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Corporate Parent Value Addition and Challenges

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Abstract: Corporate parent value addition is essential and challenging aspect of corporate strategy. Corporate managers can add value to their company's business portfolio by developing a good understanding of the businesses and using corporate level capabilities to improve businesses' strategic position. Effective management of corporate centre results in several ways for adding value to the businesses. Alternatively, undue treatment of business portfolio could lead to value destruction. Despite its supreme importance, this area didn't receive enough treatment by empirical research in past. Future research can unfold new perspectives in corporate parenting and add significant contribution to field of corporate strategy.

Key words: Corporate parent managers · Corporate parent value addition · Corporate parenting roles/styles · Corporate parenting challenges

INTRODUCTION

Today's business environment is characterised by increasing globalization, liberalization and threatening competition [1, 2, 3]. Organizations face multiple challenges today at various waterfronts [4]. The life of today's CEO is more complex than before as it entails making challenging decisions of various natures in an uncertain and unpredictable business environment [5]. The challenge for strategist of a multi-business organization is even more severe as it requires him to make business decisions of a greater scope [6]. As diversified organizations might compete against their competitors in different product and market segments [7], therefore it is more difficult for strategist of a diversified organization to grasp all issues, conduct analysis of different factors and make correct decisions [8]. Life might be more complicated for a CEO of a diversified organization operating internationally [9, 10].

One of a set of challenges faced by strategists today is to confront and handle contemporary management issues of this century [11, 12]. Certain contemporary issues like globalization, knowledge management and learning organization, e-business, innovation and flexibility, team work, change management and quality management are strong forces affecting management practices in today's organizations [13, 12, 14]. Moreover, issues like corporate social responsibility, business ethics and green consumerism have gained importance in determining competitive advantages of organizations around the globe [15, 4]. Given these issues, it is challenging for corporate managers and strategists to smoothly apply strategic management practices in their organizations [11].

Particularly in large diversified organizations, one of the most important issues confronting corporate managers is the design of corporate level strategy [16, 17]. Corporate level strategy is the overall strategy of an organization that determines its business portfolio, breadth of its competitive domain [13, 18] and the contribution of each business towards attaining overall goals of the organization [17]. According to [19], an organization's corporate strategy delineates how its vision, objectives and goals are supported by its resources, businesses and structure and systems and processes. Corporate strategy requires strategists to look at all aspects of an organization including competitive and functional strategies and decide about how to exploit organization's strengths and compensate for the weaknesses, in light of critical external environment changes and trends [20]. Hence, the formulation of corporate level strategy in today's dynamic and ever changing business environments represents challenging position.

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One of the significant aspects of corporate level strategy is to identify whether an organization is a focused organization emphasizing on a single business or a diversified multi-business organization consisting of several different product lines [20]. It is often observed that corporate strategy in certain multi-business organizations is not well defined as corporate parents fail to understand well issues regarding corporate level strategy [21, 18]. In past, numerous management buyouts and corporate acquisitions failures provided evidences of weak corporate strategy in those organizations [22, 23]. Corporate managers' value creation for the business portfolio is the most fundamental aspect of corporate strategy in a multi-business organization and it serves as criteria for the performance of corporate managers [24, 21]. In an ideal situation, corporate managers immediately react to business' requests through providing them with required resources, advice and competences [21]. In successful organizations, corporate strategy is based on the parenting advantage to be created by corporate parents [25].

In particular, the level of corporate diversification strategy should be influenced by skills of corporate managers as well as the match between those skills and business' requirements [26, 27]. It is because the success might not merely be derived by extent of diversification in an organization, rather it could be driven by the way corporate parents manage that diversity [28]. Empirical research on corporate parenting and related topics could significantly contribute to the theory as well as practice of strategic management. In past, certain scholars contributed to the field of corporate parenting in various ways [29, 28] but empirical research in the area is still lacking to a large extent.

The purpose of this article is to revise concepts and thoughts on corporate parenting, highlight its importance, summarize contributions to this field and suggest further empirical research into the topic. The article starts by providing brief introduction to corporate level and corporate parenting. The next section provides discussion on importance and ways of corporate value addition by referring to categorizations of different corporate parenting roles or styles proposed by past scholars. Another part looks at the other aspect of corporate parenting – the value destruction and discusses situations in which corporate parents destroy value instead of adding value to businesses. In the last part, the article provides a summarization of contributions from past scholars to the field of corporate parenting. It provides a chronological summarization of theoretical contributions to corporate parenting theory followed by critical evaluation of empirical researches conducted in the field. The article concludes by providing suggestions and foresight for future research.

Corporate Level and Corporate Parenting: Corporate level refers to the top most level in an organization [30, 31]. Fundamentally, in a multi-business organization, the corporate level works above the business level and it is supposed to conduct those activities which could assist overall value creation in the organization [32, 33]. Corporate parent managers represent corporate level and they are supposed to coordinate and control business unit affairs and provide various services to the businesses [34, 7, 33]. In any corporation, for instance, they are assumed to hold such designations as Executive Chairman, Executive Director, Managing Director, Chief Executive Officer or Chief Operating Officer. Corporate parent managers need to justify the presence of corporate centre through value addition to different businesses, particularly because the centre doesn't directly serves to customers but it could carry significant financial costs [27, 35].

The positive contribution of the corporate centre to the businesses through provision of corporate expertise, resources, support and creation of cross business synergies is termed as parenting advantage [36, 37]. Through corporate level activities, corporate parent managers must indicate to the businesses that the corporate parent is the best owner of those businesses compared to any rival parents [26, 38]. Traditionally, pursuit of this state by corporate parents has been termed as *quest for parenting advantage* [39, 40]. This quest requires corporate managers to compare their characteristics with other rival parents, continuously upgrade their resources and competences and strive to add maximum value in various ways to the business portfolio [39, 41].

Role of Dynamic Capabilities: Corporate parents can enable the organization boost up its performance through their corporate level distinctive competences and dynamic capabilities [42, 43]. In fact, a company's corporate level capability is represented through corporate managers' ability to create, update and change its asset base for creating *dynamic capabilities* to add value to its businesses [29, 32]. Therefore, according to certain scholars [29, 43], the rationale for corporate parenting is underpinned largely in the dynamic capabilities perspective proposed by [44].

Technically, in the terminology ‘dynamic capabilities’, ‘capabilities’ represents managers’ ability to align, integrate and reconfigure well the resources, skills and competences of the organization to catch up with fast changing environment and ‘dynamic’ denotes managers’ ability to continuously upgrade those competences to cope up with highly uncertain and challenging business environment [44, 45, 46]. The dynamic capabilities perspective was assembled upon the VRIO framework proposed by [47]. Specifically, [47] suggested that an organization’s competences can be evaluated on the basis of four criteria:

- Value: The competency must provide some value to the customer and should create a strong and sustainable competitive advantage.
- Rarity: The competency must not be available with any competitor.
- Inimitability: It should not be possible for competitors to imitate organization’s competency. Or it should be very costly for competitors to imitate it.
- Organization: The firm should be properly organized for exploiting the resource.

If a competency satisfies all criteria, then it could be considered as organization’s distinctive competence which could enable organization to significantly improve its performance [37]. When a distinctive competence is improved, upgraded and modified with the passage of time keeping in view competitive situations, it becomes dynamic capability [7]. The dynamic capabilities clearly differentiate the organization from its competitors and they have the potential to gain strong competitive advantage for the organization [47, 48]. Traditionally, the concept of dynamic capabilities has been applied in the context of business strategies. In 2003, [29] attempted to integrate the concept of dynamic capabilities with corporate strategy and conceptualized the meaning of dynamic capabilities for corporate centre and corporate parent managers. Contemporary scholars argue that for successful corporate level strategy, corporate parents must look for rare, valuable, robust and non-substitutable resources and perform certain activities and processes to convert those resources into core competences that could provide strong and sustainable competitive advantage to the businesses [28, 43].

General Electric is famous for its corporate managers possessing distinctive competences in managerial development [37]. At BTR (one of the Great Britain’s successful companies), corporate managers gained greater understanding of their businesses with the passage of time and upgraded their parenting resources to add value to the businesses [40]. Historically, in early 1990’s, Nirma (India) had distinctive competency in low cost detergent manufacturing and therefore, initially it was able to successfully compete against HLL (Hindustan Lever Limited) at that time [37]. Similarly, the acquisition of Champion International (a spark plug company) by the Cooper Industries (Texas) was based on Cooper Industries possession of distinctive competences to boost its businesses’ manufacturing performance [40, 36].

Hence, it can be argued that corporate parents must possess skills and capabilities through which they could add value to various businesses in different ways [39, 7] and must update or reconfigure them continuously [47, 40]. In a good corporate strategy, corporate managers successfully reconfigure their resources, skills and competences, that guides them towards appropriate nature and direction for product diversification strategy for various businesses in the portfolio [39, 28]. Moreover, corporate strategy is successful when corporate managers possess competences to provide value to business portfolio through organizational structures, systems and processes and ensure that businesses are sharing resources and activities with one another [19, 49].

Value Creation by Corporate Parent Managers: The businesses in any corporate portfolio do not normally possess option of having or not having the corporate centre [34, 7] and therefore, the business managers’ satisfaction concerning the activities of corporate parent managers might also vary in different corporations. It is not unusual for business managers to object on the activities and usefulness of corporate centre and its involvement in business affairs [24]. So, for justifying the presence of corporate level, it is important for corporate managers to create value for the business portfolio [39, 26, 28].

[21] proposed that for corporate managers to create value in their businesses, they must possess a ‘parenting map’ which is normally built on the basis of corporate managers’ personal observation and experiences and by the information they obtain about the businesses. They add that parenting map helps corporate managers understand the businesses well and can be considered as a guideline for diversification decisions particularly. The mere presence of corporate managers in the corporate centre doesn’t guarantee value addition and therefore corporate parents need to satisfy the criteria for creating value into the businesses [24, 28]. As noted before, in

order to create value and develop sustainable competitive advantage for businesses, corporate managers must possess corporate level dynamic capabilities based on rare, valuable, robust and non-substitutable resources and competences [29, 43, 48].

For creating value in businesses, corporate managers must have a good understanding of the critical success factors for the businesses and they should be able to pay a special contribution against parenting opportunities offered by different businesses [26, 7, 35]. As noted before, that was the main consideration during Cooper Industries acquisition of Champion International [40, 36]. Corporate managers should continuously renovate corporate level resources and competences and strive to achieve a fit between these competences and parenting opportunities offered by businesses [40, 7]. Having a parenting map would definitely help corporate managers understand critical success factors of various businesses and risks faced by them [21]. Hence, an organization's corporate strategy must be based on the parenting maps possessed by corporate managers. In fact, a corporate strategy that requires different parenting maps for different businesses is more likely to be unsuccessful than one which require same corporate parenting map for all the businesses [21].

The Ashridge Fit Matrix (in Figure 1 below) discussed by [39] provides an excellent guideline to corporate parent managers concerning their role. It presents a framework for analysing corporate parenting role corporate managers must play against different businesses in a portfolio. The y-axis denotes fit between critical success factors faced by businesses and parent's possession of certain resources, skills or characteristics. Whereas, x-axis indicates fit between parenting opportunities offered by businesses for improvement and parent's possession of certain resources, skills or characteristics. The two dimensions provide four classifications of businesses namely; ballast businesses, heartland businesses, alien businesses and value trap businesses. Of the four types of businesses, heartland businesses are ones which should be the focus of corporate strategy. Heartland businesses are those which are well understood by corporate parents and they offer parenting opportunities which could be better exploited by corporate parents using the resources, skills and other parenting characteristics possessed by them [39].

Corporate parents must be particularly cautious about other businesses, particularly aliens and value traps, where instead of adding value, parents could mistakenly destroy value. BAT (a tobacco company) exemplifies such as case. When it acquired Eagle Star (a financial services company), its managers were not able to understand critical success factors faced by Eagle Star and consequently Eagle Star's performance went down as BAT's managers kept pushing Eagle Star managers to increase market share which was not appropriate strategy in financial services market [50].

Once the fit criteria are achieved by corporate parents, then there are several ways they could add value in the business portfolio [51, 30]. Traditionally, [52] suggested that corporate managers could produce value in various ways, such as by formulating effective business strategies through using their knowledge and skills, motivating business unit managers for producing better results, improving management through better recruitment and selection and creating synergies across businesses. [7] argued that corporate managers could create value in businesses by giving a vision and a common purpose to all businesses, helping businesses to create strategic capabilities and achieve synergies, providing corporate level resources such as capital, brokerage and advice on human resource issues and indulging themselves in the business unit affairs by observing and improving business performance whenever the conditions require.

In certain conditions, managers could create value in troubled businesses through business restructuring and managing change process successfully [21, 18, 52]. Loews Corporation is such an organization where corporate managers had been adding value through business restructuring [36]. Through the purchase and sale of oil tankers and offshore drilling rigs during 1980's, Loews were able to add millions into the company profitability [53]. Similarly, in order to improve business performance, AT&T split itself into three companies during 1990's (AT&T, Lucent Technologies and NCR) and later acquired TCI Communications and MediaOne and transformed itself into a modern telecommunications company offering variety of improved services [31].

Historically, at Wal-Mart, the role of top management had been to facilitate store managers learn from one another's experiences and gain knowledge of the market [54]. Similarly, in past the success of Honda motorcycles in United States had been based largely on the top management's capability to gain knowledge of the market, exploit opportunities early and to provide consideration to middle management suggestions [55, 56]. Companies like GE (General Electric) and Siemens add value to businesses through their capabilities in cross business collaboration [32]. The success of GE is underpinned in

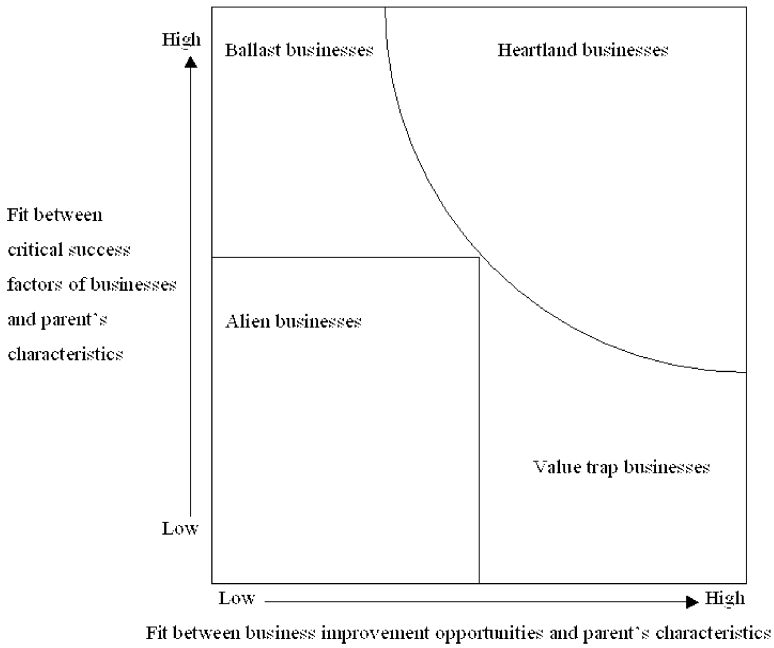

Fig. 1: Ashridge Fit Matrix
Ashridge fit matrix. Adapted from "Parenting Advantage: The Key to Corporate-Level Strategy" by Alexander, M., A. Campbell and M. Goold, 1994. Retrieved April 21, 2013, from http://www.adlittle.com/downloads/tx_adlprism/1995_q2_08-12.pdf (adapted with permission).

the Jack Welch's (CEO) policies of administering tight standards of profitability in addition to sharing knowledge and best practices of doing businesses across all businesses in GE empire [37]. In Berkshire Hathaway, the CEO Warren Buffett adds value to the company through delegation of business level strategies and operational plans to division management [6]. In P&G (Procter & Gamble), corporate parents add value by requiring various business units to develop innovative products by working together [37].

For value creation, instead of exercising general management practices, it is important for corporate managers to keep a close eye on the needs of business portfolio and continuously develop and upgrade the required resources, skills and competences to keep balance between the two [26]. This is strategically significant because businesses might be required to improve their strategic capability and shift competitive advantage due to changing external environment [57, 7], hence calling for a change in the resource and capabilities package possessed by corporate managers.

Corporate Parenting Roles: Corporate parent managers add value to the businesses through some mechanism [32]. These mechanisms refer to corporate parenting roles or styles [24, 18]. Certain scholars in past presented their categorization of corporate parenting roles which is discussed here briefly.

[18], in his classical article "From Competitive Advantage to Corporate Strategy" presented four corporate parenting roles which he called four concepts of corporate strategy: Portfolio management, restructuring, transferring skills and sharing activities. According to him, each concept used a particular mechanism to add value. The first two concepts were similar in a sense that they required no connections between business units, whereas, the other two rather depended upon connections between business units as they were concerned with creation of value through transfer of skills and sharing of activities between businesses [18].

Also, [58] introduced three corporate parenting styles in 1987: Strategic Planning, Financial Control and Strategic Control. In strategic planning style, corporate parents direct business unit strategies, emphasize flexible targets and budget and focus on strategic as well as financial performance [58, 51]. One can cite P&G and Ikea as organizations which had been following strategic planning style. P&G centralized certain functions like product manufacturing and product development for all businesses and Ikea centralized store design and manufacturing [29]. Moreover, McDonald's could be considered to be another organization following this style as reflected through their routinization and standardization of activities [50].

In financial control style, corporate parents do not indulge in the business strategies of various businesses, prefer no overlap between businesses, do not emphasize formal planning, focus is laid on achieving short-term budget targets and retain healthy businesses only in the corporate portfolio [58, 51]. Companies like Sunbeam, Magna and Tyco followed financial control style where corporate centres kept tighter financial controls over their businesses (Sunbeam), incentives and reward policies were formulated for maximizing profits (Magna) and corporate managers pushed responsibility and accountability down to the business levels (Tyco) for giving greater autonomy to business managers [29].

Strategic control style seems like an amalgamation of previous two styles [59] wherein, business strategies are formulated primarily by business managers while corporate centre is mainly reactive, corporate managers keep tight financial controls, provide incentives to business managers on meeting agreed targets, challenge business strategies and also provide suggestions to improve business performance [58, 51, 60]. In their classic work on corporate parenting styles, [60] provided numerous examples of companies following strategic control style including Imperial, Plessey, Courtaulds, ICI and Vickers. These styles discussed by [58], gained significant popularity in academic research and certain researchers employed them in their research frameworks to test different hypotheses as well [59, 49].

Later, in 1988, [52] offered explanation on three basic roles of corporate parenting: controller, coach and orchestrator. According to [52]:

- A *Controller* relies on standalone influence. Corporate managers add value by careful selection of managers and appropriate short-term targets (BTR and Tarmac).
- A *Coach* adds value by improving business strategies and operating efficiency through employing its experience and knowledge of the industries (Unilever and New York Times group). However, the sovereignty of the businesses is also maintained.
- An Orchestrator adds value by integrating various functions across businesses to exploit synergies between them. Business strategies are aimed to produce overall greater value at the corporate level and to create corporate level competences (IBM and Shell).

Hence, the three roles seem to be different from one another in terms of specific competences possessed by corporate managers in each role and the extent of their involvement in the business strategies. Additionally, [52] stated that corporate managers could play the roles of 'surgeon' or architect' when it comes to business restructuring and transformation wherein they redefine and restructure business composition and boundaries.

Based on the work of [18] and [61], [34, 7, 30] presented three corporate parenting roles: Portfolio Manager, Synergy Manager and Parental Developer. The portfolio manager role seems to be suitable for unrelated diversifiers, as in this role corporate parents do not indulge in the business strategies of various businesses, they keep buying and selling various businesses and assets for financial purposes and provide rewards to business managers strictly on the basis of their business units' performance [34, 7]. Bidvest (South Africa) is a large conglomerate where corporate managers manage businesses as independent, decentralized units and motivate divisions to attain key performance measures such as profit and return on funds employed [6].

As a synergy manager, corporate parents primarily work for programmes for creation of synergies among various businesses in different ways, create common corporate culture and also provide central services and resources [34, 7]. Although synergies could be of operational nature [62, 49] or financial nature [62, 63], but synergy managers are basically concerned with the creation of operational synergies and therefore they demand certain extent of relatedness between different businesses [34, 7]. At Apple, the role of Steve Jobs had been to guide business managers at iMac, iTunes and iPod in creating synergies among these businesses [7].

As a parental developer, corporate parents might have maximum involvement in the business affairs as they understand well the critical success factors faced by businesses and continuously add value to the businesses by using corporate level resources, skills and competences [34, 7]. In this role, the focus on synergy creation between businesses is lesser and more on direct value creation by corporate managers [34, 7]. Parental developer role is similar to standalone influence presented by [23]. In standalone influence, corporate managers create value through activities like effective recruitment and selection of business managers, better budgetary controls and strategy reviews and effective capital investment decisions [23]. For both, parental developer role as well as stand-alone influence, the conditions discussed before about effective corporate parenting including sufficient understanding of critical success factors of businesses and match of parenting opportunities offered by businesses with the resources, skills and competences of corporate managers hold extremely valid. And therefore, this role is suggested for heartland businesses in the Ashridge Fit Matrix. At Australia's Wesfarmers, corporate managers add value by providing assistance and advice to divisional managers whenever conditions require [6].

The above categorizations of different corporate parenting styles or roles represent mechanisms to add value to businesses in different ways. As discussed before, every style carries certain logic and requires particular conditions for adding value. Therefore, in any corporation, corporate parents should use a particular style only as various styles might possess unique and conflicting requirements [7, 52]. Corporate parent managers must consider merits and demerits of each style and select appropriate style based on business conditions [24, 49]. The selection of inappropriate parenting style will add to excessive costs and poor business performance [49].

The above discussion also infers that corporate parent value creation is inherently challenging and complex. Additionally, the complexity of value creation by corporate managers' might also depend upon other factors such as organizational structure and business life cycle [64, 41]. Parenting might be challenging as well as significant in a complex organizational structure as it is characterised by high interdependency and greater overlap or sharing of responsibilities among business units [41]. In the same way mature businesses might present specific opportunities and pitfalls to corporate parent value creation [64]. Value creation might also require making trade-offs among important issues like short-term financial objectives versus long-term strategic objectives, business unit autonomy versus centralized leadership and rigid controls versus flexible strategies [24]. A careful selection among these alternatives could ensure sound corporate culture.

Value Destruction by Corporate Parent Managers: It has been discussed in the previous section that the basic purpose of corporate centre is creation of value for the businesses and corporate parent managers must develop sufficient understanding of the businesses and possess corporate level competences to create value in the businesses. Alternatively, if corporate managers don't develop sufficient feel for their businesses while at the same time they indulge themselves in business affairs, then they might instead destroy value [39, 7]. Significant management decisions such as decisions about diversification strategies, in particular, will not succeed if corporate managers do not match their skills and knowledge with the critical success factors of new businesses they are going to acquire or invest [39, 27, 28]. For instance, diversification decisions of major oil companies like British Petroleum, Exxon and Shell into minerals business proved unsuccessful due to inability of corporate managers to understand critical success factors of minerals business [40].

In any corporation, avoiding value destruction is as much important as creating value [26, 23]. The mismatch of corporate level resources, skills and competences with the needs of business portfolio and failure of corporate managers in understanding the requirements of businesses results in number of ways to destroy value [65, 27]. For example, corporate managers could destroy value through developing unrealistic performance expectations and synergy creation from business managers, concentrating on irrelevant strategic issues, making wrong recruitment and selection decisions and using wrong performance measurement methods [39].

Similarly, value can be destroyed when corporate managers add to management costs through excessive management levels, provide parental 'safety net' to weak businesses by providing them profits earned by good performing businesses and by creating 'bureaucratic fog' [7]. Additionally, corporate parents destroy value when they adopt a risk aversive attitude, politicise strategic decisions, use complex processes and engage in internal power struggles [28].

Historically, the top management of Marks & Spencer has been destroying value until 1990's through cultivating inward looking culture in the company and being overconfident about their skills and knowledge of the market while ignoring the new critical success factors in the market [66]. Diversification programme of Burns Philp (Australia) destroyed during 2006 and earlier period due to factors like rash expansion, top management's lack of discipline and their failure to understand the industries where diversification was made [6].

Table 1: Chronological summarization of theoretical contributions to corporate parenting theory

	Author(s)/Year	Contribution
1	Porter (1987)	Four concepts of corporate strategy: portfolio management, restructuring, transferring skills and sharing activities.
2	Goold and Campbell (1987)	Introduced three corporate parenting styles: Strategic Planning, Strategic Control and Financial Control.
3	Campbell and Goold (1988)	The Styles Matrix including explanations on three corporate parenting styles: strategic planning, strategic control and financial control.
4	Reinton and Foote (1988)	Presented their categorization of corporate parenting roles: Controller, Coach, Orchestrator, Surgeon, Architect.
5	Goold and Campbell (1994)	Parenting Maps
6	Goold, Campbell and Alexander (1994) [23]	Presented concept of standalone influence and discussed necessary conditions for that.
7	Alexander, Campbell and Goold (1994)	Presented Ashridge Fit Matrix including four basic categories of businesses: Heartland, Ballast, Value Trap and Aliens.
8	Goold and Campbell (1998)	Presented an approach for corporate parents to create synergy among businesses.
9	Mishra and Akbar (2007)	Defined the concept of corporate parenting in context of business groups prevalent in emerging markets.
10	Johnson and Scholes (2002)	Presented their categorization of corporate parenting roles: Portfolio Manager, Restructurer, Synergy Manager and Parental Developer.
11	Johnson, Scholes and Whittington (2005)	Revised their categorization of corporate parenting roles: Portfolio Manager, Synergy Manager and Parental Developer.
12	Kruehler, Pidun and Rubner (2012)	Presented a framework for assessing a company's parenting strategy.

As business unit managers work closely with the stakeholders of a business, therefore they could be considered more knowledgeable about the business conditions as compared to corporate managers. [23] have been referring to a paradox known as *10% versus 100% paradox.* This implies that how could a corporate manager spending only 10% of his time in getting business knowledge, develops better understanding of that business as compared to business managers sparing 100% of their time for that purpose. Therefore the quest for corporate managers is to get deep knowledge about the business' conditions and excel business managers in their understanding of businesses [28]. [21] discovered many case of corporate parents' value destruction in their research. Those might be associated to the reasons discussed above.

Contributions to Corporate Parenting

Theoretical Contribution to the Field: Given the importance of corporate parenting in corporate strategy, it is evident to pay significant theoretical and empirical contributions to the field. The contributions to corporate parenting theory trace back to the work of [18] and [58], who, along with discussing the basic concepts of corporate strategy provided various categorizations of corporate parenting styles. Majority of contributions in the field are credited to Goold, Campbell and Alexander of Ashridge Business School, UK [28, 33]. But, over the time, certain other contributions have also been made to the field by other scholars.

Table 1 provides summarization of contributions from various scholars made to the area of corporate parenting. It presents a chronological summarization of theoretical contributions to corporate parenting theory from past scholars.

Empirical Contribution to the Field: When we talk about corporate parent value addition or value destruction in business portfolio, we are basically referring to large size multilevel organizations. Therefore, the concept of corporate parenting is particularly relevant for multi-business and multinational organizations and it has important implications for corporate strategies [28, 49]. However, in context of multi-business organizations, there is limited empirical research in the field of corporate parenting [59, 32, 49]. Although a few empirical researches have attempted to place corporate parenting and related variables in their frameworks, but several new perspectives could be unfolded through new frameworks and thoughts.

In one study, [62] revealed that availability of headquarter resources along with the need for the same headquarter resources or services acted as important moderating variables for unrelated diversification strategy. However, the scope of their research was limited because of confined focus on private equity firms and leveraged buyout associations. In another study, [32] discovered that multi-business organizations gained from corporate level capabilities to foster cross business coordination and corporate level capabilities for risk management. But their study was restricted to banking sector firms, limiting generalization of findings across other sectors. Also, the study used proxies for measuring corporate level capabilities instead of measuring them comprehensively through primary data.

[67] concluded that diversification of well-established organizations into new industries (created through disorderly technological changes) resulted into low performance of their new businesses as compared to performance of businesses operating independently. Oijen and Douma [49] inferred that level of product diversification in organizations determined the extent of corporate managers' involvement in the business strategies. Study by [59] was based on examining suitability of [58] parenting styles with reference to nature of external environment. The study revealed that strategic control style outperformed in highly complex and dynamic environments whereas, strategic planning style performed best in business environments having less complexity. In our point of view, researches like these provided useful insights on the topic, however, without stretching it towards its maturity.

Conclusion and Future Research: Corporate parenting and value addition are central to the concepts of corporate strategy [21, 18]. From the discussions provided in the article on the topic of corporate parenting, it can be inferred that corporate parents need to possess dynamic capabilities and frequently update them keeping in view the requirements of their business portfolio. They must understand the critical success factors confronted by various businesses in the portfolio and use corporate level knowledge, skills and competences to add value to those businesses against the parenting opportunities offered by the businesses. Corporate managers need to select particular corporate parenting style as a mechanism for adding value to the businesses. The choice of corporate parenting style should depend upon the balance between business units' critical success factors and corporate level resources, knowledge, skills and competences. Heartland businesses must be the prime focus of corporate strategy decisions where corporate managers could be suggested to play the role of parental developer.

Additionally, corporate managers must ensure the creation of value to the businesses for justifying their presence, amidst avoiding all those practices that could destroy businesses' value. Contributions to the field of corporate parenting are largely credited to Goold, Campbell and Alexander of Ashridge Business School. Future researchers can pay further contribution to the field by suggesting improved mechanisms or other styles of corporate value addition, particularly by focusing on qualitative research on the topic. As the collection of data from top level managers of companies is extremely challenging, perhaps therefore, empirical research has not been paying much attention on the variable of corporate parenting. Although certain scholars studied the variable of corporate parenting, but still there is much room for the future research [42, 68, 32].

Future quantitative researches in the field might look at corporate parenting with reference to interrelationships of this variable with other significant management issues like transformational leadership, knowledge and information management, business ethics, corporate social responsibility, quality and technology management. Additionally, scholars could work on improved methodologies to measure corporate parenting or dynamic capabilities and suggest better classifications of corporate parenting styles. Qualitative research could add to the field by developing case studies of successful and unsuccessful organizations with reference to corporate parenting and dynamic capabilities. Qualitative research could also study change processes of successful companies with reference to corporate parenting in those companies for purpose of developing case studies. A combination of quantitative and qualitative approaches on the topic could lead to significant discoveries of knowledge and pay sizeable contribution to the theory and field of corporate strategy.

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