

Response to comments by reviewers

We thank the reviewers for their comments, which have assisted in improving the paper. The main concerns of the reviewers relate to (1) clarification of the research objective of the paper, (2) explanation of the research methodology, and (3) the need for a scientific writing style. We respond to each of these in the following paragraphs.

(1) Clarification of the research objectives of the paper

The reviewers note that the research objectives should be specified upfront. We agree that the original paper can benefit from a clear and explicit presentation of the research questions. To this effect, we have amended the paper as follows:

- Firstly, we have stated the three research objectives in the introduction (see the second paragraph on page 1).
- Secondly, we have renamed and rewritten the first section of the paper, called the “Literature Review and Research Questions”. In particular, in this section we discuss the relevant BEE literature that lead to each of the three research questions (see page 2-5).
- Thirdly, we have worked on a better integration of the paper to establish the “golden thread” that the reviewers refer to. Specifically, we have explicitly structured the analysis and results sections by reference to each the three research questions (see, for example, the restructured ‘analysis’ section on pages 8-14 as well as the ‘results’ section on page 15-17 which are split by research question).

Apart from the need for explicit research objectives and integration of the analysis with these initial objectives, the reviewers ask for a review of the overall structure of the paper. They note that “a clear structure with separate, specific sections are required”. We agree that the paper can benefit from a structure that follows the familiar lines of literature review – research questions – methodology – data – analysis – results. We usually adopt this format in our research. However, as explained under (2) below, we did not follow this structure in the original paper, as the paper employs an inductive, rather than a deductive, research method. Under an inductive method, theoretical propositions are developed rather than tested, so that the original structure is reversed (with data analysis leading to the inference of research questions or propositions). Nevertheless, we agree that it is good practice to label and structure sections such that the reader is clear as to the purpose of a particular section. We have therefore altered the structure of the paper as follows:

- Firstly, we have moved the general discussion of BEE to the literature review section, where we have also added the research objectives, as discussed above.
- Secondly, the literature review is followed by a section on ‘research methodology’. This is an amended version of the original research methodology section, as we explain in greater detail in (2).
- Thirdly, the methodology is followed by the ‘data’ section, which offers a description of the data sources consulted.

- Fourthly, the data section is followed by the ‘analysis’ section. This section contains the original analysis of the paper, but presented in a new way that links clearly to the three research objectives stated earlier.
- Fifthly, the results section summarises the findings, but we have moved some of the paragraphs to the final conclusions.

In their comments regarding structure, the reviewers also note that tables are often not explained in the text, including (what is now) Table 1. We have added an illustrative example to explain Table 1 (see page 4). We have also looked at the other tables. For example, we have simplified Table 2 (see page 8) to make it clear which evidence is used to answer which research question.

(2) Explanation of the research methodology

The reviewers note that “the author needs to show that a scientific study was done and a scientific methodology followed”. We agree with the reviewers that the paper should provide a proper motivation for its use of a single-case study method. To this end, we have greatly expanded the section on methodology (see pages 5 to 7). We argue in this section that the single-case study is an appropriate research design where the aim is to develop theory in under-researched area and where the case is revelatory in that it “affords the researcher the opportunity to study phenomena not previously investigated, usually due to a lack of data” (second paragraph, page 5).

The reviewers appear to view the case study method from a statistical perspective when they note:

“The sample size is too small and the author should consider doing a more extensive and comparative study. To consult for a small service provider with five clients and then make general conclusions for the country as a whole is not acceptable, neither scientific”.

The case study method, however, is *not* aimed at such statistical generalisation. We acknowledge that this is not clear in the original paper and we have added a discussion of the case study as a method for analytical (as opposed to statistical) generalisation in the revised section on methodology. Specifically, we point out in that section that the case study is aimed at developing theory from a rich set of data. Like those from a single experiment, the theory inferred from a single case are not necessarily generalisable to a population and, like follow-up experiments, results have to be replicated in second, third and more cases. In this sense, case study forms the first part of a research programme by suggesting theories that can be explored further using statistical tools and large sample data. This does not render the first case study non-scientific, as generalisation is but one feature of science. The primary criterion for scientific research is its openness to scrutiny. As we discuss in the revised section on methodology, such openness is actually better facilitated by the extensive discussion usually accompanying a case study (see bottom page 6). In fact, the single-case study is a well-recognised scientific research method in the major management journals internationally (see references in the section on methodology to published work in the *Academy of Management Journal* and the *Strategic Management Journal*).

It is true that case studies are less common in South African management research. This is a worrying trend, as it limits academic research to a specific set of tools. Case studies can be particularly useful in developing theory, especially in under-researched areas (such as the strategic implications of BEE policy). This is why we mentioned, already in the original paper, that we aim to use the case study to open up a new research programme on BEE and strategy. The single-case study is therefore a valid and scientific research method for the purposes of this paper.

(3) The need for scientific writing style

The reviewers note the need for a scientific writing style. We agree and have reviewed the entire paper to ensure that it is written in the third person.

We also thank the reviewers for highlighting the need to refer to recent sources on BBBEE in addition to BEE. We have added references to this effect on page 1 (towards the bottom of the paragraph) and in the literature review (page 3 to 4).

We trust that the above respond adequately to the reviewers' comments on methodology and structure.