ASSESSING INITIAL PUBLIC OFFERING (IPO) STRATEGIC GROWTH PIVOTS AND HOW THEY DRIVE FIVE-YEAR OUTCOMES

ABSTRACT

The initial public offering (IPO) represents a critical inflection point in a firm's life cycle, yet little is known about how newly public firms navigate post-IPO growth decisions. In this study, we examine what we term *IPO strategic growth pivots* by measuring and modeling how post IPO pivots between two different growth modes affect longer-term IPO performance. Note that although there is an ongoing dialogue about two types of IPO growth modes, specifically organic vs. inorganic, to date, we have not seen work that examines the change in growth modes, and that is the focus of the work done in this research. Drawing on longitudinal data from 831 U.S. IPO firms from 2010 to 2015, we analyze how the number of growth-mode pivots affects 5-year firm survival and post-IPO performance. We find that the number of growth-mode pivots exhibits curvilinear relationships with both five-year survival and long-term IPO financial performance. This pattern demonstrates that the rate of change in growth mode pivots entails meaningful costs, a dynamic that is central to change management theory and that helps explain why performance outcomes depend not only on making changes or pivots but also managing the process by which these pivots are implemented. These findings highlight the complex and outcome-specific consequences of strategic change in the post-IPO context. This study advances research in entrepreneurship and strategic management by elucidating how *strategic growth pivots* entail distinct trade-offs for survival and performance. The results also offer actionable insights for executives, investors, and policymakers seeking to evaluate or guide strategic decision-making in the high-stakes years following an IPO.

Keywords: Initial Public Offering, IPO, firm growth, growth pivots, organic and inorganic growth

ASSESSING INITIAL PUBLIC OFFERING (IPO) STRATEGIC GROWTH PIVOTS AND HOW THEY DRIVE FIVE-YEAR OUTCOMES

INTRODUCTION

Strategic change is central to organizational adaptation, long-term success, and survival. Strategic change, defined as significant and intentional alterations in a firm's priorities, goals, and resource allocation patterns, enables firms to align with shifting environmental conditions (Gioia et al., 1994). While existing research has broadly examined the antecedents and consequences of strategic change, an essential yet underexplored form of change involves transitions between growth modes, specifically between organic growth strategies (internal development) and inorganic growth strategies (mergers, acquisitions, and alliances). Although both growth mode types have been extensively researched, our understanding of the transitions between these modes, termed strategic growth pivots, remains limited (Klarner & Raisch, 2013; Müller & Kunisch, 2018). Instead, they often alternate between organic and inorganic approaches in response to evolving market opportunities, financial constraints, or competitive pressures. For example, a technology firm may initially rely on internal R&D to develop its core product but later pursue acquisitions to accelerate market entry or expand capabilities. This type of pivot signifies a dynamic form of strategic change that impacts firm survival and performance (Klarner & Raisch, 2013; Müller & Kunisch, 2018). Importantly, different change events require unique ways of managing, which may or may not be in the skill set of the firm

Growth mode pivots are essential for post-initial public offering (IPO) companies. The capital raised through the IPO provides resources to scale operations, enter new markets, or pursue acquisitions, all placing firms under heightened pressure to demonstrate rapid and credible growth. Post-IPO firms frequently adjust their growth strategies in response to various

factors (e.g., market conditions) and operate in highly uncertain, resource-constrained environments under significant pressure to demonstrate credible growth. Although extensive research has been conducted on IPOs, the strategic growth paths, and pivots in particular, of new public companies remain poorly understood.

Current research suggests that alternating between organic and inorganic growth is not inherently beneficial or harmful (Capron & Mitchell, 2012; Moatti et al., 2015). While strategic agility may require occasional changes, excessive switching might lead to inefficiencies and suggest inconsistency or a lack of clear direction. For example, HiSoft Technology International Ltd**,** which went public on NASDAQ in 2010, pursued rapid fluctuations between organic expansion and a series of acquisitions within a short post-IPO window. This aggressive switching strained integration efforts and diluted managerial focus, contributing to performance instability and a rapid delisting two years later**,** when HiSoft merged with rival VanceInfo in 2012, a move widely viewed as a reactive consolidation rather than a strategic success (King et al. 2004). On the other hand, infrequent switching may indicate inertia. Therefore, we anticipate a nonlinear relationship between the frequency with which a firm switches between growth modes and its long-term firm-level outcomes (March, 1991; Levinthal & March, 1993; Miller & Chen, 1994; Vermeulen & Barkema, 2001).

Existing research has essentially treated firm survival and performance as separate outcomes, implicitly assuming that strategic switching affects both outcomes similarly (Josefy et al., 2017; Mishina et al., 2010). This assumption is problematic in the post-IPO context, where firms face increased pressure to maintain organizational stability while meeting market expectations for future growth. Therefore, this study distinctively examines how the number of growth-mode switches between organic and inorganic strategies influences both IPO firms' long-

term survival and financial performance. We contend that moderate levels of switching improve survival by balancing adaptability with organizational coherence. In contrast, financial performance outcomes follow a different pattern: while moderate switching can incur transition costs without clear growth benefits, extensive switching may generate growth opportunities that investors positively value (Tong & Reuer, 2007; Graffin et al., 2011). By disentangling these effects, this study offers a deeper understanding of how strategic change influences distinct post-IPO outcomes.

This study seeks to enhance theory and research in four key areas. First, it defines strategic growth pivoting as a dynamic and behavioral approach to strategic change, proposing a curvilinear model to illustrate its consequences for IPO firms. Second, it broadens the IPO literature by shifting the focus from pre-IPO predictors to post-IPO strategic actions that influence firm outcomes. Finally, this study enriches the literature by focusing on strategic growth pivots in the post-IPO period.

THEORY DEVELOPMENT

The Costs and Benefits of Strategic Growth Pivots

Strategic pivot involves reallocating an organization's resources to enhance its competitive position and performance to ensure survival (Finkelstein & Hambrick, 1990; Rajagopalan & Spreitzer, 1997). Strategic pivot refers to intentional modifications in a company's strategic direction, organizational structure, or allocation of resources. One critical aspect of strategic change is the firm's ability to switch between organic and inorganic growth modes to adapt to volatile market conditions, resource constraints, and competitive pressures (Helfat & Peteraf, 2015; Karim & Capron, 2016).

The initial public offering (IPO) process significantly impacts a company's ability to sustain future performance and manage risk by altering its financial structure, governance dynamics, and strategic priorities (Chemmanur & Fulghieri, 1997; Ljungqvist, 2007). The transition to public ownership introduces new institutional pressures, as newly acquired shareholders may demand modifications to the firm's strategic orientation to align with market expectations and financial performance goals. The significant influx of capital, along with the diverse investment horizons and occasionally conflicting shareholder objectives, compels firms to reassess their strategic stance, potentially leading to varying degrees of strategic realignment, from minor adjustments to extensive restructuring (Fischer & Pollock, 2004; Wang et al., 2024). These adjustments often involve reallocating resources and operations to balance organic growth with strategic acquisitions, enabling companies to remain agile and competitive in rapidly evolving markets (Beatty & Zajac, 1994; Filatotchev & Bishop, 2002).

Levinthal and March (1993), using the behavioral theory of the firm, suggest that organizations face a significant trade-off between exploration and exploitation. They highlight that excessive strategic experimentation can disrupt coherence, much like strategic inertia can limit adaptation. Post-IPO companies often engage in resource restructuring and operational reconfiguration through a combination of organic and inorganic growth strategies to enhance their capabilities and increase their market presence (Capron & Mitchell, 2012). The ability to transition between these growth modes is particularly crucial for IPO firms, as they must continually adjust their strategic approach in response to market pressures, investor expectations, and financial performance. By dynamically leveraging both organic and inorganic strategies, companies can proactively manage changing conditions rather than merely responding to disruptive events (Graebner et al., 2010).

Firms that stay overly rigid in their growth strategies, whether purely organic or inorganic, might struggle to adapt to industry shifts and risk losing their competitive edge (O′Reilly & Tushman, 2013; Raisch & Birkinshaw, 2008). In particular, companies that rely solely on organic growth may struggle to scale rapidly, acquire external insights, or capitalize on time-sensitive opportunities, thereby limiting their strategic flexibility in dynamic markets (Karim & Capron, 2016). Conversely, over-reliance on acquisitions without adequate time for developing internal capabilities can result in integration challenges, cultural clashes, and diminished returns on investment (Hitt et al., 2001). Hence, achieving a balance between these growth modes is essential, as companies need to address investor demands for short-term returns while committing to long-term investments that ensure competitiveness (Sanders & Boivie, 2004).

The ability of IPOs to pivot between distinct modes of growth and manage different patterns for firm survival can also be assessed through the lens of strategic agility and dynamic capabilities. Dynamic capability can be defined as " the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece & Pisano, 1994).” Strategic agility refers to management's capacity to continuously and swiftly perceive and react to a dynamic environment by deliberately executing strategic decisions and adjusting the requisite organizational structure for effective execution (Weber & Tarba, 2014). While strategic agility addresses short-term and rapid adaptation by switching between growth modes (Doz & Kosonen, 2008), dynamic capability refers to implementing a firm's ability to pursue growth modes over the long term (Teece, 2007). In other words, while strategic agility enables rapid and significant shifts between growth modes, dynamic capabilities supply the essential resources to facilitate this. Thus, because of the complementary role of the mentioned

lenses, timely switches (agility) and the ability to leverage necessary resources (dynamic capabilities) are crucial for post-IPO survival.

IPOs endure when they can consistently adapt their resource base according to their chosen growth mode (Certo et al., 2001; Helfat & Peteraf, 2015). To achieve a successful change in strategic growth modes, companies must develop the capability to transition smoothly between different growth modes, securing a lasting competitive edge and ensuring long-term financial stability (Eisenhardt & Martin, 2000). Consequently, shifting between growth modes necessitates adaptive measures and fostering enduring traits that improve the effectiveness of these changes (Karim & Capron, 2016). Such traits include flexible leadership, a willingness to learn continuously, and decision-making processes that encourage anticipation and preparedness rather than merely reacting after events occur (Ambrosini & Bowman, 2009).

Although adaptive switching between growth modes can be essential for firm survival, its implications for firm performance are more complex and contingent on how strategic change affects commitment, coherence, and value capture. Firms that engage in moderate levels of growth-mode pivoting may be particularly disadvantaged in performance terms because they bear the coordination, learning, and adjustment costs of strategic change without fully benefiting from either sustained exploitation or systematic exploration (Levinthal & March, 1993).

Such partial or intermittent switching can fragment managerial attention, interrupt the accumulation of firm-specific routines, and prevent the development of deep capabilities associated with a coherent growth logic, thereby reducing operational efficiency and financial returns (Miller & Chen, 1994; Benner & Tushman, 2003).

From a behavioral and cognitive perspective, moderate pivoting can also heighten internal ambiguity regarding strategic priorities, weakening shared understanding and increasing

execution errors (Gavetti et al, 2005). This problem is amplified in the post-IPO context, where firms operate under intensified capital-market scrutiny and must communicate a clear and credible strategic narrative to external stakeholders. Inconsistent or weakly articulated growth trajectories may send mixed signals to investors and analysts, increasing uncertainty about future cash flows and undermining market assessments of firm value (Sanders & Boivie, 2004; Fischer & Pollock, 2004). As a result, firms that neither commit fully to a dominant growth mode nor engage in deliberate, extensive experimentation may experience inferior performance, as they incur the costs of change while failing to achieve the benefits of strategic focus or learning-driven renewal.

Hypotheses development

Building on the prior discussion, it is essential to recognize that the number of transitions or strategic growth pivots between growth modes (shifts from organic to inorganic strategies and vice versa) can significantly impact IPO firms' long-term survival and performance. As a sign of strategic flexibility, the total number of growth mode switches reflects a firm’s ability to respond to changing market conditions, reallocate resources, and pursue new opportunities (Capron & Mitchell, 2012). However, research in strategic management has shown that the number of strategic shifts can produce both beneficial and detrimental outcomes, depending on how they are paced, absorbed, and aligned with organizational capacity (Amburgey et al., 1990; Vermeulen & Barkema, 2017).

From a behavioral theory perspective, strategic switching can represent the tension between exploration and exploitation (Levinthal & March, 1993). Greve (2007) notes that repeated strategic changes can also reflect a firm's responsiveness and adaptability. However, as March (1991) and Levinthal and March (1993) argue, excessive switching can lead firms to lose

their strategic focus, fragment organizational learning, and dilute competitive advantage. A high number of growth mode transitions, especially without sufficient absorptive capacity, can lead to instability and inconsistency, making it more difficult for the firm to build on previous experiences or consolidate its capabilities (Zahra et al., 2006). Furthermore, frequent changes in growth strategy may indicate erratic leadership to stakeholders, which could undermine market confidence and long-term performance outcomes (Zhang & Rajagopalan, 2010).

Simultaneously, a lack of sufficient switching, meaning very few changes in growth modes, could suggest strategic rigidity, which restricts a firm's ability to adapt and respond to new opportunities (Greve, 2007; Levinthal & March, 1993). Companies that remain locked into a single growth trajectory may overlook emerging market opportunities, technologies, or synergies that require a different growth mode approach. This risk is particularly significant during the post-IPO period when firms encounter increased growth expectations, resource limitations, and pressure to scale quickly (McKelvie & Wiklund, 2010). IPOs that do not revisit or refine their growth strategies risk falling behind more agile competitors (Doz & Kosonen, 2008; Uotila et al., 2009). However, the long-term implications of different growth strategy patterns, particularly in the volatile post-IPO period, are poorly understood, and empirical evidence remains limited.

Various empirical studies support the notion that moderate changes yield the greatest benefits. Vermeulen and Barkema (2001) found that while initial international acquisitions enhanced performance, an excessive number of such moves ultimately harmed firms due to mounting integration and complexity costs. Klärner and Raisch (2013) argued that companies reap the greatest benefits when their strategic changes are intentionally coordinated and measured, which they describe as a "rhythm" of change. While their research emphasizes the speed of these changes, it also implies that an excessive amount of change, without strategic

alignment, can be harmful. Regardless of the timing, excessive alterations in growth strategies can overwhelm the organization, disrupt its operational routines, and consequently jeopardize its performance and survival.

For IPO firms, holding a moderate number of growth strategy changes might seem more beneficial. Transitioning to a public company usually indicates a shift from flexible entrepreneurial practices to a phase of external oversight growth. IPOs are expected to demonstrate both consistent performance and progress, which places pressure on their leadership to enhance their growth strategies. McKelvie and Wiklund (2010) highlight that firms that carefully manage their growth transitions, strategically deciding when and how often to alternate between organic and inorganic growth methods, are more likely to achieve enduring performance and survival. Conversely, an imbalanced strategy, characterized by either too few or too many transitions, may jeopardize both credibility and operational effectiveness, compromising long-term outcomes.

In summary, IPO firms that adopt a moderate number of growth mode switches are likely to achieve a balance between strategic responsiveness and internal coherence. This approach allows the firm to pivot when needed while maintaining a stable foundation for learning, execution, and stakeholder trust. Conversely, companies that rarely adjust their growth strategies may miss out on emerging opportunities. Meanwhile, those who change too frequently may seem erratic and unfocused, risking their performance and survival in the critical years following their public offering. Hence, I hypothesize:

H1: The relationship between the number of growth mode pivots and IPO survival is curvilinear (inverted U-shaped). Specifically, a moderate switching number between organic and

inorganic growth modes is linked to improved long-term survival. Conversely, low and high numbers of switches are associated with lower IPO survival rates.

Importantly, the strategic flexibility that enhances IPO survival by balancing adaptability and organizational coherence (H1) does not necessarily translate into superior performance, because capital market evaluations prioritize strategic clarity, value capture, and credible growth narratives over mere organizational persistence (Mishina et al., 2010).

The strategic behaviors that enhance firm survival do not necessarily align with those that maximize firm performance, particularly from the perspective of external investors. Whereas survival reflects organizational continuity and risk containment, performance is evaluated through a market-based lens that emphasizes value creation, scalability, and the firm's ability to translate strategic actions into predictable and credible financial outcomes (Porter, 1996; Pollock & Rindova, 2003; Sanders & Boivie, 2004; Rindova et al., 2012). In the post-IPO environment marked by heightened information asymmetry, intensified analyst scrutiny, and short performance horizons, investors rely heavily on firms' strategic narratives and observable patterns of action to infer managerial competence and prospects (Fischer & Pollock, 2004; Certo et al., 2009; Pollock et al., 2009; Graffin et al., 2011). Firms that demonstrate either sustained commitment to a clear growth trajectory or deliberate, high-intensity experimentation are more likely to be viewed as strategically coherent, while firms exhibiting intermediate or inconsistent strategic behavior may appear unfocused or indecisive. Such ambiguity can weaken investor confidence, increase perceived uncertainty, and dampen performance evaluations, even when the firm remains viable operationally (Sanders & Boivie, 2004; Zhang & Rajagopalan, 2010; Mishina et al., 2010; Rhee & Kim, 2015). Consequently, growth-mode switching that is sufficient to support survival may still generate skepticism regarding managerial focus and

execution discipline, helping explain why similar patterns of strategic change can yield divergent effects on survival and performance in the post-IPO period.

Firms that exhibit low levels of growth-mode pivoting benefit from strategic consistency and a focused commitment to a dominant growth logic, thereby deepening firm-specific capabilities, exploiting learning economies, and optimizing resource deployment (Benner & Tushman, 2003; Helfat & Peteraf, 2015). Sustained commitment to a single growth mode enhances operational efficiency and facilitates the accumulation of specialized knowledge, which can translate into superior financial performance, particularly in stable or moderately dynamic environments (Porter, 1996; Siggelkow, 2001; Joseph & Gaba, 2020). Conversely, firms that engage in high levels of growth-mode pivoting may outperform by leveraging experimentation, rapid learning, and strategic flexibility. Frequent switching between organic and inorganic growth enables firms to recombine internal and external knowledge, test alternative growth paths, and adapt their strategies in response to real-time market feedback capabilities that are especially valuable in uncertain post-IPO environments (March, 1991; McGrath, 2013; Karim & Capron, 2016). When supported by sufficient absorptive capacity and managerial sophistication, such intensive experimentation can enhance opportunity recognition and value creation, ultimately improving performance (Zollo & Winter, 2002; Eisenhardt & Martin, 2000; Teece, 2007; Laamanen et al., 2018). Taken together, these dynamics suggest a U-shaped relationship between the number of growth-mode pivots and post-IPO firm performance, whereby firms with very low or very high levels of pivoting outperform those that engage in moderate, partially committed switching behavior.

H2: The relationship between the number of growth-mode pivots and IPO performance is curvilinear (U-shaped). Specifically, firms exhibiting low or high levels of switching between

organic and inorganic growth modes will achieve higher post-IPO performance than firms engaging in moderate levels of switching.

RESEARCH METHODOLOGY

To test the proposed hypotheses, we constructed a longitudinal dataset of 831 U.S.-based firms that completed IPOs between 2010 and 2015. Newly public firms operate under high uncertainty, face pressure to validate their growth potential, and enjoy greater latitude in strategic experimentation (Pollock et al., 2009). These characteristics make IPO firms especially vulnerable to decisions regarding growth strategies. Furthermore, IPOs establish a natural time reference, allowing for consistent post-listing tracking, and exhibit significant diversity in their growth strategies (Hanley & Hoberg, 2012).

Data and Sample

We collected the IPO data using LSEG Data & Analytics, with supplemental data extracted from Compustat, BoardEx, ExecuCamp, Capital IQ, and IPO prospectuses and 10-K, 10-Q files using the EDGAR website. To qualify for inclusion in the sample, we established the following three restrictions, which are in line with previous studies: 1) IPOs with penny stocks priced under 1$ (Amini et al., 2022; Lin et al., 2013), and 2) cross-listed firms, which are subject to the legal and regulatory frameworks of multiple countries and may have their strategic decisions influenced by these overlapping requirements (Chen et al., 2015; Espenlaub et al., 2016). The final sample consists of 831 IPO firms monitored for up to five years following their IPOs. The dataset is organized as an unbalanced firm-year panel, as some IPOs may not appear due to favorable and unfavorable delisting.

Dependent Variables

IPO survival: Following Welbourne and Andrews (1996), we defined IPO survival as a firm's continued listing on a U.S. stock exchange, such as NASDAQ or the NYSE. These exchanges impose minimum listing requirements for stock price, trading volume, and periodic financial disclosure. Firms that fail to meet these standards may be involuntarily delisted, which will be treated as an indicator of failure in this study. To operationalize survival, we measured time to firm failure as the number of days from the IPO date to either (a) the year in which the firm is delisted due to acquisition, bankruptcy, or non-compliance or (b) the end of the observation period (December 31, 2020) for firms that remain listed, which were treated as right-censored cases. In addition, firms that stop filing required reports with the Securities and Exchange Commission (SEC) are coded as exits from the public market.

IPO Performance: In addition to survival, we evaluated post-IPO performance using Tobin's Q**,** measured as the average ratio of market value to book value over the first five years following the offering. Tobin's Q captures investors' forward-looking assessments of a firm's growth opportunities, strategic positioning, and value-creation potential, making it particularly well suited for the post-IPO context in which market expectations and credibility play a central role (Welbourne & Andrews, 1996; Certo et al., 2009).

Independent Variable

The number of Growth-Mode Switches: Growth-mode switching entails quarterly shifts between organic growth strategies (e.g., internal development, geographic expansion, and capability building) and inorganic growth strategies (e.g., mergers and acquisitions). Drawing on the literature of strategic change, we identified and coded each firm's dominant growth mode quarterly based on qualitative disclosures (e.g., 10-Q, 10-K filings, press releases) and quantitative financial indicators.

To categorize each firm-year or quarter as exhibiting an organic or inorganic growth strategy, we analyzed capital expenditures (CAPEX) and research and development (R&D) intensity, commonly used indicators of organic growth (Penrose, 1959; Barkema & Vermeulen, 1998; Benner & Tushman, 2003; McKelvie & Wiklund, 2010; Karim & Capron, 2016), and compared them with the intensity of mergers & acquisitions (M&A), and alliance activities, which indicates inorganic growth.. Celikyurt et al. (2010) highlight that IPOs and acquisitions typically allocate fewer resources to CAPEX and R&D, suggesting a shift from internal to external growth modes. The observed relationship supports the use of these financial metrics as indicators of a firm's primary growth strategy in a given year.

In addition, growth mode is classified for each quarter by assessing the relative strength of organic investment (which includes CAPEX and R&D, scaled by total assets) against inorganic activities (measured by the total value of acquisitions scaled by total assets). Using assets as a scaling factor ensures comparability among firms of varying sizes, consistent with prior research practices**.** A switch in growth mode will be recorded when a firm moves from one dominant mode to another between consecutive quarters. The firm's total number of such switches is calculated throughout the observation period. The switch counts' linear and squared terms are incorporated into the model to account for potential nonlinear effects.

Control variables

To address alternative explanations and minimize omitted variable bias, we incorporated a range of theoretically supported control variables at the firm, TMT, and environmental levels to address alternative explanations and minimize omitted variable bias.

Firm-level control variables: The control variables at the firm level included both firm size and age at the time of IPO. The natural logarithm of total assets proxies for firm size,

whereas age proxies for the firm's resource endowment and organizational maturity. Additionally, IPO proceeds are measured as the natural logarithm of the gross proceeds raised during the offering. IPO proceeds will help assess the level of financial slack available to the firm after it goes public (Filatotchev et al., 2006). IPO underpricing, the percentage difference between the offer price and the closing price on the first day of trading, indicates investor sentiment and the company's ability to signal its value when entering the market (Ritter & Welch, 2002).

Furthermore, ownership concentration, defined as the proportion of shares held by the top five shareholders, reflects the level of governance intensity and the potential for strategic oversight (Tihanyi et al., 2003). We included prior acquisition experience as a binary indicator, indicating whether a firm had engaged in acquisitions before its IPO. The inclusion aims to capture the firm's foundational understanding of inorganic growth strategies and its capacity to absorb new information (Haleblian & Finkelstein, 1999).

TMT-level control variables: TMT size is included to account for variation in decision-making dynamics and the diversity of perspectives within the executive group. Larger teams may offer broader expertise and greater information-processing capacity, but they face coordination and consensus challenges. Additionally, founder CEO status is controlled, as founder-led firms often exhibit greater strategic discretion, long-term vision, and a more substantial commitment to growth than non-founder-led firms (Miller, 1991; Nelson, 2003).

Environmental-level control variables: To account for external conditions that may influence a firm's strategy and outcomes, I include various industry-specific and time-related control variables commonly used in strategic management and IPO research. Firstly, industry munificence is defined as the industry's average annual sales growth rate over the past five years.

This metric indicates the presence of external resources and opportunities for growth and helps distinguish the effects of firm-level strategic adjustments from overall industry growth trends (Keats & Hitt, 1988). Second, we included fixed effects for the IPO year to account for year-specific variation in macroeconomic, institutional, and capital market conditions. These effects account for unobserved time-related factors that may uniformly affect all firms going public in the same year, such as regulatory policy changes, capital market sentiment fluctuations, or economic cycles (Certo et al., 2001; Chemmanur et al., 2010). We also considered IPO market sentiment, measured by the VIX index, as reported by Yahoo Finance.

Analysis

To explore hypotheses regarding the survival of IPO firms (H1), we used Cox proportional hazards models. Cox models are commonly used in IPO and organizational research to analyze firm longevity and exit risk (Amini et al., 2022; Chadwick et al., 2016), particularly in studies that explore the impact of TMT composition, strategic resources, or governance factors on survival outcomes.

To evaluate the hypotheses concerning IPO performance (H2), we used ordinary least squares (OLS) regression models that incorporate heteroskedasticity-robust standard errors (Huber-White standard errors). This approach addresses potential non-constant variance in the residuals, which is a frequent issue in firm-level panel data (Wooldridge, 2010). relationship (Hayes & Cai, 2007). Additionally, all continuous predictor variables will be mean-centered before creating quadratic terms to eliminate non-essential multicollinearity and enhance interpretability (Aiken et al., 1991; DeSimone et al., 2017).

RESULTS

The analytic sample includes 831 IPOs, 71% of which remain listed five years post-IPO. As shown in Table 1, surviving firms exhibit significantly higher levels of growth-mode pivoting and a larger squared pivots term than non-survivors (both $p < .001$). Survivors also display modestly higher performance ($p < .10$), suggesting that growth-mode switching is related to both survival and long-term performance, consistent with our hypotheses. These patterns motivate the multivariate analyses used to assess the functional form and robustness of these relationships.

Insert Table 1 here.

Table 2 presents Pearson correlations among the study variables. Survival is positively associated with both the number of growth-mode pivots and the squared pivots term (both $p < .001$), providing preliminary support for the relevance of switching activity to IPO survival. In contrast, performance is negatively correlated with both pivot measures (both $p < .001$), underscoring the distinct implications of growth-mode switching for survival versus performance. These patterns highlight the importance of distinguishing survival from performance outcomes and motivate the multivariate analyses that formally assess the functional form of the switching–outcome relationships.

Insert Table 2 here.

Hypothesis 1

Table 3 reports Cox proportional hazards models estimating time from IPO to delisting. In the baseline specification (Model 1), several firm characteristics are associated with survival,

while most control variables do not exhibit statistically significant effects. Introducing a linear measure of growth-mode pivots alone (Model 2) does not yield a significant association with delisting risk (HR = 1.03, n.s.), indicating that a linear specification does not adequately capture the switching–survival relationship.

Consistent with H1, the curvilinear specification reveals a clear inverted-U relationship between growth-mode switching and IPO survival (Model 3). The linear pivot term is negative and statistically significant (HR = 0.78, $p < .01$), while the squared pivot term is positive and highly significant (HR = 1.04, $p < .001$), indicating that moderate levels of switching reduce the hazard of delisting, whereas excessive switching increases failure risk. This pattern remains robust when accounting for the pace of switching (Model 4): the linear term becomes more strongly negative (HR = 0.44, $p < .001$), the squared term remains positive and significant (HR = 1.08, $p < .001$), and the pace of switching itself is strongly associated with a higher hazard of delisting (HR = 5.13, $p < .001$). Together, these results provide strong support for the hypothesized curvilinear relationship between growth-mode switching and IPO survival.

Insert Table 3 here.

Insert Figure 1 here.

Hypothesis 2

Table 4 reports OLS regression results examining the relationship between growth-mode switching and post-IPO performance (Tobin's Q). In the baseline specification (Model1), several

firm characteristics are associated with performance, while others do not exhibit consistent effects across models. Introducing the linear term for growth-mode switching in Model 2 yields a negative and statistically significant coefficient, indicating that, on average, greater switching between organic and inorganic growth modes is associated with lower post-IPO performance.

Consistent with H2, Model 3 reveals a statistically significant curvilinear relationship between growth-mode switching and post-IPO performance. The linear switch term is negative, while the squared term is positive and significant, indicating a U-shaped relationship in which performance initially declines as firms increase switching from low levels but improves beyond a turning point (approximately two switches). This pattern contrasts with the inverted-U relationship observed for survival and suggests that performance reflects investor assessments of execution risk and growth option value. When the pace of switching is introduced in Model 4, both the linear and quadratic switching terms lose statistical significance. In contrast, pace emerges as a negative and marginally significant predictor of performance. Specifically, rapid switching appears to undermine post-IPO performance even after accounting for the total number of switches, suggesting that markets penalize fast, compressed strategic reconfiguration due to concerns about execution quality, managerial overload, and integration capacity. Overall, the models explain approximately 6% of the variance in post-IPO performance, consistent with prior research using market-based valuation measures, and indicate that switching influences performance primarily through its timing and nonlinear effects rather than through broad variance explanation.

Insert Table 4 here.

Insert Figure 2 here.

ROBUSTNESS ANALYSIS

As a robustness check, we estimated logistic regression models with survival coded as a binary outcome. The controls-only model shows that survival is associated with firm characteristics, but introducing growth-mode switching provides clearer insight into the underlying relationship. When the linear number of growth-mode pivots is added, the effect is negative and significant (OR = 0.85), suggesting that a simple linear specification does not adequately capture how switching relates to survival.

Consistent with the Cox results, adding the squared term reveals an inverted-U pattern: the linear term remains negative (OR = 0.73) while the squared term is positive (OR = 1.02), indicating that moderate switching is associated with higher survival odds, whereas excessive switching is detrimental. This pattern persists when switching pace is included, with rapid switching substantially reducing the likelihood of survival (OR = 0.24). Model fit improves across specifications, and together these results closely mirror the Cox analyses, reinforcing support for the hypothesized curvilinear relationship between growth-mode switching and IPO survival.

Insert Table 5 here.

To address potential selection bias and strengthen causal inference, we use propensity score matching (PSM) to compare IPO firms operating under different growth-mode switching

regimes. Firms are classified based on their cumulative number of post-IPO switches between organic and inorganic growth strategies, using a theory-driven threshold derived from the curvilinear survival model (Hannan & Freeman, 1984; Greve, 2007). Firms with no switches are categorized as low switchers, those switching up to the estimated turning point (approximately 3.6 switches) as moderate switchers, and those exceeding this threshold as high switchers, capturing increasing degrees of strategic reconfiguration.

Table 6 reports covariate balance before and after matching. Prior to matching, moderate switchers differ from low and high switchers on several firm characteristics. After matching, balance improves substantially across nearly all covariates, with standardized mean differences falling below conventional thresholds, indicating that the matched samples are highly comparable and reducing concerns that outcome differences reflect observable firm heterogeneity.

Table 7 presents the average treatment effects on the treated (ATT) for post-IPO survival. The results show that moderate switchers experience significantly higher survival probabilities than both low and high switchers. Specifically, moderate switchers exhibit a 20.8 percentage-point higher survival probability than matched low switchers ($p < .001$) and a 39.1 percentage-point higher survival probability than matched high switchers ($p < .001$). These effects are economically meaningful and robust.

Overall, the PSM results reinforce the curvilinear relationship identified in the Cox models and provide additional evidence that moderate growth-mode switching confers a distinct survival advantage. By comparing firms with similar observable characteristics, the matching analysis underscores that adaptive, but not excessive, strategic reconfiguration enhances post-IPO survival.

Insert Table 6 here.

Insert Table 7 here.

DISCUSSION

This study examines how post-IPO *strategic growth pivots*, specifically, transitions between organic and inorganic growth, shape firms' survival and performance over time. By modeling switching behavior dynamically and nonlinearly, and by distinguishing between survival and performance as theoretically distinct outcomes, we provide a more nuanced account of strategic change in the post-IPO context. Our findings demonstrate that adaptation is not uniformly beneficial: the consequences of growth-mode switching depend critically on both its magnitude and pace, and these effects differ systematically across outcomes.

Consistent with our first hypothesis, we find robust evidence of an inverted-U relationship between growth-mode switching and IPO survival. Moderate levels of switching are associated with a lower hazard of delisting, whereas excessive switching increases failure risk. This pattern emerges consistently across Cox proportional hazards models, logistic regressions, and propensity score–matched analyses, increasing confidence in the stability of the result.

From a theoretical perspective, these findings extend work on organizational adaptation by demonstrating that survival benefits arise not from flexibility per se, but from bounded strategic change. Moderate switching likely allows firms to recalibrate growth strategies in response to environmental demands while preserving sufficient structural and cognitive

coherence to sustain operations. In contrast, high levels of switching appear to exceed firms' integrative capacity, generating escalating coordination and implementation costs that undermine survival. By identifying a clear turning point beyond which switching becomes harmful, this study refines existing theories of change by specifying when adaptation transitions from being enabling to destabilizing.

In contrast to survival outcomes, post-IPO performance follows a U-shaped relationship with growth-mode switching. Performance declines at moderate levels of switching but improves as switching becomes more extensive, provided that the change is not executed too rapidly. This divergence underscores that the performance consequences of strategic change are more contingent and temporally complex than its effects on survival.

This pattern suggests that moderate switching may impose transition and adjustment costs without generating sufficient learning or growth opportunities to offset these losses. Partial or intermittent change can disrupt routines, fragment managerial attention, and weaken strategic clarity, resulting in inferior performance outcomes. At higher levels of switching, however, firms may accumulate broader experiential knowledge, develop dynamic capabilities, and create growth options that are positively valued by capital market participants. Extensive experimentation, when supported by sufficient absorptive capacity and managerial sophistication, may thus enhance opportunity recognition and long-term value creation.

Importantly, our findings also highlight the role of pacing. Rapid switching consistently undermines post-IPO performance, even after accounting for the total number of switches. This result suggests that investors are attentive not only to the scope of strategic change but also to its tempo. Fast, compressed reconfiguration may signal execution risk or limited integration capacity, dampening market valuations. Together, these findings indicate that performance is

shaped less by the accumulation of strategic changes and more by the nonlinear and temporal dynamics through which those changes unfold.

A central contribution of this study is to demonstrate that survival and performance are not parallel outcomes of strategic change. Prior research has often examined these dimensions separately or implicitly assumed that strategic actions affect both in similar ways. Our findings challenge this assumption by showing that the same pattern of growth-mode switching can simultaneously enhance survival and depress performance, or vice versa, depending on its magnitude and pace.

This divergence highlights a fundamental tension in post-IPO strategic management. Actions that stabilize the organization and support continued listing may not immediately translate into superior financial performance, particularly in capital markets that reward growth narratives and credible expansion options. Conversely, strategies that enhance performance through extensive experimentation may expose firms to heightened survival risk if they exceed organizational capacity. By disentangling these outcomes, this study contributes to a growing stream of research emphasizing the need to theorize survival and performance as distinct, and sometimes competing, dimensions of firm success.

This study makes several contributions to the entrepreneurship and strategic management literature. First, it advances research on strategic change by conceptualizing the strategic growth pivot as a dynamic, post-IPO process with nonlinear effects. Second, by explicitly modeling both the magnitude and pace of change, it refines theories of adaptation and change management, demonstrating that the benefits of flexibility are contingent and bounded. Third, the contrasting patterns observed for survival and performance extend work on organizational outcomes by highlighting the importance of distinguishing between viability and value creation.

More broadly, our findings integrate insights from change management, organizational learning, dynamic capabilities, and the exploration and exploitation frameworks to explain why strategic reconfiguration can be both enabling and costly. In doing so, we move beyond static views of post-IPO growth and offer a process-oriented account of how firms navigate competing demands for stability and renewal.

For managers of newly public firms, our results suggest that strategic growth pivots should be approached as a deliberate and paced strategic process. Moderate adaptation appears sufficient to enhance survival, whereas excessive or rapid switching increases failure risk. At the same time, performance gains from switching may require sustained and well-integrated experimentation, supported by adequate managerial and organizational capacity. Clear sequencing, disciplined execution, and coherent communication are therefore critical in the post-IPO environment, where strategic actions are closely scrutinized by capital market participants.

This study has several limitations that point to future research opportunities. Although we employ multiple empirical approaches to strengthen inference, unobserved heterogeneity may still influence switching behavior and outcomes. Future work could leverage quasi-experimental designs or richer qualitative data to further unpack the mechanisms underlying strategic switching. In addition, while our measures capture the frequency and pace of switching, they do not fully reflect the strategic intent or quality of individual growth initiatives. Examining how governance structures, top management team characteristics, or institutional contexts condition the effects of switching represents a promising avenue for future research.

APPENDIX

TABLE 1

Descriptive Results

Variables	Survival IPOs (N = 591)		Non-Survival IPOs (N = 240)		Equality of Means
	Mean	S.D.	Mean	S.D.	
Performance [n]	0.009	0.435	−0.046	0.434	1.649*
Number of pivots	3.435	2.945	2.133	2.653	6.205***
Squared number of pivots	20.457	26.66	11.558	25.751	4.468***
Industry avg. switching	0.15	0.074	0.148	0.075	0.436
Firm age [n]	−0.001	0.816	−0.061	0.837	0.95
Firm size [n]	0.056	1.338	−0.329	1.224	4.006***
Previous acquisition	0.189	0.391	0.225	0.418	−1.167
Founder CEO	0.521	0.488	0.468	0.495	1.406
Ownership concentration	0.421	18.582	−2.904	19.872	2.227**
Underpricing [n]	0.004	0.103	−0.005	0.148	0.882
IPO proceeds [n]	−0.071	0.514	0.515	0.789	−10.624***
TMT size	0.144	10.229	−1.391	7.786	2.343**
Industry munificence	0.002	0.02	0.002	0.018	0.336

[n] Natural log (+1)

TABLE 2

Correlation matrix

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
(1) Survival	1													
(2) Performance	0.057*	1												
(3) Number of pivots	0.202***	−0.113***	1											
(4) Squared pivots	0.151***	−0.091***	0.927***	1										
(5) Industry avg. switching	0.015	−0.102***	0.203***	0.149***	1									
(6) Firm age	0.033	0.025	0.061*	0.055	−0.043	1								
(7) Firm size	0.133***	−0.122***	0.205***	0.191***	0.005	0.166***	1							
(8) Previous acquisition	−0.042	−0.107***	0.341***	0.328***	0.196***	0.147***	0.241***	1						
(9) Founder CEO	0.049	0.077**	0.008	−0.008	−0.055	−0.117***	−0.100***	−0.028	1					
(10) Ownership concentration	0.079**	0.037	0.131***	0.133***	0.105***	0.077**	0.109***	0.091***	−0.078**	1				
(11) Underpricing	0.035	0.316***	−0.087**	−0.071**	−0.049	0.04	0.033	−0.018	0.066*	0.024	1			
(12) IPO proceeds	−0.402***	0.001	−0.061*	−0.027	0.108***	0.004	0.291***	0.151***	−0.048	0.005	0.123***	1		
(13) TMT size	0.072**	0.129***	0.145***	0.108***	0.165***	0.155***	0.343***	0.235***	−0.078**	0.125***	0.094***	0.139***	1	
(14) Industry munificence	0.011	−0.101***	0.057*	0.042	0.090***	0.005	0.003	−0.016	0.037	0.039	−0.015	0.001	0.013	1

TABLE 3

Number of growth mode switches and post-IPO survival, COX proportional hazard model.

Variables	Model 1		Model 2		Model 3		Model 4	
	1	2	1	2	1	2	1	2
Lagged performance	−0.207 (0.141)	0.813	−0.207 (0.141)	0.813	−0.208 (0.141)	0.812	−0.208 (0.142)	0.812
Previous acquisition	0.393* (0.161)	1.482	0.371* (0.164)	1.449	0.348* (0.167)	1.416	0.347* (0.168)	1.415
Firm size	−0.128* (0.057)	0.88	−0.131* (0.057)	0.877	−0.131* (0.057)	0.877	−0.131* (0.058)	0.878
Firm age	0.059 (0.079)	1.061	0.060 (0.078)	1.062	0.072 (0.077)	1.074	0.084 (0.079)	1.088
Underpricing	−0.491 (0.597)	0.612	−0.479 (0.601)	0.619	−0.497 (0.603)	0.609	−0.478 (0.621)	0.62
IPO proceeds	−0.167 (0.184)	0.846	−0.168 (0.183)	0.845	−0.165 (0.183)	0.848	−0.165 (0.184)	0.848
TMT size	−0.011 (0.007)	0.989	−0.011 (0.007)	0.989	−0.010 (0.007)	0.991	−0.010 (0.007)	0.99
Ownership concentration	−0.010* (0.004)	0.99	−0.010* (0.004)	0.99	−0.011** (0.004)	0.989	−0.011** (0.004)	0.989
Founder CEO	−0.176 (0.135)	0.838	−0.178 (0.135)	0.837	−0.179 (0.134)	0.836	−0.187 (0.135)	0.829
Industry switch average	−0.422 (0.486)	0.656	−0.425 (0.483)	0.654	−0.379 (0.472)	0.685	−0.334 (0.472)	0.716
Industry munificence	−0.382 (3.400)	0.682	−0.410 (3.419)	0.664	−0.271 (3.379)	0.762	−0.208 (3.389)	0.812
Number of pivots (Switch)			0.032 (0.041)	1.033	−0.249** (0.077)	0.78	−0.830*** (0.184)	0.436
Squared pivots (Switch²)					0.035*** (0.008)	1.036	0.074*** (0.014)	1.077
Pace of switching (binary)							Yes	
Chi square	34.99***		35.71***		47.81***		63.02***	

Note: The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively. Column (1) displays the coefficient and standard errors, which are included in parentheses. The hazard ratios are shown in column (2). The dependent variable is a continuous outcome, namely the duration in days from the IPO date to either the day of delisting or the end of the observation period for IPOs that remained active. Model 1 just considers control variables. Model 2 examines the number of switches tied to the survival of companies after their IPO. Model 3 analyzes the curvilinear relationship. Model 4 takes into account the pace of growth modes pivots.

TABLE 4

Number of growth mode switches and post-IPO performance, OLS regression.

Variables	Model 1	Model 2	Model 3	Model 4
Previous acquisitions	−0.439***	−0.420***	−0.422***	−0.419***
	(0.054)	(0.053)	(0.054)	(0.053)
Firm size^{n}	−0.630***	−0.627***	−0.627***	−0.628***
	(0.092)	(0.092)	(0.092)	(0.092)
Firm age^{n}	0.118***	0.118***	0.118***	0.116***
	(0.035)	(0.035)	(0.035)	(0.035)
Underpricing	4.407***	4.400***	4.394***	4.391***
	(0.465)	(0.466)	(0.466)	(0.468)
IPO proceeds	0.016	0.013	0.014	0.020
	(0.020)	(0.020)	(0.020)	(0.022)
TMT size	0.053***	0.053***	0.054***	0.054***
	(0.007)	(0.007)	(0.007)	(0.007)
Ownership concentration	0.001	0.001	0.001	0.001
	(0.001)	(0.001)	(0.001)	(0.001)
Founder CEO	0.418***	0.420***	0.421***	0.422***
	(0.065)	(0.065)	(0.065)	(0.065)
Industry switching average	0.127	0.134	0.144	0.144
	(0.269)	(0.269)	(0.271)	(0.270)
Industry munificence	−9.323***	−9.274***	−9.242***	−9.254***
	(0.443)	(0.447)	(0.444)	(0.443)
Growth-mode switches (t−1)	—	−0.033**	−0.100***	0.052
		(0.011)	(0.027)	(0.069)
Growth-mode switches^{2} (t−1)	—	—	0.012**	−0.002
			(0.004)	(0.007)
Pace of switching (binary)	—	—	—	−0.382*
				(0.192)
Constant	2.522***	2.516***	2.485***	2.579***
	(0.046)	(0.046)	(0.050)	(0.062)
R^2	0.062	0.062	0.062	0.062
Adjusted R^2	0.061	0.061	0.061	0.061

Note: The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively. Coefficients are reported with robust standard errors in parentheses. The dependent variable is a continuous measure of post-IPO firm performance, Tobin's Q. Model (1) includes control variables only. Model (2) introduces the lagged number of growth-mode switches (t−1). Model (3) examines the curvilinear relationship by including the squared term of growth-mode switches. Model (4) incorporates the pace of growth-mode switching using a binary indicator capturing rapid switching behavior

TABLE 5

logit model

Variables	Model 1	Model 2	Model 3	Model 4
Lagged performance	0.737 (0.239)	0.691 (0.247)	0.672 (0.254)	0.817 (0.248)
Previous acquisition	1.770* (0.236)	2.506*** (0.258)	2.469*** (0.262)	2.626** (0.298)
Firm size	0.506*** (0.112)	0.536*** (0.113)	0.534*** (0.113)	0.539*** (0.118)
Firm age	0.927 (0.122)	0.928 (0.128)	0.928 (0.124)	0.937 (0.136)
Underpricing	0.764 (0.903)	0.616 (0.906)	0.621 (0.910)	0.471 (0.966)
IPO proceeds	12.135*** (0.280)	10.899*** (0.284)	10.740*** (0.283)	10.529*** (0.305)
TMT size	0.992 (0.012)	0.991 (0.012)	0.993 (0.012)	0.986 (0.013)
Ownership concentration	0.993 (0.005)	0.995 (0.006)	0.995 (0.005)	0.993 (0.006)
Founder CEO	0.772 (0.187)	0.822 (0.190)	0.851 (0.193)	0.792 (0.202)
Industry switch average	0.013** (1.649)	0.031* (1.742)	0.047† (1.722)	0.033† (1.855)
Industry munificence	3.194 (4.438)	6.574 (3.989)	7.184 (3.895)	62.719 (3.964)
Number of pivots (Switch)	—	0.853*** (0.045)	0.727*** (0.086)	0.242*** (0.202)
Squared pivots (Switch²)	—	—	1.020* (0.009)	1.107*** (0.017)
Pace of switching (binary)	—	—	—	Yes
Constant	Yes	Yes	Yes	Yes
Chi square	195.883***	195.919***	206.068***	223.89***
Nagelkerke R squared	0.085	0.085	0.089	0.097
Cox & Snell R squared	0.013	0.013	0.014	0.015

Note. Robust standard errors in parentheses. Coefficients denoted †, *, **, and *** denote statistical significance at $p < .10$, $p < .05$, $p < .01$, and $p < .001$, respectively. Cox–Snell R^2 was adjusted to obtain Nagelkerke R^2 (Nagelkerke, 1991).

TABLE 6
Covariate Balance Before and After Matching

Panel A. Moderate Vs Low Switching Firms

Covariate	Pre-match SMD	Post-match SMD
Firm size [n]	0.13	0.03
Firm age	0.04	0.03
Underpricing	0.05	0.01
IPO proceeds [n]	0.17	0.01
TMT size	0.27	0.02
Ownership concentration	0.16	0.02
Founder–CEO	0.06	0.01

Panel B. Moderate Vs High Switching Firm

Covariate	Pre-match SMD	Post-match SMD
Firm size [n]	0.08	0.05
Firm age	0.04	0.13
Underpricing	0.16	0.03
IPO proceeds [n]	0.11	0.02
TMT size	0.02	0.02
Ownership concentration	0.08	0.01
Founder–CEO	0	0

Notes: Values are absolute standardized mean differences (SMDs). Post-match balance is considered acceptable when |SMD| < 0.10. All covariates achieve excellent balance after matching; one covariate (firm age in Panel B) slightly exceeds 0.10 but remains within acceptable bounds for applied matching analyses.

TABLE 7

ATT Survival Effects After Matching

Comparison	Matched pairs	ATT (Survival)	Robust SE	p-value
Moderate vs Low	183	-0.208	0.051	< .001 ***
Moderate vs High	197	-0.391	0.042	< .001 ***

FIGURE 1

Nonlinear Effect of Growth-Mode Switching on Post-IPO Survival

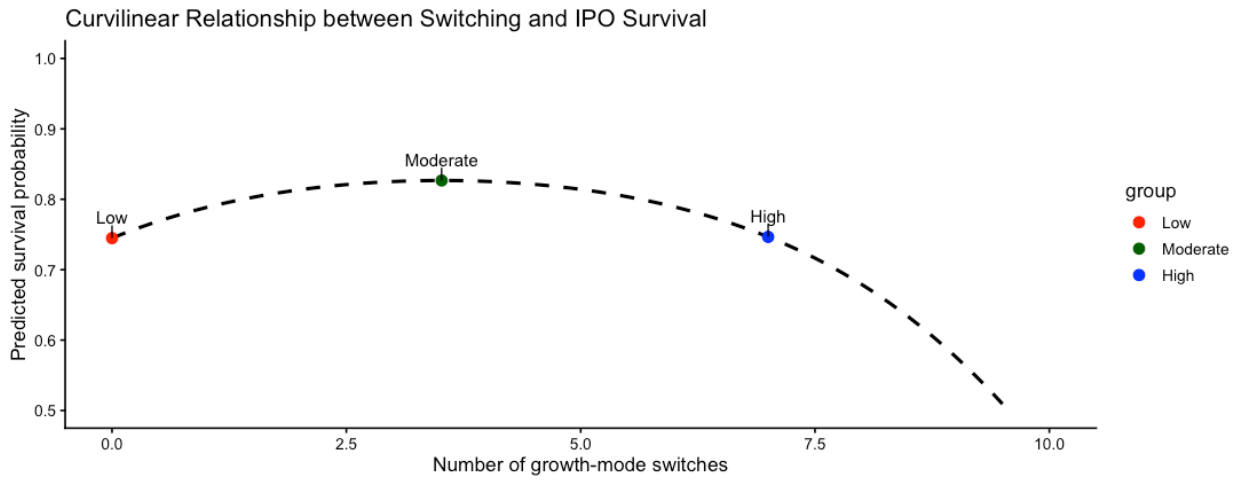
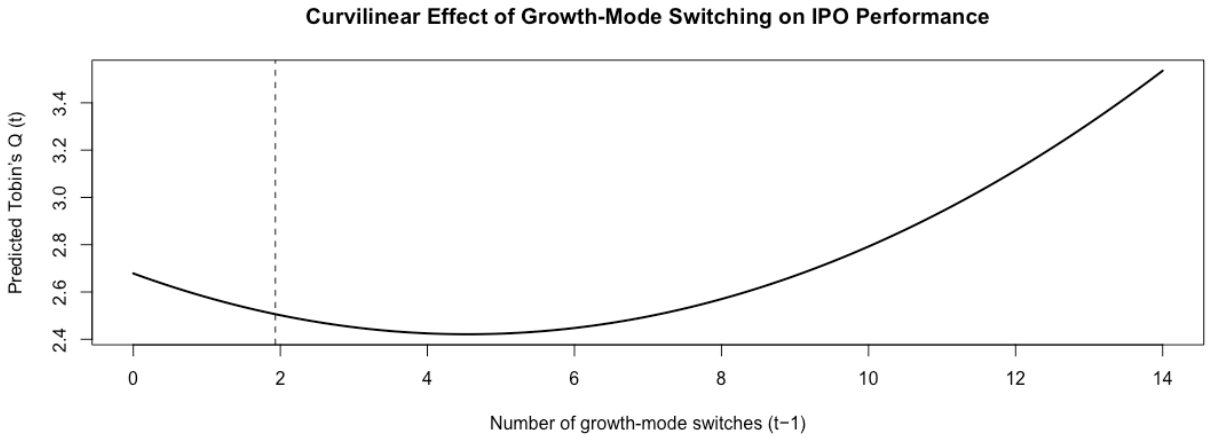


FIGURE 2

U-Shaped Effect of Growth-Mode Switching on Post-IPO Performance



REFERENCES

Aiken, L. S., West, S. G., & Reno, R. R. (1991). *Multiple regression: Testing and interpreting interactions*. Sage.

Ambrosini, V., & Bowman, C. (2009). What are dynamic capabilities and are they a useful construct in strategic management? *International Journal of Management Reviews*, *11*(1), 29–49.
Amburgey, T. L., Kelly, D., & Barnett, W. P. (1990). Resetting the clock: The dynamics of organizational change and failure. *Administrative Science Quarterly*, *35*(1), 51–73.
Amini, M., Keasey, K., & Hudson, R. (2022). Board dynamics and IPO survival. *Journal of Corporate Finance*, *72*, 102123. https://doi.org/10.1016/j.jfineco.2024.103832
Barkema, H. G., & Vermeulen, F. (1998). International expansion through start-up or acquisition: A learning perspective. *Academy of Management Journal*, *41*(1), 7–26.
Beatty, R. P., & Zajac, E. J. (1994). Top management incentives, monitoring, and risk bearing: A study of executive compensation, ownership, and board structure in initial public offerings. *Administrative Science Quarterly*, *39*(2), 313–335.
Benner, M. J., & Tushman, M. L. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. *Academy of Management Review*, *28*(2), 238–256.
Capron, L., & Mitchell, W. (1998). Bilateral resource redeployment and capabilities improvement following horizontal acquisitions. *Industrial and Corporate Change*, *7*(3), 453–484.
Capron, L., & Mitchell, W. (2012). *Build, borrow, or buy: Solving the growth dilemma*. Harvard Business Press.
Celikyurt, U., Sevilir, M., & Shivdasani, A. (2010). Going public to acquire? The acquisition motive in IPOs. *Journal of Financial Economics*, *96*(3), 345–363.
Certo, S. T., Covin, J. G., Daily, C. M., & Dalton, D. R. (2001). Wealth and the effects of founder management among IPO-stage new ventures. *Strategic Management Journal*, *22*(6–7), 641–658.
Certo, S. T., Holcomb, T. R., & Holmes Jr, R. M. (2009). IPO research in management and entrepreneurship: Moving the agenda forward. *Journal of Management*, *35*(6), 1340–1378.
Chadwick, C., Super, J. F., & Kwon, K. (2016). Resource orchestration in practice: CEO emphasis on SHRM, commitment-based HR systems, and firm performance. *Strategic Management Journal*, *36*(3), 360–376.
Chemmanur, T. J., & Fulghieri, P. (1997). A theory of the going-public decision. *Review of Financial Studies*, *12*(2), 249–279.
Chemmanur, T. J., He, S., & Nandy, D. K. (2010). The going-public decision and the product market. *Review of Financial Studies*, *23*(5), 1855–1908.
Chen, H., Chen, J. Z., & Wei, S. X. (2015). Legal institutions, ownership structure, and IPO performance in China. *Emerging Markets Review*, *23*, 1–16.
DeSimone, J. A., Harms, P. D., & DeSimone, A. J. (2017). Best practice recommendations for data screening. *Journal of Organizational Behavior*, *38*(2), 170–179.
Doz, Y. L., & Kosonen, M. (2008). *Fast strategy: How strategic agility will help you stay ahead of the game*. Pearson Education.
Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: What are they? *Strategic Management Journal*, *21*(10–11), 1105–1121.
Espenlaub, S., Khurshed, A., & Mohamed, A. (2016). IPO survival in a reputational market. *Journal of Business Finance & Accounting*, *43*(1–2), 229–272.
Filatotchev, I., & Bishop, K. (2002). Board composition, share ownership, and 'underpricing' of UK IPO firms. *Strategic Management Journal*, *23*(10), 941–955.

Filatotchev, I., Toms, S., & Wright, M. (2006). The firm's strategic dynamics and corporate governance life-cycle. *International Journal of Managerial Finance*, *2*(4), 256–279.
Fischer, H. M., & Pollock, T. G. (2004). Effects of social capital and power on surviving transformational change: The case of initial public offerings. *Academy of Management Journal*, *47*(4), 463–481.
Gioia, D. A., Thomas, J. B., Clark, S. M., & Chittipeddi, K. (1994). Symbolism and strategic change in academia: The dynamics of sensemaking and influence. *Organization Science*, *5*(3), 363–383.
Graebner, M. E., Eisenhardt, K. M., & Roundy, P. T. (2010). Success and failure in technology acquisitions: Lessons for buyers and sellers. *Academy of Management Perspectives*, *24*(3), 73–92.
Graffin, S. D., Carpenter, M. A., & Boivie, S. (2011). What happens after the big deal? The impact of CEO hubris on strategic change and firm performance. *Strategic Management Journal, 32*(8), 853–875.https://doi.org/10.1002/smj.913
Greve, H. R. (2007). Exploration and exploitation in product innovation. *Industrial and Corporate Change*, *16*(5), 865–891.
Gupta, A. K., Smith, K. G., & Shalley, C. E. (2006). The interplay between exploration and exploitation. *Academy of Management Journal*, *49*(4), 693–706.
Haleblian, J., & Finkelstein, S. (1999). The influence of organizational acquisition experience on acquisition performance: A behavioral learning perspective. *Administrative Science Quarterly*, *44*(1), 29–56.
Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review*, *32*(2), 334–343.
Hanley, K. W., & Hoberg, G. (2012). Litigation risk, strategic disclosure and the underpricing of initial public offerings. *Journal of Financial Economics*, *103*(2), 235–254.
Hayes, A. F., & Cai, L. (2007). Using heteroskedasticity-consistent standard error estimators in OLS regression: An introduction and software implementation. *Behavior Research Methods*, *39*(4), 709–722.
Helfat, C. E., & Peteraf, M. A. (2015). Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic Management Journal*, *36*(6), 831–850.
Hitt, M. A., Harrison, J. S., & Ireland, R. D. (2001). *Mergers and acquisitions: A guide to creating value for stakeholders*. Oxford University Press.
Josefy, M. A., Harrison, J. S., Sirmon, D. G., Carnes, C. M., & Kellermanns, F. W. (2017). Living and dying: Synthesizing the literature on firm survival and failure across stages of development. *Academy of Management Annals, 11*(2), 770–799. https://doi.org/10.5465/annals.2015.0012
Joseph, J., & Gaba, V. (2020). Organizational structure, information processing, and decision-making: A retrospective and roadmap for research. *Academy of Management Annals, 14*(1), 267–302. https://doi.org/10.5465/annals.2017.0103
Karim, S., & Capron, L. (2016). Reconfiguration: Adding, redeploying, recombining and divesting resources and business units. *Academy of Management Annals*, *10*(1), 247–302.
Keats, B. W., & Hitt, M. A. (1988). A causal model of linkages among environmental dimensions, macro organizational characteristics, and performance. *Academy of Management Journal*, *31*(3), 570–598.

King, D. R., Dalton, D. R., Daily, C. M., & Covin, J. G. (2004). Meta-analyses of post-acquisition performance: Indications of unidentified moderators. *Strategic Management Journal, 25*(2), 187-200.
Klarner, P., & Raisch, S. (2013). Move to the beat—Rhythms of change and firm performance. *Academy of Management Journal*, *56*(1), 160–184.
Laamanen, T., Brauer, M., & Junna, O. (2018). Performance of serial acquirers: Toward an acquisition program perspective. *Strategic Management Journal, 39*(6), 1683–1708. https://doi.org/10.1002/smj.2780
Levinthal, D. A., & March, J. G. (1993). The myopia of learning. *Strategic Management Journal*, *14*(S2), 95–112.
Ljungqvist, A. (2007). Chapter 7—IPO Underpricing. In B. E. Eckbo (Ed.), *Handbook of Empirical Corporate Finance* (Vol. 1, pp. 375–422). Elsevier. https://doi.org/10.1016/B978-0-444-53265-7.50021-4
March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, *2*(1), 71–87.
McKelvie, A., & Wiklund, J. (2010). Advancing firm growth research: A focus on growth mode instead of growth rate. *Entrepreneurship Theory and Practice*, *34*(2), 261–288.
Miller, D., & Chen, M.-J. (1994). Sources and consequences of competitive inertia: A study of the U.S. airline industry. *Administrative Science Quarterly, 39*(1), 1–23. https://doi.org/10.2307/2393492
Miller, D. (1991). Stale in the saddle: CEO tenure and the match between organization and environment. *Management Science*, *37*(1), 34–52.
Mishina, Y., Dykes, B. J., Block, E. S., & Pollock, T. G. (2010). Why "good" firms do bad things: The effects of high aspirations, high expectations, and prominence on the incidence of corporate illegality. *Academy of Management Journal, 53*(4), 701–722. https://doi.org/10.5465/amj.2010.52814578
Moatti, V., Rindova, V., & Lhuillery, S. (2015). Disentangling the performance effects of learning from exploration and exploitation. *Organization Science*, *26*(4), 1113–1131.
Müller, J., & Kunisch, S. (2018). Central perspectives and debates in strategic change research. *International Journal of Management Reviews*, *20*(2), 457–482.
Nelson, T. (2003). The persistence of founder influence: Management, ownership, and performance effects at initial public offering. *Strategic Management Journal*, *24*(8), 707–724.
O'Reilly, C. A., & Tushman, M. L. (2013). Organizational ambidexterity: Past, present, and future. *Academy of Management Perspectives*, *27*(4), 324–338.
Penrose, E. T. (1959). *The theory of the growth of the firm*. Oxford University Press.
Pollock, T. G., Chen, G., Jackson, E. M., & Hambrick, D. C. (2009). How much prestige is enough? Assessing the value of multiple types of high-status affiliates for young firms. *Journal of Business Venturing*, *25*(1), 6–23.
Porter, M. E. (1996). What is strategy? *Harvard Business Review, 74*(6), 61–78.
Raisch, S., & Birkinshaw, J. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, *34*(3), 375–409.
Rajagopalan, N., & Spreitzer, G. M. (1997). Toward a theory of strategic change: A multi-lens perspective and integrative framework. *Academy of Management Review*, *22*(1), 48–79.

Rindova, V., Ferrier, W. J., & Wiltbank, R. (2012). Value from gestalt: How sequences of strategic decisions affect competitive advantage. *Strategic Management Journal*, *31*(6), 621–640.
Ritter, J. R., & Welch, I. (2002). A review of IPO activity, pricing, and allocations. *The Journal of Finance, 57*(4), 1795–1828. https://doi.org/10.1111/1540-6261.00478
Sanders, W. G., & Boivie, S. (2004). Sorting things out: Valuation of new firms in uncertain markets. *Strategic Management Journal*, *25*(2), 167–186.
Siggelkow, N. (2001). Change in the presence of fit: The rise, the fall, and the renaissance of Liz Claiborne. *Academy of Management Journal, 44*(4), 838–857. https://doi.org/10.2307/3069418
Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, *28*(13), 1319–1350.
Teece, D. J., & Pisano, G. (1994). The dynamic capabilities of firms: An introduction. *Industrial and Corporate Change*, *3*(3), 537–556.
Tihanyi, L., Johnson, R. A., Hoskisson, R. E., & Hitt, M. A. (2003). Institutional ownership differences and international diversification. *Academy of Management Journal*, *46*(2), 195–211.
Tong, T. W., & Reuer, J. J. (2007). Real options in multinational corporations: Organizational challenges and risk-taking implications. *Journal of International Business Studies, 38*(2), 215–230.https://doi.org/10.1057/palgrave.jibs.8400257
Uotila, J., Maula, M., Keil, T., & Zahra, S. A. (2009). Exploration, exploitation, and financial performance. *Strategic Management Journal*, *30*(2), 221–231.
Vermeulen, F., & Barkema, H. G. (2001). Learning through acquisitions. *Academy of Management Journal*, *44*(3), 457–476.
Vermeulen, F., & Barkema, H. G. (2017). Learning from acquisition experience. *Strategic Management Journal*, *38*(4), 853–865.
Wang, H., Wu, W. P., & Zhou, X. (2024). Institutional investors and firm strategies after IPO. *Journal of Corporate Finance*, *85*, 102746.
Weber, Y., & Tarba, S. Y. (2014). Strategic agility: A state of the art introduction. *California Management Review*, *56*(3), 5–12.
Welbourne, T. M., & Andrews, A. O. (1996). Predicting the performance of initial public offerings. *Academy of Management Journal*, *39*(4), 891–919.
Wooldridge, J. M. (2010). *Econometric analysis of cross section and panel data* (2nd ed.). MIT Press.
Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities. *Journal of Management Studies*, *43*(4), 917–955.
Zhang, Y., & Rajagopalan, N. (2010). Once an outsider, always an outsider? *Strategic Management Journal*, *31*(3), 334–346.
Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science, 13*(3), 339–351. https://doi.org/10.1287/orsc.13.3.339.2780