Abstract
This study analyses persistence in growth rates of the entire population of Dutch manufacturing firms. Previous literature on firm growth rates shows that extreme growth events are likely to be negatively correlated over time. A rebound effect following an extreme growth event questions the existence of persistent outperformers, indicated by a positive correlation over time. By supplementing the quantile regression analyses with transition probability matrices, our study shows that 'bouncing' firms co-exist with persistent outperformers. This result is robust if we exclude firms involved in acquisitions or spin offs. Differentiating among different size classes, we find that the existence of persistent outperformers is especially pronounced in micro firms. We interpret this finding as supporting the notion of a Schumpeter Mark I regime, with small firms displaying strong heterogeneity in their growth patterns, versus a Schumpeter Mark II regime, with large firms displaying less heterogeneity of growth.