Growing a small firm; experiences and managing difficult processes

Introduction

Small firm growth interests scholars and features strongly in the 'entrepreneurship' literature (Storey, 2011). Indeed, growth characteristically informs the ideology of entrepreneurship (Ogbor, 2000; Drakopoulou-Dodd and Anderson, 2007) and small firms (Carland et al, 1984); such that we anticipate growth in small firms (Davidsson et al, 2006). Yet most small firms do not grow and those who do may struggle to maintain growth. Moreover, there is ambiguity about what constitutes 'growth'; increases in jobs, sales or profits? Or is growth about changes in management style, even about a qualitative change in the firm? Hesse and Sternberg (2017) describe growth as non-linear, whilst Giacosa et al (2018) explain smaller firms differ not only in size from larger firms, but have lower levels of resources. It seems that rather a straightforward natural process, small firm growth is challenging and unusual. We argue that understanding small firm growth is not a trivial or insignificant research problem. Indeed, Lui (2019) argues understanding the nature of entrepreneurial decision-making is essential for entrepreneurship research. Even if knowledge about growth were available, small firm's limited experiences may not offer *directions* in how best to use the knowledge (Oh et al, 2012; Presutti and Odorici, 2019).

For policy makers, firm formation and small firm growth creates new jobs and may add vitality to the economy (Giner and Fuster. 2017; Van Set and Storey, 2004; Haltiwanger et al., 2013; Shane 2009; Coad ett al. 2014). For the small firms themselves, growing may be appealing (Apetrei and Sapena, 2019). However, the notably high academic interest in growth (Davidsson et al., 2013; Leitch et al. 2010) has not been matched by increasing numbers of growing firms. Little has changed since Stanworth and Curran (1976) pointed out most small firms don't actually grow." Moreover, although growth is considered a key feature of small firms, much remains unknown about the growth process (McKelvie and Wiklund, 2010; Davidsson et al 2006). Consequently, we are interested in how firms understand and develop capability to manage the growth process (Lenhart et al, 2017). We want to know how small firms try to grow.

Growth is often presented as a natural metaphor. Images of growth frequently propose a small plant, a seedling caringly held in the hand. These demonstrate a simple organic model of growth where growth is the natural state of affairs, simply adding some nutrients the seedling grows into an oak tree (Barrington et al, 2005). As Edith Penrose (1995; 1) put it, "akin to a natural biological process". Closely related are the stage models of growth, assuming the firm will grow according to a set of predetermined and clearly distinguishable stages dependent on certain input factors. These views are mirrored in the economic approach to growth (Wach et al, 2018) which is interested in how much a firm has changed over a period of time (Achtenhagen et al., 2010; McKelvie and Wiklund, 2010; Delmar et al., 2003). It also infers that inputs (O'Cass and Sok, 2014) are the determinants of growth (Davidisson, 1991). Furthermore, the importance of high growth firms for job creation (Senderovitz et al, 2016) appears to have led to the search for the Holy Grail of the best mix of inputs to generate growth. It is however now 'evident that the growth process is significantly more challenging and complex than stage models portray' (McPherson and Holt, 2007; 183), and as Storey (2011) points out, the factors affecting growth are not easy to capture or model. In fact, evidence suggest that growth is unusual, episodic (Anyadike-

Danes et al, 2015) and sometimes traumatic (Anderson and Ullah, 2015), even hazardous (Ng and Keasey, 2010). Firm growth as a growing plant or a stage model may be not only misplaced, but even misleading; small firm growth is not natural, organic nor simple.

The problem we identify is that the actual process of growth, the growing, is often neglected. This is in line with Dutta and Thornhill (2008) noting how few studies reflect what actually happens when firms grow, and McKelvie and Wiklund (2010) proposing that *how* (rather than the well-established research question of how much) firms grow is the key issue. Our aim is therefore to take a process perspective and explore how firms grow. To address 'growing' as process, we take a social constructionist approach (Fletcher, 2004; 2006), believing that growth is likely first understood, made sense of and then enacted (Achtenhagen and Welter, 2011; Lindgren and Packendorff, 2009). In contrast to perspectives where growth is assumed as universal and unproblematic, the meanings of growth, especially respondents' understandings, take a central place here, informing our research question. How do respondents make sense of growth?

We answer this question through an extended case study of an established small firm trying to grow and experiencing some growth. Our main data are respondents' narratives about growth. Narratives about their experiences offer their reflections on the processes in which they engaged whilst trying to grow. Although these are subjective accounts, they offer grounded practices, rather than theoretical (Mazzei, 2018). Moreover, rather than us as researchers imposing our views about growth, the narrative accounts are formed from their lived experiences of the processes. Of course, these may include their biases or even misunderstandings, yet narratives *re*-present what they experienced in trying to grow.

We found that making sense of growth is problematic, but also identify distinct thematic patterns in the narratives which we categorize as three different sensegiving repertoires. Growth is understood through output indicators; growth is treated as the internal development of the firm and finally, growth is taken to be inevitable, a necessity to which the firm has to conform. Our findings lead us to argue that growth can be understood as the processes of growing. *Growing* is bound up in the context, created in space and time and is contingent on how growth is understood and experienced. Far from a smooth trajectory, enacting growth reflects the experience of the moment, reactive rather than strategic and messy rather than ordered. We contribute to the literature by complementing the functionalist and output oriented view by understanding firm growth as a socialised phenomenon constructed and reconstructed in the interactions between people and experiences of context. Moreover, our approach engages with the experiences of growing and processes over time, thus avoiding the 'one hit wonders' of rapid but episodic growth. Aside from the theoretical contribution we see a practical contribution in demonstrating that growth is not easy and certainly not a 'natural' outcome. This may better prepare practitioners for growing and also inform policy makers that growth is a complex process. We continue by discussing the problem of small firm growth, we then explain our methods. This is followed by discussion and our conclusions.

The problem and processes of small firm growth

Growth has become a buzzword for practitioners, policy makers and scholars, but as Achtenhagen et al (2010) point out, each have different assumptions. In academia however, firm growth traditionally uses the logic of economics. From a positivistic foundation, firm growth is variously explained and measured by output indicators such as turnover, number of employees and sales figures (Grant and Perren, 2003; Delmar et al., 2003) analysing large data sets (Tunberg, 2014). The compelling question typically addressed is 'what inputs are needed for growth?' This view reflects only part of Penrose's seminal work on growth. She argued that growth was increases in amounts, but that it was also a firm's internal process of development. This accretion of specific inputs approach has become well established, but the results are somewhat inconclusive. Understanding of the drivers of business growth remains partial and "much remains unexplained" (Wright et al, 2015:4). Moreover, Davidsson et al (2010; 1) similarly noting that knowledge is far from complete, argue that continuing research of this kind is "unlikely to yield much". Moreover, Parry (2010) notes little insight is developed about causality and processes of growth. As we see it, concern with inputs, rate of growth and measurement has crowded out the second part of Penrose's insights; the Penrose effect of managerial limits to growth (O'Farrell and Hitchens, 1998). Consequently, much of the growth literature has neglected the processes of growing.

Wright and Stigliani (2013) concluded that growth is a complex construct; it is a longitudinal problem that requires fine grained theorising. They sum up the questions neglected in traditional approaches to growth- how they grow; what decisions are made and in what contexts. In response, and in keeping with broader questions about entrepreneurship (Karataş-Özkan et al, 2014), arguments have been made for adopting different approaches (Leitch et al., 2010; Parry, 2010). For example, McKelvie and Wiklund (2010; 271) stress understanding *how* a firm grows, "what goes on within the firm while it is *growing"*. Thus to understand firm growth, social and managerial processes enabling growth could be promisingly investigated (Korsgaard and Anderson, 2011). Moreover, interaction between the growing firm and its context better allows for the role played by the external environment (Davidsson, et al., 2006; Delmar et al., 2003) and changes over time (Hamilton, 2012).

A strength of academic accounts such as the economic perspective on growth, is that they 'objectify' the topic by standing back from the phenomenon and observing general features. In contrast, business owners closely engage with growth, so their views may generate different insights. Achtenhagen et al. (2010) had asked how practitioners make sense of firm growth and concluded that examining the *process* of growth is more useful and appropriate than merely considering outputs. They found practitioners understood the multidimensionality of growth. Brenner and Schimke (2015) had concluded that growth is often informal, situational and disjointed. We believe that the current state of the art in small firm growth suggests that growth is complex and multidimensional. Growing is more than adding inputs. McPherson and Holt (2007) describe the situated, complex and idiosyncratic nature of small firm growth**;** growth is complex process involving what people do, how they do it and of course, how they understand it. In such a view, understanding of the phenomenon of growth is actually 'constructed' rather than knowledge sitting on a shelf. For us, this suggests treating small firm growth as a social construction should offer some insights.

Firm growth as a socially constructed phenomena

Underpinning the approach of social construction, meanings about phenomena like small firm growth are subjectively created, rather than some objective truth available "out there" (Berger and Luckman, 1967). Lindgren and Packendorff (2009; 28) are concerned that entrepreneurship in positivistic approaches is depicted as "a logical mechanism in society that are caused by some variables and affecting others, thereby severely reducing the complexity of society and the economy….. Likewise, entrepreneurs and their social interactions are reduced into simplistic models". They suggest social constructionism as a complementary paradigm that implies that entrepreneurship is constructed in social interaction between individuals. Moreover, as Radu and Redien-Collott (2008) suggest, social constructions tell people how things are and how they ought to be. In other words, they provide a cognitive framework. Furthermore, Cope (2005) explains meanings are contextually and temporally situated. In this way a social constructionist view of the world is able to use 'meanings' to tap into how things are understood and how they are practiced. We borrow from Perren and Grant (2000; 366), growth "is understood as a social construct by individuals interacting" and are interested in how they make and give sense to the phenomenon. Parry (2010; 380) explains from the social constructionist viewpoint, meaning is seen to be the product of the subjective experience of the owner-manager and their interrelations with others (Gergen, 1999). The owner-manager can be seen as constructing a story about reality using their interpretations of business activities and other 'facts' as they find them.

Building on this notion of social construc*ting*, Parkinson et al (2016) point out how practices are established through talk, which Watson (2013) describes as discursive practices. The narratives that people use may offer sense making of growth, yet also describe how these perceptions of growth are enacted, sense giving (Toledano and Anderson, 2017). In other words, they will relate their 'story' of the process as their experiences. Smith (2017) explains how narratives can contain descriptions of challenges, choices made and outcomes experienced. For us, importantly, they do so in the light of the respondents' experiences. Parry (2010) proposed and first used this approach to explore the relationship between such narratives and small business growth. Accordingly, a social constructions approach that collects narratives responds to Chalmers and Shaw's (2017) insistence that attention must be reoriented towards practice and practical knowledge, with its implications for understanding the *how* of growing. Hence, in studying firm growth as a social construction, attention is directed to the unfolding of growth processes. "Social constructionism is thus about pluralism in entrepreneurship research; it acknowledges different meanings about entrepreneurship, provides knowledge about interaction processes and describes complexity" (Lindgren and Packendorff, 2009; 28).This seems particularly useful when we consider growth as a process of becoming, focusing on "how" and "why" research questions aimed at creating understanding.

Methods

Our research design employed a case study (Perren and Ram, 2004) informed by social constructionist methods (Downing, 2005). The study took 30 months as we interviewed stakeholders, attended meetings and observed practices. We followed Blackburn and Kovalainen (2009) exhortation to avoid 'one-week ethnographies' and generally 'hung around' the small firm. Theoretically, ours was a phenomenological approach employing narratives (Downing, 2005; Down, 2006) and observation. Our curiosity led us want to know what went on when a firm tried to grow and our bias steered us towards visualizing the process as socially constructing growth. Our rational was that collecting data about how our respondents described growth; their understandings, their practices and of course their objectives, would allow us understand growth from their perspectives. Moreover, familiarity with these methods gave us some confidence that we could establish how growing developed in our case firm. The reasoning for our approach was the calls, for example Leitch et al (2010), for interpretivist studies to complement the more typical positivistic work on growth.

Data gathering

We selected this small rural firm which cultivated, packed and sold vegetables because it appeared an interesting and accessible case. It was trying to grow, had grown in some years, but was struggling to maintain growth. This is a purposeful or theoretical sample (Neergaard, 2007); selected on the basis that the sample has the qualities in which we are interested- attempting to grow. This sampling method enables researchers to use their judgement to select respondents whose experiences address the research questions (Anderson and Jack, 2002). Over time, we developed rapport and deep access as the respondents came to share our interest. We felt it important to contextualize these narrative data within our broader observations, to help explain why they saw things as they did. We collected stories about the respondents' experiences (Watson, 2009) and draw on Lincoln and Guba 's (1985) arguments to support the credibility of our analysis. First, we had a long engagement with the company, so came to 'know it'. Moreover, they 'knew us' and supported our enquiry and became genuinely interested in the problem. We shared our views and analysis with them, inviting comments. They rarely challenged what we had to say, but tended to discuss what we found. It seem that our study became a reflective platform for growth. Within the case, our principal respondents, listed in Table 1, were managerial staff. We interviewed these respondents several times, always at the factory.

Table 1. Respondents within the case study.

Name (anonymized)	**Position**
Marna	Founder and CEO
Sam	Senior employee/Unit head
Martin	Senior employee/Unit head
Stina	Senior employee/Controller
Karin	Consultant
Hanna	Unit head

The case firm, Greenpak is a Swedish farm and processing plant, owned and managed by Marna who inherited the firm from her parents 30 years ago. The focus has always been on growing, processing and selling vegetables. The firm currently employs more than 40 people, including a handful of white collars, the others work on the production lines or in the fields. Since Marna took over in 1997, the firm has grown from 28 employees to 43 in 2015, peaking at 55 in 2006; turnover of approximately 26,000 krona in 1997 grew to approximately 131,000 18 years later (Table 2). As Table 3 shows, growth in the firm has been erratic and episodic; growth appears to vary depending on what indicator and what time period that is chosen.

Table 2. A selection of financial indicators in Greenpak. 1997–2015

	1997	2000	2003	2006	2009	2012	2015
Turnover*	26 911	35 313	63 608	103 025	120 575	110 968	131 503
Profit*	-77	3 098	895	3 537	-3 280	-3 933	-3 388
Equity ratio	8,3%	17,8%	11,5%	20,4%	21,8%	14,2%	9,73%
Employees	28	31	46	55	50	45	43

* Numbers in thousand Swedish Crowns. Current exchange rate is approx. 10.5 SEK= 1 Euro

Moreover, we wanted to set the respondents' narratives in context (Shaw et al, 2017). Because firms grow within an environment and are constrained or enabled by the conditions prevailing in this context (Autio et al, 2014), we wanted to understand this environment. We tackled this by interviewing some 'outsiders', CEO's and/or founders of three neighboring firms operating in the same sector and region and two regional development officials. We interviewed the respondents in Table 3 once.

Table 3. Respondents outside the firm in the case study.

Interviewee	Type of organization	Name of organization	Position
Dan	Municipality	Sim Harbor	Responsible for developing local industry
Debra	Municipality	Toms Town	Responsible for developing local industry
Sarah & Jim	Firm	Poultry Meat	Founders
Richard	Firm	Poultry Meat	CEO
John	Firm	Meadow Farm	Founder and CEO
Peter	Firm	The Cider House	CEO

Data analysis

The recorded and transcribed data (interviews and field notes) was managed using the qualitative data software tool NVivo. Our primary interest was in the case company, Greenpak respondents' narratives, but as embedded in the wider context of the sector. We studied the data asking, 'What is going on here; what are they telling us?' Described formally, this was the constant comparative method (Glaser and Strauss, 1967; Alvesson and Sköldberg, 2000; Silverman, 2000) of an iterative reviewing of the data with emerging categories and concepts. It involved (Jack et al, 2010) comparing and contrasting patterns of activities to determine categories. Supported by the NVivo software the data was sorted and resorted after each reading until distinctive narratives were identified. This offered a way to 'undertake empirical research which is informed by prior theoretical understanding, but which is not so determined or constrained by this understanding that the potential for making novel insights is foregone' (Finch, 2002: 57).

Narratives afford an opportunity to examine meanings embedded in context (Sonenshein, 2010) and also show the construction of meaning. As Corner et al (2017) explain, narratives can capture processes as events unfold in time. Our narratives were not the complete stories with a beginning, middle and end that form what Labov (1972) terms 'classic' narratives. Our narratives are what Georgakapoulou, (2006) calls 'narratives in interaction'; short-range narratives that give an account of events. We follow Dean and Ford's (2017) argument that whilst business success is broadly characterised as growth, there must also be space for narratives that explore the fluidities of subjectivities and experiences. Narratives can reveal the complexities of entrepreneurs' engagements with circumstances (Corner et al, 2017).

We collected a considerable volume of data; fortunately, it was quickly evident that a strong narrative theme was how our respondents grappled to understand growth. Gioia and Chittipeddi (1991) proposed narratives have sensemaking ability; offering interpretative frameworks; a way of making sense of the world (Hermann, 2011). Sensemaking 'fitted' because our respondents clearly recognised that growth was not straightforward and their experiences of growing did not match the simple model of increasing inputs.

Research findings; categorization of the narratives

The data clearly show different sensemaking and sense giving narratives. We first present the contextualizing narrative, gathered from interviews outside of the case firm, and then focus on the narratives apparent in the data from the case study. The narratives present the problem of making sense of growth; drawing out how there is confusion about the processes of growing, yet also show how sensegiving narratives (Smith 2017) are used to explain and justify what they do. We found three distinct themes among the sensegiving narratives and label these sensegiving repertoires.

Contextualising the narratives

The purpose of interviewing 'outsiders' was to inform us about issues that were more generally important, rather than only in the case firm. A powerful theme was the economic necessity to grow, "*You can't be too small, it's not possible, it's too much pressure on the price, you will be eaten alive, you won't survive*" (Peter, CEO The Cider House). Growth, both in terms of triumphs and problems, was here typically referred to in quantitative terms, "*it's a two digit grow rate right now*" (Richard, CEO Poultry Meat), and, "its *constantly red numbers*" (Peter, CEO The Cider House). However, an interesting contrast became apparent. Two of the CEOs were not founders, but professionals with business degrees and they talked exclusively about growth as increased outputs. Yet Sarah, who had founded the firm Poultry Meat with her husband Jim, explained "*When I left the firm, they decreased the number of products because they started to calculate in purely economic terms- this product is not profitable*". Clearly growth and profitability may not be aligned, yet not growing may also reduce profitability. Paradoxically reducing the range of products, shrinking rather than growing, can improve profitability. It became very apparent that relationships between inputs, outputs and profit are understood to be complex.

The process of growing also seemed complex. For example. Peter, the CEO of The Cider House, talked about the tensions between their brand and its association with "*genuine craft, family, and locally producing*", and expansion. Others talked about choices, "*being a family owned firm with a strong focus on developing the local society is not easily incorporated in the logic of more traditional output oriented economic growth*" (John, CEO Meadow Farm). An interesting point was raised about the rate of growth, highlighting how the pace of growth was hard to manage, "*While a large customer provided great* *possibilities to grow the firm, it also created demands difficult for the firm to deliver on*" (Richard, CEO Poultry Meat). Yet Peter at The Cider House told us, "*We have to do it this way: build a little and then get some money, then we build a little*".

Whilst growing was seen as complex, we heard three consistent themes in the growth talk; Balancing objectives; Problems associated with growing and an assumption that Growth was always necessary.

Although the output oriented view on firm growth (Grant and Perren, 2003; Delmar et al., 2003) was evident, the data provide so much more nuances of growth aligning our study with those portraying growth as a multifaceted process (Leith et al., 2010), far from the step by step models so widely spread (Levie and Lichtenstein, 2010). It was also evident that different types of firm managers related to growth in different ways, adding yet another level of nuance to Achtenhagen et al.'s (2010) study showing the difference in how various types of stakeholders understand growth. The local rural context was seen as a good place to operate, but largely for social reasons which is in line with findings of the advantages of operating in a rural setting (Gaddefors and Anderson, 2017). However, as previously described by Gaddefors and Anderson (2019) it also caused problems in that a limited pool of labour was available for growth along with a sense of local responsibility. These data helped us to better understand 'growth' in our case. They provided indicators about the perceived complexity of growth and difficulties in managing process. Moreover, they reminded us about the pressure to grow, even if growth is not a primary objective.

Narrative for sensemaking

Sensemaking narratives recognised *growing* as a complex process and the interconnectedness of elements in the process, here exemplified by Marna (CEO Greenpak). The simple growth model jarred with her experience. Growing was a complex problem. As Marna put it, "*I found it really difficult."* In these sensemaking narratives, problems associated with the unpredictability of growth and managing growing surfaced. Growing was challenging because of the complexity and relationships between parts of the process. For example, growth was experienced as unpredictable and not conducive to planning (Anderson and Atkins, 2002). In practice, the experience was that you cannot plan, "*you could not say today it's perfect, today I'll harvest because then came a hail storm and then it was not perfect at all anymore".* Even when growth has been achieved- "*it would have been fun to be able to say 'look, we have planned this', that's how it should be*", but the experience was rather different, "*The customers say one thing and want another and then you suddenly find yourself in a position which you didn't expect*". We were told about securing a large new contract, "*It is a good contract, but we sold too cheap, and too much at once*." Achieving one element of growth (sales) apparently created problems in other areas (production), "*They had asked for two trucks and then they took five.*"

All this seems very different from a simple model of incremental growth which have become well-established both within and outside of academia (Levie and Lichtenstein, 2010). Indeed, there is a sense of bewilderment in the experiencing of growth, why is their experience so different from what others appear to do? "*how large firms can grow global, I just don't get it…… What kind of super humans are working there*?" Even, *"Oh my God what do the others do".* But growing was experienced not only as serendipity, "*we had some exports all of a sudden and that is really fun*"; but also as a developing process over time, *"with some luck you can build on this, if you have a satisfied customer then you can say 'do you want us to produce for you next year as well?* Moreover, growing itself created other problems*, 'and it is all the time 'I can sell more, I can sell more!'….. 'we can't produce' and then you have to start dealing with the production and trying to find funding for that".*

Underpinning this uncertainty is a thread that it is them who are wrong, that the difficulties experienced in growing are because they don't know what they should know*, "Well, it felt like I didn't know anything, there were no truths…"* There is an assumption that there is a right way of growing, but they don't know it, *"It should be forbidden to start a firm without a business degree".* Uncertainty was experienced in a lack of confidence about how to grow, "*…….. and the union said one thing, and the bank said another, and Rotary has some opinion, and everyone had their opinions on what you did."* This sense making problem contrasts received wisdom of growth in the organic metaphor and the encountered reality of growing. Moreover, as well as the earlier comments wondering how others mange, we were told, *"I don't have business training, I should have had that."* The struggle to make sense was most evident in a trenchant comment, *"I don't understand, how do you build, how do you do, what is it that… how do you grow?"*

Narratives for sensegiving

Narratives can also be employed for giving sense. Smith (2017) recently explained how some narratives show purpose and justify actions. Like all narratives, they do this by connecting events with broader frames of reference, but they also generate and give meaning to actions. Thus, we can understand how sensegiving narratives are employed to justify and explain, both for themselves and for others. We found the sensegiving data was characterised by three distinctive themes. To reflect the patterns, we labeled these 'repertoires'; "recurrently used systems of terms for characterizing and evaluating actions, events, or other phenomena" (Potter and Wetherell, 1987, p149). We describe them as repertoires because they seem to represent a stock of narratives performed to justify and explain how they grow (Steyaert, 2007). The repertoire concept has been used to identify recurring patterns in entrepreneurial narratives. Day and Steyaert (2010) use repertoires to study narratives of social entrepreneurship, Parkinson et al. (2016) apply repertoires to understand the role of context, Braches and Elliott (2016) identify different repertoires in studying the gendered careers of German women, whilst Parry (2010) discuss barriers to growth in artisanal firms with the help of the repertoire concept.

In our data we identify three sensegiving repertoires (Table 4); Growth as a necessity, Growth as a process, and Growth as output. Note however, that these are not mutually exclusive categories, and although they are here discussed as three distinct repertoires, the edges are by no means clear-cut.

Table 4. Sensegiving repertoires

Growing **Repertoires**	**Growth as a necessity**	**Growth as a process**	**Growth as output**
Main terms	Necessary to survive, Inevitable, unintended consequences	Financing, Networking, Organizing, Constructing, Developing products	Volume, Money
Focus	Firm growth as an undesirable but an inescapable part of running a firm.	Processes of internal development.	The quantitative output as firm growth.
Aim	Survival	Developing the firm, creating value in the firm	Meeting expectations and requirements
Drivers	External actors such as customers or competitors	Internal actors such as employees, manager	External actors such as consultants, banks
Impact on the firm	Promotes making decisions which are not as planned or intended	Promotes new ideas and projects	Promotes an increase in concerns about quantifiable measuring; such as number of employees, turn over, and sales figures.

Repertoire 1. Growth as necessity

This first sensegiving justification repertoire helps explain a puzzle- if growth is so difficult, why do they bother? The repertoire justifies growth as an inevitable response to shifting circumstances; growth is a logical response. Stories are told about experiencing changing environments and a resulting need for the firm to change, linking to studies highlighting the role of the context in the growth of a firm (Davidsson, et al., 2006; Delmar et al., 2003) Growth, although imperfectly understood, is a required response to encountered changes. This combines with a perceived obligation to grow, offering sensegiving logic for growing, including managing the trauma and problems that may stem from growing (Anderson and Ullah, 2015; Ng and Keasey, 2010).

A prominent strand was that growth was necessary to survive; rather than a conscious decision or a strategic development. Described as something outside their control, the language is imperative, loaded with terms such as "*must*" and "*have to*". Respondents painted growth as inevitable, but as a survival strategy rather than for the appeal of growing, "*If we had not grown we would probably not exist today*" (Peter, CEO The Cider House), or simply, "*we had to grow to survive*". Not growing was considered impossible, "*If you want to stay in the game you have to invest in more capacity"* (Richard)*, or "You can't be too small, …. you will be eaten alive, you won't survive" (*Peter*).*

A second strand was about the inevitability of growth for responding to competition, "*you can never scale down"* (Richard) and *"growth is absolutely necessary in order to divide the overhead costs"*. We were told, *"You have to have growth*" (Peter). Even more telling was a sense of getting caught up, entangled, in growing, *"We are stuck in growth by volume and it's easy to quickly end up there"* (Marna). This was explained by machinery investments for productivity leading to increased production. Similarly, unintended growth stemmed from fulfilling customers' demands, *"We could not produce what the customers expected anymore…. decision to make a large investment"* (Peter). Consequently the firm grew, almost involuntarily, from its increased production capacity. A related point was about economies of scale, "*We need a CEO, a production manager, a market manager, regardless of if we have a turnover of 100 million or half a billion"* (Peter).

Repertoire 2. Growth as a complex process

The central theme in this repertoire is the complexity of growth (Brenner and Schimke, 2015; Wright and Stigliani, 2013; McPherson and Holt, 2007); the interconnectedness of different aspects of growing. *"If we increase this we must increase that* (Peter). Changes in one aspect lead to a chain reaction, a need to make other changes. Some changes are physical, *"We built this so that we can build that"* (Richard). The point is about the repercussions arising from growing one aspect;

> *"ok, now we have too few animals, then we need to expand – we need more stables and so we built that, then the issue was that the slaughterhouse couldn't accept that many animals so we had to expand the slaughterhouse, and so we did, and then the issue was that we didn't have enough fridge space so we had to expand the fridges… and then the staff didn't have time to butcher, so we had to hire more staff, and then we had staff that they didn't have any space to sit … so we had to extend the lunchroom. That's how it was – all the time"* (Jim).

This illustrates the processual aspects of growth where, rather than a linear and strategically planned growth process, growth is portrayed as an endless range of connected decisions and actions following on from each other. This is expressed by Brenner and Schimke (2015) as informal, situational and disjointed kind of growth, which becomes difficult to capture or model (Storey, 2011) and elusive for pinpointing in research (Anderson, 2015). This inter connected facets of growth are demonstrated in our cases through funding and networking, practices *contributing* to the growth of the firm.

Funding of growth is a reoccurring theme in this repertoire; *"None of the banks dared to lend us money. Then, at last, we went to the bank located in the same building as our accountant ….and they gave me six million*" (Marna), "[sigh*] Growth is about trying to get the budget to match"*. Raising finance was not only about growing, but also an expense caused by growing, *"you invest, you know a transformer, environmental investment, those things that have to be done, but that don't give a penny"* (Marna). However, not all respondents were negative, (Jim) *"We were making a profit. So, we expanded each year"*. Similarly, *"We have to do it this way: build a little and then get some money, then we build a little"* (Peter).

Repeatedly we were told about valuable network connections, some international, "*So my father went to the US and managed to get into a baby-carrot factory. The people over there tried, and we were friends with a guy there who had a really big factory"* (Marna). More local, *"I sat next to a retired CEO at a dinner.*

He was 70 years old and said 'I will help you' and after that he came visiting once a month chairing a fake board meeting with invitation, agenda and everything." (Marna). A point here is that it may be possible to learn about the processes of growing through the experiences of others.

Repertoire 3. Growth as output

Rather than growing as a process, this repertoire explained growth as result; an end in itself. Growing was repeatedly described in output-based numbers, reflecting the economics of growing. As Marna puts it, *"she [the consultant] says more kilos, more kilos. I mean, that is growth to me".* Similarly, *"The goal for number of visitors is 200 000, and for turnover it's 24 million [krona]"* (Peter). Successful growth was financially defined too, *"I had a goal that we would grow to half a billion [krona], which we reached – so we are growing vigorously"* (Peter,), or *"In three years we've increased with almost 60%*" (Peter). "*We have grown 100 million [krona] in five years*" (Richard).

The focus on financial figures and volume demonstrates growth outcomes. These 'indicators' are easy to communicate and may be used as a shorthand for the complicated phenomenon. However, even then it was tempered by broader issues such as social responsibility, indicating an unease with only financial results. One firm want to contribute to local society, but such an effort was commented by *"It is red numbers in such an activity"* (Peter). Nonetheless this repertoire worked to signal and justify the desired end point- growth- as a measurable result, aligning with the dominant discourse within firm growth research. Marna explained with a sigh, pointing to sales figures, "*This is what firm growth is"*. For her; crucial but boring, yet a necessary part of running the firm.

Discussion

In examining practices and processes of growth management, we answered appeals for new perspectives on firm growth (Parry, 2010; Wright and Stigliani, 2013, Leitch et al., 2010, Achtenghagen et al., 2010), moving from asking 'how much' a firm grows to asking the more fundamental question of 'how' a firm grows (McKelvie and Wiklund, 2010). Considering growth a social construction (Downing, 2005), and guided by our research question – How do respondents make sense of firm growth? – we explored practices through studying talk (Parkinson et al, 2016) and found different sensegiving and sensemaking narratives (Jones et al, 2010; Hill and Levenhagen, 1995).

We saw how people struggled to understand growth as a phenomena and the processes of how to grow. Like Smith (2017) we could see how the narratives carried descriptions of how the respondents understood and experienced their reality. They made sense of what they did as a complex, often unintended series of interrelated actions and attributed their rationales for growing as necessary reactions to change. This view on growth is very much in line with research such as McPherson and Holt (2007) arguing that growth is situated, complex and idiosyncratic, Anyadike-Danes et al (2015) portraying growth as unusual and episodic, or Brenner and Schimke (2015), suggesting growth is informal, situational and disjointed.

Our aim was to explore 'how do firms grow' (McKelvie and Wiklund, 2010) but our answer is much less clear. Our results support Wright and Stigliani's (2013) proposal that growth is a complex construct requiring theorizing with great attention to details, or the nuances of the growth process will be lost. A small firm grows through continuity and change, by both response and design. Growth is far from a smooth and linear trajectory as portrayed in the functionalist stage models (Levie and Lichtenstein, 2019; Hesse and Sternberg, 2017). Rather it is piecemeal and fragmentary; one change engenders other changes and is rarely enacted systematically.

The narratives challenge the conceptual parsimony associated with the concept 'growth', apparently because this neglects the practices of growing. The narratives resonate with complexity, uncertainty and conflicting objectives about how best to achieve the end point of growth itself. Sensemaking draws on received wisdom and experience, perhaps better presented as blending the codified knowledge of growth and the tacit knowledge from experience. Sensegiving narratives applies these rationales to their practices and although they stem from subjective accounts, they offer a grounded perspective on practices, processes and engagement with growth (Mazzei, 2018).

Our contribution complements the functionalist and output oriented process view with an understanding of firm growth as a social phenomenon constructed and reconstructed in the interaction between people, their experiences and events. Doing so we add to the small, but growing number of studies analyzing what happens when firms grow (Dutta and Thornhill, 2008) and answer requests for focusing on practice and practical knowledge (Chalmers and Shaw, 2017). Our finer grained analysis highlights complexity, interaction and uncertainty in change processes. In terms of practical contribution, we provide reassurance for practitioners that their difficulties in growing are not untypical. Moreover, treating growth as an experiential practice highlights the 'discovery' of growth; a paradox of planning for uncertainty. Conceptually, we provide an alternative understanding of firm growth which may better guide policy makers and growth promoters generally. The deterministic and output oriented approach, often portrayed through a linear stage model (Levie and Lichtenstein, 2010), is merely one of multiple ways of understanding and experience growth, and acting upon an inadequate, or even misleading, view of how firms grow has several practical implications. It creates false expectations of what it is to be growing and how growth works, which may result in managers, investors, and politicians making questionable plans and decisions.

We acknowledge the limitations of our approach; small sample, our interpretation of what we think they mean and of course the context bound nature of our data. As with all interpretative studies, alternative interpretations are possible (Leitch et al, 2010). However, our attention to detailing precisely what our respondents said, coupled with our ability to see these narratives in context gives us confidence in their validity and reliability (Larty and Hamilton, 2011) and we hope that we add to understanding small firm growth as a practice.

We propose that future research should be directed towards understanding growth as process rather than merely measuring dimensions of growth. This may involve a move away from positivistic methods towards interpretative approaches (Leitch, Hill, & Neergaard, 2010; Parry, 2010; Wright & Stigliani, 2013). Moreover, given that most firms don't grow, or grow very much, we suggest the focus should shift from the exceptional high growth to a better understanding of the mundane but more typical examples.

Conclusions

"*There remains the sense that something is missing—something that hinders our ability to gain deeper knowledge of organizational dynamics. That something has to do with understanding the essence of the organizational experience, and perhaps especially the processes".*

(Gioia, Corley and Hamilton 2013; 16)

Our narratives reflect and enact what Jones et al (2010) call the strategic space for reflexive learning of sense making. Hill and Levenhagen (1995: 1057) suggest that 'to cope with these uncertainties, the entrepreneur must develop a "vision" or mental model of how the environment works (*sensemaking*) and then be able to communicate to others and gain their support (*sensegiving*)'. In listening to, and interpreting how, our respondents described their experiences, we hope to have given voice to growth as a difficult process for small firms. In doing so, we also want to highlight the inappropriateness of the 'growth as natural and organic' metaphor. Growing pains seems a better metaphor for how processes were managed.

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