to significantly enhance organizational productivity. This finding underscores the broader applicability of social capital theory across different organizational contexts. For Small Tea Producer Organizations (STPOs), social capital plays a crucial role in improving performance by reducing transaction costs and enhancing operational efficiency. By fostering cross-functional relationships and facilitating quicker decision-making processes, social capital directly contributes to the overall efficiency and effectiveness of STPOs. In understanding and harnessing corporate social capital can lead to substantial benefits for organizations, particularly in sectors like small tea production where collaborative relationships and efficient operations are essential for sustainable growth and competitive advantage.

2.1 Conceptual Model

The conceptual framework for this study is depicted in Figure 2.1, illustrating the relationship between corporate social capital and the financial performance of small tea producer organizations.

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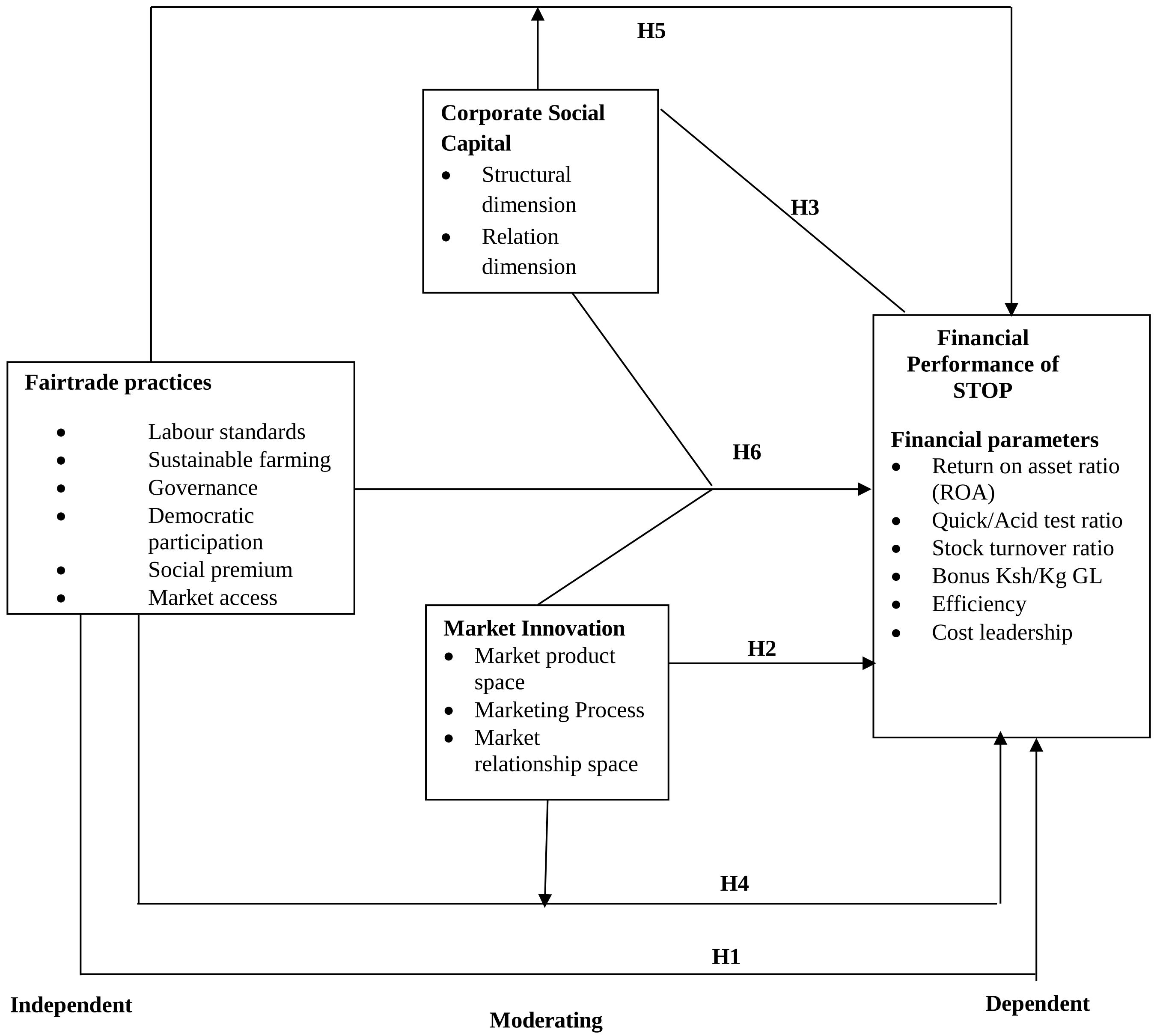

Conceptual Model and Hypotheses:

The conceptual model and hypotheses were formulated to align with the study objectives. They were derived from an extensive literature review and conceptual framework, focusing on key aspects:

Hypothesis*: H_2: Corporate social capital does not significantly influence financial performance of certified small tea producer organizations in Kenya.*

This hypothesis was developed to explore the relationship between corporate social capital and the performance outcomes of certified small tea producer organizations within the Kenyan context.

3. Methodology

This study adopts positivism as its underlying philosophy, emphasizing reason, truth, and validity. Positivism employs a deductive approach, using empirical data to test theoretical concepts and patterns. The research is guided by established theories, focusing on testing hypotheses and exploring relationships between variables. Positivism was selected for its systematic approach to hypothesis testing, which aligns with the objective and structured nature of this research. The research employs a deductive approach, starting with theories and hypotheses derived from existing literature and frameworks. This approach allows for the systematic testing of relationships and predictions using empirical data collected from certified small tea producer organizations in Kenya. The primary objective is to test hypotheses related to the impact of variables such as fair-trade practices, corporate social capital, and market innovation on the performance of certified small tea producer organizations. Positivism was chosen because of its emphasis on empirical evidence and rigorous testing of hypotheses. This philosophy ensures that the research findings are grounded in data-driven insights, contributing to a deeper understanding of the factors influencing organizational performance in the context of small tea producers in Kenya. By grounding the study in positivism and employing a deductive approach, this research aims to provide valuable insights into how theoretical concepts translate into practical implications for small tea producer organizations. The structured methodology ensures the reliability and validity of findings, contributing to both theoretical advancements and practical applications in agricultural economics and development.

3.1 Research Design

The study employed a descriptive cross-sectional research design, chosen for its effectiveness in capturing data from the sample subjects. This approach allows for a snapshot understanding of the interrelationships between key elements within the organizational context. Adopting a cross-sectional design was crucial to achieving the research objectives, as it provides a broader view of the characteristics and features associated with specific subject populations, as argued by Cooper & Schindler (2014). This methodology facilitates a detailed exploration of the factors influencing organizational dynamics and performance within the study.

3.2 Sample of Research

This study focused on all small tea producer organizations under the Kenya Tea Development Agency (KTDA), operating across 17 counties where tea cultivation takes place and serving approximately 560,000 smallholders in Kenya. These organizations are categorized into seven regions: Aberdare Ranges 1, Aberdare 2, Mt. Kenya, Highlands of Kisii and Kericho, Mt. Kenya & Nyambene Hills, and Nandi Hills &

Western Highlands. The selection of this population was guided by KTDA's assertion that these organizations are likely to have adopted fair-trade practices. Within these specified regions, KTDA records for the year 2023 indicated a total of 67 small tea producer organizations in Kenya. A census approach, where the entire population is included, was deemed appropriate due to the manageable size of the population. This methodological decision aligns with recommendations from scholars such as Creswell (2014), who advocate for census studies when dealing with small populations. Moreover, Mugambi et al. (2021) emphasize that census studies provide broader insights into specific populations, ensuring thorough coverage without overlooking any segment.

3.3 Data collection and Procedures

Data collection for this study involved a combination of secondary and primary sources to ensure in depth insights into the performance of small producer organizations (STPOs) under the Kenya Tea Development Agency (KTDA).

3.3.1 Primary Data Collection

Semi-structured questionnaires were utilized as the primary method of data collection. These questionnaires were designed to gather detailed information directly from representatives of the small tea producer organizations. The structured format of the questionnaires allowed for consistency in data collection across all participating organizations. This approach facilitated the collection of specific insights into organizational practices, including their adoption of fairtrade practices, corporate social capital, market innovation, and overall performance metrics.

3.3.2 Secondary Data Collection

Secondary data was sourced from audited annual reports and financial statements of the STPOs operating under KTDA. The data covered the financial years ending June 30, 2019, to June 30, 2023. This timeframe was chosen to provide a comprehensive view and enable a trend analysis of the performance indicators over a four-year period. Secondary data analysis focused on extracting quantitative metrics related to financial performance, market trends, and other relevant organizational metrics.

Data for this study was gathered from a combination of secondary and primary sources. Semi-structured questionnaires were employed for primary data collection, while secondary data was sourced from audited annual reports and financial statements of small producer organizations (STPOs) under the Kenya Tea Development Agency. The data spanned from the financial year ending June 30, 2019, to provide a trend analysis up to the financial year ending June 30, 2023, facilitating a assessment of STPOs' performance.

4. Data Analysis

The data analysis phase of this study involved several systematic steps to prepare and interpret the collected data effectively. Initially, the data underwent thorough examination, cleaning, and organization to ensure its reliability and suitability for further investigation and decision-making. Outliers and incomplete data points were identified and removed during the cleaning process to enhance data accuracy. The analysis was structured into two main stages. Firstly, descriptive analysis was conducted to summarize the distributions of variables and provide an overarching view of the study factors, such as fairtrade practices, corporate social capital, market innovation, and organizational performance. Subsequently, the study delved into examining the relationships between these variables. Multiple and simple regression analyses were employed to assess both direct and indirect relationships. The coefficient of determination (R^2) was used to measure how much variance in the dependent variable could be explained by the independent variables, while the F-statistic evaluated the overall significance of the regression model. Furthermore, causal relationships were investigated through path analysis, utilizing bivariate and multivariate linear regression analyses to explore the intricate connections among variables and uncover pathways influencing organizational performance within the context of small tea producer organizations. This approach to data analysis aimed to provide insights into the factors driving performance outcomes, contributing to a deeper understanding of the dynamics within the tea sector in Kenya.

4.1 Results of Research

The primary data collection for this study involved distributing 67 questionnaires to identified small tea producer organizations, resulting in a response rate of 95.5% with 64 questionnaires returned. Various strategies, including follow-ups and physically collecting dropped questionnaires, contributed to achieving this high response rate. Additionally, the study received endorsement from the Kenya Tea Development Agency (KTDA) through a supportive letter, facilitating cooperation from the organizations. According to Mugenda and Mugenda (2003), response rates above 70% are considered highly suitable for data analysis and can reliably inform comprehensive study conclusions. In terms of organizational demographics, the study found that among male respondents, 68.7% had dedicated 26 years or more to their respective organizations, indicating a prevalence of experienced male leadership. In contrast, female respondents showed a different tenure distribution, with 20.5% reporting service of 11-15 years, and comprising 31.3% of the total female respondents. Notably, no female respondents fell into the category of 26 years and above, highlighting a potential gender disparity in senior organizational roles. Approximately 1.6% of respondents represented firms operational for less than 10 years, suggesting a presence of relatively newer organizations in the sector. Conversely, a significant proportion (51.5%) had been operational for 20 to 50 years, with 46.9% boasting more than 51 years of operation, underscoring the prevalence of well-established entities. This diversity in organizational age prompts further examination of its implications for performance and strategic positioning.

Sarvan (2013) suggests that older firms can capitalize on their accumulated experience and established reputation within the industry and community. The data also revealed a strong emphasis on outreach, with 96% of organizations operating at 11 or more centers. Notably, half of the Small Tea Producer Organizations (STPOs) maintained 31 or more buying centers, indicating extensive community engagement. High levels of outreach suggest robust social performance, facilitating increased income generation for small-scale tea farmers and their communities. Overall, the study's premise that corporate social capital does not significantly influence the performance of certified small tea producer organizations in Kenya is informed by these findings. The detailed demographic and operational insights obtained underscore the complexity and potential impacts of organizational characteristics on performance outcomes within the small tea producer sector

The central hypothesis of this study posited that that corporate social capital does not have a significant influence on organisation performance of certified small tea producer organizations in Kenya. To investigate this premise, the research employed a structured approach, focusing on gathering and analysing data from a sample of small tea producer organizations under the Kenya Tea Development Agency (KTDA). The study aimed to explore various facets of organizational performance, including financial metrics, market innovation, and the adoption of fairtrade practices, to determine the extent to which these factors are influenced by corporate social capital. By examining these relationships, the study sought to contribute insights into the dynamics shaping the operational effectiveness and sustainability of small tea producer organizations within the Kenyan context.

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Table 2: Summary of Research Objective, Hypothesis and Conclusions

Objective	**Hypothesis**	**Pearson's Product Moment Correlation (r)**	**R**	**R^2**	**Levels of Significance (p-value)**	**Conclusion**
Determine the influence of Corporate social capital and financial performance of certified Small tea producers organization in Kenya	H_2:Corporate social capital does not have a significant influence on financial performance of certified small tea producer organizations in Kenya	.723	.532	.283	.000	H_2 was not supported

Table 2 presents a summary of the research objective, hypothesis, and conclusions regarding the influence of corporate social capital on the performance of certified small tea producer organizations in Kenya. The objective was to determine this influence through the hypothesis that corporate social capital does not significantly impact the performance of these organizations. The Pearson's Product Moment Correlation coefficient (r) was calculated to be .723, indicating a strong positive correlation between corporate social capital and organizational performance. The coefficient of determination (R^2) was .532, suggesting that 53.2% of the variance in organizational performance can be explained by corporate social capital. The associated p-value was .000, which is less than the conventional significance level of .05, indicating that the relationship observed is statistically significant. Therefore, the hypothesis (H_2) that corporate social capital does not have a significant influence on the performance of certified small tea producer organizations in Kenya was not supported by the data analysis. This conclusion is drawn from primary data collected and analysed for this study, highlighting the pivotal role of corporate social capital in shaping the performance outcomes of small tea producer organizations in the Kenyan context.

4.2 Discussion of Results

The researcher developed a conceptual framework based on existing literature on corporate social capital and empirically examined the relationships among variables as per the study's hypotheses. The analysis revealed a positive and statistically significant relationship between corporate social capital and the performance of certified producer organizations in Kenya, with Fairtrade practices explaining 72% of the variation in organizational performance. The Pearson's Product Moment Correlation coefficient (r) of .723 indicated a strong association between corporate social capital and organizational performance. Many respondents highlighted that social capital enhances knowledge transfer among peers and improves mentorship and coaching within small tea producer organizations (STPOs), thereby boosting confidence and organizational success. In today's competitive business environment, maintaining competitiveness is crucial for achieving growth, underscoring the influential role of corporate social capital in organizational performance as initially hypothesized. While most respondents demonstrated a clear understanding of the benefits of corporate social capital, some acknowledged the investment of time and resources required to build and sustain these relationships. Therefore, small tea producer organizations are encouraged to prioritize the cultivation of meaningful social relationships among their workforce, while also managing potential drawbacks, to fully harness the benefits of these associations.

This study further explored the relationship between corporate social capital and organizational performance, revealing a robust and statistically significant connection ($R^2 = 0.283$) particularly evident in perceptual indicators of performance. This indicates that organizations that prioritize corporate social capital not only see tangible improvements in performance but also perceive enhanced performance subjectively. The study underscores the profound impact of corporate social capital on organizational behaviour and long-term performance outcomes. The findings highlight that the values and practices associated with corporate social capital significantly influence collective behaviours within organizations, thereby predicting their success over time. This research contributes to on-going discussions by emphasizing the importance of fostering a communicative and team-oriented corporate culture. Moreover, the study confirmed that social capital has a substantial and positive effect on the performance of small tea producer organizations

(STPOs) in Kenya. This suggests that increasing levels of social capital within these organizations are likely to enhance their overall performance, aligning with findings from previous studies such as those by Wang et al. (2014) and Waber et al. (2011). Social capital enhances STPO performance by reducing transaction costs and improving efficiency through strengthened interpersonal relationships and shared organizational vision (Tuan & Ngoc, 2016). Effective internal communication, as argued by Valkila and Anja (2010), further supports organizational focus and enhances strategic initiative performance through the optimal use of social capital. Thus, the effective utilization of social capital emerges as a critical factor in influencing the overall performance and strategic success of small tea producer organizations.

5 Conclusions

This section explores the implications of the research findings in relation to theoretical advancement, policy formulation, and practical applications for practitioners, aligning with the study's objectives and conceptual hypotheses. Additionally, it addresses the limitations encountered during the research and suggests potential areas for future investigation.

5.1 Theoretical Implications

The findings of this research have significant implications for integrative social contract theory, instrumental theory, and stakeholder theory. The study aimed to assess whether corporate social capital influences the performance of small tea producer organizations. The results affirm the hypothesized direct relationship, indicating that the corporate social capital phenomenon indeed impacts organizational performance, especially within the context of a developing country like Kenya. This study contributes theoretically by expanding the current understanding of the corporate social capital construct, considering specific behavioural dynamics prevalent in emerging markets. As a pioneering exploration of corporate social capital in Kenya, this research introduces a local perspective to the advancement of integrative social contract theory. It provides valuable insights into how social capital influences organizational performance, thereby enriching the theoretical foundations of the social capital concept. Unlike previous studies that often focused on individual variables in isolation or examined only a couple of variables concurrently (Lorenzo et al., 2016; Markelova et al., 2009), this study adopts an integrated approach. By investigating all key variables together, it offers a comprehensive view that enhances theoretical coherence and depth.

The current study employed a mixed-methods approach, combining both primary and secondary data sources. This methodological choice enabled a robust validation of findings, with primary data corroborated by secondary data to a significant extent. Unlike many studies in the field of corporate social capital (Deakin, 2007; Dragusanu and Nunn, 2014), this approach facilitated the alignment of primary data analysis with insights gleaned from secondary sources, thereby reinforcing the study's premise that corporate social capital influences organizational performance. Respondents identified key import markets for small tea producer organizations such as Egypt, UK, Pakistan, Iran, and the United Arab Emirates, aligning their behaviour with the corporate social capital phenomenon observed in the primary data, thus enhancing the reliability of the study's conclusions. Moreover, secondary data indicating a steady increase in export volumes and values in recent years suggests a strong association with the heightened influence of corporate social capital on organizational performance as established in this study.

Additionally, the study introduced a three-dimensional approach to analyse the relationship between corporate social capital, innovation, and the performance of certified small producer organizations. This methodological innovation was particularly suited to the descriptive research design employed, facilitating a comprehensive quantitative description of trends, attitudes, and opinions within the population. By allowing for accurate estimation of population parameters and subsequent generalization, as advocated by Barbieri (2013), the three-dimensional approach enhanced understanding of the variables studied. It also aligned with recommendations from Sproull (1995) on studying variables like attitudes and behaviours, where multiple dimensions provide a more nuanced perspective. This approach represents an advancement over traditional fair trade practices studies, which often focus on single-variable influences (Besser et al., 2011; Barham & Jeremy, 2012), thereby offering a more holistic view of how corporate social capital dynamics intersect with innovation and organizational performance in the context of small tea producer organizations. The study significantly contributes to the field of corporate social capital, addressing gaps where the degree and specific mechanisms of influence have remained unresolved (Mick & Murray, 2008), leading to a lack of a coherent conceptual framework on the construct. Through rigorous hypothetical testing, the study's developed conceptual framework offers applicability for examining the corporate social capital phenomenon, particularly in the context of other developing countries. The findings affirm earlier research indicating that corporate social capital indeed impacts the performance of small tea producer organizations, thereby enhancing the theoretical foundations of the social capital concept. This expansion of knowledge underscores how consumers utilize certified products as indicators of quality and acceptability (Glento et al., 2010). The study supports Glento's (2010) assertion that the rational or cognitive dimension of social capital—focused on ethical, sustainable, fairness, mutual benefits, and human rights—shapes perceptions of product quality. Furthermore, it aligns with Wang et al.'s (2014) contention that the perceived effect of social capital is particularly strong among consumers who prioritize fairness, mutual benefit, and sustainability in developing countries.

5.2 Policy Implications

The findings of this study hold significant implications at the national policy level. By introducing a global marketing and organizational performance dimension to the challenges faced by small tea producer organizations in Kenya, the research contributes valuable insights beyond the predominant focus on economic and managerial aspects within the local industry. This deeper understanding of additional influencing factors, particularly the impact of fairtrade practices which has been underexplored until now, facilitates the expedited development of holistic solutions. These insights are crucial for crafting practical strategies and policies aimed at enhancing the competitiveness and efficiency of the tea sector. Stakeholders including manufacturers, distributors, retailers, both local and international marketing practitioners, governmental bodies, NGOs, and other key players stand to benefit from these findings. Specifically, the study enriches the understanding of corporate social capital in the tea sector, aligning with Kenya Vision 2030's goals of attracting new local and global consumers and increasing market share through formal channels to drive GDP growth.

Moving forward, Kenya's strategy for revitalizing small tea producer organizations and the tea industry at large, which includes creating a conducive environment and improving efficiency, must now incorporate considerations related to fairtrade practices identified by this research. Government initiatives aimed at revitalizing the tea sector, such as the proposed Tea Reform Bill (2022) highlighted by Kamau (2023), can benefit from integrating insights into fairtrade practices to address industry challenges effectively. This integration will aid in formulating robust legal, policy, and administrative mechanisms that ensure farmers derive optimal benefits from their tea production. Moreover, stakeholders in the tea sector, including manufacturers, distributors, and retailers, will need to develop marketing policies and business strategies that align with the strong influence of fairtrade practices identified in this study. Understanding that consumers in key markets such as Egypt, UK, Pakistan, Iran, and United Arab Emirates prioritize fairtrade-certified tea underscores the importance of aligning products with these ethical standards. Furthermore, the study highlights the importance of marketing and retail strategies that emphasize fairtrade certification to meet consumer expectations for ethical consumption. It underscores the need for effective marketing programs aimed at changing consumer attitudes and behaviours, particularly in promoting local tea brands for domestic consumption. Overall, these implications suggest a shift towards more ethical and sustainable practices in the tea sector, guided by insights from this research into the significant influence of fairtrade practices on consumer preferences and organizational performance.

5.3 Implications for Practitioners

The implications of this study are multifaceted for practitioners and policymakers alike. Firstly, there is a notable dependency of small tea producer organizations on foreign markets for their products without value addition, which raises concerns for various governmental and organizational bodies such as the Brand Kenya Board, Kenya Investment Authority, Kenya Association of Manufacturers, Kenya Private Sector Alliance, and Kenya Association of Hoteliers & Caterers. To effectively promote the "Buy Kenyan build Kenya" campaign and shift consumer behavior towards local tea brands, comprehensive attitude and behavior change marketing programs are necessary. As Tuan and Ngoc (2016) argue, altering consumer attitudes involves

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learning and personal experiences, necessitating tailored strategies that influence consumer perceptions favorably. Moreover, the influence of corporate social capital on organizational performance identified in this study among Kenyan small tea producer organizations likely extends beyond the tea sector. This finding underscores the need for broader considerations across industries such as construction, agriculture, and cosmetics. Addressing these factors is crucial for Kenya's pursuit of global competitiveness and balanced trade as envisioned in Vision 2030 (Wang, 2014). The Kenya Tea Board, in particular, must develop effective marketing strategies that foster patriotism and national pride in locally made products, as recommended by Varis et al. (2010), who highlight the preference for locally made products when quality and price are comparable.
Furthermore, the competition faced by Kenyan tea from countries like Pakistan, Uganda, and Rwanda necessitates efforts to enhance local product quality and competitive pricing. The entrenched dynamics of fairtrade practices identified in this study underscore the importance of promoting value addition and quality in Kenyan tea, as noted by Decarolis (2016). Supporting local tea manufacturers such as Ketepa tea Company and treating the tea sector as a serious business endeavour, as suggested by Weber (2014), are critical steps toward sustaining and enhancing Kenya's tea industry. Additionally, this study contributes significantly to understanding the Kenyan tea sector by going beyond economic and managerial factors. By examining the global marketing dynamics and producer behaviours influenced by corporate social capital, the research sheds light on previously unexplored challenges within the fairtrade context. As Lee (2014) observes, in the era of globalization, understanding local dynamics in global markets is essential for sustainable economic development.

Finally, the moderation testing results highlight managerial implications, indicating that market innovation and dimensions of corporate social capital—structural, relational, and cognitive—affect organizational performance in small tea producer organizations. Therefore, marketing strategies should be tailored to align with product, process, and relationship aspects that significantly influence consumer behaviour towards fairtrade-certified products. Understanding varying consumer attitudes and beliefs is crucial for segmentation and targeting strategies, as emphasized by Greene et al. (2008), ensuring that marketing efforts resonate effectively with diverse consumer segments. In essence, these findings underscore the importance of integrated strategies and policies that consider corporate social capital dynamics and fairtrade practices to enhance the competitiveness and sustainability of Kenya's tea sector in both local and global markets.

5.4 Limitations of the Study

Although this study helped to shed light on the dynamics of corporate social capital influence on organization performance of small tea producer organizations in a key sector of the country, it was subject to a number of limitations. Primarily, the research was constrained by resource availability during the study period, leading to a focus solely on a segment of the tea sector comprising small tea producer organizations under the Kenya Tea Development Agency (KTDA). This limitation potentially restricts the generalizability of the findings to the broader tea sector, which includes multinational tea estates and privately owned small producers. However, once the study design was established, these constraints did not impede the research process. Due to time, cost, and operational limitations, data collection was restricted to primary and secondary sources from 67 small tea producer organizations. Insights were gleaned from management reports and financial statements, offering a snapshot of the variables and constructs under study at a specific point in time. Consequently, the findings may not be universally applicable over time, highlighting the need for longitudinal studies to capture dynamics over extended periods. Moreover, the study's scope was confined to a limited set of variables and constructs, focusing primarily on corporate social capital and organization performance within the tea sector context. This narrow focus overlooks potential influences from other factors that could provide deeper insights and explanations. Future research could explore additional variables to enrich understanding of corporate social capital dynamics and organizational performance in the tea industry. Furthermore, the reliance on quantitative methods exclusively may have constrained participant responses to predefined questionnaire items. This approach limits the depth of insights that could be gained from qualitative exploration where respondents have the opportunity to freely express multiple perspectives and experiences. In conclusion, while this study contributes valuable insights into the relationship between corporate social capital and organizational performance among small tea producer organizations in Kenya, its findings are tempered by these methodological and scope-related limitations. Addressing these limitations in future research endeavors could further enhance the understanding and applicability of findings in both academic and practical contexts.

5.4 Suggestions for Further Research

The findings of this study contribute significantly to the existing conceptual and empirical evidence that corporate social capital influences the performance of small tea producer organizations. Moreover, the study enhances current understanding by identifying three dimensions of this relationship—structural, relational, and cognitive. Future research should consider expanding upon these dimensions by including additional factors not covered in this study. This approach would provide deeper insights into the corporate social capital concept and its impact on organizational performance, thereby enhancing the robustness, generalizability, and validity of research findings. Given that this study captured insights at a specific point in time, future research opportunities include longitudinal and broader studies. These longitudinal studies would enable researchers to track changes over time and assess the enduring effects of corporate social capital on organizational performance. Furthermore, it is essential to replicate this study across different sectors within Kenya to ascertain whether similar relationships exist beyond the tea industry. Exploring other industries such as construction, agriculture, and cosmetics would provide a more comprehensive understanding of corporate social capital's influence across various economic sectors.

Expanding the scope of research to include other subsectors within the tea industry in Kenya is also recommended. This would help determine if the observed influence of social capital on organizational performance applies uniformly across different segments of the tea production sector. Additionally, replicating this study in other East African countries and the broader African continent is crucial. Countries within regional trade blocs like the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), and Southern Africa Development Community (SADC) could benefit from insights into fairtrade practices and their impact on organizational performance. To address the limitations of relying solely on quantitative methods, future research should incorporate qualitative approaches such as focus group sessions and structured interviews. Combining quantitative techniques with qualitative methods would enrich research designs, allowing for a more nuanced exploration of stakeholder perspectives and experiences. This integrated approach would yield more comprehensive and insightful findings, contributing to a deeper understanding of how corporate social capital influences organizational performance in diverse contexts and settings.

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