Place leadership and regional economic development: a framework for cross-regional analysis

How to cite:
Beer, Andrew; Ayres, Sarah; Clower, Terry; Faller, Fabian; Sancino, Alessandro and Sotarauna, Markku (2018). Place leadership and regional economic development: a framework for cross-regional analysis. Regional Studies (Early Access).

© 2018 The Authors
Version: Version of Record

Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.1080/00343404.2018.1447662

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online’s data policy on reuse of materials please consult the policies page.
Place leadership and regional economic development: a framework for cross-regional analysis

Andrew Beer\textsuperscript{a} \& Sarah Ayres\textsuperscript{b}, Terry Clower\textsuperscript{c}, Fabian Faller\textsuperscript{d}, Alessandro Sancino\textsuperscript{e} and Markku Sotarauta\textsuperscript{f}

ABSTRACT
This paper examines the leadership of places – cities, regions, communities – in Australia, Finland, Germany, Italy, the United States and the United Kingdom and explores the capacity of vignettes to generate new, theoretical and empirical insights. It uses vignettes to identify the features of place leadership evident in 12 case studies across six nations. The research finds significant commonalities in place leadership with respect to the importance attached to boundary spanning, the role of government officials in responding to the prospect of regional decline or growth and how the nature of the challenge confronting a locality determines the adequacy of the response.

KEYWORDS
place leadership; cross-national; economic transition; regional economic development; vignette

INTRODUCTION
Over the past decade increasing attention has been paid within regional research to questions of city and regional leadership (Collinge, Gibney, & Mabey, 2010a; Gibney, 2014; Normann, 2013), and the part played by the deliberative actions of key individuals and institutions in shaping the future of places (Ayres, Flinders, & Sandford, 2017; Sotarauta, 2016; Stimson, Stough, & Salazar, 2009). Quantitative researchers have sought to include leadership as a variable within endogenous growth models (Stimson et al., 2009), while others have examined the part played by economic-development professionals working as a network (Ayres et al., 2017; Sotarauta, 2009, 2010). Some policy-focused researchers have asked: Under which circumstances do government agencies take on the place leadership challenge, and how do those responsibilities sit with other dimensions of authority, and the private sector? There also is an emerging corpus of work that examines the role of higher education institutions as place leaders (Benneworth, Pinheiro, & Karlsen, 2017; Raagmaa & Keerberg, 2017), while other scholarship has considered leadership within the context of peripheral economies (Horlings & Padt, 2013; Kroehn, Maude, & Beer, 2010), its contribution to the emergence of ‘smart cities’ (Nicholds, Gibney, Collinge, & Hart, 2017), and its role in achieving environmental, economic and social sustainability (Sotarauta, Horlings, & Liddle, 2012).

Several summaries of place-based leadership have been produced (Beer & Clower, 2014), and there have been recent significant theoretical contributions (Sotarauta, Beer, & Gibney, 2017) arguing place leadership is...
transformation rather than transactional (Collinge et al., 2010a), and the product of collaboration rather than the efforts of an individual (Hambleton, 2015). Place leadership is fundamentally shaped by context (Gibney, 2014), and thus highly differentiated in its expression (Nicholds et al., 2017). The circumstances affecting a region, city, town or small rural community determine the capacity for leadership to emerge, and shape the ways in which it is expressed (Beer, 2014). While much of the literature is drawn from the experience of advanced economies, there is increasing recognition of comparable, but distinctive, dimensions of place leadership in emerging economies (Hu & Hassink, 2017). There is a consensus that place leaders have the capacity to influence others (Hartley, 2002; Sotarauta, 2009; Sydow, Lerch, Huxham, & Hibbert, 2011), and it is this reliance on persuasion that differentiates leadership in regions and cities from the leadership of these communities (Collinge et al., 2010a).

The social and economic framing of place leadership has generated significant challenges with many studies relying upon case studies (Peters, 2012; Raagamaa, Kindel, & Lüti, 2012) with limited attempts to generalize findings. The efforts of Stimson et al. (2009) and the Organisation for Economic Co-operation and Development (OECD) (2009) to include leadership in their models of growth failed to establish a systematic framework for comparing impacts across regions. Epistemologically, place leadership has remained an ideographic phenomenon, with researchers producing a portfolio of in-depth case studies but unable to draw conclusions across wider spatial scales, economic structures, time periods or systems of government. A limited volume of research has attempted either to draw comparisons between nations (Budd & Sancino, 2016; Sotarauta & Beer, 2017), or to use formal surveys to explore leadership-related issues (Smailes, 2002; Sorensen & Epps, 1996; Sotarauta, 2016) or to explore long-term leadership processes, i.e., leadership relays (Sotarauta & Mustikkamaki, 2012). Other work has applied new theoretical perspectives, with Normann, Johnsen, Knudsen, Vasstrom, and Johnsen (2017) examining the potential of field theory. While these are important steps, greater methodological innovation is needed to enable scholarship to advance beyond a collection of one-off and single-case studies towards replicable comparative research and a reliable cumulative body of knowledge about place leadership in different contexts.

The objective of this paper is to fill a gap in the literature on place leadership by examining variation in the practices of place leadership across six countries in order to distinguish those features that appear common and those that are context dependent. It makes use of regional economic development issues, and does so in recognition of both the critical role of economics in shaping city and regional futures, and the search by many researchers to understand better the social and institutional dimensions of regional growth (Budd et al., 2017; Rodríguez-Pose, 2013).

The paper is structured as follows. The next section examines the conceptual framework that underpins contemporary understandings of place leadership and its relationship with authority, the transformation of places and the sharing of responsibility. The paper then moves on to discuss the methods used in this research, including conceptual and practical foundations for vignette research. The third section examines the findings and focuses in particular on the overall adequacy of place leadership in each case study, as well as on the role of the private sector and key individuals. Attention is also paid to the role of boundary spanning across the six nations as localities are confronted by new circumstances. The paper concludes with a discussion of the major outcomes of this work, including the finding that while each country is associated with a distinctive approach to, and structure for, the delivery of place leadership, significant commonalities were also evident.

CONCEPTUAL FRAMEWORK: PLACE LEADERSHIP IN REGIONAL ECONOMIC DEVELOPMENT

Why place leadership in regional development?
For a long time, regional economic development was seen mainly as a question of investments in physical capital. The growing importance of the endogenous growth theory in the 1990s shifted the attention of scholars and policymakers increasingly to issues related to education and innovation (Rodríguez-Pose, 2013). This resulted in an ever-growing body of research focusing on, for example, regional innovation systems (Cooke, Uranga, & Etxebarria, 1997), related variety at a regional level (Hartog, Boschma, & Sotarauta, 2012), and knowledge flows and knowledge bases (Fratesi, 2015). All this has changed one’s understanding of regional development dynamics, and hence also interactive modes of governance are emphasized today more than previously, as the many studies drawing upon the endogenous growth theory emphasize the need to pool the resources, knowledge and capabilities of many actors.

Consequently, there is a rapidly emerging need to understand who and/or what provides the collective development efforts with future directions, if the ‘policy wisdom’ does not reside only on the top. This again has brought up questions related to leadership in regional development (Bowden & Liddle, 2017), and the attempts to shed a light, as Sotarauta et al. (2017, p. 191) put it, ‘on the questions of why, and in whose interest, leadership is enacted in different places and at different times’. Moreover, recognition of leadership in determining the performance and character of regions places agency, i.e., the role of the key actors, at the centre of regional and urban analyzes and draws attention to the processes that inhibit or promote its emergence. Hence, increasing interest towards leadership in local and regional economic development is a part of a turn towards questions related to agency (Uyarra, Flanagan, Magro, Wilson, & Sotarauta, 2017). Sotarauta et al. (2017) suggest that a deeper understanding of what can be labelled broadly as ‘place leadership’ is one way to shed an additional light on issues related to the relationship between governance and actors.
In summary, the recent academic and policy literature shows that leadership is an important contributor to the success of cities and regions (e.g., Benneworth et al., 2017; Nicholds et al., 2017; OECD, 2009; Raagmaa & Keerberg, 2017; Sotarauta, 2016). However, it is too early to seek causality between leadership and regional economic development as there is a danger of ending up searching for causality between formal authority and gross domestic product (GDP) growth instead of first identifying the true nature of place leadership in different contexts (Sotarauta, 2016).

The concept of leadership in essence

The nature, articulation and enactment of leadership remains a significant area of academic endeavour in many disciplines, especially in management and business-related fields concerned with the performance of large organizations (Bligh, 2006). Despite this, as Heifetz (2010) maintains, people often equate leadership with a position of formal authority and approach transformative challenges as if they were technical problems. He also adds that many see leadership as a set of personal traits rather than as set of activities, or define leadership as a value-free, instead of a value-driven, practice. Leadership studies reveal that, at its best, leadership is a context-dependent, sophisticated and complex art, not a straightforward managerial and technical act (Grint, 1997).

According to Komives and Dugan (2010), present-day leadership theories approach leadership as a reciprocal and dynamic process between people who pursue, and seek, common goals in a value-based and complex network that needs guidance towards the accomplishment of common good through collective action. Leaders are seen to be responsible for developing pathways in collective action, and hence provide support for actors to broaden their capabilities to understand complexity, clarify vision and construct shared mental models. One main function of leaders is to enhance collective learning (Senge, 1990), and to choreograph and direct shared learning processes in complex networks with the aim of boosting, one way or another, regional development. As Heifetz (1994) argues, a major challenge is to draw attention to a challenge, and having secured public and governmental interest, deflect it to the issues that need to be faced and reframed in a region (Sotarauta, 2016).

All in all, leadership studies often focus on issues related to governance; influence and power; social networks; followers; goals and objectives; movement and direction, i.e., processes; mobilization; coordination and access to dispersed sets of resources and capabilities.

Basic tenets of place leadership

Traditionally, the question of how leadership in places is understood with respect to the formal processes of government and authority has been an important focus for scholarship, and therefore the emphasis has often been on the issues related to government operations in specific locations. Of course, the interpretation or ‘signification’ of place leadership is critical, as ‘framing’ determines the interactions between leaders and governments, institutions and the community (Benford & Snow, 2000). Observations from contemporary place leadership studies locate it not in the attributes of individuals or government structures as such, but in the relationships connecting actors in specific places and various development processes. Place leadership is thus a scalable concept that may be used across different levels of spatial analysis (cities, sub-regions, regions, villages, neighbourhoods etc.) covering location (a specific physical location), locale (the construction of a multiplicity of social relations) and the sense of place (subjective emotional attachments) (Collinge & Gibney, 2010).

Importantly, following Bass and Riggio (2006), place-based leadership implies transformation, but such a change can also be inhibited by those who hold formal authority. For example, the OECD (2009) concluded the development of some regions in Mexico was impeded by elites who acted as a brake on regional development because they prioritized their ability to maintain local influence. Similarly, Gray (1991) noted the ongoing influence of landholders as gatekeepers controlling the nature and rate of growth in rural Australia. This ‘framing’, or shared understanding, of place leadership provides social legitimation for the potentially disruptive impacts of leaders who drive or facilitate change, rather than safeguard the status quo. But, as Sotarauta (2016) points out, transformative individuals may also include actors with no formal authority who instead derive their influence from their capacity to persuade others (Smailes, 2002).

As contemporary work on place leadership stresses, the need to reach beyond issues of formal authority raises a core question about how individuals or groups may mobilize and coordinate transformative work in their communities that makes a difference. Drawing upon French and Raven (1959), Sotarauta (2016, pp. 67–68) examined the interrelationship between knowledge and authority, acknowledging six types of power: legitimacy based on positions held; referent power that describes the capacity to attract others and build loyalty; the power of expertise, which is based on skill; information power, which enables leaders to persuade others; the power that comes from being able to offer material rewards; and power attached to the capacity to coerce others. Critically, place leaders rely upon their capacity to influence others and typically have access to some forms of power – referent, information and potentially expertise. Leadership – as agency – is central to governance, with the agency of leadership (Ayres, 2014) enabling governance structures to operate in new, more effective, ways (Sotarauta, 2016, p. 30). Within this context, it is important to understand which government actors take on the place leadership challenge, and how those responsibilities sit with respect to other dimensions of authority. Additionally, the place leadership discourse is also focused on the private sector and its capacity to bring about change in ways that are beyond the capacities of public institutions (MacNeill & Steiner, 2011). There is an expectation that private enterprises are integral to efforts either to attract new businesses to a region or to protect against job loss. Business associations of various forms, such as chambers of commerce, are also a conduit...
for representing the region and have the potential to lead change in their own right (Beer, Haughton, & Maude, 2003). In examining place leadership across national boundaries, one therefore needs to understand the nature and level of private sector engagement.

In many accounts of place leadership, one or a small number of individuals are accorded considerable significance in reshaping local communities (Kenyon, 2004; Sorenson & Epps, 1996). Therefore, the capacity of leaders to emerge from within the community is one key dimension of place leadership (Collinge et al., 2010a; Parkinson, 1990). In comparing place leadership across countries, one seeks to understand how community members rise to positions of influence, and the role other community roles play in assisting their emergence. Within these areas of enquiry researchers have also considered differences between countries, including the ways in which the expression of leadership is specific to individual cultures due to alignment with broader social and cultural values (Hartog et al., 1999). Critically, Hartog et al. (1999, p. 219) found ‘specific aspects of charismatic/transformational leadership are strongly and universally endorsed across cultures’. In that respect, the present study contributes to the wide literature investigating the relationship between culture and leadership (e.g., Hofstede, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004), and employing the vignettes method in focus groups recognizes the dynamic and interactive nature of leadership as a social construct as posited by Jepson (2009). Many accounts of place-based action consider one-off events that have elicited an immediate reaction from leaders who pool capacities to give shape to an effective response (Kroehn et al., 2010). However, such a responsiveness is just one dimension of place leadership. More fundamentally, leaders act strategically to set a long-term vision for the city or region (Stimson et al., 2009; McNeil & Steiner, 2010), which highlights the importance of focusing on local or regional particularities over national stereotypes. Stough, DeSantis, Stimson, and Roberts (2001), for example, observed the importance of key individuals and institutions in shaping strategic plans, while Sotarauta (2009, 2010) documented the ways professional staff exert significant leadership in bringing strategic plans into effect and/or use them as vehicles for enhanced communication between stakeholders.

A key feature of the literature on place leadership is the way key individuals and agencies share responsibility to enact change and span administrative, political and other structures (Collinge, Gibney, & Mabee, 2010b). Boundary spanning is central to place leadership, with the process of reaching out to others critical in drawing in support – referent power; making use of the legitimacy of a key individuals and agencies; mobilizing expertise within the community; and accessing the necessary information to generate informed decisions. In looking to understand place leadership across nations we must examine the degree to which it is common to all locations and how it finds expression under varying circumstances. Finally, it is reasonable to assume that place leadership will not be equally well developed under all circumstances. Some systems of government, national and regional cultures, economic structures and patterns of urban settlement are more likely to result in robust place leadership when compared with others. The limited volume of work to compare locations or even nations lends support to this hypothesis (Budd & Sancino, 2016; Sotarauta & Beer, 2017). Therefore, we need to shed a light on whether economic and social challenges at the regional or urban scale receive adequate responses.

**METHODOLOGY**

Methodological innovation in the analysis of the leadership of places calls for the exploration of new techniques with the potential to produce robust, reproducible and generalizable outcomes. In this paper we consider the vignette approach as an addition to the repertoire of tools used by researchers focused on place leadership, while also testing the capacity to compare place leadership practices across nations. Importantly, vignettes enable the generation of new insights into place leadership, and along the way establish the conditions that allow for comparisons across regions and nations (Figure 1).

Collett and Childs (2011, p. 513) described vignettes as ‘detailed scenarios presented to subjects, where they are an actor or observer’, while Kerlinger (1996, p. 23) defined them as ‘brief concrete descriptions of realistic situations so constructed that responses to them – will yield measures of variables’. Vignettes are widely used by social science researchers, especially in disciplines such as organizational behaviour and marketing (Wason, Polonsky, & Hyman,
influenced by the traditions of social psychology. The vignette method has been subject to ongoing debate and investigation (Collett & Childs, 2011), but continues to be used to evaluate values and beliefs (Finch, 1987) and the variation in the practices of medical practitioners (Veloski, Tai, Evans, & Nash, 2005) and social welfare systems (Fitzpatrick & Stephens, 2014).

Vignettes are commonly used in leadership studies with, for example, Kelloway, Barling, Kelley, Comtois, and Gatien (2003) applying this technique to test the capacity of groups to distinguish between styles of leadership. Importantly, vignettes have been employed in a number of cross-national studies of social and economic issues. Gupta, Kristensen, and Pozzoli (2010), for example, discussed the use of vignettes in cross-national health studies and incorporated those findings into logit models predicting health outcomes. More substantively, Fitzpatrick and Stephens (2014) applied vignettes to understanding how approaches to homelessness varied across six European nations. Their analysis led them to conclude values embedded in national political cultures determined how homelessness interventions were implemented, and shaped their effectiveness. They concluded vignettes were a valid technique for exploring complex social, economic and political issues and were an important first step towards large-scale data collections across nations.

We conducted focus group discussions in Australia, Finland, Germany, Italy, the UK and the United States in order to explore how participant interpret leadership, and where, and from whom, this might emanate. (The chosen cases are developed economies, but encompass significant differences in their systems of government, economies and social and cultural norms; Pollitt & Bouckert, 2004.) Australia, Germany and the United States are federations, while the UK, Finland and Italy have unitary systems of government, with powers delegated to the local level. The degree to which decision-making authority is shared varies even within these categories: Australia’s federation is more highly centralized than that of the United States (Brown & Bellamy, 2006), while Finland’s unitary system of government has a far greater degree of power sharing (Stough et al., 2001) than evident in the UK (Ayres, 2017).

The vignettes
In each focus group the participants were presented with two vignettes as contrasting scenarios:

- Scenario 1: A large multinational corporation announces it is investigating the possibility of locating a new production facility in the region with the potential of creating 2000 jobs. This new investment would be dependent on support from government to build its new facility, extend electricity and water infrastructure to its preferred site, and up-skill local workers. It also asks for relief from local taxes for seven years.
- Scenario 2: The major employer in your community anticipates closing in two years because of falling demand for its product, relatively high production costs and a desire to build new production facilities elsewhere. There is little prospect of the decision being reversed and the closure represents a major challenge because of the impact on both direct employment and firms in the supply chain. Government agencies make a commitment to find alternative industries for the region, while local business leaders seek investment opportunities to support their region.

These vignettes were discussed with informed participants at two focus groups per country. Data collection took place in the first six months of 2016, following piloting of the vignettes in each nation. The researchers consulted with place leaders known to them, but living outside the selected case studies, about the scenarios presented, the questions to be asked and the most appropriate approaches for generating a detailed response. The cultural and political diversity embedded in this research presented conceptual and practical challenges, as the researchers acknowledged not all dimensions of place leadership were likely to be present in every instance, and that structures of government and governance may render some dimensions of place leadership of critical importance in one locality but irrelevant elsewhere. We therefore accepted not all topics would be germane in all circumstances, with the ‘absent’ responses to some questions as important as detailed responses from others. Second, the research team was careful to develop vignettes that were meaningful in each country. Originally, four vignettes were developed and examined, with two selected based on the likely capacity of respondents to make informed comment, the topicality of the issues and their relevance to place leaders in each nation.

Following ethics approval the focus groups were undertaken with two researchers present, with the first leading the discussion and the second taking notes. In some places the discussions were recorded, and this was dependent on the degree to which this practice was acceptable to the participants. Focus group members were recruited from the region and invited to participate based on their involvement in the development of their regions or communities, their capacity to influence or shape decisions, and their professional roles. A significant proportion of informants were involved in economic development. Across the 12 focus groups participants were drawn from a wide variety of occupations and sectors, with both public- and private-sector representatives strongly represented. The 90 participants included local government officials, public and private sector chief executive officers, regional development staff, industry associations, local government councillors, consultants, local business bodies, voluntary sector representatives, utility providers, trade unions, and journalists.

Responses were recorded for each focus group on a spreadsheet populated with predetermined questions to maximize the transferability of the information gathered. In addition, a narrative was produced for each focus group. Focus groups were undertaken in discrete locations in each nation included in the study (Figure 2). In Italy,
Bergamo a provincial city in Lombardy, north-east of Milan, was one subject for the research. It has a population of 120,000 persons and a broader regional population of 1.1 million. The second focus group in Italy was conducted in Rieti, a provincial city in the Lazio region north-east of Rome. Rieti has 48,000 inhabitants, while its provincial area has a further 160,000 residents. The Australian case studies were undertaken in and around Adelaide, the capital of South Australia, a city of 1.1 million people. One focus group was undertaken in northern Adelaide, a manufacturing and transport region, with the second conducted to its immediate north in the Barossa Valley, a wine and food production hub. The US case studies were located near Washington, DC in northern Virginia and Maryland. In Germany, Lübeck and Kiel in the northern part of the country hosted the focus groups, with Lübeck a city of 220,000 persons that serves as a major port on the Baltic Sea. Kiel has 240,000 residents, is capital of the state of Schleswig-Holstein, and is also a maritime hub, as well as a centre for mostly military shipbuilding. The City of Tampere and the wider Tampere region were the focus of the Finnish focus groups, with Tampere a city of 380,000 persons and the former population standing at 380,000, and the latter at 510,000 persons. Over recent decades it has been important for technological industries including Nokia and Microsoft, with significant restructuring taking place over the past decade. Finally, the UK data collection was undertaken in Bristol, a major city of 440,000 residents in the west of England. It was one of the first UK cities to move to an elected mayor (Hambleton & Sweeting, 2015) with consequent impacts on public life and governance.

Each region in the study has experienced substantial change over the past decade, and the leadership of these places has developed techniques and strategies for accommodating economic shocks. The strategies used, however, have varied with experience, governmental arrangements, industry structure and political values.

**FINDINGS AND ANALYSIS**

The adequacy of place leadership

In order to assess the overall strength of place-based leadership in each case study, the participants were presented with the two vignettes and then asked if they believed an adequate response would be developed to each challenge. For this and all other focus group questions, the views of the respondents were recorded and at the conclusion the researchers assigned a score between 0 and 10, where 0 reflected an absent or poor response and 10 indicated a very strong response. This summary assessment recognized that while other parts of the focus group deliberations examined specific features of place leadership, they may not provide insight into overall efficacy. It is notable that across the nations respondents believed appropriate responses would be developed for both scenarios, although scenario 1 was more likely to receive a strong response and had a greater chance of being addressed well. Also, respondents in different locations within countries gave similar answers.

The Australian focus group respondents provided mixed perspectives when asked if their region or community would be able to respond adequately to the two challenges. Respondents in northern Adelaide felt an
adequate response to scenario 1 was probable, but in their assessment a best possible response was unlikely, while complete failure was possible. The same group reported that any response to a major closure would be affected by underdeveloped advocacy for the region. In the Barossa Valley, the presence of a long-established regional development authority meant respondents were confident that a strong response would be developed for scenario 1, and an adequate response for scenario 2. This variation between the two localities – only 30 km apart – underscores the locality specific nature of place leadership. The US informants reported a strong response would be delivered in their region for both scenarios, with the economic development corporations leading. They observed there was capable leadership in the region able to manage these challenges. The Italian focus groups reported a strong response would be developed for scenario 1 and a very strong response to scenario 2. The informants commented that various place leaders – including mayors – would work together to find solutions to the impending arrival of a large employer, while the loss of a major enterprise would trigger a range of community actors working together.

The Bristol focus group respondents believed a strong response would be implemented for both scenarios, though they noted the lack of coordination at the subnational level. One local councillor noted the complexity brought about by the city-mayor model: ‘In the past a company might have contacted the Chief Executive of the City Council but now it might be the Mayor.’ Importantly, local stakeholders believed a large number of groups and organizations would be involved in both instances. The Kiel and Lübeck respondents also reported a high likelihood of an effective reaction to both scenarios, with economic development agencies leading the response in collaboration with the mayor. Comparable outcomes were likely in Tampere and its region, with private-sector leaders only participating in the development of job-attraction responses occasionally, and unlikely to be engaged with an impending shutdown. In Kiel and Lübeck, and again in Bergamo and Rieti, there was a clear sense that the departure of a firm was a matter for unions and labour laws, with individual firms only involved if parts of the outgoing enterprise could be bought by another business. By contrast, the private sector was likely to participate in attracting a new firm to a region in Bristol, with the chamber of commerce and industry bodies such as the West of England Aerospace Forum central. UK legislation requiring a two-year notice of closure meant individual firms, as well as trade bodies and the Institute of Directors (IoD), would contribute to local responses. In the two Italian case studies, business associations, rather than individual businesses, would be significant in framing regional responses to change. The territorial branch of Confindustria would assist incoming firms establish local contacts, but would play a lesser role with a departing firm. Respondents from the Australian focus groups presented a picture broadly similar to the arrangements evident in other nations. Individual private businesses were more likely to participate in efforts to bring a firm to a region than manage the departure of an enterprise, and there was a strong sectoral dimension to their involvement. Firms joining an established or growing industry – defence for northern Adelaide, wine for the Barossa Valley – were likely to see other firms facilitate their recruitment. Such facilitation, however, included a degree of self-interest as: In some instances local leaders would oppose a competitor coming in – e.g. in defence – but in some cases they would help roll out the welcome mat and help attract them … depends on the industry that the local leader is working in, (they) would certainly do it if they saw an advantage for them.

(participant 1, northern Adelaide)

**Firms as leaders**

Much of the literature suggests that private sector firms may have the capacity to provide leadership in ways not possible in the public sector (MacNeill & Steiner, 2011) and participants in the focus groups were asked to consider what role businesses would play in responding to the two scenarios. Significantly, in all instances, both firms and their senior staff were more likely to play a leadership role when a business was entering the region rather than departing. In addition, firm engagement with scenario 1 was likely to be moderated by the actions of a local business association, which could be aligned to a specific sector.

In the two US focus groups, the leaders of major companies were seen to be occasional participants in attracting new firms to the region and chambers of commerce were infrequently involved. Respondents noted their engagement was on ‘a case-by-case basis’, although in some counties there were relationships between local government and bankers that resulted in a high level of engagement. The private sector and its senior staff were less likely to respond to a shutdown, with their role restricted to considering hiring retrenched staff. A similar set of arrangements was evident in Tampere and its region, with private-sector leaders only participating in the development of job-attraction responses occasionally, and unlikely to be engaged with an impending shutdown. In Kiel and Lübeck, and again in Bergamo and Rieti, there was a clear sense that the departure of a firm was a matter for unions and labour laws, with individual firms only involved if parts of the outgoing enterprise could be bought by another business. By contrast, the private sector was likely to participate in attracting a new firm to a region in Bristol, with the chamber of commerce and industry bodies such as the West of England Aerospace Forum central. UK legislation requiring a two-year notice of closure meant individual firms, as well as trade bodies and the Institute of Directors (IoD), would contribute to local responses. In the two Italian case studies, business associations, rather than individual businesses, would be significant in framing regional responses to change. The territorial branch of Confindustria would assist incoming firms establish local contacts, but would play a lesser role with a departing firm. Respondents from the Australian focus groups presented a picture broadly similar to the arrangements evident in other nations. Individual private businesses were more likely to participate in efforts to bring a firm to a region than manage the departure of an enterprise, and there was a strong sectoral dimension to their involvement. Firms joining an established or growing industry – defence for northern Adelaide, wine for the Barossa Valley – were likely to see other firms facilitate their recruitment. Such facilitation, however, included a degree of self-interest as:

In some instances local leaders would oppose a competitor coming in – e.g. in defence – but in some cases they would help roll out the welcome mat and help attract them … depends on the industry that the local leader is working in, (they) would certainly do it if they saw an advantage for them.

(participant 1, northern Adelaide)

**Leadership within the community**

The focus groups asked a number of specific questions about the role of key individuals and the part they would play in making sense of firm arrivals or departures. The
Australian informants were clear in their opinion that key individuals within the community would not be important in forming a response to either a plant closure or the announcement of a new major employer. Respondents also felt that the community would not look to local leaders to interpret these events for them, nor would these individuals seek to do so, largely because ‘this is only bad publicity’ (participant 3). The Finnish focus groups produced comparable outcomes, with the informants noting that confidentiality requirements often precluded public debate and that professional staff would be central to both negotiations and the implementation of plans. Starkly different outcomes were evident in Bergamo and Rieti, where the mayor – as an individual with a legitimacy bestowed by election – was acknowledged as central (Sancino & Castellani, 2016) in both the challenges; particularly, the mayor was seen as central to developing an adequate response and working with others, including the trade unions, universities and the church, to make sense of the process of change. In Bristol this view was echoed by a voluntary-sector respondent who suggested that ‘the Mayor has a key role in working with communities of leaders to coordinate a response’. In Kiel and Lübeck, a core role was attributed to the heads of the municipality’s business development agency and particular actors from the chamber of commerce and industry: ‘there are certain faces that always show up when we talk about these economic scenarios’ (participant 1, Kiel). In Kiel, the mayor was seen as most important for incoming firms at an early stage of locational decision (he would refer them to the municipality’s business development agency); in Lübeck, the mayor was seen as crucial for communicating particularly losses of firms to citizens. The Virginia focus groups saw local economic development practitioners as the key individuals responding to an incoming firm, while the Maryland focus group nominated the president of the local university or community college as central. In a similar vein, another institution and its members – the local workforce board – was seen as critical to making sense of the process of change for the wider community.

In aggregate, leaders drawn from the broader community were seen to have a modest role in initiating responses to major employment change and in interpreting this set of events for others. The two Italian and German case studies were an exception, but as an elected and paid official of the community-wide discussion of the processes of regional change, nor would that challenge be taken on by government professionals.

Boundary spanning and the leadership of professionals

As noted above, the capacity of place leaders to span boundaries to establish new relationships and find new solutions to the opportunities and challenges in front of a region is well documented in the literature (Collinge et al., 2010b). In all 12 focus groups informants were asked to reflect upon the degree to which boundary spanning takes place, with the European informants reporting that it would take place to a high degree or to a very high degree under both scenarios 1 and 2. The participants in the US focus groups attached a lesser priority and significance to boundary spanning, and in part this was driven by a strong focus on commercial confidentiality. Key informants in the focus groups in northern Adelaide and the Barossa Valley reported place leaders were more likely to respond by looking to the resources within their responsibility, and were less likely to reach across boundaries – especially governmental boundaries – to achieve better outcomes. This highly siloed approach to regional development is characteristic of regional development in Australia (Beer, 2015).

Participants in the Finland focus groups had no doubt that boundary spanning and networking would be a central part of the response to both scenarios. In their view, the formal – local government-led – processes established to deal with economic development issues would provide the core of any reaction, but these structures would be assisted by the informal discussion of ideas and options. By contrast, the Australian focus groups presented a more equivocal picture with respect to reaching across boundaries: the first focus group – as with their Italian peers – suggested established policy and programme ‘silos’ (Froy & Giguere, 2010) would remain in place, with each government agency acting in isolation. The second group argued limited boundary spanning would take place, largely amongst agencies seeking to moderate the impact of job losses. The two Bristol focus groups suggested a process of boundary spanning that sat between the Finnish and Australian experience. In both sets of discussions, and under both scenarios, the informants believed boundary spanning would occur, but in a somewhat chaotic and ad hoc fashion. Some felt that this was ‘often the product of more informal or social relationships between city leaders, rather than working through more formal city
structures’ (local business leader). Recent changes in political arrangements – including the introduction of an elected mayor – and the reshaping of government programmes had reordered working relationships. In common with participants from Finland, the Italian focus group informants placed a very high priority on political leaders building bridges at a variety of spatial scales and across sectors. The mayor was seen to be a critical – but not sole – actor, shaping actions to meet the circumstances better. In the United States and Italy, leaders were perceived as frequently linking up, but doing so as needed, rather than as an integral part of their operations. The Lübeck and Kiel focus group participants believed there was a muted degree of connectedness amongst political leaders, with political allegiances and time constraints limiting the sharing of information. The professional staff within economic development agencies, however, spanned boundaries as a matter of course, especially in response to scenario 1. In all probability, their respective mayors would be more engaged with scenario 2, and more likely to seek connections with other agencies. Administratively, a taskforce that spanned boundaries across several government authorities, unions and civil society organizations would be established.

CONCLUSIONS

Place leadership is an important part of the contemporary landscape of regional development (Rodríguez-Pose, 2013) and this research aimed at improving our understanding of how this phenomenon is expressed in different nations and in varied settings. This paper set out to shed light on the ways place leadership is enacted across nations and regions in order to draw conclusions on the value of cross-national research and the use of vignettes in this domain of knowledge. The unequivocal evidence from this research is that vignettes on place leadership generate meaningful insights. Each individual case study identified a distinctive approach to, and structure for, the delivery of place leadership. In the widest possible terms, we can draw conclusions about the similarities and differences across the six researched nations. In Italy, the dominant paradigm was of place leadership organized as a coalition led by the mayor and involving professional staff within local government, as well as civil society institutions, including unions. Within this structure, leadership was enacted by reaching out to a broad range of parties to find a holistic approach to the challenge, including awarding attention to social issues. In Finland, place leadership was dominated by networks of professional staff drawn from all levels of government, reporting to mayors and other elected officials, who in turn manage broader public perceptions (Sotarauta & Beer, 2017).

The US and German focus groups resulted in outcomes that were comparable with Finland in terms of how and where responses were structured. In the United States, both scenarios were predominantly a matter for economic development professionals working in coalitions at the local and regional levels, with some degree of oversight from political leaders. The state governor would be an important leader in attracting an incoming firm, while the mayor and local business associations would be called upon to provide leadership in the case of a large-scale closure. In Germany, mayors would be more involved than in the United States, but once again local government professional staff and the agencies they work within would likely lead the response. Formal work laws and work organizations, including unions, would be part of the response.

Place leadership in the UK was likely to call upon the leadership of business associations, the mayor, regional bodies and networks of staff in key firms. Bristol, as an example of a UK city with an elected leader, may be an atypical instance of place leadership at the national scale, with the mayor serving as the public leadership figure. Nonetheless, the introduction of a further six city mayors in England in May 2017 means that this model is now more representative of city leadership more broadly in England (Sandford, 2016).

Finally, the Australian focus groups found responses to firm loss and arrival would be led by either state government agencies, or regional bodies. Local governments would play a part, but most commonly it would be a subordinate role, while industry involvement would be conditional and restricted to key sectors. To a greater degree than elsewhere, political leaders were seen to be distant from place leadership as they were wary of a close association with negative events, and distant from the on-the-ground negotiation and management of economic opportunities. This outcome is broadly consistent with the findings reported by Sotarauta and Beer (2017) and reflects the combination of centralized party politics and federalism.

Overall, it is clear there is a system of place leadership in each locality that directs, but does not determine, outcomes. It is a system that guides actors and their behaviours and embraces deeply embedded cultural values, including attitudes to social inclusion, unions, the willingness of provide financial incentives to private enterprises and the perception of political risk. As some of these elements appear to be comparable within national contexts, we can, on an aggregate level, identify stereotypical approaches to place leadership in each nation.

While the differences in the constitution of place leadership between nations are enlightening, the commonalities shed a greater light in terms of building generalizable conclusions. First and foremost, it is notable that across nations, and for both vignettes, responses to the two scenarios had been both routinized and bureaucratized. All nations had systems in place to respond to these challenges, with some likely to be more effective (Finland, Germany and the United States) and others less so (Australia). This leads one to conclude that place leadership is conditioned not only by the circumstances of each locality but also by the issue under focus. In all probability very different results would have emerged if an alternative set of scenarios had been examined – such as efforts to revitalise a small town (Connell & McManus, 2011) or oppose a major development – and may have resulted in more evident ‘bottom-up’ leadership from within the community.
This may comprise a productive line of enquiry for further research.

The importance of ‘boundary spanning’ was a second critical commonality to emerge. In all instances, accounts of how places responded to both scenarios included a focus on key individuals and agencies reaching out to others, either within their existing networks or through the formation of new connections. There was, inevitably, variation in the shape, size and participation of such networks, but their centrality was without question.

Finally, it is important that we reflect upon the cultural embeddedness and ephemeral nature of place leadership. It is a phenomenon that may be longstanding as key individuals and organizations serve as leaders time and time again, but it is also inevitably comprised of specific values and instances, as communities respond to challenges in ways that vary subtly, but in important ways, over time. Future research in this field needs to continue to build transferable insights and seek ways to link with broader debates in regional research.

**DISCLOSURE STATEMENT**

No potential conflict of interest was reported by the authors.

**ORCID**

Andrew Beer [http://orcid.org/0000-0002-9255-3985](http://orcid.org/0000-0002-9255-3985)
Sarah Ayres [http://orcid.org/0000-0002-5791-6955](http://orcid.org/0000-0002-5791-6955)
Terry Clower [http://orcid.org/0000-0002-5788-0921](http://orcid.org/0000-0002-5788-0921)
Fabian Faller [http://orcid.org/0000-0002-1213-4271](http://orcid.org/0000-0002-1213-4271)
Alessandro Sancino [http://orcid.org/0000-0002-1892-9622](http://orcid.org/0000-0002-1892-9622)
Markku Sotarauta [http://orcid.org/0000-0001-6603-6370](http://orcid.org/0000-0001-6603-6370)

**REFERENCES**


