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Editorial

Rethinking the role of the centre in the multidivisional firm: A retrospective

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Nowadays, diversified companies or business groups are the norm rather than the exception. Most multibusiness or multi-unit firms are organised as a multidivisional firm (*M-form* firms). They are structured into semi-autonomous divisions or operating units that report to a corporate headquarters (CHQ) to guide, control and coordinate the group. There are many different ways to manage the role of such a corporate center. Also, over the past decades, these roles had to change, owing to the changing requirements from the business environment and new approaches to managing the roles.

Long Range Planning (LRP) has long been a prominent outlet for discussions on managing multidivisional companies. In this retrospective special issue, we selected prominent articles published in LRP during the past three decades, with research questions of pertinent relevance, and asked researchers and practitioners to comment on them from today's perspective. Our introduction seeks to contextualise the articles featured in this retrospective special issue within contemporary research and to discuss some key issues and future research topics highlighted in the commentaries. The intention is to set the scene and to build bridges between the focal themes, rather than to provide a comprehensive review of the research in this field. This special issue was inspired by the discussion at a special conference of the Strategic Management Society held in May 2015 at the University of St. Gallen under the theme *Rethinking Corporate Headquarters: Innovative Approaches for Managing the Multi-Divisional Firm.*[1]

Introduction

"Uneasy lies the head that wears a crown."
Act III, Scene I, King Henry IV *by William Shakespeare*

It is widely accepted in management science and practice today that most of multibusiness or multi-unit firms are organised as a multidivisional firm. *M-form* firms, as they are also called, are usually led by a corporate headquarters (CHQ) and divided into business-level management and corporate-level management. Most scholars agree that the legitimisation of a multi-unit firm derives from the corporate level's ability to add more value to its businesses (*corporate surplus*), which they are not able to realise as standalone operations. For instance, Grant (2002, 90) explains this as follows: "Empirical research shows that there are no generally superior corporate strategies. The critical issue is achieving fit between the resources and capabilities of a company and its corporate strategy, organization structure and management system."

However, the question remains: *How well advanced are our scholarly and policy-oriented understandings of multidivisional firms? How can firms achieve this fit? Which levers can they use to add rather than destroy value?* While the phenomenon is certainly not under-researched, many of the key questions seem to occupy scholarly and managerial thinking today as much as 30 years ago. Informed by this observation, this retrospective special issue seeks to take a fresh look at influential research in the past and to shed light on these findings from today's perspective.

Since the late 1980s, a broad research stream has discussed the management of the multidivisional firm's corporate level (e.g. Chandler, 1991; Doz and Prahalad, 1991; Hedlund, 1986; Grant, 1996). Particularly, studies have paid attention to strategic

[1] http://stgallen.strategicmanagement.net.

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direction (vision, mission, goals, values), the structure of the portfolio of businesses, the interplays between portfolio strategy and organisational structure, the CHQ's value-adding roles, and the realisation of synergies across operating units. Concerning the changing roles of the centre of multidivisional firms, over the last years, we have observed waves of centralisation and decentralisation – augmenting or reducing the roles and the power of the centre (see also Ambos and Mahnke, 2010; Kunisch et al., 2014; Menz et al., 2015).

When the CHQ defines its roles and extents of centralisation, it inevitably faces a dilemma: on the one hand, it must provide value to and positively impact on the divisions in relation to their sizes and costs; on the other hand, the more it interferes with the divisions' autonomy, the more it risks detracting value via bureaucracy, increasing questionable key costs, wasting employees' time and motivation, and so on. When multidivisional corporations are also multinational, this dilemma is exacerbated by the challenges to locally adapt to contextual differences or to globally integrate (Doz and Prahalad, 1991).

These general problems have occupied management scholars for decades. Today, we are seeing another surge of discussions about the firm's purposes and headquarters' roles, questions of distributed strategy-making, and the value of networks and other hybrid structures. We are also seeing another trend towards increased centralisation and, as a result, a more powerful CHQ. While emerging research provides many new insights on these issues, it also prompts us to ask whether we have really answered the field's core questions, such as: *What are appropriate value-adding roles of the corporate level? What is the optimal structure of the firm in relation to its corporate strategy? What is the most efficient leadership style to link the corporate and the business levels? How can we design an efficient corporate planning process? Or, do we have to answer these 'old' questions in different ways in view of changing contexts?*

Rethinking the CHQ: a framework

The attempts to describe the CHQ's roles and functions are as diverse as the organisational models we see in research and practice. Thus, we decided to present a very simple model of the CHQ within the multidivisional firm, following the fundamental questions of strategy: What, how, who and why (Watkins, 2007). First, at the core of every diversified organisation is the question *what* the CHQ does to add – or, indeed, destroy – value. Second, *how* this is done is a question of implementation and depends on management practices, including corporate governance, information systems, and coordination and control tools. Third, the CHQ is shaped by and interacts with internal (divisions, subsidiaries, regional HQ, etc.) as well as external stakeholders (institutions, competitors, customers, etc.) (*who*). The fourth element refers to the vision, mission and values – *why* a certain strategy is followed. The CHQ can provide strategic orientation with a normative frame and a corporate strategy. Figure 1 presents the fundamental questions that guided the organisation of this special issue.

We are seeing important changes in the following domains. First, *the nature of the multidivisional firm itself*. Also, many multibusiness firms are now much larger, more complex regarding the operating units (divisions, countries, brands, etc.) they must integrate, and their business environment is more dynamic and more interdependent. Almost all multidivisional firms are also multinationals and must cope with formal and informal differences in the institutional environment. Firms must adjust to new business models more quickly and must adopt new and flexible ways of organising, for instance, platform business models or other 'new' forms of organising (Puranam et al., 2014). Further, the efficiency of many national markets in emerging economies have changed, with major impacts on business groups' strategic rationales (Colpan et al., 2010). New questions about the corporate centre's roles also arise in state-owned enterprises and family firms, which are the dominant forms in these markets (Bruton et al., 2015; Meyer and Peng, 2016). There are also new shareholder types, such as private equity firms or active shareholders, and companies are forging different partnership types that redefine a firm's boundaries. But do we know enough about how they manage, compete and practice corporate governance?

Second, *new management tools and means* are available to develop and steer multidivisional firms. For instance, new information and communication technologies have improved our possibilities to interact in such complex organisations and to integrate their activities. But the knowledge we have regarding new technologies' impacts on CHQs' roles and structures is very limited. Communication technology's roles in bridging distance and ensuring more efficient communication between organisational units has seen much attention (e.g. Ambos and Ambos, 2009; Minbaeva et al., 2003). Also, new management tools and coordination mechanisms have changed how managers coordinate and control large organisations (Menz et al., 2015). And much richer data and data analytics provide new sources for more fact-based corporate decision-making.

Third, not only the questions but also the *methodologies* of academic research and the availability of (internationally comparable) data have advanced significantly. Although we still face challenges in data collection about large complex firms operating across national boundaries as well as on the new and emerging organisational forms, there is a much larger empirical basis for our research than some decades ago.

Several academic journals have dedicated special issues to the broad theme of CHQ, for instance, *Management International Review* (Ambos and Mahnke, 2010), the Journal of International Management (Ciabuschi et al., 2012) and, most recently, the *Journal of Management Studies* (forthcoming) – all focusing on headquarters' roles in multidivisional and multinational firms. A number of articles have provided comprehensive reviews of evolution in the field (e.g. Ambos and Mahnke, 2010; Menz et al., 2015; Ciabuschi et al., 2012, 2015). Thus, our aim was not to provide another review, but to take a fresh look at past research published in LRP and to reflect on their ideas, contexts and findings from today's perspective.

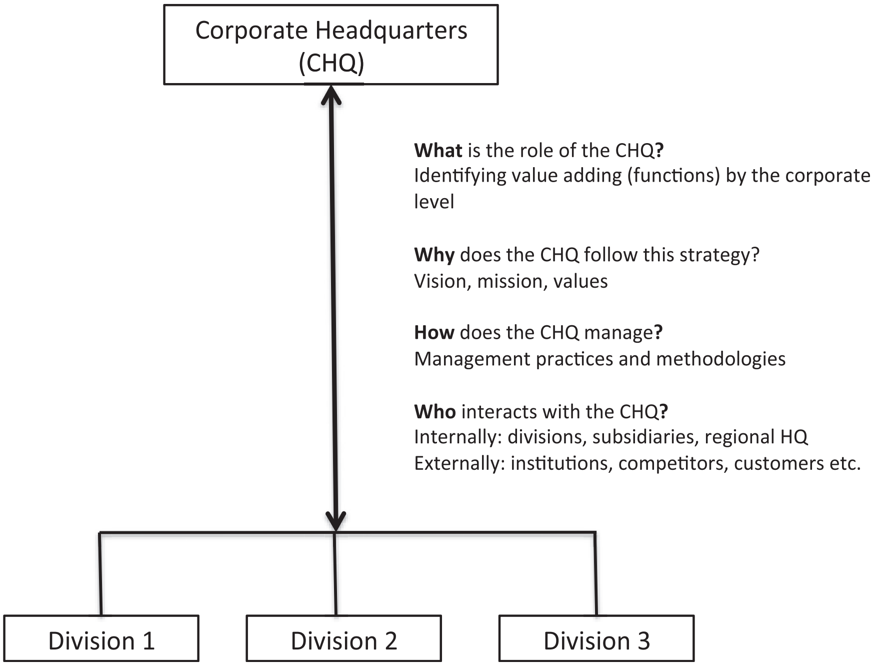

Figure 1. Guiding questions about the CHQ's roles.

Purposes and structure of this retrospective special issue

When screening the literature over the past five decades, since the creation of *Long Range Planning* in 1968, we noticed that while the styles of research and practice have changed, many questions remain the same. In particular, the big questions on the CHQ's value-adding role, (what) the structure and management practices (how), the interactions between internal and external stakeholders (who), and the vision and mission (why) have not been answered satisfactorily. This was surprising, because in practice there is an increasing pressure on top such business groups' management teams to show that they can add value. For instance, in LRP, Volume 1, Issue 2 (1968), we find the article *Corporate planning. The keystone of the management system* by W. W. Simmons. *Can we give clear answers to the question how a corporate planning system must look like today and how it must be developed and applied?* And if we search for managerial frameworks and tools to manage the corporate level, we find that only a few are really used (e.g. Campbell et al., 2014; Collis and Montgomery, 2005; Müller-Stewens and Brauer, 2009). Concerning education, only a few business schools are offering specific classes on corporate-level management where students can learn about crafting a corporate strategy and aligning the organisation to execute the strategy.

In some – more focused – research areas, we have advanced our understanding – for instance, our knowledge on the changing functions and the global dispersion of the CHQ (e.g. Bouquet and Birkinshaw, 2008; Laamanen et al., 2012; Strauss-Kahn and Vives, 2009; Prahalad and Bhattacharyya, 1998; Pasternak and Viscio, 1998; Baaij et al., 2015). We also know much more about the impacts of members of the corporate parent (e.g. Finkelstein and Hambrick, 1990) and of middle managers on the development of the firm (Floyd and Wooldridge, 1990). But knowing more does not necessarily mean that we have clear answers.

Questions about *corporate advantage* (Collis and Montgomery, 1998) or a *parenting advantage* (Campbell et al., 1995) are high on researchers' agenda, and consultants and managers struggle to design effective models for corporate management. For instance, questions about the corporate centre's value-adding roles were as pronounced in the 1990s as they are today (e.g. Hungenberg, 1993; Goold et al., 1998). The discussion on organisational forms that enable global integration and responsiveness, including the DMNC (Doz and Prahalad, 1991), the heterarchy (Hedlund, 1986) or the transnational (Bartlett and Ghoshal, 1989) goes back to the late 1980s, but we have only very recently begun to see new forms of organising emerge – with 'true' network structures and/or multiple or even virtual headquarters (Prahalad and Bhattacharyya, 2008; Galan and Sanchez-Bueno, 2009).

There has also been ample evidence of changes in corporate headquarters (Kunisch et al., 2015). Specifically, researchers have studied the relocations of headquarters (Birkinshaw et al., 2006; Laamanen et al., 2012), the disaggregation of headquarters into smaller components (Desai, 2009), the dispersion of headquarters' activities and roles across multiple locations (Baaij et al., 2015), the management of central functions located at the CHQ (Kunisch et al., 2014), or the implementation of *dual* and *virtual* headquarters (Birkinshaw et al., 2016).

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While we see many novel and fruitful discussions, we also observe a repetition of research questions – and answers – over the past decades.[2] In this retrospective special issue, we seek to surface these topics, for us to be able to learn from past studies and to link prior insights to contemporary views and future research endeavours. To select the original articles, we applied a keyword search for all articles published in *Long Range Planning* before 2005. Such a focus on one journal is a limitation, and many subject-related articles have been published in other journals. Yet in our view, this focus is legitimate, because LRP has been a primary outlet for this topic for decades, and with its strong orientation to the managerial community, we found a sample of comparable articles regarding style. Many of the selected articles are based on insights from management and consulting practice rather then a rigorous research process. What was important to us in the article selection was that they should be though-provoking and should address questions that were as relevant then as they are now.

We used several search terms for keyword, title and abstract search (headquarters, multidivisional, divisional, alignment, parenting, leadership, subsidiary, portfolio, synergies, vision, mission). This yielded at total of 293 articles. We carefully screened all articles for their content and contribution. The review of the original articles published in LRP highlighted the perseverance of a number of questions, which we have grouped as guiding questions. Interestingly, we found relatively little research on the *why* question – a point that we will pick up in our discussion below.

What?
- What kind of parenting activities do CHQs use to add (net) value?
- What are their sources/levers of value-adding (and value destruction)?
- What is the CHQ's roles in competition between different corporate parents?
- What portfolio configuration type(s) contribute(s) to group performance?
- What kinds of synergies can we realise?
- What kinds of relatedness can be drivers of corporate value? And are there drivers of corporate value beyond relatedness?

How?
- How does the CHQ align the managements systems (e.g. strategic planning), organisational structures and processes to support the implementation of the corporate strategy and to respect the normative frame?
- How are methodologies and tools (e.g. the portfolio approach) used to ensure the CHQ's effectiveness?
- How can we measure corporate discount/surplus?
- How can we assess synergies?
- How can we manage corporate evolution and renewal?

Who?
- How are decisions on diversification and location taken?
- How do interactions between the CHQ and operating units work?
- What are other corporate levels' roles in strategy-making (e.g. regional HQ, subsidiaries)?

As a next step, we identified articles that addressed the above research questions that remain relevant today. We did not apply quantitative metrics to select articles but we chose well-known and oft-quoted pieces that addressed rather general, broad questions in the field. The issue's editors and LRP's Editor-in-Chief discussed the article selection. For each original article, we invited either the authors or experts in a research field to write a commentary. The purpose of the commentary was to discuss a paper's contributions and the evolution of a specific research question since publication, as well as avenues for future research.

We present papers and commentaries covering various broad themes:

1. *What* is the CHQ's roles?
   Value-adding by the corporate level and the CHQ's roles
2. *How* does the CHQ manage?
   Management practices and methodologies in the CHQ
3. *Who* interacts with the CHQ?
   Different levels of the multidivisional firm and their interactions (regional HQ, subsidiaries, middle management's roles)

Insights from this retrospective

While each commentary on the original article makes its own contributions, we will now highlight some overarching issues that surfaced in the commentaries and the discussions that led to this Special Issue.

Only a few were really interested in the topic: the dominance of the Ashridge Group

Considering strategic management generally, we see that knowledge creation and distribution now takes place globally. Hundreds of business schools around the world now have chairs in strategic management, and there are few business schools

[2] See also the map of the literature on the most prominent research streams in corporate strategy in Grant (2002, 74).

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without classes and executive education on strategic management. Even when we look at the business schools with very strong research teams in strategic management, we cannot observe clear dominance by a few schools.

This is completely different in the field of *corporate* management. The Ashridge Group's dominance is well documented in LRP. There are 25 articles by Andrew Campbell alone. The studies undertaken were important in advancing the questions that remain dominant today. They were primarily based on consulting insights and management experience following the phenomenon rather than developing theoretical questions in an ivory tower. When commenting on these articles from our perspective today, we see a lack of academic rigour in the research, but there was certainly added value concerning discovering new issues and themes. Their constructs (e.g. *parenting advantage*) are widely used until today, their frameworks (e.g. the *heartland matrix*) are applied by corporate-level practitioners, and their ideas were picked up by many researchers (see Campbell, in this issue).

While we can observe that academic standards and methodological rigour have increased since these original articles appeared, of late, many scholars have lamented about the disconnect between management practice and academic scholarship. Rigorous examinations of subquestions certainly deserve attention, but we must admit that many fundamental questions of corporate strategy have not been solved, or even advanced much.

Multidivisional is multinational: the missing link between corporate-level strategy and international strategy

We set out by focusing on the challenges of managing the multidivisional firm. Initially, in the articles, there was a clear division between *multidivisional* and *multinational* firms (Menz et al., 2015). The first was more concerned with vision, mission, diversification, portfolio management and synergies, while the latter focused mostly on cultural differences and aspects of global-local stretch. It has also been noted that research on multidivisional firms was predominantly informed by economic theories and took a top-down approach. In contrast, the multinational literature often focused on the subsidiary units (i.e. the periphery of the firm) and bottom-up mechanisms and has included location-specific contextual differences in its – admittedly eclectic – theorizing (e.g. Hedlund, 1984; Nohria and Ghoshal, 1997; Doz et al., 2001).

Looking at general strategy textbooks, we often find a chapter on international/global strategy, but it is discussed separately from the topic corporate strategy/development. However, from a management perspective, it is one dimension of corporate strategy and, in most cases, it cannot be divided. Both address the organisational challenge how CHQ manages to create value across different product lines or geographic markets. In practice, both overlap greatly.

The ways the divisions or operating units of multibusiness firms are structured can follow different rationales: Sometimes these are products, or value chain activities, or regions/countries, or brands, or customer groups, and so on. Also, we often see multidimensional organisations where two or more of these dimensions are combined in the organisational form (e.g. matrix). A luxury goods company such as the LVMH group is home to 70 distinguished brands (*houses* such as Bulgari) rooted in six different sectors (*business groups* such as watches and jewellery), with close to 4000 stores across the globe. The most common combination we find in practice are product lines and regions. If the regional subsidiaries have control over most of their value chain, the CHQ faces with the same questions and challenges as with product divisions: *In which countries should it invest? Where should they divest? How can they realise cross-country synergies?* And so on.

In spite of these conceptual similarities, international (or global) strategy has established itself as a topic in its right, with its own vocabulary, theoretical perspectives, textbooks, publication sources, etc. (Tallman and Pedersen, 2015). Moving along in time, this division and the literature have increasingly overlapped. Today, while parts of this chasm have been bridged, we still see isolated discourses in strategy and international business, such as the work on strategic initiatives (Floyd and Wooldridge, 1990; Lechner et al., 2010) and issue selling (Dutton and Ashford, 1993) in the strategic management literature and subsidiary initiatives in the international business literature (Birkinshaw and Hood, 1998; Ambos et al., 2010), which has long remained separate. Recently and unsurprisingly, several scholars have called for a tighter integration of the international business literature and the strategy literature (e.g. Menz et al., 2015; Campbell et al., 2014; Teece, 2014). We see the main benefits of such integration as the opportunity to embed location-specific or cultural differences into the strategic methodologies and frameworks of the multidivisional firm.

In search of a shared purpose: a lack of providing strategic direction

In every firm, a key top management team task is to provide strategic direction, but in a diversified organisation, there is a specific need for coordination and direction. Managers can do this by crafting and implementing leadership tools such as a vision, a mission or values. Such tools help one to steer people's behaviour in the organisation, and can also be used to establish a shared sense of purpose (Carton et al., 2014). These are complementary messages that leaders can use to illustrate a company's shared purpose and intended value proposition (Venus et al., 2013).

A vision describes what the organisation aspires to one day achieve (Whittington et al., 2004). Several researchers have argued that managers can inspire and lead their people by providing them with a vision as a snapshot of the company's ultimate purpose (Stam et al., 2010). And communicating a vision infuses their daily actions with meaning and orientation (Knippenberg and Sitkin, 2013). The mission defines the company's value propositions to its stakeholders. It answers shareholders' expectations and their relationships to the company. Like all relationships, such relationships are based on the actors' values. Explicitly defined values represent desired end-states; they are guiding principles that also provide a sense of purpose by capturing which day-to-day behaviours are important and desirable (Carton et al., 2014; Lord and Brown, 2001).

While much is known on the roles of such tools to provide a shared purpose, surprisingly few LRP articles have touched on the process of creating a vision, a mission or a shared values statement for multidivisional firms, to get a more comprehensive answer to the *why* question in our framework. Similarly, we know little about making content relevant to people, to trigger a shared purpose. These tools are often 'paper tigers' with very little impacts on people's daily behaviour. This remains a major challenge in practice. While managers worry about this, the literature has remained relatively silent.

While a significant academic research stream deals with managerial cognition, sense-making and sense-giving (e.g. Fiss and Zajac, 2006) in organisations, this literature has remained relatively remote from management practice. There is ample evidence that a shared understanding among employees (i.e. similarity in views) enables coordination and implementation (Guth and MacMillan, 1986; O'Reilly et al., 2010; Rapert et al., 2002; Schwenk, 1996; Wooldridge and Floyd, 1990), but the question is how different people in a company achieve the same understanding of concrete realities and abstract concepts (Ensley and Pearce, 2001). Some scholars argue that in order to better understand how leader communication/rhetoric influences the extent to which purpose comes to be shared, we need to study how such communication/rhetoric influences *shared* cognition. For instance, Carton et al. (2014) show that increases in performance gained from a shared purpose are most likely to occur when leaders simultaneously communicate a large amount of vision imagery (e.g. words that describe people, colours and actions) and a small number of values. But insights into this issue have mostly remained in the domain of organisational behaviour and are seldom reflected in strategy research.

Without more concrete guidance on this question, leaders will find it difficult to establish a shared sense of purpose merely by coupling a vision and values when they communicate written and verbal messages to followers.

After taxonomies and typologies: increased focus on process and context

In the older articles, the development of taxonomies and typologies of organisational types or units is dominant. For instance, Lasserre (1996) proposed a typology of regional headquarters (commented on by Ambos, in this issue) and Taggart (1998) a typology of subsidiaries (commented on by Dellestrand, in this issue). There are now many taxonomies; many overlap. The development of such taxonomies certainly aligns with LRP's at the time – for academic research to provide managerially accessible knowledge. In parallel, we have also seen a general trend during the 1980s and 1990s in the development of subsidiary mandate typologies (e.g. Birkinshaw and Morrison, 1995; Patterson and Brock, 2002).

While very prominent at the time, broad and abstract frameworks and typologies that framed the discussion on models of the multidivisional firm are declining in recent research. Instead, we see a shift to a focus on a firm's contextual factors as well as to the importance of tensions and dynamic interactions (Ambos et al., 2016). We now see more work on management mechanisms (e.g. Volberda, in this issue; Tallman and Koza, 2016) and their theoretical foundations (Hoenen and Kostova, 2014; Schulte-Steinberg and Kunisch, 2016). While the older articles included in this issue already provide some evolutionary and process-based perspectives (Goold and Campbell, 2000; Volberda et al., 2001; Herbert, 1999), they focused more on structural solutions than process-based and relational issues, which seem to define the current debate (see also Piaskowska et al., 2015).

Clearly, research must take a closer look at the influences of different context types on the ways a CHQ is formed or should be formed, such as the institutional context. Our current knowledge is probably too U.S.-centric. We can also learn much from better understandings of how Japanese, Korean, Singaporean, Colombian or Indian companies manage their – often broadly diversified – conglomerates (Coplan et al., 2010). Or we can take a broader perspective and look at industrial domains such as health or mobility, which are often approached by networks of horizontal partnerships, where a CHQ must adopt different roles.

Measuring added value: challenging the CHQ's contributions

A core question in corporate management practice is: *Does our corporate level add value or not?* This question is hard to answer. Thus, a highly debated topic 20 years ago and today is the question how we can measure the CHQ's added value. While not a recent concept, *parenting* still faces measurement challenges.

To have legitimacy, a multibusiness firm must be able to add value to cover the costs of the layer above the operating units, mostly referred to as the CHQ or the parent company. *But what is value?* In a narrow sense, *value* is the *net present value*: the sum of the future net cash flow discounted to today's value. Here, it is a quantitative calculation based on financial figures. In a broader sense, *added value* is everything that contributes to achieve the company's objectives of in more efficient or effective ways. Such added value is much more difficult to measure, and qualitative indicators are necessary in order to do so.

CHQs also face competition for parenting. Since the parent competes with the capital markets and other parents as a provider of added value, it must add more value than other parents can. Otherwise, there are better owners for the businesses controlled by the group. A term used in the measurement of the added value is *corporate surplus* – the corporate discount if the added value does not cover the CHQ's costs (Villalonga, 2004). Studies show that, on average, multibusiness companies destroy value (Krühler et al., 2012). This means that the risk of value detraction is often underestimated. Already in 1996, Goold acknowledged the negative aspects of *parenting* or the centre's roles, and pointed to *a net effect of corporate ownership* (see also Collis, in this issue).

The classical way of measuring corporate surplus/discount is the quantitative sum-of-the-parts model: the difference between the total value of the company and the sum of the standalone values of each business unit. But the problem is that such calculations are based on stock values and seldom reflect a firm's ‘real value’. Yet investors base their acquisition decisions on recent share prices.

Another way to evaluate a CHQ is a benchmarking approach (e.g. the number of CHQ employees in relation to the number of company employees), but also this concept is problematic, owing to the various roles a CHQ can have (see also Kunisch, in this issue). The utility of benchmarking is problematic concerning searching for sources of parenting advantage.

These observations lead us to the need for a broader debate on quantifying the parenting surplus in a broader and less biased way. We must also find a way to differentiate ex ante between value creation and value destruction.

How do we shape it? The CHQ in a globalising world

As David Collis mentions in his commentary on Michael Goold's (1996) article, a search for ‘parenting advantage and corporate strategy’ yielded more than 400,000 Google references, indicating the matter's relevance today. While there seems to be agreement that the topic is important and that many questions remain unresolved, the question arises what next steps we can take to provide more precise and more useful answers to the ‘old’ questions.

While it will be impossible to devise a single optimal *role for the corporate centre*, there may be some value in uncovering the assumptions of modern models of the multidivisional or multinational firm. For instance, Bartlett and Ghoshal (1989) conceptualise the transnational firm's centre as an *orchestrator*. The Uppsala school talks about a *sheer ignorant* CHQ (Forsgren and Holm, 2010; Ciabuschi et al., 2011, 2012). As early as 1951, Sune Carlson, who inspired the Uppsala model of the political federation, wrote: “*I always thought of a chief executive as the conductor of an orchestra, standing aloof in his platform. Now I am in some respects inclined to see him as the puppet in a puppet show with hundreds of people pulling the strings and forcing him to act in one way or another*” (Carlson, 1951, 52; Forsgren et al., 2015). So, the general conceptualisation of the CHQ and how it is perceived in the organisation is likely to play a key role. Only when there is clarity about the CHQ's general roles can we think about appropriate ways to manage and evaluate. For instance, looking at modern ecosystems, the CHQ of a player in a system might only be a hub in a multihub system, which is coordinated more by specific processes than by a specific structural unit.

This leads us to a related question, the question of *the fundamental purposes of a CHQ and its relationships with other organisational entities*. Are we bound to a location when we talk of a CHQ? For instance, Pidun (in this issue) reflects on the *intrinsic CHQ tasks that cannot be delegated*. Many global professional service firms have a strong shared corporate identity despite a dispersed and decentralised structure. Particularly when speaking about headquarters relocation or the virtualisation of headquarters, we rarely address headquarters as a *location*, but as a *function* or even an *activity*. The fundamental question whether we need a corporate (or a regional) headquarters, or whether it might be more fruitful to think of parenting as an activity that can be dispersed remains critical but largely unanswered.

Thus, it is also becoming increasingly blurred whether the CHQ can be conceptualised as an organisational unit with a specific strategic mandate or as dispersed individuals or teams that contribute to distributed strategy-making. Such a perspective inevitably calls for a tighter integration of the corporate strategy literature with the research on top management teams. The strategic decision-making and coordination processes also warrant more attention, since there is a new emphasis on initiatives rather than on whiteboard value-creation based on synergies (see also Tallman, in this issue).

But we must also look deeper into new conceptualisations of which new de facto division types exist and what this means for the CHQ. Because in some firms, competition happens more between business models than between specific products or services, some business groups offer the same core product in different business models under the same roof. For instance, the Lufthansa group now has one division for its premium carriers (Lufthansa, Swiss, Austrian) and one for its low-cost carriers (Eurowings, German Wings).

We also need to ask whether our *research methodologies* and approaches can be better equipped. For instance, are they able to address a context where Western management thinking does not dominate? The institutions, cultural values and management practices in other regions differ widely and may call for a different perspective (Barkema et al., 2015). Herbert's (1999) critique of U.S.-style corporate planning process already pre-empted many of the discussions we face in contemporary MNC that have roots in different cultures and different management styles. As discussed by Whittington (in this issue), Herbert (1999) calls for a contextualisation of management practices that highlight opportunities to learn and gradually assimilate. But researchers and practitioners still struggle with the integration and contextualisation of different values and practices, and we seem to have very few adequate techniques to address the challenges of the emerging types of multidivisional and multicultural firms (see also Bettis, in this issue).

We also need more longitudinal studies to learn more about the dynamics of corporate management, for instance, to get more insights about how the relationship between corporate strategy and the organisational form changes over time. Baaij (in this issue) also points to the relevance of the centre's roles in relation to a firm's diversification strategy and contends that such value-adding has become even more complex. So a key task is to first define which functions are part of the CHQ's mandate and to then ask *how* they can provide value, to *whom*. In addition, the question of internal (to the firm) vs. external (to partners, suppliers, customers shareholders) value-added is crucial, and has attracted attention (Birkinshaw et al., 2016). Another question relates to interaction styles between the CHQ and operational units. Or how different types of relatedness (e.g. business vs. managerial relatedness) are driven by different cross-unit processes.

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As we can see, the field of corporate-level management offers many ‘old’ questions that have not yet been sufficiently answered, but also an increasing number of challenging new research questions. We trust that this retrospective issue will provide an overview of some primary research streams with close links to practical real-world phenomena. The different time perspectives of the ‘old’ articles and their commentaries might help us to better understand the dynamics of these phenomena.

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