



OULUN YLIOPISTO
UNIVERSITY of OULU

OULU BUSINESS SCHOOL

Sara Ali

THE INTERNAL FEATURES OF HIGH-GROWTH FIRMS IN FINLAND

Master's Thesis
Oulu Business School
April 2019

Unit Oulu Business School			
Author Sara Ali		Supervisor Sakari Sipola	
Title The internal features of high-growth firms in finland			
Subject International Business Management	Type of the degree Master of Science	Time of publication April 2019	Number of pages 75
Abstract			
<p>It is evident that high-growth firms are getting attention from the researchers. But there is still a gap in defining high-growth firms as there is scattered data available for defining high-growth firms with respect to its characteristics. The purpose of this study is to find out the inner qualities of high growth firms that differentiate them from other firms due to which it is called high-growth firms. Previous researches have mainly focused on high-growth firms with respect to job creation only. Also, researches have emphasized on the firm-specific features of high-growth firms such as size, age and industry. As high growth firms play an important role to support economic growth and raise the employment level in the country so it is very important to further research on it due to which it stands out as compare to other companies in the entrepreneurial ecosystem.</p> <p>This research is a qualitative study. Data is gathered by semi-structured interviews. All the interviewees were personnel from Finnish high-growth firms and had several years of experience in their field. In this study internal characteristics are highlight based on the contemporary literature such as the growth vision: the identified opportunities or needs: the strategic management, partnerships or the inter-organizational relations, innovation and R&D, capabilities, entrepreneurial teams: entrepreneur characteristics, and human resource management practices: human capital.</p> <p>From the finding of the research Finnish high-growth firms in the metropolitan area have similar internal features which helps the firms to grow. Moreover, there are some features which are also positively correlated such as 1) founded by teams and entrepreneur characteristics, 2) founded teams, Human capital and Strategies, 3) Human resource management practices practices and human capital, and 4) partnerships or inter-organizational relations, capabilities and identified opportunities. Hence, it is empirically proven that High-growth firms possess these characteristics and some are positively corelated to each other. Further, the findings of the study are similar to the extant literature. The limitations and future studies are also discussed.</p>			
Keywords High-Growth Firms, Internal Features, Relationship, Finnish Market			
Additional information			

TABLE OF CONTENTS

1 INTRODUCTION.....	6
1.1 Background and the purpose of the study.....	7
1.1.2 Job Creation and Economic Development.....	7
1.1.3 Firm-Specific Features of High-Growth Firms.....	8
1.1.3.1 Firm size.....	8
1.1.3.2 Firm age.....	8-9
1.1.3.3 Industry and Location.....	9
1.2 Research Question.....	10
1.3 Structure of the study.....	12
2 DEFINING HIGH-GROWTH FIRM.....	13
2.1. Importance of High-Growth Firms.....	14-15
2.2 Challenges Faced By High-Growth Firms.....	15-17
2.3. Characteristics Of High-Growth Firms	17
2.3.1 Firm-Specific Features of High-Growth firms.....	17-18
2.3.2 Internal Characteristics of High-Growth Firms.....	18
2.3.2.1 The Growth Vision.....	19-21
2.3.2.1.1 The Identified Opportunity/Need.....	21-22
2.3.2.1.2 Strategic Management.....	22-25
2.3.2.2 Partnerships or The Inter-Organizational Relations.....	25-27

2.3.2.3 Entrepreneurial Teams.....	28-30
2.3.2.3.1 Entrepreneur Characteristics.....	30-32
2.3.2.4 Human Resource Management Practices.....	32-35
2.3.2.4.1 Human Capital.....	35-36
2.3.2.5 Innovation and R&D.....	37-39
2.3.2.6 Capabilities.....	39-41
3 METHODOLOGY.....	42
3.1. Research Method.....	42
3.1.1 Qualitative research.....	42-43
3.2. Data Collection.....	43-45
3.3. Data Analysis Procedures.....	45-46
3.4 Evaluation of qualitative study.....	46-48
4 EMPIRICAL ANALYSIS	49
4.1 Main Findings.....	49-64
4.2 Findings regarding the correlated internal features.....	64-67
5.CONCLUSION.....	68
5.1 Key findings.....	68-72
5.2 Contribution of the study.....	72-73
5.3 Evaluation of the research.....	73-74
5.4 Limitations of the study.....	74

5.5 Suggestions for the future studies.....74-75

REFERENCES.....76-84

APPENDICES.....85

Apendix 1.Questionnaire.....58-88

FIGURES

Figure 2: Internal Features of high-growth firms and Related features.....67

TABLES

Table 1. Firm profile and subjects' titles used in the data collection.....45

1 INTRODUCTION

High-growth firms are defined as “All enterprises with average annualized growth greater than 20% per annum, over a three-year period and having at least or over 10 employees, should be considered as high-growth enterprises”. Growth can be measured by the number of employees or by turnover (Eurostat-OECD, 2007, p. 61). It is evident to believe that public policy put an impression on the occurrence and success of entrepreneurial firms, also a consensus is there in the scientific literature that “high-growth firms are a specific subset of entrepreneurial firms that have a propensity to be employment generators in the economy, contribute significantly to employment growth”(Piazza & Austrian,2016, p.6).

Within the OECD countries, high-growth firms have continuously gained extra attention in the literature to generate a higher share of the employment creation. Also to decrease unemployment and encourage economic growth the promotion of such firms plays a crucial role in developing related policies by the authorities. The present studies which are concerned with firm-specific features have classify three main characteristics such as firm size, firm age and the industry inside which company functions with respect to firm growth in general (Audretsch,2012). Hence there is a need to recognize internal factors that are conducive in producing such high growth firms.

The importance of High-growth firms cannot be denied as they play a vital role in job creation and economic development. Also, High-growth firms are the most fertile source of job creation and bring economic future into existence (Stangler,2010). According to Schreyer (2000), High-growth firms rank first for an excessively large part of gross job creation. Also, high-growth firms that are small in size showed a larger number of net jobs as compare to large high-growth firms. But it cannot be denied that larger firms are also crucial job creators. Moreover, mergers and acquisitions are important sources for the fast growth of large firms. Further high-growth firms are present in all industries and regions of the countries.

In the following section, the background of this study and the purpose of conducting the research are described in detail.

1.1 Background and the purpose of the study

1.1.2 Job Creation and Economic Development

Previous researches have mainly focused on high-growth firms with respect to job creation only. In a study, Matthias (2008) acknowledged companies, which create the most employment in Finland. The results of the study found out that in 2006 Finland had 750 high-growth firms. The growth of all these firms was not the same but the ratio of job created by high-growth firms of all the jobs in Finland was 65%. In another study by Schreyer (2000), conducted from five OECD countries namely Germany, Italy, Netherlands, Spain and Sweden, Quebec (Canada) as well, found out that excessively a large portion of gross jobs increase was produced by high growth firms. Acs, Parsons & Tracy, (2008) have explained high impact firms as comparatively old, unique and the majority of economic growth is contributed by them. Also, they found out that nearly all the private sector jobs and revenue growth in the economy is generated by high-growth firms.

Daunfeldt, Elert, and Johansson (2010), defined high-growth firms with respect to employment and sales but also added the definition of value-added and productivity. Hence, high-growth firms showed a high ration of contribution to economic growth, growth in employment, productivity and sales. Coad et al. (2014) argue that high-growth firms can be identified in one of two ways i.e. by the share of the firm in a population at a specific time period and growth of the firm at or above a specific pace on annual basis. Also, Choi, Robertson & Rupasingha (2013), studied characteristics of fast-growing companies in Georgia and found that in any year a small number of firms fulfilled the criteria of being high-growth firms, whereas these firms contribute to a large amount of job creation in the state. However, the number of high-growth firms and their contribution to job creation declined in recent years as compared to the whole United States.

Clayton, Sadeghi, Talan & Spletzer (2013), also agree with other researches with regards to the contribution of high-growth firms in employment generation that such firms are the small number of expanding firms that significantly create more jobs as compare to other general firms. Also, the results stated that if the terms of OECD

definition of the high-growth firm are loosened or restricted then also high-growth firms create more jobs. Hence, using modified definition it was found that in the United States 2% of firms in 2009 titled as high-growth firms during 2009-2012 and of all gross jobs, 35% of job gain was contributed by these firms. It means that during 2009-2012, 96,900 high-growth firms generated 4.2 million jobs in the US economy. The study of Henrekson and Johansson (2010), is similar to other studies that rapidly growing firms account for a disproportionate larger number of new net jobs as compare to other firms.

1.1.3 Firm-Specific Features of High-Growth Firms

Moreover, there has been extensive research done with respect to high-growth firm and firm-specific features of high-growth firms like size, age, and industry. As mentioned earlier that according to Audretsch (2012), the present studies which are concerned with firm-specific features with respect to growth have classified three main features namely firm size, firm age and the industry/location inside which firm functions. The characteristics are described in details below;

1.1.3.1 Firm Size

The size of high-growth firms is both small and larger. According to Choi, Robertson & Rupasingha (2013), over three-quarter of high-growth firms in Georgia consists of less than 20 employees. It was found in the study that high-growth firms in Georgia were either small or medium-sized firms. Also, there were less than 500 employees in 2006 over 99% of such firms. But Henrekson and Johansson (2010) argue that Gazelles can be both small and larger firms whereas large firms tend to be crucial job generator as compared to small firms that are overrepresented in this regard. Moreover, it was found that more than the small size, newness is an essential element.

1.1.3.2 Firm Age

Schreyer (2000), argue that as compare to general firms, high-growth firms tend to be younger firms. Acs, Parsons, and Tracy (2008), also found that average high-growth firm is younger than other firms. According to Choi, Robertson & Rupasingha (2013),

there are more young high-growth firms in Georgia than older firms. It was found in the study that more than 50% of high-growth firms in the state between 2006-2009 were less than 5 years old. Clayton, Sadeghi, Talan & Spletzer (2013), also agree with other researchers and found that high-growth firms are younger firms, plus small and older firms like 10 years or more. The study of Henrekson and Johansson (2010), is similar to other studies that on average Gazelles are younger in age.

1.1.3.3 Industry and Location

In a study of high-growth firms of various countries, Schreyer (2000), found that such firms are present in all regions of the countries and are found in all industries. Choi, Robertson & Rupasingha (2013), also argue that high-growth firms exist in broader industry category. Clayton, Sadeghi, Talan & Spletzer (2013), also agree with other studies and found that in United States high-growth firms exists in variety of industries although industries in which such firms created more than 50% of all jobs are health care and social assistance; professional, scientific, and technical services; administrative, support, and waste management; and manufacturing. The study of Henrekson and Johansson (2010), is also similar to other researches that Gazelles are present in all industries.

As high growth firms play an important role to support economic growth and raise the employment level in the country so it is very important to further research on it due to which it stands out as compared to other companies in the entrepreneurial ecosystem. Also, researches are mainly focused on the firm-specific features. Hence, there is not much research done on the internal characteristics, so it was quite interesting to explore this arena of the high-growth firm. According to Sipola (2015), one of the challenges in the high-growth firm investigation is the internal features of High-growth firms, which can be developed in the perceptive of extensive economic structure in which firms exist. Also, according to Coad et al. (2014), the internal features of the high-growth firms are still unknown. It would be valuable to recognize the microeconomic factors of sustained high-growth from a management viewpoint. Mason and Brown (2010) have concluded in the study of high-growth firms that there is still uncertainty with respect to the extent by which high-growth firms segment common characteristics. So, it is very essential to identify the internal characteristics of high

growth firms because through this it will reveal how high-growth firms grow with such features. Also, there is no such study conducted on the topic with respect to the Finnish market. However, few studies regarding job creation with respect to high-growth firms are conducted in Finland. So there is a lack of investigation in this research arena which will be covered by my research mainly focusing on the internal features of Finnish high-growth firms.

The motivation behind conducting the study driven by increased awareness concerning the high-growth firms during the studies in the Oulu business school especial studying relevant subjects such as venture growth strategies and global business designing. When my knowledge on high-growth firms started to grow stronger from then on my research interest was focused on high-growth firms and I started looking for a suitable topic to research. Related studies on the high-growth firms triggered me in to thinking that how such firm differentiate from other firms in an entrepreneurial system so I thought of conducting research on the internal features of high through because through this topic I will be aware factors of high-growth firms in Finland and in future I can pursue career in such firms. So, conducting this research also reflects my personal intentions to see myself get employed in a high-growth firm and be beneficial to it by increasing my knowledge of the factors which will help the firm grow.

1.2 Research Question

The purpose of this study is to find out the inner qualities of high growth firms that differentiate them from other firms due to which it is called high-growth firms. For example internal features like the growth vision, opportunity recognition, entrepreneur characteristics, human capital, etc. In this thesis, I aim to address the gap by analyzing the internal features of High growth firms in Finland. I chose Finland because I am conducting this study in the Finnish industry and then the data collection was comparatively easier. The main research question for this study is as follows:

What are the internal features of high-growth firms in Finland?

The objective of this study is to gain an in-depth understanding of internal features of high-growth firms because through this study the important characteristics will be

recognized, and it will help new startups and SMEs to grow and maintain those features in themselves and grow continuously. The results of this study will benefit new and old entrepreneurs, SMEs and business graduates as well because it will enhance their knowledge about high-growth firms. With respect to the scientific contribution, this study will add a new contribution to scientific research because not much is known about the internal characteristics of high-growth firms. Also, I hope that this study will further help researchers to explore new aspects and refine the internal features with context to new geographies and types of high-growth firms and at various levels of firm growth.

In this study, the approach to the research is qualitative because it is the most appropriate one as I aim to gain an in-depth understanding of the internal characteristics of high-growth firms. According to Crossman (2018), Qualitative research has a vast history in sociology, and it had attracted the social science advocates because it lets the research to explore the denotations that individuals attribute to their behaviors, actions, and interactions with others. The empirical data is collected through semi-structured interviews which included open-ended question from the Founder, CEO, and managers of randomly chosen three high-growth firm in the metropolitan areas of Finland to gather extensive data for analyses because they have shared their experiences and insights deeply to point out the internal characteristics of the firms they are associated. The data will be based on 3 interviews in total, which is the primary source of data collection. The secondary source of data collection is literature review and internet.

In Addition, the abductive approach to the research is utilized that starts with theoretical pre-understanding which informs coding of the empirical data at the general level. Firstly, the face-to-face interviews were recorded and then transcribed for further analysis. The analysis was repeated as many times as possible to ensure the accuracy and relevance of the research question. Then the results were synthesized of the coding. Lastly, I have drawn conclusions from the empirical interview data based on the extant literature. More details are provided in the methodology chapter.

1.3 Structure of the study

The structure of the research report consists of five sections. Section 1 includes the introduction of the topic which starts with explaining high-growth firms and its importance with respect to economic development. Also, the background of the study and the purpose to conduct the study are discussed. Further, the interest in the topic is also explained and justifications are given to conduct the research. Lastly, the research question and approach are discussed.

In section 2 literature review is discussed based on contemporary literature available on the topic and forms the scientific base for the research that is presently known about the topic i.e. the importance of high-growth firms, internal characteristics, challenges faced by high-growth firms.

In section 3 the methodology is discussed in detail that what is the approach to research, measures used, subjects of the study and process of data analysis. In section 4 the empirical analyses are presented which include main findings of the research and relating them to prior studies. In section 5 conclusion is drawn and limitations and future researches are also discussed.

2 DEFINING HIGH-GROWTH FIRMS

It is evident that high-growth firms are getting attention from the researchers. But there is still a gap in defining high-growth firms as there is scattered data available for defining high-growth firms with respect to its characteristics. There is no standard or exact definition available. Halvarsson (2013) argues that there is a variety of definitions available in the literature due to the lack of theoretical considerations in the definition of high-growth firms.

Also, many authors have defined high-growth firms using Eurostat and the OECD recommended the definition of HGFs. According to Eurostat and the OECD, high-growth firms are defined as *"All enterprises with average annualized growth greater than 20% per annum, over a three-year period and have at least or over 10 employees, should be considered as high-growth enterprises. Growth can be measured by the number of employees or by turnover"* (Eurostat-OECD, 2007, p. 61).

But Clayton et al. (2013) proposed an alteration in Eurostat-OECD definition that firms that have less than 10 employees should also be considered as high-growth firms. The authors argue that a firm is titled a high-growth firm if it generates 8 or more jobs over a 3 years' time span. The growth dynamics of firms that started at a smaller size but grow significantly both in relative and absolute terms are captured by this alteration.

Daunfeldt, Elert, and Johansson (2010), defined high-growth firms with respect to employment and sales but also added a definition of value-added and productivity. Hence, high-growth firms showed a high ration of contribution to economic growth, growth in employment, productivity and sales. As High-growth firms are mature and rare, so they contribute to most of the economic growth. Moreover, high-growth firms signify 2-3% of all firms and all the private sector jobs are catered by them and play an important part in revenue growth as well (Acs, Parsons and Tracy, 2008). Coad et al. (2014) argue that high-growth firms can be identified in one of two ways i.e. by the share of the firm in a population at a specific time period and growth of the firm at or above a specific pace on annual basis.

2.1 Importance Of High-Growth Firms

The importance of High-growth firms cannot be denied as they play an important role in job creation. High-growth firms are the most fertile source of job creation in the US economy and bring economic future into existence. It was found that high-growth firms which are less than 1% of all firms create 40% of new jobs in the economy. (Stangler,2010). Also, Schreyer (2000), explains that high-growth firms rank first for an excessively large part of gross job creation. Also, high-growth firms that are small are size showed a larger number of net jobs as compare to large high-growth firms. But it cannot be denied that larger firms are also crucial job creators. Moreover, mergers and acquisitions are important sources for the fast growth of large firms. Further high-growth firms are present are all industries and regions of the countries.

Moreover, such firms are not only creating more jobs but also contribute to economic development as well. The high-growth firm are important for economies as well because these firms are a significant cause for economic growth and are resourceful to initiate wealth creation (Queiros et al. ,2017). Ace et al. (2008), also agree with other researchers on the importance of high-growth firms in job creation and argue that jobs are equally distributed among small and large high-growth firms.

In a study of Kauffman foundation (2016), high-growth firms have a great impact on the US economy as they account for 50% of job creation in it. Moreover, HGFs distinguish from other general firms by growing in size from an average of 5.8 employees at the start of the business to 9.2 employees at year 5 for surviving firms, as well as generating new opportunities in different regional areas such as in larger States (Virginia, Maryland, Arizona, Massachusetts and Texas) and smaller States (Utah, New Hampshire, Delaware, North Dakota and Oklahoma). Further, employment growth is encouraged by high-growth firms in correlated industries.

The study of Acs, Parsons, and Tracy, (2008) is similar to other researches as well that in an economy, high-growth firms are responsible for almost all jobs and revenue growth. Since such firms are present in all industries but it is not evident that all high-technology firms in industries are high-growth firms. Henrekson and Johansson (2008), also emphasized the significance of Gazelles as outstanding job creators and

create a huge share of net jobs in the economy. As compared to other firms these firms are younger and smaller, while the young age is positively associated with higher growth.

Also, Baldwin and Picot (1995), did a study on comparing the importance of small and large firms in the manufacturing sector of Canada and the United States and concluded that small high-growth firms create a larger number of net jobs as compare to larger firms. It was evident that Canadian and US smaller firms are important generators of job.

It was also found in the OECD (2002) study that small high-growth firms create more jobs as compare to larger firms. Specifically, in small firms with respect to the higher number of jobs gain there exists a higher number of job losses as well. Moreover, HGFs are present in all industries and different geographical regions and focus on a particular sector. Further, these firms are younger as compare to other firms (OECD,2002).

2.2 Challenges Faced By High-Growth Firms

High-growth firms play an important part in the economic development and employment growth. Plus, these firm portray certain characteristics which differs them from other ordinary firms. But still, there are certain challenges which these firms encounter in the development and growth process. Many researchers have identified different challenges faced by different firms. Poh Yen (2013), identified four growth challenges i.e. external environment effects, industry competition, financial and human capital barriers.

Moreover, Challenges faced by high-growth firms are expanding markets, obtaining financing, recruitment, and training, measuring the risks of alliances, finding the right partners and consultants. These issues can be resolved with the help of government through simplifying policies and programs to reduce red tape, making local establishments more accountable by synchronization of all levels of responsibility and assessing policies and programs consistently. Also provide schemes that will be beneficial for the high-growth firms such as assistance in innovation, financing and

staff training and recruitment. Likewise, economic incentives for firm networking and grouping are likely to be more valuable (OECD,2002).

Lee (2014), investigated the challenges faced by two types of firms such as firms in periods of high-growth and possible high-growth firms. The author found out issues in six areas i.e. skill shortage, obtaining finance, recruitment, physical assets, management skills, and cash flow. Moreover, likely high-growth firms perceive that they are seized back by the economy in gaining finances, cash flow, and management skills. But sometimes the behavior of the managers towards the firm's strategic needs are generic, mainly habitual and limited. Thus, it is difficult for the managers to alter their operational and administrative behaviors plus strategies of the firm. Moreover, these managers have a path-dependency mindset while the firm needs different planning's in order to overcome environmental challenges (Tell,2015).

According to Hambrick and Crozier (1985), high-growth firms should get worried when gaining growth over 50% and must take crucial decisions because they are not secure and stable entities yet. Plus, change happens rapidly. Hence the authors have identified four ultimate issues faced by rapid-growth firms i.e. Instant size (when firms get double and triple in size it creates the problem of dissatisfaction, insufficient skills, and systems), a sense of infallibility (in the period of success HGFs perceive their strategies and performance as dependable but in fact the environment is turbulent and competitive), internal turmoil (When new employees enter the firm they are unaware of the people and firm so decision making suffers and people leave) and extraordinary resource needs.

D.W. Greening et al. (1996), identified 15 managerial challenges faced by SMEs when expanding geographically. These challenges are recruitment and selection, training, the relationship between the field staff and the original owner, workloads, compensation, specific problems with start-ups, conversion issues, distribution, etc. In order to overcome these difficulties, entrepreneurs should plan growth, manage growth and should know the reason for growth either it is for economic or personal reasons.

Kazanjian (1988), studied the relationship between stages of growth and the form of dominant challenges. He found out that at different stages of growth, firms face

different issues. At stage 1 (conception and development) firm faces issues related to resource acquisition and technology development, at stage 2 (commercialization) issues related to production are encountered, at stage 3 (growth) market share growth and organizational issues and at stage 4 (Stability) profitability, internal controls, and future growth base issues prevail. Hence there is a positive association between dominant issues and stages of growth.

2.3. Characteristics Of High-Growth Firms

2.3.1 Firm-Specific Features of High-Growth Firms

There has been extensive research done with respect to high-growth firm and firm-specific features of high-growth firms like size, age, and industry. As mentioned earlier that according to Audretsch (2012), the present studies which are concerned with firm-specific features with respect to growth have classified three main features namely firm size, firm age and the industry/location inside which firm functions.

The size of high-growth firms is both small and larger. According to Choi, Robertson & Rupasingha (2013), over three-quarter of high-growth firms in Georgia consists of less than 20 employees. It was found in the study that high-growth firms in Georgia were either small or medium-sized firms. Also, there were less than 500 employees in 2006 over 99% of such firms. But Henrekson and Johansson (2010) argue that Gazelles can be both small and larger firms whereas large firms tend to be crucial job generator as compared to small firms that are overrepresented in this regard. Moreover, it was found that more than the small size, newness is an essential element.

Schreyer (2000), argue that as compare to general firms, high-growth firms tend to be younger firms. Acs, Parsons, and Tracy (2008), also found that the average high-growth firm is younger than other firms. According to Choi, Robertson & Rupasingha (2013), there are more young high-growth firms in Georgia than older firms. It was found in the study that more than 50% of high-growth firms in the state between 2006-2009 were less than 5 years old. Clayton, Sadeghi, Talan & Spletzer (2013), also agree with other researchers and found that high-growth firms are younger firms, plus small

and older firms like 10 years or more. The study of Henrekson and Johansson (2010), is similar to other studies that on average Gazelles are younger in age.

In a study of high-growth firms of various countries, Schreyer (2000), found that such firms are present in all regions of the countries and are found in all industries. Choi, Robertson & Rupasingha (2013), also argue that high-growth firms exist in broader industry category. Clayton, Sadeghi, Talan & Spletzer (2013), also agree with other studies and found that in United States high-growth firms exists in variety of industries although industries in which such firms created more than 50% of all jobs are health care and social assistance; professional, scientific, and technical services; administrative, support, and waste management; and manufacturing. The study of Henrekson and Johansson (2010), is also similar to other researches that Gazelles are present in all industries.

2.3.2 Internal Characteristics of High-Growth Firms

One of the challenges in the high-growth firm investigation is the internal features of high-growth firms, which can be developed in the perspective of extensive economic structure in which firms exist (Sipola,2015). Also Mason and Brown (2010) have concluded in the study of high-growth firms that there is still uncertainty with respect to the extent by which high-growth firms segment common characteristics. So, it is very essential to identify the internal characteristics of high growth firms because through this it will reveal how high-growth firms grow with such features. Moreover, high growth firms play an important role to support economic growth and raise the employment level in the country so it is very important to further research on it due to which it stands out as compared to other companies in the entrepreneurial ecosystem. There is not much research done on the internal characteristics of high-growth firms, so it is quite interesting to explore this arena of the high-growth firm. Hence, exposing the internal features of high-growth firms that boost growth will help in understanding the shreds of evidence about it and important elements encountered by fast-growing firms (Bibu, Sala & Alb,2016). In this study, the literature review will be based on various theories of high growth firms because there is no single theory available to explore.

In scholarly literature, many authors have identified different characteristics of the firm internally. Though high-growth firms do not have similar characteristics and follow different development methods (Heimonen, 2013). The following are some of the internal characteristics of high-growth firms identified in different scholarly articles.

2.3.2.1 The Growth Vision

Nicolae A. Bibu et al. (2016), explained that on the development of the business the vision is an essential element that promotes its high growth. Also, it is particularly powered by the strategic thinking of the leader. The authors also argued that the vision, which is backed by a strong motivation to grow, to develop, to meet the customer cumulative demand competently and from the wish to be famous in a certain line of business results in high growth. Also, every business has different growth vision because it has a different leader, the field, the market position of the company and the business environment. Moreover, vision should be clear which will result in rapid growth because the leaders can understand where the organization had to evolve in order to grasp opportunities and performance in an efficient way.

According to Skrt and Antoncic (2004), vision is an essential component and if it is executed in the right direction then it can benefit the growth of the firm. Also, the authors said that the formulation of vision could be more important than the formulation of a mission for firm growth. They also found out that high-growth firms do not express learning organization in their vision because it is difficult to define the winning strategies. But mention all other elements that are important i.e. internationalization, innovation and quality, networking, and e-business as well to some level.

Taiwo, Lawal, and Agwu (2016), argue that a vision and mission statement that is well prepared will outstand one firm from another by showing unique features. If a vision is formulated in the right direction than it would affect the organizational employee in their daily actions and contribute to the accomplishment of organizational goals with the vision as a guiding light. moreover, in order to place the firm in the right direction it should implement the meaningful vision and upgraded with the passage of time.

According to Baum, Locke, and Kirkpatrick (1998), the vision enlightened by an entrepreneur contains a combination of values, goals, mission, and strategy. Also, vision is a useful tool that helps the organizational leader to assimilate all these fundamentals into a method that guides future activities. But only incorporating a vision is not enough, the entrepreneurs should also verbally and in written communicate it to the employees to gain high growth because by doing so they would know what needs to be done. Hence, the vision has a significant direct effect on the growth of the firm.

An important issue confronted by today's entrepreneurs is the importance of successfully enacting change to progress organizational performance. There is a need to articulate an inspirational vision by the entrepreneurs and to create a sense of readiness for change. Also, it should also be efficiently communicated through different modes. The firms should be able to create initiatives effectively for organizational growth and competitiveness by improving change for readiness. Moreover, to produce a vision that contributes to organizational growth the leaders should be trained (Haque, Titiamayah, Lui,2016).

Foster and Mesut (2007), argue that time and thought are required for organizational vision. But some entrepreneurs think that the vision should be established whereas some claim that it exists in the firm and needs discovering. Hence, there is a procedure of creation involved in both situations.

Many researchers have studies that how to produce organizational vision and what a vision should be but only a few focused on describing what a vision must include. But only producing and describing is not enough the vision must be implemented as well. But in some organizations, it might grace the wall of the boardroom or is displayed on the company website but if it has no meaning for employees and the organization as a whole, then it is waste of time in producing it Foster and Mesut, (2007). Further, the implementation must be clear and meaningful so that organizational growth could be achieved through it.

In a Harvard business review by Mayo (2007), A vital factor of successful leadership is the ability to imagine and articulate a possible future state for the firm. Also,

whenever it comes to mind about great business entrepreneurs than the attention is paid to the strategic ability and vision of that leader. Though it is not easy but is significant for the performance and growth of the firm.

Nicolae A. Bibu et al. (2016) suggested that the vision and the opportunity are related to each other as an entrepreneur must investigate that specific "What" before finding a vision and the entrepreneur also needs a vision on that strategic "How" to practice the opportunity properly. Hence, both are also linked to strategic management as well. In the following section the identified opportunity/need and strategic management characteristics are described in subheading:

2.3.2.1.1 The Identified Opportunity/Need

When a new firm is established it comprises opportunity discovery and evaluation, plus the founder's decision that whether an opportunity would result in fruitful business providing satisfactorily profitable to counterbalance the opportunity cost elaborated (Baptista, Karaoz, and Mendonca, 2014). In a study by Nicolae A. Bibu et al. (2016), the manager of the company depicted good intuition which enables them to capture further market developments. Also, in order to rapidly utilize the opportunities that are still not recognized or been paid only a little attention, the entrepreneurial intuition and strategic thinking play an essential role. But only identifying the opportunity is not enough as there is a need to develop the right structure and make it functional in order to gain fruitful outcomes out of it. Therefore, management capabilities are essential to the provision for high growth (Nicolae A. Bibu et al., 2016). Hence when the opportunities are identified, and the firm gets profits out of it then eventually it will cause high growth.

According to B.R Barringer et al. (2005), there is a difference between high-growth firms and slow-growth firms with respect to creating unique value and customer knowledge. Help a customer exploit utility, reduce costs and increase organizational effectiveness in an exceptional way can be defined as creating unique value. On the other hand, sustaining a deep sense of customer need is explained as customer knowledge. Both of these are important with regard to the rapid growth as an

organization that entitles themselves to develop new standards in their area of interests, the efficiency of their products and internal operations are remarkably increased.

The exploitation of an opportunity characterizes a significant strategic action that leads to high growth. Plus, how and where the entrepreneurs allocate their attention rest on noticing and exploiting opportunities. If the entrepreneur has knowledge, experience and keeps bulls' eye on the opportunities then special focus can be paid to exploit opportunities (Shepherd, McMullen and Ocasio, 2017).

Ardichville, Cardozo, and Ray (2003), explains that to produce and deliver value for stakeholders in the prospective venture the entrepreneur needs to identify business opportunities. Moreover, opportunities are made not found as elements of opportunities are recognizable. An entrepreneur starts to develop an opportunity by careful investigation of and sensitivity to market needs. But creative work is needed for the development of opportunity by the entrepreneur. Further, successful business creation involves the successful opportunity development process. This process involves recognition of an opportunity, its evaluation, and growth per se. This core process of opportunity recognition and development leading to the business establishment is influenced by main factors i.e. entrepreneurial alertness, information asymmetry and prior knowledge, social networks, personality traits and the kind of opportunity itself.

The growth rate of SMEs depends on the entrepreneur's commitment to growth and the need to develop a new product-market mix in order to discover the opportunities. Then in order to maintain the growth rate, new opportunities should be planned (Nicolae A. Bibu et al.,2016, p.51). Also, the firms which make above average sales have an effective business generating system and the entrepreneur know the significance of selling product or service tried on current markets whereas discovering other market opportunities as well. Such entrepreneurs are alert of the vision of their business and in a systematic manner can scan the business environment so that customer needs are evaluated and subsequently satisfied and then develop a market (Nicolae A. Bibu et al.,2016, p.51).

2.3.2.1.2 Strategic Management

In a study of high growth SMEs, Smallbone, Leigh, and North (1995), have focused on the third key element in research by Storey's i.e. the strategies and management actions associated with growth. Product and markets, production processes, employment and the use of labor, change in ownership and organization and management change was considered with respect to strategies and management. The results of the study revealed that firms with a variety of sizes, sectors and age characteristics can attain high growth. The features which supported high growth were the commitment of the leader in pursuing growth, active strategies with respect to product and markets, an active market development strategy and internal organizational structure (Smallbone, Leigh and North,1995).

According to Poh Yen (2013), there are various researches on growth strategies utilized by technology-based high-growth firms namely related to product and market, new market expansion, organic structure, deliberate strategy, and innovation. Also, according to the author, the findings of the study of high-growth Malaysian and New Zealand technology-based firms revealed similar strategies adopted by high Growth firms i.e. differentiation, Market expansion strategy, public ownership and acquisition and, strategy flexibility.

In a study by Mazzarol, Reboud and Soutar (2009), the results suggested that formality in both strategic and operational areas relates to formal planning. To have formal written mission statements and its implementation to concentrate employee activities are the qualities of formal planners. Also, high-growth firms have organized and prescribed methods for environmental scanning for opportunities and threats, new business expansion and strategic networking. Moreover, features which are related to formal planning are mostly operational like quality assurance, financial control and information systems, key performance measures and the monitoring of important data on business performance.

Skrt and Antoncic (2004), have highlighted the importance of strategic planning practices such as orientation to grow and increase profitability, knowledge about opportunities and threats in the market, and the orientation of all employees towards

the common goal as an essential element to determine small firm growth. In order to grow for smaller firms, it is crucial to implement vision and strategy, combining the fundamentals of internationalization and networking in the firm vision, concentrating on growth, profit, and market, carrying out analyses of the market and competition, in short, articulating basic business strategies (differentiation, cost leadership and focus niche strategy) in accomplishing company-wide support for strategies.

Upton, Teal, and Felan (2001), have studied business and strategic planning practices of fast-growth family firms. They found out that the majority of these firms formulate written formal plans which are in detail so that actual performance can be attained and provide compensation to the employees consequently. Moreover, evaluations of actual company performance results and planned performance are shared on a daily basis with the employees. Also, high-growth firms adopt high-quality producer business strategy instead of a time-based strategy or low cost. additionally, these firms implement a first mover or early follower strategy to introduce new products to markets.

According to Dwyer and Kotey, 2016, an entrepreneurial orientation which involve innovation is essential for high growth. Also, entrepreneurs are not presumed to be someone who invent or be a first mover instead pursue to add value by a proactive hunt for market manipulation, developments, and opportunities.

Strategic choices made by firms are essential for the growth of the businesses. Business segments are affected by such choices. Therefore, in order to change and grow, firms need to maintain, improve and sometimes execute their current system. Hence choosing the right strategy and decide to grow have great importance. Further, in order to grow and choose strategy consequently, firms need to observe customer expectation, its competitors and environmental factors. Moreover, technological and global changes also need attention from the firm (Durmaz and Ilhan, 2015).

Bamiatzi and kirchmaier (2016), investigated strategies adopted by a high-growth firm to survive in declining industries. The authors identified four key strategies i.e. differentiation, customization, and internationalization. A single strategy is thought to be inadequate to survive in a declining market for the long run. Therefore, a mixture

of strategies should be adopted by firms in order to gain competitive advantage and growth when the market is falling. The authors found out that high growth firm uses a combination of strategies i.e. the simultaneous pursuit of differentiation through innovation with some form of product customization strategy. Moreover, all firms adopt low-cost strategies as well. Specifically, results showed that even the firm which is small can find ways to ease the adverse effects connected with a declining market and grow. Further entrepreneurs perceive such an environment as a challenge and basis of various unexploited opportunities.

High-growth firm entrepreneurs tend to have a more disciplined approach to organizing the firm. Gundry and Welsch (2001), have labeled high-growth entrepreneurs as ambitious and have differences i.e. they make strategic planning that focuses market growth, technological variation, strong commitment to the success of the firm, greater will to sacrifice on behalf of the business, earlier planning for growth of the business, operation of a team-based form of organization design, concern for quality and reputation, adequate capitalization, strong leadership and for the expansion of the venture they consume varieties of financial sources.

2.3.2.2 Partnerships or The Inter-Organizational Relations

Charan (1991), defines networks a unique method through which entrepreneurs share knowledge, utilize management information systems, skills and video conferencing, etc. It is the capability to advance and promote a large and varied group of people who mutually share resources with one another. Also, networks are formed in order to be competitive in a turbulent environment. Moreover, it empowers small companies to exploit the resources they lack from larger firms.

One of the important elements which promote high growth is a partnership. Nicolae A. Bibu et al. (2016), argues that if both the parties get benefit out of partnership then it lasts long. According to B.R Barringer et al. (2005), firms involved in inter-organizational relations in order to maximize their resource requirements from their allies. Which in return helps the organizations quickly overcome their growth directions.

According to Mazzarol, Reboud, and Soutar (2009), it is surprising to find out that entrepreneurs of high growth firms have strong support network partnerships as they are involved impartially with their bank managers or accountant to provide them access to resources. This type of involvement with such experts guides the entrepreneur to make business plans to lock third-party investment and support the business operations. Hence, by safeguarding access to resources, strategic networking and alliance formation can contribute to the growth progression.

Alliances are accessed associations, but it is advantageous for the focal firm when such alliances possess useful resources. Specifically, most valuable alliances are large firms and one with unique technological resources. Moreover, when one of the alliances is a small firm that such alliances are a source of the exchange of resources and provide social status and appreciation. Also, partnerships build public trust to value the products and services of the firm and charm customer and other corporate alliances as a result of it. Hence, firms that are young and small get more benefits from large and innovative strategic alliance partners as compare to old and bigger firms (Stuart,2000). Dwyer and Kotey, 2016 argues that one of the sources for high growth is acquisition but not a critical analyst of HGFs.

According to Zhao and Aram (1995), Many small and new firms lack resources like technologies, experienced professionals, strong reputation, long-lasting customer relations and enough capital which are usually owned by larger firms. So small firms should make efforts to transit from being resource weak to being resource strong in order to grow. But a question comes to mind how these resources should be acquired for profitable growth? Many scholarly researchers found out that such valuable resources can be acquired by the entrepreneur through networking activities and gain a competitive advantage as well.

Entrepreneurs can build credibility, financing, gain advice, customer access, innovation and information by establishing and utilizing available relationships with external organizations. Through building such relationships the entrepreneur can attain desired outcomes through asset parsimony. But the evaluation is required that what resources are valuable and beneficial to the firm. Moreover, the authors also found out that networking is important for technology-oriented firms in China. Further, there is

a positive relationship between networking activities and growth associated with firm development (Zhao and Aram, 1995).

Knowledge transfer, which is described as the utilization, adaptation, and use of knowledge resources facilitates between organizational member's intra-organizational social capital and organizational performance consequences of growth and innovation performance. Hence, knowledge transfer is advantageous for social capital and a significant driver of firm performance outcomes as well (Maurer et al., 2011).

Zaffane (1995), has also stated the importance of forming alliances. The author argues that alliances are effective means to obtain entree to new markets, expertise and be competitive. Moreover, such coalitions are important for innovation as well. Hence, in a hyper-competitive global marketplace forming relationships with external organization are significant to access resources, capital, technology, and skills to sustain industrial competitiveness.

According to Amit and Schoemaker (2016), when the boundaries of the industry evolve, and boundaries of the firm get blur because of technological advancement, innovation, and deregulation than firms gradually use the resources and capabilities of their partners. Durmaz and Ilhan (2015), studied that mergers a form of acquisition is important for the growth of the firm because it provides resources and support to each firm.

According to Florin, Lubatkin, and Schulze (2003), Social capital influences the productivity of the venture's resource base and offers the firm a reliable source of competitive advantages. Hannu and Timo (2003), also argue that Internal networks of the firms are a great source of efficiency, competitive advantage and innovation. Further, they also found out that associations between the firm and external networking contributed to the high growth of the firm.

Alliances and partnerships are crucial for high-growth firms. These associations are formed with a broader range of actors and are formal or informal. Also, high-growth firms establish a more and different type of alliances than other firms i.e. with

customers, corporate group, suppliers, private and public advisors. Hence, in order to succeed these partnerships are crucial for the high growth of the firm (OECD, 2002).

2.3.2.3 Entrepreneurial Teams

Some of the high-growth firms are founded by teams of entrepreneurs. Research has been proven to show that firms that are founded by teams have a positive impact on the growth of the firm. Wennberg (2013), argued that most high-growth firms are founded and managed by a larger number of team members as compared to general firms. Mutual experience in the past, team size, team heterogeneity in the industry background, the stability of the team members, efficiently managing constraint of the situation they work in are all the characteristics of founding teams that promote high growth. Moreover, the team which is strong making less mistakes, move quickly and get the task done (Eisenhardt and Schoonhoven, 1990). Furthermore, by facilitating the communication among team members the cohesiveness of the team plays an important part in influencing growth performance. Also, at the cost of communication among team members, larger teams are more conducive to the specialization of tasks (Audretsch,2012).

Additionally, the probability of high growth is higher when firms are founded by a larger number of the team but on the other hand, if the size, diversity of the team is controlled then it drops the chances of high growth. The firms founded by women, minorities, immigrants, veterans, smaller founding teams and novice, younger and less educated entrepreneurs have higher chances of high growth if the start-up capital is controlled. It is surprising to know that some entrepreneurs i.e. female, minority and less-educated entrepreneurs chose high-growth industries but fail to accomplish high growth as compared to their industry peers (Brown, Earle, Kim and Lee, 2018).

According to Li and Dutta (2018), founding team industry experience and venturing experience in the emerging period of the firm is essential. The founding team should have more members with a higher level of industry experience as there is a positive relationship between founding team industry experience and new venture creation. The experience of the founding team is more important in the High-Tec industry as it has

an impact on the process of the firm. Therefore, the high level of previous venturing experience of the founding firm is significant for the success of the new firm.

Conney (2009), studies high-growth firms founded by the entrepreneurial team in the US and Ireland. In the former the founding teams stimulated daily decisions to be made by people with the supreme knowledge on that area and strategies from anywhere within the firm were inspired, intensive approach to product and services, and targeted growing market segments whereas in later concentrated on becoming more hierarchal as the firm matured and team-based, focused broad product and service methods and pay more attention to customer need.

In a study of high-tech firms of Russia, Bruton and Rubanik (2002), found out that greater resources are produced by larger teams and as a result promote firm success. Also, the team founding the business moderated the liability of newness. Moreover, If the founding team grows very large then the culture of Russia does not produce undesirable consequences as compared to the US.

According to D'Acunto et al. (2018), high-growth firms founded by teams who have prior industry experience certainly have higher growth over the first four years of operations. But if the team has diverse experience than there is a substantial rise in employment growth and more chances of higher growth of the firm. Moreover, Startups in industries that are magnets for highly skilled human capital are mostly benefited by teams who have diverse industry experience.

According to Deborah and Sandberg (2000), the creation of management teams for the new venture could be facilitated by the friendship which helps in improving the early performance. As Friendship is beneficial to decision creation procedures, therefore, it increases the quality of the entrepreneurial team in solving complexed issues and as a result it improves the performance of the firm as the team continues to function. But friendships may hamper a positive or negative effect on turnover among the founded team and as a result, it affects the performance of the firm undesirably or certainly.

High-growth firms are established by management teams who are trained in different areas. The main responsibility of this team is to promote unity through flexible

planning and shared practices in the organization. Plus, with this mutual planning, they seek new opportunities and satisfy niches markets. In high-growth firms' employees are involved and motivated through participation in decision making, internal communication, profit sharing, continuous training, and stock options. Hence, growth is attained by HGFs through founded teams (OECD,2002). Hannu and Timo (2003), argue that in high-growth firms the strategic decisions are made by a group of entrepreneurial teams.

However, each team member posses various characteristics like previous industry experience, previous business ownership, etc so entrepreneur characteristics can be inter looped with entrepreneurial teams.

2.3.2.3.1 Entrepreneur Characteristics

One of the important factors in the high growth of the firm is the entrepreneur characteristics. Many authors have defined different characteristics of the entrepreneurs in the success of the firm. According to Brown, Earle, Kim, and Lee (2018), At age 0 and 7, the part of entrepreneur characteristics in high growth is demarcated as the largest 5% of the unit. Moreover, the age of the founder has positive effects with high growth at entry level but then as the firm ages it has a negative effect and the profile flattens. At the start, the education background of the entrepreneur is dipped as the founder are most likely to be high school graduates who have founded high growth firms but by the age 7, the former is parallel to those who hold bachelor's degrees, whereas latter do not. The authors explained that over time, founder characteristics are extremely tenacious with most other associations of high growth. The entrepreneurs who have previous business ownership are positively related to high growth.

Baptista, Karaoz, and Mendonca, (2014) argued that at the entry level of the firm when the mission and organization of the firm are being recognized and the hiring of key personnel is taking place then characteristics of an entrepreneur plays a vital role. Moreover, prior experience in entrepreneurial activities plays a critical role in the early survival of the firm. So, there is a high probability that the firm will have high growth if the founders are spinouts and portfolio entrepreneurs as compare to other initiators.

Also, if the founder has previous experience in the industry than it is more favorable that he/she could evaluate the opportunity and exploit it which involves knowledge about demand, technology, organization, customers and suppliers before entry as compared to others who have no experience. More attention should be paid to spinouts and portfolio entrepreneurship as they possess pre-entry capabilities and entrepreneurial human capital as they incorporate an organizational heritage from the parent company they left as well as have more network connections and knowledge of potential customers and a greater ability to overcome financial constraints. Hence, it can be said that entrepreneurs who possess such experience and capabilities are more likely to grow the business of their firms (Baptista, Karaoz, and Mendonca, 2014).

According to Barringer, Jones, and Neubaum (2005), the founders who have prior industry experience have critical knowledge, wide network connections which help in overcoming the liability of newness and develop high-growth businesses. Also, the importance of college education is highlighted because it provides the entrepreneur with the essential skills needed to start a business in the area of interest. Moreover, it helps the founder to build a social network as well which in the future helps in establishing a business.

Entrepreneurs who have growth orientation are confident in their product and service quality and promote open door policy and strive for variation and constant development as well as try to improve their product orientation to offer the customer (Mazzarol, Reboud, and Soutar, 2009).

The factors which are important for the success of the high-growth firm is entrepreneurial and management experience. They are a source of access to resources and opportunities as they have strong networking in the industry which facilitates success. Also, entrepreneurs have gone through various trajectories so they can tolerate failure and provision innovation. Moreover, Customer orientation, promotion, and product branding are critical but internationalization for example like the power of the internet can open new markets for such firms (Dwyer and Kotey, 2016).

According to Demir, Wennberg, and Mckelvie (2016), two patterns are identified in the studies of education among entrepreneurs and employees for high growth. Firstly,

education plays a different role between entrepreneurs and employees of High-growth firms. Secondly, the Education of the entrepreneur is an important driver for the growth of the firm even if it is measured in diverse ways. Moreover, the authors argue that high-growth firms have CEOs who possess related managerial experience as a founder and formerly encountered similar trials.

Entrepreneurs of high-growth firms have different characteristics as compare to the low-growth firm. High growth-oriented entrepreneurs make strategic decisions that concentrate on market expansion and new technologies. Also, they show a high commitment to business owners and for the success of their businesses are eager to incur greater opportunity cost (Gundry and Welsch,2001). According to Wennberg (2013), managers of high growth firms are highly educated and have previous industry and leadership experience but then again might lack entrepreneurial experience.

2.3.2.4 Human Resource Management Practices

One of the features identified in the literature is human resource management practices of High growth firm. At high-growth firms, human resource management starts with the excellence and educational level of employees. As well-trained employees are wanted by knowledge-intensive industries. Thus, Competent management teams prevail in high -growth firms. Also, top management of high-growth firms have a sound educational background as compare to other general firms and are hired externally. In this way, high-growth firms demonstrate an open attitude. Further, these firms devote enough time and resources to train the entire workforce whether it's a CEO or an ordinary worker (2002).

Many scholars have emphasized the importance of HRM practice on the growth of the firm. According to Huselid (1995:640), the effective use of human resource management practices has a positive impact on the performance of the firm namely selection, extensive recruitment and training procedures, formal information sharing, job design, attitude assessment, labor management participation programs and grievance procedures, performance appraisals, promotions and incentive compensation systems that distinguish and reward employee worth are significant. According to Wright and McMahan (1992: 298), there is a bundle of practices in

human resource management organized as a pattern of planned human resource deployment and activities proposed to enable an organization to attain its goals. Human resource considerations should be closely associated with strategic choices if a firm implements a strategic human resource management perspective. Hence human resources are important for the growth of the firm and to gain competitive advantage (Lengnick-Hall and Lengnick-Hall, 1988).

Human resources choices made at the evolution of the firm has a positive effect on the success of the firm through these choices change and advance over time and organizational development. Moreover, researchers and practitioners in the field of human resource and entrepreneurship pay little attention to the downstream impact of these selections (Cardon and Stevens, 2004). According to Barrett and Mayson (2007), formal human resource practices are implemented intensively by the high-growth small firm as compare to low-growth firms. Mostly these practices are written and applied on a daily basis. Also, small high-growth firms should review the HRM practices of the firm and associate them with business plans to confirm that there is a good match. The firm which highly values human resource management and people as a source of competitive advantage was considered to have high-involvement in HRM strategies and as a result, these variables have a positive effect on firm performance (Bae and Lawler, 2000).

A study by Collins and Smith (2006), showed that commitment-based HR practices have a positive relationship with the organizational social climate of trust, shared codes and language, and co-operation. Therefore, these social climate elements are associated with the firm's capability to exchange and combine the knowledge. Hence this relationship foresees firm revenue from new products and services and firm sales growth. Delaney and Huselid (1996), suggested that progressive Human resource practices i.e. training, staffing, and incentive compensation have a positive impact on the performance of the firm.

According to Mehmood, Awais, Afzal, Shahzadi, and Khalid (2017), management can increase the level of commitment in the organization through improving satisfaction with compensation, policies and work conditions. Also, as employees are regarded as an essential source of competitive advantage, so their involvement is crucial for

organizational performance. Moreover, open communication and information sharing can increase job satisfaction and encourage fast decision making. Further, Employees can perform the tasks in a better way if they are well aware of the firm environment, their duties and objectives, and the productivity of the firm will be enhanced as well. Hence, it is evident that when employees are satisfied with their job so eventually it will affect the growth of the firm.

According to Mir Mohammad Nurul Absar et al (2010), a study of manufacturing firms in Bangladesh exhibited a positive impact on human resource management practices on firm performance. Moreover, performance appraisal was found to have an important impact on the firm performance as compared to other HR practices such as recruitment and selection, training and development and compensation.

Attraction and recruitment, training and development, and performance evaluation have a substantial impact on firm performance. The managers of firms who are indulged in the recruitment process play an important role. The accurate and scientific recruitment system should be defined, standardized and validated tests should be used in the process of recruiting and attracting staff. Hence, this kind of hiring process results in a competent and knowledgeable professional with insights, skills, and a good attitude. Further when such professionals are designated on appropriate positions, so it has a positive effect of the performance of the firm. Further their training and development needs are identified by the formal mechanism of performance evaluation (Goodarzi and Bazgir, 2015).

Batt (2002), studied the relationship between human resource practices, employee quit rate, and firm performance. The firms that emphasize high skills, employee participation and human resource incentives like employment security and high relative pay demonstrated lower quit rate and higher sales growth.

All human resource management practices such as training and development, recruitment and selection, compensation and reward, performance appraisal and employee participation are positively associated with the performance of the firm. Training and development specifically are perceived to be an important driver for delivering quality services and higher sales growth. Moreover, recruitment and

selection practices by banks and advertising firms also have a significant impact on firm performance. Hence, different HR practices have different impacts on firm performance for the different firms (Syed, Xiaoyan, Ajmal and Shaukat, 2014). According to Vlachos (2009), compensation policy had a positive impact on firm growth. Moreover, all HR practices have an impact on firm growth except job security. Further, HR practices such as training, selection, and rewarding employees plus empowering them for decision making help crucially in the growth of the firm.

According to Kotey and Sheridan (2004), HRM practices of the firm changes as the size of the firm increases. Also, as the number of employees increases the firm becomes structurally hierarchal and excessive documentation and additional administrative procedures. Hence, the increase is fast at first and then happens at a slower pace subsequently. Some studies argue that if high-growth firms want to achieve growth then they are required to formulate formal managerial structure whereas other researches emphasized on the capacity to adopt an approach as important (Wennberg, 2013).

2.3.2.4.1 Human Capital

One of the important resources for the high-growth firm is human capital and more precisely it is difficult to find the skilled employees and hold them for the long term. Hence, acquiring the right staff which fulfills the firm's need is critical. Every firm has its own way of recruitment. According to the author, there is no universally-accepted staffing channel as some firms prefer recruitment agencies and others rely on self-recruitment namely employee referral programs, print, and online job advertisements. Several firms also have a strong association with local universities and rely on graduate employment schemes as recruiting tools, therefore different high-growth firms use different ways to recruit the desired staff (Poh Yen, 2013).

Moreover, skill-oriented internal training was the utmost usually provided for staff development. The current turnover rate satisfied maximum firms because these firms are high-growing performers so there was a continuous requirement to staff knowledge talent into it. These firms also offer performance-based rewards to retain the best talent because they understand that the cost of hiring a new employee is higher as compared

to retain an existing employee. Though, it could be assumed that if these firms lack human capital then it will hinder business growth. Therefore, in order to sustain growth, the high-growth firms must continuously advance their human resource competencies. Moreover, intellectual assets and creative ideas are the tools on which high-growth firms rest on to differentiate in the competitive market (Poh Yen, 2013).

According to B.R Barringer et al. (2005), Rapid-growth firms indulge in training, employee development, financial incentives, and stock options more intensively as compare to other firms. To achieve a firm objective and preparing the employees for development, training programs are emphasized essential by rapid-growth firms. Also, to maintain growth-oriented strategies, the high-growth firms mostly rely on the abilities and efforts of their employees. Moreover, as part of the compensation packages, these firms provide financial incentives and the stock option to the employees to attain several goals. By providing employees the feeling that they have an ownership interest in the firm, attracting and retaining high-quality employees and shifting a portion of a firm's business risk to the employees is included in the objectives of provoking a high level of performance from them (B.R Barringer et al. ,2005). When founders follow growth-oriented market strategies and establish larger firms with more experienced human capital than fast growth occurs more often (Bruderl and Preisdorfer, 2000). Dwyer and Kotey (2016), argue that entrepreneurs encourage learning by providing management and employee training to enhance the knowledge regarding the pertinent business areas.

Crook et al., (2011), explain that the hiring and development of superior human capital seem important to the firm's capability and success as the global economy becomes progressively knowledge based. Also, Firm management is required to obtain and encourage the best human capital available and retain them in the firm to gain high performance. Hence, human capital is significant for high growth mainly specific human capital is a key determinant of firm success but then all benefits do not go to the entrepreneur and all human capital is not identical. But Coff and Kryscynski (2011), argues that hiring superior human capital is not sufficient as there should be strategies to attract, motivate and retain human capital as well. Firm-specific human capital is considered to be a cause of sustained competitive advantage but still,

employees are unwilling to invest in such skills because they think that it will reduce their attractiveness in the labor market (Coff and Raffie 2015).

2.3.2.5 Innovation and R&D

According to Poh Yen (2013), Innovation is one of the important approaches which high-growth technology-based firms utilize to maintain growth. The most critical generator of innovation for high-growth firms is a unique idea and a creative rationale. In a study of 11 firms, showed that the employees are valued for their ideas. Also, these firms boost idea-sharing anytime and with anyone by promoting open, comfortable and unstructured atmosphere (Poh Yen, 2013).

According to Coad and Rao (2007), innovation is an important factor for high-growth firms. The outcomes of innovation are highly associated with the growth of the firm. Also, it plays an important role in the development of industries. Moreover, by being more innovative, firms can increase their chances of success as compared to the competitors in a turbulent environment characterized by powerful forces of creative destruction. But it requires risk-taking in order to get the results out of successful innovation and the superstar growth performance.

Segarra and Teruel (2014), found out that in the prospect of becoming a high growth firm, R&D plays an important role. Also, there has been a positive impact on the growth of the firm by investing in internal and external R&D per employee. Blasco, Teruel, and Jove (2016), studied the effect of innovation on the high-growth firms in European countries and found out that firms in leader countries are more inclined to invest in R&D. Moreover, the motives to innovate and become a high-growth firm varied across European countries. R&D investments and innovation are the causes of the presence of High-growth firms in leader countries. Whereas, laggard countries rest on the opportunities and size of the firm and fluctuation rate in the economy. Hence, high-growth firms are more innovative, do more investments in R&D and cooperate with R&D projects, use different sources of information on a daily basis and attract more public funding.

Czarnitzki and Delanote (2013), examined that young innovative companies are intensively involved in innovation activities and are small and young as well. Moreover, they found out that these firms grow significantly more as compared to other firms due to their intense involvement in R&D and innovation. Hence it is easier to differentiate these firms from new technology-based firms and small firms. Heimonen (2013), found out that innovation and growth are positively associated. But Heimonen (2012), also argue that Finnish high-growth SMEs are not intensively involved in innovative activities either in urban or rural areas. Moreover, the association between innovation and success is complex. Moreover, the findings suggested that firms that are successful do not exploit new and radically innovative concepts. On the other hand, such firms adopt imitation or modification of existing products or services and sometimes obtaining outside innovations. Grijalva, Ayala, Ponce, and Ponton (2017), argue that to attain continuous growth and title of the high-growth firm, innovation plays a critical role in the firm's employment growth. According to Bruderl and Preisendorfer, (2000), Innovative products lead new firms to grow faster even if the market is concentrated or have high competition.

According to Demirel and Mazzucato (2012), the impact of innovation on firm growth is complex. For large firms to grow through their R&D activities patenting is the key component. But for small firms, it is harder to attain growth through R&D activities as patenting does not guarantee high growth. But in order to grow the small firms should consistently patent for almost 5 years continuously to get R&D efforts to result in a firm's high growth.

According to Stam and Wennberg (2009), Innovative firms promote economic growth. During the early life of high-growth firms, R&D plays several roles. In the first post-entry years through increasing levels of interfirm associations the early R&D effects firm growth. Also, the exploitation of external knowledge is possible through R&D. But when a product is stimulated through initial R&D than it does not affect firm growth. Hence, R&D plays an important role in high growth firms focusing on innovation and entrepreneurship strategies.

Koellinger (2008), states that the importance of innovation cannot be denied as innovative firms grow significantly more as compare to non-Innovative firms. But it

is very important that the more profits the firm gets from the innovation the more need for limiting the imitation of the innovation from the competitor are required. It is evident that firms that innovate are expected to grow but the profitability of the firm is not necessarily expected to occur. Moreover, firms that depend on internet-enabled innovation and on non-internet-related innovation are both expected to grow equally. Hence, it is not important that how a firm innovates nevertheless what it innovates is essential, but it innovates at all is most vital (Koellinger, 2008).

Researches on the connection of innovation and growth proposed that various forms of innovations could be inversely correlated to rapid growth. Whereas other investigations discovered that R&D and product innovation are positively associated with firm growth but then in some researches, they are not associated with firm growth (Wennberg, 2013).

Product innovation has a positive impact on the high growth of the firm. As innovation results in a new product so it is a driving force in high growth firms. Also, new products in the market are introduced more by high-growth firms as compared to other firms. Customer needs are catered in a unique way by HGFs. Moreover, product innovation relates to processing innovation in these firms which goes parallel with organizational change and innovative marketing methods. Hence, innovation is strongly associated growth of the firm. Further, HGFs are intensively involved in R&D while their forms may differ (OECD,2002).

2.3.2.6 Capabilities

Many scholars have emphasized the importance of dynamic capabilities which is based on internal resources and capabilities and is important for firm survival. To establish these resources and capabilities, are significant in order to face a turbulent environment and gain a competitive advantage. The foundation of firm performance is created by firms itself through competitive advantage (Banerjee, Farooq, and Upadhyaya, 2018).

Heterogeneous managerial decisions have an impact on the change of firm performance. The author suggested that the notion of dynamic managerial capabilities could assist to explain transformations in managerial decisions. Where dynamic

capabilities are defined as the capabilities with which managers build, integrate and reconfigure organizational resources and competencies and demand the managers to make high-level decisions. Hence, managers have dissimilar dynamic capabilities and thus might make diverse decisions. Moreover, variances between firms in their resources and capabilities may lead to variance in the managerial decision because managers make decisions constructed on the resource and capability base of the firm. Further, three factors reflect managerial capabilities i.e. managerial human capital, managerial social capital, and managerial cognition. All these attributes influence strategic changes (Adner and Helfat, 2003).

Barbero et al. (2011), argue that managerial capabilities have an impact on the success of growth strategies and there are different ways to attain high growth. The firm must have high capabilities in the various functional areas to grow fast. But the capabilities of management do not hold equal importance when picking a strategy to achieve high growth. Hence, two ingredients to attain high growth are the financial capabilities and marketing capabilities of the firm through innovation and market expansion.

In a study by Poh Yen (2013), sustained competitive advantage is attained by the High-growth technology-based firms which as a result allows these firms to grow more proficiently as compare to other firms with less resource dynamism over time, therefore high-growth firms can seize higher market share and more profit. Hence, these firms have the notion to integrate, build and reconcile internal and external resources to benefit (Poh Yen, 2013).

According to Barney (1991), if an organization wants to be a source of competitive advantage then its resources should be valuable, rare, imperfectly imitable and substitutable. All the firms have equal exposure to exploit the resources, but few stand out by capturing them firstly. Hence, it goes the same for the high-growth firms that their resources must be significant for growth. Collis (1994), argues that it is certain that organizational capabilities meet the requirement for the presence of sustained competitive advantage, but it is not the only source for it. Alike tangible resources and reputation, the sustainable competitive advantage also carries the same level of value. Nevertheless because of the infinite regress problem following the reason of capabilities will never classify the definitive source of sustainable competitive

advantage. It is likely that the cause of sustainable competitive advantage could be found in different places at different points of time in different industries. Hence organizational capabilities have a different value for the different firms at different periods of time and advising a firm to invest in a certain capability is not essentially recognized.

Many researchers have defined dynamic capabilities as tautological, vague and endless recursive. But Eisenhardt and Martin (2000), proposed to reframe it and explained that capabilities consist of many recognized procedures like alliancing, product development and strategic decision making. Competitive advantage value lies in the capabilities to change the resource base i.e. create, assimilate, recombine and release resources. Moreover, in their emergence dynamic capabilities are firm-specific and path dependent but have substantial commonalities across firms. Hence, they are more similar, fungible, equifinal and substitutable than is typically expected. Therefore, dynamic capabilities have different outcomes for different types of markets.

Capabilities are distributed and continuously improved from various sources because they are a collection of knowledge sets. These capabilities are a source of innovation and hindrance as well. So, it is not possible to manage them as a single good or bad unit in their interaction with the development process. Hence it is not easy to change them as they embrace a universal dimension of values. Therefore, innovative firms must challenge their existing standards because they are out of choice (Barton, 1992).

3. RESEARCH METHODOLOGY

In this section, the methodology of this study is discussed and justified. Mainly, who were the respondent, profile of the Firms, the research approach of this study, methods, and the process of data collection and how the data was analyzed.

3.1. Research Method

3.1.1 Qualitative research

In this study, the approach to the research is qualitative because it is the most appropriate one as I aim to gain an in-depth understanding of the internal features of high-growth firms. Qualitative research methods are appropriate for exploring new topics, supporting theory building and providing a framework for quantitative data through interviews, participant observations, open-ended surveys questionnaires and focus groups (Jackson and Trochim, 2002). Also, Qualitative research has a vast history in sociology, and it had attracted the social science advocates because it lets the research to explore the denotations that individuals attribute to their behaviors, actions, and interactions with others (Crossman, 2018). Moreover, a qualitative approach to research is used to answers questions about perspective, meaning, and experience from the view of the subjects (Hammarberg et al. 2016).

Since in this study I aim to explore various internal features of high-growth firms, so qualitative research method is appropriate because through this I will be able to analyze what characteristics do such firms possess. With the help of extant literature, various characteristics of fast-growing firms are highlighted, and questions are constructed on the bases of those highlighted features. My approach to this study is abductive because I started by exploring the theory from which I move on into data. Using the pre-understanding formed based on the theory I then focused on data collection. Then, I aim to draw conclusions from the collected empirical interview data based on the theory. However, the results cannot be generalized into wider population because such firm is present in a different industry, have different size and age, and are present in different geographical locations and I aim to understand the internal

characteristics of a high-growth firm in the Finnish market and specifically in the metropolitan area only

3.2. Data Collection

In this study, I used a semi-structured interview method for primary data collection which includes open-ended questions derived from extant theory available on the topic. According to Singer and Couper (2017), it is more efficient to give respondents an opportunity to tell us about their opinions on the topic whether by asking a clear open-ended question or by recording all they say throughout the interview. Moreover, Open-ended questions are an important tool that provides the interviewee a chance to give broader answers (Hyman and Sierra, 2016). Also, there are two primary reasons to choose the semi-structured interview method. Firstly, it is appropriate for the investigation of insights and thoughts of the respondents concerning multifaceted and at times sensitive issues, plus it enables probing for additional information and clarification of responses. Secondly, different professional, educational and personal histories of the sample group prohibited the practice of a consistent interview schedule (Barriball and Alison, 1994). Further, semi-structured interviews are conducted to seek views on a focused topic with main respondents for contextual information or an institutional viewpoint (Hammarberg et al. 2016). As I specifically focus on various features that high-growth firms might possess based on the theory I asked the manager to tell me about various characteristics of the firm by asking certain questions to support the theory. I also asked the managers about the correlated features as well that how they are interlinked in order to create a relationship between them. So in this research semi-structures, interview data collection is a natural choice and appropriate as well.

The selection of interviewees started after the completion of the theoretical background. First of all, I searched for various companies that fall in the category of high-growth firms keeping in mind the OECD definition of high-growth firms. Then after filtering the appropriate organizations, I selected personnel from each selected firm and what type of job they are performing. Also, I kept in mind the alternatives if the selected interviewee will not be available for the interview. The data was collected in the month of March and April 2019. All the personnel for the interview was

contacted through email and the interviews were held at office premises. I personally visited the offices at the appointed time so that it is convenient for the interviewees to share the experiences and thoughts.

The mode of all the interviews was face-to-face and the language of the interview was English. Each of the interviewees was able to communicate fluently in English even though it was not their mother tongue. Each of the interviews was recorded and transcribed later to make the data saved for further analysis. At the beginning of the interview, each personnel was informed about the way in which the interview will be conducted that it will be recorded and transcribed for data analysis purposes and will be completely anonymous.

The interviews were started by asking the person to introduce themselves by telling them about their education, work experience, and organization. Then there were different questions asked from the respondents concerning each highlighted characteristic i.e. the growth vision, the identified opportunities or needs, partnerships or the inter-organizational relations, strategic management, entrepreneur characteristics, human capital, innovation and R&D, capabilities, entrepreneurial teams, and human resource management practices (see appendix). Also, there were certain questions to find out if any of these features are correlated as well or not (see appendix). At the end of the interview, the respondents were given room to share additional thoughts on the topic so that if something is missed during the interview is retrieved.

In this study total, 3 interviews were conducted from the chosen 3 different high-growth firms in the metropolitan area of Finland. Most of them have more than 10 years of experience in their field of industry, some had previous business ownership as well and are highly educated and competent. The details of the selected firms and interviewed subjects are shown in Table 1. Initially, the plan was to conduct 6 interviews but unfortunately due to unavoidable circumstances and time constraints it was not possible. The total length of the recorded interviews was 2 hours and 30 minutes and the total length of transcribed data was 49 pages. After all the interviews were completed and transcribed the next step was to analyze the data in detail.

Firm	Founded Year	Job Title	No. of Employees (2018)	Turnover in € (2018)
A	2012	CTO	50	3.1 M
B	2011	Client Manager	31	2.4 M
C	2010	CEO	818	192.7 M

Table 1. Firm profile and subjects' titles used in the data collection.

3.3. Data Analysis Procedures

In the qualitative research method the data collected is mostly subjective, contains lengthy details in the form of words and is rich. In this data analysis, the researcher has to read a large amount of written data and find similarities and differences as well, plus simultaneously search for themes and develop the categories. In other words, data analysis can be defined as *"the process of systematically searching and arranging the interview transcripts, observation notes, or other non-textual materials that the researcher accumulates to increase the understanding of the phenomenon"* (Wong, 2008, p.14). In this research, I have used content analysis to analyze the collected data. Content analysis is highly appropriate for investigating complex and sensitive phenomena because through this method large and different amounts of textual data can be handled systematically and evidence can be validated (Elo and Kyngas, 2008). According to Bengtsson (2016), the aim of content analysis is to organize and provoke meanings from the data collected and to draw accurate conclusions out of it. In this study the procedure for qualitative content analysis involved the following steps:

- a) Transcription of the recorded audio and anonymization of the subsequent text. According to Sutton and Austin (2015), transcribing is a demanding process but to facilitate analysis it should be prepared to change the spoken word to the written word. Also, the initial milestone to find meaningful answers to your research question is to gather the data into a practical form. Also, it is best for the researcher to do the transcription himself because it is important for the researcher to get familiar with the entirety of the data and it lets a better

understanding of phrasing the meaning of the terms on whole (Castleberry and Nolen,2018).

- b) Coded the data collected in a systematic way plus it was repeated many times to maintain accuracy. In the qualitative data analysis, the most important step is to code or categorize the data. This step involves finding meanings out of the huge amount of data and dividing them into separate categories or themes (Wong,2008, p.14). According to Sutton and Austin (2015), coding is defined as the recognition of topics, similarities, differences, and issues that are exposed by the respondent's descriptions and understood by the researcher. It also involves a process through which the researcher starts to understand the topic from each respondent's viewpoint. There are two ways to perform coding i.e. 1) Manual by hand on a hard copy of the transcript and 2) through qualitative research software.
- c) Structuring of the coded data into different themes. Thematic analysis is defined as combining the codes from one or more transcripts to present the findings of research in a clear and meaningful way (Sutton and Austin, 2015).
- d) Association and description of themes under relevant features of the firm.
- e) The data was re-examined a couple of times to make sure that it fully describes the category it falls in.

3.4 Evaluation of qualitative study

In qualitative research, one of the challenges faced by the researcher is to evaluate the scientific nature, quality, and trustworthiness of the study. When the study is gone through clear evaluation criteria it increases its transparency and points out the strengths and limitations as well. It is important that the research is evaluated continuously during the whole process of it but not only at the end, as it improves the quality of the study. Also, the evaluation should be done keeping in mind the philosophical and methodological background of the research. In social sciences and business research, the basic evaluation framework of research depends on three

concepts such as reliability, validity, and generalizability (Eriksson & Kovalainen,2008, pp. 290-291).

The commonly used evaluation criteria in research are reliability. It is defined as the extent to which a measure, procedure or instrument provides similar outcomes when performed repeatedly. It is about maintaining the degree of consistency in the research that your study can be replicated by other researchers and that the outcomes are also similar. There is a difference of opinion on the evaluation criteria of reliability and validity with respect to interviews and observations by the qualitative researcher and methodology books (Eriksson & Kovalainen,2008, p.292).

Validity is also a classic evaluation criterion in qualitative research. It is related to the conclusions of the research that how accurately the results are described. If the research conclusions are to be declared valid then it is said that they are true and definite. Hence, true in this sense means that the findings of the study exactly reveal the phenomenon discussed and are provided with evidence (Eriksson & Kovalainen,2008, p.292). Generalizability, on the other hand, refers to illustrative samples in qualitative research. It is the notion that if the outcomes of the study can be extended into a broader context in a way or another (Eriksson & Kovalainen,2008, p.293).

In qualitative research different aspects of social life are studied which are basically prevailing in research questions and methods of studies. But various situations, social actions, processes, and interactions have unique features that bring in the question of how appropriately the research project has completed its tasks and goals. This logical debate have guided some researcher to imply that classical form of evaluation criterion could be neglected. Textual reading of material, the importance of locality, feminist analysis methods and discourse analysis are thought to be premeditated guidelines and resources to support the phenomenon in cultural and poststructural studies. Hence on these basis evaluation criteria are perceived to be ineffective in research. Thus, in the evaluation of the study, the researcher should be optimistic about plurality and indeterminacy. In this sense, it means that instead of preferring any specific research criteria, every research project should be evaluated from its own perspective because the researcher is the sole producer and reproducer of the knowledge. Therefore, no specific evaluation criteria for assessing the quality of the study are effective.

Moreover, if all commonly used research evaluation criteria are neglected then also the researchers can assess the study from different notions that are context specific (Eriksson & Kovalainen,2008, p.295).

In each study, the researchers prefer different strategies to study the same phenomenon and the outcomes of the research are also consequently different because there is no similarity required in the research design with respect to methods. Hence, the research question and the settings of the study well-established in research design are essential for the design of the whole study and its results (Eriksson & Kovalainen,2008, p.299). In the previous section, the data collection method is explained in detail and the evaluation of the research is described at the end of the report in the conclusion section.

4 EMPIRICAL ANALYSIS

In this Section, the findings from the interviews conducted are explained. These findings will be analyzed and discussed in relation to the academic literature. Rendering to the research goal the objectives is to find out that what are the internal features of high Growth firm in Finland and are these features related to each other as well. The main findings will aid identify the features of such firms in Finland and sub-section will illustrate the relationship among certain features. Following are the findings of this study;

4.1 Main Findings

There were different questions asked from the respondents regarding the identified features of high-growth firms according to extant theory. Firstly, the respondents were asked about, how many entrepreneurs founded the firm to support the "entrepreneurial teams" feature that are high-growth firms founded by teams or individuals. It was founded out that high-growth firms are founded by more than one entrepreneur. As one of the respondents told that:

"It was three of us who started the company"

Also, when such firms grow large in size than it possesses many entrepreneurs as one responded said that:

"it's difficult to say that how many different people there have been because there has been plenty of different entrepreneurs through this position in which we are today"

But there are exceptions as well as another respondent said that

"it was founded by just one person but now we have more board members"

These findings agree with the extant literature as well. As Wennberg (2013), stated that most high-growth firms are founded and managed by a larger number of team members as compared to general firms. Also, in OECD research (2002), high-growth

firms are established by management teams who are trained in different areas. Hence, growth is attained by high-growth firms through founded teams. Moreover, Hannu and Timo (2003), also argue that in high-growth firms the strategic decisions are made by a group of entrepreneurial teams. Hence, it was empirically evident that high-growth firms have a "entrepreneurial teams" feature in it.

Secondly, the respondents were asked different questions about the characteristics of the entrepreneur(s). It was found out that entrepreneurs of the high-growth firms have previous business ownership. As one of the responded told that:

"So our CEO he was the owner of the previous company where I worked for and he has previous ownership experience also from some other businesses and he's more business-oriented than the two others of us"

This finding supports the academic theory as Brown, Earle, Kim and Lee, 2018; Gundry and Welsch,2001, argue that entrepreneurs who have previous business ownership are positively related with high growth and they show high commitment to business ownership and for the success of their business are eager to incur a greater opportunity cost. But entrepreneurs of high-growth firms have previous industry experienced as well as one of the respondent said:

"I have worked my whole career in the Software industry and actually software service platforms actually two companies".

Another respondent also stated that:

"I have overall more than 10 years of work experience in different companies like in different countries, including the UK, Scotland, England, and now in Finland"

Baptista, Karaoz, and Mendonca, (2014) also agree with this finding and explained that prior experience in entrepreneurial activities plays a critical role in the early survival of the firm. Also, if the founder has previous experience in the industry than it is more favorable that he/she could evaluate the opportunity and exploit it which involves knowledge about demand, technology, organization, customers and suppliers

before entry as compared to others who have no experience. Hence, it can be said that entrepreneurs who possess such experience and capabilities are more likely to grow the business of their firms. Moreover, Barringer, Jones, and Neubaum (2005), also stated the importance of previous industry experience and explained that founders who have prior industry experience have critical knowledge, wide network connections which help in overcoming the liability of newness and develop high-growth business. Further, the entrepreneurs of such firms are highly educated, as all the respondents claim that they hold higher university degrees. One example would be like a responder said:

"I have a Master's Degree in technology and information technology from Lappeenranta university" and another respondent said, *"the CEO has done a master's degree from Aalto University"*.

Barringer et al. (2005), agree with this finding and highlighted the importance of college education because it provides the entrepreneur with the essential skills needed to start a business in the area of interest. Demir, Wennberg, and Mckelvie (2016), also agree that education of the entrepreneur is an important driver for the growth of the firm even if it is measured in diverse ways. It was also found out that entrepreneurs are growth-oriented as well as one respondent told that:

"yes we are very much growth-oriented and building growth is one of the key elements for us and under strategic priorities. So, in that case, we are actively seeking for growth options both organically and visit across as well" and another responded that *"So our CEO is always giving an opportunity to every single employee, whatever idea you want to implement just do it. And then whatever is basically what exactly he is looking for the results and he's very positive about open ideas new Innovations"*.

Mazzarol, Reboud, and Soutar (2009), agree on this finding and stated that Entrepreneurs who have growth orientation are confident in their product and service quality and promote open door policy and strive for variation and constant development as well as try to improve their product orientation to offer the customer. Also, strong networking in the industry is also one of the key features of entrepreneurs, for example, one respondent told that:

"somewhat, Yes. I'm not like super connected in that sense like some like our CEO, for example, is but especially on the technology side, which is my responsibility then I do"

This finding is supported by Dwyer and Kotey (2016), that entrepreneurs are the source of access to resources and opportunities as they have strong networking in the industry which facilitates success. Also, entrepreneurs have gone through various trajectories so they can tolerate failure and provision innovation.

Thirdly, the respondents were asked different questions about the growth vision of the firm. It was found that the vision of the firm plays an important role in the development of the firm and specifically a vision which is backed by strategic thinking of the entrepreneur. As one of the responded stated that:

"Yeah, there's a vision of growth. It's kind of like aims and goals but yes, of course, it promotes the growth of the business. You can't just like you need to grow but you also need to like grow the firm in some direction. You have to have the vision to grow up or how do you like motivated to grow if you don't have a vision"

and another responded stated that:

"the vision of the firm has strategic thinking of the entrepreneur as he wanted to innovate and Implement an idea to a different way to help improve customer service or increase sales and he invented it and it did it really"

These findings are similar to the findings of Nicolae A. Bibu et al. (2016), that on the development of the business the vision is an essential element that promotes its high growth. Also, it is particularly powered by the strategic thinking of the leader. The authors also argued that the vision, which is backed by a strong motivation to grow, to develop, to meet the customer cumulative demand competently and from the wish to famous in a certain line of business results in high growth. But on the other hand, it was also founded that sometimes the vision is just on the wall of the firm like a responded said that:

"I have seen too many companies where you have a vision, mission and values stated on the on the Whiteboard. I think it's quite difficult to peel the link from Vision to growth, to be honest. It's more the actions that you do and the culture you have in the company drives it".

Foster and Mesut, (2007), also agree and stated that in some organizations it might grace the wall of the boardroom or is displayed on the company website but if it has no meaning for employees and the organization as a whole, then it is waste of time in producing it. But the findings also revealed that in high-growth firms' vision is not only implemented but also communicated clearly. As one of the respondents said:

"in our spring team week, we were in Poland and the key thing that what we start started the week on Monday was strategy and the vision and then throughout the week we get the tactics that how to do each team's implement that"

Many Authors agree with this finding and specified that a vision and mission statement that are well prepared will outstand one firm from another by showing unique features. If a vision is formulated in the right direction than it would affect the organizational employee in their daily actions and contribute to the accomplishment of organizational goals with the vision as a guiding light. Moreover, in order to place the firm in the right direction, it should implement a meaningful vision. But only incorporating a vision is not enough, the entrepreneurs should also verbally and in written communicate it to the employees to gain high growth because by doing so they would know what needs to be done. Hence, the vision has a significant direct effect on the growth of the firm (Taiwo, Lawal and Agwu, 2016; Baum, Locke and Kirkpatrick, 1998). But with respect to the alteration of vision with the passage of time the findings are in contradiction of the findings of Taiwo, Lawal and Agwu, 2016 that it should be upgraded with the passage of time as one respondent said that:

"the vision, of course, it hasn't changed from six months so much, but the vision is, of course, staying the same at least for us has stayed the same"

But also the findings are similar to that of Taiwo, Lawal and Agwu, 2016 that the vision changes like one of the respondent told that:

“Now we have a new vision for the next year like the road map for the next year that is we're launching a new product and have already communicated with all the employees”.

So, it was evident that high-growth firms have Growth vision, but implementation, communication, and alteration differ.

Fourthly, the respondents were asked different questions regarding the identified opportunity or need feature. It was found that high-growth firms are intensively involved in opportunity identification and sometimes the product with which the company started, is a unique opportunity identified by the entrepreneur. These findings are supported by Baptista, Karaoz, and Mendonca, (2014), that when a new firm is established it comprises opportunity discovery and evaluation, plus the founder's decision that whether an opportunity would result in fruitful business providing satisfactorily profitable to counterbalance the opportunity cost elaborated. It is similar to what the respondent said:

“when we started back in 2011 there was no such concept in Finland. I believe in the first month we started getting the businesses, we sold like 80 licenses. So, it was a unique concept and we started to grow more, and we open the office in Stockholm and London just to explore more opportunities in order to grow”

The findings also revealed that the entrepreneur's knowledge and experience in opportunity identification plays an important role but then in large high-growth firms not only founders experience and knowledge matters but the managers as well. Moreover, it was also revealed that high-growth firms develop the right structure for the identified opportunity and make it functional to gain high growth. Nicolae A. Bibu et al. (2016), agrees with these findings and argued that If the manager of the company possesses good intuition then it allows them to capture further market developments. Also, in order to rapidly utilize the opportunities that are still not recognized or been paid only a little attention, the entrepreneurial intuition and strategic thinking play an essential role. But only identifying the opportunity is not enough as there is a need to develop the right structure and make it functional in order to gain fruitful outcomes out of it. Therefore, management capabilities are essential to the provision for high

growth. Hence, when the opportunities are identified, and the firm gets profits out of it then eventually it will cause high growth. It was also found that when high-growth firms identify opportunity the need of the customer which creates value is also concentrated. Like the respondent replied:

“Our client success team call the customer and ask for the requirement and then we try to customize the product according to their requirements and then we just don't go straight away. We give them a trial in order to test them on a testing page and then get the feedback you can say a survey form to see with that thing then we implemented straight away like after so many tests”

B.R Barringer et al. (2005), agrees with these findings that both customer knowledge and creating unique value are important with regard to the rapid growth as an organization that entitles themselves to develop new standards in their area of interests, the efficiency of their products and internal operations is remarkably increased. Another finding was revealed that high-growth firms are always in search of other market opportunities. This finding is supported by Nicolae A. Bibu et al. (2016), that the firms which make above average sales have an effective business generating system and the entrepreneur know the significance of selling product or service tried on current markets whereas discovering other market opportunities as well. Such entrepreneurs are alert of the vision of their business and in a systematic manner can scan the business environment so that customer needs are evaluated and subsequently satisfied and then develop a market.

Regarding the partnerships and inter-organizational relations feature there were certain questions asked from the respondents. The findings showed that high-growth firms have strong support network partnerships who help the firm to access different resources. As the one respondent said:

"We currently have 25 partners on board and some of them have helped us to access different resources mainly new partners, human capital, etc"

Mazzarol, Reboud, and Soutar (2009), agrees with the findings that it is surprising to find out that entrepreneurs of high growth firms have strong support network

partnerships as they are involved impartially with their bank managers or accountant to provide them access to resources. This type of involvement with such experts guides the entrepreneur to make business plans to lock third-party investment and support the business operations. Hence, by safeguarding access to resources, strategic networking and alliance formation can contribute to the growth progression. Also, firms that are young and small get more benefits from large and innovative strategic alliance partners as compare to old and bigger firms (Stuart,2000). It was also founded that partners of high-growth firms are large and small firms both and have different types of partners. It could be explained well by the response of a founder that:

"Yes, we have both. There are like there different levels. So, we have like big Partners Google, Microsoft and LinkedIn it is of course very high level and Google is a technology partnership. And then there is some kind of a country-based kind of like distribution type partnerships and referral partners"

The finding is similar to extant literature that partnerships are crucial for high-growth firms. These associations are formed with a broader range of actors and are formal or informal. Also, high-growth firms establish a more and different type of alliances than other firms i.e. with customers, corporate group, suppliers, private and public advisors. Hence, in order to succeed these partnerships are crucial for the high growth of the firm (OECD, 2002). Also, many small and new firms lack resources like technologies, experienced professionals, strong reputation, long-lasting customer relations and enough capital which are usually owned by larger firms. So small firms should make efforts to transit from being resource weak to being resource strong in order to grow (Zhao and Aram,1995). Hence, alliances are the source of social status and reputation, as well as one respondent, said:

"We did a partnership with a large company and that group in return gave another two more partners who were looking for the same product. So, it really increases your social status and reputation in the market".

High-growth firms also evaluate the partnerships as found in the empirical data. Zhao and Aram (1995), also agree that the evaluation is required that what resources are

valuable and beneficial to the firm. I would like to make it clearer by the strong statement of the respondent that:

“Well, I think the starting point is that we will not engage in any partnerships without the knowing or believing it that they can add some value for us”.

There were also certain questions asked by the respondents to support the strategic management characteristics of the firms. The finding of the study showed that such firms are all the time involved in the strategic decision-making process. As one of the respondents said:

“I would say so we do have that all the time happening. Our firm is continuously involved in making strategic decisions”

and thus could be more supported as one of the managers said: *“we have strategies for every single department like we have sales, marketing, HR and business development teams”.*

Smallbone, Leigh, and North (1995), agreed with this finding and stated that the features which supported high growth were the commitment of the leader in pursuing growth, active strategies with respect to product and markets, an active market development strategy and internal organizational structure. Moreover, there are various researches on growth strategies utilized by technology-based high-growth firms namely related to product and market, new market expansion, organic structure, deliberate strategy and innovation (Poh Yen, 2013). The findings also demonstrated that high-growth firms have formal strategies but occasionally informal as well. As one of the respondents said:

"the strategies are very much formal as having the size as we have".

Upton, Teal, and Felan (2001), agree with these finding as they found out in their study that majority of these firms formulate written formal plans which are in detail so that actual performance can be attained and provide compensations to the employees consequently. Also, high-growth firms have organized and prescribed methods for

environmental scanning for opportunities and threats, new business expansion and strategic networking. Moreover, features which are related with formal planning are mostly operational like quality assurance, financial control and information systems, key performance measures and the monitoring of important data on business performance (Mazzarol, Reboud, and Soutar, 2009). The findings also show that such firms adopt quality producer strategy instead of time-based and low cost, plus such firms implement both first mover and early follower strategy to introduce a new product in the market. Like one founder said:

“quality is like very high focus for us” and the second respondent said *“we are the first company the largest company in Finland. We have this product and so many other things we recently launched an interactive designer”*. Then the third respondent said, *“we are not the first in the market, but the way that we've done it, we were the first in the market”*.

Upton, Teal, and Felan (2001), agree with this finding that high-growth firms adopt high-quality producer business strategy instead of a time-based strategy or low cost. Additionally, these firms implement a first mover or early follower strategy to introduce new products to markets. It was also highlighted in the analysis that high-growth firms alter their strategies and adopt multiple strategies in a turbulent environment whereas it also depends that certain circumstances push the firm to alter and adopt such strategies if encountered by firms. These findings are similar to that of Dwyer and Kotey, (2016); Bamiatzi and kirchmaier (2016), that in order to change and grow, firms need to maintain, improve and sometimes execute their current strategic systems. Also, Single strategy is thought to be inadequate to survive in the declining market for the long run. Therefore, a mixture of strategies should be adopted by firms in order to gain competitive advantage and growth. As a result, strategic choices made by firms are essential for the growth of the businesses. Business segments are affected by such choices. Hence choosing the right strategy and decide to grow have great importance (Dwyer and Kotey, 2016).

Questions regarding human capital characteristics were also queried from the respondents. The findings show that it is very important for high-growth firms to have superior human capital in order to grow so each high-growth firm respondent said that

they have competent and experienced staff in the firm. Like one of the respondents replied that:

"Yes, obviously, so all the staff we have are all experienced and have at least five years of minimum experience. This is the basic requirement to get in and they know what they're doing" and another respondent also replied that *"they are like the sense of you. So, you absolutely need to have very competent staff to be successful. I would be tempted to say that it's not only for Tech based firms it would be any if you like really want to or should work for high growth"*.

The study agrees with Crook et al. (2011), who explained that the hiring and development of superior human capital seem important to a firm's capability and success as the global economy becomes progressively knowledge based. Also, Firm management is required to obtain and encourage the best human capital available. Hence, human capital is significant for high growth mainly specific human capital is a key determinant of firm success but then all benefits do not go to the entrepreneur and all human capital is not identical. But Coff and Kryscynski (2011), argues that hiring superior human capital is not sufficient as there should be strategies to attract, motivate and retain human capital as well. The analysis also shows that high-growth firms provide external and internal training for staff development. As one of the interviewees responded that:

"our human resource team conducts anonymous surveys and on the bases of those surveys, they design training for each department. Like recently we had team building training" and other respondent replied that *"yes we have both internal and external training to develop our staff"*.

This study agrees with Poh Yen (2013), who found out that skill-oriented internal training was the utmost usually provided for staff development. The current turnover rate satisfied maximum firms because these firms are high-growing performers so there was a continuous requirement to staff knowledge talent into it. These firms also offer performance-based rewards to retain the best talent because they understand that the cost of hiring a new employee is higher as compared to retain an existing employee. Though, it could be assumed that if these firms lack human capital then it will hurdle

business growth. Therefore, in order to sustain growth, the high-growth firms must continuously advance their human resource competencies. This study also found out that such firms have reward systems and compensations which help them to retain staff. As one of the respondents replied that:

"Yeah. we don't want to call it the reward system because it's a part of the compensation. So, it's not like something like okay you accomplish certain things then you get the reward but it's like we want to retain our employees as well as possible. So, we do have stocks stock options program and then, of course, the base salary is competent".

This finding agrees with Poh Yen (2013), that high-growth firms also offer performance-based reward to retain the best talent because they understand that cost of hiring a new employee is higher as compared to retain an existing employee. Though, it could be assumed that if these firms lack human capital then it will hurdle business growth.

The respondents were also asked a question regarding the innovation and R&D practices of the firm. The analysis shows that high-growth firms are involved in innovation and R&D. But some are just involved in either innovation or R&D not both. Moreover, such firms invest more in internal innovation and R&D not externally. As one respondent replied:

"We have research and development department that keeps on researching for better options. But we have never invested externally in R&D but do it internally" and the second interviewee responded that "The R&D expenditure is still very low or zero, but we have our own small Innovation team actually. There's keep an exchange system that we published last year for this kind of tool to cut the side Logistics up to 50% at the construction site. So that's a good example of those Innovation lab products".

This study agrees with many researchers like Coad and Rao (2007) and Segarra and Teruel (2014) that the outcomes of innovation are highly associated with the growth of the firm. Also, it plays an important role in the development of industries. Moreover, by being more innovative, firms can increase their chances of success as compared to

the competitors in a turbulent environment characterized by powerful forces of creative destruction. But it requires risk-taking in order to get the results out of successful innovation and the superstar growth performance. Also, in the prospect of becoming a high growth firm, R&D plays an important role. Also, there has been a positive impact on the growth of the firm by investing in internal and external R&D per employee. Hence innovation and R&D are important factors for the high growth of the firm (Coad and Rao,2007; Heimonen, 2013). The finding also shows that high-growth firms value the employees for their innovative ideas and promote idea sharing through open door policy. Like one of the respondents replied that:

"in team week we have planet day. So, we divide the people into small groups that are across teams out to people from different functions and their task is to bring a new idea like present how we could do it technically, how it would work on the business side, etc. Plus on day to day basis we have a product idea thing as well".

This study agrees with Poh Yen (2013), who found out that the most critical generator of innovation for high-growth firms is a unique idea and creative rationale. In a study of 11 firms, showed that the employees are valued for their ideas. Also, these firms boost idea-sharing anytime and with anyone by promoting open, comfortable and unstructured atmosphere.

There are different kinds of capabilities that high-growth firms hold. So, the respondents were asked questions regarding the capabilities of the firm. The study showed that small high-growth firms have managerial capabilities, organizational capabilities, financial capabilities, technological capabilities, human resource management capabilities but large high-growth firms have all the necessary capabilities due to its size. As one respondent replied:

"of course the capabilities for us as you know, the technology company is to do technology product" and other respondents replied that "We need to have all of those plus many others. Of course. It depends, you know, of course, you need to have a management capability then you need to have the technology on the substance knowledge in the operations, etc."

This study agrees with Banerjee, Farooq, and Upadhyaya (2018), who has emphasized the importance of dynamic capabilities which is based on internal resources and capabilities and are important for the firm survival. To establish these resources and capabilities are significant in order to face a turbulent environment and gain a competitive advantage. The foundation of firm performance is created by firms itself through competitive advantage. The finding also shows that high-growth firms acquire capabilities externally from their partner or outsource it. As one respondent replied:

"some activities have been outsourced and in operation, we use subcontracting as well" and other respondents replied that *"I mean in the past there's been we've used a lot of partners and outside help for some marketing things like contact marketing"*.

This study agrees with Eisenhardt and Martin (2000), who explained that capabilities consist of many recognized procedures like alliancing, product development and strategic decision making. Competitive advantage value lies in the capabilities to change the resource base i.e. create, assimilate, recombine and release resources. Moreover, in their emergence dynamic capabilities are firm-specific and path dependent but have substantial commonalities across firms. Hence, they are more similar, fungible, equifinal and substitutable than is typically expected.

There were also questions asked from the respondents regarding the human resource management characteristics of the high-growth firms. The study shows that high-growth firms either small or larger are continuously involved in human resource management practices. Like one of the respondents replied:

"we are hiring all the time, we use an applicant tracking tool for all the positions, then we have our onboarding practice, performance reviews of people, etc.". and then other respondent replied that *"we have an HR department and we have three employees who are each responsible for Finland and responsible for London and Stockholm and vice versa"*.

This study agrees with many researchers like Huselid (1995, pg.640); Wright and McMahan (1992, pg.298); Lengnick-Hall and Lengnick-Hall (1988), who have emphasized the importance of HRM practices on the growth of the firm. According to

authors the effective use of human resource management practices has a positive impact on the performance of the firm namely selection, extensive recruitment and training procedures, formal information sharing, job design, attitude assessment, labor management participation programs and grievance procedures, performance appraisals, promotions and incentive compensation systems that distinguish and reward employee worth are significant. Also, there is a bundle of practices in human resource management organized as a pattern of planned human resource deployment and activities proposed to enable an organization to attain its goals. Further, human resource considerations should be closely associated with strategic choices if a firm implements a strategic human resource management perspective. Hence human resources are important for the growth of the firm and to gain a competitive advantage. This study also highlights those human resource practices which are more effective for each high growth firm. It was found that all the HRM practices are important for the growth of the firm but for one firm training and development was more effective. Like one respondent replied that:

“while the way we look at it is, in our HR strategy is the whole life cycle of employment from selection to termination of employment” and another replied that *“I would say training and development because the company grows with the people and that's also like interesting for the people that support their stay for the retention that they have chance to learn new things”*

This study agrees with Syed, Xiaoyan, Ajmal, and Shaukat, (2014) who clarified that all human resource management practices such as training and development, recruitment and selection, compensation and reward, performance appraisal and employee participation are positively associated with the performance of the firm. Training and development specifically are perceived to be an important driver for delivering quality services and higher sales growth. Moreover, recruitment and selection practices by banks and advertising firms also have a significant impact on firm performance. Hence, different HR practices have different impacts on firm performance for different firms. This study also shows that high-growth firms have formal human resource practices. Like one of the respondents replied that “We have quite formal HR practices”. This study agrees with Barrett and Mayson (2007), who stated that formal human resource practices are implemented intensively by the high-

growth small firm as compare to low-growth firms. Mostly these practices are written and applied on a daily basis. Also, small high-growth firms should review the human resource management practices of the firm and associate them with business plans to confirm that there is a good match. This study also shows that HGFs also evaluate job satisfaction of their employees through different means such as surveys and feedback meetings. Like one respondent replied that:

"once a year in the Autumn we send out a survey so that we can get the trend"

This study agrees with Mehmood, Awais, Afzal, Shahzadi and Khalid (2017), who noted that management can increase the level of commitment in the organization through improving satisfaction with compensation, policies and work conditions. Also, as employees are regarded as an essential source of competitive advantage, so their involvement is crucial for organizational performance. Moreover, open communication and information sharing can increase job satisfaction and encourage fast decision making. Further, Employees can perform the tasks in a better way if they are well aware of the firm environment, their duties and objectives, and the productivity of the firm will be enhanced as well. Hence, it is evident that when employees are satisfied with their job so eventually it will affect the growth of the firm.

4.2 Findings regarding the correlated internal features

There were some questions asked from the respondents regarding the co-related characteristics identified earlier. It was found that there was a positive relationship between the correlated features (See figure 2). Regarding the relationship between entrepreneurial teams and entrepreneur characteristics, the study shows that there is a positive relationship between them. As one of the respondents replied:

"Yeah of course. So, our CEO was the owner of the previous company where I worked for and he has previous ownership experience also from some other businesses and he's more business-oriented than the two of us, me and my colleague. We are technical people. So, our CEO is also a technical person in that sense that he is an engineer and did master's in engineering but spend more of his career on the business side."

This study agrees with Li and Dutta (2018), who noted that the founding team industry experience and venturing experience in the emerging period of the firm is essential. The founding team should have more members with a higher level of industry experience as there is a positive relationship between founding team industry experience and new venture creation. The experience of the founding team is more important in the High-Tec industry as it has an impact on the process of the firm. Therefore, the high level of previous venturing experience of the founding firm is significant for the success of the new firm.

Regarding the relationship between entrepreneurial teams, human capital, and strategic management the study shows that there is a positive relationship among them. As one of the respondents replied:

"Yes, I believe for all big organizations. It could always come from every single employee and there's a reason we have monthly meetings and weekly meetings just to get the feedback and we work together"

This study agrees with Conney (2009), who noted that in the United States the founding teams stimulated daily decisions to be made by people with the supreme knowledge on that area and strategies from anywhere within the firm were inspired, intensive approach to product and services, and targeted growing market. Also, in high-growth firms' employees are involved and motivated through participation in decision making, internal communication, profit sharing, continuous training, and stock options. Hence, growth is attained by high-growth firms through founded teams (OECD,2002)

Regarding the relationship between human resource management practices and human capital, the study shows that both are positively co-related. As one of the respondents replied:

“It is important because if you have good human resource management practices so eventually you would hire competent staff and retain them”.

This study is similar to that of Goodarzi and Bazgir (2015), who noted that attraction and recruitment, training and development, and performance evaluation have a substantial impact on firm performance. The managers of firms who are indulged in the recruitment process play an important role. The accurate and scientific recruitment system should be defined, standardized and validated tests should be used in the process of recruiting and attracting staff. Hence, this kind of hiring process results in a competent and knowledgeable professional with insights, skills, and a good attitude. Further when such professionals are designated on appropriate positions, so it has a positive effect of the performance of the firm. Further their training and development needs are identified by the formal mechanism of performance evaluation.

Regarding the relationship between partnerships or inter-organizational relations, capabilities and identified opportunities the study shows a positive relationship between partnerships and Identified opportunities. As one respondent said:

"Yes, it really helps. We have a partnership with one company for more than three years now and these firms have helped us to take our product in other Baltic countries"

This study agrees with Zaffane (1995), who has also stated that alliances are effective means to obtain entree to new markets, expertise and be competitive. Moreover, such coalitions are important for innovation as well. Hence, in a hyper-competitive global marketplace forming relationships with external organization are significant to access resources, capital, technology, and skills to sustain industrial competitiveness. Also, according to B.R Barringer et al. (2005), firms involved in inter-organizational relations in order to maximize their resource requirements from their allies. Which in return helps the organizations quickly overcome their growth directions. This study also shows a positive relationship between partnerships and capabilities. As one respondent replied, "Once there was a situation that one partner asked for people to manage the product, so we did not have those people to manage it, so another partner helped in it". This study agrees with Zhao and Aram (1995), who noted that many small and new firms lack resources like technologies, experienced professionals, strong reputation, long-lasting customer relations and enough capital which are usually owned by larger firms. So small firms should make efforts to transit from being resource weak to being resource strong in order to grow.

The finding of the study can be better explained with the help of a model as follows:

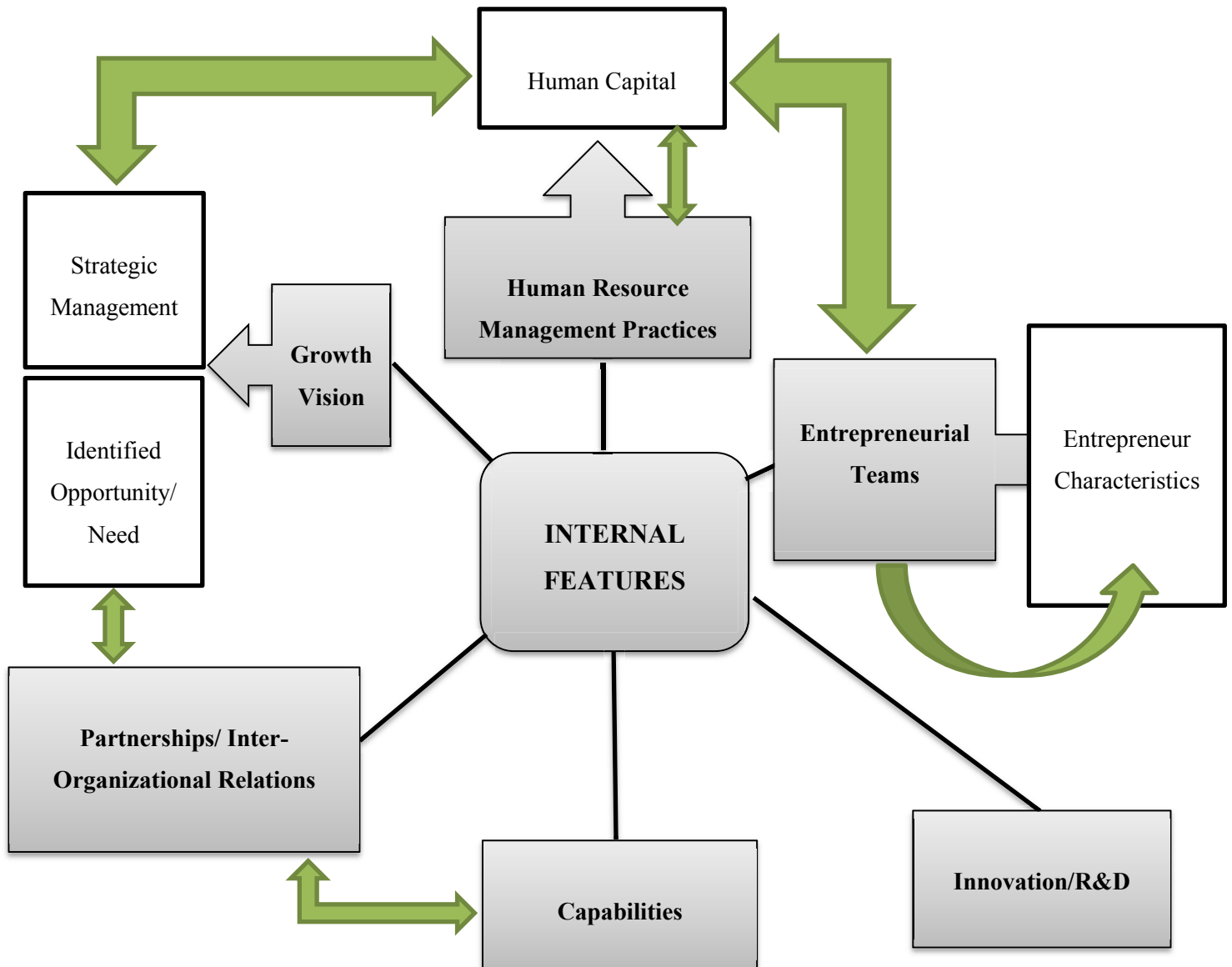


Figure 2: Internal Features of high-growth firms and Related features

5.CONCLUSION

In this section, the key findings of this research are briefly described, and the contribution of the study is also discussed. Also, limitations, evaluation of the study and suggestions for future researches are also provided.

5.1 Key findings

In this research, the internal features of high-growth firms in Finland are studied because it aims to find out features that are still unrevealed with respect to high-growth firms. The purpose of this study is to find out the inner qualities of high growth firms that differentiate them from other firms due to which it is called high-growth firms. The main research question for this study is “what are the internal features of high-growth firms in Finland”.

Previous researches have mainly focused on high-growth firms with respect to job creation only. In a study, Matthias (2008) acknowledged companies, which create the most employment in Finland. The results of the study found out that in 2006 Finland had 750 high-growth firms (conforming to the OECD-definition) and create 65% jobs. Also, researches have emphasized on the external features of high-growth firms like size, age, and industry. According to Audretsch,2012, the present studies which are concerned with firm-specific features with respect to growth have classified three main features namely firm size, firm age and the industry inside which firm functions.

As high growth firms play an important role to support economic growth and raise the employment level in the country so it is very important to further research on it due to which it stands out as compared to other companies in the entrepreneurial ecosystem. There is not much research done on the characteristics, so it was quite interesting to explore this arena of the high-growth firm.

In this study internal characteristics are highlighted based on the contemporary literature such as the growth vision: the identified opportunities or needs, the strategic management, partnerships or the inter-organizational relations, entrepreneurial teams: entrepreneur characteristics, human resource management practices: human capital,

innovation and R&D, capabilities, and. So, the founders, CEOs, and managers of Finnish high-growth firms were asked to give their opinion on each identified characteristic to make sure that high-growth firms possess such internal features.

The findings of the research disclosed that Finnish high-growth firms are founded by more than one entrepreneur. Wennberg (2013), stated that most high-growth firms are founded and managed by a larger number of team members as compared to general firms. It was also shown in the study that entrepreneurs of high-growth firms possess different characteristics such as previous business ownership, previous industry experience, high level of education, growth-oriented and strong networks. Many authors argue that entrepreneurs of the high-growth firm have different characteristics that help the firm to grow (Brown, Earle, Kim and Lee, 2018; Barringer, Jones and Neubaum, 2005; Mazzarol, Reboud, and Soutar, 2009). Also, it was evident that the growth vision of the firm plays an important role in the development of the firm, which is backed by strategic thinking of the entrepreneur, implemented, communicated clearly and alters with the passage of time. But for some firms, the vision does not change with time. On the development of the business, the vision is an essential element that promotes its high growth. Also, if it is particularly powered by the strategic thinking of the leader and is well prepared, implemented and communicated then it will outstand one firm from another by showing unique features (Nicolae A. Bibu et al. ,2016; Taiwo, Lawal and Agwu, 2016; Baum, Locke and Kirkpatrick ,1998).

With respect to identified opportunity or need it can be concluded that high-growth firms are intensively involved in opportunity identification and sometimes the product with which the company started, is a unique opportunity, identified by the entrepreneur in which knowledge and experience plays an important role. Moreover, high-growth firms develop the right structure for the identified opportunity and make it functional and keep in mind the need of the customer which creates value. Plus, search for new market opportunities as well. According to Nicolae A. Bibu et al. ,2016; B.R Barringer et al. ,2005; Baptista, Karaoz, and Mendonca, 2014, when a new firm is established it comprises opportunity discovery and evaluation, plus the founder's decision that whether an opportunity would result in fruitful business. Also, in order to rapidly utilize the opportunities that are still not recognized or been paid only a little attention,

the entrepreneurial intuition and strategic thinking play an essential role. But only identifying the opportunity is not enough as there is a need to develop the right structure and make it functional in order to gain fruitful outcomes out of it. Therefore, management capabilities are essential to the provision for high growth. Also, both customer knowledge and creating unique value are important about the rapid growth and in successful firms, the entrepreneur knows the significance of discovering other market opportunities as well.

Partnerships are also proven to be effective in the results. Finnish high-growth firms have different types of strong network partnerships with large and small companies that help the firm to access different resources and are a source of social status. Also, these partnerships are evaluated as well. According to Mazzarol, Reboud and Soutar, (2009); Stuart, (2000); Zhao and Aram (1995), entrepreneurs of high growth firms have strong support network partnerships as they are involved impartially with their bank managers or accountant to provide them access to resources. Hence, by safeguarding access to resources, strategic networking and alliance formation can contribute to the growth progression. Also, firms that are young and small get more benefits from large and innovative strategic alliance partners as compare to old and bigger firms. Also, the evaluation is required that what resources are valuable and beneficial to the firm.

Finnish high-growth firms are continuously involved in strategic decision making. Generally, the strategies are formal but occasionally informal as well. firms adopt quality producer strategy instead of time-based and low cost, plus such firms implement both first mover and early follower strategy to introduce a new product in the market. Some times firms alter their strategies and adopt multiple strategies in a turbulent environment whereas it also depends that certain circumstances push the firm to alter and adopt such strategies if encountered by firms. Smallbone, Leigh, and North (1995), stated that the features which supported high growth were a commitment of the leader in pursuing growth, active strategies with respect to product and markets, an active market development strategy and internal organizational structure.

Also, finnish high-growth firms have competent and experienced human capital in the firm who are provided internal and external training and are rewarded and

compensated as well. According to Poh Yen (2013); Crook et al. (2011), the hiring and development of superior human capital seems important to a firm's capability and success as the global economy becomes progressively knowledge based. Also, high-growth firms provide skill-oriented internal training and offer performance-based rewards to retain the best talent because they understand that the cost of hiring a new employee is higher as compared to retain an existing employee.

Finnish high-growth firm is also involved in innovation and R&D but some are involved in internal innovation and some in R&D. Plus innovative ideas from employees are highly valued. Coad and Rao (2007); Segarra and Teruel (2014); argue that the outcomes of innovation and R&D are highly associated with the growth of the firm and plays an important role in the development of industries. Moreover, the most critical generator of innovation for high-growth firms is a unique idea and creative rational (Poh Yen, 2013). Also, high-growth firms in Finland have different capabilities that help them grow but there are certain capabilities lacked by such firms that are acquired externally from their partners. Banerjee, Farooq, and Upadhyaya (2018); Eisenhardt and Martin (2000), emphasized the importance of dynamic capabilities which is based on internal resources and capabilities and is important for the firm survival and consists of many recognized procedures like alliancing, product development and strategic decision making.

Also, Finnish-high growth firms are continuously involved in formal human resource management practices but for some firms training and development was more effective to attain growth. Plus such firms measure job satisfaction as well through surveys and feedback meetings. Huselid (1995, p.640); Wright and McMahan (1992, p.298); Lengnick-Hall and Lengnick-Hall (1988), have emphasized the importance of human resource management practices such as training and development, recruitment and selection, compensation and reward, performance appraisal and employee participation and if used effectively then it has a positive impact on the performance of the firm. Moreover, training and development specifically are perceived to be an important driver for delivering quality services and higher sales growth. Mostly these practices are written and applied on a daily basis (Barrett and Mayson, 2007).

Moreover, there are some features that are also positively correlated such as 1) entrepreneurial teams and entrepreneur characteristics, 2) entrepreneurial teams, human capital, and Strategic management, 3) human resource management practices and human capital, and 4) partnerships or inter-organizational relations, capabilities and identified opportunities. The study shows that mostly high-growth firms are founded by teams and this team of entrepreneurs possess various characteristics such as industry experience, prior business ownership experience, education background which leads the firm to high growth so it can be said that these both characteristics are correlated to each other. Since founded teams possess various attributes so these firms have highly competent human capital and then both participate in the strategic decision making of the firm. This human capital is acquired by the best human resource practices of high-growth firms. Moreover, high-growth firms have various capabilities but sometimes firms lack certain capabilities so these can be acquired with the help of partnerships. Also, Alliances help to identify new market opportunities. Hence, it is empirically proven that all these characteristics are correlated with each other. Further, the findings of the study are similar to the extant literature. From the finding of the research, it can be concluded that Finnish high-growth firms in the metropolitan areas have similar internal features which help the firms to grow.

5.2 Contribution of the study

The goal of this study is to gain an in-depth understanding of the internal features of high-growth firms because through this study the important characteristics are recognized. This research will help new startups and SMEs to maintain those features in themselves and grow continuously. As a firm which are facing issues regarding the growth is always looking for new information which will help them overcome those issues. Also, this research will benefit new and old entrepreneurs, to explore these features and maintain them in their organization to either improve the performance of their organization or start a new company. This research will also benefit business graduates as well because it will enhance their knowledge about high-growth firms and they can use this information to boost their career by utilizing it to enhance the performance of the firm or if they get employed in a high-growth firm. With respect to the scientific contribution, this study will add a new contribution to scientific research because not much is known about the internal characteristics of high-growth

firms. Despite the results being non-generalizable the findings still contribute to existing research by providing support to some earlier findings and in revealing new notions that could be studied further to receive greater understanding of the features of high-growth firms. Also, I hope that this study will further help researchers to explore new aspects and refine the internal features with context to new geographies and types of high-growth firms and at various level of firm growth.

5.3 Evaluation of the research

The validity of this study can be stated as true because the participants and the firms are selected carefully, the question is formed properly and the interviews were conducted as planned. The number of interviews is comparatively less because the number of firms responded to participate in the study were less and somewhat very busy to provide their views regarding the topic at the time of the study. The information provided in the interviews was accurate and valid because all the participants have been there in the firms for a longer period and had previous related experiences as well. But even though the number of interviews was less then also the author was able to collect excessive and detail data because the participant showed their interest in the topic and was experienced in the field. Also, there was room to make the participant understand the questions repeatedly when not understood which made the study valid. Then the question was probed differently when the required answer was not delivered by the participants which make the information more reliable.

Since the purpose of the study was to find out the features of high-growth firms the validity of the study could have suffered by biases in results from the side of the participants. But the author tried to reduce the level of biased by constructing straight forward questions in such a way that there was no room for biased answers. In general, the participants expressed their views based on each identified feature with sincerity because some features which firm lacked or were less likely to have in their organization were properly explained.

Mostly in qualitative studies, the author is involved in the data gathering process which brings in the question of the objectivity of the author in the evaluation of the study. In this study the author does not have any prior experience working in such firms which

are studies in the topic nor the author is associated with any of the interviewees personally or professionally, which could have an impact on the outcomes and validity of the study. Since the author is a foreigner who is entirely external to the participants interviewed which increases the validity of this research.

It was quite challenging to build the literature review on the topic because there is a huge amount of data available on each identified feature which is also fragmented. So it was not an easy job to gather all the information on the topic. The author had to carefully read scientific journals and dig out the appropriate information. Moreover, as the topic of interest is entirely new so there was a need to search extensive information which is reliable and of high-quality. In this research, the overall data gathering, approach to research and analysis of the data are described in detail and are transparent which makes it reliable.

5.4 Limitations of the study

There are also a few limitations to this research. Firstly, there were only three interviews conducted for the purpose of this research, therefore, the results cannot be generalized into a wider context, but the findings of this study can provide an outline to conduct similar studies elsewhere. Despite the results being non-generalizable the findings still contribute to existing research by providing support to some earlier findings and in revealing new notions that could be studied further to receive a greater understanding of the features of high-growth firms. Secondly, the research is conducted in the metropolitan areas of Finland so the results cannot be generalized into the wider population. Thirdly since high-growth firms are present in different industries and have different age and size and are also located in various geographies which are not considered in this study because the firms were chosen randomly irrespective of its firm-specific features. Lastly, there is no specific theory or model available on the topic since it is new, so I relied on the extant literature to build the theory. Moreover, there were some time restrictions as well because the author had to meet the deadlines as well.

5.5 Suggestions for future studies

There are some suggestions for future studies as well. Firstly, there is a great need to build a theory on the topic of features of the high-growth firms since extant literature is so fragmented. Secondly, there is a need to do further studies on the topic with respect to the age, size, industry and in different geographical locations of the high-growth firms. Thirdly, there is a possibility to study these features with the growth levels of the firm as well. Lastly, In future studies, the features can also be differentiated on the basis of the type of firm, size, industry, and geography.

REFERENCES

- Audretsch, D. B. (2012). Determinants of high-growth entrepreneurship. Report Prepared for the OECD/DBA International Workshop on High-Growth Firms: Local Policies and Local Determinants. Available at https://www.oecd.org/cfe/leed/Audretsch_Determinants%20of%20high-growth%20firms.pdf
- Ardichville, A., Cardozo, R. & Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. *Journal of Business Venturing*, 18,105-123.
- Amit, R., Schoemaker, P. (2016). Firm resources. *The Palgrave Encyclopedia of Strategic Management*. DOI: 10.1057/978-1-349-94848-2_481-1
- Adner R, Helfat, C.E. (2003). Corporate effects and dynamic managerial capabilities. *Strategic Management Journal*, 24, 1011-1025. doi: 10.1002/Smj.331
- Absar, M.M.N., Nimalathasan, B. & Jilani, M.M.A.K. (2010). Impact of hr practices on organizational performance in bangladesh. *International Journal Of Business Information Technology*, 3(2), 15-19.
- Acs, Z., Parsons, W. & Tracy, S. (2008). High-impact firms: gazelles revisited. *Office of advocacy*, 328,1-87.
- Brown, J. D., Earle, J. S., Mee, J.K. & Lee, K.M. (2018). High-growth entrepreneurship. IZA Discussion Papers 11662, Institute for the Study of Labor (IZA). Available at <https://search.proquest.com/docview/2072928806?accountid=13031>
- Baptista, R, Murat, K., & Mendonca. (2014). The impact of human capital on early success of necessity vs. opportunity-based entrepreneurs. *Small Business Economics*, 42(4), 831-847.
- Brown, J. David, John S. Earle. & Dana Lup (2005). What makes small firms grow? finance, human capital, technical assistance, and the business environment in romania. *Economic Development and Cultural Change*, 54(1), 33-70.
- Barringer, B. R., Jones, F. F. & Neubaum, D. O. (2005). A quantitative content analysis of the characteristics of rapid-growth firms and their founders. *Journal of Business Venturing*, 20, 663–687.
- Bruderl, J. & Preisendorfer, P. (2000). Fast-growing businesses: empirical evidence from a German study. *International Journal of Sociology* 30(3), 45-70.

Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*. 17, 99-120.

Baum, J. R., Locke, E.A. & Kirkpatrick, S.A. (1998). A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms. *Journal of Applied Psychology*. 83(1), 43-54.

Banerjee, C.S., Farooq, A. & Upadhyaya, S. (2018). The relationship between dynamic capabilities, competitive advantage & organizational performance. *International Journal of Interdisciplinary Research and Innovations*. 6 (3), 603-610.

Bamiatzi, V.C. & Kirchmaier, T. (2012). Strategies for Superior Performance Under Adverse Conditions: A Focus on Small and Medium-Sized High-Growth Firms. *International Small Business Journal*. 0(0) 1-26. doi: 10.1177/0266242612459534

Barrett, R. & Mayson, S. (2007). Human resource management in growing small firms. *Journal of Small Business and Enterprise Development*. 14(2), 307-320. doi:10.1108/14626000710746727

Bae, J. & Lawler, J.J. (2000). Organizational and HRM strategies in Korea: impact on firm performance in an emerging economy. *Academy of Management Journal*. 43(3), 502-517.

Barbero, J.L, Casillas, J.C. & Feldman, H.D. (2011). Managerial capabilities and paths to growth as determinants of high-growth small and medium-sized enterprises. *International Small Business Journal*, 29, 671-694. doi: 10.1177/0266242610378287

Bruton, G.D. & Rubanik, Y. (2002). Resources of the firm, Russian high-technology startups and firm growth. *Journal of Business Venturing*. 17, 553 - 576. Available at [https://doi.org/10.1016/S0883-9026\(01\)00079-9](https://doi.org/10.1016/S0883-9026(01)00079-9)

Batt, R. (2002). Managing customer services: human resource practices, quit rates, and sales growth. *Academy of Management Journal*. 45, (3), 587-597.

Baldwin, J. & Picot, G., (1995), Employment creation by small producers in the Canadian manufacturing sector. *Small Business Economics*. 7, 317-331.

Bengtsson, M. (2016). How to plan and perform a qualitative study using content analysis. *Nursing Plus open*. 2, 8-14. Available at <https://doi.org/10.1016/j.npls.2016.01.001>

Barriball, K, L., Alison While. (1994). Collecting data using semi-structured interview: a discussion paper. *Journal Of Advanced Nursing*. 19, 328-335.

- Coad, A. & Rao, R. (2007). Innovation and firm growth in high-tech sectors: a quantile regression approach, LEM working paper series, no. 2006/18. Scuola Superiore Sant'Anna, Laboratory of Economics and Management (LEM), Pisa.
- Clayton, R. L., Sadeghi, A., Talan, D. M., & Spletzer, J. R. (2013). High-employment growth firms: defining and counting them. *Monthly Labor Review*.
- Crook, T.R., Todd, S. & Combs, J.G. (2011). Does human capital matter? a meta-analysis of the relationship between human capital and firm performance. *Journal of Applied Psychology*. 96(3), 443-56. doi: 10.1037/A0022147
- Coff, R.W. & Kryscynski, D. (2011). Drilling for micro-foundations of human capital based competitive advantages. *Journal of Management*. 37, 1429-1443.
- Charan, R. (1991), "How networks reshape organizations for results. *Harvard Business Review*. 69 (5), 104-15.
- Cardon, M.S. & Stevens, C.E. (2004). Managing human resources in small organizations: what do we know?. *Human Resource Management Review*. 14, 295-323.
- Cough, R.W. & Raffiee, J. (2015). Toward a theory of perceived firm-specific human capital. *Academy of Management Perspectives*. 29, 326-341. [Http://Dx.Doi.Org/10.5465/amp.2014.0112](http://dx.doi.org/10.5465/amp.2014.0112)
- Collis, D.J. (1994). How valuable are organizational capabilities? *Strategic Management Journal*. 15, 143-152.
- Cooney, T. (2009) Entrepreneurial teams: comparing high-growth software firms through structure and strategy. *Management Research News*. 32(6). doi:10.1108/01409170910963000.
- Collins, C.J. & Smith, K.G. (2006). Knowledge exchange and combination: the role of human resource practices in the performance of high-technology firms. *Academy of Management Journal*. 49 (3), 544-560.
- Coad et al. (2014a). High-growth firms: introduction to the special section. *Industrial and Corporate Change*. 23 (1), 91–112. doi:10.1093/icc/dtt052
- Crossman, A. (2018). An overview of qualitative research methods. Available at Thoughtco.Com/Qualitative-Research-Methods-3026555.
- Choi, T., Robertson, J.C. & Rupasingha, A. (2013). High-growth firms in Georgia. Federal Reserve Bank Of Atlanta, Working Paper Series 2013-2020. Available at

<https://www.frbatlanta.org//media/documents/research/publications/wp/2013/wp1320.pdf>

Dirk Czarnitzki & Julie Delanote. (2013). Young innovative companies: the new high-growth firms?. *Industrial and Corporate Change*. 22, (5), 1315–1340. <https://doi.org/10.1093/icc/dts039>

Daunfeldt, S.O., Elert, N., & Johansson, D. (2010). The economic contribution of high-growth firms: do definitions matter? IDEAS Working Paper Series From Repec; St. Louis.

Demirel, P. & Mazzucato, M. (2012). Innovation and Firm Growth: Is R&D Worth It? *Industry and Innovation*. 19(1), 45-62.

Dwyer, B. & Kotey, B. (2016). Identifying High Growth Firms: Where Are We? *Journal of Management and Organization*. 22(4), 457–475.

Durmaz, Y. & Ilhan, A. (2015). Growth strategies in businesses and a theoretical approach. *International Journal of Business and Management*. 10 (4), 210-214. Available At: <http://dx.doi.org/10.5539/ijbm.V10n4p210>

Delaney, J.T. & Huselid, M.A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*. 39(04), 949-969.

D'Acunto, F., Tate, G. & Yang, L. (2018). Entrepreneurial teams: diversity of experience and firm growth. MFA Annual Meeting.

Eisenhardt, K. M. & Schoonhoven, C. B. (1990). Organizational growth: linking founding team, strategy, environment, and growth among u.s. semiconductor ventures, 1978-1988. *Administrative Science Quarterly*. 35 (3), 504-529.

Eurostat-OECD Manual on Business Demography Statistics OECD ISBN 978-92-64-04187-5. (2007). Available at <https://ec.europa.eu/eurostat/ramon/statmanuals/files/ks-ra-07-010-en.pdf>

Eisenhardt, K.M & Martin, J.A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*. 21, 1105-1121.

Eriksson, P., & Kovalainen, A. (2008). *Introducing Qualitative Methods: Qualitative methods in business research*. London, : SAGE Publications Ltd. doi: 10.4135/9780857028044

Foster. R.D & Akdere. M. (2007). Effective organizational vision: implications for human resource development. *Journal of European Industrial Training*. 31 (2), 100-111. Available at <https://doi.org/10.1108/0309059074336>

Florin. J., Lubatkin. M. & Schulze. W. (2003). A social capital model of high-growth ventures. *Academy of Management Journal*. 46, 374-384.

Francis. D.H & Sandberg. W.R. (2000). Friendship within entrepreneurial teams and its association with team and venture performance. *Entrepreneurship Theory and Practice*. 25(2), 5-26. Available at <https://doi.org/10.1177/104225870002500201>

Gundry. L. K. & Welsch. H. P. (2001). The ambitious entrepreneur: high growth strategies of women-owned enterprises. *Journal of Business Venturing*, 16, 453-470. [https://doi.org/10.1016/S0883-9026\(99\)00059-2](https://doi.org/10.1016/S0883-9026(99)00059-2)

Goodarzi. H. T. & Bazgir. R. (2015). The impact of hrm practices on organizational performance. *Indian Journal of Fundamental and Applied Life Sciences*. 5 (2), 2036-2045.

Greening. D.W, Barringer. B.R. & Macy. G. (1996). A qualitative study of managerial challenges facing small business geographic expansion. *Journal of Business Venturing*. 11(4) 233-256. Available at [https://doi.org/10.1016/0883-9026\(95\)00108-5](https://doi.org/10.1016/0883-9026(95)00108-5)

Heimonen, T. (2012). What are the factors that affect innovation in growing SMEs? *European Journal of Innovation Management*. 15(1), 122-144.

Heimonen, T. (2013). Characteristics of innovative, high growth and highly successful SMEs. Aalto University Publication Series Doctoral Dissertations 26/2013. School of Business.

Halvarsson. D. (2013). Identifying High-Growth Firms. The Ration Institute. Ratio Working Paper No. 215.

Haque. M. D, Titiamayah. A. & Liu. L. (2016). The role of vision in organizational readiness for change and growth. *Leadership & Organization Development Journal*. 37 (7), 983-999. <https://doi.org/10.1108/LODJ-01-2015-0003>

Huselid M.A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*, 38, 635-672.

- Henrekson, M. & Johansson, D. (2010). Gazelles as job creators: a survey and interpretation of the evidence. *Small Business Economics*. 35, 227-244.
- Hannu, L. & Timo, T. (2003). The high growth in new metal-based manufacturing and business service firms in Finland. *Small Business Economics*. 21(2), 187-200.
- Hambrick, D.C. & Crozier, L.M. (1985). Stumblers and stars in the management of rapid growth. *Journal Of Business Venturing*. 1(1), 32-45. Available At [https://doi.org/10.1016/0883-9026\(85\)90005-9](https://doi.org/10.1016/0883-9026(85)90005-9)
- Hyman, M.R. & Sierra, J.J. (2016). Open- versus close-ended survey questions. *Business Outlook*. 14(2), 1-5.
- Hammarberg et al. (2016). Qualitative research methods: when to use them and how to judge them. *Human Reproduction*. 31(3), 498–501. doi:10.1093/humrep/dev334
- Jun, Li, Dutta, D.K. (2018). Founding team experience, industry context, and new venture creation. *New England Journal of Entrepreneurship*. 21 (1), 2-21. Available at <https://doi.org/10.1108/NEJE-04-2018-0008>
- Jackson, K. M., & Trochim, W. M. K. (2002). Concept mapping as an alternative approach for the analysis of open-ended survey responses. *Organizational Research Methods*. 5, 307-332.
- Koellinger, P. (2008). The relationship between technology, innovation, and firm performance-empirical evidence from E-Business in Europe. *Research Policy*. 37, 1317-1328. Available at <https://doi.org/10.1016/j.respol.2008.04.024>
- Kotey, B. & Sheridan, A. (2004). Changing HRM practices with firm growth. *Journal Of Small Business And Enterprise Development*. 11 (4), Pp.474-485, Available at <https://doi.org/10.1108/14626000410567125>
- Kazanjian, R.K. (1988). Relation of Dominant Problems to Stages of Growth in Technology Based New Ventures. *Academy of Management Journal*. 32(2), 257-279. doi:10.2307/256548
- Lengnick-Hall, C.A. & Lengnick-Hall, M.L. (1988). Strategic human resources management: a review of the literature and a proposed typology. *Academy of Management Review*. 13(3), 454-470.
- Leonard-Barton, D. (1992). Core capabilities and core rigidities: a paradox in managing new product development. *Strategic Management Journal*. 13, 111-125.

Lee.N. (2014). What holds back high-growth firms? evidence from UK SMEs. *Small Business Economics* .43 (1), 183–195. doi 10.1007/S11187-013-9525-5

Mason, C., & Brown, R. (2010). *High growth firms in Scotland*. Glasgow: Scottish Enterprise. Available at <https://strathprints.strath.ac.uk/28232/>

Mazzarol, T., Reboud, S. & Soutar, N. G. (2009). Strategic planning in growth oriented small firms. *International Journal of Entrepreneurial Behavior & Research*, 15 (4), 320-345.

Mayo. T. (2007). The Importance of Vision. *Harvard Business Review*. Available at <https://hbr.org/2007/10/The-Importance-Of-Vision>

Maurer. I., Bartsch. V. & Ebers. M. (2011). The value of intra-organizational social capital: how it fosters knowledge transfer, innovation performance, and growth. *Organization Studies*. 32(2) 157–185. doi: 10.1177/0170840610394301.

Mehmood. M., Awais. M., Afzal. M.M., Shahzadi. I. & Khalid. U. (2017). The impact of human resource management practices on organizational performance. *International Journal of Engineering and Information Systems*. 1 (9), 165-178.

Nicolae A. Bibu, Diana Claudia Sala & Maria Alb. (2016). Specific and common features in fast-growing companies from the Timiș County (Romania). *Procedia - Social and Behavioral Sciences*. 221,49-56.

Organization for Economic Co-Operation and Development (OECD). (2002). *High-Growth SMEs And Employment*. Available at <https://www.oecd.org/industry/smes/2493092.pdf>

Poh, Y, Ng. (2013). *Characterizing high-growth firms: perspectives from the asia-pacific region* (Ph.D. Dissertation). Available at <https://ir.canterbury.ac.nz/bitstream/handle/10092/7799/Pohyenngid26818869.pdf;Sequence=1>

Queiros, M., Et Al. (2018). Cross-country analysis to high-growth business: unveiling its determinants. *Journal of Innovation & Knowledge*. Available at <https://doi.org/10.1016/j.jik.2018.03.006>

Sipola. S. (2015). *Understanding growth and non-growth in entrepreneurial economies: analysis of startup industries and experimental winner generation in Finland, Israel And Silicon Valley* (Ph.D. Dissertation). *Acta Univ. Oulu*. G 73.

Smallbone, D., Leig, R. & North, D. (1995). The characteristics and strategies of high growth SMEs. *International Journal of Entrepreneurial Behavior & Research*. 1 (3) Pp.44-62.

Skrt, B. & Antoncic, B., (2004). Strategic planning and small firm growth: an empirical examination. *Managing Global Transitions*. 2 (2), 107- 122.

Stuart, T. E. (2000). Interorganizational alliances and the performance of firms: a study of growth and innovation rates in a high technology industry. *Strategic Management Journal*. 21, 791–811.

Segarra, A. & Teruel, M. (2014). High-growth firms and innovation: an empirical analysis. *Small Business Economics* 43(4). doi: 10.1007/S11187-014-9563-7.

Segarra, A., Blasco, A.S., Carrizosa, M. T., Llopis, J.E. (2016). High-growth firms and innovation in European countries. *Ekonomiaz*. 90, (2).

Shepherd, D.A., McMullen, J.S. & Ocasio, W. (2016). Is that an opportunity? an attention model of top managers' opportunity beliefs for strategic action. *Strategic Management Journal*. Available at [Http://Dx.Doi.Org/10.1002/Smj.2499](http://dx.doi.org/10.1002/smj.2499).

Stam, E. & Wennberg, K. (2009). The roles of R&D in new firm growth. *Small Business Economics* 33, 77-89.

Stangler, D. (2010). High-growth firms and the future of the American economy. *Kauffman Foundation Research Series: Firm Formation and Economic Growth*. Ewing Marion Kauffman Foundation.

Syed, N., Xiaoyan, L., Ajmal, S. K. & Shaukat, K. M (2014). Relationship between human resource management practices, enterprise strategy and company outcomes: service industry of China. *Information Technology Journal*. 13, 614-623. doi: 10.3923/Itj.2014.614.623

Schreyer, P. (2000). High-growth firms and employment. *OECD Science, Technology and Industry Working Papers*, 2000/03. OECD Publishing, Paris. Available at [Http://Dx.Doi.Org/10.1787/861275538813](http://dx.doi.org/10.1787/861275538813).

Singer, E. & Couper, M.P. (2017). Some methodological uses of responses to open questions and other verbatim comments in quantitative surveys. *Methods, Data, Analyses*. Survey Research Center, University of Michigan. 11(2), 115-134. doi:10.12758/mda.2017.01

Sutton, J. & Austin, Z. (2015). Qualitative research: data collection, analysis, and management. *The Canadian Journal of Hospital Pharmacy*. 63(3), 226-231.

Taiwo, A. A., Lawal, F. A. & Agwu, M. E. (2016). Vision and mission in organization: myth or heuristic device? *The International Journal of Business & Management* (ISSN 2321–8916). 4(3), 127-134.

The economic impact of high-growth startups. (2016). An Educational Policy Brief from The Ewing Marion Kauffman Foundation. *Entrepreneurship Policy Digest*. Available at https://www.kauffman.org/-/Media/Kauffman_Org/Resources/2016/Entrepreneurship-Policy-Digest/Pd_Highgrowth060716.Pdf

Tell, J. (2015). Challenges facing small-firm managers in growing manufacturing firms. *Journal of Innovation and Entrepreneurship*. 4(9), 1-12. <https://doi.org/10.1186/s13731-015-0023-7>

Upton, N., Teal, E. J. & Felan, J. (2001). Strategic and business planning practices of fast growth family firms. *Journal of Small Business Management*. 39 (1), 60-72.

Vlachos, I.P. (2009). The effects of human resource practices on firm growth. *International Journal of Business Science and Applied Management*. 4 (2), 18-34.

Wright P.M, McMahan G.C. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*. 18, 295-320.

Wennberg, K. (2013). Managing high-growth firms: a literature review. OECD: International Workshop On Management and Leadership Skills in High-Growth Firms.

Wong, L.P. (2008). Data analysis in qualitative research: A Brief Guide To Using Nvivo. *Academy Of Family Physicians Of Malaysia*. 3(1), 14-20.

Zhao, L. & Aram, J.D. (1995). Networking and growth of young technology-intensive ventures in China. *Journal Of Business Venturing*. Volume 10 (5), 349-370. Available at [https://doi.org/10.1016/0883-9026\(95\)00039-B](https://doi.org/10.1016/0883-9026(95)00039-B)

Zeffane, R. (1995). The widening scope of inter-organizational networking: economic, sectoral and social dimensions. *Leadership & Organization Development Journal*. 16 (4), 26-33. Available at <https://doi.org/10.1108/01437739510089076>

APPENDICES

Appendix 1. Questionnaire

Entrepreneurial Teams

How many entrepreneurs founded the firm?

Entrepreneur Characteristics

Does the entrepreneur(s) of the firm possess previous business ownership, previous experience of the industry?

Is the founder of the firm a spinout or portfolio entrepreneur?

What is the education level or background of the leader?

Is the entrepreneur growth oriented?

Does the founder have strong networking in the industry?

Do you think that founded team possess different characteristics which help firm grow?

The Growth Vision

What is the role of the firm's vision in the development of the firm? Please explain in detail.

How is vision related to the strategic thinking of the founder?

Do you think that only implementing the vision is enough or it needs to be communicated to the employees and how do you communicate it and make it clear?

Does the vision changes or upgraded with the passage of time?

The Identified Opportunities or Needs

Do you believe that the firm is intensively involved in opportunity identification?

Do you think that exploitation of an opportunity by an entrepreneur is important for the growth of the firm and how?

When you identify an opportunity what role does your knowledge and experience play in it?

Does the firm develop the right structure for the identified opportunity and make it functional in order to gain high-growth?

Is the opportunity identifies backed by deep sense of customer need and creates unique value for the customer?

Is it important for the firm to discover other market opportunities?

Partnerships or The Inter-Organizational Relations

Does your organization have strong support network partnerships and does these helps to access resources like technologies, capital, experienced professionals etc.?

Are the partners of the firm larger in size than your firm?

Does your organization have different type of alliances such as with customers, corporate group, suppliers, private and public advisors?

Does your firm evaluate the partnerships that are they going to be valuable to firm and have unique technological resources?

Do you think such partnerships are source of social status and recognition?

Do alliances help the firm to access new market opportunities?

The Strategic Management

Does your organization have active strategies with respect to product and market, development and internal structure?

What type of strategies the firm has like is it formal or informal?

Hoe does your firm introduce new product or service in the market (as first mover or early follower strategy)?

What is your opinion on the strategy alteration as markets change rapidly?

When the market is falling does your firm adopt multiple strategies or rely on single strategy?

Do the employees and management including founders mutually participate in strategic decision making?

Human Capital

Is the human capital of the firm experienced and competitive?

Does the firm provide internal training for staff development?

Do firm have reward system (financial incentives and stock options to the employees) and does it helps to retain talented staff?

Innovation And R&D

Is your organization intensively involved in innovation and R&D?

Does the firm invest in internal or external R&D?

Do the firm value the employees for their ideas and promote idea sharing through open door policy?

Capabilities

What kind of capabilities does your firm hold? Is its managerial capabilities, organizational capabilities, financial capabilities or marketing capabilities, resource dynamism?

what capabilities does firm lacks and acquired it externally?

Do the partnerships help to acquire the capabilities which your firm lacks?

Human Resource Management Practices

Is your firm involved in HRM practices? For example, selection, extensive recruitment and training procedures, formal information sharing, job design, attitude assessment, labor management participation programs and grievance procedures, performance appraisals, promotions and incentive compensation systems

Which HRM practices is more effective for the firm? Is it training and development, compensation, performance appraisal etc

Does your firm implement formal HR practices?

How do you evaluate job satisfaction of employees?

Is the human resource management practices of the firm important driver for competent human capital?