

DIVERSIFICATION: OF WHAT EFFECT ON ORGANIZATIONAL PERFORMANCE

Akinruwa Temitope Emmanuel

Department of Business Administration, Ajayi Crowther University, Oyo Town, Oyo State

Corresponding Author's email: akinruwatea2013@gmail.com



Abstract

This paper investigates effectiveness of diversification on organisational performance. Two hypotheses guided the study. The study adopted descriptive survey design with population of 234 staff. The sample size was 216 representing 92% of the entire population of 234 using heterogeneous purposive and convenience sampling techniques. Structured questionnaire was used for data generation. The collected data were analysed through hierarchical multiple regressions. Results showed that both related and unrelated diversification affects the organisational performance. Conclusively, it was shown that firms that adopted diversification perform better in the contemporary dynamic business environment in terms of survival, creating jobs, stand tall in term of competitive edge among other competitors and get the lion share of the market. It is recommended that firm that is opting for diversification should critically analyse its SWOT and work on the weaknesses and threats to ensure that they have little or no negative effects on firm's activities. Besides, consider its resources based if they are to adopt unrelated diversification.

Keywords: *Diversification, related, unrelated diversification, organisational, and performance.*