

Title: Explaining the Ubiquity of Business Groups around the Globe: A Property Rights Perspective

Speaker: Prof. Ruth Aguilera, Northeastern University

Area: Strategy

Date: 08.01.2026, Venue: P21 @ 11.00AM

Abstract:

Business groups (BGs) are collections of legally independent firms connected by ownership ties and are widely present in both developing and developed economies. While traditional theories see BGs as responses to institutional voids, we argue that their prevalence also reflects strategic considerations in line with Property Rights Theory (PRT). Drawing on a large global dataset of firms, we examine how firm asset specificity and ownership sharing influence the controlling owners' decision to organize their economic activities as a BG or as a standalone firm. We find that the likelihood of adopting a business group (BG) structure over a standalone entity, increases when controlling owners (1) rely on more firm-specific assets, and ownership (2) is shared or potentially shared, as BGs facilitate modular asset deployment and internal coordination. Moreover, our findings are robust across three commonly observed firm strategic configurations: focused, vertically integrated, and diversified. Our study expands the institutional voids perspective and demonstrates that BGs are also efficient governance responses to asset and ownership complexities, consistent with PRT principles, hence contributing the strategic management and international business literatures.

Speaker Profile:



Prof. Ruth Aguilera is the Darla and Frederick Brodsky Trustee Professor in Global Business at Northeastern University, USA.

Prof. Ruth has over 70 articles published in top peer reviewed management journals such as Academy of Management Journal, Academy of Management Review, Journal of International Business Studies, Organization Science, and Strategic Management Journal, among others, as well as multiple book chapters and an edited book. Her research is well referenced with over 25,000 google scholar citations and being acknowledged on the “List of the Most Highly Cited Researchers” in the Web of Science. She is an Associate Editor at the Academy of Management Review and an Area Editor Journal of International Business Studies. She formerly served as an Senior Editor at Organization Science and at Corporate Governance: An International Review. She serves on the Board of Directors of the International Corporate Governance Society, and is a Fellow of the top three academic associations, Academy of Management (AOM), Academy of International Business (AIB) and the Strategic Management Society (SMS).

Prof Ruth is also on our International Academic Advisory Committee:
https://www.iimb.ac.in/about-institute/international_advisory_committee

Webpage Link: <https://www.ruthaguilera.com/about-ruth>