

Group & Organization Management

Call for Papers for a Special Issue

NEW ADVANTAGE AND LIABILITY SOURCES IN ENTREPRENEURIAL FIRMS: ASSESSING PROGRESS AND EXPLORING POSSIBILITIES

Submission Period: June 30, 2015-August 31, 2015

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Background and Special Issue Purpose

2015 marks the 50th anniversary and 2016 the 30th anniversary, respectively, of Stinchcombe's (1965) landmark work on liabilities of newness and Auster and Aldrich's (1986) seminal work on liabilities of smallness. Do new ventures (NVs) still face the same daunting survival odds scholars first asserted a half century ago or are they innovative, flexible organizations that attract customers, suppliers, and investors? Are small and medium-sized enterprises (SMEs) unable to compete effectively with or can they respond to changing competitive environments better than their larger counterparts? Extant research provides ample evidence that both these contrasting views may be valid.

On the one hand, scholars have found a positive relationship between firm newness and failure, often referred to as 'liabilities of newness.' These findings support the long-standing hypothesis that factors related to newness, such as low organizational legitimacy with external stakeholders, may contribute to high NV financial distress and failure rates (DeVaughn & Leary, 2010). Similarly, scholars have noted that SMEs face size disadvantages (i.e., 'liabilities of smallness'), including inability to capture economies of scale, develop a strong brand name, attract top managerial talent, or gain bargaining power with key stakeholders (Strotmann, 2007).

On the other hand, other theoretical and empirical studies have suggested that NVs and SMEs may actually enjoy important strategic advantages. For example, NVs may enjoy 'assets of newness' resulting from high strategic flexibility and attractiveness to early adopters (Choi & Shepherd, 2005). In addition, SMEs may be able to avoid organizational inertia and respond more quickly than large enterprises can to competitive threats in dynamic environments (Chen & Hambrick, 1995).

These latter perspectives may be enhanced by recent innovations and other trends that could boost NV and SME advantages and/or partially mitigate their disadvantages. For example, NVs and SMEs can now build a brand name and find critical human resources talent via social media, access essential software via cloud computing, prototype products with 3D printing, outsource production to overcome capacity constraints, run geographically dispersed operations with virtual teams, and raise capital for new business ideas through crowdfunding. In addition, national and local governments have often tried to support entrepreneurship by passing favorable legislation and establishing incubation facilities. These innovations and policies have lowered industry entry barriers as well as enhanced the ability of NVs and SMEs to compete on a more equal footing with their more established and larger counterparts.

Although research has provided insights into some innovations and trends affecting liabilities of newness and smallness, studies of other topics remain extremely limited. For example, although a large body of work exists examining the value of incubation facilities, only a handful of studies, to date, have examined advantages entrepreneurs can gain from employing social media, 3D printing, virtual teams, and crowdfunding to help overcome their firms' respective liabilities.

Accordingly, this special issue seeks to examine if and how critical issues related to liabilities of newness and liabilities of smallness have changed, given recent technological innovations and other trends. We believe that a special issue devoted to these topics is especially timely, not only because this research can inform current management theory, policy, and practice but also because it has now been five and three decades, respectively, since the publication of Stinchcombe's (1965) and Auster and Aldrich's (1986) seminal works. These anniversaries provide an ideal time to reflect on findings, to date, and examine future research avenues.

Possible Research Questions

For this special issue, we are looking for submissions that provide important conceptual and empirical insights about liabilities of newness or smallness that would be of interest to a wide range of organizational scholars. Appropriate topics might include, but are not limited to, the following:

- Entrepreneurship and innovation: Do NVs and SMEs implement organizational changes required by the advent of new technologies more easily than their older and larger counterparts? How are NVs structurally "imprinted" by their founding during times when new technologies develop? Does adopting new technologies enhance NV or SME innovation? What role does absorptive capacity in these firms have on their ultimate success with innovations?
- Strategic management: What specific strategies can firms use to overcome liabilities of newness and smallness? How and when can NVs exploit 'assets of newness' to develop competitive advantages? How will recent innovations affect the overall entrepreneurship process of opportunity identification, evaluation, and exploitation?
- Public policy: How can government policies help mitigate liabilities of newness and smallness? What role do institutions such as business incubator and university technology transfer programs have in reducing these liabilities? How could lower entry barriers resulting from these technologies and trends impact industry structure and, in turn, NV and SME performance?
- Technology and innovation: What impact will new technologies and trends have on NV and SME access to critical resources such as capital and human resources talent? Can these firms use technologies developed externally to build a sustainable competitive advantage?
- Social entrepreneurship: Do key success factors for employing new technologies differ between public organizations and private firms? Do non-profits and socially missioned for-profit firms have any advantages or disadvantages relative to traditional for-profit firms in using new technologies like crowdfunding?

- International management and entrepreneurship: How will these innovations impact the process of creating and managing new international ventures? Can small companies employ innovations such as virtual teams to expand their operational scope internationally?
- Behavioral issues: Are NVs and SMEs with higher entrepreneurial orientation more likely to adopt and successfully exploit new technologies? What linguistic cues and other actions can entrepreneurs use to enhance the probability of successful crowdfunding campaigns?
- Ethical and legal issues: What ethical issues arise for entrepreneurs when employing technological advances such as 3D printing, social media, and crowdfunding? What impact will these technologies have on the value of patents and copyrights?

Deadlines, Submission, and Review Process

Submissions should be prepared in accordance with *Group & Organization Management* guidelines. The submission window will be open between June 30 and August 31, 2015. For additional guidelines, please see ‘Manuscript Submission’ at <http://www.sagepub.com/journals/Journal200823/manuscriptSubmission>.

Further Information

For questions regarding the content of this special issue, please contact the guest editors:

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