Contents

List	of fig	ures	хi
List	of tab	oles	xiii
Pref	ace		xv
Ackr	nowled	dgements	xvii
1	•	porate headquarters staff: the	
	inte	rnational scene	1
	1.1	The international research programme	3
	1.2	An outline of this guide	5
2	The	concept of corporate headquarters	7
	2.1	Theories of corporate headquarters	10
	2.2	Three roles of corporate headquarters	10
	2.3	Corporate strategy	12
3	The	structure, staffing and roles of headquarters	15
	3.1	Different types of headquarters	17
	3.2	The size of corporate headquarters	21
	3.3	Composition of corporate headquarters	24
	3.4	Staffing of corporate functions	26
	3.5	Roles of headquarters staff	27
	3.6	The size of divisional headquarters	32
	3.7	Outsourcing	33
4	Cha	nge and effectiveness	37
	4.1	The overall pattern of change	39
	4.2	Drivers of change	41
	4.3	Two patterns of change	43
	4.4	Headquarters effectiveness and headquarters size	46

5	The	factors that shape corporate headquarters	51
	5.1	Introduction	
	5.2	Company size	53
	5.3		55
	5.4		60
	5.5	Linkages between divisions	63
	5.6	Other factors	64 66
6	Hea	dquarters country by country	75
	6.1	Europe	77
	6.2	The USA	7 <i>7</i> 89
	6.3	Japan	93
	6.4	Chile	93 97
	6.5	Summary	101
7	Con	clusions and implications	103
	7.1	Key findings	105
	7.2	Implications for designing corporate headquarters	110
Арр	endic	ees	
Α	The c	ompanies in the surveys	119
В		dded versus separate headquarters	133
С		quarters sector by sector	139
D		urveys and their analysis	151
E		cts and publications	171

List of figures

1.1	The surveys of corporate headquarters	4
2.1	Three roles of corporate headquarters	11
2.2	Headquarters and corporate strategy	12
3.1	Separate and embedded headquarters	17
3.2	Proportions of companies with embedded headquarters	19
3.3	Staffing of the minimum corporate parent role	28
3.4	Staffing of the discretionary roles	28
3.5	Assessment of divisional performance	31
4.1	Reported changes over the previous five years	40
4.2	Anticipated changes in the next five years	41
4.3	Concerns and the direction of change over the previous five years	44
4.4	Concerns and anticipated changes over the next five years	45
4.5	Headquarters staffing and cost-effectiveness	46
4.6	Headquarters staffing and profitability	47
4.7	Headquarters staffing and shareholder return	48
5.1	The basic framework	54
5.2	The four key factors	54
5.3	Number of headquarters staff	56
5.4	Proportion of employees working in corporate headquarters	57
5.5	Incidence of corporate R&D functions	58
5.6	Staff in the minimum corporate parent role	59
5.7	Headquarters staff and turnover per employee	59
5.8	Headquarters staff and functional influence	61
5.9	Centralisation of information systems activity	62
5.10	Functional influence and relatedness	63
5.11	Headquarters staff and percentage of service staff	64
5.12	Headquarters staff and linkages	65
5.13	Headquarters size versus ownership and regulation	66
5.14	Headquarters size versus business sector	69
5.15	Influence over R&D decisions versus importance of R&D (Europe)	70
5.16	Headquarters size versus geographical spread	71

5.17	Corporate versus divisional headquarters staffing in Europe	72	
5.18	Headquarters size versus approach to assessment of performance	73	
5.19	Function staff and outsourcing in Europe	74	
6.1	Reductions in headquarters staff in privatised French companies	80	
6.2	UK headquarters staff in 1998 versus 1993	87	
6.3	Government owned and privatised UK companies	88	
6.4	Staffing of information systems functions in the USA	93	
7.1	A ready reckoner for staffing in the minimum corporate parent role	113	
A. 1	Trend in number of employees	122	
A.2	Geographical spread	124	
A.3	Number of divisions	126	
A.4	Average relatedness scores	128	
A.5	Average linkage scores	129	

List of tables

3.1	Number of headquarters staff	19
3.2	Financial services companies versus industrial companies	20
3.3	Headquarters staffing versus company size	22
3.4	The cost of corporate headquarters	23
3.5	The cost per headquarters staff member	24
3.6	Number of headquarters locations	24
3.7	Functions included in corporate headquarters	25
3.8	The staffing of corporate headquarters functions	27
3.9	Influence of headquarters on major divisional decisions	30
3.10	Service staff in corporate headquarters functions	32
3.11	Divisional headquarters staff	33
3.12	Outsourcing of headquarters activities	34
4.1	Drivers of past change	42
4.2	Drivers of future change: assessments of current	
	headquarters effectiveness	42
	Cuts in headquarters staff	43
5.1	Headquarters of privatised and regulated companies	67
6.1	Corporate functions in the USA and Europe	92
A.1	Ownership and regulation	119
A.2	Privatisation	120
A.3	Business sectors	120
A.4	Critical success factors	121
A.5	Number of employees	121
A.6	Turnover per employee	123
A. 7	Number of business units	123
A.8	Geographical spread versus company size	124
A.9	Company structure	125
A.10	Size of the largest division	126
A. 11	Relatedness of divisions	127
A.12	Linkages between divisions	129
A.13	Financial performance	130

B.1	Numbers of separate and embedded headquarters	133
B.2	Total headquarters staff	134
B.3	Functions included in corporate headquarters	136
B.4	The staffing of corporate headquarters functions	137
C.1	Numbers of companies and numbers of employees	139
C.2	Total headquarters staff	140
C.3	Staffing of the minimum corporate parent role	140
C.4	Staffing of the discretionary roles	141
C.5	Functional influence scores	141
C.6	Functions included in corporate headquarters - Europe	142
C. 7	Functions included in corporate headquarters - USA	143
C.8	Functions included in corporate headquarters - Japan	144
C.9	Staffing of headquarters functions per 1000 employees - Europe	145
C.10	Staffing of headquarters functions per 1000 employees - USA	146
C.11	Staffing of headquarters functions per 1000 employees - Japan	147
C.12	Numbers of companies	148
C.13	Headquarters staffing	148
C.14	Functions included in corporate headquarters	149
C.15	Staffing of headquarters functions	150
D.1	Statistical model for headquarters staff	154
D.2	Differences from UK questionnaire - USA and Japan	156
D.3	Headquarters function headings by country	157