

SELECTED READINGS

Baum, J. Robert; Edwin A. Locke; and Ken G. Smith. (2001). A Multidimensional Model of Venture Growth. *Academy of Management Journal*, vol. 44, no. 2, pp. 292–304.

The authors formed an integrated model of venture growth. CEOs' specific competencies and motivations and firm competitive strategies were found to be direct predictors of venture growth. CEOs' traits and general competencies and the environment had significant indirect effects.

Chrisman, James; Ed McMullan; and Jeremy Hall. (2005). The Influence of Guided Preparation on the Long-Term Performance of New Ventures. *Journal of Business Venturing*, vol. 20, no. 6, pp. 769–91.

In this article the authors further develop a theory of guided preparation and new venture performance and test its fundamental relationships on a sample of 159 new ventures that had received outsider assistance 5 to 9 years earlier and had been in business for 3 to 8 years. The results suggest that the long-term growth of the ventures since start-up is significantly related to guided preparation. However, a curvilinear model, rather than a linear model, was found to best capture the relationships of interest.

Danneels, Erwin. (2002). The Dynamics of Product Innovation and Firm Competences. *Strategic Management Journal*, vol. 23, no. 12, pp. 1095–1122.

This study examines how product innovation contributes to the renewal of the firm through its dynamic and reciprocal relation with the firm's competences.

Davidsson, Per; Bruce Kirchhoff; Abdunasser Hatemi-J.; and Helena Gustavsson. (2002). Empirical Analysis of Business Growth Factors Using Swedish Data. *Journal of Small Business Management*, vol. 40, no. 4, pp. 332–50.

Although business growth differs among industrial sectors, youth, ownership independence, and small size are found to be major factors that underlie growth across all industries.

Delmar, Frédéric; Per Davidsson; and William B. Gartner. (2003). Arriving at the High-Growth Firm. *Journal of Business Venturing*, vol. 18, no. 2, pp. 189–217.

Using 19 different measures of firm growth (such as relative and absolute sales growth, relative and absolute employee growth, organic growth versus acquisition growth, and the regularity and volatility of growth rates over the 10-year period), the authors identified seven different types of firm growth patterns. These patterns were related to firm age and size as well as industry affiliation. Implications for research and practice are offered.

Park, Choelsoon. (2003). Prior Performance Characteristics of Related and Unrelated Acquirers. *Strategic Management Journal*, vol. 24, no. 5, pp. 471–81.

This paper focuses on a single event of a large acquisition, which enables the authors to better identify the sequential relationships between prior firm profitability, prior industry profitability, and subsequent acquisition strategies. By doing so, this paper makes clearer the causal relationships between firm profitability, industry profitability, and acquisition strategies.

Penrose, Edith. (1959). *The Theory of the Growth of the Business*. Oxford: Oxford University Press.

Pettus, Michael L. (2001). The Resource-Based View as a Developmental Growth Process: Evidence from the Deregulated Trucking Industry. *Academy of Management Journal*, vol. 44, no. 4, pp. 878–97.

This paper develops a resource-based perspective for predicting the sequencing of a firm's resources that best provides for firm growth. The sequencing that generated

the highest firm growth combines a Penrosian (1959) perspective with the more recent resource-based literature.

Qian, Gongming. (2002). Multinationality, Product Diversification, and Profitability of Emerging U.S. Small- and Medium-Sized Enterprises. *Journal of Business Venturing*, vol. 17, no. 6, pp. 611–34.

This paper examines empirically individual and joint effects of multinationality and product diversification on profit performance for a sample of emerging small- and medium-sized enterprises (SMEs). The results suggest a curvilinear relationship between them: that is, they are positively related up to a point, after which a further increase in multinationality and product diversification was associated with declining performance.

Reuber, Rebecca A.; and Eileen Fischer. (2002). Foreign Sales and Small Firm Growth: The Moderating Role of the Management Team. *Entrepreneurship: Theory & Practice*, vol. 27, no. 1, pp. 29–46.

The premise of this article is that the management team of a small firm plays a key role in internationalization outcomes. Findings indicate that the behavioral integration of the management team moderates the relationship between foreign sales growth and overall firm growth.

Rugman, Alan M.; and Alan Verbeke. (2002). Edith Penrose's Contribution to the Resource-Based View of Strategic Management. *Strategic Management Journal*, vol. 28, no. 8, pp. 769–81.

Edith Penrose's 1959 book, The Theory of the Growth of the Firm, is considered by many scholars in the strategy field to be the seminal work that provided the intellectual foundations for the modern, resource-based theory of the firm. However, the present paper suggests that Penrose's direct or intended contribution to resource-based thinking has been misinterpreted.

Schulze, William S., Michael H. Lubatkin; and Richard N. Dino. (2003). A Social Capital Model of High-Growth Ventures. *Academy of Management Journal*, vol. 46, no. 3, pp. 374–85.

In this article the authors use social capital theory to explain how human and social capital affect a venture's ability to accumulate financial capital during its growth stages and its performance during the two-year period after going public. They found indications that social capital leverages the productivity of a venture's resource base and provides the venture with a durable source of competitive advantage.

Shepherd, Dean A.; and Johan Wiklund (2009). Are We Comparing Apples with Apples or Apples with Oranges? Appropriateness of Knowledge Accumulation across Growth Studies. *Entrepreneurship: Theory & Practice*, vol. 33, no. 1, pp. 105–23.

In this paper the authors conduct analyses on all Swedish firms incorporated during the 1994 to 1998 period (68,830 firms) and track their growth (or demise) over their first 6 years of existence. Although they typically find low shared variance between different growth measures, there is variability such that some measures demonstrate high and/or moderate concurrent validity. These findings have implications for how we delineate the boundaries of firm growth research and accumulate knowledge—when we are comparing apples with apples and when we are comparing apples with oranges. [Abstract from author.]

Wiklund, Johan; and Dean A. Shepherd. (2003). Aspiring for, and Achieving Growth: The Moderating Role of Resources and Opportunities. *Journal of Management Studies*, vol. 40, no. 8, pp. 1919–42.

In this article, the authors find that small-business managers' aspirations to expand their business activities are positively related to actual growth. However, the relationship between aspirations and growth appears more complex than stated.

Education, experience, and environmental dynamism magnify the effect of growth aspirations on the realization of growth.

Wiklund, Johan; Per Davidsson; and Frédéric Delmar. (2003). What Do They Think and Feel about Growth? An Expectancy-Value Approach to Small Business Managers' Attitudes toward Growth. *Entrepreneurship: Theory & Practice*, vol. 27, no. 3, pp. 247–71.

This study focuses on small-business managers' motivation to expand their firms. The results suggest that concern for employee well-being comes out strongly in determining the overall attitude toward growth. The authors interpret this as reflecting a concern that the positive atmosphere of the small organization may be lost in growth, which might cause recurrent conflict for small-business managers when deciding about the future route for their firms.

Wiklund, Johan; Holger Patzelt; and Dean A. Shepherd. (2009). Building an Integrative Model of Small Business Growth. *Small Business Economics*, vol. 32, no. 4, pp. 351–74.

The purpose of this article is to develop an integrative model of small-business growth that is both broad in scope and parsimonious in nature. Based on an analysis of data from 413 small businesses, the authors derive a set of propositions that suggest how entrepreneurial orientation, environmental characteristics, firm resources, and managers' personal attitudes directly and/or indirectly influence the growth of small businesses. [Abstract from authors.]

Zimmerman, Monica A.; and Gerald J. Zeitz. (2002). Beyond Survival: Achieving New Venture Growth by Building Legitimacy. *Academy of Management Review*, vol. 27, no. 3, pp. 414–32.

In this article the authors argue that (1) legitimacy is an important resource for gaining other resources, (2) such resources are crucial for new venture growth, and (3) legitimacy can be enhanced by the strategic actions of new ventures. They review the impact of legitimacy on new ventures as well as sources of legitimacy for new ventures, present strategies for new ventures to acquire legitimacy, explore the process of building legitimacy in the new venture, and examine the concept of the legitimacy threshold.