



In search of the sweet spot: The role of personal proximity in three Dutch clusters

Ward Ooms^{a,*}, Miranda Ebbekink^b

^a Faculty of Management, Science and Technology, Open University in the Netherlands (OUNL), P.O. Box 2960, 6401 DL Heerlen, the Netherlands

^b Nijmegen School of Management, Institute for Management Research – SCAPES, Radboud University Nijmegen, P.O. Box 9108, 6500 HK Nijmegen, the Netherlands

ARTICLE INFO

Keywords:

Proximity
Industrial clusters
Cluster governance
Personal proximity
Interpersonal relations

ABSTRACT

Cluster benefits are positive externalities that arise from geographical, cognitive, and relational proximities. However, recent advances in clustering theory have indicated that this relationship is not always a spontaneous one. While various externalities of clustering may arise spontaneously for co-located firms, some externalities can only be attained when clustered firms and individuals actually work together. The interpersonal nature of cluster governance may have been taken too lightly in the past. Our multiple-case study of three Dutch clusters sets out to reveal what role personal proximity has in clusters over time, and uncovers which accomplishments and issues in cluster governance are associated with personal proximity. We find that personal proximity promotes effective cluster governance, but that there is a ‘sweet spot’ when it comes to the extent of personal proximity within clusters. That is, not only weak personal proximity, but also strong personal proximity, impedes rather than promotes effective cluster governance.

1. Introduction

The beneficial role of geographical, cognitive, and social proximity in relation to industrial clusters has long been apparent (Boschma, 2005; Geldes, Felzensztein, Turkina, & Durand, 2015; Lazzeretti & Capone, 2016; Nicholson, Gimmon, & Felzensztein, 2017). Firms and their host regions may ultimately derive externalities such as competitiveness and productivity gains from clustering of firms in close geographical proximity, and this explains policy makers' encouragement of clustering (Delgado, Porter, & Stern, 2015; Lazzeretti, Sedita, & Caloffi, 2014). Benefits of clustering may either be passive externalities (derived from simply being co-located), or active externalities (for which co-located have to engage in actual collaboration with one another; Brown, McNaughton, & Bell, 2010). Unfortunately, the cluster literature has seemingly fallen victim to the endogeneity trap (Legendijk & Pijpers, 2013); a conceptualization of the role of ‘proximities’, ‘embedding’ and ‘relational assets’ as automatic levers leading to cluster benefits, rather than contingent potentialities. Such a deterministic outlook overlooks the role of cluster governance (Berthinier-Poncet, 2014). Geographical proximity and cognitive proximity may spontaneously create passive externalities for clustered firms, such as a pool of specialized local suppliers and workers (Brown et al., 2010). In turn, social proximity and cognitive proximity may help co-located firms to tap into processes of local knowledge transfer and learning (Geldes

et al., 2015). However, none of these proximity dimensions necessarily grant firms automatic access to locally residing tacit and explicit knowledge, nor do they straightforwardly lead to active externalities, as these require collective action of clustered firms. Hence, firms have to form and maintain trustful and cooperative social relationships (Bathelt, Malmberg, & Maskell, 2004; Geldes et al., 2015). Without these kinds of relationships, firms in clusters may have a difficult time attaining cluster benefits. At times, firms in clusters may organically form relationships with others, simply because their co-location provides them with opportunities to do so (Geldes et al., 2015). For example, we know that clustered firms report significantly more informal contacts between them than do non-clustered firms (Felzensztein, Brodt, & Gimmon, 2014). However, clusters typically also involve small- and medium-sized enterprises (SMEs), who are known to vary in the extent to which they collaborate with external firms dependent on their collaborative capabilities (Muscio, 2007), while at the same time they are also known to value trust, reciprocity, and experience in their interactions with other firms (Anderson & Boocock, 2002; Mitchell, Boyle, Burgess, et al., 2014). Hence, some form of governance may be required to generate formal and informal interactions between all firms and organizations in a cluster, and to leverage the opportunities created by various forms of proximity between those firms, such as geographical proximity through co-location.

Menu (2012, p. 821) has defined the cluster governance in terms of

* Corresponding author.

E-mail address: ward.ooms@ou.nl (W. Ooms).

“who makes change happen and according to which modalities of action”. This definition of cluster governance links to the idea that some positive externalities require active collaboration between clustered firms and individuals. Quite a few scholars have emphasized the importance of individual agency and individuals' personalities herein (Caniëls, Kronenberg, & Werker, 2014; Ebbekink & Lagendijk, 2013; Horlings, 2014; Klofsten, Bienkowska, Laur, et al., 2015; Lundquist & Power, 2002; MacNeill & Steiner, 2010; Mangematin, Rip, Delemarle, & Robinson, 2005; Ritvala & Kleymann, 2012; Sydow, Lerch, Huxham, et al., 2011; Tremblay & Rousseau, 2005). However, these studies, though acknowledging that cluster governance is a discretionary and distributed effort (MacNeill & Steiner, 2010; Stough, 2010), still pay little attention to the interpersonal nature of cluster governance. There are two notable exceptions. First, Geldes et al. (2015) show that social proximity, in particular, is conducive to a set of the positive externalities in clusters, which is interfirm marketing cooperation. Second, three studies go on to emphasize the role of informal personal relationships in creating formal business relationships in clusters, signaling a relevant role for more than just social proximity. That is, these studies put forward the proposition that particularly informal (personal) relationships are found to drive cooperation by clustered firms (e.g. Contreras Romero, 2018; Felzensztein et al., 2014; Felzensztein, Gimmon, & Carter, 2010). Thereby, these studies highlight that interpersonal factors hold considerable importance.

We add to this debate by pointing out the role of personal proximity and ensuing ‘(dis)clicks’ (Caniëls et al., 2014; Werker, Ooms, & Caniëls, 2016) in clusters. Personal proximity is defined as the degree of similarity between individuals in intrinsic characteristics (e.g. in ‘features’, ‘traits’, ‘attitudes and beliefs’ and ‘behavioral patterns’; Werker et al., 2016). Personal proximity expresses itself in ‘clicks’ or ‘disclicks’ between individuals, which we define as feelings of liking or disliking another person (Casciaro & Lobo, 2008; Werker et al., 2016). This reasoning rests on the ‘homophily’-principle, which assumes that similarity between individuals causes them to bond (McPherson, Smith-Lovin, & Cook, 2001). The cluster literature has hinted at a role for ‘(dis)clicks’ several times, for example, Raagmaa (2001) mentions ‘Bund’-ship, while Benneworth (2002) finds that two clusters work because people know (social proximity) and like (personal proximity) one another. We expect personal proximity and the resulting ‘clicks’ to be conducive to effective cluster governance. Personal proximity between individuals in clusters may prove to be one of a few mechanisms that can overcome many fixed exogenous differences that exist between generally diverse cluster actors (Ahedo, 2004). Hence, personal proximity can help to align actors' individual efforts for the cluster's common good and facilitate collective action. The idea that personal proximity is conducive to effective cluster governance, is reaffirmed by studies that have shown that personal proximity smoothens dyadic research collaborations (Werker et al., 2016) and could be the fundament for more formal collaboration to develop (Contreras Romero, 2018).

There is another side to the story though. Personal proximity is also a potential source of trouble to cluster governance. First, there may be weak personal proximity and an abundance of ‘disclicks’. This could be a burden to cluster governance, because certain cluster individuals choose not to interact even though their interaction would be efficient or effective. This is much like patterns observed in dyadic research collaborations (Werker et al., 2016) and task-related ties (Casciaro & Lobo, 2008; Yuan, Carboni, & Ehrlich, 2014). Second, there may be strong personal proximity and an abundance of ‘clicks’. This may promote behavior that incites yet other obstructions and less desirable outcomes of cluster governance. Hence, clustering could have negative externalities in this case. We offer three examples derived from the literature here, but other obstructions and outcomes may occur. One such example is ‘defensive-attribution’, which is well-known immoral and peer-protective behavior among friends (Burger, 1981). This behavior may also arise in case of strong personal proximity among cluster individuals. Eventually, this type of behavior could harm rather

than enhance, for example, a cluster's reputation and credibility (Felzensztein et al., 2014). The other example is that we might see some typical consequences of similarity-attraction (Williams & O'Reilly, 1998), where in-group others are favoured and out-group others are ignored, leading to ‘clique-formation’ (Contreras Romero, 2018; Fletcher, Huggins, & Koh, 2008) and ‘groupthink’ (Hibbert, Huxham, Sydow, et al., 2010). Finally, as with social proximity (Granovetter, 1985; Uzzi, 1997), the trust derived from mutual liking may put individuals in clusters at risk of ‘opportunism’. Altogether, strong personal proximity among cluster individuals may obstruct knowledge sharing and cause lock-ins (Mossig & Schieber, 2014).

In sum, we suggest that personal proximity is likely associated with different cluster governance outcomes, thus either enabling or inhibiting effective cluster governance, depending on the level of personal proximity. Our tentative proposition is that: (1) weak and strong personal proximity probably inhibit effective cluster governance, and (2) there is likely a ‘sweet spot’ for personal proximity, where cluster individuals ‘click’, thereby enabling effective cluster governance.

Against this backdrop of acknowledging that (a) clusters require governance to attain cluster benefits and (b) personal proximity between individuals involved in cluster governance affects cluster governance, we seek to answer the following research question: *How does personal proximity between individuals either enable or inhibit cluster governance?* Using extensive multiple-case study evidence from three Dutch cluster initiatives, this study explores the importance of personal proximity and ‘(dis)clicks’ to cluster governance. Our analyses show how occurrences of ‘(dis)clicks’ associate with particular cluster governance outcomes. We identify various perks of having personal proximity between individuals in clusters, but also pinpoint specific issues that arise in case of either weak or strong personal proximity. In doing so, we extend the work of Caniëls et al. (2014) and Werker et al. (2016), who deal with important conceptual questions regarding the personal proximity concept. We build on their work by exploring potential effects of personal proximity in collaborations that transcend the dyadic level, i.e. in clusters, and thereby expanding the theorizing about this dimension of proximity. Furthermore, we contribute to our understanding of the development of cluster benefits (e.g. Brown et al., 2010; Felzensztein et al., 2014), shedding light on the importance of cluster governance, and opening up the discussion about negative externalities of clustering.

Policy makers consider clustering to be a key policy mechanism to enhance competitiveness. Yet, policy makers should not underestimate the governance complexity of ‘creating’ clusters. Developing clusters beyond Enright's (2003) ‘wishful-thinking’ kind is a challenging task. This study provides policy makers with a better understanding of how challenges in clusters trace back to weak or strong personal proximity.

The paper is organized as follows. Section 2 contains the theoretical framework. It discusses how the nature of some benefits of clustering create the need for cluster governance (Sections 2.1 and 2.2), describes cluster governance its interpersonal nature (Section 2.2), and introduces the role of personal proximity and ‘(dis)clicks’ therein (Section 2.3). The case study context is described in Section 3.1, followed by a detailed account of our case study approach in Section 3.2. Section 4 reports the results. We discuss the theoretical implications in Section 5. Section 6 offers concluding remarks, policy recommendations, and future research directions.

2. Theoretical framework

2.1. Benefits of clustering

Although there are many definitions of clusters, recent conceptual work has yielded a definition that captures the common denominators among these definitions, and is as follows: “clusters are geographic concentrations of industries related by knowledge, skills, inputs, demand and/or other linkages” (Delgado et al., 2015, p.1). Scholarly and

Download English Version:

<https://daneshyari.com/en/article/7424817>

Download Persian Version:

<https://daneshyari.com/article/7424817>

[Daneshyari.com](https://daneshyari.com)