Advertisement

Strategic Management Journal / Volume 21, Issue 2 / pp. 155-174

Research Article

Curvilinearity in the diversification–performance linkage: an examination of over three decades of research

Leslie E. Palich, Laura B. Cardinal, C. Chet Miller

First published: 06 January 2000

https://doi.org/10.1002/(SICI)1097-0266(200002)21:2<155::AID-SMJ82>3.0.CO;2-2

PDF

Abstract

While an extensive literature examines the diversification-performance relationship, little agreement exists concerning the nature of this relationship. Both theoretical and empirical disagreements abound. This study synthesizes findings from three decades of research to address major theoretical issues that remain open to debate. We derive three competing models from the literature and empirically assess these using meta-analytic data drawn from 55 previously published studies. The results of our tests indicate that moderate levels of diversification yield higher levels of performance than either limited or extensive diversification. Thus, we provide support for the curvilinear model; that is, performance increases as firms shift from single-business strategies to related diversification, but performance decreases as firms change from related diversification to unrelated diversification. The results also indicate major effects from variation in diversification and performance operationalizations. Copyright © 2000 John Wiley & Sons, Ltd.

References

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® Google Scholar

Amit, R and J. Livnat (1988c). 'A concept of conglomerate diversification', *Journal of Management*, **14**, pp. 593–604.

Web of Science® Google Scholar

Amit, R. and J. Livnat (1989). 'Efficient corporate diversification: Methods and implications', *Management Science*, **35**, pp. 879–898.

Web of Science® Google Scholar

Arnould, R. J. (1969). ' Conglomerate growth and profitability', In L. Garoian (ed.), *Economics of Conglomerate Growth*. Oregon State University, Corvallis, OR, pp. 72–80.

Google Scholar

Bacharach, S. B. (1989). 'Organization theories: Some criteria for evaluation', *Academy of Management Review*, **14**, pp. 495–515.

Web of Science® Google Scholar

Barney, J. B. (1997). *Gaining and Sustaining Competitive Advantage*. Addison-Wesley, Reading, MA.

Google Scholar

Barton, S. L. (1988). 'Diversification strategy and systemic risk: Another look', *Academy of Management Journal*, **31**, pp. 166–175.

Web of Science® Google Scholar

Bass, F. M., P. J. Cattin and D. R. Wittink (1977). ' Market structure and industry influence on profitability'. In H. Thorelli (ed.), *Strategy + Structure = Performance*. Indiana University Press, Bloomington, IN, pp. 181–197.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Berger, P. G. and E. Ofek (1995). 'Diversification's effect on firm value', *Journal of Financial Economics*, **37**, pp. 39–65.

PubMed | Web of Science® | Google Scholar

Bergh, D. D. (1995a). 'Size and relatedness of units sold: An agency theory and resource-based perspective', *Strategic Management Journal*, **16**(3), pp. 221–239.

Web of Science® | Google Scholar

Bergh, D. D. (1995b). 'Problems with repeated measures analysis: Demonstration with a study of the diversification and performance relationship', *Academy of Management Journal*, **38**, pp. 1692–1708.

Web of Science® | Google Scholar

Bergh, D. D. and G. F. Holbein (1997). 'Assessment and redirection of longitudinal analysis: Demonstration with a study of the diversification and divestiture relationship', *Academy of Management Journal*, **18**, pp. 557–571.

Web of Science® | Google Scholar

Bergh, D. D. and M. W. Lawless (1998). 'Portfolio restructuring and limits to hierarchical governance: The effects of environmental uncertainty and diversification strategy', *Organization Science*, **9**, pp. 87–102.

Web of Science® | Google Scholar

Bethel, J. E. and J. Liebeskind (1993). 'The effects of ownership on corporate restructuring', *Strategic Management Journal*, Summer Special Issue, **14**, pp. 15–31.

Web of Science® | Google Scholar

Bettis, R. A. (1981). 'Performance differences in related and unrelated diversified firms', *Strategic Management Journal*, **2**(4), pp. 379–393.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Bhide, A. (1990). 'Reversing corporate diversification, 1990', *Journal of Applied Corporate Finance*, **3**, pp. 70–81.

Google Scholar

Bishara, H. I. (1980). 'Performance of Canadian conglomerate corporations: An empirical analysis', *Akron Business and Economic Review*, **11**, pp. 23–30.

Web of Science® | Google Scholar

Bishara, H. I. (1981). 'An empirical study of the Canadian multinational corporations and Canadian conglomerate firms with regard to performance evaluation', *Nebraska Journal of Economics and Business*, **20**, pp. 33–50.

Web of Science® | Google Scholar

Bolton, P. and D. S. Scharfstein (1990). 'A theory of predation based on agency problems in financial contracting', *American Economic Review*, **80**, pp. 93–106.

Web of Science® | Google Scholar

Buhner, R. (1987). 'Assessing international diversification of West German corporations', *Strategic Management Journal*, **8**(1), pp. 25–37.

Web of Science® | Google Scholar

Busija, E. C., H. M. O'neill and C. P. Zeithaml (1997). 'Diversification strategy, entry mode, and performance: Evidence of choice and constraints', *Strategic Management Journal,* **18**(4), pp. 321–327.

Web of Science® | Google Scholar

Cable, J. and H. Yasuki (1985). 'Internal organization, business groups and corporate performance', *International Journal of Industrial Organization*, **3**, pp. 401–420.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Carter, J. R. (1977). 'In search of synergy: A structure-performance test', *Review of Economics and Statistics*, **59**, pp. 279–289.

Web of Science® | Google Scholar

Caves, R. E. (1981). 'Diversification and seller concentration: Evidence from change', *Review of Economics and Statistics*, **63**, pp. 289–293.

Web of Science® | Google Scholar

Chang, S. J. and U. Choi (1988). 'Strategy, structure and performance of Korean business groups: A transactions cost approach', *Journal of Industrial Economics*, **37**, pp. 141–158.

Web of Science® | Google Scholar

Chang, Y. and H. Thomas (1989). 'The impact of diversification strategy on risk-return performance', *Strategic Management Journal*, **10**(3), pp. 271–284.

Web of Science® | Google Scholar

Chatterjee, S. and J. D. Blocher (1992). 'Measurement of firm diversification: Is it robust?', *Academy of Management Journal*, **35**, pp. 874–888.

Web of Science® | Google Scholar

Chatterjee, S. and B. Wernerfelt (1991). 'The link between resources and type of diversification: Theory and evidence', *Strategic Management Journal*, **12**(1), pp. 33–48.

Web of Science® | Google Scholar

Choi, J. J. (1989). 'Diversification, exchange risk, and corporate international investment', *Journal of International Business Studies*, **20**, pp. 145–156.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® Google Scholar

Comment, R. and G. A. Jarrell (1995). 'Corporate focus and stock returns', *Journal of Financial Economics*, **37**, pp. 67–87.

Web of Science® Google Scholar

Datta, D. K., N. Rajagopalan and A. Rasheed (1991). 'Diversification and performance: Critical review and future directions', *Journal of Management Studies*, **28**, pp. 529–558.

Web of Science® Google Scholar

Denis, D. J., D. K. Denis and A. Sarin (1997). 'Agency problems, equity ownership, and corporate diversification', *Journal of Finance*, **52**, pp. 135–160.

Web of Science® Google Scholar

Dess, G. G., D. R. Ireland and M. A. Hitt (1990). 'Industry effects and strategic management research', *Journal of Management*, **16**, pp. 7–27.

Web of Science® Google Scholar

Dubofsky, P. and P. Varadarajan (1987). 'Diversification and measures of performance', *Academy of Management Journal*, **30**, pp. 597–608.

Web of Science® Google Scholar

Dundas, K. N. and P. R. Richardson (1982). 'Implementing the unrelated product strategy', *Strategic Management Journal*, **3**(4), pp. 287–301.

Web of Science® Google Scholar

Froot, K. A., D. S. Scharfstein and J. C. Stein (1993). 'Risk management: Coordinating corporate investment and financing policies', *Journal of Finance*, **48**, pp. 1629–1658.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Galai, D. and R. W. Masulis (1976). 'The option pricing model and the risk factor of stock', *Journal of Financial Economics*, **3**, pp. 53–82.

Web of Science® | Google Scholar

Gassenheimer, J. B. and W. W. Keep (1995). 'The effect of diversification on manufacturers, wholesalers, and retailers', *Journal of Managerial Issues*, **7**, pp. 13–26.

Google Scholar

Gassenheimer, J. B. and W. W. Keep (1998). ' Generalizing diversification theory across economic sectors: Theoretical and empirical considerations', *Journal of Marketing Theory and Practice*, Winter ed., pp. 38–47.

Google Scholar

Geringer, J. M., P. W. Beamish and R. C. dacosta (1989). 'Diversification strategy and internationalization: Implications for MNE performance', *Strategic Management Journal*, **10**(2), pp. 109–119.

Web of Science® | Google Scholar

Geroski, P. A. (1995). 'What do we know about entry?', *International Journal of Industrial Organization*, **13**, pp. 421–440.

Web of Science® | Google Scholar

Gertner, R. H., D. S. Scharfstein and J. C. Stein (1994). 'Internal versus external capital markets', *Quarterly Journal of Economics*, **109**, pp. 1211–1230.

Web of Science® | Google Scholar

Glass, G. V., B. McGaw and M. L. Smith (1981). *Meta-analysis in Social Research*, Sage, Beverly Hills, CA.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Gort, M. (1962). *Diversification and Integration in American Industry*. Princeton University Press, Princeton, NJ.

Web of Science® | Google Scholar

Grant, R. M. (1987). 'Multinationality and performance among British manufacturing companies', *Journal of International Business Studies*, **18**, pp. 79–89.

Web of Science® | Google Scholar

Grant, R. M. (1998). *Contemporary Strategy Analysis*. Blackwell, Oxford.

Google Scholar

Grant, R. M. and A. P. Jammine (1988). 'Performance differences between the Wrigley/Rumelt strategic categories', *Strategic Management Journal*, **9**(4), pp. 333–346.

Web of Science® | Google Scholar

Grant, R. M., A. P. Jammine and H. Thomas (1988). 'Diversity, diversification, and profitability among British manufacturing companies', *Academy of Management Journal*, **31**, pp. 771–801.

Web of Science® | Google Scholar

Grinyer, P. H., M. Yasai-ardekani and S. Al-bazzazz (1980). ' Strategy, structure, the environment, and financial performance in 48 United Kingdom companies', *Academy of Management Journal*, **23**, pp. 193–220.

Web of Science® | Google Scholar

Habib, M. M. and B. Victor (1991). 'Strategy, structure, and performance of U.S. manufacturing and service MNCs: A comparative analysis', *Strategic Management Journal*, **12**(8), pp. 589–606.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® | Google Scholar

Hamilton, R. T. and G. Shergill (1993). 'Extent of diversification and company performance: The New Zealand evidence', *Managerial and Decision Economics*, **14**, pp. 47–52.

Google Scholar

Hedges, L. V. and I. Olkin (1985). *Statistical Methods for Meta-Analysis*. Academic Press, New York.

CAS | Google Scholar

Higgins, R. C. and L. D. Schall (1975). 'Corporate bankruptcy and conglomerate merger', *Journal of Finance*, **30**, pp. 93–113.

Web of Science® | Google Scholar

Hill, C. W. L (1983). 'Conglomerate performance over the economic cycle', *Journal of Industrial Economics*, **32**, pp. 197–211.

Web of Science® | Google Scholar

Hill, C. W. L. (1988a). 'Internal capital market controls and financial performance in multidivisional firms', *Journal of Industrial Economics*, **37**, pp. 67–83.

Web of Science® | Google Scholar

Hill, C. W. L. (1988b). 'Corporate control type, strategy, size, and financial performance', *Journal of Management Studies*, **25**, pp. 403–417.

Web of Science® | Google Scholar

Hill, C. W. L. and G. S. Hansen (1991). 'A longitudinal study of the cause and consequences of changes in diversification in the U.S. pharmaceutical industry 1977–1986', *Strategic Management Journal*, **12**(3), pp. 187–199.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Hill, C. W. L. and S. A. Snell (1988). 'External control, corporate strategy, and firm performance in research-intensive industries', *Strategic Management Journal*, **9**(6), pp. 577–590.

Web of Science® | Google Scholar

Hitt, M. A. and R. D. Ireland (1985). 'Strategy, contextual factors, and performance', *Human Relations*, **38**, pp. 793–812.

Web of Science® | Google Scholar

Hitt, M. A. and R. D. Ireland (1986). 'Relationship among corporate level distinctive competencies, diversification strategy, corporate structure and performance', *Journal of Management Studies*, **23**, pp. 401–416.

Web of Science® | Google Scholar

Hitt, M. A., R. E. Hoskisson and H. Kim. (1997). 'International diversification: Effects on innovation and firm performance in product-diversified firms', *Academy of Management Journal*, **40**, pp. 767–798.

Web of Science® | Google Scholar

Holzman, O. J., R. M. Copeland and J. Hayya (1975). 'Income measures of conglomerate performance', *Quarterly Review of Economics and Business*, **15**, pp. 67–78.

Google Scholar

Hood, N. and S. Young (1979). 'A reassessment of the growth, performance and strategy in 300 UK holding companies', *Management Decision*, **17**, pp. 429–440.

Web of Science® | Google Scholar

Hoskisson, R. E. (1987). 'Multidivisional structure and performance: The diversification strategy contingency,' *Academy of Management Journal*, **30**, pp. 625–644.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Hoskisson, R. E. and R. A. Johnson (1992). 'Corporate restructuring and strategic change: The effect on diversification strategy and R&D intensity', *Strategic Management Journal*, **13**(8), pp. 625–634.

Web of Science® | Google Scholar

Huber, G. P., C. C. Miller and W. H. Glick (1990). 'Developing more encompassing theories about organizations: The centralization-effectiveness relationship as an example', *Organization Science*, **1**, pp. 11–40.

Web of Science® | Google Scholar

Hughes, K. and C. Oughton (1993). 'Diversification, multi-market contact and profitability', *Economica*, **60**, pp. 203–224.

Web of Science® | Google Scholar

Hunter, J. E. and F. L. Schmidt (1990). *Methods of Meta-Analysis: Correcting Error and Bias in Research Findings*. Sage, Newbury Park, CA.

PubMed | Google Scholar

Imel, B. and P. Helmberger (1971). 'Estimation of structure-profit relationships with application to the food processing sector', *American Economic Review*, **61**, pp. 614–627.

Web of Science® | Google Scholar

Itami, H., T. Kagono, H. Yoshihara and A. Sakuma (1982). 'Diversification strategies and economic performance', *Japanese Economic Studies*, **11**, pp. 78–110.

Web of Science® | Google Scholar

Jacquemine, A. P. and C. H. Berry (1979). 'Entropy measure of diversification and corporate growth', *Journal of Industrial Economics*, **27**, pp. 359–369.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Jensen, M. C. (1996). 'Agency costs of free cash flow, corporate finance, and takeovers', *American Economic Review*, **76**, pp. 323–329.

Google Scholar

Johnson, G. and H. Thomas (1987). 'The industry context of strategy, structure and performance: The U.K. brewing industry', *Strategic Management Journal*, **8**(4), pp. 343–361.

Web of Science® | Google Scholar

Johnson, R. A., R. E. Hoskisson and M. A. Hitt (1993). 'Board of director involvement in restructuring: The effects of board versus managerial controls and characteristics', *Strategic Management Journal*, Summer Special Issue, **14**, pp. 33–50.

Web of Science® | Google Scholar

Jones, G. R. and C. W. L. Hill (1988). 'Transaction cost analysis of strategy-structure choice', *Strategic Management Journal*, **9**(2), pp. 159–172.

CAS | PubMed | Web of Science® | Google Scholar

Jose, M. L., L. M. Nichols and J. L. Stevens (1986). 'Contributions of diversification, promotion, and R&D to the value of multiproduct firms: A Tobin's q approach', *Financial Management*, **15**, pp. 33–42.

Web of Science® | Google Scholar

Keats, B. W. (1990). 'Diversification and business economic performance revisited: Issues of measurement and causality', *Journal of Management*, **16**, pp. 61–73.

Web of Science® | Google Scholar

Keats, B. W. and M. A. Hitt (1988). 'A causal model of linkages among environmental dimensions, macro organizational characteristics, and performance', *Academy of Management Journal*, **31**, pp. 570–598.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® Google Scholar

Kreps, D. M. and R. Wilson (1982). 'Reputation and imperfect information', *Journal of Economic Theory*, **27**, pp. 253–279.

Web of Science® Google Scholar

Lane, P. J., A. A. Cannella, Jr. and M. H. Lubatkin (1998). 'Agency problems as antecedents to unrelated mergers and diversification: Amihid and Lev reconsidered', *Strategic Management Journal*, **19**(6), pp. 555–578.

Web of Science® Google Scholar

Lang, L. H. P. and R. M. Stulz (1994). 'Tobin's q, corporate diversification, and firm performance', *Journal of Political Economy*, **102**, pp. 1248–1280.

Web of Science® Google Scholar

Lang, L., A. Poulsen, and R. Stulz (1995). 'Asset sales, firm performance, and the agency costs of managerial discretion', *Journal of Financial Economics*, **37**, pp. 3–37.

Web of Science® Google Scholar

Lecraw, D. J. (1984). 'Diversification strategy and performance', *Journal of Industrial Economics*, **33**, pp. 179–197.

Web of Science® Google Scholar

Levy, H. and M. Sarnat (1970). 'Diversification: Portfolio analysis and the case for conglomerate mergers', *Journal of Finance*, **25**, pp. 795–802.

Web of Science® Google Scholar

Lewellen, W. G. (1971). 'A pure financial rationale for the conglomerate merger', *Journal of Finance*, **26**, pp. 521–545.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Lim, G. E and T. Y. Teck (1995). 'Diversification strategies, firm characteristics and performance among Singapore firms', *International Journal of Management*, **12**, pp. 223–233.

Google Scholar

Lubatkin, M. H. and S. Chatterjee (1991). 'The strategy-shareholder value relationship: Testing temporal stability across market cycles', *Strategic Management Journal*, **12**(8), pp. 251–270.

Web of Science® Google Scholar

Lubatkin, M. H. and S. Chatterjee (1994). 'Extending modern portfolio theory into the domain of corporate diversification: Does it apply?', *Academy of Management Journal*, **37**, pp. 109–136.

Web of Science® Google Scholar

Lubatkin, M., H. Merchant and N. Srinivasan (1993). 'Construct validity of some unweighted product-count diversification measures', *Strategic Management Journal*, **14**(6), pp. 433–449.

Web of Science® Google Scholar

Lubatkin, M. H. and H. O'neill (1987). 'Merger strategies and market risk', *Academy of Management Journal*, **30**, pp. 665–684.

Web of Science® Google Scholar

Lubatkin, M. H. and R. C. Rogers (1989). 'Diversification, systematic risk, and shareholder return: A capital market extension of Rumelt's 1974 study', *Academy of Management Journal*, **32**, pp. 454–465.

Web of Science® Google Scholar

Maddala, G. S. (1977). *Econometrics*. McGraw-Hill, New York.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Markides, C. C. (1990). ' *Corporate refocusing and economic performance, 1981–1987 doctoral dissertation*' Harvard University Graduate School of Business Administration.

Google Scholar

Markides, C. C. (1992). 'Consequence of corporate refocusing: Ex ante evidence', *Academy of Management Journal*, **35**, pp. 398–412.

Web of Science® Google Scholar

Markides, C. C. (1995). 'Diversification, restructuring and economic performance', *Strategic Management Journal* **16**(2), pp. 101–118.

Web of Science® Google Scholar

Markides, C. C. and P. J. Williamson (1994). 'Related diversification, core competencies and corporate performance', *Strategic Management Journal*, Summer Special Issue, **15**, pp. 149–165.

Web of Science® Google Scholar

Matsusaka, J. G. (1993). 'Takeover motives during the conglomerate merger wave', *RAND Journal of Economics*, **24**, pp. 357–379.

Web of Science® Google Scholar

McCutcheon, B. J. (1991). ' *What caused conglomerate formation? An examination of managerial behavior and internal capital markets in the 1960s conglomerates*', doctoral dissertation, University of Chicago.

Google Scholar

Melicher, R. W. and D. F. Rush (1973). 'The performance of conglomerate firms: Recent risk and return experience', *Journal of Finance*, **28**, pp. 380–388.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Meyer, M., P. Milgrom and J. Roberts (1992). 'Organizational prospects, influence costs, and ownership changes', *Journal of Economics and Management Strategy*, **1**, pp. 9–35.

Web of Science® | Google Scholar

Michel, A. and I. Shaked (1984). 'Does business diversification affect performance', *Financial Management*, **13**, pp. 18–24.

Web of Science® | Google Scholar

Milgrom, P. and J. Roberts (1982). 'Predation, reputation, and entry deterrence', *Journal of Economic Theory*, **27**, pp. 280–312.

Web of Science® | Google Scholar

Miller, C. C. and L. B. Cardinal (1994). 'Strategic planning and firm performance: A synthesis of more than two decades of research', *Academy of Management Journal*, **37**, pp. 1649–1665.

Web of Science® | Google Scholar

Montgomery, C. A. (1982). 'The measurement of firm diversification: Some new empirical evidence', *Academy of Management Journal*, **25**, pp. 299–307.

Web of Science® | Google Scholar

Montgomery, C. A. (1985). 'Product-market diversification and market power', *Academy of Management Journal*, **28**, pp. 789–798.

Web of Science® | Google Scholar

Mosakowski, E. (1997). 'Strategy making under causal ambiguity: Conceptual issues and empirical evidence', *Organizational Science*, **8**, pp. 414–442.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® Google Scholar

Neter, J., W. Wasserman and M. Kutner (1983). *Applied Linear Regression Models*. Richard D. Irwin, Homewood, IL.

Google Scholar

Nguyen, T. H., A. Seror and T. M. Devinney (1990). 'Diversification strategy and performance in Canadian manufacturing firms', *Strategic Management Journal*, **11**(5), pp. 411–418.

Web of Science® Google Scholar

Palepu, K. (1985). 'Diversification strategy, profit performance, and the entropy measure', *Strategic Management Journal*, **6**(3), pp. 239–255.

Web of Science® Google Scholar

Palmer, D. A., A. Jennings, P. Devereaux and X. Zhou (1993). 'Late adoption of the multidivisional form by large U.S. corporations: Institutional, political, and economic accounts', *Administrative Science Quarterly*, **38**, pp. 100–131.

Web of Science® Google Scholar

Perreault, W. D. and L. E. Leigh (1989). 'Reliability of nominal data based on qualitative judgments', *Journal of Marketing Research*, **26**, pp. 135–148.

Web of Science® Google Scholar

Porter, M. E. (1985). *Competitive Advantage*. Free Press, New York.

Google Scholar

Porter, M. E. (1987). 'From competitive advantage to corporate strategy', *Harvard Business Review*, **65**(3), pp. 43–59.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Qian, G. (1997), 'Assessing product-market diversification of U.S. firms', *Management International Review*, **37**, pp. 127–149.

Google Scholar

Ramanujam, V. and P. Varadarajan (1989). 'Research on corporate diversification: A synthesis', *Strategic Management Journal*, **10**(6), pp. 523–551.

Web of Science® | Google Scholar

Ravenscraft, D. J. and F. M. Scherer (1987). Mergers, sell-offs, and economic efficiency. The Brookings Institution. Washington, DC.

Google Scholar

Riahi-belkaoui, A. and E. Pavlik (1993). 'Effects of ownership structure, firm performance, size and diversification strategy on CEO compensation: A path analysis', *Managerial Finance*, **19**, pp. 33–54.

Google Scholar

Robins, J, and M. F. Wiersema (1995). 'A resource-based approach to the multibusiness firm: Empirical analysis of portfolio interrelationships and corporate financial performance', *Strategic Management Journal*, **16**(4), pp. 277–299.

Web of Science® | Google Scholar

Rosenthal, R. (1991). *Meta-Analytic Procedures for Social Research*. Sage, Newbury Park, CA.

Google Scholar

Rumelt, R. P. (1974). *Strategy, Structure, and Economic Performance*. Harvard University Press, Cambridge, MA.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Saloner, G. (1987). 'Predation, mergers, and incomplete information', *RAND Journal of Economics*, **18**, pp. 165–186.

Web of Science® | Google Scholar

Scherer, F. M. (1980). *Industrial Market Structure and Economic Performance*. Rand McNally, Chicago, IL.

Google Scholar

Schmalensee, R. (1985). 'Do markets differ much?', *American Economic Review*, **75**, pp. 341- 351.

Web of Science® | Google Scholar

Servaes, H. (1996). 'The value of diversification during the conglomerate merger wave', *Journal of Finance*, **51**, pp. 1201–1225.

Web of Science® | Google Scholar

Seth, A. (1990). 'Value creation in acquisitions: A re-examination of performance issues', *Strategic Management Journal*, **11**(2), pp. 99–115.

Web of Science® | Google Scholar

Shleifer, A. and R. W. Vishny (1990). 'The takeover wave of the 1980s', *Journal of Applied Corporate Finance*, **3**, pp. 49–56.

Google Scholar

Shleifer, A. and R. W. Vishny (1991). 'Takeovers in the '60s and the '80s: Evidence and implications', *Strategic Management Journal*, Summer Special Issue, **12**, pp. 51–59.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Singh, H. and C. A. Montgomery (1987). 'Corporate acquisition strategies and economic performance', *Strategic Management Journal*, **8**(4), pp. 377–386.

Web of Science® | Google Scholar

Smith, K. V. and J. F. Weston (1977). 'Further evaluation of conglomerate performance', *Journal of Business Research*, **5**, pp. 5–14.

Web of Science® | Google Scholar

Sobel, R. (1984). *The Rise and Fall of the Conglomerate Kings*. Stein and Day, New York.

Google Scholar

Stulz, R. (1990). 'Managerial discretion and optimal financing policies', *Journal of Financial Economics*, **26**, pp. 3–27.

Web of Science® | Google Scholar

Tallman, S. and J. Li (1996). 'Effects of international diversity and product diversity on the performance of multinational firms', *Academy of Management Journal*, **39**, pp. 179–196.

Web of Science® | Google Scholar

Taylor, P. and J. Lowe (1995). 'A note on corporate strategy and capital structure', *Strategic Management Journal*, **16**(5), pp. 411–414.

Web of Science® | Google Scholar

Thompson, R. S. (1985). 'Risk reduction and international diversification: An analysis of large UK multinational companies', *Applied Economics*, **17**, pp. 529–541.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® Google Scholar

Wanous, J. P., S. E. Sullivan and J. Malinak (1989). 'The role of judgment calls in meta-analysis', *Journal of Applied Psychology*, **74**, pp. 259–264.

Web of Science® Google Scholar

Wernerfelt, B. and C. A. Montgomery (1988). 'Tobin's q and the importance of focus in firm performance', *American Economic Review*, **78**, pp. 246–250.

Web of Science® Google Scholar

Weston, J. F. and S. K. Mansinghka (1971). 'Tests of the efficiency performance of conglomerate firms', *Journal of Finance*, **26**, pp. 919–936.

Web of Science® Google Scholar

Whetten, D. A. (1989). 'What constitutes a theoretical contribution', *Academy of Management Review*, **14**, pp. 490–495.

Web of Science® Google Scholar

Williams, J. R., B. L. Paez and L. Sanders (1988). 'Conglomerate revisited', *Strategic Management Journal*, **9**(5), pp. 403–414.

Web of Science® Google Scholar

Williamson, O. E. (1985). *The Economic Institutions of Capitalism*. Free Press, New York.

Google Scholar

Williamson, O. E. (1986). *Economic Organization: Firms, Markets and Policy Control*. New York University Press, New York.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Download PDF

Strategic Management Society

134 N LaSalle St
Suite 1005, Chicago IL
60602, USA

+1 312 492 6224

sms@strategicmanagement.net

© 2026 Strategic Management Society

ABOUT WILEY ONLINE LIBRARY

Privacy Policy
Terms of Use
About Cookies
Manage Cookies
Accessibility
Wiley Research DE&I Statement and Publishing Policies

HELP & SUPPORT

Contact Us
Training and Support
DMCA & Reporting Piracy
Sitemap

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences
Accept All
Reject Non-Essential

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential