From Bureaucratic Management towards Collaborative Entrepreneurial Processes in Urban Region Business Development

Thesis Proposal

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1. Introduction and previous research

The intensified international, inter-city competition on economic activity has led to efforts among local and regional governments to enhance their efforts in business development (Leitner, 1990). This phenomenon of local and regional boosterism, which emerged in cities in USA in 1970s and 1980s and more recently in European urban regions, has been characterised as a reorientation among local governments from public managerialism towards ‘local boosterism’ or urban entrepreneurialism with local governments taking a more proactive, entrepreneurial role in local or regional economic development (Harvey, 1989). While such business development strategies seem first to have emerged in the regeneration efforts following the industrial restructuring process of the economic base of old industrial urban regions as in Baltimore and Manchester, they have later become adopted by world cities as New York (Lakshmanan & Chatterjee, 2006). Urban regions thus compete for advancement in the global city hierarchy (Sassen, 2000) by developing the framework conditions for e.g. innovation, entrepreneurship, access to human resources and technological knowledge, constituting the four main drivers of economic growth in the OECD area (OECD, 2001c). These development tendencies has consequently attracted the attention of policy makers as well as researchers (OECD, 2007; ; Swyngedouw, 1992).

In the literature on the governance of urban region economic development, these new practices of strategy making has been described as a turn to pro-economic growth strategies, characterized by fewer, but larger competitive-enhancing ‘flagship’ projects and a shift from plan-led to more project-driven strategies based upon project branding and risk taking (Pike, Rodríguez-Pose & Tomaney, 2006). Through such entrepreneurial, pro-economic growth strategies, local or regional governments aim to ‘initiate economic growth, rather than control and manage it’ (OECD, 2007).

Whilst the central task of local governments has been the management of service provisioning, as e.g. early social laboratories for welfare reforms in the illustrative case of Scandinavian welfare states (Kolstrup, 1996; ; Mater, 1992), local and regional governments are thus in many OECD countries taking a more proactive role in business development, aiming to leverage the economic competitiveness of urban regions and
national economies. The national level is thus perceived as not being a particularly
distinct or the most efficient level for business development. The reason is that it may
be too large to be responsive towards local problems and too small to address the
increasingly international dimensions of business development, (Bache & Flinders,
This is reflected in a restructuring of tasks and responsibilities devolved to local and
regional authorities, the rise of a tier of ‘new regional governance’ of economic
development, and upwards to supranational actors and institutions, whom have
increasingly become involved in shaping local and regional business development
activities (Keating, 1998: ; Pike, Rodríguez-Pose & Tomaney, 2006).

At the same time, business development problems are perceived to be characterized by
an increasing level of complexity. Policy areas, which thus formerly were kept apart, at
least formally, by discrete institutional boundaries, are brought into new, more hybrid
constellations. One illustrative example is the interactable policy areas of culture and
business promotion. Whereas promoting cultural initiatives were to a higher degree
formerly perceived as a goal in its own right, culture has become an important measure
in efforts to attract skilled and creative people to cities in the international competition
on knowledge intensive and creative talent, e.g. through new ‘creative’ alliances
between culture institutions, governments and business (Bayliss, 2004: ; Brychan, 2000:
; Evans, 2001: ; Florida & Gates, 2001). Likewise, in the field of academic research, the
institutional boundaries of science, government and industry are in some sectors
increasingly becoming blurred by trilateral efforts to develop new strategic research
alliances as pacers of economic growth, e.g. leading to an institutional ‘rapprochement’
(Colyvas & Powel, 2006: ; Czarniawska & Genell, 2002) within the new advanced
and composite technology sectors (Gibbons, 1999: ; Webster, Etzkowitz & Healey,
1997).

It has thus been argued that amongst others economic developmental challenges arising
in such institutional intersections require cross-cutting, holistic approaches to economic
development (Sabel & O’Donnell, 2001), urban region development and management
(Healey, 1995: ; McGuirk & MacLaran, 2001). Hence, these developments imply that
no single actor is able to produce and realize local business development policies and strategies unilaterally (Kooiman, 2000), since no actor has access to the total information or resources required to solve business development problems or implement new development initiatives. As e.g. Lakshmanan and Chatterjee (2006) have noted, we see a maturation of the public-private partnership (PPP) model and efforts to make space for entrepreneurial co-governance. Resource and information interdependencies between actors in different institutional domains or lack of the needed power for action thus constitute a perceived challenge towards hierarchical and centralized forms of public management. Hence, business development in particular constitutes one of the policy areas in which incentives for (co-)governance and joined-up action is manifested in an especially clear fashion due to complexities arising from wicked problems crossing information asymmetries (Quist, 2007). However, such problems requiring mobilization of resources and information across the institutional boundaries of organizations and sectors may be characterized by not only a substantive, but also an institutional wickedness and uncertainty (Kickert & Koppenjan, 1997a).

Hence, the perceived cross-cutting and ‘wickedness’ of opportunities and problems in economic development arising across institutional boundaries has consequently provided incentives for policy makers to seek new forms of organizing the strategic business development policy. These are aimed at providing more holistic and integrated approaches to strategy, policy making and initiative development. Thus, how strategies and policies for economic development can be developed and organized in between public hierarchies and informal networks spanning different sectors and levels has become a topical theme within the literature on the governance and organization of economic development. Sabel and O'Donell (2001) have e.g. theorized the emergence of a ‘pragmatist’ institution operating in between the formal public hierarchies and informal networks providing space for experimentalism and cross-sector approaches to economic development, which aims to bridge and capitalize on local knowledge pools while providing some coordination from the centre of government (Sabel & O'Donnell, 2001). This is reflected in a redefinition of government towards co-producing development strategies, aiming to make space for diversity and experimentation in realizing shared opportunities between sectors (Healey, 2004; Rhodes, 2000).
These tendencies have in more recent research been interpreted as a shift away from the New Public Management methodology based upon the principal-agent model with a principal defining goals (Quist, 2007; Sabel & O'Donnell, 2001). The NPM approach has thus been criticized for creating strong vertical relationships and sectoralization, limiting interaction across sectors as well as separating policy conception and execution (OECD, 2001b; Quist, 2007; Sabel & O'Donnell, 2001).

Researchers have thus discussed whether the perceived increasing ‘cross-cutting’ of development problems implies that the efficacy of horizontal networking grow at the expense of hierarchical government (Peters, 1998). Hence, when public administrations are exposed to complex policy fields such as e.g. business development requiring information and resource circulation with a variety of public and private organizations, the efficacy of organizational and administrative hierarchies may reduce (Peters, 1998). The organizational and institutional fragmentation of public management has often been characterized as a shift away from hierarchical, central government towards horizontal management and governance of activities through networks of mutual obligations and trust (Healey, 2007; Kooiman, 2000; Peters & Pierre, 1998; Pierre, 2000). Research has consequently addressed how, rather than managing and implementing public policy and strategy solely through top-down hierarchical decision making structures and central management, governments and public agencies aim to a higher extent to ‘negotiate policy and implementation with partners in public, private, and voluntary sectors’ (Stoker, 2000: 98). The enhanced and reorganized role of local or regional governments and agencies in complex business development activities has consequently led to efforts to ‘open up’ the public administration in order to engage in collective action and entrepreneurship orchestrated in concert with other public and private actors. Contrary to the privatization policies of the 1980s’ public modernization programs, the aim of these efforts is to exploit synergies from differences and mobilize and recombine asymmetrically dispersed ideas and resources as well as obtain support for new business development initiatives (Rhodes, 2000). Hence, such efforts are according to Healey aimed at applying
‘modes of governance, which have the flexibility both to adjust to new urban situations and to auto-transform in the face of new challenges. This meaning places value on the non-routine, on the ability to learn, on the capacity to draw in new ideas from outside and link them to the specifics of local situations.’ (Healey, 2004)

However, whilst introducing network coordination logics in public administrations may provide a greater discretionary space for e.g. municipal departments and latitude for individual administrators to play a more self-directing and creative role in developing and realizing business initiatives, network formations around initiatives do not necessarily entirely replace hierarchical coordination in the management of business policies. Rather, as Scharpf (1994) has noted such changes may be conceived of as giving rise to horizontal governance ‘in the shadow of hierarchy’, thereby stressing the shifting rather than the shrinking role of government (Kooiman, 2000: 139).

As a consequence of these developments, the lion’s share of the extant research on governance of economic and societal development has described how networks affect, accelerates or distorts the process of addressing collective opportunities or problems (Börzel, 1998; Downding, 1995), but as emphasized by e.g. Dowding, many such explanations fail

‘because the driving force of explanation, the independent variables, are not network characteristics per se but rather characteristics of components within the networks.’ (Downding, 1995)

In addition, as pointed out by Rhodes, limited research has addressed how actors interpret and exercise their roles within such network formations, studying them at the micro-level (Rhodes, 2000; Rhodes, 2002). Likewise, Blom-Hansen in providing a profile of the existing research concludes that:

‘[s]ince only actors are capable of acting, change is not brought about by the network itself, but by the actors within the network. Consequently, the question can be answered fully only by operating with an explicit model of the actor. In short, what is missing is once again the micro-foundation.’ (Blom-Hansen, 1997)
Whilst much of the extant research on governance of shared problem solving addresses the effects of networks on the processes they support, e.g. collective opportunity creation or problem solving, studies on changing forms of governance of economic development, however, has to a far lesser extent investigated in-depth the significance of the actual roles performed by governments and public business development agencies and the various involved stakeholders during complex interactions around economic development initiatives. As e.g. pointed out by Hjorth and Johannisson (2003), drawing upon Gartner (1989) and the growth coalition theory of Ennals and Gustavson (1999), conceiving of economic development initiatives as a form of collective entrepreneurship, raises challenges concerning how also to capture the actual social processes of interacting actors in collective initiatives. Moreover, local governments, which aim to develop competitive urban regions through cross-cutting and bottom-up approaches to the renewal of business development strategies and initiatives (Kooistra, 1998), face challenges concerning how such social processes of joint action can evolve in the shadow of a public hierarchy.

Whilst the lion’s share of the existing research thus addresses the morphological characteristics of inter-institutional networks emerging around collective opportunities or problems, there is a relative lack of in-depth research on the social dynamics of the interactive dimension (cf. Koppenjan 2004: 11). The present research attempts to take a perspective on development initiatives that is sensitive to the social processes of interacting actors from different institutional backgrounds and their various motives in shaping the formation of development initiatives. Under this research theme concerning the interactional processes of mobilization for collective opportunity realization or problem solving, an important practical as well as theoretical problem is how actors located in various institutional sites through such interactions converge on shared perceptions of development opportunities and problems.
1.2 Overall research problem and central research questions

The aim of the present project is to contribute to the literature on governance of business development in urban regions by examining more in-depth how a cross-cutting and bottom-up governance approach to business development unfolds in practice and the challenges such an approach faces in engaging stakeholders from different institutional backgrounds in collective initiative development. This is achieved through an empirical study and a literature review addressing the following central research questions:

(i) How do (bottom-up) processes of interactions between stakeholders shape business development initiatives in the context of public hierarchy?

(ii) (How) do shared perceptions about collective opportunities or problems emerge among stakeholders from different institutional backgrounds?

These central research questions relates to some theoretical questions:

(iii) How do processes of initiative development evolve between public hierarchy and informal networks?

(iv) How are interactions shaped by the underlying institutional (i.e., socio-cultural) infrastructure governing interactions between stakeholders located in different organizational and institutional sites?

The project thus addresses a changing balance between hierarchy and central management on the one side and network formation and entrepreneurial action on the other side in business development. The remainder of the paper proceeds as follows: Section 2 outlines the theoretical points of departure of the project, while section 3 provides considerations about research strategy and method.
Research delimitation

As pointed out by other researchers (Berglund & Johansson, 2007; Hjorth & Johannisson, 2003), the majority of the extant research within the field of business development takes a macro level and structural functionalist perspective on the organization of regional and local development (Halkier & Damborg, 2000; Keating, 1998; Maskell, Eskelinen, Hannibalsson, Malmberg & Vatne, 1998; Pike, Rodríguez-Pose & Tomaney, 2006). The present research is not a project about the various forms of organizing business development in Denmark, comprising various development bodies, public or quasi-public and private agencies in different set-ups. Rather than mapping the structural characteristics of the landscape of strategic approaches to and ways of organizing local and regional economic development in a given region of development, this study attempts to examine in-depth the business development process as comprised of social processes evolving in between formal hierarchies and horizontal interactions between stakeholders in different sectors and organizations of a (urban) region.

2. Theoretical starting points

Primarily two streams of research provide the theoretical points of departure of this project: theory addressing networking and decision making processes in the context of public hierarchy and theory relating to actor oriented variants of institutional theory, which allows for analyses of interactions between human actors located in various institutional sites. The following sections outline how these streams of research may combine in order to enable an analysis of business development in the schism between hierarchical public administration and the complex interaction processes between stakeholders participating in joint action around business development initiatives. However, in order to assess the status of theory in the project it is appropriate to briefly address the chosen research strategy. As well established in the literature on the methodology of the social sciences, inductive or interpretive approaches supported by qualitative methods are well suited for studying complex decision making and interaction processes, when the focus of research is not some given structural properties.
and regularities to be quantified, but actual social processes (Flyvbjerg, 1998; Hine & Carson, 2007; Weber, 1949). Such an approach is, in other words, useful when the object of inquiry is not the morphological characteristics of social phenomena, e.g. an organizational form, but their interactional content or processes of evolution. The research strategy informing the present study is thus that of gaining an interpretive understanding of interactions and roles practiced by participating public and private actors in the business development policy process. Thereby the project especially draws upon inspiration from the research tradition of interpretive action sociology stemming from Max Weber’s (1949; 1978a) ambition of obtaining an interpretive understanding of action through the motives, interests and meanings of actors in different institutional spheres of action. This tradition also laid the theoretical foundation for e.g. new sociological and organizational institutionalism.

The research strategy thus draws some inspiration from interpretive versions of iterative grounded theory conceived as ongoing processes of data built-up and analyses through continuously developing and modifying knowledge about the phenomenon under study (Charmaz, 2006). This is the reason why no theoretical model or specific hypotheses are developed a priori. Instead some open theoretical points of departure are proposed in order to allow for responsiveness towards serendipitous findings during the process of actual data built-up and sensitiveness to the processes of realizing development initiatives in accord with the chosen interpretive, qualitative approach.
2.1 Business development between hierarchy and networks

In a hierarchical perspective, development activities comprise four levels of analysis: the supranational, national, regional and local levels of governance. This perspective highlights how the higher levels shape the latitude for action at the lower levels through allocation of resources or e.g. formulation of legal frames, rules and goals etc (Christensen, 1988). In this perspective, strategic initiatives are associated with a managerial, goal driven process assuming a capacity to control of individual interests and action in the implementation process (Kickert & Koppenjan, 1997b).

Conceived through a horizontal, network perspective on public administration, business development strategies and activities are produced in a more or less loosely coupled system in which the public agency, e.g. a regional or municipal business development department or agency, is only one actor acting among other actors. In this perspective no single actor has sufficient knowledge, resources or power to realize and control business development policies and activities unilaterally (Bellini, 2002; Kooiman, 2000). At the same time goals in business development projects in this perspective may change along the process, indicating that the balance between means and goal driven elements tend to change. This also implies that new ideas and perceptions of shared problems or opportunities may emerge during both ‘planning’ and ‘implementation’. Rather than being pre-determined by a rational, logico-deductive planning methodology based upon the existence of one single (scientific) rationality, this recognizes the multiple rationalities of actors in different institutional spheres. One underlying argument is that centrally positioned public managers and decision makers cannot obtain complete information overview of collective problems or opportunities, due to information, which is asymmetrically dispersed onto actors and embedded in different institutional fields, which also constitute asymmetric spaces for action. This implies that business development strategies cannot be hierarchically planned and realized within the boundaries of a single government unit or public agency, but instead may emerge ‘bottom-up’ in interactive social processes with other partners (Healey, Khakee, Motte & Needham, 1997).
Governments and public development agencies may aim to realize collective opportunities through a variety of relations comprising e.g. informal or formal relations, work groups, mixed boards, think tanks and partnerships. Such relations may vertically span various levels of public hierarchies and horizontally span institutional spheres. Developing and realizing business development initiatives through horizontal interactions are likely to provide more space for mediation and negotiation and hence responsiveness towards new ideas during the actual process of business policy implementation, leading to outcomes that are not given with the actual goal formulation. Thus new ideas for solutions may emerge during the actual process of execution, leading to a merging of strategy conception and execution (Jarzabkowski, 2003; Johnson, Langley, Melin & Whittington, 2007; Mintzberg). However, even where rational, hierarchical planning and implementation ideally is the only principle of coordination, based upon the separation of goal formulation and implementation and unambiguous institutional boundaries between public and private actors, some level of bargaining and blurring of sectors and roles may shape the process as evidenced by the more critical research on planning and implementation methodology in political science (Flyvbjerg, 1998; Lipsky, 1978, 1980).

Theories on the emergence of joint action through the networking of knowledge and resources in the shadow of (public) hierarchies constitute one theoretical pillar of the project (Amin & Hausner, 1997; Healey, 2004; Kickert & Koppenjan, 1997a; Rhodes, 2000). This stream of research points to the need for conceptualizing and investigating in-depth the actual processes of interactions between stakeholders located in various institutional and organizational sites, which may to various degrees unfold relatively autonomous from public hierarchies (Rabinovitz, 1989). In order to conceptualize these interactions, I also propose to take departure in actor oriented variants of new organizational and sociological institutionalism (Rhodes, 2000: 86).
2.2 Actor oriented institutionalism: interaction processes in business development

In order to conceptualize the interactions and roles performed by actors participating from different institutional sites, the present research also proposes to apply insights from new sociological and organizational institutionalism. A central contribution of new institutionalism in organizational analysis was to locate institutional processes within the wider institutional fields to which organizations are exposed. Early new institutional research analyzed the diffusion of cultural models for constructing organizations and practices through processes of decoupling organizational forms from their instrumental and technical relevance (Brunsson, 1985; DiMaggio & Powell, 1983). New institutional researchers noticed how institutional pressures carried organizations towards imitation and isomorphism making them to conform with their wider institutional environments (DiMaggio & Powell, 1983; Powell & DiMaggio, 1991). Old institutionalism brought forth by e.g. the TVA and the Grass Roots study by Selznick (1949) thus addressed the organizational institutionalization of values and norms through the co-optation of local demands in the immediate environment, while the new institutionalism e.g. deals with the diffusion of institutionalized practices and structures in societal fields and sectors (Arndt & Bigelow, 2000; Zucker, 1977).

While other economic or political variants of institutionalism primarily concerns the role of formal contracts, rules and regulations in governing transactions, this strand of new institutionalism addresses the ‘soft’ socio-cultural infrastructure (Healey, 1997) governing social interactions between human actors. DiMaggio and Powell (1983) distinguished between institutional elements containing a coercive (e.g. bureaucracies), normative (e.g. professions), and mimetic (culture) dimension. Richard Scott (2007) have proposed a similar distinction between institutions as regulative (rule based sanctions), normative (evaluative norms), and cultural-cognitive (frameworks for perception and interaction) elements. Institutional elements thus comprise the meanings, rules or norms informing action and perception (Scott, 1995).

However, whilst new institutional contributions initiated some new developments in organizational and sociological research, the theoretical decoupling of institutions from
the organizational reality of dealing with institutions limited conceptually the possibility of understanding the mechanisms shaping the embedment of institutions in organizations or interaction practices. According to the institutional approach, as it was applied in much organizational and sociological research in the 1980s and 1990s, organizations internalize institutional processes and pressures in the fields in which organizations operate, constraining the discretionary space for organization members. However, assuming relations of institutional determinism or arbitrariness between institutional context and action hinders an integrative understanding of the interplay between institutional processes and the mechanisms shaping how organization members respond to institutional processes.

A majority of the existing new institutional research has consequently neglected the meso- and micro-level of episodic interactions, which was the primary empirical locus of the ‘old’ institutionalism, e.g. how actors respond to institutional processes (Scott & Christensen, 1995). DiMaggio and Powell thus argued that rather than being co-opted, institutional environments penetrate organizations ‘creating the lenses through which actors view the world and the very categories of structure, action, and thought’ (DiMaggio & Powell, 1991: 13). Likewise, Schedler and Proeller (2007) argue that institutional processes predetermine available options for the behavior of actors because they structure collective behavior and generate common knowledge by serving as the basis for interaction.

Thus, central questions left unanswered by early new institutional research concern the interplay between institutional processes and the motives and interests of those people staffing organizations and translating institutional logics into concrete practices (Stinchcombe, 1997). Institutions are instead treated as Durkheimian (1938: ; 1995 [1912]) collective rules and objective, external social facts with a compelling and binding force of their own, without regard to those people whom in various ways are enacting or enforcing them. However, as Stinchcombe (1997: 9) remarks, it is important to recognize the distinct actions of the actors staffing organizations rather than treating institutions merely as collective representations. This is due to the fact that the actions of institutional authorities in following institutional logics vary.
Consequently, organizations and practices are in many new institutional studies reduced to their formal dimension of ‘visible’ institutional traits, which can be counted and whose trajectories of diffusion can be mapped regardless of whether or how they become translated into practices and regardless how organization members respond to institutional processes. However, whilst most new institutional research in the field of organizational analysis illuminates how institutional pressures carry organizational structures and processes towards organizational isomorphism through processes of organizational imitation, thereby constraining the discretionary space for managers and employees, more recent research has explored how institutional orders either become pulled down or are built up as suggested by Powell and Colyvas (forthcoming). Thus, two central lines of reasoning can be identified in the extant research as suggested by Powell and Colyvas (Forthcoming). Research on institutions, in other words, has primarily followed institutions as they are disseminated and pulled down from the level of societal sectors by macro-level forces, whilst more recently, a relatively limited research has arisen examining how they are also ‘built up’ or transformed through micro negotiations and interactions.

Hence, new institutional arguments have been formulated, suggesting that whilst institutional processes may constrain the choices available to actors, actors’ choices also shape the consequences of institutional processes (Clemens Bruce & Douglas Thomas, 2005; Royston & Hinings, 1996). Researchers like Zilber (2002) have thus called for closer attention to the interplay between institutional processes, actors and agency. Likewise, Barzelay and Gallego (2006) have transferred ideas from Kingdon’s (1984) processual approach to historical institutionalism and policy making in Agendas, Alternatives and Public Policies into organizational sociology. Thereby, they have proposed an institutional processualist approach to the study of public management comprising policymaking, organizational decision making and organizational change with the specific aim to address how situated interaction feeds back upon its context (Barzelay & Gallego, 2006). Even though some institutional scholars have theoretically addressed the role of episodic social processes, “a great deal of [new institutional] research has so far stayed at a level of aggregation in which the details of activity are
hidden and the exercise of agency smothered” (Johnson, Langley, Melin & Whittington, 2007: 43).

The present research proposes a view of governance of business development as based upon a conception of interactions as the nexus between actors and institutionalization. The project thus takes departure in the observation that new institutionalism may be advanced by more in-depth and contextualized inquires into the interrelation between institutional processes and episodic interaction practices (cf. Powell and Colyvas, forthcoming). Hence, the study draws upon insights from theories addressing the problem of embedded agency, which concerns how actors respond to the systems of institutions in which they are embedded. Such an approach can be developed using inspiration from e.g. the structuration theory of Giddens (1976; 1984) and prior to him Bourdieu (1977 [1972]; 2000), whom in mediating Durkheim’s holistic, structural institutionalism and Weber’s (1978b) methodological individualism, his attention to actors and their motives, brought institutionalism to ‘maturation’ in European sociological thought in the early 1970s and established an integrative theory of institutions, human actors and agency. In this perspective, which in a certain way embodies both insights from the ‘old’ and the new organizational institutionalism, interaction practices may be conceptualized as the nexus of actors and institutional processes. By drawing upon these insights an integrative theoretical understanding of the interrelation between institutional processes, interactions and the role of actors, their interests and motives can be developed.

The concepts of institutional logics of fields governing interaction that underlay new organizational institutionalism thus arise from Bourdieu’s interpretation of Max Weber’s sociology. One of the key concepts in new institutionalism, namely the concept of organizational field of inter-organizational relations as elaborated by institutional researchers such as e.g. Powell, DiMaggio and Scott, is consequently derived from Bourdieu’s theory of practice (cf. Powell, 2007). Elaborating on Weber, Bourdieu conceives of institutional fields as being governed by specific inherent logics. Thus, while new institutional research has addressed how unitary institutional logics draw structures, processes and practices in converging directions, Bourdieu’s (1977; 1998)
conception of the logics of fields captures the possible conflicting and even competing logics shaping action (see also Currie & Guah, 2007; D'Aunno, Sutton & Price, 1991) within one field, or in bridging interactions spanning different institutional fields. According to Bourdieu (1990; 1998), when such interactions are shaped by conflicting institutional logics, they can be conceptualized as being in a heterodoxical state. Being in a heterodoxical situation implies that the logics on which interaction is based may become an object of reflection and negotiation and eventually lead to conflicts and break down of interaction and communication or the emergence of new shared meanings (Bourdieu, 1998). Shared or complementary logics are likely to operate on the level of doxa. Doxa refers to a situation in which logics are tacitly agreed upon and taken for granted, thereby giving rise to mutual consent about forms and norms of interaction (Bourdieu, 1998). This also implies that social interactions are never entirely subinstitutional, even though they may be perceived as such by interacting actors (Nee & Ingram, 2001).

Public and private organisations are exposed to different institutional fields and stakeholders and are likely to develop different rationales for decision making (Moore, 2000). In an institutional perspective, interactions between actors in the spheres of government, industry and e.g. public knowledge institutions are likely to be governed by different institutional logics, such as e.g. general interest norms, profit making logics, norms about accountability etc. Thus, mobilizing actors, information and resources by bridging and information or resource asymmetries, also require a bridging of institutional asymmetries manifested in possible institutional gaps between the differential logics governing interaction in different sectors (Nee & Ingram, 2001; West III, 2003). Such differences may give rise to different perceptions of collective problems and opportunities and their required solutions.

However, by relying on the concept of institutional field, much new organizational and sociological institutional research to a high extent disconnects the so-called structural or ‘macro-level’ dimension of Bourdieu’s theoretical framework from his concepts about the ‘micro’, experiential and strategic foundation of interaction, in relation to which the field concept was originally conceived. At the heart of Bourdieu’s (1977; 1998) works
is thus located the ambition of addressing the problem of how to achieve an integrative understanding of structure and ongoing interactions as a response to the pure and formalistic structuralism in e.g. institutional sociology (Durkheim & Mauss, 1995[1912]), structural linguistics (Saussure, 2000) and structural anthropology (Levi-Strauss, 1969). The concept of field is based upon an interpretation of Weber’s notion that institutional systems should be analyzed in relation to the interactions between the specialized actors administering them and their motives and interests (Bourdieu, 1971: ; Weber, 1978b). This implies that the reproduction or transformation of institutions thereby should be conceptualized as being contingent on how they are embedded in interactions between human actors.

Thus, by drawing on the sociological tradition arising from Weber’s goal of achieving an interpretive understanding of actions, the business development process may be conceptualized as an ongoing social process of interactions between actors in different institutional spheres. This points to the importance of the different driving motives and meanings informing interactions around collective problems or opportunities. Through ongoing interactional processes, shared perceptions of collective problems and opportunities and appropriate solutions may emerge, thereby bridging possible institutional gaps and eventually institutionalizing bridging relationships and roles governing future interactions between stakeholders around development initiatives.

Hence, this approach allows for distinguishing between the tangible outcomes generated through stakeholder interaction around business development initiatives, e.g. proposals and projects, and the deeper underlying patterns of social interaction and relationships they reproduces or transforms (cf. Healey, op. cit.). Business development processes may not only generate formal, tangible outcomes in terms of realized projects, but also roles (i.e., norms and values for interaction), relationships and interaction patterns among stakeholders. Thus, one may differentiate between underlying, intangible changes and episodic interactions at the level of tangible projects, where interacting stakeholders may act as bastions of resistance, champions of ideas or brokers negotiating among people and making critical couplings between spheres (Scharpf, 1994). The conception of entrepreneurship underlying this observation is sociological in
character, understood as an aspect of social processes of interactions around shared opportunities or problems, rather than referring to a psychological personality trait or some given social morphological properties (Gartner, 1988; Innes, 1992; Steyaert, 2007).

In summary, choosing an actor oriented and processualist, institutional approach thus allows for a tiered conception of business development activities and their governance, distinguishing between the observable and less institutionalized interactions between stakeholders involved from different organizational and institutional sites and how actions for change ‘sediment’ down generating underlying relationships and roles etc (Healey, 2004; Tolbert & Zucker, 1996). Thus, this perspective enables an analysis of not only the concrete development initiatives, but also the underlying ‘soft’ socio-cultural infrastructure governing interactions among actors partaking in business development initiatives in an urban region. Thereby the present research suggests a non-formal institutional analysis of business development in order to grasp the social interactions between actors around complex collective problems or opportunities, implying that business development initiatives are created at different institutional sites, where actors are likely to be driven by different motives and perceptions of goals and appropriate measures (CAMAGNI, 1993). The presented perspective thus captures the social interactions and relationships between human actors interacting from various organizational and institutional sites as well as their motives and differential perceptions of problems and opportunities. Thereby the present research proposes a perspective that goes beyond a focus restricted to formal contracts and agreements as control mechanisms in order to capture the social processes creating the informal and ‘pre-contractual’ basis for the formation of joint initiatives (Gualini, 2001: 51).
3. Paradigmatic foundation, research strategy and methodics

The philosophical assumptions underlying this project are informed by the sociological research tradition arising from amongst others Max Weber’s attempt at achieving an interpretive understanding of action, which e.g. underpins the new sociological and organizational institutionalism. In the present project, this is reflected in a focus on interactions interpreted from the perspective of those actors involved in developing and realizing collective business development initiatives. Thus, whilst this approach is not entirely based upon methodological individualism, it does seek to rehabilitate the status of actors in understanding business development initiatives as complex social processes. To explain any action, the analyst must thus, as suggested by Scott referring to Weber, take into account ‘not only the objective conditions but the actor’s subjective interpretation of them’ (Scott, 1995: 40). The study is thus inductive, interpretist in character and contains a theory building component, meaning that specific hypotheses have not been formulated a priori. Rather, I expect to sharpen the theoretical perspective in interplay with the field under study, while the positioning of the research will narrow down during the study.

3.2 Case selection and strategy for selection of informants

Since the stated research problem concerning the business development policy process is broad in scope, it is suited for in-depth contextualising forms of social inquiry (Flyvbjerg, 2001b). I thus find that a single-case study that is sensitive to the details in the local context and holistic in orientation is well suited for this project (Flyvbjerg, 2001a, 2004; Rousseau & Fried, 2001). Only by putting the context into brackets, it is possible establish social processes merely as an execution of pre-defined plans or rules, as e.g. in the earlier logico-deductive paradigm of planning and development. According to Ragin, small-N research is thus appropriate for research requiring theoretical openness:
‘When N’s are large, there are few opportunities for revising a casing [that is, the delimitation of a case]. At the start of the analysis, cases are decomposed into variables, and almost the entire dialogue of ideas and evidence occurs through variables. One implication of this discussion is that to the extent that large-N research can be sensitized to the diversity and potential heterogeneity of the cases included in an analysis, large-N research may play a more important part in the advancement of social science theory. (Ragin, 1992: 225 in Flyvbjerg 2004).

Another implication is that cases cannot be carved out a priori, but must be developed through a series of adjustments in the actual data built-up. This also means that the research is likely to gradually narrow down on specific themes. More specifically, this approach suggests that theoretical understanding and data-built-up are co-constitutive.

Therefore a single case study comprising the policy arena of business development within a larger Danish municipality has been selected, namely the Municipality of Aarhus and the stakeholders in the larger urban region (of e.g. industrial organizations and associations, public institutions). Selecting this strategy will not enable generalization to a wider population, but may open possibilities for analytical generalization. However, this kind of research should not be assessed in relation to its external validity and generalization, but rather its transferability as argued by Lincoln and Guba (1985). Relying on a contextualised, single case study does not in itself reduce the validity of findings (cf. ; ; Flyvbjerg, 2001a; ; Flyvbjerg, 2004; ; Rousseau & Fried, 2001). In addition, the research draws some inspiration from a variant of grounded theory that does not presuppose a ‘theory free’ approach to the phenomenon under study, nor a positivistic standpoint of philosophy of social science (Charmaz, 2006; ; Orton, 1997; ; Suddaby, 2006).

The chosen municipality, Aarhus Municipality, is one in which the business department in the Mayor’s office recently has restructured the organization of business development by ‘opening up’ the department in order to a higher extent to realize business initiatives in collaboration with various public and private partners. It has thus restructured the way business development is organized, requiring organizational
changes in how business activities are produced and coordinated as well as in the roles performed by public servants. As presented in the current business action plan:

There are two traits or perspectives characterising all initiatives. There elements of collaboration and interplay including international aspects connected to all initiatives. This is due to the fact that no single business political actor, including the municipality, is able to realize the business political initiatives alone and in addition that the municipality must think internationally and at the same time act locally and regionally. (The business action plan)

The municipality was one of the first municipalities in Denmark to make business development policy a formalized policy area by establishing a business development department in 1990. Danish municipalities are expected to reorganize and enhance their involvement in business development following the recent municipal reform, as also proposed by Kommunernes Landsforening (KL). It is thus expected that Danish municipalities will make business development a central policy area embedded within the public administration and closer to the Mayor’s office aimed at enabling better integration, coordination and holistic approaches to business development. This is opposed to the semi-autonomous business development agencies traditionally utilized in many municipalities. The selected municipality may thus serve as a strategically selected case aiming at achieving knowledge about the challenges other municipalities may experience when reorganizing and enhancing their efforts in developing the local and regional conditions for business (Flyvbjerg, 2004). Another reason why this municipality seems interesting for the present research is that it, at least on paper, have attempted to implement an bottom-up and informal, trust based approach to the development and renewal of business development strategies and initiatives. Thereby it can be conceived of as a strategic research site for gaining knowledge about a phenomenon of more general importance (Merton, 1987), in this case new ways of engaging the business community and public institutions in business development. The economic-development context is characterized by the industrial restructuring process from agriculture and industry to services etc. The larger urban region is one of the largest growth areas in the national context in terms of job creation.
The casing of the research

I propose to study the business development process through a series of multiple embedded cases covering the development and realization of business development initiatives and the underlying organizational and institutional infrastructure of governance of business development (Glaeser, 2006). Thereby the embedded cases may consist of e.g. development of ‘flagships’ projects such as Navitas Park (a so-called “energy innovation city” for innovation in wind energy technology being established on Aarhus Harbour, mirroring the IT city Katrinebjerg), Digital Urban Living or other initiatives. These are inter-institutional initiatives developed in interaction between the public development department, industry and public knowledge institutions. The initiatives have a double purpose of branding the location of development in order to attract business activities and mobile, qualified labour as well as establishing new relationships between participating stakeholders.

This ‘casing’ (Ragin, 1992) of the research will provide insights into the different phases of the business development policy process. The number of embedded cases cannot be determined ex ante, but is ideally dependent upon how fast theoretical saturation is achieved, defined by the point where new empirical data does not lead to new important insights. The embedded cases are likely to consist of both initiatives which are perceived as a success and as less successful, at least in terms of producing tangible outcomes.

Interviews are conducted with the involved stakeholders in the larger urban region, e.g. public knowledge institutions and industrial organizations and associations. In order to identify the roles performed by the clusters of actors contributing to realizing business development initiatives, the ‘snow ball’ method will to some extent be applied. This enables the clusters of actors actually participating in developing and realizing new business development initiatives to be ‘rolled up’ and make a so called ‘backward mapping’ of the process (Elmore, 1982). Such a method of informant selection and triangulation also reduces the possible biases arising from only interviewing public informants, such as public servants, managers and policy makers involved in business
development initiatives. Furthermore, it allows for a certain openness towards which actors are central to the realization of new business development initiatives and the role they perform within them.

In order to speed up the process of data built-up, I will make use of assistants, whom are experienced in using qualitative methodology and interviewing. This will furthermore enable investigator triangulation, thereby not only relying on data source and informant triangulation. Work sheets are made for each individual project and interviews are transcribed and analyzed using a coding programme of for qualitative data analysis.

3.1 Methodics

Due to the character of the research problem and the chosen theoretical approach, the specific methodics applied in this study should be able to generate multiple focus data, i.e. field observation of meetings, interviews, analyses of archival material, contextual documentary material etc. Since the motives informing action cannot be deduced from observation (Weber, 1978a) or formal written material, in-depth and semi-structured interviewing is required. Observation at multiple field sites including meetings (e.g. spanning from informal candle light dinners to formal meetings between stakeholders etc) will provide information on interactions and negotiations between the involved actors. Thereby a line from research question, proposed theoretical starting points and underpinning scientific assumptions to research strategy and methodics may be drawn.

The main relationship between researcher and field is likely to be the role of observer-as-participant (Junker, 1960). However, as also well documented in the literature on the qualitative practice of sociology and anthropology, field worker roles are never entirely static (e.g., Whyte, 1993), since the researcher’s person to various degrees become subjected to the field under study (Agar, 1986; Goffman, 1989).
3.2 Method of analysis
The specific method of analysis is aimed at development of theory through an iteration process between data collection and analysis, which continues until theoretical saturation is achieved (Glaeser and Strauss 1967). This is the point when new data do not lead to new insights and thus fit into the already identified patterns in the data material. Thus the present project will not be carried out on the basis of a priori defined sequential steps to be executed in a linear fashion. Such a linear conception of the research process could give rise to a gap between what is ideally being represented as the ‘opus operatum’ of research and its actual ‘modus operandi’ (Becker, 1998; Bourdieu & Nice, 2004; Flyvbjerg, 2001a; Latour, 1987). Rather, literature and theory is also ‘enfolded’ in the constant spiral research process, moving back and forth between data built-up and analysis of data and triangulation of data sources (Shah & Corley, 2006).

3.3 Quality criteria
Qualifying the research process is secured through the process of data collection and analysis, such e.g. through data source triangulation, theoretical triangulation etc. However, naturalistic, qualitative research shall be assessed by other quality criteria than e.g. quantitative research. The present research attempts to follow the criteria laid down Lincoln and Guba in their so-called ‘trustworthiness criteria’ listed below.
<table>
<thead>
<tr>
<th>Traditional criteria</th>
<th>Trustworthiness criteria</th>
<th>Methods for meeting trustworthiness criteria</th>
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<tbody>
<tr>
<td>Internal validity</td>
<td>Credibility</td>
<td>Extended engagement in the field</td>
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<td></td>
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<td>Triangulation of data types</td>
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<td>Peer debriefing</td>
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<td>Member checks</td>
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<tr>
<td>External validity</td>
<td>Transferability</td>
<td>Detailed (thick) description of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Concepts and categories in the grounded theory</td>
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<td></td>
<td></td>
<td>• Structures and processes related to processes revealed in the data</td>
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<tr>
<td>Reliability</td>
<td>Dependability</td>
<td>Purposive and theoretical sampling</td>
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<tr>
<td></td>
<td></td>
<td>Informants’ confidentiality protected</td>
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<td></td>
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<td>Inquiry audit of data collection, management, and analysis processes</td>
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<tr>
<td>Objectivity</td>
<td>Confirmability</td>
<td>Explicit separation of 1st order and 2nd order findings</td>
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<td>Meticulous data management and recording:</td>
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<td>Verbatim transcription of interviews</td>
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<td></td>
<td></td>
<td>• Careful notes of observations</td>
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<td></td>
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<td>• Clear notes on theoretical and methodological decisions</td>
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<td></td>
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<td>• Accurate records of contacts and interviews</td>
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</tbody>
</table>

Source: Based on Lincoln and Guba (1985).

(Shah & Corley, 2006)
Some preliminary insights from the study

The empirical case material (preliminary findings) is based upon interviews with involved stakeholders and the public servants in a municipal business development department. It has recently reorganized how strategic business development is conducted, relying to a higher extent on the involvement of and collaboration with external partners in the larger urban region. The consequential initiatives thus seem to result from a process of collective entrepreneurial action, tending to suspend traditional modes of preplanning and central control, e.g. by ‘delaying’ the involvement of central political actors. This requires that the public servants perform a more outward-oriented and proactive role. However, the findings may show something else.
4. Research relevance

The dominant theoretical approach to studying business development is macro-level and structural functionalist. The present research proposes a more sensitive understanding of the social processes of interactions between partners and stakeholders driven by various motives shaping development initiatives. The project might contribute with insights of relevance to the newer developments within institutional research concerning how actors bridges institutional spheres at the micro-sociological level (cf. Powell, 1996; Scott, Davis & Scott, 2007). During the 1980s and 1990s the neoinstitutional field of research was dominated by arguments addressing how institutions structure organisations and practices (Brinton & Nee, 2001). Most recently, researchers have called for qualitative research bringing the study of institutional processes back inside interaction practices paying attention to their micro-sociological dimension.

4.1 Practical implications

Basically this study may contribute to a needed focus on the changing role taken by governments and city and municipality industrial agencies in promoting business development in their local and regional area. This seems to concern a change in the local industrial development strategies – away from goal oriented, causal logics embedded in public hierarchical organisations, towards a means driven, entrepreneurial strategy orientation facilitated by the business community as well as public institutions. Furthermore, OECD has called for more empirical research on how new models for economic development enabling cross-cutting, experimentalism and networking unfold in practice in local contexts (OECD, 2001b). I may also be able to draw implications for managing and developing projects crossing sector boundaries of e.g. government, industry and public institutions, and thereby the carriers and barriers of capitalizing on knowledge and resources embedded in different institutional spheres. The very preliminary “insights” also seem to point to the new demands on public servants/consultants, which seem to require a more pro-active and outward oriented role, balancing between discretionary, judgemental decision making in interactions with
external stakeholders and partners and obtaining authorization from within the public hierarchy, e.g. the political level. Furthermore, this may also demand specific communicative competences of public servants in order to communicate in other institutional spheres and e.g. “match” decision makers in large firms. This, seem to require a shift away from the institution of the classical inward oriented public servant role, based upon rule following and serving the public hierarchy, i.e., the classic bureaucrat role of public servants as typologized by Weber (1997). Seeing new interplays between public and private actors located in formerly discrete institutional arenas as strategic measures in the new growth policies, has not only implications for the forms of governance and coordination and available to actors (Stoker, 2000: 94). Changing forms of organizing and managing business development activities may thus also require changes in the roles performed by public servants (Pierre, 1999: ; Sørensen, 2006).

One implication might also address the significance of allowing development strategies to emerge and evolve ‘in practice’ following the strategy-as-practice litterature (Johnson, Langley, Melin & Whittington, 2007). However, such possible implications are only preliminary judgements about which kind of possible practical implications, I might be able to outline. The findings may point in other directions.
References


Halkier, H., & Damborg, C., 2000. Development Bodies, Networking and Business Promotion: The Case of North Jutland, Denmark. In M. Danson, H. Halkier and
G. Cameron (Eds.), Governance, Institutional Change and Regional Development, 92-114. Ashgate: Aldershot.


*Public Administration, 76*, 295-311.


**Ph.D. plan**

1. **halvår – evaluering pr. (1. aug. 2007):**
   - Teaching etc (ca. 75 AT)
   - Ph.d.-plan
   - Courses
     - Researcher workshop, Skatteministeriet, 28.-29. Juni
     - Litterature

2. **halvår – evaluering pr. (1. feb. 2008):**
   - AOM, august
   - Teaching etc (ca. 190 AT)
   - Prospectus, september
   - Göteborg Public Management Seminar, November
   - DDLA, December
   - Thesis Proposal (jfr. rubrik 2).
   - Litterature review, data collection, analysis

3. **halvår – evaluering pr. (1.aug. 2008):**
   - Courses
   - Data collection, litterature review and analysis
   - Teaching etc (ca. 120 AT)

4. **halvår – evaluering pr. (1. feb 2009):**
   - Data collection, litterature review, analysis
   - Visit to a foreign research institution, 4 months (95 AT).
   - **Seminarfremlæggelse:** Vejleder skal inden udløbet af 4. halvår arrangere et ph.d.-seminar, hvor stipendiaten får lejlighed til at fremlægge sit forskningsprojekt for andre ph.d.-studerende og forskere inden for området.
5. halvår:
Interviews
Dissertation

6. halvår - 2010
Dissertation
Ph.D. Courses

1. halvår

The research process and how to get a PhD out of it. 2 ECTs

Introduction to Research Designs in Organization and Management 4 ECTs

Innovation and Entrepreneurship Theory 5 ECTs

Classic Organization Theory 5 ECTs

ASB/FiOL og Økonomi, Århus Universitet (16ECTs)

2. halvår

Publish or Perish (february 2007-september 2007) 4 ECTs

Courses planned

Third semester:

Institutionalism and Organizational Analysis (5 ECTs), CBS

Modern sociology and its contribution to organizational research (4 ECTS, or 10 ECTs for the whole course), CBS
Publications