

Evaluation of Diversification Strategies of Construction Consultancy Firms

M. Abdulrazaq, R. Maiturare & Y. M. Ibrahim

Department of Quantity Surveying, Faculty of Environmental Design,
Ahmadu Bello University, Zaria
musteephd@gmail.com

Abstract

Research has shown that in today's competitive world, firms need to embrace several strategies in order to survive. The fluctuation in workload (availability of jobs) makes survival of the firms more difficult. For the firms to survive, diversification as a strategy has been emphasised in literature. Despite the advantages offered by diversification, there are few studies on the relative benefits associated with diversification strategies of construction consultancy firms (CCFs). The aim of this research is to compare the diversification strategies of the CCFs within the construction industry. The data used for this research was collected with the aid of a semi-structured questionnaire. A total of 250 questionnaires were distributed to construction consultancy firms within Kaduna, Abuja and Kano, out of which 154 questionnaires were retrieved. The feedback from the questionnaires was analysed using descriptive statistics. The study concluded that the CCFs diversify into similar activities such as contracting, construction management, project management, building and supply of materials. Majority of the CCFs adopt internal business expansion as their mode of diversification. The study recommended that internal expansion of business should be a major motivation for diversification of consultancy firms.

Keywords: Diversification, Strategies, Construction, Consultancy Firms, Survival

Introduction

In today's competitive world, survival of construction consultancy firms is very essential for the sustenance of qualitative outputs. The fluctuation in workload (i.e. the firms cannot forecast future demands for their services or products) makes survival of the firms more difficult. For the firms to survive, they must adopt some kind of strategies and one of these strategies is diversification. There is a need to understand the appropriate combination of company strength and analysis of potential markets for a company to survive and keep up with its competitors (Yee & Cheah, 2006). Hillebrandt and Canon (1990) defined diversification as "the process by which firms extend their business outside those in which they are currently engaged". This diversification is viewed in two perspectives: (i) geographic diversification and (ii) product diversification.

Geographic diversification is concerned with location of firms. Firms tend to move from one market place to another to render their services. Sometimes they go international. Product diversification on the other hand is concerned with the kind of services firms render or produce. Firms diversify in their production and service operation in order to survive. In this regard, firms may choose to diversify into area that related to their core business or into areas that are completely unrelated to their core business.

Researchers have studied diversification and its impact on the performance of construction firms. For example, Ibrahim and Kaka (2007) studied the impact of diversification on the performance of construction firms in the United Kingdom and found that focused firms outperform both moderately and highly diversified

firms based on return on total assets (ROTA) and profit margin (PM). However, other studies (e.g. Abdul, 2010) reveal no significant performance difference between undiversified and moderately and highly diversified firms. Furthermore, Oyewobi, Windapo & Cattel (2013) found that, in South Africa, construction companies registered with the Construction Industry Development Board (CIDB) contractor's register perform and diversify more in their services/products than the non-registered contractors. The result also indicated that there are no statistically significant differences in the performance of diversified and undiversified firms.

Most researchers focused on professional service firms such as business, law, marketing, management firms' etc. while other researchers focused on construction firms. Very few researchers such as Carol Roger and Lu (2014) studied construction consultancy firms (CCFs). They found five key factors that have influence on the scope and scale of construction professional service firms (CPSFs): the importance of growth as a driver; the influence of the ownership of the firm on the decision for growth in scope and scale; the optimization of resources and capabilities; the need to serve changing clients' needs; and the importance of localization. Chung and Charles (2006) studied the interrelationships among profitability, firm size, and generic strategies and found out the following: (i) The profitability of an Engineering and Construction (E & C) firm has no relation to its size, (ii) Profitability is significantly related to generic strategies (iii) Generic strategies are significantly related to company size. According to Abdul (2010), Quantity Surveying (QS) firms in Nigeria diversify to ensure steadiness of earning and as a survival strategy.

While the results of the previous studies are not all in agreement, they suggest that diversification offers some advantages to the firm. Construction and consultancy firms operate under the same general economic conditions. However, most of the

studies reported did not consider the diversification relationship amongst consultancy firms in the construction industry.

The fluctuation in workload makes it necessary for firms to know the right business mix (Ibrahim and Kaka, 2007). Ibrahim and Kaka, 2007 observed that the way forward is for the firm to diversify into areas where opportunities exist for responding to the changing environment. Despite the advantages offered by diversification, there does not seem to be studies on the relative benefit associated with diversification strategies of consultancy firms.

Yee and Cheah (2006) observed that what makes the subject of movement (diversification) so important now is that in construction, current workloads do not guarantee future workloads due to fluctuating demands. For any existing business, survival is the main concern. Businesses try to build their strategies for survival so as not to collapse. The need for this study is to provide an opportunity for learning among the consultancy firms.

The aim of this research is to compare the reasons for diversification by Consultancy firms within the Nigerian construction industry.

Diversification

Diversification is defined as the act or practice of manufacturing a variety of products, investing in a variety of securities, selling a variety of merchandise etc. so that failure in or an economic slump affecting one of them will not be disastrous (Yee and Cheah, 2006). Diversification is a risk management technique that mixes a wide variety of investments within a portfolio. It's also means having different lines of business, product or services (Dhir & Dhir, 2015). Diversification strives to smoothen out unsystematic risk events in a portfolio so that the positive performance of some investment will neutralize the negative performance of others (Hillebrandt and Canon, 1990).

Review of Related Works On Diversification

Omokolade Akinsomi, Pahad, Nape, and Margolis (2015) argued that, Diversification of property portfolios into emerging markets like those found in Africa has not been explored to any great depth. Recorded historical performance of emerging markets has resulted in the gross generalization that these markets, overall, are volatile and that they offer diversification prospects for global investors. With regard to real estate investment performance, there is little evidence as to whether these investments in emerging markets offer significant diversification prospects for international investors.

Chung and Cheah (2006) argued that strategic management theories are slowly gaining recognition in the construction industry with incremental efforts to apply concepts such as competitive positioning to the industry, but empirical findings relating these theories to the performance of E&C firms remain lacking. The study adopted fundamental analysis as the research method which is commonly used in the field of finance and economics. The research was also able to study the recent growth trends of the construction industry which the result point at: a synchronized global trends of the construction industry is absent, and the industry is still very much cyclical in nature.

Kim and Reinschmidt (2011) reported that the diversification by the largest US contractors. The research method used for this study was quantitative approach. The findings of the study identified, (i) cross-correlations between construction market sector, (ii) overall and detailed diversification patterns of the largest US contractors, (iii) significance of contractors' diversification activities based on the frequency of market entries, (iv) different strategies: apparently risk-oriented, and (v) different firm performances in the areas of business stability and growth.

Chung and Cheah (2006) in their other study of interactions between business and financial strategies of large engineering and construction confirmed that a firm which internationalises would be inclined to increase the level of asset liquidity in order to cushion any adverse impact arising from the move.

Choi and Russell (2004) showed that the performance of construction merger and acquisitions (M&A) was positive at an insignificant level, as measured by equity market returns.

In the UK, Ibrahim and Kaka (2007) revealed that there are no difference in performance of undiversified, moderately diversified and highly diversified firms. Cole and Karl (2016) argued that a considerable amount of uncertainty exists regarding how the implementation of the new law with regards to diversification, will influence the financial performance of health insurers. Furthermore, their study found that using both firm- and conglomerate-level diversification may magnify the costs or benefits of diversification on the financial performance of a conglomerate. This suggests a positive relation between health insurer financial performance and the use of both product line diversification methods.

Sugheir, Phan, and Hasan (2012) argued that early articles proposed a positive relationship, while subsequent research supported a negative influence on innovation from product diversification based on observable reductions in research and development expenditures. Such findings also suggest a negative influence on absorptive capacity from increasing product diversification. The findings supported the notion that diversification beyond certain limits is value-destroying.

According to Su and Tsang (2015) secondary stakeholders, as represented by various non-profit or non-governmental organizations, serve as agents mitigating the external constraints embedded within

socio-political environments. Firms should therefore maintain relationships with different secondary stakeholder scopes commensurate with their product diversification levels in order to enhance financial performance.

Zhang, Su, Sun, Zhang and Shen (2015) are of the opinion that it is necessary to investigate the business diversification of Chinese firms from the perspective of the specific mechanisms in and institutional environment of the country in which they operate. Their result showed the diversification level of politically connected firms to be significantly higher than that of their non-politically connected counterparts.

Anderson, Benefield and Hurst (2015) found that risk-adjusted performance measure is derived in a very straightforward manner. Therefore, the study suggested that the positive impact of diversification on return on assets is due to significant shielding against property-type specific risk. Furthermore, it suggested that the benefit to return on equity from diversification is due to the availability of a larger investment opportunity set that allows managers to choose the most highly performing properties.

Li (2014) showed that Combining labour mobility/spill-offs, friendship ties, professional gatherings and competitive interaction, a horizontal framework of clusters is developed as an alternative way to interpret local and external learning processes.

Qiu (2014) stated that despite the findings in previous literature, how product diversification affects firm market value in a global marketplace with diverse cultural values remains unknown. The findings demonstrate that uncertainty avoidance and power distance significantly affect product diversification and that product diversification leads to better market value of large international firms. The findings show that uncertainty avoidance has a significant positive impact on the product

diversification of large international firms. The findings highlight the notion that high uncertainty avoidance should be a strategic guideline for global marketers if product diversification is on the firm's strategic agenda.

Baysinger and Hoskisson (1989) stressed that questions concerning the performance implications of corporate diversification strategies and the way they are implemented, especially with respect to research and development spending, remain unsettled in the strategy literature. The firms providing data for this study were drawn from the industrial corporations included in the COMPUSTAT Services data base. This study provides empirical evidence that choice of diversification strategy systematically affects R&D intensity in large multiproduct firms. Research and development intensity in dominant-business firms was found to be significantly higher than in related- and unrelated- business firms and was also higher in related-business firms than in unrelated-business firms. The paper isolated all manufacturing firms in the data base reporting research and development expenditures in the 1980-82 period for whom archival data on other relevant organizational and financial attributes were available. This make the findings to be limited to a class of firms.

Lu, and Jewell (2014) studied the dilemma of scope and scale for construction professional service firms. The study investigated the key factors impacting on the growth in scope and scale for large CPS firms. The study argued that existing theories of firms' growth in scope and scale mostly focus on the manufacturing sector, without considering the characteristics of service firms. Lu *et al* (2014) further asserted that there has been little work done on services, and, in particular, on CPS firms. The study is therefore exploratory in nature, where qualitative data from the interviews were underpinned by secondary data from CPS firms' annual reports and analysts' findings. The research provided valuable insights into the growth strategies

of international CPS firms. A major finding of the research is the influence of ownership on CPS firms' growth strategies which has not been highlighted in previous research.

Research Method

This study was carried out within Abuja (the Federal Capital Territory) and two states (Kaduna and Kano) states located in the North-west Geo-political Zone of Nigeria. The target population for this study is Construction Professional Firms (CPSF), particularly Quantity Surveying, Architectural and Engineering Firms (and the target respondents are focused is the Top Managers). Quantitative approach was used to gather and analyse data.

According to the NIQS report, 396 firms are legally recognized in Nigeria. The Architects Registration Council of Nigeria (ARCON) gives a list of registered architectural firms in Nigeria as at 2013 as 849. Vconnect (2016) listed 7543 civil engineering companies, and 3472 mechanical engineering companies. All the firms are, by law allowed to operate in the study area

The sample size was computed using the formula established by (Yamani 1986). The formula is: $n = N / (1 + N(e^2))$.

Where

n is required sample

N is population size &

e is error in percentage (5%)

The sample size for this study is 320

The data used for this research was collected with the aid of a semi-structured questionnaire that was divided into two sections. Section A sought general information of the respondents while section B focused on the identified reasons for diversification which was obtained from literature. Section B also contained questions on mode of diversification

adopted and nature of business undertaken by the respondents. Numerical values of 1-5 was assigned to respondents' rating with 1-not important, 2-less important, 3-important, 4-more important, and 5-very important. This is done to facilitate the analysis and ranking exercise. 250 questionnaires were distributed within Kaduna and Abuja, 152 were retrieved.

The data obtained from the questionnaire survey were of numerical nature. The numerical data were compiled and entered into the Statistical Package for Socials (IBMSPSS version 21) Software.

The analysis of the data involved descriptive statistical operations available in the SPSS software. The quantitative data were analysed and results of descriptive statistics obtained include measures of central tendency (means) and standard deviation.

Findings

The data obtained for the research is presented using Tables. The results of the analysis form the basis for discussion conclusion.

Below is the presentation of data used for this research.

Table 1 shows the different categories of respondents. The categories of respondents are construction consultancy firms (CCFs). The CCFs are Quantity Surveying firms with 27.3%, Architectural firms with 20.8%, Civil Engineering with 19.5%, Electrical Engineering with 16.2%, Mechanical Engineering with 14.9%, and others 1.3. This implies a close balance of representation of the various professions involved in construction works.

Table 1: Types of Firms

	Frequency	Percent	Valid Percent	Cumulative Percent
Quantity Surveying	42	27.3	27.3	27.3
Architecture	32	20.8	20.8	48.1
Civil Engineering	30	19.5	19.5	67.5
Electrical Engineering	25	16.2	16.2	83.8
Mechanical Engineering	23	14.9	14.9	98.7
Others	2	1.3	1.3	100.0
Total	154	100.0	100.0	

Table 2 shows the period of practice for the different categories of firms. A total of 43 firms have been in practice for less than 5 years (27.9% of firms under study). A total of 55 firms have been in practice for less 5-10 years (35.7%). Twenty-two (22) firms have been in practice for 10-15 years (14.3%), while 34 (22.1%) firms have been in practice for over 15 years. This distribution means that the quality of data will be reliable as all categories of firms, by years of experience, are evenly represented.

Table 3 shows the size of firm and it was classified based on the number of employees. The Table shows that 42.2% of the firms are small with less than 10 employees, 33.8% are medium with 11 to 30 employees and 23.4% are large with over 30 employees.

This implies that majority of the firms studied are small. This may skew the findings of the research towards the small firms.

Table 1: Period of Practice

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5 Years	43	27.9	27.9	27.9
Between 5-10 Years	55	35.7	35.7	63.6
Between 10-15 Years	22	14.3	14.3	77.9
Above 15 Years	34	22.1	22.1	100.0
Total	154	100.0	100.0	

Table 2: Size of Firms

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 10	65	42.2	42.5	42.5
Between 11-30	52	33.8	34.0	76.5
Greater than 30	36	23.4	23.5	100.0
Total	153	99.4	100.0	
Missi ng System	1	.6		
Total	154	100.0		

Table 4 gives the states of diversification of the respondents. 38 (24.7%) respondents said no, which means their firms do not diversify. While the remaining 116 (75.3%) said yes, i.e. their firms diversify.

Table 5 above shows the reasons why firms diversify. The major reason is “To Achieve Faster Growth for Your Business” with the highest mean and standard deviation of 3.91 and 1.077 respectively. Next is “To Ensure Steadiness of Earning” with 3.91 as mean and 1.127 as standard deviation. The table shows this information in descending order, which is from the highest to the lowest respectively. The lowest ranked reasons for diversifying is ‘to provide greater sense of job security’ with 3.48 as mean and 1.195 as the mean deviation.

Table 6 shows the frequency of the types of businesses the consultancy firms diversify into. Majority of Quantity Surveying firms diversify into Contracting services and Project management services with frequencies of 22 and 22 respectively.

Majority of the Architectural firms diversify into Building services and Construction management services with frequencies of 15 and 15 respectively.

Civil Engineering firms diversify majorly into Contracting and Construction Management services with the respective means of 15 and 15 respectively. Electrical Engineering firms mostly diversify into Project Management services and supply of construction materials. Majority of Mechanical Engineering firms diversify into Contracting services and Supply of construction materials.

Table 3: State of Diversification

	Frequency	Percentage	Valid Percent	Cumulative Percent
No	38	24.7	24.7	24.7
Yes	116	75.3	75.3	100.0
Total	154	100.0	100.0	

Table 4: Reason Why CCFs Diversify

	N	Range	Minimum	Maximum	Mean	Std. Deviation
To Achieve Faster Growth for their Business	114	4	1	5	3.91	1.077
To Ensure Steadiness of Earning	116	4	1	5	3.91	1.127
To Increase Market Share and Market Profitability	115	4	1	5	3.81	0.936
As a Survival Strategy	115	4	1	5	3.77	1.06
To Limit the Effect of Unstable Market	114	4	1	5	3.75	1.003
As an Escape Route for Declining and Low Profitability in Business	113	4	1	5	3.73	1.052
To Improved Depth Capacity and Reduced the Chance of Bankruptcy	116	4	1	5	3.6	1.07
To Increase the Economies of Scale and Growth	114	4	1	5	3.59	1.071
To Reduce Exposure to Business Risk	113	4	1	5	3.58	1.025

To Provide Greater Sense of Job Security	115	4	1	5	3.48	1.195
Valid N (list wise)	105					

Table 6: Types of Businesses CCFs Diversify into

TYPES OF BUSINESSES	QS	ARC	CE	EE	ME	OT
Quantity Surveying Services	0	7	7	9	1	0
Architectural Services	10	0	5	1	1	0
Electrical Engineering Services	2	5	6	0	6	1
Civil Engineering Services	5	7	0	2	3	1
Mechanical Engineering Services	3	4	8	5	0	1
Contracting Services	22	13	12	8	8	0
Construction Management Services	17	15	11	8	5	0
Building Services	12	15	10	3	3	0
Project Management Services	22	10	9	13	4	0
Mining	0	2	1	2	1	1
Quarry	2	3	3	0	0	1
Petrochemical Engineering Services	0	0	0	0	0	1
Aeronautical Engineering Services	0	0	1	0	1	0
Supply of Construction Materials	9	12	8	12	7	0
Others	1	9	5	5	0	0

Table 7 shows that internal business expansion has the highest frequency followed by merger and acquisition.

Table 8 shows the mean and standard deviation of each reason why firms diversify based on types of the businesses. Below are the presentation of each category.

Table 7: Mode of Diversification

	Case Number	Internal Business	Merger	Acquisition
		Expansion		
1	1	79	49	21

Table 8: Reason Why CCFs firms Diversify

Type of Business	As a Survival Strategy	To Limit the Effect of Unstable Market	To Achieve Faster Growth for Your Business	To Increase the Economies of Scale and Growth	To Improved Depth Capacity and Reduced the Chance of Bankruptcy	To Reduce Exposure to Business Risk	To Provide Greater Sense of Job Security	To Increase Market Share and Market Profitability	As an Escape Route for Declining and Low Profitability in Business	
QS	Mean	3.55	3.61	3.52	2.91	3.67	3.35	3.33	3.45	3.73
	Std. Dev	1.063	1.029	1.121	1.156	0.957	1.092	1.291	0.905	1.232
Arc	Mean	3.96	4.04	4.16	3.96	3.54	3.5	3.88	4	3.65
	Std. Dev	0.978	0.871	0.688	0.79	1.029	1.03	0.952	0.748	0.832
CE	Mean	3.8	3.4	3.85	3.37	3.3	3.45	3.45	3.7	3.5
	Std. Dev	1.105	1.046	1.348	0.955	1.129	0.999	1.099	1.129	1
EE	Mean	4.1	4.21	4.38	4.29	4	3.89	3.10	4.3	4.1
	Std. Dev	1.091	0.976	0.921	0.956	1.14	1.15	1.373	0.923	1.091
ME	Mean	3.57	3.29	4	3.79	3.5	3.77	3.71	3.71	3.79
	Std. Dev	1.089	0.825	0.784	0.699	1.225	0.725	0.914	0.726	0.975
OT	Mean	3	4.5	1	3.5	3	3.5	3.00	4	3
	Std. Dev	0	0.707		0.707	0	0.707	2.828	1.414	0
Total	Mean	3.77	3.75	3.91	3.59	3.6	3.58	3.48	3.81	3.73
	Std. Dev	1.06	1.003	1.077	1.071	1.07	1.025	1.195	0.936	1.052

Quantity Surveying firms

Quantity surveying firms rate “as an escape route for declining and low profitability in business to increase depth capacity” as the most important reason why they diversify into other businesses with a mean and standard deviation of 3.73 and 1.232 respectively. “To increase the economics of scale and growth” is rate as the least reason with 2.91 and 1.121 as mean and standard deviation respectively.

Architectural firms

The Table shows that Architectural firms rated “to achieve faster growth of their businesses” as the most important reason they diversify into other businesses with 4.16 and .666 as mean and standard deviation respectively. “To reduce exposure to business risk” with 3.50 mean and 1.030 standard deviation was rated as the least important reason why they diversify into other businesses.

Electrical Engineering firms

Electrical engineering rated “to achieve faster growth of their businesses” as the most important reason they diversify into other businesses with 4.38 .921. “To provide greater sense of job security” with 3.10 mean and 1.373 standard deviation as the least important reason why they diversify into other businesses.

Mechanical Engineering firms

Mechanical engineering firms rated “to achieve faster growth of their businesses” as the most important reason they diversify into other businesses with 4.00 .784 as mean and standard deviation. And “to limit the effect of unstable market” with 3.29 mean and .825 standard deviation is rated as the least important reason why they diversify.

Civil Engineering firms

Civil Engineering firms rated “to ensure steadiness of earning” as the most important reason why they diversify with a mean of 4.00 and standard deviation of 1.026. The CE firms rate “to improve depth capacity and reduces the chances of

bankruptcy” as the least important reason why they diversify with a mean score of 3.30 and standard deviation of 1.129.

Other firms rate “to limit the effect of unstable market” as the most important reason why they diversify into other businesses with mean and standard deviation of 4.50 and .707. It also rate “to achieve faster growth for their business” as d least important reason with 1.00 mean.

Discussion of Results

The general overview of the above results show that most of the firms diversify into other businesses while few do not. The percentages of firms that diversify and those that do not are 75.3% and 24.7% respectively. Also the results shows that most of the firms that diversify adopt internal business expansion followed by merger and lastly acquisition. The result indicate that the majority of the firms are small in size (with less than 10 employees) with 42.2%. Next in line is the medium size (between 11-30 employees) with 33.8%, and lastly the large size firms (with over 30 employees) with 23.4%.

The result also shows that the most important reason why firms diversify is “to achieve faster growth for their business” with mean & standard deviation of 3.91 and 1.077 respectively. Next is “to ensure steadiness of earning” with 3.91 and 1.127 as mean and standard deviation. The reasons are listed in descending order, from the most important reason to the least important reason in table 5. A similar result was reported by Abdul (2010), though the study was only carried out on Quantity Surveying (Q.S) firms.

The comparative result shows that majority of the Q.S firms find “as an escape route for declining & low profitability in business to increase depth capacity” as the most important reason why they diversify. This finding disagree with the finding of Abdul (2010) which reported that “to ensure steadiness of earning” as the most important reason why Q.S firms diversify. The finding also shows that Architectural, Electrical Engineering (EE) and

Mechanical Engineering (ME) rate “to achieve faster growth of their businesses” as the most important reason they diversify. Majority of Civil Engineering (CE) firms consider “to ensure steadiness of earning” as the most important reason they diversify. This finding is similar to that of Kim and Reinschmidt (2011) who reported that diversified contractors live longer since they have more establishment in multiple sectors.

“To increase the economy of scale and growth” is rated as the least reason why Q.S firms diversify. While Architectural, CE, EE, and ME firms shows “to reduce exposure to business risk”, “to improve depth capacity and reduced the chance of bankruptcy”, “to provide greater sense of job security”, and “to limit the effect of unstable market” respectively are rated as the least important reason why they diversify.

The result also shows areas where CCFs diversify into. The CCFs mostly diversify into construction related services such as project management services, contracting services, construction management services, supply of construction materials etc. This was highly expected because the CCFs have some knowledge on construction related services. The Q.S firms mostly diversify into project management services and contracting services, this is because they have a basic knowledge of the above mentioned services. Although the findings disagreed with that of (Abdul 2010).

Conclusion

This study investigated the reasons Construction Consultancy Firms diversify into other businesses. Most of these firms diversify into construction related services such as mining, quarry contracting, project management, construction management, building services and supply of building/construction materials. Architectural, EE, and ME firms share common most important reason why they diversify as “to achieve faster growth for their businesses”. The Q.S firms have “as

an escape route for declining and low profitability in business to increase depth of capacity” as the main reason for diversifying. Based on reasons for diversifying, Architectural, EE, and ME firms have similarities.

The CCFs diversify into similar activities such contracting, construction management, project management, building and supply of materials activities. Majority of the CCFs adopt internal business expansion as their mode of diversification.

Recommendations

The following recommendations can be drawn from the study:

- i. Firms should adopt internal mode of diversification as strategies for diversification
- ii. Achieving faster growth for businesses should be the main focus of firms for diversifying.
- iii. Further studies should be carried out on Consultancy firms’ success as a result of diversification.

References

- Abdul, P. O. (2010). An Investigation into the Diversification Strategies used by Quantity Surveying Firms in Nigeria. A B U., Department of Quantity Surveying, Zaria.
- Anderson, R. I., Benefield, J. D., & Hurst, M. E. (2015). Property-type diversification and REIT performance: an analysis of operating performance and abnormal returns. *Journal of Economics and Finance*, 39, 48–74.
- Baysinger, B., & Hokisson, R. E. (1989). Diversification Strategy and R&D Intensity in Multiproduct Firms. *Academy of Management*, 32(2), 310-332.
- Carol, J., Roger, F., & Lu, a. W. (2014). The dilemma of scope and scale for construction professional service firms. *Construction Management and Economics*, 32(5), 473–486.
- Chung, Y. & Charles, Y. J. (2006). Fundamental analysis of profitability

- of large engineering and construction firms. *Journal of Management in Engineering*, 22(4), 42–59.
- Choi, J., & Russell, J. S. (2004). Economic Gains Around Mergers and Acquisitions in the Construction Industry of the United States of America. *Journal of Civil Engineering*, 31, 513-525.
- Cole, C. R., & Karl, J. B. (2016). The effect of product diversification strategies on the performance of health insurance conglomerates. *Journal of Applied Economics*, 48(3), 190-202.
- Dhir, S., & Dhir, S. (2015). Diversification: Literature Review and Issues. *Journal of Strategic Change*, 24(10), 569-588.
- Hilebrandt, P. M., & Cannon, J. (1990). *The Modern Construction Firms*. Macmillan Publishers, USA.
- Ibrahim, Y. M., & Kaka, A. P. (2007). The impact of diversification on the performance of UK construction firms. *Journal of Financial Management of Property and Construction*, 12(2), 73–86.
- Kim, H.-J. & Reinschmidt, K. F. (2011). Diversification of the Largest US Contractors. *Journal of Civil Engineering*, 38, 800-810.
- LI, P.-F. (2014). Horizontal versus Vertical Learning: Divergence and Diversification of Lead Firms in the Hangji Toothbrush Cluster, China. *Journal of Regional Studies*, 48(7), 1227–1241.
- Lu, W., Ye, K., , R., & Jewel, C. (2014). Nexus between Contracting and Construction Professional Service Businesses: Empirical Evidence from International Market. *Journal of Construction Engineering and Management*, 9, 1-9.
- Oyewobi, L. O., Windapo, A. O & Cattell, K. S. (2013). Impact of diversification on South African construction companies' corporate performance. *Journal of Financial Management of Property and Construction*, 18(2), 110–127.
- Omokolade, A., Radiyya, P., & Joshua, N. L. (2015). Geographic Diversification Issues in Real Market Estate in Africa. *Journal of Real Estate Literature*, 23(2), 261-295.
- Qiu, T. (2014). Product Diversification and Market Value of Large International Firms: A Macroeconomic Perspective. *Journal of International Marketing*, 22(4), 86-107.
- Su, W., & Tsang, E. W. (2015). Product Diversification and Financial Performance: The Moderating Role of Secondary Stakeholders. *Academy of Management Journal*, 58(4), 1128–1148.
- Sugheir, J., Phan, P. H., & Hasan, I. (2012). Diversification and Innovation Revisited: An Absorptive Capacity View of Technological Knowledge Creation. *Journal of IEEE Transaction on Engineering Management*, 59(4), 530-539.
- VConnect. (2016, May 6). Retrieved from Opera:
file:///C:/Users/User/Desktop/Listf%20Civil%20Engineering%20Firm,%20Company%20&%20Courses%20Abuja%20_%20VConnect™.html
- Yee, C. Y., & Cheah, C. Y. (2006). Interactions between Business and Financial Strategies of Large Engineering Firms. *Journal of Management in Engineering*, 22(3), 148-155.
- Zhang, M., Su, J., Sun, Y., Zhang, W., & Shen, N. (2015). Political Connections and Corporate Diversification: An Exploration of Chinese Firms. *Journal of Emerging Markets Finance & Trade*, 51, 234–246.