Leaders without answers?
Strategising in a context of continuous socio-economic decline

Paper for the EGPA Annual Conference
11th September 2014
Dr Hans Schlappa
Key Characteristics of Shrinking Cities
Applying Pettigrew’s Characteristics of Strategic Change to Shrinking Cities

• Change is not continuous but incremental
  – Bernt (2012); Haase (2013); OECD (2012)
• Radical change at periodic intervals
  – Birmingham, Leipzig, Detroit
• Triggered by major socio-economic change
  – Global economic downturn; banking crisis; demographic change; budgetary austerity
• Significant change often means change of leaders
  – Political leaders remain, CEOs are replaced
• Structure does not follow strategy
  – Health, transport, energy, water, waste systems ...
Shrinking cities struggle to develop responses to their ‘problem’

- Urban shrinkage presents a ‘wicket’ as well as ‘critical’ problem for leaders (Grint)
  - Complex and collective problem
  - Answers are not evident
  - Pressure of time – immediate action needed

- Strategising in shrinking cities is based on ‘clumsy’ or ‘messy’ processes
  - Disengage from the past
  - Overcome denial while not having ‘the answer’
  - Create a new shared vision and purpose for the place

- 40% of Europe’s cities do not have leaders or strategies to deal with on-going socio-economic decline
  - Why might this be?
  - What can be done?
Current context and perspectives

• NPM, NPG, NPL Discourses
  – Outsourcing, contracting
  – Partnering, collaborating, co-producing (Alford, Pestoff)
• Contemporary leadership discourse and practice
  – Shared, distributed, community leadership (Brookes)
  – Political leadership (Hartley)
  – Practice remains managerial, hierarchical, competitive
• Enduring perspectives on rationale for strategy
  – Resolute focus in EU and national policy frameworks on achieving improvements through ‘growth’
  – Many tools to manage a crisis to achieve growth – few to help manage on-going decline
  – Success = ‘winning’
Organisational Ecocycle, Mintzberg et al, 2009, based on Hurst 1995
Emerging Findings

Collaborative Strategy

Decline

Schlappa, H., 2013, Based on Mintzberg et al, 2009
Implications for research, teaching and practice

• Research
  – Exploring the ‘clumsy’ strategy process in a context of continuous socio-economic decline (Grint)
  – Uncover the ‘rules’ which govern established models for economic strategy, institutional development and service provision (Ostrom)
  – How can a vision of stagnation, decline and shrinkage be made acceptable to local stakeholders?

• Teaching
  – Challenge growth based strategy paradigm (Pikkety; Hodgeson)
  – Leadership development programmes to promote strategy as collaborative and shared process (Benington/Hartley)

• Practice
  – Encourage collaborative strategy drawing on resources and capabilities of local stakeholders
  – Encourage distributed, shared and community leadership to foster emergent institutional, economic and social change
References referred to in this presentation