

# **Decades of research on foreign subsidiary divestment: What do we really know about its antecedents?**

## **Abstract**

Research on the antecedents of foreign subsidiary divestment has grown in the last decades. However, findings are ambiguous. We clarify this situation by providing, for 18 antecedent candidates from 43 articles, a descriptive picture of previous studies, theoretical arguments for the expected direction of effect, and a quantitative synthesis of the effects by means of a meta-analysis. Eleven variables significantly affect the likelihood of foreign divestment while the effects of seven antecedents are inconclusive. Overall, subsidiary level antecedents have stronger effects on the divestment likelihood than parent firm or host country characteristics. The resource-based view and the transaction cost approach appear to provide better explanations for foreign divestment than organizational learning theory or institutional theory. For the future research agenda, we propose investigating strategic motivations, taking a portfolio perspective, investigating bundles of antecedents simultaneously and using the reversed eclectic paradigm of Boddewyn as theoretical framework.

**Keywords:** foreign subsidiary divestment, international divestment, market exit, meta-analysis