

REFERENCES

- Adams, S. (1965). Inequity in social exchange. In *Advances in Experimental Psychology* (Vol. 2). New York: Academic Press.
- Agarwal, S., & Chiu, I.-M. (2010). The Efficiency of Internal Capital Market: Evidence from the Annual Capital Expenditure Survey. *The Quarterly Reviews of Economics and Finance Journals*, pp. 167-172. Retrieved February 11, 2019
- Agustina, S. (2013). Pengaruh Profitabilitas dan Pengungkapan Corporate Social Responsibility terhadap Nilai Perusahaan. *Jurnal Akuntansi*, 1(1), 1-29.
- Akkermans, A. (n.d.). The Diversification-Performance Relationship, Modification during Financial Crisis? 2010.
- Ali, S., Hashmi, S. H., & Mehmood, T. (2016). Corporate diversification and firm performance: An inverted U-shaped hypothesis. *International Journal of Organizational Leadership*, 5, 381-398.
- Allison, P. (2012, September 10). *When Can You Safely Ignore Multicollinearity?* Retrieved June 20, 2019, from Statistical Horizons: <https://statisticalhorizons.com/multicollinearity>
- Altman, D. G., & Bland, J. M. (1995). Statistics notes: The normal distribution. doi:<https://doi.org/10.1136/bmj.310.6975.298>
- Anand, V., & Ramasubramanian, S. (2015). Generalized Herfindahl-Hirschman Index to Estimate Diversity Score of a Portfolio across Multiple Correlated Sectors. *Dvara Research Working Paper Series*.
- Anderson, R., & Reeb, D. (2003). Founding Family Ownership and Firm Performance: Evidence from the S&P 500. *Journal of Finance*, 58 (3), 1301-1328.
- Ansoff, H. I. (1957, September). Strategies for Diversification. *Harvard Business Review*, pp. 113-124.
- August, R. (1999). *International Business Law, Text Cases and Readings 3rd Edition*. (D. Mayer, & M. Bixby, Eds.) United States of America: Pearson Education.
- Berger, & Ofek, E. (1995). Diversification's Effect on Firm Value. *Journal of Financial Economics*, 37, 39-65.

- Billet, M. T., & Mauer, D. C. (2000). Diversification and the Value of Internal Capital Market: The Case of Tracking Stock. *Journal of Banking and Finance*, 24, 1457-1490.
- Billet, M. T., & Mauer, D. C. (2003). Cross-Subsidies, External Financing Constraints, and the Contribution of the Internal Capital Market to Firm Value. *Review of Financial Studies*, 16(4), 1167–1201. doi:<https://doi.org/10.1093/rfs/hhg024>
- Campa, J. M., & Kedia, S. (2002). Explaining the diversification discount. *Journal of Finance*, 57, 1731-1762.
- Cestone, G., & Fumagalli, C. (2005). The Strategic Impact of Resource Flexibility in Business Groups. *Journal of Economics*, 36(1), 193-214.
- Chatterje, S., & Wernerfelt, B. (1991). The Link Between Resources and Type of Diversification: Theory and Evidence. *Strategy Management Journal*, 12, 33-48.
- Christiningrum, M. F. (2015). Effect of Diversification Strategy, Leverage, and IOS on Multi Segment Corporate Performance in Indonesia. *Mediterranean Journal of Social Sciences*. doi:10.5901/mjss.2015.v6n5s5p157
- Cline, B., Garner, J., & Yore, A. (2014). Exploitation of the internal capital market and the avoidance of outside monitoring. *Journal of Corporate Finance*, 25, 234-250.
- Collins. (1994). *Kamus Lengkap Ekonomi Edisi Kedua*. Jakarta: Erlangga.
- Ebaid, I. (2009). The impact of capital structure choice on firm performance: empirical evidence from Egypt. *The Journal of Risk Finance*, 10(5), 477-487.
- Economy of Indonesia*. (2015). Retrieved from Indonesia Investment: <https://www.indonesia-investments.com/culture/economy/item177>
- Elliot, A., & Woodward, W. (2007). *Statistical analysis quick reference guidebook with SPSS examples, the 1st ed.* . London: SAGE Publications, Ltd.
- Erdorf, S., Hartmann-Wendels, T., & Matz, M. (2012). Corporate Diversification and Firm Value: Survey of Recent Literature. *CGS Working Paper*, 3(1).
- Field, A. (2009). *Discovering statistics using SPSS the 3rd Ed*. London: SAGE Publications, Ltd.
- Fluck, Z., & Lynch, A. (1999). Why do Firms Merge and then Divest? A Theory of Financial Synergy. *Journal of Business*, 72, 319-346.

- Frank, M., & Goyal, V. (2003). Testing the pecking order theory of capital structure. *Journal of Financial Economics*, 67, 217-248.
- Gertner, R. H., Scharfstein, D. S., & Stein, J. C. (1994). Internal versus External Capital Markets. *The Quarterly Journal of Economics*, 109(4), 1211-1230.
- Ghasemi, A., & Zahediasl, S. (2012). Normality Test for Statistical Analysis: A Guide for Non Statisticians. 10(2), 486-489. doi:10.5812/ijem.3505
- Ghozali, I. (2013). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21*. Semarang: Badan Penerbit Universitas Diponegoro.
- Gomes, J., & Livdan, D. (2004). Optimal Diversification: Reconciling Theory and Evidence. *Journal of Finance*, 59, 507-535.
- Gopalan, R., Nanda, V., & Seru, A. (2007). Affiliated firms and financial support: Evidence from Indian Business Groups. *Journal of Financial Economics*, 86(3), 759-795.
- Hall, B., Cummins, C., Laderman, E., & Mundy, J. (1988). *The R&D master file documentation*. Boston, MA.
- Harris, M., & Raviv, A. (1990). The theory of capital structure. *Journal of Finance*, 46, 297-355.
- Harto, P. (2005). Kebijakan Diversifikasi Perusahaan dan Pengaruhnya terhadap Kinerja: Studi empiris pada perusahaan publik di Indonesia. *SNA VIII Solo*, 297-307.
- Helmenstine, Ph.D., A. M. (2019, May 6). *The Role of a Controlled Variable in an Experiment*. Retrieved from Thought Co: [thoughtco.com/controlled-variable-definition-609094](https://www.thoughtco.com/controlled-variable-definition-609094)
- Hernandez-Trasobares, A., & Galve-Gorriz, C. (2017). Diversification and family control as determinants of performance: A study of listed business groups. *European Research of Management and Business Economics*, 23(1), 46-54.
- Homans, G. C. (1974). *Social Behavior: Its Elementary Forms*. New York: Harcourt Brace Jovanich.
- Hovakimian, G. (2011). Financial constraints and investment efficiency: Internal capital allocation across the business cycle. *Journal of Financial Intermediation*, 20(2), 264-283.
- Huang, Y. J., & Zhou, X. (2012). The Efficiency of Internal Capital Market: Evidence from Conglomerate Firm around Financial Crisis. *Journal Economics and Finance*.

- Humarseno, O., & Chalid, D. A. (2013). The Impact of Business Diversification on Performance of IDX. *Indonesian Capital Market Review*, 5(2).
- James, H. (1999). Owner as Manager, Extended Horizons and The Family Firm. *International Journal of Economics of Business*, 6(1), 41-55.
- Jensen, M., & Meckling, W. (1976). Theory of the firm: managerial behavior, agency costs, and capital structure. *Journal of Financial Economics*, 3, 305-360.
- Jiang, H., & Han, L. (2018). Does Income Diversification Benefit the Sustainable Development of Chinese Listed Banks? Analysis Based on Entropy and the Herfindahl–Hirschman Index. *School of Economics and Management, Beihang University*. doi:<https://doi.org/10.3390/e20040255>
- Kaur, S. (2013). Variables in Research Design. *Indian Journal of Research and Reports in Medical Sciences*, 4, 8-36.
- Kenton, W. (2008, May 31). *Total Net Sales*. Retrieved from Investopedia: <https://www.investopedia.com/terms/n/netsales.asp>
- Khanna, T., & Palepu, K. (2000). Is Group Affiliation Profitable in Emerging Markets? An Analysis of Diversified Indian Business Groups. 55, 867–891.
- Khanna, T., & Rivkin, J. (2001). Estimating the Performance Effects of Business Groups in Emerging Markets. *Strategic Management Journal*, 22, 45-74.
- Khanna, T., & Yafeh, Y. (2005). Business Groups and Risk Sharing around the World. *The Journal of Business*, 78(1), 301-340.
- Khanna, T., & Yafeh, Y. (2015). Business Groups in Emerging Markets: Paragons or Parasites? *Review of Economics and Institutions*, 6(1). doi:10.5202/rei.v6i1.174
- Klein, P. G. (2001). Were the Acquisitive Conglomerates Inefficient? *Journal of Economics*, 32(4), 745-761.
- Kuncoro, M. (2006). *Strategi: Bagaimana Meraih Keunggulan Kompetitif?* Jakarta: Erlangga.
- Kuppuswamy, V., & Villalonga, B. (2010). Does Diversification Create Value in the Presence of External Financial Constraints? Evidence from the 2007-2009 Financial Crisis. *Working Paper, Harvard Business School*, 10-101.
- Kurniasari, A. (2011). Pengaruh Diversifikasi Korporat terhadap Kinerja Perusahaan dan Risiko dengan Moderasi Kepemilikan Manajerial. Semarang: Universitas Diponegoro. Retrieved from <http://eprints.undip.ac.id/29078/1/Skripsi004.pdf>

- Lamont, O. (1997). Cash flow and investment: evidence from internal capital markets. *Journal of Finance*, 52, 83-109.
- Lang, L. H., & Stulz, R. M. (1994). Tobins'q , Corporate Diversification , and Firm Performance Author. *Journal of Political Economy*, 102(16), 1248-1280. doi:<https://doi.org/10.2307/2138786>
- Lee, B. S., & Li, M. Y. (2012). Diversification and Risk Adjusted Performance: A Quantile Regression. *Journal of Finance and Banking*, 36, 2157-2173.
- Lewellen, W. G. (1971, May). A Pure Financial Rationale for the Conglomerate Merger. *Journal of Finance*, 26(2). doi:<https://doi.org/10.1111/j.1540-6261.1971.tb00912.x>
- Li, D. D., & Li, S. (1996). A Theory of Corporate Scope and Financial Structure. *The Journal of Finance*, 51(2). doi:<https://doi.org/10.1111/j.1540-6261.1996.tb02699.x>
- Liberto, D. (2019, May 21). *Total Liabilities*. Retrieved from Investopedia: <https://www.investopedia.com/terms/t/total-liabilities.asp>
- Lindenberg, E., & Ross, S. (1981). Tobin's q and industrial organization. *Journal of Business*, 54, 2215-2239.
- Lins, K., & Servaes, H. (1999). International evidence on the value of corporate diversification. *Journal of Finance*, 54, 2215-2239.
- Maksimovic, V., & Phillips, G. (1999). Do Conglomerate Firms Allocate Resources Inefficiently? *Working paper, University of Maryland*.
- Maksimovic, V., & Phillips, G. (2002). Do conglomerate firms allocate resources inefficiently across industries? Theory and Evidence. *Journal of Finance*, 57, 721-767.
- Martikainen, M., Nikkinen, J., & Vahamaa, S. (2009). Production Functions and Productivity of Family Firms: Evidence from the S&P 500. *The Quarterly Review of Economics and Finance*, 49(2), 307-395.
- Martin, J. D., & Sayrak, A. (2003). Corporate Diversification and Shareholder Value. *Journal of Finance*, 9, 37-59.
- Matsusaka, J., & Nanda, V. (1997). Internal capital markets and corporate refocusing. *Working paper, University of Southern California*.
- Matvos, G., & Seru, A. (2014, February 7). Resource Allocation within Firms and Financial Market Dislocation: Evidence from Diversified Conglomerates. *The Review of Financial Studies*, 1143-1189. doi:<https://doi.org/10.1093/rfs/hhu005>

- McVey, H., & Draho, J. (2005). U.S. Family-run Companies - They may be better than you think. *Journal of Applied Corporate Finance*, 17(4), 134-143.
- Meyer, M., Milgrom, P., & Roberts, J. (1992). Organizational prospects, influence. *Journal of Economics and Management Strategy*, 1, 9-35.
- Montgomery, C. A., & Wernerfelt, B. (1988). Diversification, Ricardian rents, and Tobin's q. *RAND Journal of Economics*, 19(4).
- Morck, R., Shleifer, A., & Vishny, R. (1990). Do Managerial Objectives Drive Bad Acquisitions? *Journal of Finance*, 45, 31-48.
- Myers, S. (1977). Determinants of corporate borrowing. *Journal of Financial Economics*, 5, 147-175.
- Myers, S. C., & Majluf, N. S. (1984). Corporate Financing and Investment Decision when Firms Have Information that Investors do not Have. *Journal of Financial Economics*, 13, 187-221.
- O'Brien, R. M. (2016). Dropping Highly Collinear Variables from a Model: Why it Typically is Not a Good Idea. *Social Science Quarterly*, 98(1).
- Otzuna, D., Elhan, A., & Tuccar, E. (2006). Investigation of four different normality tests in terms of type 1 error rate and power under different distributions. *Turkish Journal of Medical Sciences*, 36(3), 6-171.
- Ozbas, O., & Scharfstein, D. (2010). Evidence on the Dark Side of Internal Capital Markets. *Review of Financial Studies*, 23(2), 581-599.
- Palepu, K. (1985). Diversification strategy, profit performance and the entropy measure. *Strategic Management Journal*, 6(3).
- Pallant, J. (2007). SPSS survival manual, a step by step guide to data analysis using SPSS for windows, the 3rd ed. Sydney: McGraw Hil.
- Peat, J., & Barton, B. (2005). *Medical Statistics: A guide to data analysis and critical appraisal*. Blackwell Publishing.
- Peyer, U. (2002). Internal and external capital markets. Unpublished Manuscript.
- Rajan, M. N. (2003). A Study of Corporate Diversification and Restructuring Activities in the 1980s and 1990s Using Multiple Measures. *San Jose State University Scholar Works*.
- Rajan, R., Servaes, H., & Zingales, L. (2000). The Cost of Diversity: The Diversification Discount and Inefficient Investment. *The Journal of Finance*, 5, 35-80.

- Ramaswamy, K. (2001). Organizational ownership, competitive intensity, and firm performance: an empirical study of Indian manufacturing sectors. *Strategic Management Journal*, 22, 989-998.
- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring Organizational Performance: Towards Methodological Best Practice. *Journal of Management*. doi:<https://doi.org/10.1177/0149206308330560>
- Santalo, J., & Beccera, M. (2008). Competition from Specialized Firms and the Diversification Performance Linkage. *Journal of Finance*, 63, 851-883.
- Scharfstein, D. S., & Stein, J. C. (2000). The Dark Side of Internal Capital Market: Divisional Rent-Seeking and Inefficient Investment. *Journal of Finance*, 55, 2537-2564.
- Schoar, A. (1999). Effects of Corporate Diversification on Productivity. *Working paper, Massachusetts Institute of Technology*.
- Servaes, H. (1996). The value of diversification during the conglomerate merger wave. *Journal of Finance*, 51, 1201-1225.
- Setiadewi, K., & Purbawangsa, I. (2014). Pengaruh Ukuran Perusahaan dan Leverage Terhadap Profitabilitas dan Nilai Perusahaan. 506-609.
- Shin, H. H., & Stulz, R. M. (1998). Are Internal Capital Markets Efficient. *The Quarterly Journal of Economics*, 113(2), 531-552. doi:<https://doi.org/10.1162/003355398555676>
- Shleifer, A., & Vishny, R. (1989). Management entrenchment: The case of managerspecific. *Journal of Financial Economics*, 25, 123-140.
- Simanjuntak, P. (2005). Teori Kinerja. In *Manajemen dan Evaluasi Kerja*. Jakarta: Lembaga Penerbit FEUI.
- Stein, J. (1997). Internal Capital Market and the Competition for Corporate Resources. *Journal of Finance*, 52, 111-133.
- Stulz, R. (1990). Managerial discretion and optimal financing policies. *Journal of Financial Economics*, 26, 3-27.
- Sujoko, & Subianto, U. (2007). Pengaruh Struktur Kepemilikan Saham, Leverage, Faktor Intern dan Faktor Ekstern Terhadap Nilai Perusahaan. *Jurnal Manajemen dan Kewirausahaan*, 9(1), 41-48.
- Thaib, I., & Dewantoro, A. (2017). Pengaruh Profitabilitas dan Likuiditas terhadap Nilai Perusahaan dengan Struktur Modal sebagai Variabel Intervening. *Jurnal Riset Perbankan Manajemen dan Akuntansi*, 1(1), 25-44.

- Wang, D. (2006). Founding Family Ownership and Earnings Quality. *Journal of Accounting Research*, 44(3), 619-656.
- Warner, J. (1977). Bankruptcy Costs: Some Evidence. *The Journal of Finance*, 32(2), 337-347. doi:10.2307/2326766
- Weston, J. F. (1970). Mergers and acquisition business planning. *Rivista Internazionale di Scienze Economiche e Commerciali*, 309-320.
- Williams, J. (1987). Perquisites, risk, and capital structure. *Journal of Finance*, 42, 29-49.
- Williamson, O. (1975). *Market and Hierarchies: Analysis and Antitrust Implications*. New York: Free Press.
- Woerheide, W., & Persson, D. (1993). An Index of Portfolio Diversification. *FINANCIAL SERVICES REVIEW*, 2(2), 73-85.
- Wruck, K. H. (1990). Financial Distress, Reorganization, and Organizational Efficiency. *Journal of Financial Economics*, 27(2), 419-444.
- Wulandari, D. R. (2013). Pengaruh Profitabilitas, Operating Leverage, Likuiditas terhadap Nilai Perusahaan dengan Struktur Modal sebagai Intervening. *Accounting Analysis Journal*, 2(4), 455-463.
- Wulf, J. (2009). Influence and inefficiency in the internal capital market. *Journal of Economic Behavior & Organization*, 72(1), 305-321.
- Yan, A. (2006). Value of conglomerates and capital market conditions. *Journal of Financial Management*, 35, 5-30.
- Yuri, S. (2013). *Daftar Konglomerat Indonesia*. Indonesia: Tribun News. Retrieved February 5, 2019, from www.tribunnews.com