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SUMMARY

THE SUSTAINABILITY OF CLUSTERS– CONSEQUENCES OF DIFFERENT GOVERNANCE REGIMES OF TOP-DOWN AND BOTTOM-UP CLUSTER INITIATIVES

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Principal Topic

Researchers often assess a lack of sustainability for top-down clusters (e.g. Enright, 2003; Meier zu Köcker, 2008). The existing explanations are not satisfying as they tend to reject the attempts of cloning agglomeration effects as a matter of principle but ignore the billions of dollars which are spent in order to stimulate them (e.g. Bresnahan, Gambardella & Saxenian, 2001; Su & Hung, 2009). Our explanation refers to the conceptualization of top-down governance regimes, in which policymakers seemingly miss the opportunity to learn from organization science. This approach allows an improvement of governance regimes of top-down clusters and, therefore, a more efficient allocation of public subsidies.

It can be considered common knowledge in organization science, that an organization can only fulfill its tasks efficiently if the core elements of its governance regime – the assigned decision rights, the performance evaluation and the incentive system – fit to the tasks (Brickley, Smith & Zimmerman, 2004). We argue that misfits cause the observed lack of sustainability and hinder the cluster managers in fulfilling their tasks efficiently. These misfits occur because of goal ambiguity being inherent to public decision-making processes (Pandey & Rainey, 2006).

Method

Besides secondary data on cluster initiatives, we use qualitative data gained from semi-structured, guideline-based interviews with 32 cluster managers to examine differences considering the core elements of bottom-up and top-down governance regimes. The data collection and data analysis process is based on grounded theory. To analyze the interviews, we used the software MaxQDA, a tool that supports researchers in structuring and organizing the data.

Results and Implications

Our results show that policymakers did not respect common knowledge on the governance of organizations when they conceptualized top-down cluster initiatives. We find that top-down cluster managers have to deal with non-complementary, conflicting tasks, whereas bottom-up cluster managers have complementary and consistent tasks to fulfill. Thus, in top-down clusters there is a clear misfit of the governance regime and the tasks that can explain the lack of sustainability. A major implication of these findings is that the tasks of top-down clusters have to be reformulated in a way that they can be fulfilled complementarily, so that the cluster managers can adopt sustainable strategies.

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