

**CHALLENGES IN IMPLEMENTATION OF A GLOBALIZED  
STRATEGY BY CISCO SYSTEMS EAST AFRICA**

**BY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,  
SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI**

**OCTOBER 2012**

## DECLARATION

I declare that this Management Research Project is my original work and has not been presented for a degree or any other award in any other university.

Signed..... Date.....

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This research project has been submitted for examination with my approval as the university supervisor.

Signed..... Date.....

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## **ACKNOWLEDGEMENTS**

I first want to acknowledge my Lord Jesus Christ, without whom this work would not have been possible. Thank you Lord for grace and favour, and for your power that has always been present to give me strength and inspiration to keep on working and complete this study.

I acknowledge the professional guidance and support given to me by my supervisor, Professor Peter O. K'Obonyo, who challenged and inspired me. I can now write and know what it is to write, and will soon be published. Thank you.

Finally, there are people whose support and belief in me made this work possible: My beloved parents, Leonida and Joel Onyango-Amara; my dear siblings, Jael, Paul, Robert and Edwin; my precious friends, Joyce Karimi, Margaret Mwingirwa and Caro Herine Kungu. You walked with me and encouraged me. Thank you.

## **DEDICATION**

This project is dedicated to my mother Leonida Okeji Onyango-Amara who has been my champion in my studies over the years, thank you for your unconditional love, your guidance and mentorship. To my dad Joel Onyango Amara, who made this project his baby, challenged and encouraged me weekly through to its fruition.

And to my siblings Paul, Jael, Robert and Edwin for supporting me and cheering me on and who understood when I was buried in this work but for a season with measured time for them. And to my children that they may one day know that you can achieve whatever you put your mind and heart to.

## **ABSTRACT**

Strategic implementation is a fundamental step in turning a company's vision of a project into reality through a series of action-based phases and tasks. The implementation process maps out the life cycle of a project. Without strategic implementation a project would not be able to get off the ground, since strategic implementation functions as a project's blueprint. Strategy implementation uses various tools to keep the project teams on track and keep the projects going, it is important as it does this through a work breakdown structure, implementation schedule, it evaluates projects costs through cost allocation, and it also determines the evaluation methodology of projects.

The study was a case study that focused on Cisco Systems in East Africa. The study had an objective of establishing challenges faced by Cisco Systems East Africa in implementing its globalized strategy. The researcher implemented the questionnaires through drop and pick, and email in cases where respondents were not in country. Implementation plays a key role in the adoption of strategy. This study sought to find out the challenges of implementing a globalized strategy as other studies done had been on challenges of implementing localized strategies. The findings showed some challenges to be the same between a globalized strategy and a localized one, like, lack of resources and cultural changes. Communication on strategy was found to be effective, unlike in other studies where it was lacking and this would be a very good platform to leverage strategy implementation drive and success from. The finding of study also identified other different challenges to implementing a globalized strategy like; key formulators not playing an active role in implementation; effects of technological changes; threat of competition; difficulty in implementing a globalized strategy; many levels of organization structure; distant location of key decision makers; internal power/politics; lack of understanding of the effects of a global strategy; employees are not rewarded for implementation.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background of Study

Strategy implementation can be said to be the process of operationalizing the chosen strategic plans to achieve a company's/firm's objectives. According to Pearce and Robinson (2007) implementation is "where action is". Strategy can be defined as general direction set for the company and its various components to achieve a desired state in the future. Essentially a global strategy represents on combining tasks of business across markets to ensure higher efficiency in differences of operations between markets and the pressure to be responsive locally is assumed to be weak. If the marketing model and schemes or strategies can be exchanged from country to country with very little adjustment, the global strategies application will be simple and quicker pace of globalization (Maxwell, 2009).

The Corporate management of Cisco Systems formulates global strategies at the San Jose headquarters in the United States of America focusing on becoming the world's most globally relevant company, by incubating new business models and partner ecosystems, growing in strategic markets, and transforming global operations. The globalization strategy is designed to help Cisco deliver greater spectrum of solutions, business models, and partners for its customers worldwide. Most of the strategies being drawn are great with a more favourable incline to the parent country and first world countries which makes the implementation of some of them in East Africa difficult. The challenge in this regard however, is implementing a one-size-fits-all strategy to maintain the global strategy in Cisco East Africa ([www.cisco.com](http://www.cisco.com)).

### **1.1.1 The Concept of Strategy**

Strategy is a broad based formula for how business is going to compete, what its goals should be and what policies will be needed to carry out those goals. The essence of formulating competitive strategy is relating a company to its environment (Porter 1980).

Strategy is defined as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals Chandler (1962). Mintzberg et al. (1998) suggested ten 'schools of thought' in their consideration of what constitutes strategy. These schools of thoughts are design, planning, positioning, entrepreneurial, cognitive, learning, power, cultural, environmental and configurative, these describe strategy formation.

Pearce and Robinson (2005), defines strategy as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Hrebiniak (2006) states, that formulating strategy is difficult. Making strategy work – executing or implementing it throughout the organization – is even more difficult. Thompson and Strickland (2003) have stressed that the strategy-implementing/strategy-executing task is the most complicated and time-consuming part of strategic management.

Pearce and Robinson (2010) say that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients. Mintzberg (1999) suggests that the traditional way of thinking about strategy implementations focuses on the deliberate strategies. He further claims that some organizations begin implementing strategies before they clearly

articulate mission, goals, or objectives. In this case strategy implementation actually precedes strategy formulation.

### **1.1.2 Global Strategy**

When it comes to global strategy, most business leaders and academics make two assumptions: first, that the central challenge is to strike a balance between responsiveness to local conditions; and second, that the more emphasis companies place on scale economies in their worldwide operations, the more global strategies will be (Verdin & Heck, 2007).

A global strategy may be appropriate in industries where firms are faced with strong pressures for cost reduction but with weak pressures for local responsiveness. Therefore, it allows these firms to sell a standardized product worldwide. However, fixed costs (capital equipment) are substantial. Nevertheless, these firms are able to take advantage of scale economies and experience curve effects, because it is able to mass-produce a standard product which can be exported (providing that demand is greater than the costs involved) (Verdin & Heck, 2007). Global strategies require firms to tightly coordinate their product and pricing strategies across international markets and locations, and therefore firms that pursue a global strategy are typically highly centralized (Bartlett & Ghoshal, 1989).

Global strategy is defined in business terms as an organization's strategic guide to globalization. A sound global strategy should address these questions: what must be (versus what is) the extent of market presence in the world's major markets? How to build the necessary global presence? What must be and (versus what is) the optimal locations around the world for the various value chain activities? How to run global presence into global competitive advantage? (Govindarajan & Gupta, 2008, p. 20-21).

Porter (1986) argued that industries are either multi-domestic or global. In global industries, competitors compete in all markets and offer homogeneous products. In multi-domestic industries, firms compete in each national/separable market independently of other markets. Global strategy is a separate grand strategy as the focus of global strategy. Three global strategies, *globalization*- the standardization of product design and advertising strategies throughout world, *multidomestic strategy*- the modification of product design and advertising strategies to suit the specific needs of individual countries and *transnational strategy*- a strategy that combines global coordination to attain efficiency with flexibility to meet specific needs in various countries (Daft, 2002). Global strategy has high pressure for integration and low pressure for differentiation. This strategy is heavily based on scale of economies (Bartlett & Ghoshal, 1991).

### **1.1.3 Implementation of a Globalized Strategy**

Strategy implementation represents a pattern of decisions and actions that are intended to carry out the plan. Alexander (1991) noted that implementation was seen as being less glamorous than strategy formulation. It was overlooked because of a belief that anyone could implement a properly formulated strategy; however, it has been found that people do not actually know what it includes, where it starts and where it ends.

According to Springer (2005), managers are mainly comfortable with planning activities than with implementation, organizing, leading and control. This suggestion is supported by some managers who believe that strategy implementation is the responsibility of operational personnel. These managers view strategic planning as the only critical activities that deserve their attention.

Implementation of strategy is the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration of people, structure, processes and resources in achieving organizational objectives.

Well formulated strategies will fail if they are not properly implemented. Numerous studies have noted the very weak relationship between strategy formulation and strategy execution. Fortune Magazine (June 21, 1999) stated that less than 10% of strategies formulated are effectively executed. From the figures put out by Fortune Magazine, 70 percent of managers have reiterated that their strategy failure had been caused by slender execution than ill-designed strategies (Fortune Magazine, 21 June, 1999).

Strategy implementation is not possible if there is no fit between strategy and each organizational dimension such as organizational structure, reward structure and resource-allocation process. There are many factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control (Li, Guohui, & Eppler 2008). The White Paper on Strategy Implementation of Chinese Corporations in 2006, noted that strategy implementation has become the most significant management challenge which all kinds of corporations face at the moment. Barlett and Ghoshai (1998) argued that companies operating in a global market will be at a strategic disadvantage if they are unable to control and coordinate their worldwide operations.

Implementing a global strategy requires coordinating subsidiary activities across country locations. The assumption often made is that such coordination must be managed at headquarters. However, an alternate approach is decentralized-centralized responsibilities

in which different subsidiaries within the multinational are given worldwide mandates to manage specific products or product lines (Roth & Morrison, 1992). Implementation of global strategies in the international arena, flexibility and superb communication emerge as mandatory leadership skills. Structural designs must merge successfully with foreign cultures as well as link foreign operations to the home country. Information and control systems must fit needs and incentives within local cultures (Daft, 2002). Global strategy must not only incorporate broad, strategic direction but also specify how activities such as sourcing R& D, manufacturing, and marketing must be co-ordinated worldwide. Because marketing assumes the role of interacting directly with the customers and competitors in the marketplace, marketing strategy is probably the most important component of a firm's global strategy (Zou, 1995).

#### **1.1.4 Challenges of implementing a globalized Strategy**

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. Strategy implementation is defined as the translation of strategy into organizational action through organizational structure and design, resource planning and the management of strategic change. (Management Study Guide, 2008-2012).

Challenges associated with globalized strategy are, creating global production and distribution systems, example; putting up super factories and sourcing for distributors who have a wide foot print globally or semi-globally, distribution systems can be a letdown. Treating the global market as domestic is another challenge associated with globalized strategy as there is a tendency to have a one-size-fits-all mentality. The business resources in going global are much greater and more complex, typically

companies need manufacturing plant in various low labour cost countries, global branding and advertising, and sales teams in every major country. Creating a global marketing mix, which at the same time recognizes regional and national differences, such as tastes and languages is another challenge associated with globalized strategy (The Times 100 Business Case Studies, 1995-2012).

### **1.1.5 Cisco Systems**

Cisco Systems, Inc. is a multinational corporation with over 66,000 employees with annual revenue of US\$39 billion as of 2009. Cisco Systems NASDAQ:CSCO listed in the Nasdaq stock exchange in 1990 is a global IT manufacturing company founded in 1984 offering end to end technology solutions with its headquarter being in San Jose, United States of America with three manufacturing plants namely in America, Netherlands and China. Cisco is a sales organization, its products are sold in the market but not directly through Cisco. Cisco Systems employs a business strategy where they work with partners to sell their products in the market. Fortune Magazine, Global 500 2011, ranked Cisco Systems Company number 215 with revenues of \$40,040 million and profits of \$7,767 million. In Q3 FY13 Revenue was at \$11.6 billion with an employee count of 65,223 thousand. Cisco has offices all over the world with different regions falling under different theatres namely Emerging Europe and Africa, Asia PAC, and Americas ([www.cisco.com](http://www.cisco.com)) and (Fortune Magazine, 25 July, 2011).

While U.S. investments remain strong, global markets are also critical to Cisco's overall strategy, with global investments representing a significant portion of our \$2 billion portfolio to date. Major markets such as China, India, Israel, and Europe have been key areas for Cisco's active equity investment over many years. Cisco's growth strategy is

based on identifying and driving market transitions. Corporate Development focuses on acquisitions that help Cisco capture these market transitions. Cisco segments acquisitions into three categories: market acceleration, market expansion, and new market entry. The target companies might bring different types of assets to Cisco, including great talent and technology, mature products and solutions, or new go-to-market and business models. Cisco particularly seeks acquisitions with the potential to reach billion dollar markets ([www.cisco.com](http://www.cisco.com)).

## **1.2 Research Problem**

Formulating strategy is one thing, executing it throughout the organization is the hard part. Without successful implementation and execution, the organization will not obtain the results as intended. A well developed strategy has to be implemented if success and mandate has to be achieved. The process of supporting strategy implementation is arduous task requiring the commitment of top management, structures, communication culture, leadership, processes and systems (Thompson & Strickland, 2002). The task of strategy implementation is even more complex in globalized strategy where an organization treats the world largely as one market and one source of supply with little variation. Importantly, competitive advantage is developed largely on a global basis.

The products and services of the technology industry where Cisco Systems operates change very fast and so does the competitive landscape based on customer needs and prevailing economic conditions. Cisco is a global organization operating with a globalized strategy of one size-fit all, while this may be a problem considering these global strategies are to be implemented in regional hubs which makes it difficult to respond to unique changes occurring in different markets throughout the world. This

means that any changes Cisco makes must be based on global rather than specific country needs. Yet specific situations in different countries may require different strategic response. The management of Cisco Systems has been talking about the concerns of implementing their globalized strategy in their regional hubs and its impact on their business and understanding its causes.

Strategy implementation in different areas/industries has been widely researched on by many scholars. Among the key researchers in this area are Aosa (1992), Awino (2000), Koske (2003), Wangechi (2006), Kinyua (2010). Koske (2003), studied strategy implementation and its challenges in public corporations using a case study of Telkom Kenya Ltd. He found that the major challenges faced by the firm were poor management and lack of resources, lack of financial resources, unsupportive culture, government regulations and poor leadership style. He however did not address the challenges implementation from a globalized strategy perspective. Kinyua (2010) studied strategy implementation challenges faced by Kenya Shell Limited. She found that the major challenges as lack of adequate resources to facilitate the strategy, rigid organizational structure that did not adapt easily to dynamic nature of times and lack of clear leadership to guide the implementation of the strategy. Her study however did not look at the challenges of strategy implementation from a globalized strategy perspective. Wangechi (2006), studied challenges of strategy implementation in development financial institutions using a case study of, Industrial and Commercial Development Corporation (ICDC). Although the case study looks at strategy implementation challenges, it focuses on development financial institution whose operation is different from the technology

industry and thus does not address Cisco's strategy implementation challenges and neither challenges of implementing a globalized strategy.

Due to contextual, sectorial and managerial differences among organizations, strategy implementation challenges gained from the above studies would not be assumed to explain challenges in implementing a globalized strategy in another organization unless empirical study suggests so. Thus, the literature lacks a unified theoretical foundation, and also significantly limits future research efforts enhancing the understanding of globalized strategy and challenges of implementing such a strategy in general and at Cisco Systems. None of the studies addressed implementation of a globalized strategy. Thus, the challenges associated with implementing a globalized strategy are not known. Therefore the study addressed this gap in knowledge by answering the question: what are the challenges of implementing a globalized strategy at Cisco Systems East Africa?

### **1.3 Research Objective**

To establish challenges faced by Cisco Systems East Africa in implementing its globalized strategy.

### **1.4 Value of the study**

The study is very important to many parties especially scholars and researchers. To the local Cisco Systems East Africa office this study is helpful in re-evaluating whether implementation of a global strategy has been successful in a regional/localized setting as designed by the global team. Secondly, it helps understand the challenges of implementing Cisco's globalized strategy and learn of its effects to the business if any, and gives suggestions on how to mitigate the challenges. To Cisco Systems corporate, it

gives insight on the challenges of implementing a globalized strategy as a one-size-fits-all as encountered by Cisco Systems East Africa.

The study further enables scholars in collaborating with global companies to further draw out customized regional strategies from their global strategies, that are responsive to specific country/regional needs, which in turn helps Cisco Systems and other global companies alike respond to unique changes in regions and thus meet specific market needs. It also helps to facilitate quick solutions to problems encountered during implementation, reducing the time taken to rectify problems as opposed to a global strategy that would have had to consider the whole global operation before making any changes as changes would affect all.

Scholars and researchers get to know the challenges associated with implementing a globalized strategy. They also find it important as the study increases the body of knowledge in the area of globalized strategy and the challenges of implementing a globalized strategy either by them expounding on the study done at Cisco Systems East Africa or by undertaking the study in organizations that have a globalized strategy. This leads to more empirical study, thus creating an avenue for many more future studies.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter comprises three parts. The first part presents a review and overview of the concept of strategy. The second part covers an overview on strategic management which deals with study of the whole process of strategy in which strategy implementation falls under. The third part presents literature study that highlights some key challenges already identified by the researcher in the area of strategy implementation. The information obtained from the literature study served as a guide in designing the questionnaire for the research project.

### **2.2 Concept of Strategy**

The study of strategy and development of the micro-economic intellectual foundations of strategic thinking can be traced back to Chandler who was active and influential from the late 1950's. Historically, the term strategy stems from the Greek word *strategos*, which is Greek for general, *stratus* (meaning army) and *ago* (meaning leading/moving). Strategy means making clear-cut choices about how to compete and win. Hough, Arthur, Thompson, Strickland and Gamble (2008) support that view; they say that a company's strategy is management's action plan for running the business and conducting its operations. Steiner (1997) argues that strategy entered management literature as a way of referring to what one did to counter a move by competitor which could be actual or intended. Strategy refers to all decisions related to business objectives and the courses of actions to achieve them (Drucker, 1954).

Porter (1985) argues that a strategy is the organization's route to competitive advantage that will have a bearing on its performance. According to Porter (1998), strategy is the creation of a unique and valuable position, involving a different set of activities while Ansoff (1965) defines strategy in terms of organizations' product scope. According to Hough *et al.* (2008), a company's strategy consists of the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations and achieve the targeted levels of organizational performance. Hill and Jones (2001) give an all encompassing definition of strategy as a strategy is an action that a company takes to attain one or more of its goals, the overriding goal being to achieve superior performance. Johnson and Scholes (2002) defined strategy as, the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill the stakeholder's expectation.

### **2.3 Strategic Management**

Mintzberg (1979) argued that strategic management cannot be defined by brief sentences or paragraphs, because for him, it involves 'plan, ploy, pattern, position and perspective'. Strategic management is a continuous process that evaluates and controls the business and the industries in which an organization is involved, evaluates its competitors and sets goals and strategies to remain competitive. Strategic management is about how the strategy is developed and implemented (Stacey 1993; Karami, 2002). Strategy formulation is about how the firm chooses to define its strategy and how it approaches its implementation through strategic management (Bowman, 1998). The development of a strategy can be either formal or rational (Mintzberg, 1994), emergent or progressed

(Whittington, 2001) under logical incremental path. Strategic management handles how strategy is developed and where the organization's environment is analyzed before the appropriate strategy is selected and implemented (Hambrick, 1981; Thompson, 1995; Wheelen and Hunger, 1998). Chandler (1962) views strategic management as the determination of the basic long-term goals and objectives of an enterprise, the adoption of courses of action and the allocation of resources necessary for carrying out these goals.

Strategic management is a series of managerial decision and activities which assign long-term performance of an organization. It consists of inspecting environment (internal and external), formulating strategy (long-term or strategic planning), implementing, evaluating and controlling. Strategic management focuses on monitoring and assessing external opportunities and threats while considering strengths and weaknesses (Hunger & Wilson, 2012). Strategic management is a term that explains process of decision-making and executing, it covers all the decisions and activities lead to develop one or more effective strategy for achieving goals.

## **2.4 Strategy Implementation**

Pearce and Robinson (1997) stated that strategy implementation is one of the components of strategic management and it refers to a set of decision and actions that result in the formulation and implementation of long-term plans designed to achieve organization objectives. Strategy implementation represents a pattern of decisions and actions that are intended to carry out the plan. The selected strategy is implemented by means of programs, budgets and procedures. Strategy implementation involves planning of the organization's resources and motivating the staff to achieve the objectives. The way in which strategy is implemented can have the significant impact on whether it will be

successful and all must understand why the particular strategy was selected. According to Wheelan and Hunger (2008), strategy implementations is the sum total of activities and choices required for the execution of a strategic plan. According to Jones and Hills (1997), implementation of strategy is a way in which a company creates the organizational arrangement that allows it to pursue strategy most effectively. Organizational structure, information systems, leadership, culture, assignment of key managers, budgeting, rewards and control systems are ingredients of successful strategy implementation (Pearce & Robinson, 2007).

Alexander (1991) noted that implementation was seen as being less glamorous than strategy formulation. It was overlooked because of a belief that anyone could implement a properly formulated strategy; however, it has been found that people do not actually know what it includes, where it starts and where it ends. In strategic management process, after formulating, implementing is the most important stage. Implementing strategy is the connecting loop between formulating and control. What integrates strategies is successful implementation of them. Strategy implementation is a job for the whole management team, implementation involves every organization unit and the top management has to orchestrate major implementation initiatives. The goal of strategy implementation is to unite the whole organization behind strategy implementation. It is important to note that strategy implementation is not possible unless there is stability between strategy and each organizational dimension such as organizational structure, rewards structure, resource allocation process, management of cultural changes, communication channel, and leadership, responsibility and accountability. Strategy

implementation poses a threat too many managers and employees in an organization with the change in power and status roles (Alexander, 1991).

According to Thompson et al (2007), effective strategy implementation depends on competent personnel and effective internal organization systems. Sometimes referred to as operational planning, strategy implementation often involves day to day decisions in resources allocation (Hambrick & Fredrickson, 2005). Pearce and Robinson (2005), identify main elements of strategy implementation as strategy guidelines, adjusting structure to be conducive to implementation of strategy and putting control measures in place to ensure compliance.

## **2.5 Challenges of Strategy Implementation**

Beer (2000) noted that there are six silent killers to strategy execution in many organizations, but many managers avoid confronting them, although these may hamper execution of strategic decisions in organizations. In a more recent article Beer and Eisenstat (2000) say the notable six silent killers of strategy implementation are, a top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development. It is important at this stage to highlight some of the challenges encountered during strategy implementation process that affect its success.

Noted common barriers to strategy implementation from previous studies are: Studying the problem too long without acting; Trying to get everyone's buy in first; Educating without changing structures or expectations; Measuring nothing or everything; Failing to

build support for replication; Assuming that the status quo is OK; Resistance to change; Lack of resources such as time and commitment; and Ineffective teams.

Challenges to strategy implementation includes leadership, management of cultural change, communication of responsibility and accountability, organizational structure, changing market conditions, capabilities, bad strategy-poorly conceived business models and lack of team work

### **2.5.1 Leadership**

Leadership plays a pivotal role in any successful group activity, let alone the implementation of organizational goals. One key role of a Chief Executive Officer (CEO) is to communicate the organization's vision and guide strategic planning (Pearce & Robinson, 2010). Managers unfortunately have to play the leadership role in order to provide guidance to personnel during strategy implementation. Middle Managers should be ready to oversee the day- to-day implementation of the plans in order to provide continuous support and instruction to personnel. At time personnel might encounter problems during the implementation process, which the manager might be able to resolve on the spot without wasting much time.

Springer (2005:9) stated that managers are more comfortable with planning than implementation, organizing, leading and control. The important assumption here is that managers do feel comfortable if implementation activities are left to someone else, as it does not form part of the manager's responsibility. Morris et al. (2005:9), stated that leadership is increasingly being recognized as a key competency in implementing strategies. To implement strategies successfully it requires an extensive range of personal competencies and clear definition of roles, responsibilities and accountabilities.

This argument has also been expanded by Hrebiniak (2006:12) by stating that managers are trained to plan and as a result they would be more familiar with formulating strategy and very little about strategy implementation. The critical assumption being emphasized here is that top-management's role is to plan and think strategically while the role of the lower level personnel should simply be that of carrying out the top level's demand in terms of what needs to be implemented. Raps (2005) suggests that middle managers should be involved in formulation of strategy because then they are part of the process, their motivation towards the project will increase and they will see themselves as an important part in the process.

### **2.5.2 Management of Cultural Changes**

Organizational culture is shared values, beliefs and norms within an organization, and is the foundation from which strategy emerges. In order for strategy to receive sustained support, it must be aligned with organizational culture. Culture can act as a bottleneck to strategic change management. Thompson et al. (2005:370) stated that corporate culture is manifested in the values and business principles that management practices as well as in the attitudes and behaviours of employees. The common culture in an organization plays a significant role in the strategy implementation process and at the same time could serve as a challenge or strength in support for the strategy. Management needs to find the correct match between the culture and the strategy to ensure that the culture that is common in the organization supports the applicable strategies in place. Thus creating a strategy supportive culture helps promote strategy implementation.

Lehner (2004:465) highlighted that participation of organizational members is important for a cultural model of implementation. It is very important to convince personnel to

develop a culture that supports strategies designed to lead the organization into better future business prospects. This approach indicates the importance of building the culture with the purpose of developing attitudes and behaviours that support a particular strategy implementation process. Implementing a new strategy will be concerned with adjustments in the structure, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce & Robison, 2007).

### **2.5.3 Communication of responsibility and accountability**

Literature has revealed that effective communication aids quicker understanding of what needs to be done, why it needs to be done and how it will be done. Forman and Argenti (2005) rightly note that, “although an entire discipline is devoted to the study of organizational strategy, including strategy implementation, little attention has been given to the links between communication and strategy.” Forman and Argenti (2005) also note that business communication researchers have become increasingly interested in the contribution of corporate communication to a company’s ability to create and disseminate its strategy in the last decade.

Raps (2005) identified lack of clear assignment of responsibilities as a major challenge, he sees responsibilities as never quite clearly stated. Effective action in the form of accountability is a major requirement in strategy implementation. Action can only be effectively taken if there is accountability on who is to do what without which all teams will be waiting on one another to undertake the task at hand and at the end of day nothing will have been done.

## **2.5.4 Organizational Structure**

Chandler (1962) suggests that the organizational structure has been influenced by its strategies (structure follows strategy). Organization structure is the formalized arrangement of interaction between responsibility for the tasks, people and resources in an organization. It is often seen as a chart with positions or titles and roles in cascading manner (Pearce & Robinson, 2010). In the 21<sup>st</sup> century there are three fundamental trends that are driving decision about organization structure. These are; globalization, internet and speed of making decisions (Pearce & Robinson, 2010). The formation of the elements to implementing strategies is what is known as structure. Literature has shown that structure of the organization should be geared towards supporting strategy for the organization. The structure needs to be reviewed continuously to ensure that silos are not develop and different departments work in union and not against each other.

To start the implementation process, strategy should respond to these three questions: Who will implement the strategic plan?; What should they do? and How will they perform it?

## **2.5.5 Lack of Teamwork**

For strategy to succeed leaders must collaborate and negotiate with others to achieve implementation success that require cooperation across organization divisions. According to Beer and Eisentat (2000), top leaders tend to operate within their silos, this makes cross organization cooperation difficult. Raps (2005) emphasized on team work activities since team work plays an important role in the process of strategy implementation. Team work needs to be developed by first addressing personality differences so as to understand strategies.

### **2.5.6 Inappropriate Strategy**

Sometimes strategies fail because they are simply ill conceived. Some organization strategies and business models are flawed because of a misunderstanding of how demand would be met in the market. That is, their strategies did not include some means of connecting at the local level i.e through the assets of incumbent local exchange carriers, (McCraken, 2002).

### **2.5.7 Competitors' Strategy**

Strategy is about out-performing the competition- but strategy can be foiled by a highly effective response by a key competitor. Ultimately, to effectively anticipate competitor's reaction to a strategy, a company needs a solid competitive intelligence capability. It requires that companies understand competitor's market position, their relative competitive advantages, their historical behavior vis-à-vis competitive strategy, and the general disposition of their respective management teams, (Berthoff, 2002). Politics (including exclusion of key interest groups, inappropriate zoning), lack of strategic thought and inadequate research result in inappropriate strategies (Worldbank, 2004).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter strives to explain the procedure that was used to achieve the objective of the study and answer the research question. Areas covered are research design, data collection and data analysis.

### **3.2 Research Design**

This study used case study design aimed at determining the challenges of implementing a globalized strategy in Cisco Systems East Africa. The study adopted case study design because of the nature of the study which focuses on one firm. A case study is a form of qualitative analysis and involves careful and complete observation of a social unit whether an individual, group, and /or institution. It helps the researcher gain deeper insight and better understanding of the research problem.

### **3.3 Data Collection**

The study used primary data. A questionnaire has been selected as the research instrument with semi-structured questions. Respondents were all the 10 employees of Cisco. The questionnaire was pre-tested on 5 Cisco employees, and then later modified using their feedback. Those who participated in the pilot study were excluded from the final study. Reliability of the scales was tested using Cronbach technique. Questionnaire consisted of closed questions. Confidentiality was assured to all respondents who were requested to fill the questionnaire.

### **3.4 Data Analysis**

Data analysis involved categorizing, ordering, and summarizing the data to obtain answers to research questions. It was done in relation to the research problem. All

questionnaires from the respondents were checked for completeness before analysis. Descriptive statistics was used to analyze data using frequencies and percentages, standard deviation and using mean score tabulation. Output of the data analysis was presented in pie charts, tables and graphs.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter contains data analysis and interpretations of the responses obtained from the respondents in relation to the objective of the study.

### **4.2 General Information**

The study found it important to establish the general information of the respondents since it structures the foundation beneath which the study can fairly enter the relevant information. The response rate was 100%. 100% of the respondents have worked for 2-4 years in their roles with 20% working for over 5 years in the organization. The data was collected through a detailed questionnaire.

The questions were based on Likert scale of one to five. For the purpose of providing a broader indication on whether the respondents accept or reject the hypotheses the data is summarized as follows: Respondents having scored one and two are grouped together to indicate disagreement; respondents having scored three are regarded as being neutral; respondents having scored four and five are grouped together to indicate agreements.

#### **4.2.1 The Respondents Position at Cisco Systems**

The findings indicated the specific positions of the respondents are as shown in table 1 below.

**Table 4.2.1 The Respondents' Position at Cisco Systems**

| <b>Position of Respondent</b> | <b>Frequency</b> | <b>Percentage</b> |
|-------------------------------|------------------|-------------------|
| Virtual Business Manager      | 1                | 20                |
| Product Sales Specialist      | 1                | 20                |
| Territory Business Manager    | 1                | 20                |
| Business Manager              | 2                | 40                |
| <b>Total</b>                  | <b>5</b>         | <b>100</b>        |

(Source: The Research)

#### 4.2.2 The Respondents' Length of Service at Cisco Systems

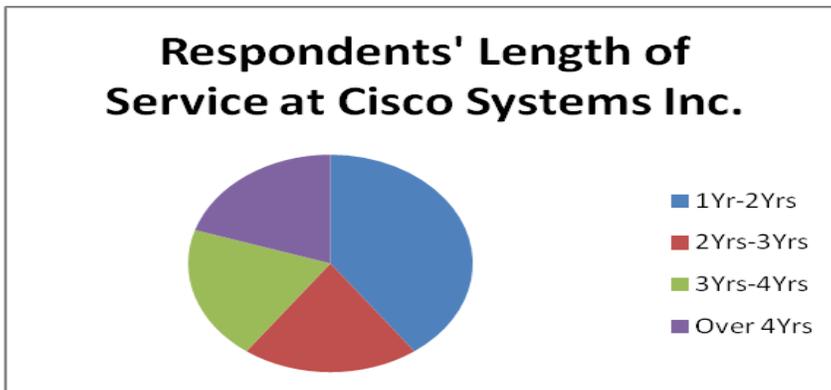
The findings indicated that two respondents had a working experience ranging between 1 and 2 years, one respondent 2-3 years, one had 3-4 years and only one respondent had worked with Cisco Systems for more than 4 years, as shown in table 2 below.

**Table 4.2.2 Respondents' Length of Service at Cisco Systems**

| <b>Scale</b> | <b>Frequency</b> | <b>Percentage (%)</b> |
|--------------|------------------|-----------------------|
| 1Yr-2Yrs     | 2                | 40                    |
| 2Yrs-3Yrs    | 1                | 20                    |
| 3Yrs-4Yrs    | 1                | 20                    |
| Over 4Yrs    | 1                | 20                    |
| <b>Total</b> | <b>5</b>         | <b>100</b>            |

(Source: The Research)

**Figure 4.2.1 Respondents' Length of Service at Cisco Systems**



(Source: The Research)

### **4.2.3 Length of Time Cisco Systems has Operated in East Africa**

The findings indicated that Cisco Systems has operated in the East African countries for the last 11 years. However, the company ventured into Ethiopia much later and has only operated there in the last 5 years.

### **4.2.4 Major Strategic Changes at Cisco Systems in the Last Three Years**

The findings indicated that Cisco Systems has witnessed a number of strategic changes in the last 3 years. The main strategic changes included changes in the management structure resulting in the introduction of lean reporting lines with regional heads, changes in job contents resulting in job realignments, changes in communication and sales strategy resulting in a collaborated sales strategy and technological improvements in terms of architecture of systems and service provision models.

The respondents have shared the strategic changes that have occurred in Cisco Systems as strengthening partner-led business model, collapsing video sales and unified communication sales organizations into one collaboration sales organization, reducing the management layers, splitting the profit and loss into the geographies, (Americas, Emerging Europe Africa & Russia, and, Asia & Japan), having region divisional changes, leadership structure changes and job title/job description changes.

Respondents also shared of strategy changing to be focused from 30 market adjacencies to 5 corporate priorities, namely, Routing and Switching, video, cloud and business to technology architecture and service provider. Strategy changes have also been seen in Business structure and business model, go-to market strategies, geographical re-organization FY'2012 - FY'2013 as noted by respondents.

### 4.3 Challenges in Global Strategy Implementation at Cisco Systems

The challenges in implementing global strategy at Cisco Systems were analyzed in line with the specific questions that were answered by the respondents.

#### 4.3.1 Time Factor in Strategy Implementation

The researcher sought to find out if: “Time given for implementation of strategy is not adequate”. The results are as shown in table 3 below.

**Table 4.3.1: Time Given For Implementation of Strategy is not Adequate**

| Score          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Agree          | 2         | 40             | 4.6  | 0.548          |
| Strongly Agree | 3         | 60             |      |                |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents agreed while 60% strongly agreed that the time for strategy implementation at Cisco Systems was not adequate. The mean score was 4.6 while the standard deviation was 0.548. This implied that the respondents held highly similar views and generally strongly agreed that time given for implementation of strategy was not adequate at the company.

#### 4.3.2 Role Played by Strategy Formulators

The researcher sought to find out if: “Key formulators of strategy decisions do not play an active role in implementation”. The results are as shown in table 4 below.

**Table 4.3.2 Key formulators of strategy decisions do not play an active role in implementation**

| <b>Score</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Disagree       | 1                | 20                    | 4           | 1.225                 |
| Agree          | 2                | 40                    |             |                       |
| Strongly Agree | 2                | 40                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 20% of the respondents disagreed, 40% agreed while 40% strongly agreed that key formulators of strategy decisions at Cisco Systems did not play an active role in strategy implementation. The standard deviation from the mean score (4) was at 1.255 implying that the respondents held varied views on the subject but generally agreed that key formulators of strategy decisions did not play an active role in strategy implementation at the company.

### **4.3.3 Impact of Regionalization of Business on Management Involvement in Strategy Implementation**

The researcher sought to find out if: “Lack of management involvement in strategy implementation is due to different country coverage”, the results are as presented at table 5 below.

**Table 4.3.3 Lack of management involvement in strategy implementation is due to different country coverage**

| <b>Score</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Not sure       | 2                | 40                    | 4.2         | 1.095                 |
| Strongly Agree | 3                | 60                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents were not sure while 60% strongly agreed that lack of management involvement in strategy implementation was due to different country coverage at Cisco Systems. The mean score was 4.2 and the standard deviation 1.095. Therefore, the respondents held a considerably similar view on the subject and generally agreed that lack of management involvement in strategy implementation was due to different country coverage at the company.

#### **4.3.4 Lack of Understanding of the Effects of Implementing a Global Strategy in the Region by Management**

The researcher sought to find out if: “There is lack of understanding of the effects of implementing a global strategy in the region by management”. The results are as presented in table 6 below.

**Table 4.3.4 There is lack of understanding of the effects of implementing a global strategy in the region by management**

| Scale          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Strongly Agree | 5         | 100            | 5    | 0              |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 100% of the respondents strongly agreed that there was lack of understanding of the effects of implementing a global strategy in the region by management at Cisco Systems. Therefore, the standard deviation was zero (0) implying that all the respondents held the same view on the subject.

#### **4.3.5 Adequate Communication of Strategy to Employees and Stakeholders**

The researcher sought to find out if: “There is adequate communication of strategy to the employees and other stakeholders. The results are as shown in table 7 below.

**Table 4.3.5 There is adequate communication of strategy to the employees and other stakeholders**

| Scale          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Not sure       | 1         | 20             | 4.4  | 0.894          |
| Agree          | 1         | 20             |      |                |
| Strongly Agree | 3         | 60             |      |                |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 20% of the respondents were not sure, 20% agreed while 60% strongly agreed that there was adequate communication of strategy to the employees and other stakeholders at Cisco Systems. The average score was 4.4 and the standard

deviation was 0.894 signifying that the respondents had a significantly uniform view on the subject and generally agreed that there was adequate communication of strategy to the employees and other stakeholders at the company.

#### **4.3.6 Adjustments are made to meet the unique needs of partners before implementing the changes/strategy**

The researcher sought to find out if: “Adjustments are made to meet the unique needs of partners before implementing the changes/strategy”. The results are as presented in table 8 below.

**Table 4.3.6 Adjustments are made to meet the unique needs of partners before implementing the changes/strategy**

| <b>Scale</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Disagree       | 2                | 40                    | 3.4         | 1.517                 |
| Not sure       | 1                | 20                    |             |                       |
| Strongly Agree | 2                | 40                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents disagreed, 20% of the respondents were not sure while 40% of the respondents strongly disagreed that adjustments were made to meet the unique needs of partners before implementing the changes or strategy at Cisco Systems. The mean score was 3.4 and the standard deviation was 1.517. Therefore, the findings indicated that the respondents held varied views on the subject but generally they tended not to be sure if adjustments were made to meet the unique needs of partners before implementing the changes or strategy at the company.

### 4.3.7 Threat of Competition on the Implementation of a Globalized Strategy

The researcher sought to find out if: “Competition threatens implementation of a globalized strategy”. The results was as shown in table 9 below.

**Table 4.3.7 Competition threatens implementation of a globalized strategy**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 1         | 20             | 3.8  | 1.789          |
| Not sure          | 1         | 20             |      |                |
| Strongly Agree    | 3         | 60             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 20% of the respondents strongly disagreed,20% of the respondents were not sure while 60% strongly agreed with the notion that competition threatened the implementation of a global strategy at Cisco Systems. The mean score was 3.8 and the standard deviation 1.789. Therefore, the respondents held varied views on the subject but generally they agreed that competition threatened the implementation of a global strategy at the company.

### 4.3.8 Effects of Technological Changes on Efforts to Implement Strategy

The researcher sought to find out if: “Technological changes affect the company's efforts to implement strategy”. The results are as presented in table 10 below.

**Table 4.3.8 Technological changes affect the company's efforts to implement strategy**

| Scale          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Disagree       | 1         | 20             | 4    | 1.414          |
| Not sure       | 1         | 20             |      |                |
| Strongly Agree | 3         | 60             |      |                |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 20% of the respondents disagreed, 20% were not sure while 60% strongly agreed that technological changes affected the efforts of Cisco Systems to implement strategy. The mean score was 4 and the standard deviation was 1.414. Therefore, the respondents held varied views on the subject but they generally tended to agree that technological changes affected the efforts of the company in implementing strategy.

### **4.3.9 Threat of Employee Resistance to Strategy Implementation**

The researcher sought to find out if: “Employee resistance to change poses threat to strategy implementation”. The results are as presented in table 11 below.

**Table 4.3.9 Employee resistance to change poses threat to strategy implementation**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 2         | 40             | 3.2  | 2.049          |
| Agree             | 1         | 20             |      |                |
| Strongly Agree    | 2         | 40             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 20% agreed while 40% strongly agreed that employee resistance to change posed a threat to strategy

implementation at Cisco Systems. The mean score was 3.2 and the standard deviation was 2.049. Therefore, the respondents held divergent views on the subject but they generally tended not to be sure if employee resistance to change posed a threat to strategy implementation at the company.

#### **4.3.10 Hindrance of Company Traditions to Strategy Implementation**

The researcher sought to find out if: “Company traditions are a hindrance to strategy implementation”. The results are as shown in table 12.

**Table 4.3.10 Company traditions are a hindrance to strategy implementation**

| <b>Scale</b>      | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|-------------------|------------------|-----------------------|-------------|-----------------------|
| Strongly Disagree | 2                | 40                    | 3.4         | 2.191                 |
| Strongly Agree    | 3                | 60                    |             |                       |
| <b>Total</b>      | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed while 60% strongly agreed that company traditions were a hindrance to strategy implementation at Cisco Systems. The mean score was 3.4 and the standard deviation was 2.191.

Therefore, the respondents held divergent views on the subject and generally they tended not to be sure if the company traditions were a hindrance to strategy implementation.

#### **4.3.11 Difficulty of Implementing Global Strategy in the Region**

The researcher sought to find out if: “Globalized strategy is difficult to implement in the region”. The results are as shown in table 13 below.

**Table 4.3.11 Globalized strategy is difficult to implement in the region**

| <b>Scale</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Disagree       | 2                | 40                    | 3.8         | 1.643                 |
| Strongly Agree | 3                | 60                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents disagreed while 60% strongly agreed that globalized strategy was difficult to implement in the region where Cisco Systems operates. The mean score was 3.8 and the standard deviation was 1.643. Therefore, the respondents held divergent views on the subject but generally agreed that globalized strategy was difficult to implement in the region where the company operates.

#### **4.3.12 Inhibition from the Culture of the Founders and/or Directors**

The researcher sought to find out if: “The culture of founders/directors is inhibitive”. The results are as shown in table 14 below.

**Table 4.3.12 The culture of founders/directors is inhibitive**

| <b>Scale</b>      | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|-------------------|------------------|-----------------------|-------------|-----------------------|
| Strongly Disagree | 2                | 40                    | 2.8         | 1.789                 |
| Not sure          | 1                | 20                    |             |                       |
| Agree             | 1                | 20                    |             |                       |
| Strongly Agree    | 1                | 20                    |             |                       |
| <b>Total</b>      | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 20% were not sure, 20% agreed while 20% strongly agreed that the culture of the founder and or directors inhibited the implementation of a globalized strategy at Cisco Systems.

The mean score was 2.8 and the standard deviation was 1.789. Therefore, the respondents held various views on the subject but generally they tended not to be sure if the culture of directors and or founders inhibited strategy implementation at the company.

#### **4.3.13 Lack of Teamwork among members of the Organization**

The researcher sought to find out if: “The organization members do not work as a team”.

The results are as presented in table 15 below.

**Table 4.3.13 The organization members do not work as a team**

| <b>Scale</b>      | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|-------------------|------------------|-----------------------|-------------|-----------------------|
| Strongly Disagree | 2                | 40                    | 3.2         | 2.049                 |
| Agree             | 1                | 20                    |             |                       |
| Strongly Agree    | 2                | 40                    |             |                       |
| <b>Total</b>      | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 20% agreed while 40% strongly agreed that the members of Cisco Systems did not work as a team. The mean score was 3.2 and the standard deviation was 2.049. Therefore, the respondents held divergent views on the subject but generally they tended not to be sure if teamwork existed among the members of the company.

#### **4.3.14 Level of Shared Organizational Values**

The researcher sought to find out if: “Organizational values are widely shared by organization members”. The results are as shown in table 16 below.

**Table 4.3.14 Organizational values are widely shared by organization members**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 2         | 40             | 2.4  | 1.673          |
| Disagree          | 1         | 20             |      |                |
| Not sure          | 1         | 20             |      |                |
| Strongly Agree    | 1         | 20             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 20% disagreed, 20% were not sure while 20% strongly agreed that organizational values were widely shared by organization members at Cisco Systems. The mean score was 2.4 and the standard deviation was 1.673. Therefore, the respondents held various views on the subject but generally they tended to disagree with the notion that organizational values were widely shared by organizational members at the company.

#### **4.3.15 Ease of Changing Organization Structure**

The researcher sought to find out if: “Structure of the organization cannot be easily changed”. The results are as shown in table 17 below.

**Table 4.3.15 Structure of this organization cannot be easily changed**

| Scale          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Disagree       | 2         | 40             | 3.4  | 1.517          |
| Not sure       | 1         | 20             |      |                |
| Strongly Agree | 2         | 40             |      |                |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents disagreed, 20% were not sure while 40% strongly agreed that the organization structure of Cisco Systems could not be easily changed. The mean score was 3.4 and the standard deviation was 1.517. Therefore, the respondents held divergent views on the subject but generally they tended not to be sure if the structure of the company could not be easily changed.

#### **4.3.16 Impact of Organization Structure Levels in Implementation of Strategy**

The researcher sought to find out if: “Structure has many levels making it hard to implement strategy”. The results are as presented in table 18 below.

**Table 4.3.16 Structure has many levels making it hard to implement strategy**

| <b>Scale</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Disagree       | 1                | 20                    | 4           | 1.414                 |
| Not sure       | 1                | 20                    |             |                       |
| Strongly Agree | 3                | 60                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 20% of the respondents disagreed, 20% were not sure while 60% strongly agreed that the organization structure of Cisco Systems had many levels making it hard to implement strategy. The mean score was 4 and the standard deviation was 1.414. Therefore, the respondents held different views on the subject but generally they agreed that the structure of the company had many levels making it hard to implement strategy.

### **4.3.17 Impact of Location of Key Decision Makers in Strategy Implementation**

The researcher sought to find out if: “The organizational structure is not conducive to strategy implementation because the key decision makers are based outside the region”.

The results are as shown in table 19 below.

**Table 4.3.17 The organizational structure is not conducive to strategy implementation because the key decision makers are based outside the region**

| <b>Scale</b>   | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|----------------|------------------|-----------------------|-------------|-----------------------|
| Agree          | 1                | 20                    | 4.8         | 0.447                 |
| Strongly Agree | 4                | 80                    |             |                       |
| <b>Total</b>   | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 20% of the respondents agreed while 80% strongly agreed that at Cisco Systems the organizational structure was not conducive to strategy implementation because the key decision makers were based outside the region. The mean score was 4.8 and the standard deviation was 0.447. Therefore, the respondents held similar views on the subject and generally strongly agreed that the location of key decision makers was not conducive to strategy implementation at the company.

### **4.3.18 Impact of Internal Power Plays and/or Politics in Strategy Implementation**

The researcher sought to find out if: “The strategy is difficult to implement because of frequent internal power plays/politics”. The results are as presented in table 20 below.

**Table 4.3.18 The strategy is difficult to implement because of frequent internal power plays/politics**

| Scale          | Frequency | Percentage (%) | Mean | Std. Deviation |
|----------------|-----------|----------------|------|----------------|
| Not sure       | 1         | 20             | 4.6  | 0.894          |
| Strongly Agree | 4         | 80             |      |                |
| <b>Total</b>   | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 20% of the respondents were not sure while 80% strongly agreed that at Cisco Systems the strategy was difficult to implement because of frequent internal power plays/politics. The mean score was 4.6 and the standard deviation was 0.894. Therefore, the respondents held similar views on the subject and generally strongly agreed that the strategy was difficult to implement at the company due to frequent internal power plays/politics.

#### **4.3.19 Role of Constant Disagreement by Management on Policy issues in Strategy Implementation**

The researcher sought to find out if: “Implementation of strategy is hampered by constant disagreement by management on policy decisions”. The results are as shown in table 21 below.

**Table 4.3.19 Implementation of strategy is hampered by constant disagreement by management on policy decisions**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 2         | 40             | 3.2  | 2.049          |
| Agree             | 1         | 20             |      |                |
| Strongly Agree    | 2         | 40             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 20% agreed, while 40% strongly agreed that at Cisco Systems implementation of strategy was hampered by constant disagreement by management on policy decisions. The mean score was 3.2 and the standard deviation was 2.049. Therefore, the respondents held divergent views on the subject but generally they were not sure if implementation of strategy at the company was hampered by constant disagreement by management on policy decisions.

#### **4.3.20 Reward of Employees in Strategy Implementation**

The researcher sought to find out if: “Employees are rewarded for their role in the strategy implementation”. The results are as shown in table 22 below.

**Table 4.3.20 Employees are rewarded for their role in the strategy implementation**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 2         | 40             | 1.8  | 0.837          |
| Disagree          | 2         | 40             |      |                |
| Not sure          | 1         | 20             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 40% of the respondents strongly disagreed, 40% disagreed, while 20% were not sure if employees of Cisco Systems were rewarded for their role in strategy implementation. The mean score was 1.8 and the standard deviation was 0.837. Therefore, the respondents held similar views on the subject and generally disagreed with the notion that employees of the company were rewarded for their role in strategy implementation.

#### **4.3.21 Adequacy of Resources for Strategy Implementation**

The researcher sought to find out if: “Resources available for the strategy implementation are not adequate”. The results are as presented in table 23 below.

**Table 4.3.21 Resources available for the strategy implementation are not adequate**

| <b>Scale</b>      | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Mean</b> | <b>Std. Deviation</b> |
|-------------------|------------------|-----------------------|-------------|-----------------------|
| Strongly Disagree | 1                | 20                    | 3.4         | 1.817                 |
| Disagree          | 1                | 20                    |             |                       |
| Agree             | 1                | 20                    |             |                       |
| Strongly Agree    | 2                | 40                    |             |                       |
| <b>Total</b>      | <b>5</b>         | <b>100</b>            |             |                       |

(Source: The Research)

The findings indicated that 20% of the respondents strongly disagreed, 20% disagreed, 20% agreed, while 40% strongly agreed that resources available for strategy implementation were not adequate at Cisco Systems. The mean score was 3.4 and the standard deviation was 1.817. Therefore, the respondents held divergent views on the subject but generally they were not sure if resources available for strategy implementation were not adequate at the company.

### 4.3.22 Threat of Cross Border Differences to Strategy Implementation

The researcher sought to find out if: “Cross border differences pose threat to strategy implementation”. The results are as shown in table 24 below.

**Table 4.3.22 Cross border differences pose threat to strategy implementation**

| Scale             | Frequency | Percentage (%) | Mean | Std. Deviation |
|-------------------|-----------|----------------|------|----------------|
| Strongly Disagree | 1         | 20             | 3    | 1.581          |
| Disagree          | 1         | 20             |      |                |
| Not sure          | 1         | 20             |      |                |
| Agree             | 1         | 20             |      |                |
| Strongly Agree    | 1         | 20             |      |                |
| <b>Total</b>      | <b>5</b>  | <b>100</b>     |      |                |

(Source: The Research)

The findings indicated that 20% of the respondents strongly disagreed, 20% disagreed, 20% were not sure, 20% agreed, while 20% strongly agreed that cross border differences posed a threat to strategy implementation at Cisco Systems. The mean score was 3 and the standard deviation was 1.581. Therefore, the respondents held a wide range of views on the subject but generally they were not sure if cross border differences posed a threat to strategy implementation at the company.

### 4.4 Discussion of Results

The results were discussed in relation to empirical studies and linkage of the findings to the established theories in the field of Strategic Management.

#### **4.4.1 Relationship to Empirical Studies**

The challenges of implementation of a globalized strategy as per the findings in relation to the empirical studies indicate that some challenges are the same as those of a general localized strategy like lack of adequate resources, and inadequate time. However the study has found other different challenges to implementing a globalized strategy like; key formulators not playing an active role in implementation; effects of technological changes; threat of competition; difficulty in implementing a globalized strategy; many levels of organization structure; distant location of key decision makers; internal power/politics; lack of understanding of the effects of a global strategy; employees are not rewarded for implementation. Unlike empirical findings on studies done on challenges of strategy implementation, unsupportive culture, lack of clear leadership and poor communication of strategy were not identified in Cisco Systems as challenges in strategy implementation.

#### **4.4.2 Linkage of the Findings to Theory**

The findings of the study in relation to cited theories found the ingredients of strategy implementation, organizational structure, information systems, leadership, culture, assignment of key managers, budgeting, rewards and control systems as given by Pearce and Robinson 2007 to be active in Cisco Systems. Although some of the ingredients were positive while some were negative from the study's findings. It still remains evident the for strategy implementation to be successful there are resources, processes and systems that need to be in place. According to Springer (2005), managers are mainly comfortable with planning activities than with implementation, organizing, leading and control.

The study found this to be true as strategy formulators in this case study are seen to be comfortable with planning and not implementing. Theory shows that strategy implementation is not possible if there is no fit between strategy and each organizational dimension such as organizational structure, reward structure and resource-allocation process. The study indicates that without fit between strategy and other organizational dimensions such as organizational structure, reward structure and resource allocation, then strategy implementation is not guaranteed its success. This confirms the suggestions of Li, Guohui, & Eppler (2008), that many factors influence the success of strategy implementation, rewarding of employees was noted from the study as missing thus being a challenge to strategy implementation.

According to Daft (2002), implementation of global strategies in the international arena, flexibility and superb communication emerge as mandatory leadership skills. The study found communication of the global strategy was adequate and thus meeting the mandatory leadership skill requirement. The study however found flexibility as a lacking leadership skill, as key decision makers to strategy implementation were not based in country thus delaying the decision approval process in implementing a globalized strategy which is already global. Chandler (1962) suggests that the organizational structure has been influenced by its strategies (structure follows strategy). The study found that many levels in the organizational structure made it hard to implement strategy, with many levels come bottle necks that slows down decision making.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter represents the summary, recommendations and conclusion of the study.

### **5.2 Summary and Findings**

The findings indicated that at Cisco Systems there have been many strategic changes in the past 5 years: Changes in the management structure resulting in the introduction of lean reporting lines with regional heads, changes in job contents resulting in job realignments; changes in communication and sales strategy resulting in a collaborated sales strategy; and technological improvements in terms of architecture of systems and service provision models.

The findings also indicated the following as the main challenges in the implementation of a global strategy at Cisco Systems: lack of adequate time allocated for strategy implementation, lack of adequate participation of the key formulators of strategy decisions, lack of management involvement due to internationalization of business, management's lack of understanding of the effects of implementing global strategy in the region, threats from competing firms in the region, effects of the rapid technological changes, difficulty in implementing global strategy in the region, tall structural levels making it hard to implement strategy, inappropriate location of key decision makers and frequent internal power plays and politics. Other challenges included lack of common organizational values at the company and inadequate rewards to employees for their role in strategy implementation.

However, the findings indicated that there was adequate communication of strategy to the employees and other stakeholders at the company. It was also not certain if adjustments were made to meet the unique needs of partners before implementing the changes or strategy at the company. There was also no certainty if employee resistance to change posed a threat to strategy implementation at the company and if the company traditions were a hindrance to strategy implementation. Notably, it could not be ascertained if the culture of directors and founders inhibited strategy implementation at the company. It was also not clear if the structure of the company could not be easily changed. Other challenges that could not be clearly ascertained included constant disagreement by management on policy decisions, adequacy of resources for strategy implementation and threat of cross border differences. Lastly, there was no conclusive evidence of the existence of teamwork at the company.

### **5.3 Conclusion**

The study aimed at finding out the challenges in the implementation of a globalized strategy in Cisco Systems East Africa. From the above findings, the researcher concluded that the main challenges in implementing a global strategy at Cisco Systems emanated from inadequate provision of resources and lack of a coordinated effort by management towards implementation of a global strategy. Lack of knowledge, skills and capacity to implement a global strategy was also evident among the management and employees of the company. The inability to respond to competition and adapt to environmental changes was also identified as a hindrance to implementation of a global strategy at Cisco Systems. In addition, internal inefficiencies and ineffectiveness occasioned by many levels in the organizational structure, lack of an enabling culture and set of values was

another hindrance to implementation of a global strategy at the company. Another hindrance to implementation of a global strategy was the low morale of employees due to inadequate rewards and compensation. However, the company has an effective communication strategy which could be a catalyst to the implementation of a global strategy. The study shows that global strategies should be made more localized for timely and successful implementation.

#### **5.4 Recommendations**

From the above conclusions, the researcher recommends that the management of Cisco Systems sets aside adequate resources to facilitate implementation of a global strategy at the company. The resources would include finances and technological tools and equipment. There is also need for a renewed commitment among the management in order to establish a coordinated effort towards implementation of a global strategy at the company. The company should also invest in provision of knowledge, skills and capacity to implement a global strategy among the management and employees of the company and have the strategies more localized for timely and successful implementation.

There is also need to enhance the company's ability to respond to competition and adapt to environmental changes in order to inform its global strategy. In addition, there is urgent need to manage the internal inefficiencies and ineffectiveness through a review of the organization structure and inculcation of an enabling culture and set of values in the management and employees of the company. The compensation and reward criteria at the company should also be reviewed to address the low morale of employees. Lastly, the

company should make use of its elaborate and effective communication strategy to jump start the implementation of a global strategy.

### **5.5 Limitation of Study**

The study having adopted a case study design makes it difficult to generalize the findings to the entire Technology industry in Kenya. The study only allowed for in-depth study of Cisco Systems Limited and cannot be inferred to other organizations.

This study was also limited by time. The researcher had to work within a limited time span and thus meant that intense exposure to the subject variables may have been constrained. The study was further limited by the fact that the researcher worked with a very lean organization considering the number of employees on ground thus those interviewed were few.

### **5.6 Suggestions for further study**

The study suggested that further research should be done on other sector/organization other than in technology industry and Cisco Systems East Africa to further ascertain challenges in the implementation of a globalized strategy.

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## APPENDICES

### APPENDIX ONE: INTRODUCTION LETTER

**Date: 23<sup>rd</sup> August, 2012**

Dear Respondent,

I am a student pursuing a Master of Business Administration Degree at the University of Nairobi. The title of my study is “Challenges in implementation of a globalized strategy by Cisco Systems East Africa”.

The study aims at establishing the challenges faced in implementing a globalized strategy.

This questionnaire has been designed to gather information on the subject stated above.

The findings are purely for academic purpose and shall in no way be used for any other purposes.

Your co-operation will be highly appreciated.

Thank you,

Yours sincerely,

Mercy Herine Onyango

Telephone: 0722-762600

Email: monyango@hotmail.com

## APPENDIX TWO: QUESTIONNAIRE

### PART 1: GENERAL INFORMATION

1. Name of organization.....
2. Respondent’s position in the organization.....
3. Length of service in the position.....
4. Existence of the organization in East Africa.....
5. Are you aware of any major strategic changes that have occurred in Cisco Systems in the last 3 years? If yes, enumerate a few.....

### PART 11: Challenges of Strategy implementation

On a scale of 1 to 5, where 1=strongly disagree and 5= strongly agree, indicate the extent to which you agree or disagree with challenges of strategy implementation in your organization.

|  | Scale Rating |   |   |   |   |
|--|--------------|---|---|---|---|
|  | 1            | 2 | 3 | 4 | 5 |
| 6. Time given for implementation of strategy is not adequate   |              |   |   |   |   |
| 7. Key formulators of strategy decisions do not play an active role in implementation                          |              |   |   |   |   |
| 8. Lack of management involvement in strategy implementation is due to different country coverage              |              |   |   |   |   |
| 9. There is lack of understanding of the effects of implementing a global strategy in the region by management |              |   |   |   |   |
| 10. There is inadequate communication of strategy to the employees and other stake holders                     |              |   |   |   |   |
| 11. Adjustments are made to meet the unique needs of partners before implementing the changes/strategy         |              |   |   |   |   |
| 12. Competition threatens implementation of a globalized strategy  |              |   |   |   |   |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| 13. Technological changes affect the company's efforts to implement strategy  |  |  |  |  |  |
| 14. Employee resistance to change poses threat to strategy implementation   |  |  |  |  |  |
| 15. Company traditions are a hindrance to strategy implementation   |  |  |  |  |  |
| 16. Globalized strategy is a difficult to implement in the region   |  |  |  |  |  |
| 17. The culture of founders/directors is inhibitive   |  |  |  |  |  |
| 18. The organization members do not work as a team  |  |  |  |  |  |
| 19. Organizational values are widely shared by organization members   |  |  |  |  |  |
| 20. Structure of this organization cannot be easily changed   |  |  |  |  |  |
| 21. Structure has many levels making it hard to implement strategy  |  |  |  |  |  |
| 22. The organizational structure is not conducive to strategy implementation because the key decision makers are based outside the region |  |  |  |  |  |
| 23. The strategy is difficult to implement because of frequent internal power plays/politics  |  |  |  |  |  |
| 24. Implementation of strategy is hampered by constant disagreement by management on policy decisions                                     |  |  |  |  |  |
| 25. Employees are rewarded for their role in the strategy implementation  |  |  |  |  |  |
| 26. Resources available for the strategy implementation are not adequate  |  |  |  |  |  |
| 27. Cross border differences pose threat to strategy implementation   |  |  |  |  |  |

**Thank you.**