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**Strategic Governance: A division of labour in
New Zealand Companies**

**A 152.800 (100 point) Thesis in partial fulfilment of the requirements
of the degree of Master of Business Studies at Massey University.**

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2003

ABSTRACT

Much of the research in the disciplines of strategic management and governance has taken place in the United States where the Chairman of the board is frequently carrying the position of Chief Executive Officer. To date, New Zealand studies into these disciplines have largely been anecdotal.

This research examines the strategic management and governance processes adopted by the executive management and board in twelve large New Zealand companies. Although some of the data categories were structured prior to analysis by the questions, a grounded theory approach (Locke, 1996) is adopted for the synthesis and evaluation of the data. Semi-structured interviews were conducted with both the CEO and Chair of nine of these companies. Questions focused on board composition, governance processes and roles in developing and executing strategic management. The transcripts were analysed manually and using NUD*IST thematic coding software. Ten concepts were synthesised from the interview transcripts and the questions that created them.

The strategic governance processes within these companies satisfied both the Chairs and the CEOs apart from two notable aspects. First, the political agenda of the Government as the shareholder of crown-owned companies impeded the appointment of non-executive directors who

could fully deliver to the commercial expectations of the companies. This was compared to companies with and without major shareholders who did not report problems. Conflicts of interest were adjudicated subjectively by the Chair according to the assessed risks involved. Additional services provided commercially to the company by directors were also open to potential conflicts. One characteristic that was evident was the positive working relationships between the Chairs and CEOs of these companies. The research also presents a number of interesting issues, revelations and opinions by these officers.

ACKNOWLEDGEMENTS:

Credit must be given to people who have guided this research through to its completion. Professor Ralph Stablein and Dr James Lockhart, of the Department of Management at Massey University for their initial interest in this subject, for their persuasiveness in converting what started as a small research project into this full thesis, and then guiding the project through to its completion. Thanks too to Mrs Marilyn Trail for assiduously typing up the transcripts and finally to my family for allowing me to bury myself in this project in all the spare time I could find.

The Chairs and CEOs who participated in this research and gave their precious time to answer the questions are gratefully acknowledged. Without them this research would not have been achieved. They will

remain anonymous but hopefully will have gained benefit from their participation.

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