

Strategy Formation in Former South African Firms' London Headquarters and in Their South African Operations

Your title should be not more than 16 words, must include "South Africa" and/or other relevant countries and should not refer to the methodology (eg A case study of . . .").

Don't start each word with a capital letter – use ordinary sentence case and only capitalise proper nouns.

Research proposal submitted by

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Your proposal is the plan of your research. You must NOT do any actual research, eg interviews, before the panel.

Wits Business School

2nd March 2009

The final Research Report resulting from this proposal was 116 pages long, including references and appendices, excluding the beginning section – dedication, declaration, Table of Contents, etc (see Research Report template at www.wbs.ac.za).

This is just about exactly the length expected.

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1 INTRODUCTION

The template has been set up with the correct margins, line spacing, etc. – please don't change them!

1.1 Purpose of the study

The purpose of this study is to evaluate if strategy formation in firms formerly head quartered in South Africa differs to that of their Headquarters, which have relocated to London. The report will establish whether these firms maintain the same strategy formation processes and structures in both the London Headquarters (HQ) and the corporate South African location.

Starting with the purpose orientates the reader immediately; they will know what to expect – this is especially useful for examiners.

1.2 Context of the study

The period directly after the 1994 South African elections presented sizeable opportunities for South Africa's largest companies (Klein and Wöcke 2007). Firms, subjected to financial controls by the South African Reserve Bank policy, were in a position to transform their financial expansion (Klein and Wöcke 2007). High inflation, a weak exchange restrictions prevented South African firms from plane (Klein and Wöcke 2007). Across the globe, industries were growing through international acquisition and consolidating their corporate positions whilst South African firms were left marginalised. In a bid to gain access to the global capital required for international expansion, firms such as Anglo American and South African Breweries held ambitions to list on the major Stock Exchanges of the world (Crotty 2007). These included the London, New York and the Tokyo Stock Exchanges.

OOPS! A few too many references from the same source all together. Rather reference the first statement, then link subsequent statements to it, eg "the authors go on to state that ..."

In order to list in these overseas markets, the South African firm would need to transfer their headquarters to the respective market, under the rules of the countries' Stock Exchanges (Pagono, Roell and Zechner 2002). London was a

The first time a reference is mentioned, all authors are named – the second and subsequent times, use the first author's surname et al followed by the year

to historical links and common business practices as a British Empire (Crotty 2007). The political and economic

ramifications of such a move transfer of a firm to London would be construed as a betrayal of South Africa at a time when the nation wished to be seen internationally as secure and prosperous in the post Apartheid era (Crotty 2007).

Use a plain, readable font such as Arial or Times New Roman

Due to the gravity of such a corporate decision, any firm wishing to transfer location abroad had to gain permission from the highest levels of government (Klein and Wöcke 2007). Anglo American, South African Breweries and Old Mutual listed on the London Stock Exchange by the close of 1999 (Birkinshaw *et al* 2006). This apparent exodus struck at the heart of the South African business community. As stated by a Société Generale analyst on the day of the Anglo American's announcement "Anglo almost is South Africa" (O'Loughlin 1998). The largest South African businesses were seen exiting the nation, questioning their very status as South African firms.

The above firms remain firmly rooted within the South African business community, as they dual list on the Johannesburg Stock Exchange and own considerable assets in the country (Deputy President's office 1996). Birkinshaw, Braunerhjelm and Holm (2006) assert the "home" of the multinational enterprise moves with its headquarters. It can then be deduced Anglo American, Investec, Old Mutual and SAB Miller have relocated their home of operation from South Africa to London. However, Zaheer (1995) notes a relocated function will adopt the practices of its host market through an "isomorphic process" (Zaheer 1995). In the light of these conflicting positions, to what extent do South African business practices remain within their organisations. An analysis of the reformation process in these four multi-national enterprises will aim to identify similarities and differences of process from the South African operations to the London headquarters.

OOPS! When giving a direct quote, always include the page number in the reference, eg (O'Loughlin 1998: 45) where 45 is the page number

A logical conclusion is drawn, based on published facts, not unsupported opinion

Include alternative views and discuss different perspectives to show you are being objective.
Note: "However," ALWAYS has a comma after it!

The Problem statement should fully encompass your research. Both problem and sub-problems should begin with a verb. The Sub-problems should add up to the main problem and not introduce any new concepts, nor leave any out. It is not compulsory to have sub-problems.

1.3 Problem statement

1.3.1 Main problem

Sub-problems are NOT steps in the process of what you will do, but each is a concept that can stand on its own. The sub-problems here ARE steps, so, in this case, the panel recommended the sub-problems be removed and only the Problem statement was in the Research Report.

Analyse the process of strategy formation of international firms, formerly headquartered in South Africa, now relocated to London, UK and contrast with the corporate South African operation.

1.3.2 Sub problem 1

The first sub-problem is to examine the strategy formation within the London headquarters of the former South African international firms

1.3.3 Sub problem 2

The second sub-problem is to compare and contrast the strategy formation of South African operations of the international firms with the London headquarters' strategy formation

1.4 Significance of the study

The study fills a gap in that there is currently no significant research addressing the relocation of South African HQs and the resultant impact on strategy formation. There have been no previous occurrences of four substantial multinational corporations relocating from a single market to a single city (Birkinshaw *et al* 2006). This phenomenon also requires attention as it represents a trend of multi-national enterprises from developing markets relocating their headquarters to a developed market (Birkinshaw

Whenever you say something like "many studies show ...", always give several references immediately afterwards

There are numerous studies of business units

the pursuit of cost reductions for the corporate centre or additional international sales (Porter 1990; Malnight 1995; Ghemawat 2005), however, a limited number of studies approach HQ relocation. Fewer still use a qualitative approach to

Point out the gap in existing research that YOUR research will aim to address

extract the details and nuances of the s
include the language and terminology of
Africa and the UK.

Describe who will benefit from your study and how they will benefit.

In your final Chapter "Conclusions and Recommendations", you should make recommendations for each group that you identify here, under "Significance of the Study"

The study will provide guidance to professionals working within multi-national enterprises who wish to understand the existence of transferability of strategy formation processes. This would include firms considering the relocation of their headquarters, as well as those executives currently working within firms with a headquarters overseas.

Academics and students of strategy forma
assistance from this study. Issues of 'di
different nations has continued to be of
(1990), Ghemawat (1995, 2003) and Rugm

ALWAYS explain / describe the Figures and Tables that you use – you must refer to them in the text and let the reader know what they should be looking for in the Figure / Table and why.

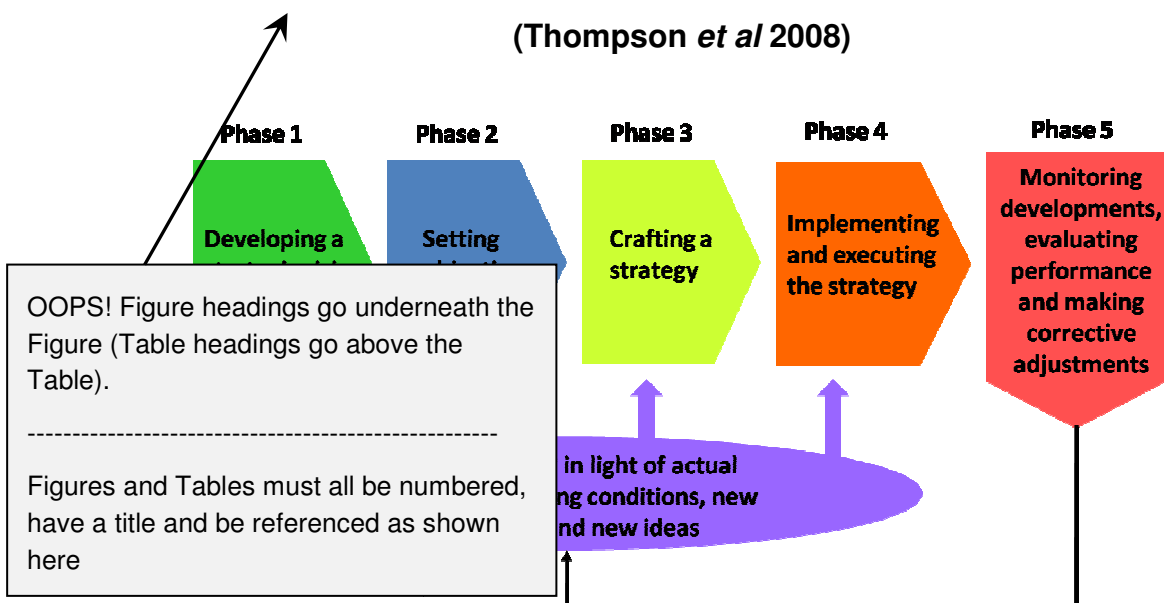
When referring to a Figure /Table, do so by its number – do NOT add "above" or "below" – often it ends up on the next or previous page and is not "above" or "below".

Figure 1 is discussed in more detail in the Literature Review.

1.5 Delimitations of the study

This study will only address Phases 1 and 2 of the Strategy-Making, Strategy Executing Process (Thompson, Strickland and Gamble 2008). **Figure 1 illustrates** the five phases of the process to illustrate where the area of the study integrates within the full framework.

Figure 1: The Strategy-Making, Strategy Executing Process
(Thompson *et al* 2008)



Phase 1 and Phase 2 encompass the vision, mission and goal setting process on a broad, corporate level (Thompson *et al* 2008). The detailed data of specific business units' sales targets, growth targets or share of market will not be discussed.

The study will not adopt a longitudinal approach. The **current** strategy process observed will be the subject of study in the HQ and South African corporate office.

The study will not address South African firms who re cities other than London.

These three paragraphs are great delimitations. They tell us the scope of the research – what it will include AND what it will not include

1.6 Definition of terms

- Strategy – management action plan for running the business and conducting operations (Thompson *et al* 2008).
- Headquarters or Corporate Centre – Collective corporate office responsible for the company wide operations of the firm (Chandler 1991).
- **Multi National Enterprise (MNE)** or Multi National Corporation (MNC) – Firm with business operations and functionation (Birkinshaw *et al* 2006).
- Dual Listing – Financial mechanism exchanges, usually in different countries

Include abbreviations here as well, and reference definitions where appropriate.

Always write the name of the abbreviation out in full the first time, followed immediately by the abbreviation in brackets. After that you can use the abbreviation only. Do this here as well as on the first usage in the text.

1.7 Assumptions

The following assumptions have been made regarding the study:

- a. The sample will be able to share information on the strategy formation process due to their seniority in the organisation. Lack of knowledge of strategy will negatively affect the credibility of study.
- b. The total number of respondents will be sufficient to gain adequate data.

- c. Strategy formation information will be conveyed honestly and truthfully by the respondents. False data will have a severely detrimental effect on the study's results.
- d. The respondent sample will reflect the general experiences of the office they work within. Non-representative views will skew the results of the study and reduce its validity.

These are the types of general assumptions that apply to most research. You may have some additional ones specific to your own study.

It is likely that you will only think of some of your assumptions when you have done quite a lot of work – it is OK to add these new ones in when they occur to you.

Only make assumptions that you can justify and the likelihood that they are correct.

Comment on what the consequences would be if your assumptions are found NOT to be valid, and how that would impact your study.

2 LITERATURE REVIEW

2.1 Introduction

This section contains a literature review on the key themes of relevance to the study. The first area is corporate strategy formation, including its key components and current issues relating to MNCs. The second area is headquarter relocation and how this affects strategy formation. The section concludes with an overview of the key learnings.

The Literature Review should address each sub-problem in turn and critically evaluate what has already been published in relation to each sub-problem.

The introduction lays out the flow of each section and helps the reader to move from one sub-section to the next.

2.2 Background discussion

Strategy has been discussed widely in the business press and academic literature. Corporate executives have been keen to understand the necessary steps to devising winning competitive strategies for their organisations (Porter 1979; Mintzberg 1994; Hamal and Prahalad 1996). Competing successfully in continually evolving industries has elevated strategy to a central pursuit for top management (Porter 1990; Mintzberg 1994). A range of tactics have been employed in a bid to build capabilities, creating core competencies towards developing a sustainable competitive advantage over global competition. Regional strategies have become increasingly important as firms internationalise in a bid to cut costs and benefit from economies of scale with larger manufacturing output (Ghemawat 2001, 2003). The relocation of business units and functions has been a common tactic to meet strategic goals, however, few have taken the next step and moved their entire corporate headquarters in the pursuit of competitive gains (Birkinshaw *et al* 2006). South Africa has experienced a unique phenomenon of concerted HQ relocation at the end of the 1990's, which the literature has failed to assess to a great degree. The literature was limited in this specific area of how strategy formation, in its early phases, would differ in relocated HQs from original home markets. However, some key theoretical assertions can be applied from a review of the literature.

When stating that a concept has been studied widely, ALWAYS put at least three references immediately after the statement.

2.3 Strategy Formation in Multi National Enterprises

The definition of strategy has evolved over the last 30 years. An early definition states strategy as “the match an organisation makes between its internal resources and skills and the opportunities and risks created by its external

OOPS! Page numbers should always be given for direct quotes.

environment” (Hofer and Schandel 1978). Strategy planning had been seen as a quantitative process (Ansoff 1965; Lorange and Vancil 1976; Porter 1980). The model presented by Michael Porter promoted strategic planning as an

analytical process, reviewing the internal and external forces of an industry using his famous Five Forces framework (Porter 1985). The market overviews diverted attention from strategy formation.

Discuss and define your key concepts here, at the beginning of the literature review rather than in the Definitions section. You should describe a number of different views and definitions and can draw conclusions about their validity based on the actual papers.

Tell the reader what definition YOU will be using in this study and why. It may be one you have described or your own composite of those cited.

2.3.1 Vision, Mission and Goals

Referring to Figure 1, strategy formation begins in Phase 1 with the distinct components of vision and mission, followed by Phase 2, goals (objectives)

For ease of reading, always refer to Figures in the text when it is necessary to refer to them

(Porter 1985). The strategic thinking of key team members combines the components to create the third Phase of the Strategy Making, Strategy Execution Process, crafting a strategy to achieve the objectives and vision.

This process can be incremental, reliant upon formal planning, or adaptive, emerging from within the organisation through the ‘trial and error’ activities of managers (Thompson and Martin 2005). Once the strategy has been formalised, it must be implemented effectively to make a valid contribution to the organisation (Phase 4). The delivery of a successful strategy requires a continuous monitoring and evaluation of its performance, to enable adjustments to be made in a timely fashion (Thompson and Martin 2005). Phase 5 is an essential element of this strategy cycle as it enables implementation to keep pace with a changing business environment and adjust the assumptions made throughout the preceding Phases. The results of monitoring and evaluation feedback into Phase 1 of the cycle, presenting strategy as a dynamic process, rather than a static annual event (Thompson *et al* 2008).

Vision is a clear image of the future success of the company, and acts as a guide

As a rule of thumb, there should be at least one reference in each paragraph, especially in the Context and Literature Review, and to a certain extent in the Methodology sections

towards (Collins and Porras 1996). The vision all levels of the organisation and aligns effort (Quigley 1994). Mission or mission statement a summation of their present business purpose

(Thompson *et al* 2008). These strategic elements are underpinned by the core values of the company, what it represents and believes as an organisation (Collins and Porras 1996). Goals, or objectives, are the specific milestones the company must reach in order to meet its strategic vision. These are often short term annual goals, however, ambitious businesses have Big Hairy Audacious Goal (BHAGS), which demand extraordinary effort to reach (Collins and Porras 1996).

2.3.1 Theories of Strategy Formation requirements

Other academics have contested Porter's analytical process

Porter's approach as "strategic programming" not strategic planning

1992; Mintzberg 1994; Hamel & Prahalad 1996; Collins and P

view strategy formation as a more dynamic process, which re

knowledge of the core competencies of the organisation (Stalk

knowledge then leads to determined strategies which exploit these unique competencies to provide superior value to customers (Hamel and Prahalad 1996).

Successful firms require an obsession to reach their vision, named "strategic intent" (Hamel & Prahalad 1996: 150).

The resources necessary to reach visionary targets are not accumulated quickly.

Resource-led strategy has been credited for explaining why certain companies are

able to succeed whilst others fail within the same business environment

(Thompson and Martin 2005). The work of Hamel and Prahalad, on core

competencies, directly explains how firms must garner the competitive advantage

from their resources to add value for consumers. The pursuit of suitable resources

to generate added value is an integral part of a resource-led strategy (Hamel and

Prahalad 1996). The long term commitment required will involve a "resource-

based approach" (Grant 1991: 114), needing capital investment, skills acquisition

OOPS! We prefer "and" to "&" – EndNote will format your references with "and".

However, If you are unwise enough NOT to use referencing software, at least be consistent

as well as a continuous focus on profitability. Close attention on the resources and capabilities of a firm will elicit the superior profits and greater customer satisfaction. Grant states a firm should “define business on what it is capable of doing rather than the needs it can satisfy (Grant 1991: p117).

Mintzberg (1987) also views strategy formation as a dynamic process. His term “crafting strategy” refers to an intuitive process of strategic thinking to “sense” the next course of action. Strategies are implemented anywhere within the organisation, utilizing all information on the discontinuities emerging in the market. The organisational culture must encourage new ideas to reach top management to be considered (Mintzberg 1987).

Make sure your full-stops are always AFTER the reference.

Hamel and Prahalad (1996) take Mintzberg a single stage further and propose discontinuities in the present must not be the focus. The future markets must be where strategists must hold their focus (Hamel and Prahalad 1996).

“The essence of strategy lies in creating tomorrow’s competitive advantage faster than competitor’s mimic the ones you possess today” (Hamel and Prahalad 1996: 155)

Firms must be able to make strategic decisions today for their future. Resources and capabilities are to be integrated into a shared vision to ensure ambitious targets can be achieved (Hamel 1992; Hamel & Prahalad 1996).

Correct referencing of a direct quote – with page number. Long quotes are indented on both sides like this one.

Don’t over-use direct quotes (= laziness), just use them to illustrate points made.

2.4 Relocation of Corporate Headquarters and Strategy Formation

2.4.1 *Function of Corporate Headquarters*

Executives within HQ of multinational corporations perform two closely related functions (Chandler 1991):

- *Administrative* involves monitoring the performance of subunits and divisions of the business, assessing how resources are utilised. This function also includes financial control
- *Entrepreneurial* determines strategies which deliver the organisations long term skills, capital and resource allocation in pursuit of corporate strategic goals

The impact on the administrative and entrepreneurial functions on the wider business is wholly dependent on the role which the HQ (or corporate centre) chose to perform (Goold *et al* 2001). Goold *et al* (2001) propose three organisational roles for any given HQ: minimum parent role (basic legal and governance activities); Value added parent role (developing core competencies across the business); Shared services (low value activities such as payroll, administration, human resources, from a central distribution point) (Goold *et al* 2001). Authors agree a corporate HQ must contribute value to its subunits to

When you are summarising, condensing, integrating, analysing and interpreting published papers, ALWAYS paraphrase as you do so – ie use your own words to describe the points made by the authors.

Do NOT copy and paste with the intention of coming back to it later – you will miss some out and could be expelled for plagiarism. Always give credit to others' work.

ability by remaining within the multi-
et al 2001; Birkinshaw *et al* 2006).
units is not dependent on industry or
gic management decision, aimed at
er 1991; Baaij *et al* 2004).

2.4.2 Relocation of Corporate Headquarters

The literature on corporate HQ is limited in comparison to studies on the relocation of business units. That which is available follows similar theories and conclusions. It is accepted by authors the decision to relocate a corporate headquarters requires considerable strategic determination and resolve (Baaij *et al* 2004). Issues of cost, legacy and the liability of foreignness all have to be factored into the decision (Zaheer 1995; Baaij *et al* 2004). The literature points to resource based theory as the key determinant in firms deciding to relocate, within a nation and cross border (Zaheer 1995; Rugman and Verberke 2004; Baai *et al* 2004; Birkinshaw *et al* 2006). Whereas business units will 'offshore' activities to gain cost advantages due to internal processes, HQ's relocate to address issues

from external stakeholders (Birkinshaw *et al* 2006). Country specific determinants can make a home market less attractive and other nations more attractive as a HQ location (Porter 1990; Baaij *et al* 2004).

The literature presented multiple reasons for HQ relocation to other nations. The primary reason noted is the pursuit of capital in primary capital markets, such as London and New York. HQ relocation was noted as a requirement for listing on the FTSE in London or NYSE in New York (Pagano *et al* 2002). Global visibility to global stakeholders, proximity to specialist service providers and enhanced corporate governance are widely cited as key HQ relocation determinants (Enright 2000; Pagano *et al* 2002; Baaij *et al* 2004; Birkinshaw *et al* 2006). Birkinshaw *et al* proposed a more implicit concept, stating a firms HQ relocation is to demonstrate

Integrate the findings of several authors when discussing a specific concept – do NOT simply summarise each author in turn. If you start each paragraph with “Author X says . . .” you are guilty of this error.

g at higher global standards. The n of moving itself (Birkinshaw *et al* 2006). South Africa contributed heavily to a fall in share prices for Anglo American and SAB Miller, fearing negative perceptions of South Africa’s regulatory regime under ANC rule (Birkinshaw *et al* 2006). Relocation demonstrates a detachment from the norms and rules of the home market and a signal to the markets of a ‘new chapter’ for the company (Malnight 1995; Birkinshaw *et al* 2006).

2.5 South African Strategy formation

The current academic literature has no studies of strategy formation process within South African operations. Limited writings on a South African philosophy to management exist, however, this fails to examine the strategy formation process to any degree. Early literature, pre-1994, have no relevance to a current analysis of strategy formation in today’s South Africa.

2.6 Conclusion of Literature Review

The literature review reveals strategy formation remains central to the business fortunes of MNCs. The pursuit of competitive advantage and capabilities within a global economy ensures firms must engage in long term strategic moves to compete. The relocation of HQs has been a vital tactic to firms aiming to assert themselves as global players and command capital for global expansion. The relationship between strategy formation of previous 'home' operations and relocated HQs remain unclear. Whether strategy formation practices change to mimic the new home of the corporate seat or retain their previous configuration has not been conclusively resolved in the literature.

2.6.1 *Research Question1:*

Of the companies which relocated their HQs to London, **is** the South African corporate operations' strategy formation process consistent with its HQ?

2.6.2 *Research Question2:*

What are the common activities and process of strategy formation in relocated HQs in London and their corporate South African operations?

2.6.3 *Research Question3:*

What are the differences in activities and process of strategy formation in relocated HQs in London and their corporate South African operations?

Research Question 1 is poorly phrased as it has a yes / no answer.

By agreement at the panel, this was changed to:

"Of the companies which relocated to London, **to what degree and how** are the South African corporate operations' strategy formation processes consistent with their HQ?" which requires a much more detailed and appropriate finding to emerge.

3 RESEARCH METHODOLOGY

This section must also be referenced, but do not just present a summary of a text book; describe the theory, and then describe how YOUR research is going to use the theory to be conducted properly.

This Proposal does this very well.

This section outlines the methodology used to conduct this research. Firstly, the literature around qualitative research **will be** discussed, followed by a review of the research design and research instrument to be used. Issues of data collection and analysis in relation to this study will be provided, followed by a discussion on the validity and reliability of this study.

Write in the future tense for the Proposal, but change to the past tense for the Report

3.1 Research methodology

This study **will use** a qualitative methodology in order to gather appropriate data to answer the research questions. Qualitative research has been defined as a methodology which **"allows the researcher to**

OOPS! The direct quote should have a page number in the reference

data' thereby developing the analytical, conceptual and categorical components of explanation from the data itself" (Filstead 1971). Due to the conceptual nature of the subject area, this research method is best suited to gathering the data required. The technique is "less structured" (Walker 1985), enabling the inquiry to evolve as the data collection progresses. Discussion of this technique requires a methodology which allows respondents to describe their activities. Qualitative approach is best suited to this endeavour.

Old references should be supported by more recent ones, especially if one wants to be at the "cutting edge"

The data will be collected in a series of In-depth interviews with each respondent, lasting 60 to 90 minutes. In-depth interviews will enable the informant to relate experiences and attitudes to the researcher in their own words (Walker 1985). Although open-ended questions will be used, the interviews will be semi-structured to ensure the necessary data is collected (Creswell 2003).

The assumption of honesty and candour from the respondents will be taken within this study.

Provide a clear link between how a particular research technique SHOULD be used (from the literature (referenced) and what you are actually going to do – if there are any differences, justify them and explain how they could affect the validity of your research.

3.2 Research Design

The research design will be in the form of a simple interpretive study (Creswell 2003). This format is the most efficient means of collecting emotional as well as factual information. The advantages are the familiarity of respondents to an interview structure, the ability to discuss complex issues and its adaptive characteristics (Walker 1985). The disadvantages are the impact of the researcher on the process, confidentiality concerns of respondents and the possibility of differing interpretations of questions (Carmichael 2009).

3.3 Population and sample

3.3.1 Population

The population is the strategic planning teams of firms who have relocated their HQs to London. The companies selected are listed in Table 1.

Don't reference lecture notes!
This reference is not in the reference list – every reference in the text must be in the reference list and *vice versa*.

Keep any shading light for legibility – this is too dark.

Table 1: Companies who relocated their HQs to London

COMPANY	INDUSTRY	HQ RELOCATION
Anglo American plc	Mining	May 1999
Investec plc	Financial Services	July 2002
Old Mutual plc	Insurance and Banking group	July 1999
SAB Miller plc	Breweries	March 1999

3.3.2 Sample and sampling method

The Senior team members (Directors or Senior Managers) were selected from each company for their knowledge and experience of strategy formation.

Interviews were requested by telephone and email to the respondents selected. If named individuals are unavailable in the interview period, a suitably experienced alternate respondent will be requested. It is anticipated the required number of

respondents will be found in each company due to the list them.

If you have Tables and they flow onto the next page, make sure that your headings automatically repeat on the next page.

Table 2: Proposed respondents

Company	Location	Min. Nos. to be sampled	Proposed Respondents
Anglo American plc	London	2	Heike Troul – Group Strategy Officer
Anglo American Ltd	Johannesburg	2	Kuseni Dlamini – CEO Godfrey Gomwe - Director
Investec plc	London	2	Allen Zimbler - Director
Investec Ltd	Johannesburg	2	Les Penfold - Director Andy Leith – Director
	London	2	Julian Roberts – CEO
	Johannesburg	2	Bob Head – Reg’l Director Shahlesh Devchand – Strategy Manager
SAB Miller plc	London	2	Badri Narasimhan Gail Lumsden – Head of Strategy and Planning
SAB Miller Africa Ltd	Johannesburg	2	Norman Adami – MD Mark Bowman – MD
TOTAL		16	

ONLY name your respondents if you have their permission. Often they prefer confidentiality. You will need to provide this assurance to meet the Ethics requirement of research.

3.4 The research instrument

The semi-structured interview schedule provided in the Appendix A. The questions are based on the literature review conclusion and findings.

Always give each Appendix a reference, eg Appendix A. Refer to them sequentially in the text – ie refer to Appendix A before referring to Appendix B.

schedule provided in the literature review the best opportunity for

respondents to share information in a comfortable and familiar manner (Creswell 2003). The advantages of the semi-structured interview allow for an adaptive quality and the researcher to explore interesting insights should they arise. The disadvantage is there may be concerns regarding confidentiality by respondents and a reluctance to share sensitive opinions regarding corporate procedure.

3.5 Procedure for data collection

The interviews will be pre arranged interviews with Senior Strategy team members in each city. If executives are visiting Johannesburg, interviews will be sought whilst in South Africa. Interviews will take place at their respective corporate office. This will assist in preserving the business environment and maintain the language of business. The location also presents an opportunity to observe the working environment of the respondent. Interviews will be recorded, as well as hand written notes taken. Observations on the physical surroundings of the office will be noted, including office layout, atmosphere and any staff interactions. Data will be collected on the body language and gestures of respondent.

3.6 Data analysis and interpretation

The data analysis procedure will follow the data management system prescribed by Miles and Huberman (1984). This comprises of three linked sub-processes: data reduction, data display, conclusion drawing/verification (Miles and Huberman 1984). During data reduction, the transcripts from recorded interviews will be condensed into data summaries for analysis. A code book and colour coding will be used to identify key terms and themes presented across all interviews (Neuendorf 2002). Any specific differences and inconsistencies will also be highlighted at this stage. A descriptive content analysis method will be applied to extract themes and contradictions within the data (Neuendorf 2002). The reduced set of data will then be displayed using text-based matrices to assist in interpretation (Miles and Huberman 1984). Conclusion and drawing meaning from the data will involve compare/contrast analysis, as well as the noting of patterns and trends. The researcher will seek verification of these conclusions by re-

contacting a selection of respondents. Triangulation with alternative data sources (further interviews, press articles, internal documents) will also provide verification of key findings in the study (Miles and Huberman 1984).

3.7 Limitations of the study

Limitations relate ONLY to your methodology – describe the limitations of your research and what the implications are.

The study is reliant upon the availability of a small sample of individuals. Although agreement to contribute may be achieved, interview cancellations are a distinct possibility. Every effort will be necessary to ensure respondents honour their agreement. The lack of quantitative findings is a limitation to those who wish to assess strategy formation in a numeric framework.

3.8 Validity and reliability

For Validity and Reliability, do NOT simply give a text book description of they mean.

3.8.1 External validity

Describe validity and reliability as the concepts relate to YOUR research - how your own work is valid or not, how you will address any concerns about validity or reliability. Add any cautions relating to generalisability (if relevant) should there be concerns.

Validity can be defined as “the extent to which the results of a study reflect what humans agree on as the truth” (p12). In asking the question “are we

It does not matter if your research is not 100% valid / reliable, as long as you point it out.

this study meets the condition for validity. External validity relates to the “generalizability” of learnings to groups other than the population researched (Neuedorf 2002). for other South African firms investigating relocation of MNCs in UK and South Africa will also find the results insightful. Other developing markets with large MNCs contemplating relocating to western markets will derive value from the study.

OOPS! Use South African English, not American, as your writing language (“s” not “z”).

3.8.2 Internal validity

Internal validity ensures the data collection process is uniform throughout. This study will ensure internal validity by replicating the interview structure with each interview. The adaptive nature of the research will draw differing supplementary questions, however, the researcher will ensure internal validity is not

compromised. Multiple contacts at each firm will contribute to internal validity. Triangulation with Annual reports, press articles additional sources will further support the internal validity of the study (Golafshani 2003).

3.8.3 Reliability

Reliability is the extent to which results are consistent and yield the same results on repeated trials (Neuendorf 2002). The context of qualitative research requires a more refined exposition of reliability. Terms such as 'rigour', 'trustworthiness' and 'defensibility' may better describe the pursuit of reliability in qualitative studies (Golafshani 2003). Reliability will be assured with an accurate research instrument tested on a trial respondent prior to the interviewees at the four companies selected. Refinements and clarifications will be made to elicit appropriate data from the respondents.

The Research methodology chapter was fleshed out after the panel with more detail and referencing added to most sections.

In addition, a profile of each organisation (the case sites) was given. The description of each organisation gives the reader a context, an overall "picture" and should be focused on issues relating to the study, eg strategy formation.

RESEARCH PLANNING

3.9 Time-table

Table 3: Time-plan for completion of research report by 26th June 2009

	02	09	16	23	30	06	13	20	27	03	10	17	24	31	07	14	21	28						
	MARCH							APRIL							MAY					JUNE				
Proposals Finalise & Submit	2																							
Panel Approval		9																						
Data Gathering: UK Interviews					28/3 - 10/4/09																			
Data Analysis: UK Interviews																								
Data Gathering: South Africa																								
Data Analysis: SA Interviews																								
Write Report												1st Draft						26 JUNE						
Finalise Report																			FINAL HAND-IN					

3.10 Consistency matrix

Table 4: Consistency matrix

<p>Research problem: Analyse the process of strategy formation of international firms, formerly headquartered in South Africa, now relocated to London, UK and contrast with the corporate South African operation.</p>					
Sub-problem	Literature Review	Research questions	Source of data	Type of data	Analysis
Examine the strategy formation within the London headquarters of the former South African international firms	Baaij, Van Den Bosch and Volberda (2004) Goold, Pettifer and Young (2001) Hamal and Prahalad (1996) Porter (1985) Thompson and Martin (2005)	Of the companies which relocated their HQs to London, is the South African corporate operations' strategy formation process consistent with its HQ?	Respondents in semi-structured interviews Company documents (annual reports, brochures) Press articles	Qualitative data	Data Reduction Data Display Conclusion Drawing/Verification (Miles and Huberman 1984)
Compare and contrast the strategy formation of South African operations of the international firms with the London headquarters' strategy formation	Birkinshaw, Braunerhjelm and Holm (2006) Rugman and Verberke (2004) Zaheer (1995)	<ul style="list-style-type: none"> • What are the common activities and process of strategy formation in relocated HQs in London and their corporate South African operations? • What are the differences in activities and process of strategy formation in relocated HQs in London and their corporate South African operations? 	Full interview data Company documents (annual reports, brochures) Press articles	Qualitative data	Data Reduction Data Display Conclusion Drawing/Verification (Miles and Huberman 1984)

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For both in-text referencing, and the reference list at the end, the WBS Style guide should be followed. This guide is included in the course pack for every course that you do at WBS, and is also on the website at www.wbs.ac.za.

If you use EndNote referencing software, using the Harvard WBS style, your referencing will automatically be correct, except in the few cases where a reference does not download correctly – these can easily be fixed manually.

EndNote was not used here, so you may spot a few errors!

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APPENDIX A

Letter to Respondents

If you are going to be gathering data from people (rather than a database or documents, etc) for your research, your draft questionnaire and / or interview guide MUST be submitted with the proposal that will be discussed at panel.

This is so that the panel can give Ethics clearance to your study, recommend changes, and / or refer the study to the University Ethics committee for approval.

This approval requirement has recently become formalised at WBS, and requires recording and documentation from panels.

Dear Respondent,

I am completing an MBA at The University of Witwatersrand, Johannesburg (Wits). My MBA thesis is on the strategy formation process within SA-UK companies. Towards gathering data on this subject, I would be grateful if I could arrange a 1 hour interview with you to understand the process of vision and strategy at [respondent's company]. I understand you are extremely busy your agreement to contribute to my research is greatly appreciated.

The interview will not involve questions on your detailed strategic plans for the future, focusing more on the general manner in which strategy is conducted in the company. Confidentiality will be observed throughout the thesis process and the final report will be for academic purposes only.

I will be available to meet with you at a location and time of your convenience.

Thank you for your kind assistance.

Yours sincerely,

Sxxx Cxxxx

SA Mobile: +27 83 555 5555

Actual Research Instrument

Interview Questions

Interview questions should almost always be open ended – ie require a fairly lengthy answer rather than yes / no or short answers.

Here, only the second question is a closed-ended question – and it is followed by an open-ended one to gather more detail.

- At which company did you gain your first experience of strategy formation?
- At [company name], is there a formal planning process in place?
- If yes, how is the process conducted in your office?
- What is the current vision of the company?
- How is this vision communicated across the organisation UK/South Africa (delete where appropriate)?
- What is your view of this vision? The view of the other employees?
- What is the mission of the company?
- How did this mission evolve in the company?
- What are the current goals of the organisation?
- By what process were these goals created?
- Which executives were involved on the goal-setting process?
- How are the vision, mission and goals monitored in the organisation?
- Are strategic elements included in employee performance reviews?
- Have you seen the strategy formation process change over the last year?
- How would you improve the strategy formation process for the future?

OOPS! The questionnaire is quite long (15 questions) and the letter indicates that interviews will be an hour long. This allows only 4 minutes per question, which will not give the depth of answer required. Perhaps some questions could be condensed. It is important to be realistic in planning research and do the arithmetic required to see if your plan is do-able.