CORPORATE DIVERSIFICATION: EMPIRICAL RESEARCH REVIEW AND FUTURE RESEARCH AGENDA

Muluken Ayalew, Jimma University
Chalchisa Amentie, Jimma University

ABSTRACT

This review study intended to answer three basic research questions on corporate diversification these are: the first, how the research investigated the antecedents of corporate diversification in the past decade? The second question is how the research examined the outcomes of corporate diversification in the past decade? And the third is how the research investigated the moderators and mediators of corporate diversification in the past decade? The study used a systematic review strategy, particularly using PRISMA 2020 protocol, to address the above questions. In this respect, clear inclusion and exclusion criteria were employed to select 58 relevant articles from the total of 1605 corporate diversification articles obtained from various databases, for the analysis purpose. Other research methods were also used in the study, such as the collected data were analyzed via content analysis, and finally presented descriptively using descriptive research design. The finding shows that there is a shortage of demographic characteristics-related antecedents of corporate diversification such as the leader's gender and experience, and its moderators and mediators. And also, the finding revealed that the non-financial performance outcome of corporate diversification is the most neglected and under-researched area, in the existing literature. It is recommended that future studies focus on investigating how a leader's gender and experience predict corporate diversification, and also, suggested examining corporate diversification-performance relationship using potential moderating and mediating variables. Lastly, it is advised to address the basic question in relation to corporate diversification outcome i.e. "Why are corporate diversification researchers only focusing on the financial aspects of firms?"

Keywords: Corporate Diversification, Antecedent, Outcome, Moderator, Mediator.

INTRODUCTION

In the face of advancing globalization, the environment changes constantly, institutions may evolve over time, and circumstances can also abruptly change in unpredictable ways (Mac-Ozigbo & Daniel, 2020). In that regard, this rapidly changing environment will continue as a vital element of organizational survival (Li & Chen, 2019). In particular, in the business environment, organizations need to have a strategy that will enhance their competitive advantage over their counterparts (Oira, 2017; Yildiz et al., 2022). A strategy is meant to help in ensuring that the organization complies compliance with key set policies, and society outlooks, it as well, offers organizational managers oversight on the usage of the business' assets (Mutua et al., 2019). These days, corporate strategy is a subject of major academic significance and practitioner importance in the modern business environment (Feldman, 2020). Corporate strategy focuses on the raison d'être of the multi-business firm; the appropriate scope of the firm; as well

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as how diversified companies are effectively organized and managed (Seifzadeh et al., 2021). In other words, because corporate strategy is concerned with multi-business, it implies diversification of business (Hubbard & Beamish, 2011).

The corporate strategy literature is undoubtedly very rich, and diversification strategy is one of many topics in this extensive literature (Li & Chen, 2019; Morsink, 2018). Academic interest in corporate diversification has a long track record and is considered one of the mainstream issues in the field of strategic management (Guerras-Martín et al., 2020). Thompson et al. (2007) defined diversification as the process of entering one or more industries that are distinct or different from a firm’s core or original industry. Likewise, Zheng (2017) explains corporate diversification for a firm as the process of expanding business segments in multiple areas. However, there has been no agreement as to the definition of diversification among researchers where mixed expectations on theories have been provided (Ajao & Kokumo-Oyakhire, 2021). For example, corporate diversification enhances value and, at the same time, destroys value (Govindan et al., 2021).

Today, corporate diversification is a highly dynamic and fast-growing field of scholarly research with a long and rich intellectual tradition (Mayer et al., 2017). As a result, diversification has become a popular growth option for firms in both developed and emerging countries (Purkayastha, 2015). One of the most difficult and critical decisions that a company's managers must make is whether or not to diversify, how far to go, and how to do so (Guerras-Martín et al., 2020). For instance, the question that should be answered via corporate diversification is what set of businesses should we be in, in which consequently, scope and resource deployments among businesses are the primary components (Li & Chen, 2019).

Diversification has been the subject of debate for many years, whether it brings more advantages or disadvantages (Delbufalo et al., 2016). According to various literature results, a company has multiple reasons to apply corporate diversification and vice versa. For instance, competitive advantage (Purkayastha, 2015), acquisition of value, rare, inimitable, and non-substitutable resources (Ajao & Kokumo-Oyakhire, 2021; Vianen, 2018), creation of debt capacity (Hatami & Khatibi, 2022), and outperform and a reduction of the vulnerability of a firm (Ajao & Kokumo-Oyakhire, 2021; Ugwuanyi & Ugwu, 2012), are some of the reasons for applying corporate diversification in a company. That enables diversification as one an important part of strategic management and the actual effects of pursuing a diversification strategy became a subject of considerable interest to both managers and academics (Vianen, 2018).

Conversely, lack of expertise in corporate diversification strategies (Babenko, 2014), lack of consensus about the effect of corporate diversification on firm valuation (Alsmairat et al., 2018; Choe et al., 2014; Hoechle et al., 2012; Zahavi & Lavie, 2013), and a possible operational wealth loss due to corporate diversification beyond the optimal level (Ekkayokkaya & Paudyal, 2015), are some of the pitfalls of corporate diversification. According to the researchers (e.g. Choe et al., 2014; Morsink, 2018; Ravichandran & Bhaduri, 2015), there is no agreement among scholars yet, though many firms believe that corporate diversification enables them, for instance, to generate more revenue and mitigate the possibility of financial distress.

These days, corporate diversification has attracted much attention from scholars and researchers (Kayani et al., 2021). Several studies conducted on corporate diversification at both country and sector levels (AlKhouri & Arouri, 2019; Barnes et al., 2015; Candelon et al., 2021; Căpraru et al., 2020). According to Nwakoby and Augustine (2018), corporate diversification-focused studies have been concentrated on a few developed countries such as China, U.S., Germany, and U.K. However, as shown in many studies (Nwakoby & Augustine, 2018;

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Weidenfeld, 2018; Ye et al., 2018) the concept of corporate diversification was not yet investigated in countries with developing economies and sectors, for example, Nigeria (Nwakoby & Augustine, 2018), Tourism (Weidenfeld, 2018), and Construction sectors (Ye et al., 2018). According to Mac-Ozigbo and Daniel (2020), the relationship between diversification and performance varies among institutions and over time.

Several studies investigated the factors that affect corporate diversification and the effects of pursuing it (Vianen, 2018). For instance, Dynamic Capabilities (Altintas et al., 2022; Dhir & Mital, 2012), Mode (Dhir & Dhir, 2015), Level (López-Zapata et al., 2019; Overchenko, 2019; Mac-Ozigbo & Daniel, 2020), Ownership Structure (Srinivasan et al., 2019), Managerial Capabilities (Holzmayera & Schmidt, 2020), Capital Structure (Benz & Hoang, 2021; Nahda & Rahmadana, 2021), Demographic Characteristics (Kayani et al., 2021), are some of them. However, there is a paucity of studies exploring dynamic aspects of corporate diversification in both its antecedents and outcomes (Guerras-Martín et al., 2020; Holzmayer & Schmidt, 2020; Ljubownikow & Ang, 2020). How should organizations know how and when to manage and stimulate the antecedents and outcomes of corporate diversification? The researcher argues the empirical knowledge available to organizations on diversification is currently difficult to apply. More is looked for to organize the literature into a coherent body of findings and lessons. But to be able to do this, we need to better understand the antecedents and outcomes of corporate diversification in organizations. Despite advances in conceptual development, we do not have a cohesive empirical picture of how corporate diversification comes about in terms of its antecedents and outcomes. Nor is there a cohesive empirical picture of the moderating and mediating variables factors that reveal corporate diversification-firm performance relationship.

In this study, the researcher conducts a systematic review of the literature on corporate diversification in organizations. In doing so, the researcher contributes to the literature in two ways. First, the researcher analyzes the variables that cause corporate diversification and those that are caused by corporate diversification in organizations. This gives us insights into how diversification could be managed. Second, the researcher identifies what major gaps still exist and make recommendations for what should be done in future research. To reach the shown research goals, the researcher conducts a systematic literature review based on the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) (Page et al. 2021).

Research Questions

The study addresses three research questions:

1. How the research investigated the antecedents of corporate diversification in the past decade?
2. How the research examined the outcomes of corporate diversification in the past decade?
3. How the research investigated the moderators and mediators of corporate diversification in the past decade?

RESEARCH METHODS

Review Method

To reach the shown research goals, the researcher conducts a systematic literature review based on the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) (Page et al. 2021) from the accessible literature on corporate diversification. The purpose

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of the current study is to analyze and categorize the available literature on corporate diversification into different focus areas such as based on its antecedents, outcomes, mediators, and moderators; and to identify avenues for future research. This review approach comprises three steps and discusses time horizon, database selection, and article selection.

Time Horizon for the Selection of Articles

For the review and assessment process, the date of publication of the journal articles considered was between the beginning of 2012 and the beginning of 2022. The year 2012 was chosen as the starting point for collecting the relevant data because extended time gives chance to get rich evidence to answer the raised research questions. As Meline, (2006) suggests, whatever time period is selected, reviewers are expected to provide sufficient justification for their choice. Likewise, the beginning of 2022 was selected as the endpoint to include the most recent academic journal publications in light of the increase in articles that have addressed this highly significant topic.

Selection of Databases

This study used a number of online databases to identify current and pertaining literature on corporate diversification. The studies were carried out in the English language and the sources of online databases were Elsevier, Emerald Insight, Google Scholar, Pubmed, ScienceDirect, SpringerLink, Taylor & Francis, and Wiley Online Library. While an attempt was made to include the most articles possible, the present study does not claim that the databases are either complete or exhaustive in nature.

Article Selection

The current study followed a systematic review procedure as precisely indicated in Figure 1 and described in the following manner. Firstly, keywords were defined as search criteria in online databases. The keywords encompassed “Corporate Strategy” “Corporate Diversification”, “Diversification Strategy”, and “Corporate Diversification Strategy” in the title of the above-mentioned online databases and contained in all text. Next, every article in the leading academic journals from 2012 to 2022 was considered. 937 articles were selected and the preliminary result included 155 articles.

Then, the abstracts were read to evaluate the relevance of journal articles in corporate diversification. In this regard, articles that seemed non-relevant to this study were eliminated to ensure consistent focus and to reduce bias. Further, duplications of articles were eliminated to avoid counting a paper twice in our analysis (Kitsiou et al., 2013). This process resulted in 58 articles for review - and that were chosen based on their originality, clearly stated aims, and relevance. The following Figure 1 presents a summary of the article selection process used by this study.

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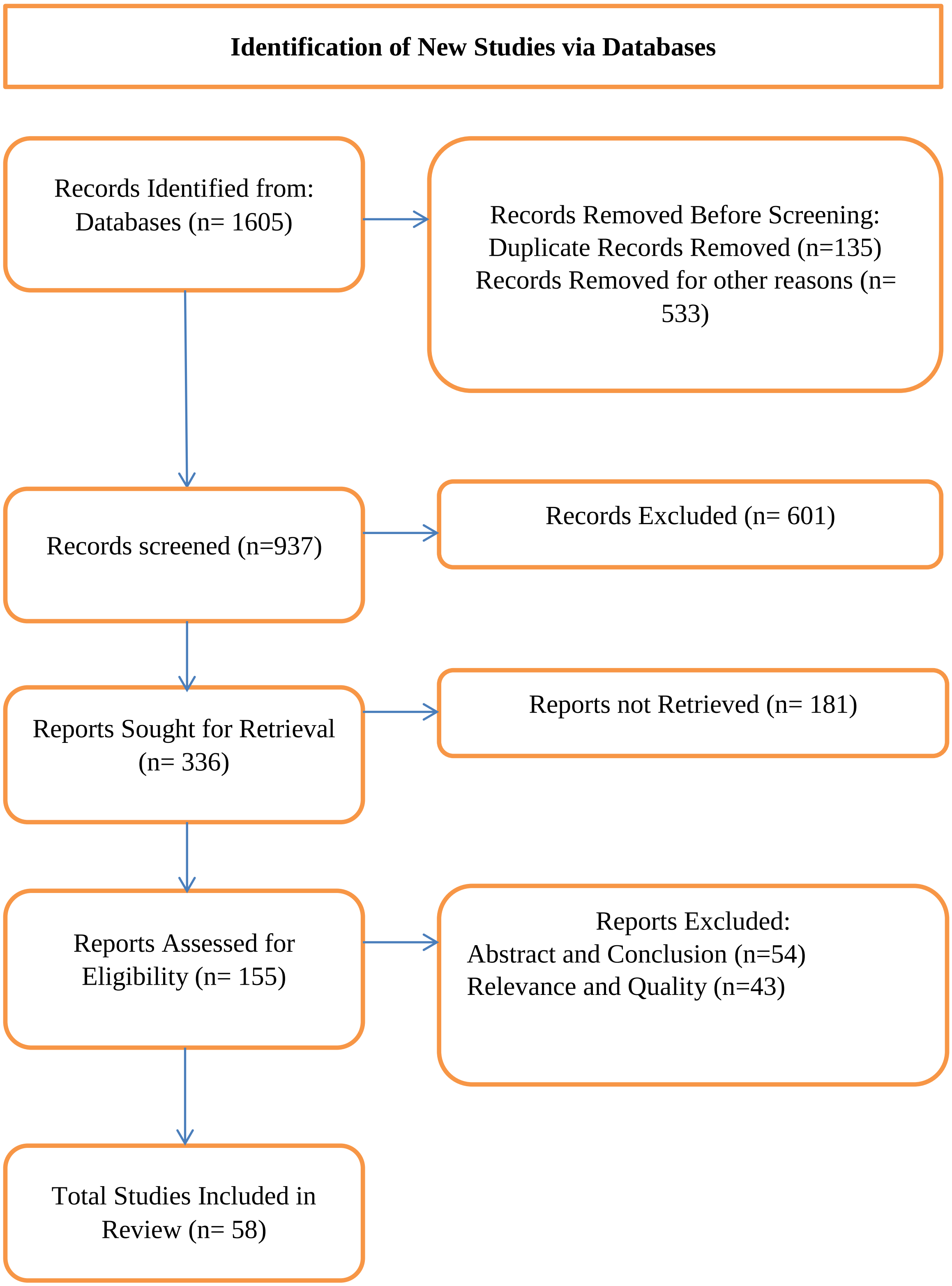

Source: Adopted from Page et al. (2021)

FIGURE 1
SYSTEMATIC REVIEW PROCEDURE

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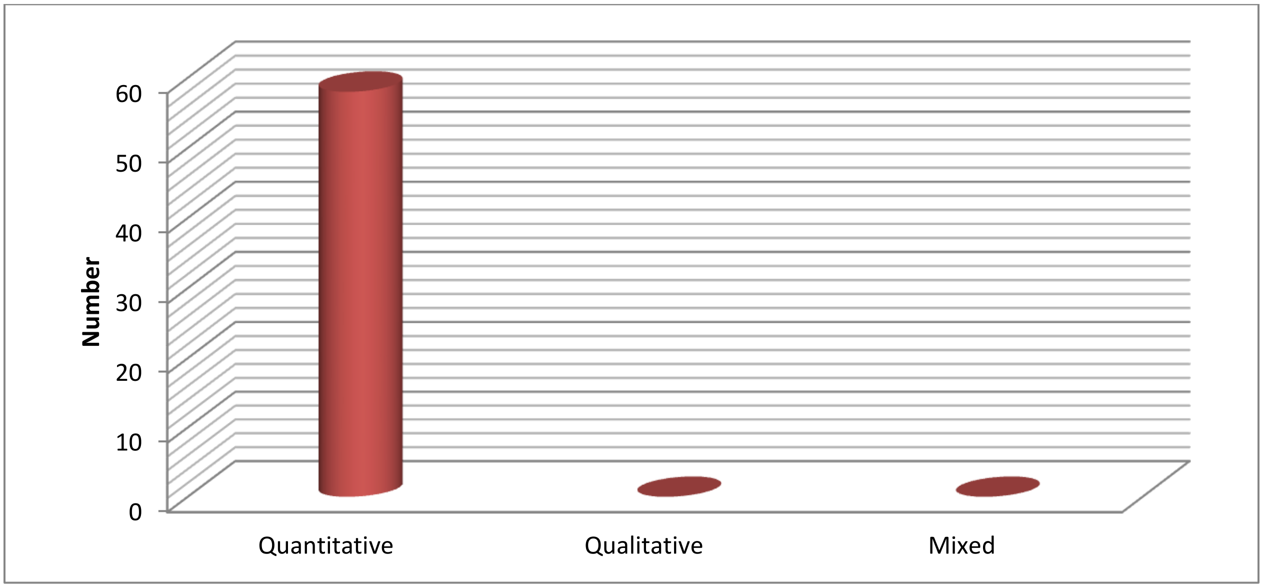
Concerning the nature of the studies considered under this systematic review, as can be observed in Figure 2 below all the included studies are quantitative in nature, and conversely, there is no study conducted using qualitative and mixed approaches.



Source: Own Survey (2022)

FIGURE 2
NATURE OF THE STUDIES

Data Analysis

At first, all the corporate diversification data were collected from the involved studies in this review study. The collected corporate diversification data were processed iteratively in order to answer the questions raised in the introduction part of this study. In this regard, this study employed a content analysis method to analyze the collected data. According to Elo et al. (2014), content analysis is a research tool used to determine the presence of certain words, themes, or concepts within some given data, such as qualitative or quantitative. It is a systematic, quantitative approach to analyzing the content or meaning and describing the phenomenon of an organization (Riff et al., 2014). Thus, using this analysis method, researchers and scholars can quantify and analyze the presence, meanings, and relationships of certain words, themes, or concepts, for instance, corporate diversification (Elo et al., 2014).

DISCUSSION

General Results

Table 1
NAMES OF JOURNALS PUBLISHING CORPORATE DIVERSIFICATION STUDIES

Journal Name	Number	Percentage
Applied Economics Letters	2	3.5
Asia Pacific Journal of Management	2	3.5
Journal of Banking and Finance	2	3.5
Journal of Business Research	2	3.5

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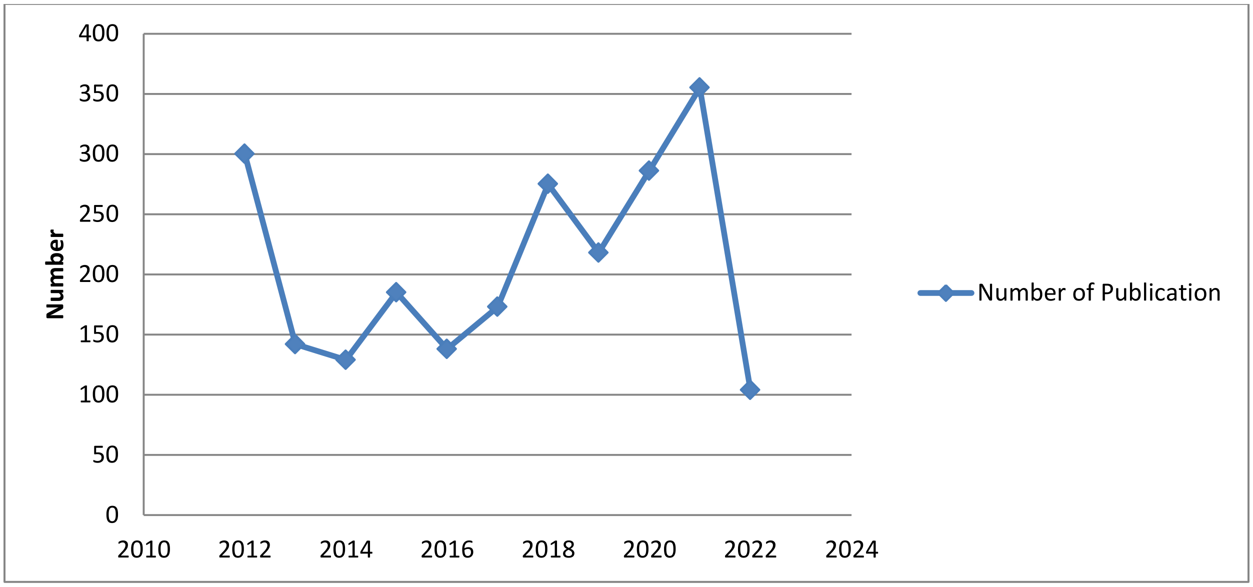
Journal of Management and Governance	2	3.5
Journal of Management Research	2	3.5
Strategic Management Journal	2	3.5
Others	44	*75.5*
Total	**58**	**100**

Source: Own Survey (2022)

From 58 eligible studies were found in 58 articles in 51 journals. The majority of journals had published just one (N=44) or two or more (N=7) articles. Table 1 shows the most prolific journals with at least two published corporate diversification studies. The most prolific journals are Applied Economics Letters, Asia Pacific Journal of Management, Journal of Banking and Finance, Journal of Business Research, Journal of Management and Governance, Journal of Management Research, and Strategic Management Journal published two articles respectively. The following Figure 3 presents the number of corporate diversification studies per year.



Source: Own Survey (2022)

FIGURE 3
NUMBER OF PUBLICATIONS ON CORPORATE DIVERSIFICATION PER YEAR

Figure 3 indicates the change in the number of publications on corporate diversification in different sectors between 2012 and 2022. Accordingly, a steady trend in the growth of corporate diversification studies is evident, with a notable jump in 2012 and then again in 2021. Since 2016, the trend seems to have achieved a growth trend till it shows decreasing in the year 2019. Growth in corporate diversification studies focused on various sectors is substantially increasing, which could be assured via observing the number of corporate diversification studies published between 2020 and 2021. Therefore, this shows that these days, corporate diversification is continuously obtaining important attention from researchers and scholars. The next section presents corporate diversification studies by sector.

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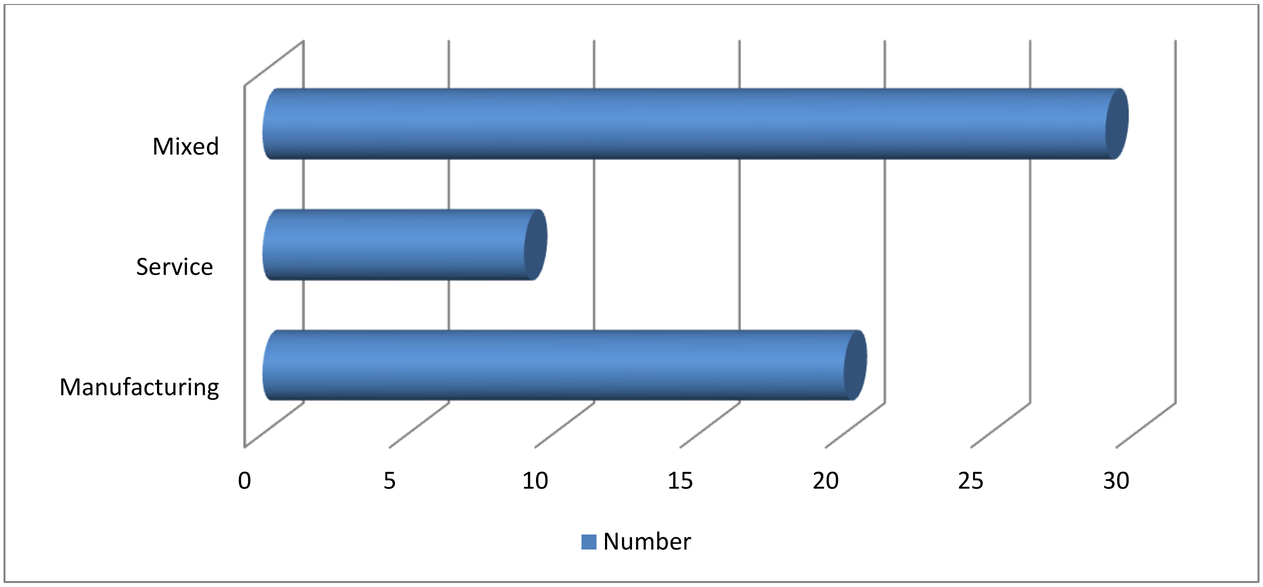

Source: Own Survey (2022)

FIGURE 4
CORPORATE DIVERSIFICATION STUDIES BY SECTOR

The above Figure 4 presented corporate diversification studies sector-wise; accordingly, a large number of studies 50%(29) were conducted by taking into consideration both sectors i.e. service and manufacturing; manufacturing cover the second-largest number that is 34%(20), and the remaining 16%(9) goes to the service sector. From the studies conducted in the manufacturing sector: cement, oil, pharmaceuticals, cosmetics, food, fiber and automobiles, shoes, ceramics & paints industries take the leading positions; and also, in the case of the service sector a large majority of the studies were conducted in the finance and entertainment industries particularly banks, insurances, and football clubs (Duho & Onumah, 2019; Gambacorta et al., 2014; Holzmayer & Schmidt, 2020; Mwau, 2020; Wambui & Kavale, 2022). Therefore, the finding indicated that there is a lack of corporate diversification studies in some sectors like the service sector, and also the available studies conducted on the sector are only limited to insurance, bank, and entertainment/football industries. Likewise, there is also a shortage of corporate diversification studies conducted at the national/domestic level, while the majority of industries considered are those that have multinational experience. The next Figure 5 presents corporate diversification studies by country of origin.

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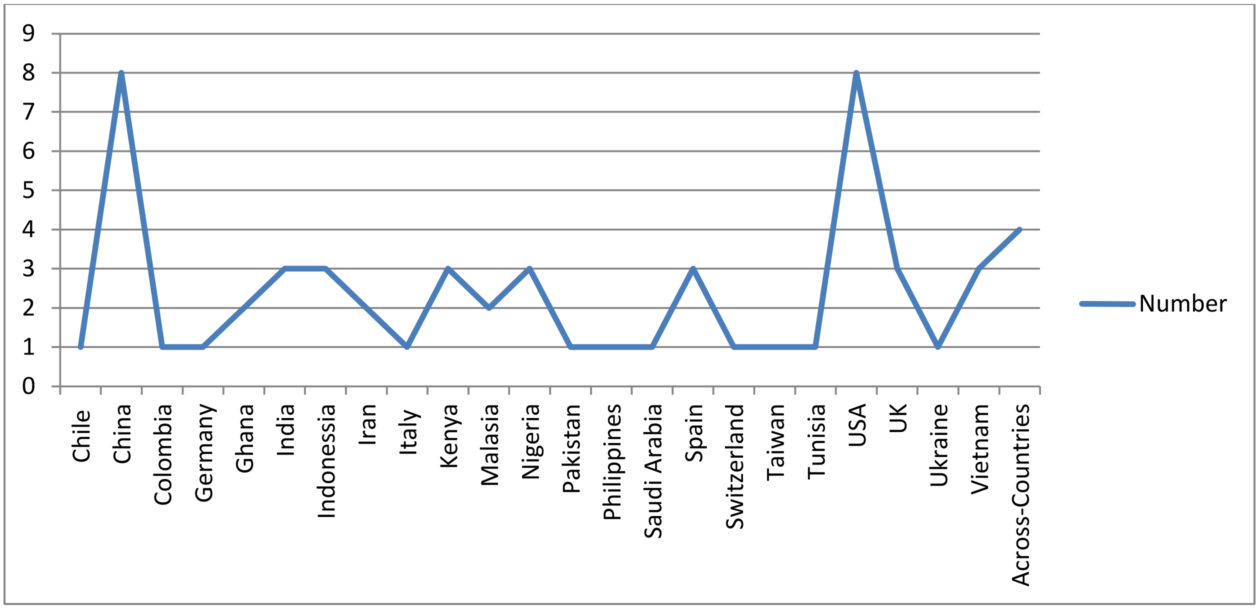

Source: Own Survey (2022)

FIGURE 5
CORPORATE DIVERSIFICATION STUDIES BY COUNTRY

Figure 5 described corporate diversification studies by their countries of origin, therefore, the finding revealed that corporate diversification is a concept with a global reach from all corners. However, there is a concentration of corporate diversification studies in specific countries, for instance, China and the USA, which have the biggest share of corporate diversification studies followed by India, Indonesia, Kenya, Nigeria, Spain, and the UK, and also, a few studies were conducted across countries, in the extant literature. Based on region, North America, Asia, and Europe are taking the leading position in the number of corporate diversification studies. On the other hand, corporate diversification studies are less represented in some contents, for example, African, the Middle East, and Latin American countries. This can expose a trend that raises questions about the aspirations of generalizable knowledge on corporate diversification. Therefore, from the finding obtained African, the Middle East, and Latin American countries are the place where a shortage of corporate diversification studies is exclusively seen. And also, corporate diversification-related studies are insufficiently conducted across countries or by considering two or more countries, for instance, only four studies (Khan et al., 2021; Mota & dos Santos, 2020; Selçuk, 2015; Sener & Akben-Selcuk, 2019) were conducted considering different countries, in the existing studies. The following section portrays data analysis methods employed by corporate diversification studies.

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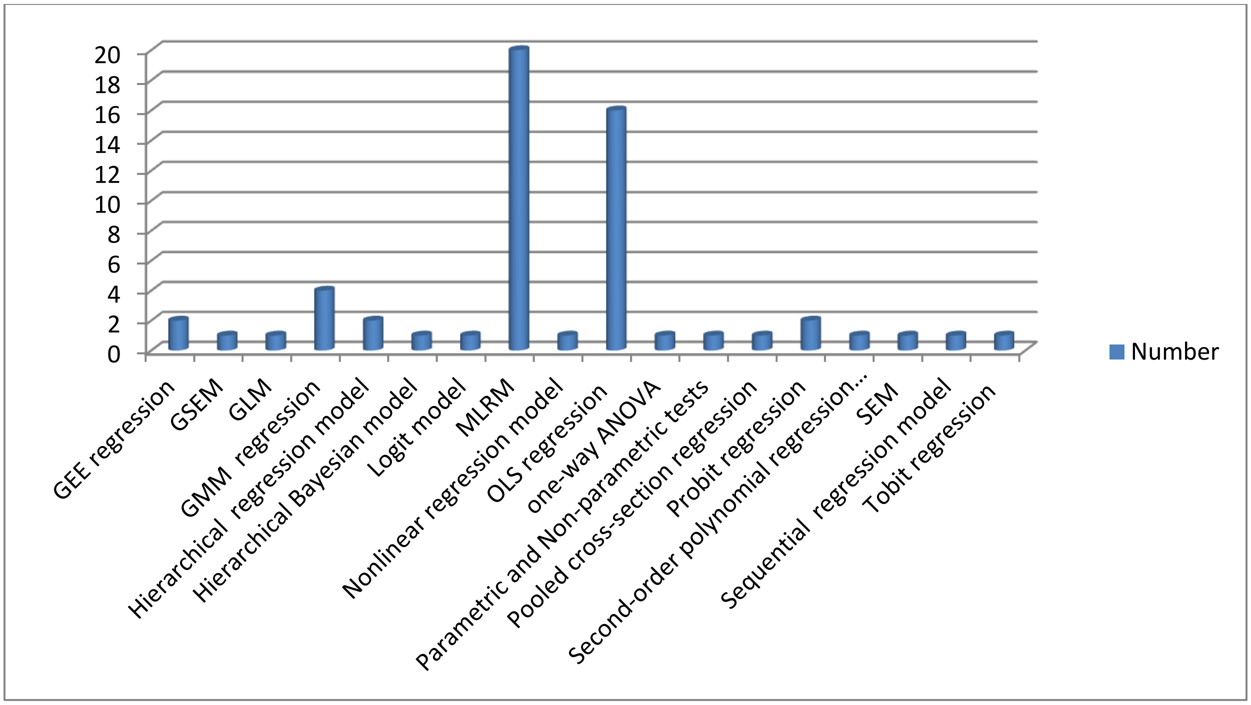

Source: Own Survey (2022)

FIGURE 6
DATA ANALYSIS METHODS EMPLOYED BY CORPORATE DIVERSIFICATION STUDIES

As can be observed in Figure 6 above, 34%(20) of the studies were analyzed using Multiple Linear Regression Model (MLRM), 28%(16) Ordinary Least Squares (OLS) regression, 7%(4) Generalized Method of Moments (GMM) regression, 3%(2) Generalised Estimating Equation (GEE) regression model, 3%(2) Hierarchical Regression Model (HRM), 3%(2) Probit Regression Model (PRM), and the remaining insignificant percent(number) of the studies used General Linear Structural Model (GSEM), Generalized Linear Model (GLM), Hierarchical Bayesian Model (HBM), Logit Model, Nonlinear Regression Model, One-Way ANOVA, Parametric and Non-Parametric Tests, Pooled Cross-Section Regression, Second-Order Polynomial Regression Model, Structural Equation Modeling (SEM), Sequential Regression Model (SRM), and Tobit Regression Model (TRM) as methods of analysis, which account for 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), 2%(1), and 2%(1) respectively. Therefore, this indicates that a large majority of the studies focused on corporate diversification employed MLRM and OLS regression, which covers 62%(36) together out of the total. Likewise, a large majority of the corporate diversification studies 98%(57) used a cross-sectional research design. As a result, the finding revealed that there is a lack of corporate diversification studies conducted employing qualitative and mixed approaches and a longitudinal research design.

Research Question 1: How the research investigated the antecedents of corporate diversification in the past decade?

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Table 2
SUMMARY OF ASSOCIATIONS BETWEEN ANTECEDENTS AND CORPORATE DIVERSIFICATION

Antecedent	Positive	Negative	Not Significant	Total
Market reforms	0	1	0	1
Ownership structure	1	5	2	8
Productivity expression	1	0	0	1
Resource allocation	3	0	0	3
Demographic characterstics (leader age)	1	1	0	2
Economic policy uncertainty	1	1	0	2
Competitive intensity	1	1	0	2
Dynamic managerial capabilities	1	2	0	3
Leadership structure	2	2	0	4
Intellectual capital	2	1	0	3
Country-level governance	0	0	1	1
Country-level shareholder protection	0	0	1	1
Environmental dynamism	1	0	0	1
Environmental munificence	0	1	0	1
Synergy	1	0	0	1
Managerial political connections	1	0	0	1

Source: Own Survey (2022)

A significant number of relationships were hypothesized between corporate diversification and its antecedents (i.e. 35) in the empirical studies in organizations. Here, work on general antecedents either sourced from internal or external environment situations to organizations. Table 2 shows the antecedents that were found in the literature and ownership structure is the most prevalent type of antecedent used, leadership structure, resource allocation, dynamic managerial capabilities, and intellectual capital are also significantly studied. As clearly shown, ownership structure majorly has a negative relationship with corporate diversification, according to the literature (Hernández-Trasobares & Galve-Górriz, 2020; Kouki, 2021; Rao-Nicholson & Cai, 2020; Sener & Akben-Selcuk, 2019; Srinivasan et al., 2019). For instance, according to the finding of Srinivasan et al. (2019), the impact of ownership structure on the firm’s diversification strategy does not vary as per degree or level of diversification.

Leadership structure is the other variable that significantly predicts corporate diversification of organizations. According to various research findings (Fan et al., 2020; Sener & Akben-Selcuk, 2019), its relationship with corporate diversification is sensitive to the nature of the firm and the form of leadership structure. For example, as shown in the research finding of Fan et al. (2020), leadership structure has a positive association with corporate diversification, particularly in private firms, but not in SOEs; likewise, firms with a combined leadership structure are more diversified while firms with a more independent directors are less diversified (Sener & Akben-Selcuk, 2019). The result informs organizations looking for diversification should have to aware of their leadership structure while it impacts their corporate diversification strategy significantly.

As can be observed in the above table, resource allocation (Holzmayer & Schmidt, 2020; Jiang et al. 2021; Sahni & Juhari, 2019), productivity expression (Jiang et al. 2021), environmental dynamism (Chen, 2019), synergy (Haug et al., 2018), and managerial political connections (Li et al., 2012), are antecedents that positively significantly predict corporate diversification of organizations. On the other hand, demographic characteristics (Kayani et al., 2021), economic policy uncertainty (Hoang et al., 2021), competitive intensity (Ljubownikow & Ang, 2020), dynamic managerial capabilities (Holzmayer & Schmidt, 2020), and intellectual

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capital (Duho & Onumah, 2019) are the antecedents that have a significant impact on diversification, and accordingly, their association differs as per the type, degree, and level of diversification used in an organization. For example, Duho and Onumah (2019) study found that intellectual capital motivates asset diversity but it dissuades income diversification.

There are also antecedents that have a negative impact on corporate diversification and are also not significant as well. Accordingly, the antecedents that have a negative impact on corporate diversification are market reforms (Gopal et al., 2021) and environmental munificence (Chen, 2019). For instance, research conducted in Chin by Chen (2019) revealed that environmental munificence negatively relates to corporate diversification of firms. And, country-level governance and shareholder protection antecedents have no significant effect on corporate diversification (Sahni & Juhari, 2019). The study conducted by Sahni and Juhari (2019), in Saudi Arabia, indicated that country-level governance has no significant impact on corporate diversification.

However, a significant number of the antecedents of corporate diversification that obtained critical focus from researchers and scholars have been sourced from external environmental factors. This clearly shows that there is a shortage of studies conducted on corporate diversification predictors from within internal environment factors. For instance, as shown in table 2 above, only the age factor was investigated from demographic characteristics, as a predictor of corporate diversification. Therefore, there is no study conducted yet on how the other demographic characteristics such as a leader's gender and experience are associated with corporate diversification of an organization.

Research Question 2: How the research examined the outcomes of corporate diversification in the past decade?

Table 3
SUMMARY OF ASSOCIATIONS BETWEEN CORPORATE DIVERSIFICATION AND OUTCOME VARIABLES

Outcome	Positive	Negative	Not Significant	Total
Firm financial performance	34	16	7	57
Investment efficiency	0	1	0	1
Strategic controls	1	0	0	1
Risk	0	1	1	2
Corporate social performance (CSP)	2	1	0	3
Customer Satisfaction	1	0	0	1
Flexibility	1	0	0	1
Market share	1	0	0	1

Source: Own Survey (2022)

There are a total of 67 relationships hypothesized between corporate diversification and its outcomes (table 3). This number is larger compared to the number of corporate diversification antecedents (35 relationships, table 2). This discrepancy in the literature makes sense given that corporate diversification because of its importance in performance-related outcomes. As clearly shown in table 3, surprisingly the outcomes of corporate diversification were investigated from the perspective of firm financial performance. In this regard, corporate diversification has a significant positive association with firm financial performance, as revealed by various scholarly results (Bhatia & Thakur, 2018; Chan et al., 2019; López-Zapata et al., 2019; Mac-Ozigbo & Daniel, 2020; Mota & dos Santos, 2020; Tanui & Serebemuom, 2021; Wambui & Kavale, 2022), using different financial performance measures like profitability. For instance, the study carried

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out in Kenya in the insurance firm by Wambui and Kavale (2022) revealed a significant positive relationship between corporate diversification and financial performance. Likewise, Mac-Ozigbo and Daniel (2020) obtained a significant positive relationship between corporate diversification and financial performance, in a study conducted in a private firm in Nigeria. A similar positive relationship was obtained between corporate diversification and firm performance, particularly in relation to capital structure (leverage) and dynamic efficiency, according to Wang et al. (2018) and Nahda and Rahmadana (2021).

According to various research results (Duho et al., 2020; Holzmayer & Schmidt, 2020; Khan et al., 2021; Lizares, 2019; Nwakoby & Augustine, 2018; Vu & Ha, 2021), the association between corporate diversification and financial performance determined by degree, level, and type diversification used by organizations. For example, a study conducted on publicly-listed non-financial firms in the Philippines indicated that the degree of diversification has a positive effect on firm performance; and conversely, the type (related or unrelated) of diversification has different effects on firm performance (Lizares, 2019). On the other hand, corporate diversification and firm performance have a negative relationship, as shown in (Ajao & Kokumo-Oyakhire, 2021; Espinosa-Méndez et al., 2018; Jiang & Feng, 2021; Phung & Mishra, 2017) studies. For instance, research conducted in Vietnam by Phung and Mishra (2017) revealed that corporate diversification has a negative impact on firm performance. Moreover, there are also empirical research findings that indicate no relationship between corporate diversification and firm performance (Mwau, 2020; Uzair ali et al., 2020). According to the study finding of Uzair ali et al. (2020), there is no relationship between diversification and firm leverage.

As can be observed from table 3, there are very limited studies conducted in relation to the outcome of corporate diversification from firm non-financial performance perspectives. To list those non-financial performance outcomes of corporate diversification obtained in the extant literature: investment efficiency, strategic controls, risk, corporate social performance (CSP), customer satisfaction, flexibility, and market share (Hatami & Khatibi, 2022; Haug et al., 2018; Kang, 2013; Patrisia et al., 2019; Wambui & Kavale, 2022). Therefore, there is a shortage of studies conducted on the non-financial performance outcomes of corporate diversification in the extant studies. This clicks the question "*Why are corporate diversification researchers only focusing on the financial aspects of firms*?"

Research Question 3: How the research investigated the moderators and mediators of corporate diversification in the past decade?

Table 4
MODERATORS OF CORPORATE DIVERSIFICATION

Variables	Positive	Negative	Total
Agency costs	0	1	1
The number of staff	1	1	2
Ownership Structure	3	1	4
Firm size	0	1	1
Economic cycle	3	1	4
Capital structure (leverage)	1	0	1
Dynamic managerial capabilities	1	1	2
Firm's focus on short-term profit	0	1	1
Firm experience	1	0	1
Firm affiliation to a consortium	1	0	1

Source: Own Survey (2022)

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The last research question focused on the moderators and mediators of corporate diversification of organizations. Table 4 shows the moderators of corporate diversification used in the extant studies; and as can be understood from the table, a few studies were conducted on corporate diversification with a moderator variable. Agency costs (Hatami & Khatibi, 2022), the number of staff (Seifzadeh et al., 2021), ownership structure (Chen, 2019; Gopal et al., 2021; Li et al., 2012), firm size (Tanui & Serebemuom, 2021), economic cycle (Li et al., 2012; López-Zapata et al., 2019; Rao-Nicholson & Cai, 2020), capital structure (leverage) (de la Fuente & Velasco, 2020), dynamic managerial capabilities (Holzmayer & Schmidt, 2020), the firm's focus on short-term profit (Kang, 2013), and firm experience and firm affiliation to a consortium (Giachetti, 2012), are the moderating variables used in the existing corporate diversification studies. In this regard, table 4 shows that the two commonly used moderators among the corporate diversification antecedents of table 2 such as ownership structure and dynamic managerial capabilities. Therefore, there is a lack of studies on whether the antecedents that are identified earlier in table 2 have a moderating effect on corporate diversification or not.

Moderating effects can have positive and negative impacts on corporate diversification-performance relationships. For example, research conducted in Kenya by Tanui and Serebemuom (2021) revealed that firm size had a negative and significant moderating effect on the relationship between corporate diversification and financial performance. On the contrary, firm experience and firm affiliation to a consortium positively moderate the relationship between corporate diversification and performance, a study carried out in Italy by Giachetti (2012). In a general format, there is a shortage of studies conducted on corporate diversification using appropriate moderating variables. For instance, there are potential factors from both internal and external environments such as triggers (such as demographic changes, resource dependence, regulations, and network ties), firm-level triggers (such as excess resources, firm's strategy and position, and synergies), and diversification decision influencers (such as supporting industry influence, organizational processes and systems, timing of entry, industry characteristics, and information asymmetry), that can be used to moderate corporate diversification-performance relationship, as suggested by Dhir and Dhir (2015).

Table 5
MEDIATORS OF CORPORATE DIVERSIFICATION

Variables	Positive	Negative	Total
Risk management capabilities	1	0	
Good Governance	1	0	
Level of business	1	1	
Information asymmetry	0	1	
Growth opportunities	1	1	
Market structure	1	1	
Intra-family succession intention	1	0	
Emotional attachment	0	1	
Ownership Structure	1	1	

Source: Own Survey (2022)

Mediators shown in table 5 are different from moderators indicated in table 4 except for one variable i.e. ownership structure. Accordingly, the mediator variables those obtained focus in the extant corporate diversification literature are very few these are risk management capabilities (Jiang & Feng, 2021), good governance (Nahda & Rahmadana, 2021), level of business (Vu & Ha, 2021), information asymmetry (Khan et al., 2021), growth opportunities (Setianto, 2020),

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market structure (Shim, 2019), intra-family succession intention and emotional attachment (Dou et al., 2019), and ownership structure (Espinosa-Méndez et al., 2018). This indicated that there is a shortage of empirical research conducted on corporate diversification using mediating variables.

The identified mediators have positive and negative effects on corporate diversification and firm performance relationships. For instance, studies conducted in china and Indonesia on the mediating effect of risk management capabilities, good governance, and intra-family succession intention between corporate diversification and performance relationships indicated that they positively mediate the relationship (Dou et al., 2019; Jiang & Feng, 2021; Nahda & Rahmadana, 2021); information asymmetry and emotional attachment variables negatively mediates corporate diversification-performance relationship, according to the studies conducted in China and G-7 countries (Dou et al., 2019; Khan et al., 2021). Apart from this, the mediation effects of some variables in corporate diversification-performance relationships also vary as per the degree, level, and type of diversification or the type of the mediating variable. For example, the study findings of Giachetti (2012) revealed that when firms are owned by a family, the relationship between diversification and performance is positive; however, when family ownership is pyramidal, the diversification-performance relationship becomes negative.

While there are certainly potential to further investigate the relevance of various moderators and mediators of corporate diversification-performance relationship in organizations, it is critical to test the antecedents that have not yet been tested as moderators and mediators of corporate diversification-performance relationship in addition to the potential variables advised by Dhir and Dhir (2015) such as demographic changes, resource dependence, regulations, network ties, excess resources, firm's strategy and position, synergies, supporting industry influence, organizational processes and systems, timing of entry, and industry characteristics.

CONCLUSION

Based on the findings generated the following conclusions were drawn. First, the extant corporate diversification studies are addressed based on sector, country of origin, and method of analysis. Accordingly, the finding indicated that there is a lack of corporate diversification studies in some sectors like the service sector, and also, the available studies conducted on the sector are only limited to insurance, bank, and entertainment (football) industries. Regarding the reachability of the studies, African, the Middle East, and Latin American countries are the place where a shortage of corporate diversification studies is exclusively seen. And also, corporate diversification-related studies are insufficiently conducted across countries or by considering two or more countries, in the existing studies. Moreover, methodologically, there is a lack of corporate diversification studies conducted employing qualitative and mixed approaches and a longitudinal research design.

Second, as the finding of this study revealed that ownership structure is the most prevalent type of corporate diversification antecedent used, leadership structure, resource allocation, dynamic managerial capabilities, and intellectual capital are also considerably studied. However, there is a shortage of studies conducted on corporate diversification predictors from within internal environment factors, particularly on demographic characteristics (leader's gender and experience). And, there is a shortage of studies conducted on the non-financial performance outcomes of corporate diversification in the extant studies. This clicks the question "*Why are corporate diversification researchers only focusing on the financial aspects of firms*?"

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Third, with regard to moderators and mediators of corporate diversification-performance relationship, a few studies were conducted in the existing literature. The major moderating and mediating variables that obtained emphasis are ownership structure, economic cycle, dynamic managerial capabilities, market structure, growth opportunities, and level of business. Therefore, there is a shortage of empirical research conducted on corporate diversification-performance relationships using appropriate moderating and mediating variables.

Recommendation

The following recommendations were drawn as per the conclusions above: It is advised that future researchers and scholars conduct their studies on the service sector while there is a lack of corporate diversification studies in this area, particularly in industries other than insurance, bank, and entertainment/football. In addition to this, regarding the reachability of corporate diversification studies, there is a shortage of studies, especially in African, the Middle East, and Latin American countries, therefore, future research advised to give emphasis to these countries to investigate corporate diversification, as well as investigating and experiencing across-countries or across-cotenant. Furthermore, methodologically, existing corporate diversification studies were conducted more in a quantitative approach and cross-sectional design, thus, future research is recommended to be carried out in qualitative and mixed approaches with a longitudinal research design.

Regarding the antecedents of corporate diversification, the study finding discovered that ownership structure, leadership structure, resource allocation, dynamic managerial capabilities, and intellectual capital are antecedents comparatively investigated in a better manner in the extant literature. Conversely, demographic characteristics are an under-researched area, therefore, researchers and scholars advised conducting on this antecedent, particularly on the leader's gender and experience. And, non-financial performance outcome of corporate diversification is the most neglected area in the existing studies, thus, future studies are recommended to give emphasis on this aspect, including addressing the basic question "*Why are corporate diversification researchers only focusing on the financial aspects of firms*?"

Moreover, this study identified the moderators and mediators of corporate diversification-performance relationship. In this regard, there is a shortage of empirical research conducted on corporate diversification-performance relationships using appropriate moderating and mediating variables. While there are certainly potential to further investigate the relevance of various moderators and mediators of corporate diversification-performance relationship in organizations, it is critical and suggested to test the antecedents that have not yet been tested as moderators and mediators of corporate diversification-performance relationship in addition to the potential variables advised such as demographic changes, resource dependence, regulations, network ties, excess resources, firm's strategy and position, synergies, supporting industry influence, organizational processes and systems, timing of entry, and industry characteristics.

Contribution and Practical Implication of the Study

In a general format, per the findings obtained from this study, the study has very fruitful contributions and practical implications for researchers and scholars, and industry/company owners/managers.

Researchers and Scholars

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The study has a concrete contribution for scholars and researchers, who have an interest in conducting research on corporate diversification, suggesting focusing on the service sector, employing qualitative and mixed approaches, and a longitudinal research design by giving primary emphasis on fundamental conceptual gap i.e. demographic characteristics-related antecedents of corporate diversification such as leader's gender and experience, and on its outcomes, particularly addressing the key research question "*Why are corporate diversification researchers only focusing on the financial aspects of firms*?". Finally, the study contributed by identifying the potential moderating and moderating variables of corporate diversification-performance relationship that should be tested empirically such as demographic changes, resource dependence, regulations, network ties, excess resources, firm's strategy and position, synergies, supporting industry influence, organizational processes and systems, timing of entry, and industry characteristics.

Industry/Company Owners/Managers

The study findings have vivid contributions and practical implications for industry/company owners/managers by identifying the situations that corporate diversification strategy put in place and the payoffs generated in implementation. While the study proves that corporate diversification is an important corporate strategy by investigating its antecedents and outcomes, as well as its moderators and mediators, which contribute to improving performance. "*Putting eggs in various baskets*" enable companies to not only survive but also sustain competitive advantage in today's challenging business world.

Limitation and Future Research Directions of the Study

This review study importantly has added value by investigating corporate diversification using empirical studies in the extant literature. Though, the study also has some shortcomings: a limited number of databases and journals were used, and also the number of articles considered in this study is somehow limited compared to the available published articles on corporate diversification, which might limit the generalizability of the findings obtained. In this regard, future researchers and scholars advised using extended databases and journals, and also including more articles in their studies, which can help them to generate very comprehensive and more value-adding findings on corporate diversification, particularly on its antecedents and outcomes, as well as its moderators and mediators in this highly hyper-dynamic environment.

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