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**Business School**

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

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# Key Characteristics of Shrinking Cities



# Applying Pettigrew's Characteristics of Strategic Change to Shrinking Cities

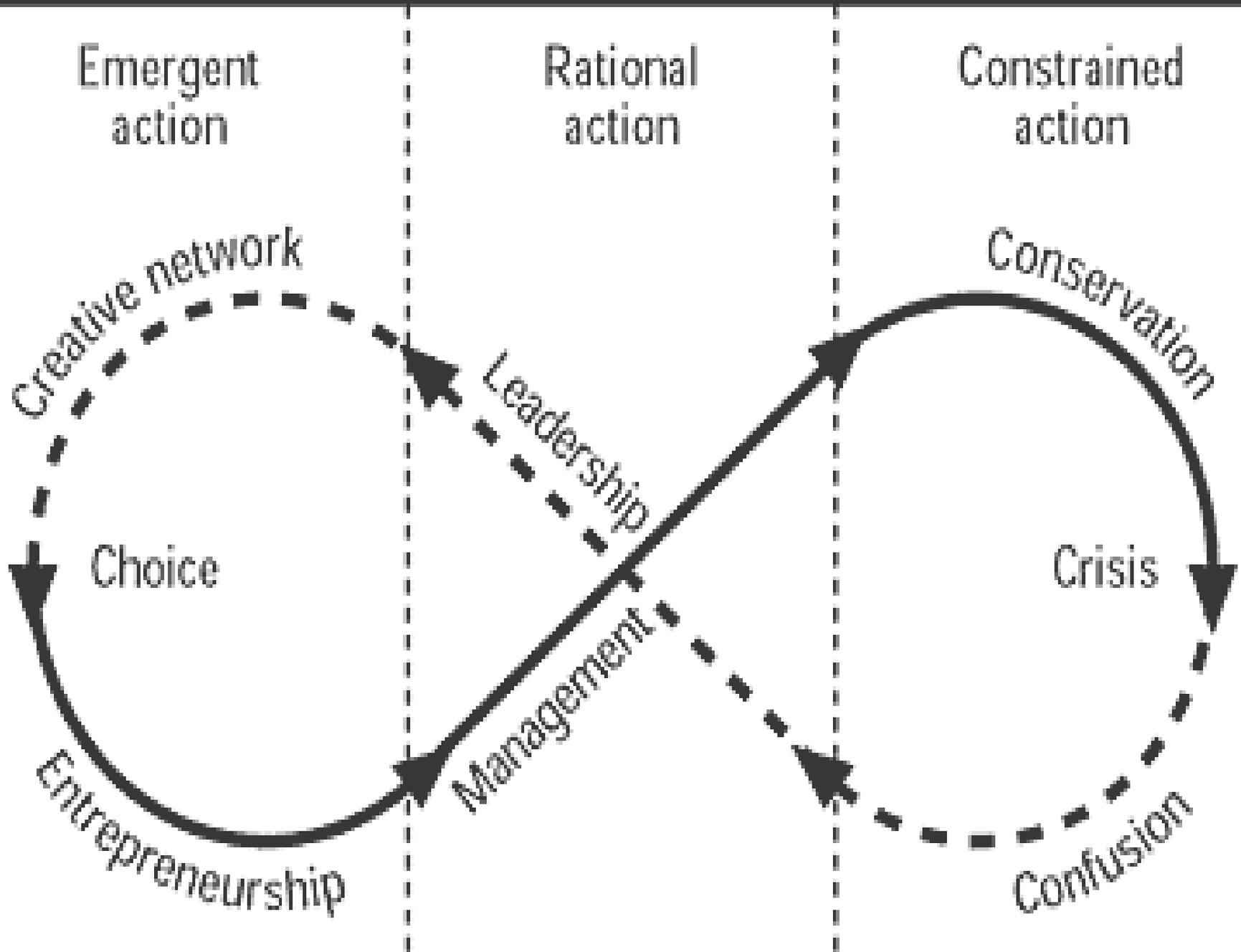
- Change is not continuous but incremental
  - Bernt (2012); Haase (2013); OECD (2012)
- Radical change at periodic intervals
  - Birmingham, Leipzig, Detroit
- Triggered by major socio-economic change
  - Global economic downturn; banking crisis; demographic change; budgetary austerity
- Significant 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'

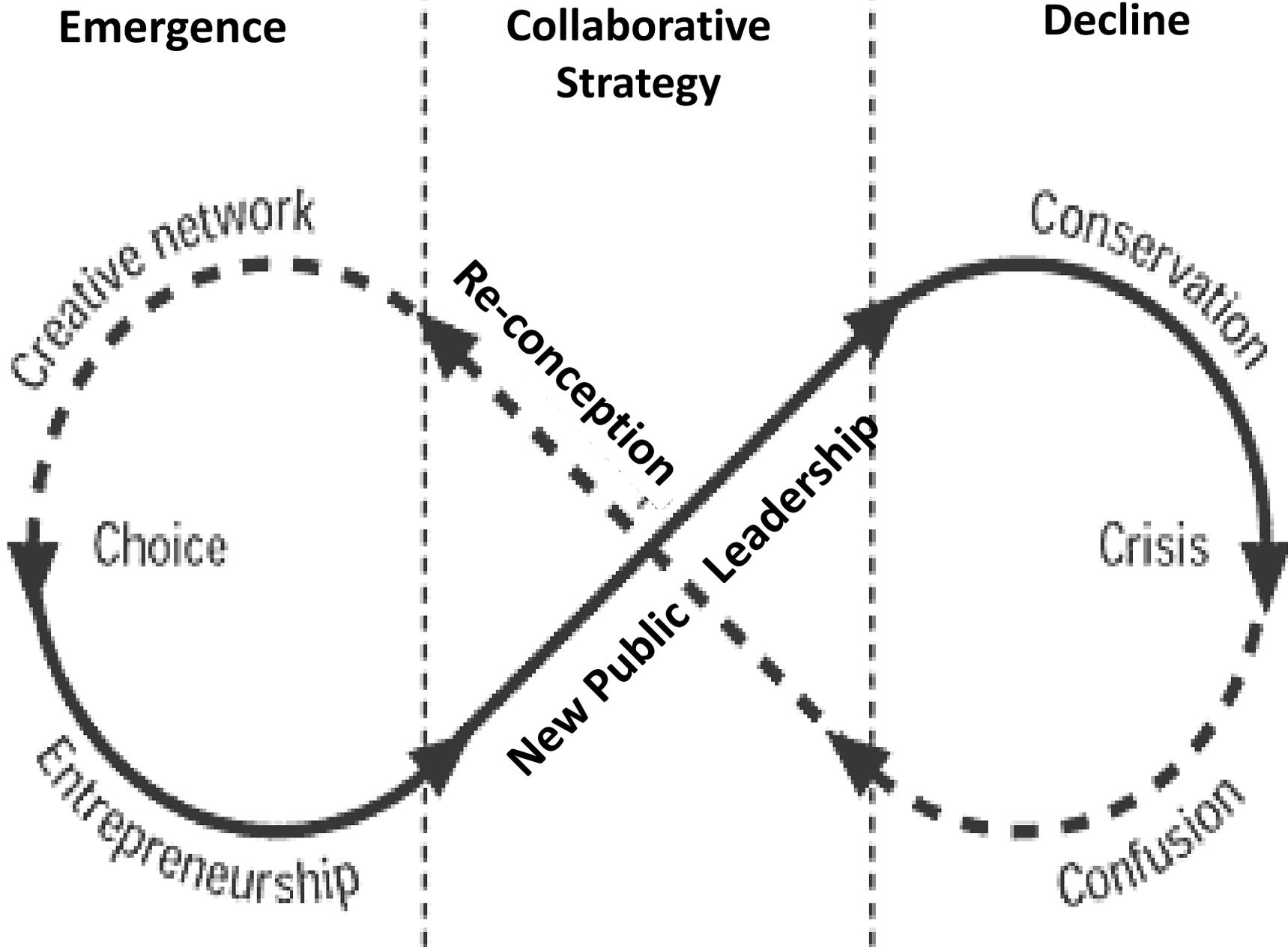
- Urban shrinkage presents a 'wicket' as well as 'critical' problem for leaders (Grint)
  - Complex and collective problem
  - Answers are not evident
  - Pressure of time – immediate action needed
- Strategising in shrinking cities is based on 'clumsy' or 'messy' processes
  - Disengage from the past
  - 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



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 (Piketty; 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 chan

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