

Key words: social-ecological transformation processes, role of business, non-growth and post-growth firms, business strategies and scaling practices, SME

Narrative step: visions or strategies for transformation

Thread: building a social and ecological economy

Business, postgrowth – theses and recommendations

Businesses are not only driving contemporary ideas of progressive economic growth. They are also driven by them as they often perceive an economic and societal pressure to permanently grow in size. At the same time, many companies face stagnant or shrinking markets, resource scarcities, crises or far-reaching demographic trends. Companies, therefore, are indeed pursuing diverse growth strategies and even strategies of slow-growth, non-growth, growth-neutrality, or post-growth. Current academic and political debates on limits to growth and post-growth economies leave a blank gap where they ought to provide (and acknowledge) companies with visions and strategies for development paths that do not centre on economic growth. According to our analysis 'non-growth' of companies also seems to be a 'non-issue' in business and management literature—at least with respect to a positive connotation of non-growth. Advantages of a small company size as well as the concept of an optimal firm size—i.e. a company's size beyond which growth can entail significant disadvantages and risks—only appear as side notes in the management literature. In line with this, present and future entrepreneurs rarely learn to timely identify risks of rapid firm growth, to maintain the ability to act when facing stagnation of markets or resource scarcities or to address these challenges proactively (e.g. in terms of setting qualitative development goals). The limited knowledge about how to successfully manage a non-growing company represents a major hurdle for a higher level of acceptance and diffusion of alternative growth and development models. We therefore hold that management approaches which defy one-sided quantitative expectations on growth and success need to be investigated more closely. Moreover, we think it is important to describe such concepts in a way that makes them widely accessible. Our current project therefore pursues two objectives:

First and foremost, we aim at identifying, analysing and categorizing strategies and management approaches that can be applied successfully in business for handling limits to growth and for proactively pursuing growth neutrality. The respective empirical analysis consists of two parts. First, a large-scale online survey among German, Austrian and Swiss small and medium-sized companies (SME) will shed light on the SME's growth expectations and performance indicators in relation to founding motives, firm attributes or competitive positions. The survey should provide answers to the following questions: How strongly do SME actually focus on growth in their corporate strategy and what are their individual motives? Which quantitative and qualitative performance indicators underlie growth expectations? Which performance indicators do actually show positive, negative, or neutral growth rates and which medium-term development goals are set in this regard? Which of the advantages and disadvantages typically associated with company growth do SME experience or prevent? And, finally, how do answers to these questions correlate with industry affiliation, intensity of competition in the market, competition strategies, founding motives, and entrepreneurial self-images? With the help of this survey, we expect to be able to specify to what extent ideas of non-growth, slow-growth, growth-neutrality, or post-growth do or don't find an echo within the mainstream of SME.

Second, we conduct qualitative in-depth case studies on those companies that implement such ideas strategically. According to our previous research, the motives, attributes and development strategies of non-growth firms are by no means homogeneous or clear-cut. Often, a company's motivation for a non-growth strategy appears as a blend of ethical as well as structural-organizational motives. Such companies measure success qualitatively or on normative terms but also by classical economic performance indicators. The noticeable heterogeneity of competitive strategies—such as quality leadership in niche markets, resource protection through hybrid value bundles or transformative social responsibility, firm stabilization and inner growth by linking qualities (of products, work, relations, etc.), or cost reduction through resource efficiency—points to complex and dynamic strategic orientations.

The case studies including personal, guided interviews with company owners and managers will deepen the understanding of the strategies and scaling practices of successful non-growing companies, their motives and fundamental development goals, opportunities, risks and challenges, as well as their potential to contribute to social and environmental transformation processes. Here, we also scrutinise the companies' own transformative claim and the proactive approach taken to answer that claim. To this end, the cases are discussed from the perspective of the so-called 'new paradigm of scaling'. Especially in the social entrepreneurship research and practice this paradigm refers to direct and indirect, collaborative strategies to scale the positive societal impact of innovative products and services independently from any growth at the individual company level. Our earlier studies suggest that successful non-growing companies also strongly draw on collaborative and transformative approaches—an aspect we suggest for further investigation.

The second main objective of our current project is to present and communicate the strategies and management approaches of selected firms as cases of success. This will be accompanied by the derivation and presentation of theses and recommendations regarding the role and options of SME in post-growth economies as well as the respective political, regulatory, and socio-cultural framework conditions. While our short paper presentation at Degrowth 2014 will also highlight the most important findings of our empirical studies, the main goal of the presentation is, however, to present, discuss and refine the theses and recommendations with the session's participants. The thematic focus will be on providing companies with a perspective to successfully deal with limits to growth and to position themselves anew for post-growth economies as well as on generating recommendations for economic policy to support the transition to post-growth economies. A secondary aim is to raise awareness within post-growth debates for business realities, options, and needs.