

JOURNAL OF MANAGEMENT STUDIES

Call for Paper for a Special Issue

SCALING-UP: BUILDING, LEADING AND SUSTAINING RAPID GROWTH

Submission Deadline: 10 January 2020

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BACKGROUND

Studies show that high-growth firms, often referred to as scale-ups, play a vital role in fostering job-creation, improving productivity and diffusing new product and technological innovations (Coutu, 2014; Du and Temouri, 2015). However, research has also suggested that only a small proportion of startups scale-up and maintain rapid growth over time (Jansen and Roelofsen, 2018; Josefy et al., 2015). Accordingly, interest in the factors explaining the emergence and prevalence of high-growth firms has increased, among academic researchers and policy-makers alike. Scale-ups are defined as those firms that achieve average annual growth in employees or sales turnover greater than 20 percent per annum over a three-year period, and with more than 10 employees at the beginning of the period (OECD, 2007).

Despite the importance of scaling-up and rapid growth, research in (strategic) entrepreneurship and strategy provides rather disparate and disjointed insights into the factors that enable successful transitions from start-up to scale-up or that support established firms in scaling new opportunities for rapid growth (Demir et al., 2017). While the topic of high-growth firms has received attention within fields such as economics (Daunfeldt et al., 2016), public policy (Stam, 2015), and entrepreneurship (Krasniqi and Desai, 2016), most studies have almost exclusively focused on macro-level issues such as the measures that may be taken to support growth in general. Consequently, we know very little about specific actions, behaviors, and capabilities needed to successfully surmount the management challenges faced by high-growth firms. For instance, we know very little about how founders and management teams of scale-ups deal with the constant pressure to change and adapt organizational structures, develop and implement new strategies, build and refine scalable business models, recruit and onboard talent, apply and

leverage new (digital) technologies, and fund their steep paths for growth (Simsek et al., 2015). We know significantly less about how start-ups and established businesses develop, transform, and scale their business model to achieve rapid growth in markets dominated by multi-sided platforms (Van Alstyne and Parker, 2017). Hence, there is a clear need for new insights about how scale-ups enact resources, practices, and processes to fuel rapid growth and to sustain and renew that growth over time.

This special issue seeks to address this important knowledge gap of theoretical and practical significance - for researchers, entrepreneurs, managers, investors, and policy makers alike. Importantly, it seeks and encourages submissions from various domains related to strategy, (strategic) entrepreneurship, leadership, human capital, and regional entrepreneurial ecosystems.

AIMS AND SCOPE

The purpose of this special issue at the *Journal of Management Studies* is to provide a forum for scholarship that builds on the constraints, challenges, processes, opportunities, and other salient elements of scale-ups to advance managerial theory and evidence in these areas. We invite submissions from multiple theoretical perspectives, and are open to diverse research approaches including conceptual, case/qualitative, survey-based, longitudinal, or mixed methods, among others. We encourage submissions that focus on one or more of the areas below. Although not intended to be mutually exclusive or collectively exhaustive, these reflect some of the more promising avenues for developing innovative and novel insights into scale-ups and their settings. Indeed, they encompass many of the key struggles, limitations, and debates currently enveloping extant discussions on scale-ups. All submissions will be evaluated on the extent to which they advance new insights, or fundamentally change or challenge extant understanding on leading, managing, and sustaining rapid growth at scale-up firms.

Scalability. Scalability refers to the ability of the firm to grow fast without being thwarted by the restraints of existing structure and resources. Yet, the strategic and entrepreneurial dimensions of scalability, and how they combine to facilitate fast growth are poorly understood (Simsek et al., 2017). We would welcome studies that investigate the constituent dimensions, antecedents and implications of scalability by addressing questions such as:

- *What are key dimensions of scalability? What differentiates scalability from related constructs such as organizational growth, productivity and efficiency?*
- *What are key-characteristics of scalable business models? And how are such models being created, and how do they differ from other business models?*
- *What new rules of strategy can we learn from fast growing companies; how do they gobble up market share from incumbents so quickly; and how do they transform competition?*
- *How do fast growing platform businesses orchestrate resources, create demand-side economies of scale, and maximize ecosystem value?*
- *In what way do high-growth firms incorporate and apply digitization and integrate new technologies from different industries in their business models?*
- *How do ecosystem-, platform-, and network-driven growths differ from established theories on organizational growth?*
- *How do scale-ups attract new customers at a high pace, while concurrently addressing customer lifetime related challenges and opportunities?*

Leadership and managerial effects. Rapid growth is a transformative process that requires for ongoing renewal of organizational capabilities, processes and management practices of a firm, and new leadership and management skills are often needed to cope with this process (Zahra et al., 2006). Scaling up also likely necessitates the creation and development of strategic and organizational interfaces with a whole host of partners within the business ecosystem (Simsek et al., 2018). We encourage submissions that could develop novel theories of leadership and managerial capabilities, or develop theoretical models and frameworks on topics germane to scale-ups such as:

- *What types of founders are most likely to create ventures with the potential for scalability? What kinds of background, education and career experience prepare founders and CEOs to lead scalable businesses?*
- *What are the central roles of CEOs, TMTs, boards, and investors in scale-ups?*
- *How does firm governance enable and constrain the process of scaling up? What kinds of governance structures and systems most lend themselves to scaling up?*
- *What are the cognitive, behavioral, and relational leadership competences required to transition from startup to scale-up, or to scale new business opportunities within established firms?*
- *What types of relationships/interfaces developed by leaders facilitate and/or impede scaling-up and growth? What role do leaders play in developing structured interfaces with competitors, complementary parties, and other firms in the business ecosystem? How can these interfaces be strengthened?*
- *What role do managerial incentive systems and other control systems play in the transition from start-up to scale-up? Do incentives matter, and what kind of incentives are most likely to propel firms from start-up to scale-up?*
- *How do strategic leaders manage and lead a rapidly expanding organization often characterized by fuzzy roles, responsibilities, and constantly-changing operations?*

Intellectual capital effects. A key ongoing challenge for scale-ups is the recruitment of talent with the optimal mix of intellectual capital, capabilities, attitudes, and mindset to support a trajectory of rapid, sustainable growth (Baum and Bird, 2010; Lee, 2014). Scale-ups should determine what competencies and skills are needed, and align recruitment, rewards, and development programs accordingly. Onboarding practices should be prepared to accommodate high volumes of new employees, while retention strategies can help reduce turnover and “brain drain” during what could be a stressful period for current employees. Change management strategies should aim to help all employees—new and existing – to deal with rapid growth and the inevitable growing pains. They can also be used to help shift or maintain the company’s culture as desired.

- *What type of talent and organizational, social, and human capital are common to the development of scaling up and rapid growth?*
- *How do scale-ups select, develop and retain employees to thrive in an ever rapidly changing organization and to move quickly into newly developed roles and positions?*
- *What types of human resource architectures, strategies and incentive systems enable scale-ups to attract and retain talent in an increasingly tight and competitive labor market?*
- *What strategies do scale-ups pursue to compensate for deficiencies in different types of intellectual capital, such as human and organizational capital?*
- *How do fast growing firms recruit quality employees as quickly as they can, while also maintaining the company culture?*

- *What are the differences in human capital in the start-up phase compared to scaling up and growing the business? Which human resource strategies enable firms to manage the transition from start-up to scale-up?*

Process and dynamics of scaling up. Since most studies have investigated scale-ups using static perspectives and analyses, we lack theoretical and empirical insights into the dynamic process of scaling-up (Coad et al., 2017; DeSantola and Gulati, 2017). We thus encourage submissions that infuse research on high-growth firms with longitudinal insights that elaborate the underlying features and phases of the scaling-up process over time. Some relevant questions include:

- *How do startups transform into scale-ups? How do (co-)founders deal with the unique challenges of such a transition?*
- *What alternative pathways or journeys are possible to scale-up new opportunities? How do they differ in pace and forms, including organic (i.e. internally generated) and non-organic growth (i.e. through mergers and acquisitions, joint-ventures or alliances).*
- *How do scale-ups sustain their high-growth over time? How do they deal with potential trade-offs between pursuing new growth opportunities while improving their cash-flow?*
- *How is the process of scaling-up rooted in managerial and organizational actions that involve the interplay between both cognitive and behavioral processes?*

Multilevel and ecosystem effects. Research on scale-ups generally envisions effects at a single level, notably the firm or industry. Clearly, this represents an important opportunity to develop additional understanding by interrelating effects as multilevel and/or embedded phenomena (Daunfeldt et al., 2016; Krasniqi and Desai, 2016). This prompts a series of questions such as:

- *What role do entrepreneurship and innovation ecosystems play in enabling start-up to scale-up transition? What role do cluster organizations, localized competences and resources, incubators and policy initiatives (Andersson et al., 2016) play vis-à-vis unorganized or self-organized factors such as informal networks, employment density, access to human capital and entrepreneurial ecosystems (Feld, 2012)?*
- *How do scale-ups and their incorporation of new technologies drive the transformation of industries and regional economies?*
- *How do high-growth firms, their network partners, institutions, and broader ecosystems co-evolve over time?*
- *How do industrial, regional, and institutional conditions affect the transition from start-up to scale-up?*

SUBMISSION PROCESS AND DEADLINES

- The deadline for submissions is **10 January 2020**
- Submissions should be prepared using the JMS Manuscript Preparation Guidelines (<http://www.socadms.org.uk/wp-content/uploads/JMS-Manuscript-Preparation-Guidelines.pdf>)
- Manuscripts should be submitted by e-mail to Gemma Parkinson at business.jms@durham.ac.uk
- Papers will be reviewed according to the JMS double-blind review process.
- Informal enquiries relating to the Special Issue, proposed topics and potential fit with the Special Issue objectives are welcomed. Please direct any questions on the Special Issue to the Guest Editors:
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SPECIAL CONFERENCE AND MANUSCRIPT DEVELOPMENT WORKSHOP

In the interest of maximizing scholarly refinement, the guest editors of this Special Issue are planning to hold a special conference and manuscript development workshop at the Rotterdam School of Management, Erasmus University, in June or September 2020. Authors who are invited to “revise and resubmit” (R&R) a manuscript will be invited to attend this workshop. This potential participation in the workshop does not guarantee acceptance of the paper in the Special Issue. Furthermore, it is not a prerequisite for publication.

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