

MBA- General Management

THE IMPACT OF A NATIONAL CULTURE ON STRATEGIC
MANAGEMENT OF INTERNATIONAL BUSINESSES: A CASE STUDY
OF KENYAN BASED COMPANIES OPERATING IN TANZANIA.

Prepared by

Magandazi Daniel Katakaya

Student number : 1605751

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The impact of a national culture on strategic management of international businesses: A case study of Kenyan based companies operating in Tanzania

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Prepared for

Dr Gladius Kulothungan

FACULTY OF BUSINESS

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1.Introduction

The collective programming of one's mind referred to as culture, facilitates the distinguishing of people between different groups (Hofstede, 2011). This programming is evidenced in the crystallised thinking patterns and meanings that individuals attach to life in the various society institutions. However, this collective programming does not imply that all members of the society or group think the same way, but rather allows for the individual differences that exist between members of the same group, society of even country. Moreover, in determining the national culture, the scores are made on the basis of the law of numbers and the fact that most individuals are influenced by the society's control (Hofstede insights, 2020).

For a Kenyan based company setting up operations in Tanzania, its essential that analysis of the impact of the national culture on the organisation's strategic management is assessed and essential adjustments are done. Structural adjustments in the organisation's strategic management plan on the basis of the culture facilitate the organisation to meet its objectives. Strategic management at an international level involves the evaluation of an organisation's business environment with the intent to establish or re align the organisation's short- and long-term goals to meet the objectives. Strategic management tools and techniques in an international organisation are implemented at both macro and micro level. The strategic management process of an organisation requires the application of strategic management tools and techniques (SMTTs); Strategy tools in this case being the generic name used to imply any model, framework, method, or technique that aid the successful application of strategy (Stenfors et al., 2007).

At the core of an organisation's strategic management, is the application of strategic management tools and techniques such as SWOT analysis, Porters' five forces, Stake holder analysis and PESTEL analysis, facilitating the development of models and other tools to be disseminated into the industry avoiding the one size fits all approach (Gun and Williams, 2007). Authors such as Frost (2003) contend that many model frameworks, methods, techniques and tools can be applied to support decision making in strategic management of an organisation, whether local or international. Thus, Stonehouse and Pemberton (2002)'s conceptualization of strategic management as a group of frameworks and theories facilitated by several tools and techniques designed with the intent to make strategic management and planning possible for managers.

1.2. Statement of the problem

International organisations need to recognise the relevance of national culture in strategic management. Thus, whilst conducting both internal and external analysis of the organisation and realigning its strategic management strategies for the purpose of attaining the organisation's objectives, the need to ascertain how the national culture influences its strategic management activities its apparent as posited by Bogers et al., (2019). Its important to isolate the individual national cultural aspects affecting strategic management with in the international business and more emphasis needs to be put on the most affected strategic management areas for the effective performance of the international organisation.

1.3 Purpose of the study

The purpose of the study is to examine how culture influences strategic management activities of an international business at a macro level in Tanzania.

1.4 Objectives

1. To establish the core strategic management of international business affected by national culture.
2. To examine the impact of national culture on international business' strategic management.
3. To evaluate the dominant national cultural dimensions influencing strategic management of an international business.

1.5 Research hypothesis

1. National culture impacts international businesses strategic management.
2. International businesses carry out strategic management
3. International businesses use Hofstede's cultural dimensions to assess the impact of national culture on their strategic management.

1.6 Research questions

- 1) How does national culture influence strategic management of an international business?
- 2) Which aspects of national culture impact the strategic management of an international business?
- 3) Which international business strategic management tools and techniques are mainly affected by national culture?

1.7 Significance of the study

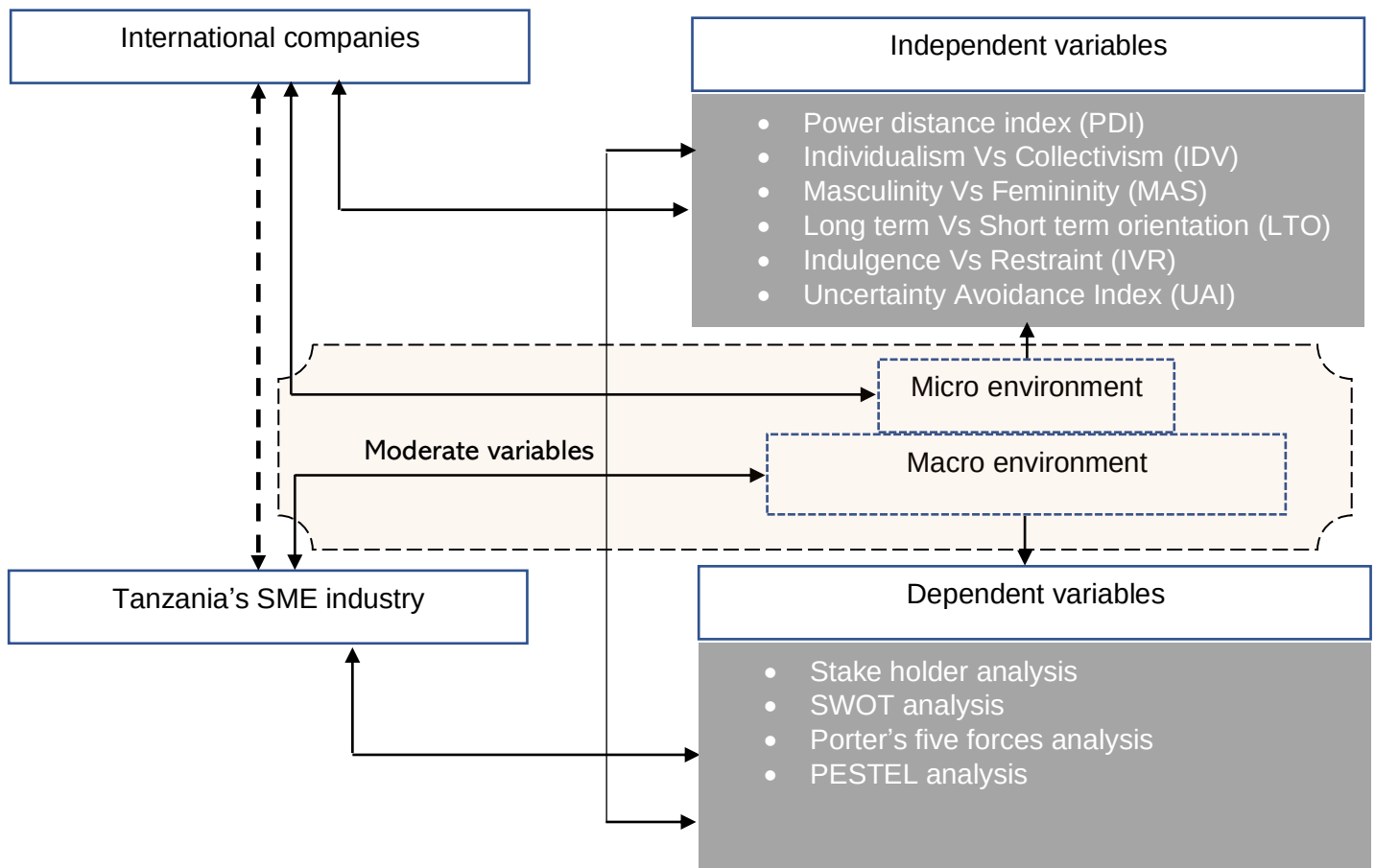
The findings of the study will be significant among the scholars as well the international business executives seeking to develop models essential for success of the organisations' strategic management objectives. The study is meant to contribute to the body of knowledge for researchers in the field of strategic management for international organisation and national culture. Understanding the levels of influence of national culture, how it influences strategic management and the core aspects of strategic management affected by national culture of a country will enable company executives to make more informed strategic management decisions.

1.8 Conceptual framework

The figure 1 below illustrates the natural path the research will take. Clearly indicating the relevant variables of the study and indicating the relationship between them. The framework categorises concepts into clusters of independent, dependent and moderate variables. As

posited by Adom et al (2018) the conceptual framework below will facilitate actual position as well as factors hypothesized by the research.

Figure 1. A conceptual framework to illustrate the influence of a national culture on strategic management of an international organisation.



Source: Author

1.9 Scope of the study

1.9.1 Subject scope

The study seeks to establish the main aspect of international business' strategic management, that are affected by national culture, focusing on a set of tools and techniques such as SWOT analysis, porter's five forces, PESTEL analysis and stakeholder analysis. The study further examines the impact of national culture on the strategic management of the business in an international environment. The study evaluates the most dominant cultural dimensions affecting strategic management of an international business.

1.9.2 Geographical scope

The study will be conducted about Tanzania, analysing the micro and macro environment of a Kenyan based international company in Tanzania.

2. Literature review

Preliminary literatures show that there is a limitation in research regarding the influence of national culture on strategic management with in international organisations. Moreover, literature about strategic management has grappled with resource-based view when it comes to environments where change is constant and uncertainty levels are high. Lewin and Volberda (2003) established a relationship between evolving organisational process in response to the business environment changes.

For example, a comparison of national cultural dimensions between Kenya and Tanzania indicates that PDI (power distance index) in both countries is the same and thus in both countries there is an unequal distribution of power among members of the organisation (Hofstede insights, 2020). Although this is indicated in literature, there is a gap when it comes explaining how the difference in the PDI may affect the strategic management of the organisation. and thus, inaccuracies strategic management planning is, bound to happen.

Furthermore, individual and thus society's needs are related to the level of cultural dimensions with countries exhibiting large power distance, organisations' strategic management may focus more on giving their prospective client's products and services that give them status and dominance (De Mooij, 2019). Although individual needs may be different one from another and thus expressed differently, acknowledgement of the role played by culture in choice of products and services is essential and so is the relevance of culture in strategic management. And with both countries scoring 50 on the uncertainty avoidance as per Hofstede insights, (2020), it possible that when analysing porter's five forces, the international organisation's strategic management team may need to consider the society's perception of this index to avoid application of the wrong strategy.

3. Research methodology

This section details the proposed methods and instruments to be undertaken during the study. These methods include, the research approaches and design, main area of study sampling procedures, data collection tools, data management and analysis, ethical considerations as well as logistical issues and limitations of the study.

3.1 Research Design

The research design will take the mixed methods approach although more emphasis will be put on the analysis of secondary data deriving that from these existing sources.

4.2 Research approaches

The research approach will involve the application of both the qualitative and quantitative methods, where questionnaires and interviews will be conducted, and the data analysed.

3.3 Area of Study and Study Population

The main area of the study will be Dodoma which is now the current capital city of Tanzania.

3.4 Data Collection

Primary data will be collected through questionnaires sent out executives of some of the international business in Tanzania under the SMES category. While secondary data will be collected reviewing existing literatures about impact of national culture on strategic management international business and conducting a data analysis.

3.5 Measurement of Variables

The different variables will be measured differently. Independent variables will include Individualism Vs Collectivism (IDV), Masculinity Vs Femininity (MAS), Long term Vs Short term orientation (LTO), Indulgence Vs Restraint (IVR), Uncertainty Avoidance Index (UAI). The dependent variables will include Stake holder analysis, SWOT analysis, Porter's five forces analysis, PESTEL analysis. And lastly the moderate variables will be the micro and macro environment of an international organisation.

3.6 Analysis and Results

An SPSS data entry template will be used in the data analysis, and frequencies alongside manual checks will be done to avoid data anomalies in the quantitative data and transcription of the qualitative data done, to facilitate the report preparation after which recommendations will be made.

3.7 Ethical Considerations

The study will take in to consideration a number of ethical issues. First, approval will be sought from the senior management of the companies, informing them the intent to study their organisation. Secondly written consent will be obtained from the midlevel managers and lastly confidentiality is to be maintained by use of coding when capturing data there by preserving the identity of the participants as well as sensitive information obtained from the organisations.

3.8. Limitations of the study

The study is expected to have limitations due to the current COVID-19 as most of the companies may be closed or out of business. Most senior executives are willing to discuss their strategic management strategies as well as their weaknesses for fear of their competitors. Also, the study is limited to a few techniques and tools within the strategic

management and thus may not comprehensively cover a enough field to cause a substantial impact in the body of knowledge

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