

Critical Entrepreneurship ABC Primer

The word “Scaling”

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L'abécédaire critique en entrepreneuriat

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Cette rubrique, paraissant à chaque numéro, vise à suggérer une entrée dans les approches critiques en entrepreneuriat, qui évoluent dans la communauté entre méconnaissance et scepticisme, par le biais d'une interrogation ou d'une refondation du vocabulaire. Dans la tradition de l'abécédaire de Gilles Deleuze, il ne s'agit donc pas de proposer à proprement parler un dictionnaire objectivant les termes employés mais bien plus de proposer un regard critique sur le discours entrepreneurial. Les auteurs et autrices seraient aussi en mesure de développer une perspective originale et subjective des entrées traitées. Ainsi trois types d'entrées seraient proposées dans cet abécédaire en tentant de trouver un équilibre entre les types :

- Perspective critique du vocabulaire traditionnel ;
- Développement d'un vocabulaire critique en entrepreneuriat ;
- Pratique entrepreneuriale et critique : des mots ordinaires reflétant une autre pratique entrepreneuriale à l'œuvre.

Critical Entrepreneurship ABC Primer

Co-editors: Olivier GERMAIN and Amélie JACQUEMIN

This section, present in every volume, aims to suggest an entry into critical approaches to entrepreneurship, which evolve within the community between ignorance and skepticism, through questioning or refounding vocabulary. It is inspired by Gilles Deleuze's ABC Primer. It is therefore not a question of proposing, strictly speaking, a dictionary objectifying the terms used, but rather of proposing a critical look at entrepreneurial discourse. Guest authors are thus invited to write 2 pages on a word which resonates with his-her subjective and critical perspective on entrepreneurship. One may choose:

- A traditional concept of entrepreneurship to be redefined with a critical lens;
- A critical concept in the field of entrepreneurship and its dictionary;
- An ordinary word from the everydayness of entrepreneurs.

The word “Scaling”

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Why is it that we are always told to climb mountains and to aim for summits? For entrepreneurs, this ascent often takes the form of the continuous growth of their ventures. Accordingly, the word “scaling”—referring to the way in which new ventures can rapidly grow their internal operations—has achieved some momentum in practitioners’ jargon. Scaling, from the Latin *scala* (staircase, ladder) and its equivalent in old French *escaler* (*l’escalier*), is all about climbing, moving higher up. By climbing the ladder, entrepreneurs are able to spread excellence within their organization (Shepherd and Patzelt, 2020). Because the average cost per unit of output is thought to decrease with an increase in scale or magnitude of the output produced by a firm (Khemani, 1993), growth is presumed to bring efficiency and profit maximization through economies of scale.

However, the word scaling has only recently been introduced in mainstream entrepreneurship research. Previously, (high) growth was key. Researchers focused on the question of “how much” before addressing the “how”—that is, the scaling process (Shepherd and Patzelt, 2020). Nevertheless, questions about the objectives and the object of scaling—the “why” and “what”—remained unanswered.

We suggest that these questions might have implicit answers linked to the predominant construction of contemporary capitalist society, whereby enterprises are understood as the main path toward economic development and welfare (Da Costa and Silva Saraiva, 2012). From that point of view, entrepreneurship is seen as an economic activity that is unquestionably desirable (Verduyn *et al.*, 2017), making business creation and growth the main goal for individuals—and, more globally, for society. The first presupposition at play in understanding scaling is thus the desirability of growth as the path toward value creation. The second presupposition is grounded in the liberal grassroots of entrepreneurship, whereby private property rights are seen as a prerequisite for individual freedom. Private possession, even when through a collective, enables a certain independence that is prized and that, paradoxically, might legitimize inequalities (Germain and Jacquemin, 2017). Through this lens, we can see how scaling might have been framed within the entrepreneurship literature: first, as a process of continuous growth for value creation; and second, as attributed to an “object” of growth that is owned by entrepreneurs.

The hybrid nature of social entrepreneurship, which combines economic and social objectives, provides insights into the “why” (Bauwens *et al.*, 2020). Scaling can be extended to “the scaling of social impact—that is, to growing social ventures” (Shepherd and Patzelt, 2020 p. 2). Entrepreneurs apply scaling strategies in order to achieve impact beyond financial value creation (André and Pache, 2016). However, these strategies mainly refer to the scaling of organizational processes themselves; they are naturalized by the two presuppositions of growth and private property. The object of scaling remains that which is owned by the entrepreneurs.

This conceptualization contrasts with that proposed within the social innovation literature. Unbound by the private property presupposition, this literature unveils a diversity of answers to the “what” question. It focuses on the social transformation stemming from entrepreneurial initiatives, rather than their organizational instantiations. For Westley and Antadze (2010) and Moore *et al.* (2015), scaling up no longer means growing the venture by increasing production volume, even for greater impact. Instead, it refers to a change in the scale of the innovation from the niche level to a broader systemic level, notably by impacting institutions in terms of policy, rules, and laws.

Accordingly, exploring the “what” requires the provision of complex and multiple answers that will enrich entrepreneurship research. We suggest that the current focus on venture scaling is due, on the one hand, to the development of entrepreneurial ideas in the specific historical context of contemporary capitalist society, and, on the other hand, to the performative reproduction of these ideas in the social entrepreneurship literature. The venture is still the implicit “what,” efficiency the implicit “why,” and growth the implicit “how.” This phenomenon bears the risk of reinforcing the status quo by supporting temporary solutions rather than reframing the problem at the system level (Cho, 2006), which is striking in a field that focuses on macro-level changes (Mueller *et al.*, 2011).

Interestingly, the multilevel approach advocated in social entrepreneurship helps in reframing scaling as “finding the right scale” rather than as perpetual growth. Indeed, “scaling deep” strategies, applied to the enhancement of extant organizational processes (with regard to social entrepreneurship, see André and Pache, 2016), or to changing the deep beliefs and values of the community (with regard to social innovation, see Moore *et al.*, 2015), acknowledge that the “why” is not always reached by climbing to the next step. Sometimes, it is about nurturing the scale that has already been attained.

Deconstruction of the word “scaling”, and awareness of its presuppositions, can motivate the research community to include the “what” and “why” of scaling in our explorations. Moreover, it could bring nuance to the scaling imperative for new ventures. As suggested by Islam (2021) and Shepherd and Patzelt (2020), it is time to explore other ways to achieve impact or efficiency, such as downsizing.

Although we are always told to climb mountains and to reach summits, climbing in a sport facility with friends, ascending Mount Everest for a scientific expedition, or exploring the dry landscape of Death Valley to push ourselves to the extreme do not require the same techniques and climbing gear. And perhaps, instead of thriving for the summit, we will want to stop in a nearby village and stay to learn about the villagers instead. At the end of our exploration, we are left with one question: Should we keep “scaling”, or should we find new terms that are free from built-in assumptions of what is desirable? Certainly, we argue for the need to untangle the “what” from the “why,” or “impact scaling” from “venture scaling for impact.”

In any case, embracing plurality in terms of scaling objects, organizational missions, and scaling strategies should be the cornerstone of a new understanding of what we call scaling. We wish you an exciting journey, whatever its form!

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