

CALL FOR PROPOSALS

RETHINKING CORPORATE HEADQUARTERS: INNOVATIVE APPROACHES FOR MANAGING THE MULTI-DIVISIONAL FIRM



PROGRAM CHAIRS

Björn Ambos

University of St. Gallen

Tomi Laamanen

University of St. Gallen

Christoph Lechner

University of St. Gallen

Günter Müller-Stewens

University of St. Gallen

Once treated as almost synonymous with the place where strategies are made, corporate headquarters and the multi-divisional firms they steer have given way to other research phenomena. With this special conference, we want to redirect scholarly attention to the elephant in the room. Large, multi-divisional corporations form the backbone of well over half of the global economic output. Their attractiveness is not confined to the US and Europe—developing economies are increasingly embracing them. We want to summarize and advance our knowledge on these large firms and their corporate management.

Central to the notion of multi-divisional corporations is the creation of value through a central headquarter unit. This requires not only control and guidance, but also the coordination of dispersed activities through multiple means. Activities conducted by the central headquarter range from setting of corporate strategy, resource allocation, staffing key divisional managers, dealing with shareholders, analysts, investors or governments to centralizing functions, installing cross-divisional structures for creating and sharing knowledge, replicating business models, or nurturing core competencies.

Simultaneously managing across multiple industries, markets, technologies, countries, and cultures is posing significant challenges for executives around the world. Their world has changed significantly since Chandler's influential study on the M-form in 1962, which raises the question if our theories and empirical results of these firms are still valid.

Prior work has concluded that related multi-business firms often outperform other forms of diversification because they provide superior control over opportunism, better decision making, and enhanced value creation through cross-SBU coordination. But research has also established that these benefits come at substantial bureaucratic costs. Conceptually, the corporate level moderates the relationship between SBUs and outcome variables, by directly or indirectly facilitating or inhibiting the evolution and performance of SBUs. Empirically, multi-divisional firms delegate operating responsibilities to SBUs that function as organizational entities under the financial control and ownership of corporate management. Corporate management is vital for providing goals, directions, guidelines, structures, and control systems to SBU managers that facilitate the performance of their assigned tasks and responsibilities.

Switzerland is not only a country of beautiful mountains, clear lakes, and lovely cities, but also a country of high competitiveness and homeland for more than 500 corporate and regional headquarters. As such, it offers a well-suited place for a conference on multi-divisional firms and their corporate management.

CONFERENCE THEME TRACKS

Track A: Setting the Scope of the Corporation

Track Chair: Margarethe Wiersema, *University of California-Irvine*

Strategic scope decisions are among the most significant and visible decisions made by management. Acquisitions, divestments, foreign direct investments, internal capital investments, as well as strategic alliances and joint ventures all constitute decisions that impact the strategic scope of the firm and can have significant performance implications. Significant reductions in trade barriers, the mounting economic impact of China, technological change, increasing capital market pressures, along with the recent global economic downturn have motivated executives to take a fresh look at the firm's strategic scope. Evaluating the firm's portfolio can result in the decision to unlock value by spinning off assets or businesses. Alternatively, strategic acquisitions can strengthen the company's competitive position. How do executives rethink the strategic boundaries of their companies and what factors impact these major decisions?

Track B: Managing Headquarters-SBU Relationships

Track Chair: Tina Ambos, *University of Sussex*

New forms of organizing have challenged headquarters-subsidiary relationships. Thus, we raise the questions: How much autonomy do modern business units need and are they getting it? How much autonomy should modern headquarters grant? How are we dealing with power imbalances? Which control instruments do headquarters apply for managing their SBUs? How do headquarters direct attention as a scarce resource and set direction? Which role plays cognitions on both levels? Is there a surge in regional headquarters? What is their function?

Track C: Adding Value in the Multi-Divisional Firm

Track Chair: Matthias Brauer, *University of St. Gallen*

Diving further into the role of the parent through which means, do corporate headquarters try to create this additional value and act as good "parents"? What are the most effective means of adding value? Which capabilities provide a multi-business firm with corporate level advantages? Are there useful typologies of corporate parents? Which functions have the biggest value-adding potential? What is the fate of corporate initiatives and corporate programs? What are traps in creating synergies? Are there novel approaches for adding value that have not yet been recognized by research?

Track D: Managing Complexity

Track Chair: Gianmario Verona, *Bocconi University*

The complexity of managing multi-divisional corporations is large. How useful is their conceptualization and study through the lens of "activity systems" and complexity theory? Which theoretical perspectives can gain new insights? Which management innovations are useful in coping with this complexity? Which capabilities are needed to manage complexity? How affect different forms of complexity their evolution and performance? Are there novel "corporate" business models as opposed to more traditional "business"-level models?

Track E: Strategy Practice & Process and the Corporate Headquarters

Track Chair: Richard Whittington, *University of Oxford*

The new role of the corporate headquarters creates new requirements also for the organization of the strategy process. How are our existing ways to think about the strategy process corresponding to this new reality? How should the strategy processes of the business units be synchronized with the corporate level process? What role does the strategy development unit play in facilitating this process? How should the established ways of managing strategic issues be developed further? What are some of the novel innovative ways for organizing the strategy process?

Track F: Strategy Execution and the Corporate Headquarters

Track Chair: Anja Tuschke, *University of Munich*

Corporate headquarters has an important role as an orchestrator of resources and capabilities across different country borders. How does our existing knowledge of strategy execution fit to this new reality? How do headquarters use corporate programs for advancing their strategies? How are different strategic actions, such as mergers and acquisitions, coordinated across the divisions? How can the corporate headquarters proactively contribute to the promotion of corporate values and the emergence of a common corporate culture?

SUBMISSION GUIDELINES AND REQUIREMENTS

Proposals (5-7 pages, for paper and panel sessions)

Only original, unpublished work is sought.

Deadline for Submission of Proposals: November 13, 2014

To learn more about the
SMS Special Conference in St.Gallen
and the submission process, please go to:
stgallen.strategicmanagement.net

Timeline:

November 13, 2014	Submission Deadline for Proposals
November 20, 2014	Co-Author Confirmation Deadline
Mid-January, 2015	Notifications of Program Review Committee Decisions
February 13, 2015	Presenter Registration Deadline
End of March, 2015	Conference Program Available Online
May 29 – 30, 2015	SMS Special Conference St. Gallen

a professional society for the advancement of strategic management

The Strategic Management Society (SMS) is unique in bringing together the worlds of reflective practice and thoughtful scholarship. The Society consists of nearly 3,000 members representing over 80 different countries. Membership, composed of academics, business practitioners, and consultants, focuses its attention on the development and dissemination of insights on the strategic management process, as well as fostering contacts and interchange around the world.

The Society is probably best known through the Strategic Management Journal (SMJ) published by John Wiley & Sons. This Class A journal has become the leading scholarly publication in the field of Strategic Management and is consistently rated one of the top publications in the management area. In 2007 the Society launched the Strategic Entrepreneurship Journal (SEJ) and in 2010 the Global Strategy Journal (GSJ). The intent is for these new quarterly publications to soon also become Class A journals and to promote the development and dissemination of advances in the field by maintaining the highest standards of intellectual thought combined with practical relevance, just as their sister publication SMJ has done for many years.



SMS Executive Office • Rice Building – Suite 215 • 815 W Van Buren Street • Chicago, IL60607 • USA

Phone 1 312-492-6224 e-mail sms@strategicmanagement.net

Interested? Visit www.strategicmanagement.net