

# Parenting Advantages of Diversified Conglomerates - An Indian Perspective

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*Do all corporate centres add value in diversified corporations. What is the rationale of finding that they add value to their underlying groups or business units. The paper seeks to understand the same through a configurational model perspective and tries to test the applicability of the same with indices of parenting advantage propositions .*

*The focus of the paper is to study the parenting advantage of corporate centres by assessing the fit for purpose concept. By usage of the fit tests for parenting advantage the paper attempts to understand the value added propositions of the corporate centre. Further the paper seeks to study four Indian Corporates in terms of the parenting advantage that the corporate centre holds for them and tries to give a recommendation for the type of corporate centre that could be more value enhancing.*

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## **Methodology :**

Based on detailed studies of 20 diversified corporations in India, four blue chip conglomerates have been exemplified in detail to illustrate value creating role of the corporate centre.

The corporate parenting advantage of the corporate centres in diversified corporations has been addressed by studying the configurational model by which the key skills and roles of the corporate centres are identified. The same value added perspective is then studied by applying the “fit tests” in the form of parenting advantage tests to further confirm the applicability and enhanceability of the value creating role for their diversified status. Also a “parenting fit matrix” have been applied and tested to confirm the parenting advantages.

## **Introduction:**

Most of the theories of organization contain a concept of “fit for purpose” and as such organizations should be designed in a way that enables them to achieve their objectives, given the environment that they are operating

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