Power and place leadership

The Case Salo will have to wait its turn

Main ambition today

- Conceptually (and drawing on a case) to show how different forms of power contribute to place leadership

- Reach beyond individual organizations and their leaders in order to understand how various forms of power are connected to each other and to place leadership

Leadership is the wise use of power. Power is the capacity to translate intention into reality and sustain it.

QUOTEHD.COM

Warren G. Bennis

Where does governance end and leadership begin?

"Many people want to be leaders, but very few are leaders in the sense that I mean it: using great power for great purposes"

(Robert A. Caro in a conversation with Joyce Ravid in 2012)

Power is "the capacity of some persons to produce intended and foreseen effects on others"

(Wrong, 1997)

Regions need place-based leaders who, instead of seeking great power for great purposes, would seek to combine many forms of power for great purposes

Place leadership is about mobilization and coordination of diverse groups of actors to achieve a collective effort aimed at enhancing the development of a specific place

Local and regional development scholars have had
a tendency to focus on the **negative** side of power

The emphasis has not been on how to achieve great purposes

The emphasis has been on how 'the others' pursue their
ambitions and purposes at the cost of a specific place

The positive side of power

(a) exercise of power for creating
a novel context for collective action, and

(b) exercise of power for combining individual
aims into collective place-based objectives

How did South Ostrobothnia transform (at least partially) itself?

South Ostrobothnian path

Character

- The most rural of the Finnish regions
- More SMEs per capita than in any other Finnish region

Situation in the 1990's

- A peripheral pocket of the emerging knowledge economy Finland

Mentality

(Cognitive-cultural institutions)

'Education spoils a good worker'

'Research = analysis = thinking = hesitation = failure'

'There aren't crazy enough people to destroy their academic careers HERE'

'Sun set region – leave it and the last one will turn off the lights' (Helsingin Sanomat 1999)

A professor from the University of Vaasa in Helsingin Sanomat in 1999:

'the South Ostrobothnians are overly self-contained and self-sufficient …

they will not co-operate with anybody if they are not forced to.

And, the entrepreneurs are so old-fashioned that they are not hiring employees with better education than what they have got themselves, and what's that: primary school education'
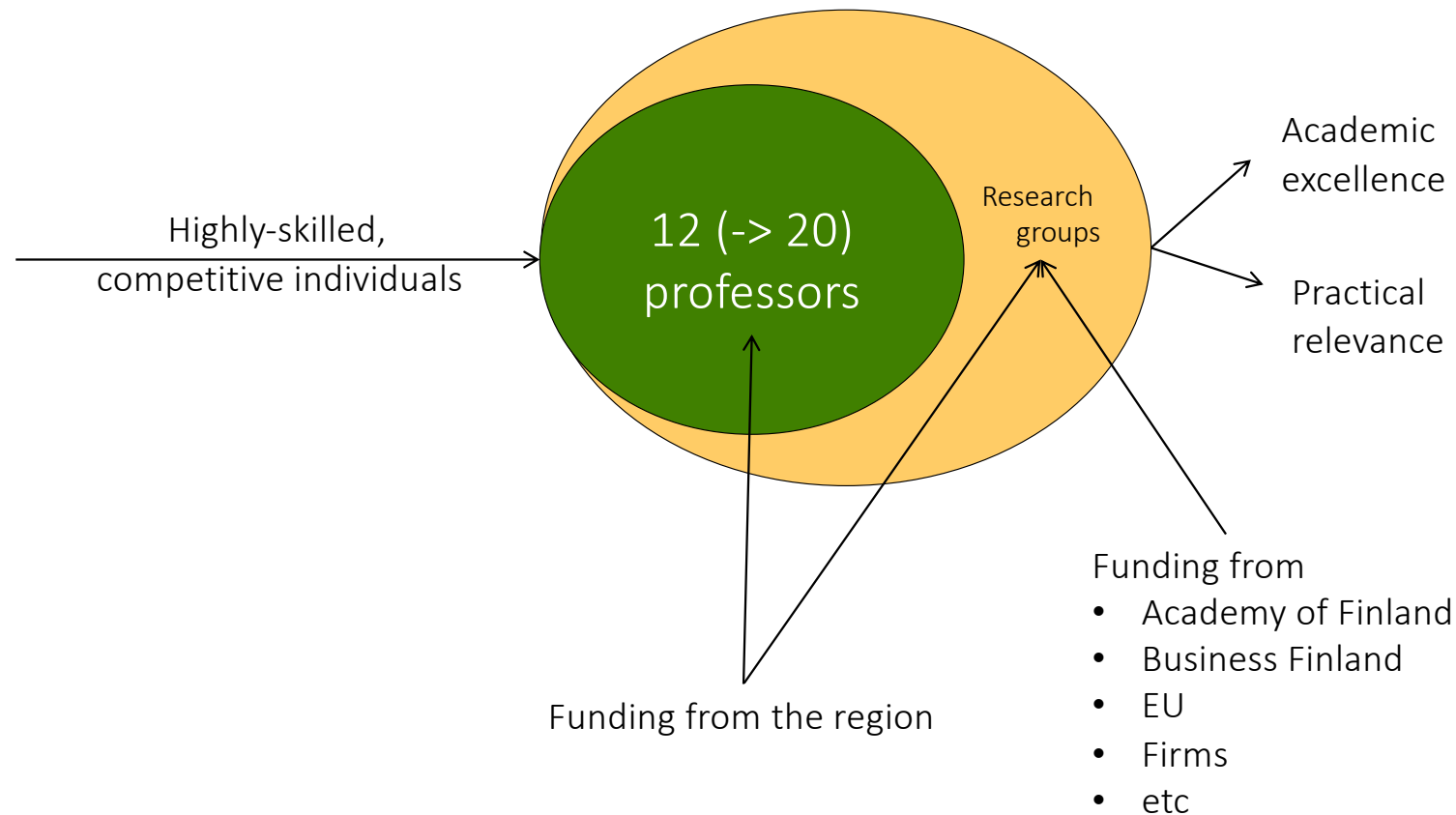
What happened?

- Awakening: We can be full members in the knowledge economy

- Strategy: Increase innovation capacity by (a) building a science park, (b) strengthening the polytechnics and (c) increasing research capacity

What's the score now?

- Seinäjoki has been among the growing town/city –regions in Finland
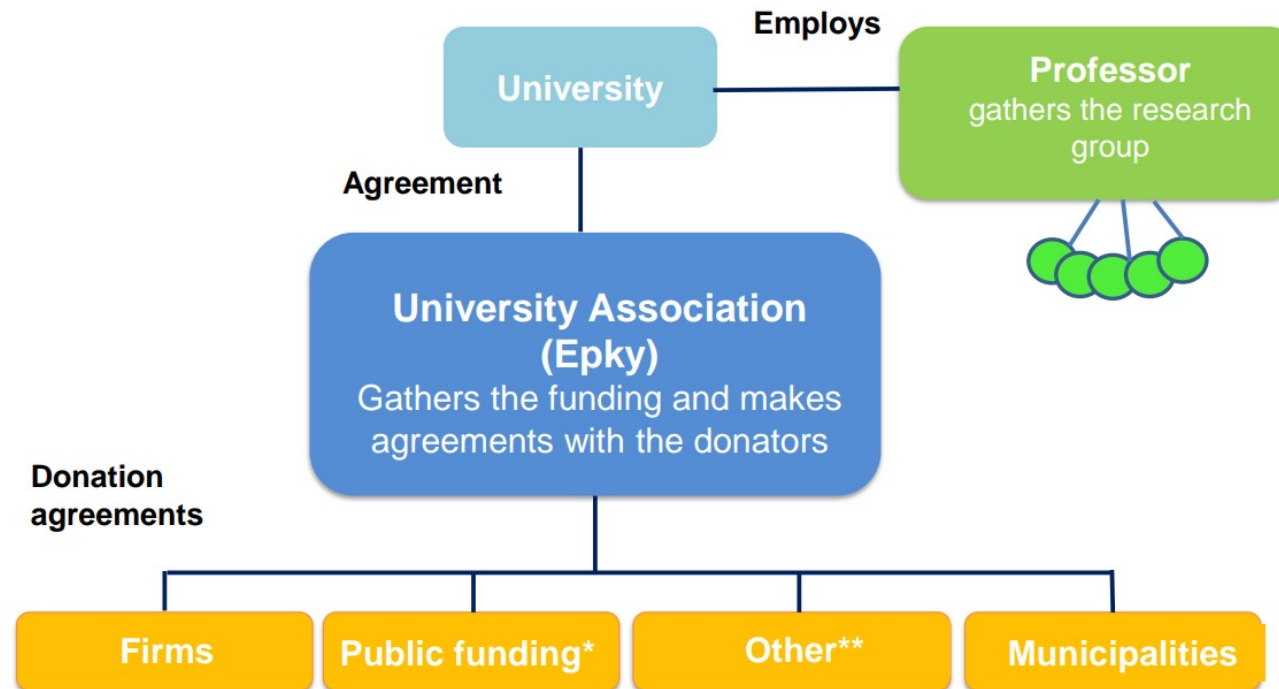
- Image of the region is much better

Main issue: Lack of competitive, highly-skilled individuals
The solution: Epanet

Highly-skilled, competitive individuals

12 (-> 20) professors

Research groups

Academic excellence

Practical relevance

Funding from the region

Funding from
- Academy of Finland
- Business Finland
- EU
- Firms
- etc

ETELÄ-POHJANMAAN
KORKEAKOULUYHDISTYS

Employs

University

Professor
gathers the research group

Agreement

University Association (Epky)
Gathers the funding and makes agreements with the donators

Donation agreements

Firms | **Public funding*** | **Other**** | **Municipalities**

*At first we used regional development funds
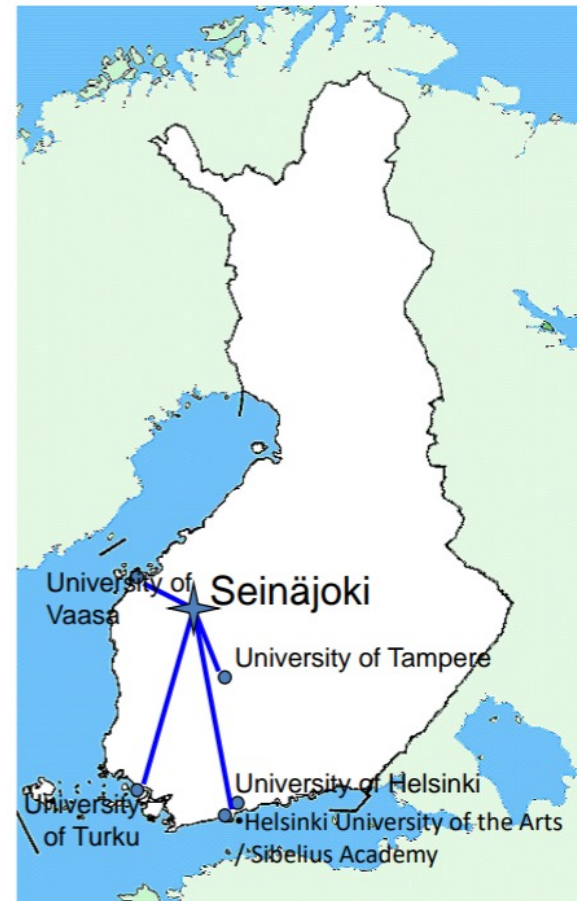** Associations, foundations etc.

Epanet, the concept

- Forming research groups of high quality on the branches needed in South Ostrobothnia.
- The groups are led by fixed-term (5 year period) research professors.
- The basic resource for professorships are collected by the University Association. www.epanet.fi
- Each professor is gathering a research group of 3–5 people (using different sources of money).
- The groups are working in South Ostrobothnia, most of them in Frami www.frami.fi, Seinäjoki.
- Epanet forms an essential part in the content of University Consortium of Seinäjoki www.ucs.fi
- Agreements with public financiers and more than one hundred private donators.
- All the South Ostrobothnian municipalities are financing the Epanet network.

ETELÄ-POHJANMAAN KORKEAKOULUYHDISTYS

University of Vaasa
Seinäjoki
University of Tampere
University of Helsinki
University of Turku
Helsinki University of the Arts / Sibelius Academy

Place leaders channel
power and knowledge to local networks

	Pre-journey (1990s)	Belief formation (1998-2002)	Action (2000 -> today)
Policy knowledge	General worry National policy messages were *transferred* into the region but *not translated* into local belief systems	International and national policy models were *discussed* and *debated*	A multitude of funding sources were combined to serve the innovation journey
Process knowledge	No clear view on how the process ought to be organized beyond the formal planning process	Some of the prevailing convictions on how and by whom regional development is lead are *unlocked*	A complex myriad of actors as well as contracts and relationships of trust are coordinated
Content knowledge	Local/regional development organisations *tap into* external knowledge on theories of local/regional development and innovation systems	Novel insights were *transferred* into the region and *translated* to fit the local social fabric as well as the economic structure of the region	Professors and their groups *tap into* partners earlier unreachable for local actors
Leadership	Distributed leadership Local/regional development organisations in the lead each independently	Local/regional development organisations lead the process Academic community led the thinking	Shared leadership Local/regional development organisations enable the journey

A handful of placeless leaders
exercise great power

Plenty of local leaders
exercise lesser powers

Achieving a great purpose
in a place is notoriously difficult

Placeless leaders are
unconcerned about the
impact their decisions have
on particular communities
(Hambleton 2015)

Power is the pivot on which
everything hinges. He who
has the power is always
right; the weaker is always
wrong.

Niccolo Machiavelli

WWW.STOREMYPIC.COM
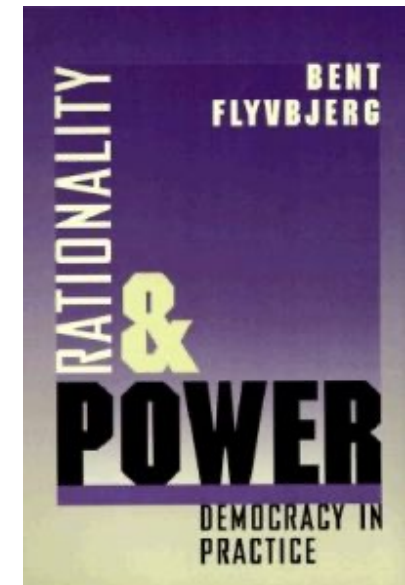
Bent Flyvbjerg: Rationality and Power

Proposition 1: Power defines reality

Proposition 2: Rationality is context-dependent, the context of rationality is power, and power blurs the dividing line between rationality and rationalisation

Proposition 3: Rationalisation presented as rationality is a principal strategy in the exercise of power

Proposition 4: The greater the power, the less the rationality

Proposition 5: Stable power relations are more typical of politics, administration, and planning than antagonistic confrontations

Rationalisation = the action of attempting to explain or justify behaviour or an attitude with logical reasons, even if these are not appropriate

Bent Flyvbjerg: Rationality and Power

Proposition 6: Power relations are constantly being produced and reproduced

Proposition 7: The rationality of power has deeper historical roots than the power of rationality

Proposition 8: In open confrontation, rationality yields to power

Proposition 9: Rationality-power relations are more characteristic of stable power relations than of confrontations

Proposition 10: The power of rationality is embedded in stable power relations rather than in confrontation
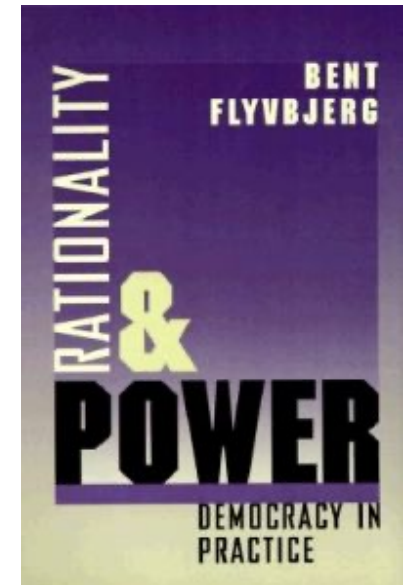
The power relationships are both constructed through social networks and embedded within them

Relational power

Power should not be seen only as a cumulative product or a 'thing'

Cumulative power

Cumulative power dynamics refers to

the degree to which the exercise of power builds
upon existing power bases and

the continuity that builds upon selecting and
stabilizing institutions, thus reducing uncertainty
through cumulative structures of power.

Institutional cumulative power

Power to act and decide as well as the formulation of formal strategies is often emphasised

If focusing only on institutional cumulative power, the many shades of power are easily lost

Domination and networks

"Power is relational while domination is institutional, and hence institutional power makes it possible for some actors to also dominate networks"

(Castells 2009, p. 15)

Place leadership as a nexus of power

Place leadership is a nexus of ambiguous set of forms of power embedded in institutions and social networks;

Place leadership is a nexus of combinatorial power

(Sotarauta 2008; 2016)

Combinatorial power dynamics refers to

the relational capacity to influence
the actions and decisions of other actors
in ways that favour empowered actors'
own intentions, interests and values
as well as the particular place in question

Legitimate power

- Power of individuals based on the relative position and duties of the holder of the position within an organisation.

- Formal authority delegated to the holder of the position.

Referent power

- Power (or ability) of individuals to attract others and build loyalty.

- Based on the charisma and interpersonal skills of the power holder.

Expert power

- Individual's power deriving from the skills or expertise of the person and the organisation's needs for those skills and expertise.

- Unlike the other powers, this type of power is usually highly specific, and is limited to the particular area in which the expert is trained and qualified.

Information power

- People with this type of power are well-informed, up-to-date, and also have the ability to persuade others.

- The difference between expert power and information power is subtle.

French & Raven, 1959

Reward Power

- Depends upon the ability of the power wielder to confer valued material rewards.

- This power is obvious, but also ineffective if abused.

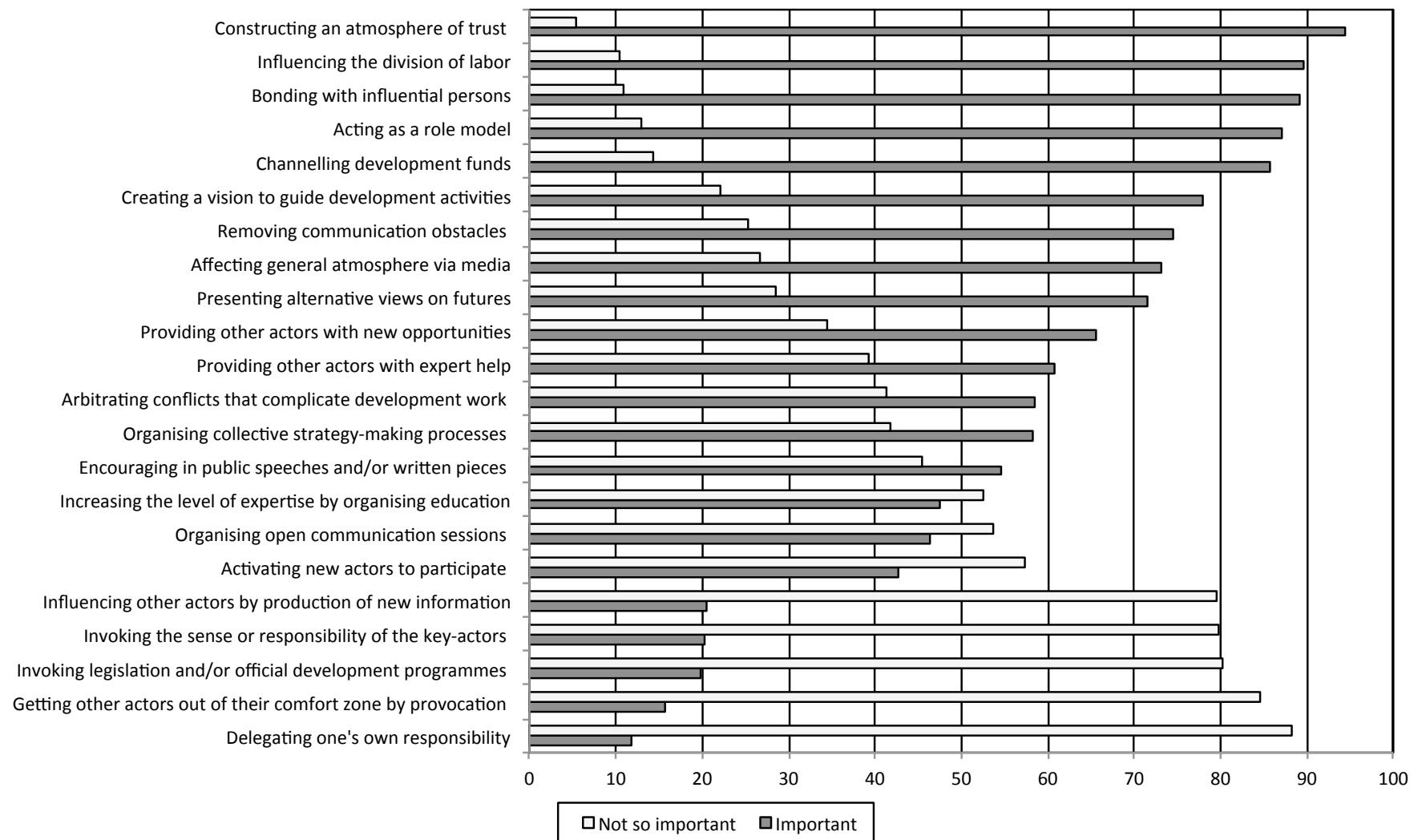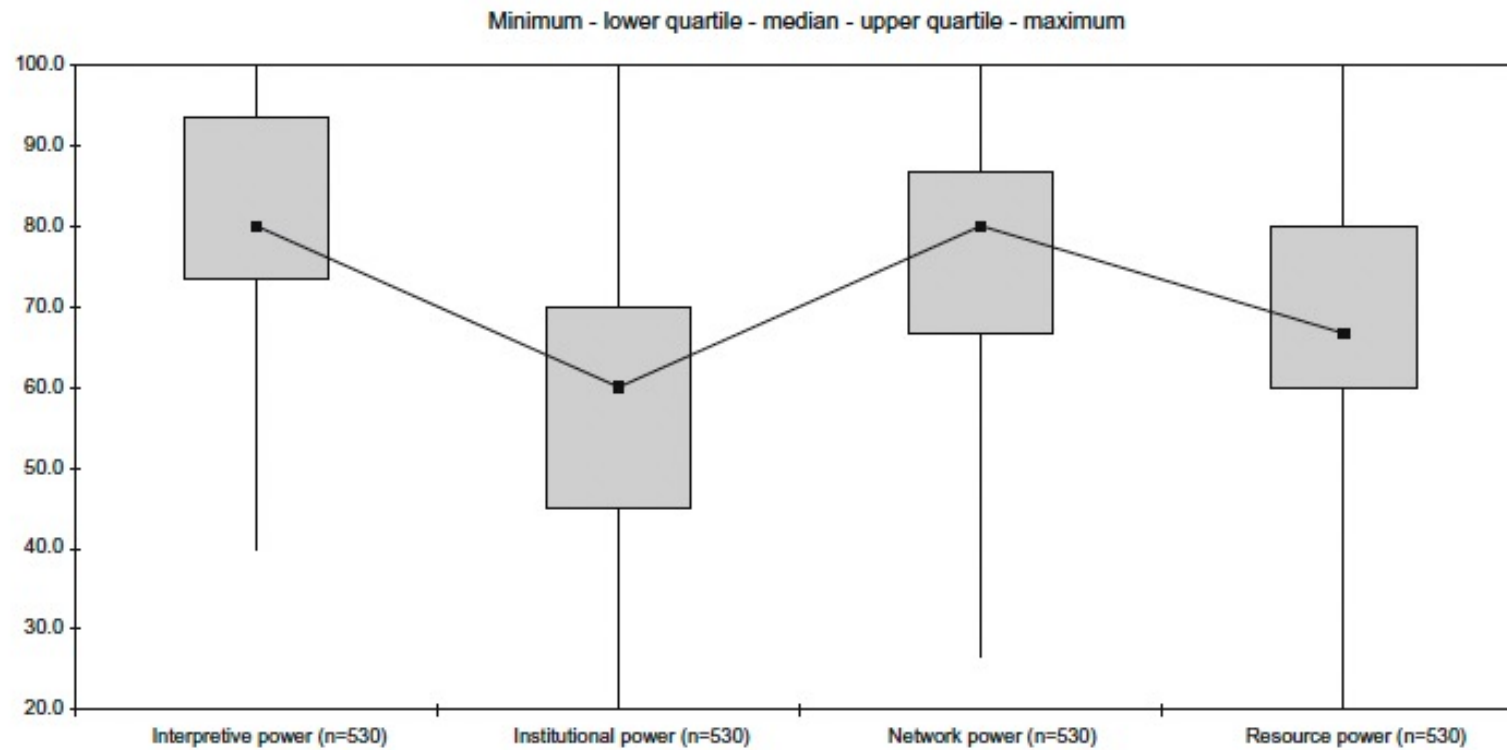## Coercive Power

- This form of power means the application of negative influences onto other.

- It might refer to the ability to demote or to withhold rewards.

- It is the desire for valued rewards or the fear of having them withheld that ensures the obedience of those under power.

- It tends to be the most obvious, but least effective, form of power, as it builds resentment and resistance

Power strategy and desired outcome	Technique used to generate empowerment
Authority To have one's power to make demands and define behaviour accepted as legitimate	Construction of recognition of legitimacy of demands made is crucial
Coercion To compel a particular form of conduct even though contending parties believe alternatives exist	Key determinant of success is production of logics that limit possibility of alternative perspectives gaining traction
Domination Others begrudgingly concede to one's demands because they see no alternative	Responding to the reactions of contending parties to domination techniques to ensure alternatives presented are effectively dismissed is essential

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Power strategy and desired outcome	Technique used to generate empowerment
Manipulation To exploit strategies that conceal their intent but ultimately lead to others voluntarily complying with requests as they think it will benefit them	Techniques that covertly shape the way individuals think are needed Individuals may not realize power is being exercised and thus reactions to this need not always be managed
Seduction Strategies result in others choosing to comply with requests because of their attraction to the supporting case presented	The strength of case built determines success as contending parties need to choose freely to respond in the way those seeking to become powerful desire

The processes to leverage power
(Sotarauta et al. 2007; 2016)

Minimum - lower quartile - median - upper quartile - maximum

Fig. 2. Generic forms of power and their importance in the work of regional development officers.

Circle of mistrust
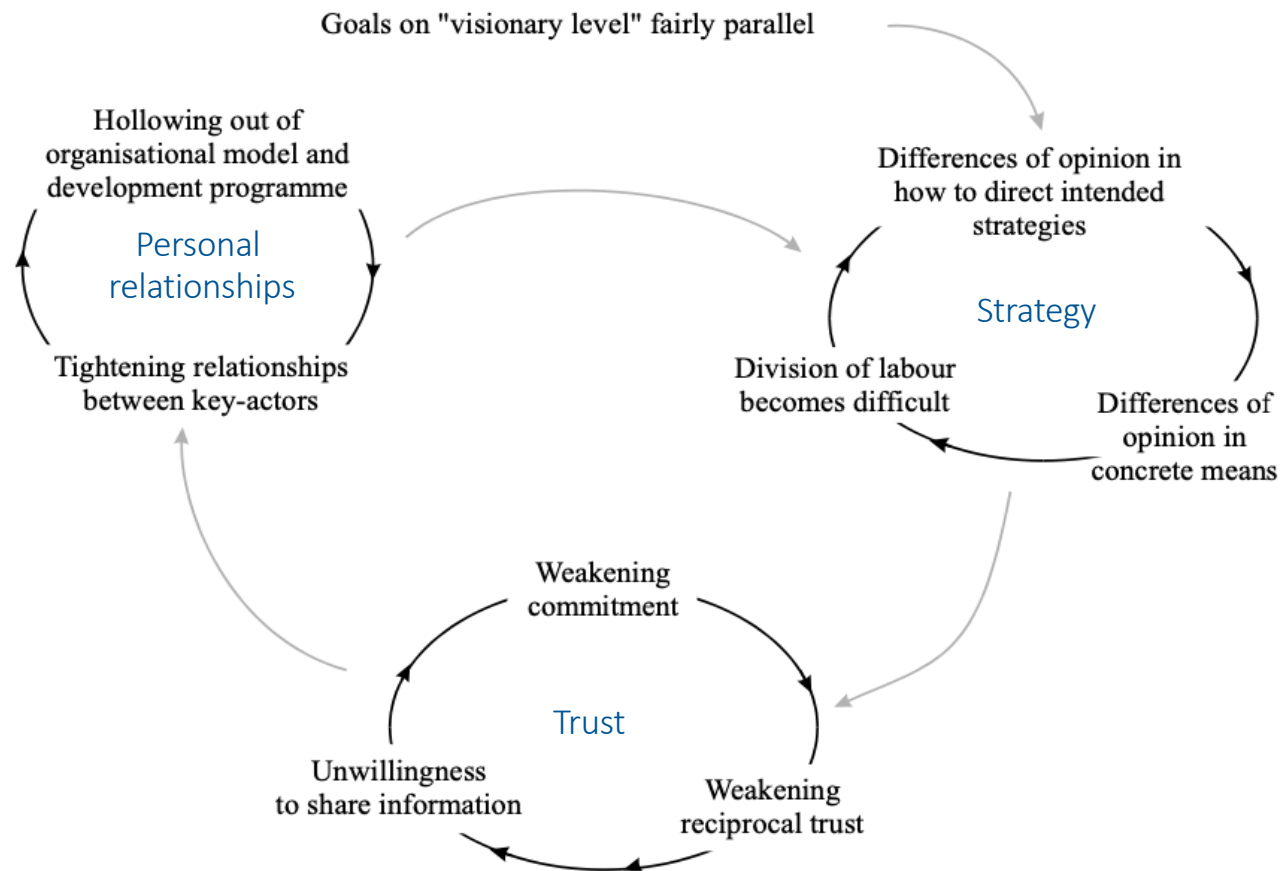
Interpretive power

The highest form (?) of power
is in the ways in which
(1) actual discussions and collective
contemplations are constructed, and

(2) problems and challenges
are defined and framed.

(Sotarauta 2008; 2016)

Those in (institutional) power are
often not interested in discovering
what the situation in a place really
is but instead focus on defining it
from their own perspective.

(Flyvbjerg, 1998)

Such personal networks that provide me with new information

Such personal networks that enable me to pull initiatives through

Such expert knowledge that enables me to convince the key persons of changes needed

Such expert knowledge that enables me to convince the key persons of my own role in the development work
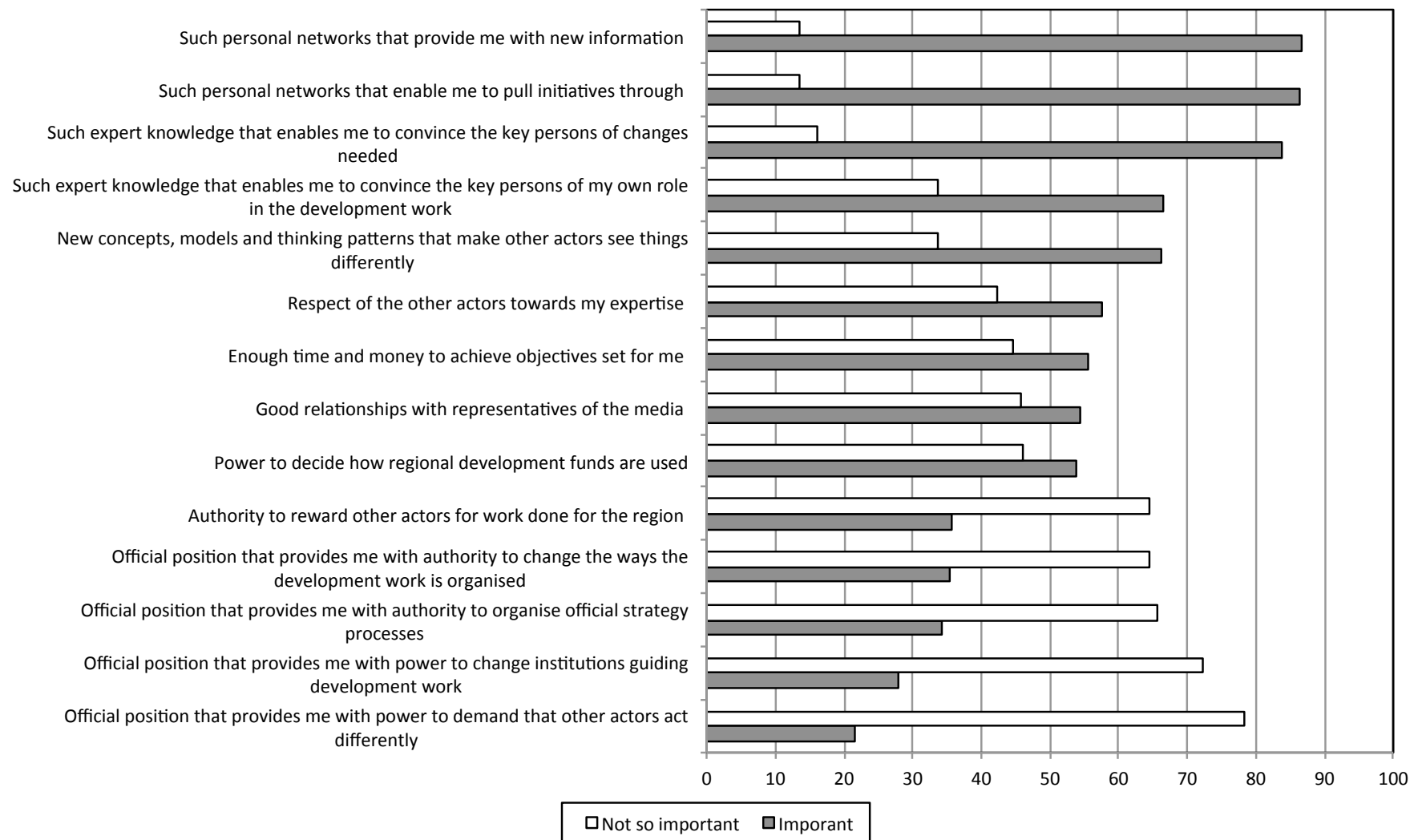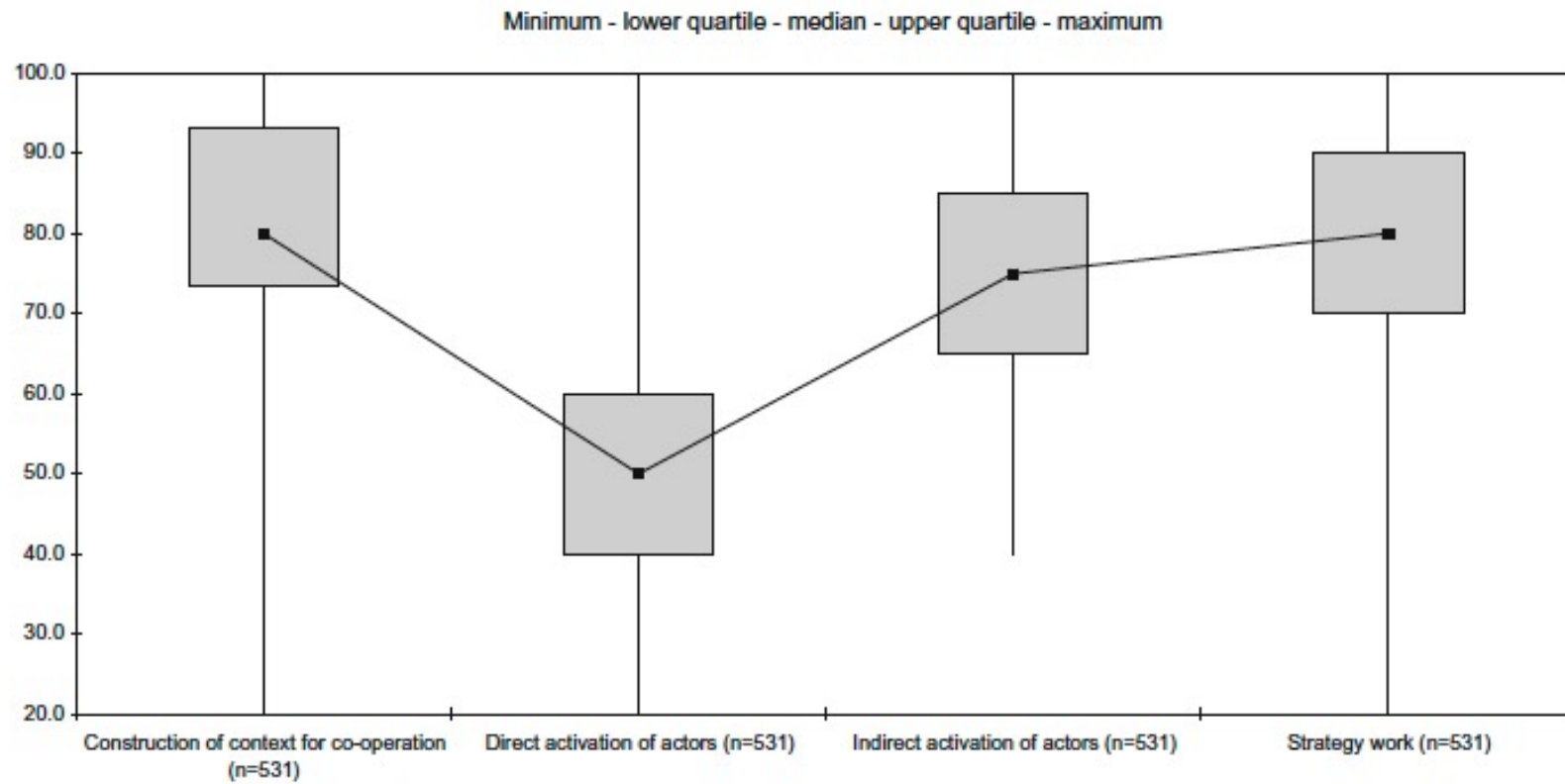
New concepts, models and thinking patterns that make other actors see things differently

Respect of the other actors towards my expertise

Enough time and money to achieve objectives set for me

Good relationships with representatives of the media

Power to decide how regional development funds are used

Authority to reward other actors for work done for the region

Official position that provides me with authority to change the ways the development work is organised

Official position that provides me with authority to organise official strategy processes

Official position that provides me with power to change institutions guiding development work

Official position that provides me with power to demand that other actors act differently

0 10 20 30 40 50 60 70 80 90 100

□ Not so important ■ Imporant

Sources of influence
(Sotarauta et al. 2007; 2016)

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www.sotarauta.info

Minimum - lower quartile - median - upper quartile - maximum

Fig. 1. Generic influence tactics used by regional development officers and their relative importance.

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www.sotarauta.info

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The Innovation Strategy of Helsinki Metropolitan Area 2006
What was the use of it

Participating in the strategy making increased either very significantly or significantly participants' awareness of the importance of **local innovation systems**, their main features and the participants' own roles in the development of the HMA innovation system (65,4 % agreed)

The strategy process enhanced participants' understanding of the position of the Helsinki Metropolitan Area in the global competition between cities (71,9%)

The Innovation Strategy of Helsinki Metropolitan Area 2006
What was the use of it

The strategy process

- was a good forum for discussions and collective contemplation (91.7%)

- increased understanding about the other organizations and thus created soil for future collaboration (89.8% agree)

- enabled people to get rid of daily routines and have time for collective future-oriented contemplations (81.7% agree)

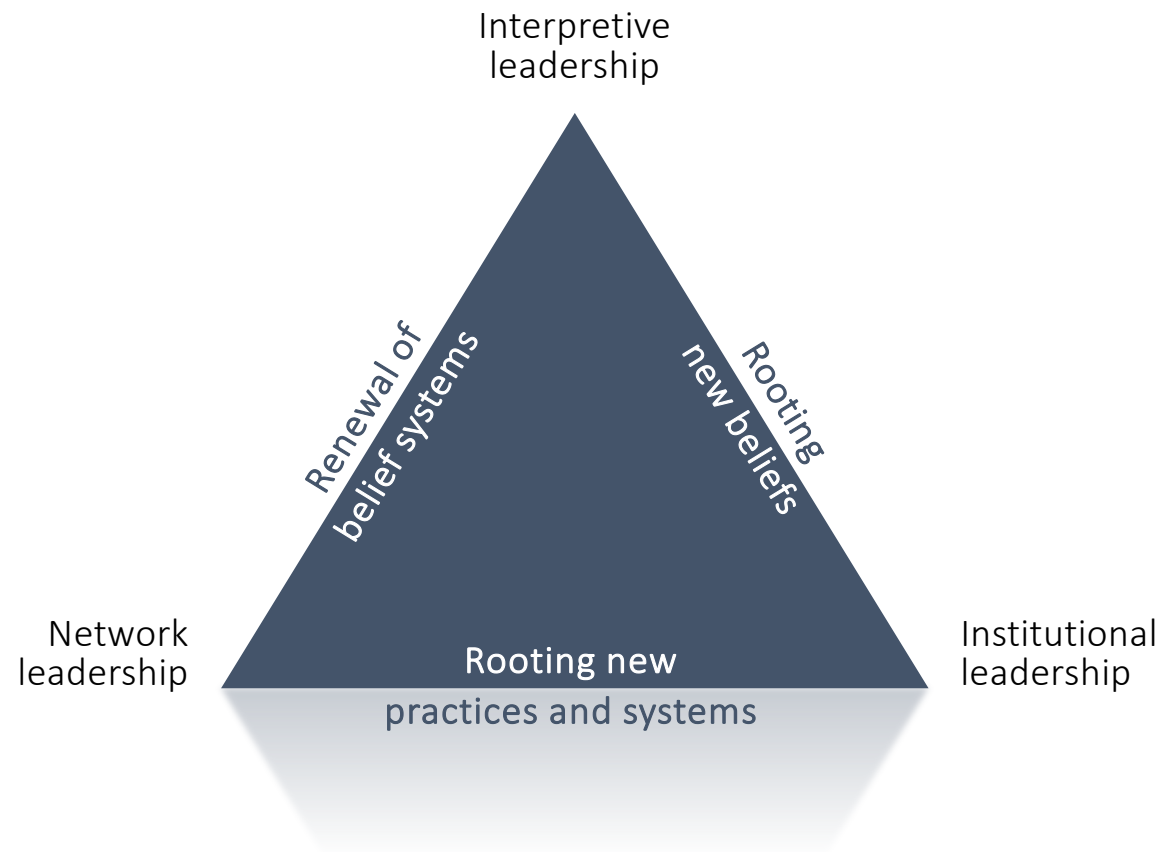- strengthened personal-level networks (69.1% agree)

The strategy process fostered

- collaboration between universities and firms (62% agree)

- collaboration between universities and municipalities (60.6% agree)

- collaboration between universities (58.8% agree)

- collaboration between firms (57.4% agree)

- collaboration between firms and municipalities (57.0% agree)

- collaboration between universities and state agencies (50.5% agree)

A schematised combinatorial power typology		
	Institutional power	Interpretive power	Network power
Main influence	Plays through normative and regulative institutions	Plays through cognition	Plays through connections between actors
Main focus	Rules of the game; the playground	Mindsets; thinking patterns	Selective inclusion and exclusion
Main leverage	Decisions; channelling money; statutes and norms	Theories; models; words, narratives	Relationships and interdependencies

Interpretive
leadership

Renewal of
belief systems

Rooting
new beliefs

Network
leadership

Rooting new
practices and systems

Institutional
leadership

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Conclusions

- Power is a potential to influence, a latent resource

- Power needs to be freed and activated through leadership processes

- Power is to be studied as a complex emergent phenomenon

  o It is always incomplete, provisional and unstable

  o It coevolves with many other complex phenomena

- Place leaders work to reach the institutionalized assets

- Place leaders work to mobilise actors with complementary forms of power for the amplification of the collective capacity to work for a place