FACTORS AFFECTING THE GROWTH OF MULTI-NATIONAL ORGANIZATIONS IN KENYA: A CASE STUDY OF UBER TECHNOLOGIES

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT FOR THE AWARD OF THE DEGREE OF BACHELORS IN MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

SEPTEMBER 2017
DECLARATION

This report is my original work and has not been presented for a degree in any other University.

Signature ................................ Date.................................................

BML/11/00380/2/2015

Mucheru Esther Wamoro

This report has been submitted for examination with my approval as University Supervisor.

Signature ................................ Date.................................................

Professor Elijah Siringi

The Management University of Africa
DEDICATION

I would like to dedicate this work to my late husband Christopher T Jarrold who died while I was still pursuing this degree. I still remember his continuous support and encouragement. I would also like to dedicate this work to my children Lisa Ruth Wambui and Brian Kelly Nyagah for inspiring me to work hard.
in
ACKNOWLEDGEMENT

I wish to acknowledge the almighty God for his guidance and support through my studies even to this moment. I also wish to acknowledge the support and guidance plus timely advice of my supervisor Professor Elijah Siringi. I would also wish to acknowledge all the staff of School of Management and Leadership at The Management University of Africa for their dedication and support towards making my degree a success.
ABSTRACT

The purpose of this study was to determine the factors affecting the growth of multinational companies in Kenya basing its study on Uber Technologies. The study used three variables which included; Culture orientation, Government Policies and Economic Conditions. The study seeks to benefit the Uber company itself, the government of Kenya, customers of Uber as well as its competitors. The study used descriptive research design and data will be collected by use of questionnaires. The target population was 3132 respondents. The sample size was 312 respondents selected from the administration who were based in the office and drivers that were in the field. Stratified random sampling for the administrators and snowballing technique for the drivers were the sampling techniques used in the study. Results of the study findings was analyzed and presented in form of charts and through the use of qualitative and quantitative techniques. 250 questionnaires out 312 were well answered which represented 80% of the total questionnaires issued. The study indicated that there was a positive relationship between economic conditions, government policies and culture orientation on the growth of MNCs in Kenya. Economic conditions such as economic stability, availability of human resources, bilateral trade agreements, a liberalized economy, market availability indeed affect the growth of MNCs in Kenya. However, non-existence of similar business was not seen as a factor regarding the growth of MNCs in Kenya. Government policies such as credit policies on foreign companies, environmental laws, taxation policies on foreign companies indeed affected the growth of MNCs in Kenya. However, policies on acquiring properties by foreign companies, presence of quality control measures on technical assistance, government support and case of getting certificates, and intellectual property policies had no much effect on the growth of MNCs in Kenya. Cultural dimensions such as values and attitudes, customs and rituals, social conditions and cost structure indeed affects the growth of MNCs in Kenya. However, language and religion does not affect the growth of MNCs in Kenya. The study recommends that Kenya should focus of development other than politics to make its economy attractive. The issue of corruption may also be addressed so as to enhance the per capita income in the country. Taxation policies may be made friendly to the foreign investors and countries seeking to come to Kenya should ensure that they study the cultural patterns of Kenyans especially their buying behavior of consumers.
TABLE OF CONTENT

DECLARATION ........................................................................................................................................... ii

DEDICATION............................................................................................................................................... iii

ACKNOWLEDGEMENT............................................................................................................................ iv

ABSTRACT .............................................................................................................................................. v

TABLE OF CONTENT ............................................................................................................................. vi

LIST OF TABLES .................................................................................................................................... xi

LIST OF FIGURES ............................................................................................................................... xii

ACRONYMS AND ABBREVIATIONS ....................................................................................................... xiii

OPERATIONAL DEFINITION TERMS ................................................................................................. xiv

CHAPTER ONE ........................................................................................................................................ 1

INTRODUCTION ..................................................................................................................................... 1

1.0 Introduction ......................................................................................................................................... 1

1.1 Background of the study ...................................................................................................................... 1

1.2 Statement of the problem .................................................................................................................... 3

1.2.1 Profile of Uber Technologies ........................................................................................................ 4

1.3 Objectives ......................................................................................................................................... 5

1.3.1 General objective of the study ....................................................................................................... 5
1.3.2 Specific objectives

1.4 Research Question................................................................. 5

1.5 Justification of the study........................................................... 6

1.7 Scope of the study ..................................................................... 6

1.8 Chapter Summary ..................................................................... 7

CHAPTER TWO ............................................................................... 8

LITERATURE REVIEW .................................................................. 8

2.0 Introduction ............................................................................. 8

2.1 Theoretical Literature Review .................................................... 8

2.1.1 Product lifecycle theory......................................................... 8

2.1.2 The Eclectic theory ............................................................... 9

2.2 Empirical Literature Review ...................................................... 10

2.2.1 Culture orientation and growth of MNCs .............................. 10

2.2.2 Government policies and growth of MNCs ............................ 13

2.2.3 Economic conditions and growth of MNCs .......................... 15

2.3 Summary and Research gaps.................................................... 19

2.4 Conceptual framework ............................................................. 20

2.5 Operationalization of Variables ................................................. 21

2.5.1 Culture orientation ............................................................... 21
3.9 Chapter summary ........................................................................................................ 30

CHAPTER FOUR ........................................................................................................... 31

RESEARCH FINDINGS AND DISCUSSION .................................................................. 31

4.0 Introduction .............................................................................................................. 31

4.1 Presentation of research findings ......................................................................... 31

4.1.1 Response rate .................................................................................................. 31

4.1.2 Demographic characteristics ......................................................................... 32

4.1.3 Economic conditions ...................................................................................... 40

4.1.4 Government policies ...................................................................................... 45

4.1.5 Culture orientation ......................................................................................... 50

4.2 Limitations of the study ...................................................................................... 54

4.2.1 Finding respondents ....................................................................................... 54

4.2.2 Lack of cooperation ....................................................................................... 55

4.3 Chapter summary ................................................................................................ 55

CHAPTER FIVE ........................................................................................................... 56

SUMMARY, CONCLUSION AND RECOMMENDATION ............................................. 56

5.0 Introduction ............................................................................................................ 56

5.1 Summary of findings ........................................................................................... 56

5.1.1 To what extent does economic conditions affect the growth of MNCs in
Kenya? ................................................................................................................... 56
5.1.2 How does government policies affect the growth of MNCs in Kenya?

5.1.3 What is the effect of culture orientation on the growth of MNCs in Kenya?

5.2 Conclusion

5.3 Recommendations

5.4 Suggestion for further research

References

APPENDIX I

INTRODUCTION LETTER

APPENDIX II

QUESTIONNAIRE

x
LIST OF TABLES

Table 3.1: Table showing the target population

Table 3.2 Table showing the Sample size of the population

Table 4.1: Table showing the gender distribution

Table 4.3 Table showing employee position at work

Table 4.4: Table showing the level of education of respondents

Table 4.5 Table showing the stability of the economy of Kenya

Table 4.6: Table showing the extent of agreement to which some economic conditions influence the growth of MNCs

Table 4.7: Table showing whether economic conditions affect the growth of MNCs in Kenya

Table 4.8: Table showing the state of government policies in Kenya

Table 4.9: Table showing the extent of agreement on various statements regarding the effect of government policies on growth of MNCs in Kenya

Table 4.10: Table showing whether government policies affect the growth of MNCs

Table 4.11: Table showing whether culture affects the growth of MNCs in Kenya

Table 4.12: Table showing the extent of agreement of the effect of cultural dimensions on growth of MNCs in Kenya
LIST OF FIGURES

Figure 2.1: Figure showing the relationship between theories, independent and dependent variables

Figure 4.1: Figure showing the response rate

Figure 4.2: Figure showing gender distribution

Figure 4.3: Figure showing employee position at work

Figure 4.4: Figure showing the age distribution of respondents

Figure 4.5: Figure showing the level of education of respondents

Figure 4.6: Figure showing the stability of the economy of Kenya

Figure 4.7: Figure showing whether economic conditions affect the growth of MNCs in Kenya

Figure 4.8: Figure showing the state of government policies in Kenya

Figure 4.9: Figure showing whether government policies affect the growth of MNCs in Kenya

Figure 4.10: Figure showing whether culture affects the growth of MNCs in Kenya
# ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<td>MNCs</td>
<td>Multi-National Companies</td>
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<td>MGD</td>
<td>Millennium Development Goals</td>
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<tr>
<td>SGD</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>ROI</td>
<td>Return on Investment</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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**OPERATIONAL DEFINITION TERMS**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Economic conditions</td>
<td>The state of the economy in a country or region.</td>
</tr>
<tr>
<td>Culture orientation</td>
<td>Shared patterns of behaviors and interactions, cognitive constructs and understanding that are learned by socialization.</td>
</tr>
<tr>
<td>Government policies</td>
<td>A government policy is a rule or principle that hopefully better guides decisions, resulting in positive outcomes that enhance the community or unit.</td>
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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This section covers the reason behind the research, then the problem statement, objectives of the study, research questions, justification of the study and finally the scope.

1.1 Background of the study

According to the Business Dictionary, a multi-national company (MNCs) is an enterprise that is operational in multiple countries but managed from one home country. Basically, any organization or group which acquires over one quarter of the overall revenue from its operations beyond its borders of origin is actually termed as a Multi-National Company. They can be segmented into four major categories including: a multinational, decentralized corporation which is strongly recognized in the home country, a global, centralized corporation that gets cost advantage with the help of centralized production at any that there is an availability of cheaper resources; an international based company that comes forth on the parent corporation's technology or R&D; a transnational enterprise which brings together all the above processes(www.businessdictionary.com) The main aim of such multinational corporations is coordinating of the allocation of resources in its operations that is conducted internationally in order to encounter minimal cost of production and maximize revenue. However, before companies get to operationalize as multinational businesses, these firms also have to come up with market-entry strategies so that they can
be part of the completion with other forces in a foreign economy (Mutamba, 2012). On the contrary, each and every company has its own reasons for going international. However, all these companies normally follow a particular standardized entry to the market and the development in strategy. Where there is build up business and confidence there can be an encounter of turnover to a subsidiary that is directly controlled which is often enacted from market entry performed through an independent local partner. This approach to internationalization arises from the desire to come up with a business within the country within a short time keeping watch so that you may encounter minimal risk together with the need to get to know about the country and market from as little knowledge (Richaed P Biggs, 2013).

According to many multinational corporations (MNCs), the African continent is forgotten. The media has tarnished the continent’s name by characterizing as a hotbed of political unrest, malnutrition, as well as AIDS. Investors view Africa to be a potentially good market which may be as source for low costs encountered in the manufacturing of products. There are many MNCs which get to enjoy benefits such as profits which are sustainable from operations in the African market. To add, there are changes which are experienced slowly by slowly in most countries in Africa attracting investors to pay more attention to the continent (Quelch & Austin, 1993).

Nairobi is growing to be the African choice for companies that are multinational especially those in the services sector, looking for recognition in the continent. In the past recent years, global heavy weights in the service industry such as IBM, Google, advertising agency Nokia/Siemens, Huawei, etc. have put up hubs regionally or changed their opera-
tion which are done locally in service of sub-Saharan Africa. There are quite a number of factors that have worked to prove that they are beneficial to Kenya so as the other East African states. First and foremost, a common market which was created helped in the creation of an adhesive market whose population sums up to 130 million with that of the middle class being estimated to 30 million. Secondly, the peace treaty signed by the countries has been advantageous to the countries making the region safe and suitable for investment, which has therefore made the region a safe bet to invest in (www.careernation.com).

1.2 Statement of the problem

Markets that are internationally based rapidly transform and very often companies gear up to maintain their strategy. A deduction can be made that many companies which have operations conducted internationally will have market operations in a country that deal with a diversity of objectives. by basing products and services internationally, we can deduce that you are forming another business which is similar with the other therefore, with the set of new circumstances, you can be able to anticipate different demands, as well as expectations and also market needs. If you carry out an assignment and get assistance from locals and professionals, getting to another level and becoming global could ascertain to be a very smart move which could become profitable too. If you don’t not do the above, you might miss on sales increase and an increase in profits too. (Richaed P Biggs, 2013). The MNCs may have to undergo a lot of trials at this age of globalized world trade making many global economic programs corporations encounter failure because of various reasons in which, the main reason behind this failure the rivalry self- interests, and the
fact that the economic powers domineer the market. These multinational corporations display these traits and act as key sustainers of their position with the help of their influence economically and politically. The role of MNCs is quite significant on the formulation of policies in an economy. They also play a major role in a country’s development (UK Essays, 2015).

1.2.1 Profile of Uber Technologies

Uber Technologies Inc. is an American based technology whose headquartered in San Francisco, California, United States providing its services to 570 cities worldwide by developing markets and operating car transportation and food delivery by simply downloading through a mobile app. It has quite a number of services including; Uber POOL Uber X a service whereby a rider gets a privatized ride. Uber Go, which provides for a ride in a hatchback. Uber TAXI, which a customer is allowed to call for a taxi through Uber mobile software application. Uber EATS whereby meals are delivered by drivers who operate from registered restaurants. Uber RUSH which is a service for delivering packages, Uber BOAT, a service that serves customers with a taxi through the water way and "Uber CHOPPER"(Uber (Company), 2017).

In Kenya, Uber is one of the most affordable taxi services operating in all the major cities in the country with a minimum fare of KSH 300. Recently, the company’s announcement about the introduction of a service that is even more pocket friendly at half that price, KSH 250, drivers are now allowed to use cars that are older and lower in quality. So far, in Nairobi, Uber faces competition from Taxify, which is an Estonian company, as well as
Little Cab,

1.3 Objectives

1.3.1 General objective of the study

The general objective of this study was to establish the factors affecting the growth of Multi- National Companies in Kenya.

1.3.2 Specific objectives

The specific objectives of the study were:

i. To establish the effect of Culture orientation on the growth of Uber Technologies in Kenya.

ii. To determine the effect of Government Policies on the growth of Uber Technologies in Kenya.

iii. To determine the effect of Economic Conditions on the growth of Uber Technologies in Kenya.

1.4 Research Question

The following research question guided this study:

i. What is the effect of Culture Orientation on the growth of Uber Technologies in Kenya?

ii. How does government policies affect the growth of Uber Technologies in Kenya?

iii. To what extent does economic conditions affect the growth of Uber Technologies
in Kenya?

1.5 Justification of the study

The findings of this study will have great benefits to the competitors of Uber in Kenya. Through the information given, they will be able to analyze the pitfalls that this company is facing and as a result, they will be able to enhance themselves and compete against them.

The government of Kenya will also be able to benefit from this study whereby they will identify the challenges that MNCs face as they try to establish themselves in the country. As a result, they will be able to take the necessary measures and impose tariffs or even withdraw from some that may be unfriendly to the external investors in the country.

Uber Technologies Inc could as well benefit from this study both in Kenya and overseas, whereby they will be able to identify the best strategies that could be implemented towards expanding their market territories in Kenya and beyond.

The study could as well be useful to customers of Uber Technologies, whereby through this study they will be able to now understand the changes that are going on in the organization and also their plights in foreign countries.

Other researchers wanting to know the challenges affecting Multi-National companies will also be able to benefit from this study.
1.7 Scope of the study

The study was restricted to Uber Technologies Inc whose headquarters is at San-Francisco California USA. The study dealt with three variables which include; Culture Orientation, Economic Conditions and Government Policies. The company has a total of 12000 staff across the globe. The study took four months commencing from June 2017 to September 2017.

1.8 Chapter Summary

The section printed out the background of Multi-National Companies from a global, African and Kenyan point of view. A statement of the problem was also given. It came up with three variables namely; Culture Orientation, Economic Conditions as well as Government policies. A research question was also given, justification of the study and finally the scope.
2.0 Introduction

In this chapter, we shall discuss the theories related to factor growth of multi-national companies. It also provides an empirical literature review the summary and the research gap, the conceptual framework and also the operationalization of variables.

2.1 Theoretical Literature Review

2.1.1 Product lifecycle theory

This theory, first developed by Vernon in 1966, states that the home market is usually first to receive a new product. At the beginning, uniformity is lacked in the per unit cost and a product’s end specifications lacks standardization. With an increase in demand on this product or service, the product begins to standardize. When there is saturation at the home market, export of the product will take place. The firm looks for locations that the production cost is lower and sets up its subsidiaries when it encounters stiff competition from competitive firms and when the product reaches maturity. Therefore, FDI implies stages in the lifecycle of a product which is after the stage which maturity has been achieved. (Dunning, 1993). We see dynamism in Vernon’s product life cycle theory as to how it is concerned with changes that occur overtime despite this, we see that the theory lacks confirmation because of its lack of empirically verified evidence because some of the multinational companies begin their operations at home then set up outside its borders (Chen, 1983). However, this theory relates to this study in that it explains
Uber’s life cycle and how it came to Kenya (Were, 2013).

2.1.2 The Eclectic theory

The FDI is a theory which was developed by Dunning, it is recognized as the OLI paradigm. There are many costs incurred when operations are conducted in a foreign market and these “costs of foreignness” include incomprehension regarding the conditions in a local market setting, cultural costs and many others inclusive. These costs can be offset through the upper hand that foreign firms may have. Ownership advantage is a firm specific advantage, through it an advantage is given to it against its other competitors. The advantage in technology, not to forget that of in management techniques, easier access to finance, and capacity to coordinate activities. The Location advantage is an advantage that is enjoyed per country unlike ownership advantage (Soderstein, 1992).

In Dunning’s argument, we see that Eclectic paradigm has some relation with positive issues rather than normative issues. In this theory Dunning’s main intention is to explain “what is” rather than “what should be” the level and structure of foreign value activities of enterprises. The Electric theory denies some assumptions held by the audience to further rely on two types of market imperfections. In the first assumption, we notice a discrimination between the firm’s ability to put up with and acquire control over property rights to or to take charge of multiple geography all because of the failure of the structural market. in the second assumption, there is a failure of intermediate product markets in the transaction of goods and services at a cost that is lower as compared to those that might incur a hierarchy. Dunning makes a declaration and assumes that the existence of perfect markets has a contribution to the endowment factor coming up as a failure in the explanation of production that is done internationally (completely or
partially). According to the Eclectic model, the market’s inability to arrange transactions in an optimal manner can be reflected through three reasons. The buyers and sellers lack complete information or certainty about the nature and consequences of their transactions, during their entry to the market (Dunning, 2002). The market fails to account for the advantages and cost that come forth after a particular transaction, although this applies to transactions that are external to it. Although the demand of a product might have elasticity, it may not be large enough to enable the firm involved in production to capture the scope as well as geographical diversification and the size. Between the total cost value-added activities and offered opportunities, for emerging economies there is usually an inevitable tradeoff (Galbraith and Kay, 1986). In Kenya, the outcome of the tradeoff between Uber Inc and the local economy is eminent through the intangible firm specific advantages transferred by the company at low cost. These firm specific advantages are namely, technology and a big brand name. This tradeoff, among other pertinent elements of Eclectic theory, is what makes it duly applicable in this study.

2.2 Empirical Literature Review

2.2.1 Culture orientation and growth of MNCs

Customs and rituals, as well as values and attitudes and also language are social organizations that are dimensions of culture. (Kotler et al.). There is usually an intensive effect of social organization on business. These influences how a customer perceives a product and also it affects their behavior during purchasing of a product. (Bensoussan and Fleisher, 2008). Doole and Lowe (2004) noted that a customer’sattitudes, custom as well as their culture have totality in the influence of production of goods and services (Gashu, 2016)
A study was carried out in Taiwan, Hong Kong, and Mainland China to assess the Hofstede’s Dimensions of Culture on Comparative Analysis of Culture among the three countries. The study wanted to understand the way those countries conduct their business negotiations differently. Despite the fact that these countries have a similarity in their ancestry and origin, the means by which they conduct their businesses and their methods of negotiating the same have seen a great influence by their social systems and political systems (Prasad & Rumbaugh, 2003). Hofstede (1994 & 1980) marked an introduction of his seminal theory of four cultural dimensions which relies on studies of phenomenological and qualitative studies. It helped to distinguish the many differences in culture among individual countries which was his primary goal. The main proposition suggests that the differences in culture have an impact on business conduct, how decisions are made and the mode of communication; because of this, an increase in cultural awareness is seen as important for managers that operate internationally. (as cited in Chang, 2003). From the Post hoc Tests made us see contrast between Taiwan, Hong Kong and Mainland China on individualism or collectivism attitude. We see that Hong Kong scores highest in individualism attitude as compared to Taiwan and Mainland China. We see that Taiwan has the highest collectivism attitude compared to Mainland China and Hong Kong (Tu, Liu, & Ting). This clearly indicates that difference in culture, however small it may be surely it may affect the way businesses are conducted within an organization.

Another study was carried out on National Cultural Differences and Multinational Business. They used various countries across the continent like the USA, China, Japan and Singapore. Through the study we can make a conclusion that there is persistence in cultural differences with which multinational companies face some challenges. Where firms, insist on good management of adoption, there may an achievement of agreeability between the different cultures whereby they
conduct operations simultaneously extending many of their benefits across borders. Cultural diversity can also be an advantage experienced in this. The researcher also noted the importance of identifying cultural similarities across countries. We can see a reflection of challenges in how people form interactions between each other even though they have contrasted differences. For example, with the high and low power distance cultures and how they hold power in various circumstances. (Ghemawat & Reiche).

A study was also carried out to seek to understand why some multinational corporations do well as compared to others. The paper provided empirical evidence through the combination of theories related to strategic management and techniques of strategic performance. Specifically, it illustrated ways used in strategic performance measurement through emphasizing how a country’s culture has an impact on the performance of MNCs. Their unpurified evidences suggested that the national culture of a home country directly impacted MNCs’ performance. To add on, results indicated that MNCs which performed higher had characteristics which were distinct and had clarity. Contrary to this view, there was provision of empirical evidence that supported that the national culture of MNCs shaped their internal structures and cultures those of which affect how they get their advantages of internationalization. To add on, their performance is affected by the same influence. The study also concluded values related to culture structure relationships thus ensuring that knowledge is transferred across every other border. This ensures that success is achieved thorough the increase of the effects of performances. (Halkos & Tzeremes, 2008). From this study, we tend to see that MNCs that actually embrace culture change in the host country may be able to survive in the long run in their host country

2.2.2 Government policies and growth of MNCs
Without a doubt, there are many forums held internationally in which policy makers discuss issues related to trade particularly topics concerning domestic policies. This is plainly because, as the world today is interconnected with globalization at large, domestic policies that have an effect on energy health and a lot of other things will have an effect on what takes place at the home market and the capacity of trade and investment (Schimitz, 2012)

A study was carried out to assess the challenges of Multinational Corporations, the case of Castel Winery Company in Ethiopia. According to the report, Ethiopia, has no law that restricts competition involving foreign companies or subsidiaries that are foreign owned. Based on this fact the researcher wanted to know how severe the investment policy laws and regulations are challenging the effectiveness of the company. The study concluded that it can be inferred that the challenges from the investment policy, laws and regulations are minimum while the Castel Winery Factory is operating in Ethiopia (Gashu, 2016). Based on this study, we can actually conclude that policies imposed by the government on foreign investments actually affect MNCs.

Blomstrom and Kokko (1997) did an examination on how trade liberalization affects the FDI. They contrasted the effects of liberalization of trade and the reduction of restrictions in investment, depending on the motive of the firm when being part of FDI. In the argument about tariff jumping trade and the factor of mobility are in view as substitutes. another view concerns the core motives of the FDI is to exploit assets that are intangible in the country of origin. Cushman (1985) made a focus on the risk of the real exchange rates and what they expect from FDI. In the results, there was a showcase of reduction the investment of the US directly which was associated the increase of the current real value of foreign exchange. There was also a very massive reduction that was in hand with the increase of real foreign exchange (Sekkat &
According to Gitona (2015), Kenya’s development on policies of trade have had a transformation through four major stages; these include; import substitution period (1960s - 1980s), The Period of SAPs and Export Promotion Schemes (1980s), A Period of Export Oriented Policies (1990s) and Vision 2030 and National Trade Policy (from 2004 to date). (Gitonga, 2015) The National Trade Policy in Kenya was formulated within vision 2030 which is a long term national planning scheme that gives guidance on the formulation of policies and how each and every sector within the country shall be implemented. The policy formulation has further been given guidance by the provisions of the Kenyan Constitution makes a recognition about the simultaneous jurisdiction concerning the national government as well as the county government in relation to matters pertaining trade. International development aspirations and commitments such as the Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs) as well as regional and international trade agreements to which Kenya is a signatory have guided the formulation of the National Trade Policies (National Trade policies, 2015).

A research was carried out on trade policies and transport costs in Kenya. According to the researcher’s findings, trade liberalization is put in place to foresee the appreciation in price of exportable relative to importable to change production in favor of products that are exported rather than those which are imported. The incentives about prices are also put in place so that the local demand may be constrained thus increasing exportation. Altogether; the results that arise from the changes in policy have a certain degree of unpredictability given other changes in policy that may result to signals which are conflicting. However, the researcher established that Kenya’s production is highly threatened by high internal costs of transportation; improving the road and
railway network, and reforms in Kenya Railways, improvement of transport infrastructure might see to it that Kenya moves by to the competitive table (Kiringai, 2004)

2.2.3 Economic conditions and growth of MNCs

According to Noorderhaven and Harzing (2003), the effects of products that originate from a home country might be moderate within the two home countries unpredictability in terms of how big or small and how open the economy is. A weak effect of the country of origin can be felt when the economy is small and more open. In this research, there is an indication that countries with open and smaller economies have been left with no option but to face competition with other foreign countries or forced to have cooperation with them in order to prove that it can adapt (Pauly/Reich, 1997). If two MNCs are similarly internationalized at that particular time. The MNC which originates from an economy which small and more open may fulfill the expectation that it had started the journey of internalization in its earlier years. With this we can trace a faint interference from its culture in the home country (Noorderhaven & Harzing, 2003). Arnold and Quelch (1998) made a suggestion on the features of a market which is emerging. These aspects are inclusive of: development of an economy on the basis of the average GDP per capita; The pace at which an economy develops, which is usually shown by the growth rate of the GDP. Thirdly, may have the system which governance of the market is conducted, particularly how far and stable a free market system is (Gashu 2016)

A study was carried out about Middle East’s multinationals, which seek to identify the challenges and opportunities of MNCs in that area. The study concluded that Middle East is a region which has a diversity and this trickles down to diversity in political and economic systems.
Economically, the Middle East paints a picture that is rather uneven about countries which have a heavy endorsement in resources such as oil, and also which experience a heavy how wealth as well as poverty have a high concentration. (Freedom House, 2007). As per World Bank, even though there is an impressive growth of GDP in some countries in the Middle East (e.g., United Arab Emirates (UAE) 8.5%, Kuwait 8.5%, Turkey 7.4%, Jordan 7.2%, Saudi Arabia 6.6% all above the regional average of 6.2% in 2006), there has been an impressive performance by other countries below the regional average during the exact year these include: Lebanon 1%, as well as Morocco 1.7%, with Syria scoping 4.7%) among others (World Bank, 2006). We also see variation in the GNI per capita figures from the lowest of $870 (Yemen) to the highest $38,420 even though there is a great potential for MNEs in the region’s market, direct foreign investment still encounters barriers in the region (Mellahi, Demirbag, & Riddle, 2011). Based on this study, the researcher tries to claim that countries that are stable both economically as well as politically may be able to attract more foreign companies to their territory. Also, countries that have a stable economy with a well-enhanced per-capita income may also be able to enable foreign companies to grow.

Agarwal (198), conducted a survey in which she did a summary of the basic determinants of an economy’s attractiveness of the country comparing it to FDI: the contrast between the rate of capital return across countries, the diversification in strategy that the investors use in the country of origin. The contrast that occurs in the return rates depends on the incentives that foreign investors uphold and the availability of labor that is cheap. In the evidence brought forward empirically, we see that there is a thin effect of the incentives of foreign investors that are provided by the host country accompanied by what is required of them and what they are
restricted from doing. (Sekkat & Veganzones-Varoudakis, 2007).

A study was carried out to assess the challenges of Multinational Corporations, the case of Castel Winery Company in Ethiopia. The finding of the study showed that unavailability of skilled manpower, shortage of foreign currency, cultural differences with the host country, regulatory challenges, and challenges from the weather condition are among the major challenges of the company while operating in Ethiopia. On economic conditions, the researcher wanted to know the ease of getting skilled labor, availability of specialized intermediaries in the market whereby they talked of appropriate market segmentation. They also indicated the issue of exchange rate to local currency. The result of the study indicated that majority of respondents acknowledged the absence of enough specialized intermediaries in the market as a severe problem which had a negative impact on market effectiveness. Majority of the respondents also admitted of shortage of foreign currency in the country. Also, respondents saw that unavailability of raw materials as a challenge to the growth of the MNCs. The study agreed that certain economic conditions stated above had much effect on the growth of MNCs in Ethiopia (Gashu, 2016).

According to World Bank, over the past half-century there has been an establishment by Kenya as a country that has seen to grow into a core player on the continent, making achievements on various business fronts. As the new century unfolded, it gave rise to new expectations by Kenya’s citizens with regards to the economic revival. After the reestablishment of the gross domestic product (GDP) in the month of September 2014, the nation joined the celebrated ranks of the countries with lower middle income. Despite the fact that the economy accelerated in the past years or so, the Kenyan people remain to witness that prosperity in the nation has not yet been achieved for all individuals. Poverty is still rampant in the country with 40% of its population
living in poverty. This alone ranks the country to be one of those 25% of countries whose economy is poor. Kenya at this present age has the strong urge to excel rapidly as compared to when the nation was young (The World Bank, 2016)

A study conducted by EIU on the Kenyan economy predicts real Gross Domestic Product (GDP) to have an increment of 5.5% in 2017 down from an estimated 5.8% in 2016 due to a combination of domestic and international constraints. Domestic constraints include the forthcoming elections which might inhibit investments. International constraints include disruptive geopolitical events such as the United Kingdom’s impending exit from the EU and Trump’s victory for president, are likely to reduce chances for foreign investments to emerging economies. According to the Economist Intelligence Unit, growth will remain robust between 2017 and 2021, averaging 5.8% as a result of sustained expansion in consumer services, urbanization, EAC integration, structural reforms and investment in infrastructure. The US Department of State notes that Kenya’s business arena is given an advantage for the exploration of oil and gas and also the manufacturing and transport sector. Kenya ranked 92 out of 189 economies in the 2017 Ease of Doing Business report released by the World Bank. On 20 March 2017, the Central Bank of Kenya (CBK) retained the Central Bank Rate (CBR) rate at 10% so as to anchor prevailing uncertainties such as rising inflation and the impact of the interest rate caps on the effectiveness of monetary policy. The Banking (Amendment) Act, 2016, that came into force in September 2016, capped interest rates charged by lending institutions to 4% above the prevailing CBR set by the CBK. The Act also set the minimum interest rate granted on a deposit held in an interest earning account in Kenya to at least 70% of the base rate (Deloitte Touche Tohmatsu Limited, 2017).
2.3 Summary and Research gaps

From the above literature, it is quite obvious that culture orientation, government policies as well as economic conditions of a country actually affect the growth of MNCs in the host country. On Culture orientation, most researchers and publicists agree that organizations that do not adopt to the culture of the host company may actually not be able to survive in the long run for they may face so much antagonism. Hofstede theory of culture has been used by most researchers so as to identify different cultures and how they could be handled in a business setting. On Government policies, most researchers acknowledge that they actually affect MNCs. Ranging from health policies to environmental policies, legal policies to in fact trade policies, MNCs may actually face a lot of barriers while conducting their businesses in countries that do not have the same policies as theirs. Also, most countries create these barriers to protect their own industries. These policies however may be a liability to the host country in that it may scare away potential investors. Economic conditions in host countries may also determine the rate at which MNCs grow. From exchange rates, availability of labor, to taxation rates, to GDP of a country, these conditions may surely affect the ROI of MNCs in a country.

A research gap was identified. Most researchers and publicists did not directly use the above variables on trying to identify the factors affecting the growth of MNCs. Little research has also been done on this topic especially on African countries and other developing nations across the globe.

2.4 Conceptual framework

Using literature review as the basis, the researcher drew the conceptual framework. In this study,
there will be an examination of three variables which are independent. (Culture orientation, Government policies, Economic conditions). When we look at the relationship between variables, we will see that the dependent variables have stand-alone factors which together have an effect on the existence of a scenario which is being investigated (Cooper & Shidler, 2008). In the following diagram, we see the conceptual employed the conceptual frame that was applied.
Figure 2.1: Diagram showing the relationship between theories, independent and dependent variables

Cristina De Rossi, who is an anthropologist working in the Barnet and Southgate College in London, sees culture as a process of socialization in which individuals who conform to one culture have a common behavioral pattern, ways in which they uphold life and their ways of interactions. As seen from the definition of culture we can therefore conclude that a group of peoples’ identities is uniquely fostered and maintained by the group itself. When we talk about culture, we will get to see the common things we do and have in our daily routines, these things include food, our behaviors around loved ones and many more things (Zimmermann, 2017). Culture can affect business operations in many ways. Language and the difficulty experienced in pricing MNCs face as they start up their busi
ness. It should be noted that correcting mistakes can have some degree of difficulty and that when a foreign culture can experience a disrespect, the whole operation can be tarnished altogether.

2.5.2 Government policies

A government policy is termed as a rule or principle which creates a guidance in decision making thereby creating positive outcomes that creates a progress in a community. Government policies consist of guidelines as to how things should be done and why they should be carried out. With this, there is usually a creation of protocols as well as procedures that seek to foresee that these rules are followed to the latter. Procedures and protocols dictate the “how,” “where,” and “when” of how policies will be executed. Government policies create a point as to which the dawn of change can be experienced through carefully describing how action can be undertaken. Government policy has an influence in factors such as taxation and other fines and other things like immigration laws (Live career, 2017). Businesses in a country are conducted through the guidance of government policies which are put up. As government policies can be shifted by the countries government, businesses must adhere to these changes without which they may face the hand of the law (Williams, 2008).

2.5.3 Economic conditions

Investopedia describes economic conditions as the state at which a country or region is at that particular moment for the fact that an economy can expand and contract, economic conditions can experience transformations. When the conditions of the economy are ex-
panding, they are said to be positive whereas they are said to be negative when they are contracting.

Economic conditions normally have an effect on business both domestic as well as multinational companies. When there is a rise in the economy, there will be a rush to expand businesses which are carried out in small scale. If the economy moves downwards, there may be an impact that many be felt for such a long time.

2.6 Chapter Summary

In this chapter, we were introduced to the “literature review” whereby theories that are relevant to the study were pointed out in regards with the subject matter. A review on work similar to the subject matter was done and afterwards, a summary was given about the research and the gap that existed. In the conceptual framework, we were shown the relationship between theories and the dependent and independent variables.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, we have the research design, the target population the sample used, sampling techniques used in the research, instruments of research, test validity and reliability, the procedure for data collection, data analysis and the ethical consideration

3.1 Research design

This is the organization of the conditions set aside to govern the collection of data and analysis in such a way that relevance of the research to the economy. (Kothari & Garg, 2014). Descriptive research was used in this research, are those studies which are about the description of characteristics of an individual group that is particular. The findings from descriptive research can be of assistance to a researcher in capturing interesting naturally occurring behavior (Kenya Institute of Management, 2009). Case study was used. It involves an intensive study and in-depth description of a single entity situation or phenomenon. A case study may involve manipulation of the variables or the subject and describing the outcome. The findings of this kind of study was limited in application to the situation and environment in which the study was carried out (Kenya Institute of Management, 2009).

3.2 Target population

This is the entire group of people and objects that attract a researcher to generalize the
conditions. This is basically a theoretical population. The target population in this study was the staff of Uber technologies located in Kenya.

### Table 3.1: Table showing the target population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Drivers</td>
<td>3100</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3132</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

#### 3.3 Sample and sampling design

Sampling is the selection of part of the entire population to be used as representative of the entire group. It is just a part of the population according to some rule or plan, while a population is the totality of all possible values of a particular characteristic for a specified group or object. Sampling is important because the population may be too large for complete enumeration or measurement process may be destructive to damage or irreversibly change the subject and it saves time and money. A sample design refers to a well-defined plan fused in the selection of a sample from the entire population. They are the techniques or the procedure the researcher uses in the selection of the sample(Kothari & Garg, 2014). The method of sampling that was used in this research was snowballing where one individual referred the researcher to another till the targeted quota is achieved. This was however applicable to the Uber drivers since there nature of work could not allow them to be at a particular designated area. Stratified random sampling was also used.
for those that worked at the office. The respondents were found at various Errors can occur in samples that are small in size whereas using samples that are large in size may reduce such errors by 10% (Kerlinger, 1983). With this research, the sample size used is 312 respondents from the main office in Nairobi as well as Uber drivers in Nairobi city only which entails 10% of the entire population.

Table 3.2 Table showing the Sample size of the population

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Drivers</td>
<td>300</td>
<td>96</td>
</tr>
<tr>
<td>Total</td>
<td>312</td>
<td>100</td>
</tr>
</tbody>
</table>

3.4 Instruments

Data can be sourced from primary sources or secondary sources. primary data will be used in this research. Primary data refers to information that is gathered first hand by the researcher (Sekaran, 2002). The primary data was used in the study was the use a structured questionnaire method to collect the data.” Questionnaires enabled the researcher collect a large number of quantitative data hence attaining the most information possible. The questionnaires used consisted of both open ended (which allow respondents to express themselves) and closed questions (for example yes/no responses).
3.5 Pilot Study

The questionnaire was pilot tested (pre-tested) on 10% of the total population prior to using it to collect data. For the administration of the pilot-test questionnaires, field assistance were used and they will be constantly monitored by the researcher to ensure that the tools were administered appropriately. The monitoring was through frequent phone calls, visits to the field as well as going through the returned questionnaires. This was in place so as to determine the following;

3.5.1 Validity

This implies that a research instrument must measure what it claims to measure. This instrument must be relevant with respect to the content as expressed by the research objective. To account for the quality of data, respondents were asked similar questions although it was during different times using different methods

3.5.2 Reliability of Research

Reliability of a research looks if the instrument used in research actually produces results which are consistent. There might be usage of internal consistency. In this technique, a single instrument is administered at the same time to all participants

3.6 Data collection procedure

Collection of data involves the gathering and measuring of information that the researcher has some interest in. This procedure is conducted systematically therefore enabling research questions to be given answers. The hypothesis is also tested and the outcomes of the research are evaluated (Responsible conduct in data management, 2015). Question-
naires were given to the selected respondents, whose consent were sought prior to administering. Information validation, probing issues and credibility testing will be conducted in the field to verify information. To improve the rate of return, the researcher were also followed-up through personalized emails and telephone reminders in addition to giving out incentives such as pens as gifts for the participants as well as a promise to give them a copy of the findings.

3.7 Data analysis and presentation

According to Cooper and Schindler (2014), data analysis is “the editorial and reduction process of data which has been accumulated to a size which is manageable, development of summaries, deducing patterns, and application of techniques that are statically manipulated (p. 655). Cooper and Schindler state that instead of raw data, managers need information. In this study, before the responses were processed, there was preparation of data on the questionnaires which were well filled and completed. Data preparation methods included, editing and coding transcription and cleaning of the data. The study results were presented in the form of figures and tables.

3.8 Ethical consideration

The definition of research ethics is to the appropriateness of research’s behavior in respect to the people who were chosen to be the subjects of the study or those who were affected by the research itself. (Saundress, Lewis, and Thornhills, 2000). It is a behavioral code with the appropriation to academic and the conduct of research. Participants of the research were protected in the following ways.
3.8.1 Informed consent

Making references from (Oliver (2004) researchers must clearly explain to the subjects the reason behind the study so that the subjects may not have irrelevant expectations about the study or the excitement that they may experience while taking part in the research.

3.8.2 Voluntary participation

This includes verbal utterance by the participant as to whether they are willing or not to take part in the research. The researcher then explained to them that the reason behind the research is for the purpose of studies and that they are required to provide meaningful and correct responses with regards to the questions asked.

3.8.3 Confidentiality

In respect to the respondent, the researcher must assure confidentiality in the disclosure of information by the respondent and that their identity will remain anonymous so that their interest and opinion can be protected. The researcher ensured confidentiality and secrecy by administering personal questionnaires and ensuring that the include a method of returning that is anonymous.

3.9 Chapter summary

This chapter duly explained steps in the conduction of the research. It outlines various stages and phases which are to be adhered in order to complete the study in place. It included a clear explanation about how the data was collected, how it was measures and
also analyzed. There were decisions concerning the execution of the research and the approach of the respondents and the time when the research would be over.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This chapter gives a summary of the findings of the results by the use of tables graphs and charts. The limitations of the study will also be discussed in this section.

4.1 Presentation of research findings 4.1.1 Response rate

Of the 312 questionnaires distributed, 250 were filled and successfully collected which translated to a response rate of 80%. According to Mugenda and Mugenda (2003) a response rate of more than 60% of the sample is adequate in small populations whereas a response rate of more than 40% is required for big populations. Mugenda and Mugenda indicated that high response rates reduce the risk of bias in the responses and if the response rate is very low the researcher should find out the reason behind non-response and whether these reasons can jeopardize the outcome of the study. The information is shows in Figure 4.1;
4.1.2 Demographic characteristics

This section presents findings in descriptive form upon which inference is made to response from the questionnaires in which the respondents’ demographic characteristics in the form of age, educational level and education were established. This helped to provide a profile of the sample surveyed. This section therefore served as a prelude to a more focused and descriptive analysis in subsequent sections of the chapter.

4.1.2.1 Gender

It was very vital for the researcher to find out the gender of the respondents working with Uber technologies. From 250 respondents, 245 respondents were male which summed up to 98% of the total respondents whereas only 5 respondents were female which amounted to 2% of the total respondents. This came as a surprise especially with the fact that the
government has preached about equity and equality of gender especially at work places.

The findings actually realized that the five respondents that were female came from the administration section, that is they worked at the office. The findings are illustrated in the

Figure 4.2 and Table 4.1

<table>
<thead>
<tr>
<th>Table 4.1: Table showing the gender distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
4.1.2.2 Position at organization

The respondents were asked to indicate their position at Uber Technologies in Kenya. Out of 250 respondents, 245 were Uber drivers which was 98% of the total respondents while 5 were from the administration who were 2% of the total respondents. Those at the administration were the ones that worked at the office. This is indicated in the Table 4.2 and Figure 4.3 below:
Table 4.2: Table showing employee position at work

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers</td>
<td>254</td>
<td>98</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.3: Figure showing employee position at work
4.1.2.3 Age

Determining the age of respondents can prove its worthiness while carrying out a study. It could be useful both in economic and social perspectives. From the economic point of view, it could help in determining the rate of unemployment and economic conditions a particular set of groups may be facing. From a social point of view, it would determine different social conditions of the respondents. The distribution was divided into five categories. 18-25 years had 40 respondents which amounted to 16% of the total respondents, 26-30 years had 90 respondents which amounted to 36% of the total number of respondents. 31-35 years had 85 respondents which was 34% of the total respondents, 36-45 years had 30 respondents which was 12% of the total respondents and finally, respondents that were above 45 years were only 5 which was 2% of the total number of respondents. The information is shown in the Figure 4.4 and Table 4.3
Table 4.3: Table showing the age distribution of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>26-30 years</td>
<td>90</td>
<td>36</td>
</tr>
<tr>
<td>31-35 years</td>
<td>85</td>
<td>34</td>
</tr>
<tr>
<td>36-45 years</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td>Above 45 years</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>250</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.4: Figure showing the age distribution of respondents
4.1.2.4 Level of Education

Education is always regarded and valued as a means of liberation from ignorance. It is perceived as one among the factors that influence an individual’s perception of an intervention before making decision to take part. The study wanted to seek the respondents highest level of education. No respondent indicated that primary school was their highest level of education. 120 respondents indicated that their highest level of education was secondary school which was 48% of the total respondents, 100 respondents recorded that their highest level of education was diploma level which was 40% of the total number of respondents, 30 respondents indicated that undergraduate degree was their highest form of education which was 12% of the total respondents. However, no respondent recorded post graduate as their highest form of education. Basically, all the respondents were learned according to this study. This information is illustrated in the table 4.4 and figure 4.5.
Table 4.4: Table showing the level of education of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Secondary</td>
<td>120</td>
<td>48</td>
</tr>
<tr>
<td>Diploma</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>Degree</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td>Post graduate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>250</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.5: Figure showing the level of education of respondents
4.1.3 Economic conditions

Under this section, the researcher sought to find out the effect of the economic conditions in Kenya.

4.1.3.1 Description of the Economy of Kenya

Respondents were asked to describe the stability of the economy of Kenya. They were asked to indicate whether it is very stable, fairly stable, fairly turbulent or very unstable. The findings indicated that five of the respondents indicated that it was very stable which was 2% of the respondents, 105 indicated that it was fairly stable which was 42% of the total respondents, 80 indicated that it was fairly turbulent which was 32% of the total respondents and 60 indicated that it was very unstable which was 24% of the total respondents. The information is recorded in the table 4.5 and figure 4.6

Table 4.5: Table showing the stability of the Economy of Kenya

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very stable</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Fairly stable</td>
<td>105</td>
<td>42</td>
</tr>
<tr>
<td>Fairly turbulent</td>
<td>80</td>
<td>32</td>
</tr>
<tr>
<td>Very unstable</td>
<td>60</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>250</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.1.3.2 Extent of agreement on which Economic conditions influence the growth of MNCs

It was assumed that, there were number of economic factors that influenced the growth of MNCs in Kenya. Different questions were used to capture the factors which influenced the growth of MNCs in Kenya whereby each specific respondent was supposed to rate the question if he or she Strongly Agree indicated by 5, Agree indicated by 4, Neutral indicated by 3, Disagree indicated by 2 or Strongly Disagree indicated by 1 about the question. They were asked their extent of agreement whether the stable economy affected the growth of MNCs in Kenya. 65(26%) strongly disagreed, 105(42%) disagreed, 40(16%) were neutral,30(12%) agreed while 10(4%) strongly agreed. They were also asked their extent of agreement on whether human resource availability influenced their company coming to Kenya where none of them strongly disagreed nor disagreed, 10(4%) were
neutral, 120(48%) agreed while 120(48%) strongly agreed. The same was also asked on bilateral trade agreements where 45(18%) strongly disagreed, 70(28%) disagreed, 30(12%) were neutral, 65(26%) agreed and 40(16%) strongly agreed. Also, the same was asked on liberalization of the economy where 5(2%) strongly disagreed, 20(8%) disagreed, 80(32%) were neutral, 110(44%) agreed and 20(8%) strongly agreed. Again, the same was asked on economic stability, where 60(24%), strongly disagreed 45(18%), disagreed 65(26%), were neutral 65(26%), agreed and 15(6%) strongly agreed. And the same question also on market availability, where, 10(4%), strongly disagreed 50(20%), disagreed 40(16%), were neutral 120(48%) agreed and 30(12%) strongly agreed. And finally, non-existence of similar business where 35(14%) strongly disagreed, 65(26%) disagreed, 75(30%) were neutral 45(18%) agreed 30(12%) and strongly agreed. The resultant information is captured in the table 4.6:
Table 4.6: Table showing the extent of agreement on various economic conditions on their influence in the growth of MNCs

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable growing economy</td>
<td>65(26%)</td>
<td>105(42%)</td>
<td>40(16%)</td>
<td>30(12%)</td>
<td>10(4%)</td>
</tr>
<tr>
<td>Human resource availability</td>
<td>0</td>
<td>0</td>
<td>10(4%)</td>
<td>120(48%)</td>
<td>120(48%)</td>
</tr>
<tr>
<td>Bilateral trade agreements</td>
<td>45(18%)</td>
<td>70(28%)</td>
<td>30(12%)</td>
<td>65(26%)</td>
<td>40(16%)</td>
</tr>
<tr>
<td>Liberalization of the economy</td>
<td>5(2%)</td>
<td>20(8%)</td>
<td>80(32%)</td>
<td>110(44%)</td>
<td>20(8%)</td>
</tr>
<tr>
<td>Economic stability</td>
<td>60(24%)</td>
<td>45(18%)</td>
<td>65(26%)</td>
<td>65(26%)</td>
<td>15(6%)</td>
</tr>
<tr>
<td>Market available in Kenya</td>
<td>10(4%)</td>
<td>50(20%)</td>
<td>40(16%)</td>
<td>120(48%)</td>
<td>30(12%)</td>
</tr>
<tr>
<td>Non-existence of similar business</td>
<td>35(14%)</td>
<td>65(26%)</td>
<td>75(30%)</td>
<td>45(18%)</td>
<td>30(12%)</td>
</tr>
</tbody>
</table>
4.1.3.3 Effect of economic conditions on growth of MNCs in Kenya

Respondents were asked to indicate whether economic conditions affected the growth of MNCs in Kenya or not. Results indicated that 245 individuals a yes implying that it surely affected by the growth of MNCs which was 98% of the total respondents whereas 5 individuals indicated no meaning that it did not which was 2% of the total population. The information is put down in the table 4.7 and figure 4.7 below

Table 4.7: Table showing whether economic conditions affecting the growth of MNCs in Kenya

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>245</td>
<td>98</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.7: Figure showing whether economic conditions affected the growth of MNCs in Kenya

4.1.4 Government policies

Under this section, the researcher sought to find the effect of government policies on the
growth of MNCs in Kenya.

4.1.4.1 Description of Kenyan policies by the government on Businesses

The respondents were asked to indicate whether the government policies in Kenya were friendly. They were asked to indicate whether they were very friendly, relatively friendly, relatively unfriendly or very unfriendly. The findings indicated that 40 respondents indicated that it was very friendly which is 16% of the total respondents. 180 respondents indicated that it was relatively friendly which was 72% of the total respondents. 20 respon-
Figure 4.8: Figure showing the state of government policies in Kenya
dents indicated that it was relatively unfriendly which was 8% of the total population and
10 individuals recorded that it was very unfriendly which represented 4%. The information
is illustrated in the figure 4.8 and table 4.8 below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very friendly</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>Relatively friendly</td>
<td>180</td>
<td>72</td>
</tr>
<tr>
<td>Relatively unfriendly</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Very unfriendly</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>
of MNCs

It was assumed that, there were number of factors on government policies that influenced the growth of MNCs in Kenya. Different questions were used to capture the factors which influenced the growth of MNCs in Kenya whereby each specific respondent was supposed to rate the question if he or she strongly agree indicated by 5, agree indicated by 4, neutral indicated by 3, disagree indicated by 2 or strongly disagree indicated by 1 about the question. They were asked their extent of agreement on whether government credit policies on foreign companies were friendly where 5(2%) strongly disagreed, 25(10%) disagreed, 40(16%) were neutral, 150(60%) agreed and 30(12%) strongly agreed. Still the same was asked on environmental laws and policies where 25(10%) strongly disagreed, 10(4%) disagreed, 35(14%) were neutral, 40(16%) agreed and
Figure 4.8: Figure showing the state of government policies in Kenya

140(56%) strongly agreed. The same was asked on intellectual property policies where 65(26%) strongly disagreed, 45(18%) disagreed, 100(40%) were neutral, 35(14%) agreed and 5(2%) strongly agreed. Taxation policies on foreign companies was also asked where 20(8%) strongly disagreed, 15(6%) disagreed, 45(18%) were neutral, 115(46%) agreed and 55(22%) strongly agreed. The same question was asked on presence of quality control measures on technical assistance that the government support gives in getting certificates where 65(26%) strongly disagreed, 110(44%) disagreed, 35(14%) were neutral, 30(12%) agreed, and 10(4%) strongly agreed. Finally, on policies of acquiring properties by foreign companies where 70(28%) strongly disagreed, 120(48%) disagreed, 40(16%) were neutral, 15(6%) agreed, and 5(2%) strongly agreed. The resultant information is captured in the table 4.9 below.
Table 4.9: Table showing the extent of agreement on various statements regarding the effect of government policies on growth of MNC

<table>
<thead>
<tr>
<th>Questions</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government credit policies on foreign companies</td>
<td>5(2%)</td>
<td>25(10%)</td>
<td>40(16%)</td>
<td>150(60%)</td>
<td>30(12%)</td>
</tr>
<tr>
<td>Environmental laws and policies</td>
<td>25(10%)</td>
<td>10(4%)</td>
<td>35(14%)</td>
<td>40(16%)</td>
<td>140(56%)</td>
</tr>
<tr>
<td>Intellectual property policies</td>
<td>65(26%)</td>
<td>45(45%)</td>
<td>100(40%)</td>
<td>35(14%)</td>
<td>5(2%)</td>
</tr>
<tr>
<td>Taxation policies on foreign companies</td>
<td>20(8%)</td>
<td>15(6%)</td>
<td>45(18%)</td>
<td>115(46%)</td>
<td>55(22%)</td>
</tr>
<tr>
<td>Presence of quality control measures on technical assistance government support and case of getting certificates</td>
<td>65(26%)</td>
<td>110(44%)</td>
<td>35(14%)</td>
<td>30(12%)</td>
<td>10(4%)</td>
</tr>
<tr>
<td>Policies of acquiring properties by foreign companies</td>
<td>70(28%)</td>
<td>120(48%)</td>
<td>40(16%)</td>
<td>15(6%)</td>
<td>5(2%)</td>
</tr>
</tbody>
</table>

4.1.4.3 Whether government policies affect the growth of MNCs

Respondents were asked to indicate whether government policies affected the growth of MNCs in Kenya. 200 respondents indicated yes. Meaning they agreed to the fact that government policies indeed affected the growth of MNCs in Kenya. This was 80% of the total respondents. 50 respondents indicated a no. this was 20% of the total population. The information was illustrated in the Table 4.10 and Figure 4.9 below.
4.1.5 Culture orientation

In this section, the researcher sought to identify the effect of cultural dimensions on the growth of MNCs in Kenya.
4.1.5.1 Whether Culture orientation affects the growth of MNCs

Respondents were asked to indicate whether they felt that culture affected the growth of MNCs in Kenya. Out of 250 respondents, 195 respondents indicated that it affected the growth of MNCs which was 78% of the total number of respondents whereas 55 respondents indicated that it did not which was 22% of the total number of respondents. The information is illustrated in the Figure 4.10 and Table 4.11 below

Table 4.11: Table showing whether culture affects the growth of MNCs in Kenya

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>195</td>
<td>78</td>
</tr>
<tr>
<td>No</td>
<td>55</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>
4.1.5.2 **Extent of agreement on whether Cultural dimensions affect the growth of MNCs**

The researcher used various cultural dimensions to determine whether they that influenced the growth of MNCs in Kenya. Different variables which include; language, religion, values and attitudes, customs and rituals, social conditions and cost structure were used to capture the factors which influenced the growth of MNCs in Kenya whereby each respondent was supposed to rate the question if he or she Strongly Agree indicated by 5, Agree indicated by 4, Neutral indicated by 3, Disagree indicated by 2 or Strongly Disagree indicated by 1 about the question. On language, 195(78%) strongly disagreed,
Figure 4.10: Figure showing whether culture affects the growth of MNCs in Kenya

40(16%) disagreed, 10(4%) were neutral, 3(0.12%) agreed, and 2(0.08%) strongly agreed as a factor influencing the growth of MNCs in Kenya. On religion, 180(72%) strongly disagreed, 50(20%) disagreed, 10(4%) were neutral, 2(0.08%) agreed while 3(0.12%) strongly agreed as a factor influencing the growth of MNCs in Kenya. On values and attitudes, 5(2%) strongly disagreed, 10(4%) disagreed, 50(20%) were neutral, 85(34%) agreed and 100(40%) strongly agreed as a factor influencing the growth of MNCs in Kenya. On customs and rituals, 10(4%) strongly disagreed, 15(6%) disagreed, 40(16%) were neutral, 105(42%) agreed and 80(36%) strongly agreed as a factor influencing the growth of MNCs in Kenya. And on social conditions, 5(2%) strongly disagreed, 10(5%) disagreed, 35(14%) were neutral, 145(58%) agreed and 55(22%) strongly agreed as a factor influencing the growth of MNCs in Kenya. Finally, on cost structure 4(1.6%) strongly disagreed, 6(2.4%) disagreed, 10(4%) were neutral, 40(16%) agreed and 190(76%) strongly agreed as a factor influencing the growth of MNCs in Kenya. The resultant information is captured in the table 4.12 below:
4.2 Limitations of the study

The following limitations were encountered by the researcher while carrying out the study:

4.2.1 Finding respondents

Finding respondents proved to be difficult for the respondent especially the drivers. This was because of their nature of work where they were required to locomote from one point to the other through driving. However, this was sorted out by cooperative drivers who referred the researcher to the drivers they knew and they got to be interviewed.
4.2.2 Lack of cooperation

The researcher experienced lack of cooperation from some drivers. They mainly claimed that they did not have time to answer the questionnaires. Lack of cooperation was also experienced at the main office. The management was not comfortable with the studying of the Uber organization.

4.3 Chapter summary

This section gave a detailed summary of the findings of the results, starting with the response rate, the demographic characteristics of the respondents, and finally a summary of the results based on questions asked through questionnaires on the three variables which included; economic conditions, government policies and culture orientation to test hypothesis. The section closed down by finally giving the limitations of the study.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This section gives a detailed summary of the findings from the previous section (chapter four). Recommendations based on the findings will be given and also conclusions and suggestions for further research.

5.1 Summary of findings

The purpose of this study was to establish whether the growth of MNCs in Kenya is affected by Economic conditions, Government policies and Culture orientation. Employees of Uber Technologies in Kenya were administered questionnaires so as to test the hypothesis. 250 (80%) questionnaires out 312 were returned well answered ready for analysis. The 20% remaining were not fit for analysis hence declare null. The findings were presented both qualitatively (explanatory notes) and quantitatively (graphs, charts and tables).

5.1.1 To what extent does economic conditions affect the growth of MNCs in Kenya?

Respondents were asked to indicate whether economic conditions affect the growth of MNCs in Kenya. 98% of the respondents agreed to the fact that economic conditions does indeed affect the growth of MNCs in Kenya. This was very much in agreement with other previously done researches that indicated that there was a positive relationship between
economic conditions and growth of MNCs. countries that are stable both economically as well as politically may be able to attract more foreign companies to their territory. Also, countries that have a stable economy with a well enhanced per-capita income may also be able to enable foreign companies to grow.

5.1.2 How does government policies affect the growth of MNCs in Kenya?

Respondents were asked to indicate whether government policies affect the growth multi-nationals in Kenya. 80% of these respondents agreed to the fact that indeed government policies affect the growth of MNCs in Kenya which in line with previously done researches which indicate a positive relation between government policies and the growth of multi-nationals. Challenges from investment policies and on laws and regulations were seen to be a great barrier according to previously done researchers. According to Gitonga (2015), however policies formulated in Kenya have been made to give guidance on the formulation of policies and how each and every sector within the country shall be implemented.

5.1.3 What is the effect of culture orientation on the growth of MNCs in Kenya?

Respondents were asked to indicate whether culture orientation affected the growth of MNCs in Kenya. 78% of the respondents agreed to the fact that it indeed affected the growth of MNCs in Kenya. This was in agreement with previously done researches that showed a positive relationship between culture orientation and growth of multinational. Countries with similar ancestry are influenced by their social and political systems. Chang
(2003), proposed that different cultural dimensions affect businesses differently, insisting on cultural awareness for managers who may wish to operate internationally.

5.2 Conclusion

From the above study, we can conclude that Economic conditions such as economic stability, availability of human resources, bilateral trade agreements, a liberalized economy, market availability indeed affect the growth of MNCs in Kenya. However, non-existence of similar business was not seen as a factor regarding the growth of MNCs in Kenya.

Government policies such as credit policies on foreign companies, environmental laws, taxation policies on foreign companies indeed affected the growth of MNCs in Kenya. However, policies on acquiring properties by foreign companies, presence of quality control measures on technical assistance, government support and case of getting certificates, and intellectual property policies had no much effect on the growth of MNCs in Kenya.

Cultural dimensions such as values and attitudes, customs and rituals, social conditions and cost structure indeed affects the growth of MNCs in Kenya. However, language and religion does not affect the growth of MNCs in Kenya.

5.3 Recommendations

From the above study, the following recommendations were deduced;

The economy of Kenya has been greatly affected by the political unrest that has been for a long time. Despite Kenya being said to enjoy peace, a lot of cold war amongst the political leaders has caused many the potential investors to shun away from Kenya and seek
alternative countries along the Eastern Africa for investment. If Kenyans would focus more on development, the economic conditions of the country may be more attractive.

The issue of corruption, which is not only a Kenyan issue but an African issue has let to inequitable distribution of resources which has led to reduction of per capita income of the in the country. Once the per capita income is enhanced, the availability of the market will be enhanced. The government policies in Kenya are relatively friendly to the foreigners. However, policies on taxation should be improved in order to attract more investors to the country. On culture orientation, MNCs coming to the country should be able to study the Kenyan cultural patterns if they may want to survive for a longer period of time in the country especially on the cost structure and the consumers buying behavior.

5.4 Suggestion for further research

While carrying out the study, it was realized that many other factors that were not used to test hypothesis in this study may be used to further the research on the same topic. Variables such as political conditions may be used to see whether they may have a positive relation on the growth of MNCs in Kenya.
References


Economic Development and International Trade.


Nairobi: University of Nairobi Unpublished.


APPENDIX I

INTRODUCTION LETTER

To whom it may concern

RE: REQUEST TO COMPLETE RESEARCH QUESTIONNAIRE

This is to kindly inform you that I am a student at the Management University of Africa pursuing a Bachelor’s Degree in Management and Leadership. It is a requisite that students carry out research project in the final year of the course as a partial fulfillment of the award of the degree. It is for this reason therefore that I humbly request you to assist in filling in the questionnaire issued to you. The answers provided in this questionnaire will only be used for the purpose of this study which is basically academic. The information you provide will not be used in any other way other than for the purpose of this research project. I sincerely request you to respond to the questions. All the information gathered will be handled responsibly with utmost confidence, secrecy and due respect

Yours faithfully

Esther Mucheru
APPENDIX II

QUESTIONNAIRE

E SECTION A; PERSONAL DETAILS

1. Gender
   Male [ ]   Female [ ]

2. Position/Rank in the organization (tick appropriately)

   | Administration |   |
   |                |   |
   | Driver        |   |

3. Age
   (18-25) [] (26-30) [] (31-35) []
   (36-45) [] (Above, 45) []

4. What is the highest level of education you attained? Primary [] Secondary []
   Tertiary [] Diploma []
   Degree [] Post Graduate []
   Other [] No Formal Education []
1. ECONOMIC CONDITIONS

a. Does the economy of Kenya affect the growth of MNCs? (indicate with a tick)?

<table>
<thead>
<tr>
<th>Economic Condition</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Stable</td>
<td></td>
</tr>
<tr>
<td>Fairly stable</td>
<td></td>
</tr>
<tr>
<td>Fairly turbulent</td>
<td></td>
</tr>
<tr>
<td>Very Unstable</td>
<td></td>
</tr>
</tbody>
</table>

b. Using a 5-point scale, where 5) is Great Extent, 4) is Moderate Extent, 3) is Neutral, 2) is Low extent, 1) is No extent (indicate with a tick)
To what extent did the following factors influence the growth of your organization in Kenya?

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>1 (no extent)</th>
<th>2 (low extent)</th>
<th>3 (neutral)</th>
<th>4 (moderate extent)</th>
<th>5 (great extent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stable and growing economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Human resource availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Bilateral trade agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Liberalization of the economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Economic stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Market availability in Kenya</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Non-existence of similar business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. Do you think that the economic conditions affect the growth of MNCs in Kenya?

Yes { }  No { }

c. In your own opinion, what economic conditions can be enhanced to assure growth of Multi-National Companies in Kenya?
2. **GOVERNMENT POLICIES**

   a. How would you describe the policies on businesses in Kenya? (indicate with a tick)

<table>
<thead>
<tr>
<th>Very friendly</th>
<th>Relatively friendly</th>
<th>Relatively unfriendly</th>
<th>Very unfriendly</th>
</tr>
</thead>
</table>

   b. Using a 5-point scale, where the key 5) is Great Extent 4) is Moderate Extent 3) is Neutral 2) is Low extent 1) is No extent (indicate with a tick) To what extent do the above policies affect the growth of business in your organization?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1(no extent)</td>
<td>2(low extent)</td>
<td>3(neutral)</td>
<td>4(moderate extent)</td>
<td>5(great extent)</td>
<td>1(no extent)</td>
</tr>
</tbody>
</table>

   c. Do you think government policies affect the growth of MNCs in Kenya?

   Yes { } No { }

   d. In your own opinion which policies should the government implement/remove/enhance in order to help Multi-National companies in Kenya perform better?
3. CULTURE ORIENTATION

a. Do you think that Cultural patterns of Kenyans affect your business? (indicate with a tick)

Yes [ ]
No [ ]

Using a 5-point scale, where the key 5) is Great Extent 4) is Moderate Extent 3) is Neutral 2) is Low extent 1) is No extent (indicate with a tick)

b. To what extent do the following cultural dimensions of culture affect business in your organization?

<table>
<thead>
<tr>
<th>dimension</th>
<th>1(no extent)</th>
<th>2(low extent)</th>
<th>3(neutral)</th>
<th>4(moderate extent)</th>
<th>5(great extent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Values and attitude</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customs and rituals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c. What advice would you give to any investor wanting to start their business in Kenya regarding the traits behavior and patterns of its citizens?

Thank you