

### Call for Papers for a Special Issue

## LEADING THE DIGITAL TRANSFORMATION OF INCUMBENT FIRMS: A STRATEGIC ENTREPRENEURSHIP PERSPECTIVE

Submission Deadline: July 1, 2021

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The guest editors for this special issue of the Strategic Entrepreneurship Journal (SEJ) invite papers for publication consideration on the topic of “*Leading the Digital Transformation of Incumbent Firms: A Strategic Entrepreneurship Perspective.*”

#### Background and Special Issue Purpose

Across the world, digital technologies are transforming firms, industries, and economies—a trend that is accelerating as firms struggle to reinvent how they interact with customers, employees, and other stakeholders in the wake of an upsurge in local and global grand challenges such as the COVID-19 pandemic, climate change, migration, and political turbulence. Digitalization gives rise to a host of organizational threats and opportunities for incumbent firms of varying sizes and scopes, from new ventures to large, publicly traded firms. On the one hand, digitalization may upend the ways firms create and capture value (Bradley and O’Toole, 2016). In so doing, it could destroy core competencies of incumbents such as commercialization capabilities and access to distribution channels (Tushman and Anderson, 1986), challenge established mind-sets and identities (Anthony and Tripsas, 2016; Kammerlander, König, and Richards, 2018), and demand drastic, politically difficult changes within firms and their surrounding ecosystems (Ansari, Garud, and Kumaraswamy, 2016; König, Schulte, and Enders, 2012). On the other hand, there is mounting evidence that incumbents may benefit substantially from digital transformation. In fact, when decision makers in established firms manage to adapt their mental models to envision new, path-divergent business models, acquire the necessary resources, and align strategy, they may capture a substantial share of the digital economy and ensure adaptability and survival (Loucks et al., 2016).

Given the widespread recognition that digital transformation is a “strategic imperative on leadership agendas” (Warner and Wager, 2019: 4) and that the processes and outcomes of digital transformation are rooted in leadership capabilities (Helfat and Peteraf, 2015; Kor and Mesko, 2013), there is a timely need for an integrative forum and conversation that can further clarify the entrepreneurial role of strategic leaders—CEOs, top management teams, boards, and mid-level managers—in digital transformation. While scholars have made fundamental advances in explaining heterogeneity among incumbent firms’ responses to discontinuous technological change generally (Eggers and Park, 2018), the role and influences of strategic leaders in the digital transformation of incumbent firms remain a

salient nexus for advancing strategic entrepreneurship theory, research, and practice.

Strategic entrepreneurship provides an encompassing lens for investigating how firms can respond to the opportunities and challenges of digital transformation. Recently, scholars in strategic entrepreneurship have made significant progress exploring the opportunities for new business models from digital technologies (Rietveld, 2018); the creation of value through novel resource combinations (Amit and Han, 2017); the role of capabilities in response to digital disruption (Roy, Lampert, and Stoyneva, 2018); the nature and role of entrepreneurship in digital platforms (Srinivasan and Venkatraman, 2018); and the ecosystems in which digital opportunities and capabilities are created and exploited (Autio et al., 2018; Eckhardt, Ciuchta, and Carpenter, 2018; Nambisan, Siegel, and Kenney, 2018). As a unifying theoretical perspective (Simsek, Heavey, and Fox, 2017), strategic entrepreneurship addresses questions central to advancing research on the role of strategic leaders in digital transformation. Thus, the purpose of this special issue is to build on existing conversations in strategic entrepreneurship and other streams of research and create new discussions about the role of strategic leaders in whether, how, when, and to what ends incumbent firms engage in digital transformation. We welcome contributions from scholars in other disciplines who can provide novel, theoretically rich insights into the research questions outlined in this proposal.

### **Possible Research Questions**

Some exemplary relevant themes and questions include:

***Sensing opportunities for digital transformation:*** A key issue at the core of entrepreneurship is how entrepreneurs overcome barriers such as ignorance and doubt that hinder people from being alert to and pursuing opportunities (Baron, 2006; McMullen and Shepherd, 2006). Here, digital technologies play a dual role because they not only serve as external enablers of novel entrepreneurial opportunities (Von Briel, Davidsson, and Recker, 2018), but also fundamentally change the actions and behaviors that allow strategic leaders to sense opportunities in a digital world that is characterized by more fluid boundaries and more dispersed entrepreneurial agency (Nambisan, 2017). It is, therefore, imperative to gain a better theoretical understanding of how the experiences, cognitions, and network relations of strategic leaders might shape their alertness to and perceptions of opportunities engendered by digital technologies. This gives rise to many unanswered questions, including the following:

- What role do agent and founder CEOs and other top executives play in discovering and creating opportunities for digital transformation? What role does the board of directors play, alone and in interaction with top executives and other stakeholders?
- What experiences foster opportunity identification in the digital economy, including experiences in other industries undergoing technological change or experiences in entrepreneurial firms?
- How can CEOs and top management teams increase their alertness to opportunities for digital transformation by improving information flows within and across organizational boundaries? With whom and how should they create interfaces to maintain alertness to opportunities?
- What types of personalities, ideologies, cognitive orientations, and decision-making pathologies among leaders are likely to derail the identification of opportunities for digital transformation? By contrast, what types of personalities, ideologies, cognitive orientations, and decision-making styles are most likely to promote and enable digital transformation?
- How do top management team composition, structure, configuration, and processes influence the discovery and/or creation of opportunities for digital transformation? How do CEOs compose and reconfigure their top management teams and possibly mid-level managers to increase alertness and responsiveness to digital opportunities?

***Seizing opportunities for digital transformation:*** Strategic leaders are central to mobilizing, building, and reconfiguring the capability configurations necessary to dynamically adjust to the evolving opportunity landscape (van der Wal et al., 2019). As Amit and Han explain: “the rapidly increasing trend of digitizing companies has reshaped how firms do business and is fostering strategic entrepreneurship by enabling entrepreneurs and managers alike to create novel configurations of resources and thereby increase their value” (2017: 228). Spurred by digitalization, assets and

knowledge reside increasingly outside the firm in more extensive networks and ecosystems of complementors, including entrepreneurial start-ups. Nambisan et al. (2018), for example, note that: “never before has so much of entrepreneurs’ decision-making, strategies, and success been at the mercy of an external entity” (2018: 365). As such, strategic leaders might need, for example, to envision and implement fundamentally different business models (Amit and Zott, 2015; Osiyevskyy and Dewald, 2015) and resource configuration approaches (Amit and Han, 2017; Jacobides, Cennamo, and Gawer, 2018). Overall, numerous key questions remain regarding how strategic leaders engage in strategic entrepreneurship to seize opportunities for digital transformation. For example:

- How do strategic leaders build, configure, and reconfigure a firm’s resources and capabilities to engage in digital transformation? How do they do so when at least some of the critical resources reside in the wider ecosystem outside the organization—beyond the immediate grasp of control?
- How do strategic leaders lead the business model innovations needed to capitalize on digital transformation? What are the cognitive, behavioral, and political enablers and constraints of business model innovation?
- In the context of digital transformation, what does the strategic leadership of platforms and ecosystems entail? How does digital transformation influence the concept, dimensions, and meaning of strategic leadership in an age where external interactions are just as important as internal relations? What are some salient interfaces?
- Does it matter who takes responsibility for digital transformation? Should the role be vested in a single role or diffused across the entire top management team and middle managers?

***Institutionalizing enablers for digital transformation:*** A third general entrepreneurial challenge for strategic leaders will lie in architecting and institutionalizing enablers that facilitate the ongoing sensing and seizing opportunities for digital transformation, such as corporate entrepreneurial processes, structures, and incentives. In this regard, digitalization might well be thought of as undermining our overall understanding of strategic entrepreneurship, especially in larger firms (Autio et al., 2018; Eckhardt et al., 2018; Nambisan et al., 2018; Srinivasan and Venkatraman, 2018). Digitalization and the digital economy—which co-emerge with the further development of social media—will almost certainly also engender novel, idiosyncratic processes of communication in and around companies and of entrepreneurial legitimation (Ansari et al., 2016; Graf-Vlachy et al., 2019; Etter, Ravasi, and Colleoni, 2019). In this vein, we see considerable merit in future studies that address questions such as:

- What processes and structures of strategic entrepreneurship need to be re-envisioned for incumbent firms to initiate and implement digital transformation initiatives on an ongoing basis? How do strategic leaders both foster and constrain the development of such enablers?
- How much autonomy and incentives should digital ventures be given relative to the core business? What is the optimal level of differentiation and integration? Or, instead, should managers of the core business take the lead, as they are the ones who “own” the customer and are under threat?
- How are corporate entrepreneurial processes and structures deployed or modified across the varying phases of digital transformation? In what ways do legacy and digital business processes and structures interact with each other, and how should they be aligned?
- How can strategic leaders manage the novel processes of communication and legitimation that may unfold with the further development of the digital economy and digital (communication) technologies, as well as the growing difficulties and responsibilities in the wake of the emergent “grand” global challenges?

### **Submission Guidelines**

Submissions to this special issue should be prepared in accordance with SEJ’s submission process described at <https://www.strategicmanagement.net/sej/overview/submission>. Submissions can be made

via the SEJ website at <https://mc.manuscriptcentral.com/sej> from May 1, 2021 to July 1, 2021. Please make sure to indicate that your submission is for the special issue on “Leading the Digital Transformation of Incumbent Firms: A Strategic Entrepreneurship perspective.”

### Further Information

For questions regarding the content of the special issue, please contact the guest editors:

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