

## **RESEARCH PROPOSAL**

### **Research Question:**

Should Petrofac invest in its own residential buildings for employee accommodation to address increasing house rents?

### **Rationale:**

The increasing house rents in Dubai and Sharjah provides Petrofac International with an opportunity to invest in its own residential building for its workers. Petrofac is considering a plot of land to invest in, to build a building and provide accommodation to 500 families.

### **Theoretical Framework:**

I would be analyzing both monetary and non-monetary circumstances in my appraisal for management. Mainly I will be concentrating on applying business tools such as Investment Appraisal, Financial Modeling, Lewin's Force Field Analysis and an applicable SWOT analysis for this decision.

### **Key areas of syllabus:**

- 1.6 SWOT Analysis (HR/Finances/Cost)
- 1.9 Change Management (Using Lewin's Force Field Analysis)
- 2.0 HR Planning (Employee Motivation)
- 3.0 Accounts & Finance (Investment Appraisal)

**Methodology:**

❖ **Primary Research:**

**First Step:**

Interviewing the Human Resources director in order to understand the basis for setting the HRA's of the employees and to gather information regarding Petrofac's primary objectives and company's strengths and weaknesses.

**Second Step:**

Conducting surveys among the employees of the company to conceive their views about this decision.

❖ **Secondary Research:**

**First Step:**

Review important documents such as the P/L account, news articles regarding the rising rents and rise in cost of properties and previous records to acquire past 5 years information concerning the changes in the House Rent Allowances (HRA).

**Second Step:**

Review Petrofac's annual profits & turnover by assessing records of the company over the last few years. Differentiate between the expenses involved in setting up a complex and expenses involved in providing employees with complete accommodation allowance.

**Problems likely to be encountered and possible solutions:**

<b><u>Possible problems</u></b>	<b><u>Solutions</u></b>
Difficulty in obtaining key financial data due to confidential issues.	Gather data from all sources including employees and workers and cross checking.
Difficulty in obtaining relevant and true information.	Confirm this information with more interviewees.
Limited amount of time available for interviews.	Avoid wasting time in long discussions and nullify open ended questions. Take along a friend or acquaintance to help out.
Difficulty in distributing the Survey Questionnaires as time lags and difficulty in mobility.	Use a comprehensive and electronic form of questionnaire which can be mailed to the employees directly.

**Action Plan/Research timeline**

<b><u>Date</u></b>	<b><u>Activity</u></b>	<b><u>Modification</u></b>
December 2007	Topic selection	
02/12/07 – 3/01/08	Write initial proposal.	
10/04/08 – 27/05/08	Begin research / Review proposal	<i>Minor modifications to the research topic.</i>
1/06/08 – 2/06/08	Write Interview Questions	<i>Write more Interview questions for the interview with the Finance Manager of Petrofac.</i>
3/06/08 – 6/07/08	Review companies report and conduct employee surveys and interview.	<i>Data collected insufficient hence get more data and references from the internet.</i>
07/07/08 – 10/07/08	Make charts and organize data.	
08/11/08	Write Introduction.	
10/11/08	Begin writing the 1 <sup>st</sup> draft	<i>Addition of more charts and diagrams.</i>
11/11/08	Construct the Decision Tree	
12/11/08	SWOT and Survey Analysis.	<i>Decision tree not a relevant tool in this project, thus include Lewin's Force Field Analysis.</i>
13/11/08	Investment Appraisal	
14/11/08	Complete 1 <sup>st</sup> Draft	
17/11/08 – 26/11/08	Refine 1 <sup>st</sup> Draft	<i>Complete the first draft by 20th November and ask for second opinion. Omissions, as above word limit by 800 words.</i>  <i>Requested Petrofac for certificate of Value to Management.</i>
27/12/08	Final Submission	