

Entrepreneurs: place attachment and participation in local leadership

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Abstract

This paper analyses how the place attachment affects behaviour and decisions of entrepreneurs and particularly their involvement on local public leadership in geographic peripheries. The theoretical backbone of the study is based on theories of place attachment and combined with the latest place leadership discussion. The empirical part consists two case studies from Estonia.

During the last decades, intensive economic restructuring, outmigration and ageing of people have been taking place in Central Eastern Europe. According to location theory entrepreneurs should move to new places in order to maximize their profits (Tung & Lazarova 2006; Daugeliene & Marcinkeviciene 2009; Demyen 2012; Schutjens et al 2009). But still some successful firms stay in peripheries. Therefore the aim of this paper is to analyse why these entrepreneurs decided to stay in the periphery and their role on the site.

Central concept of this study is place. Holt-Jensen (2013) explains that area becomes place only when the man settles and gives it a special meaning. In Relph's opinion (1976) place is not just a formal concept awaiting definition but also a naive and variable expression of geographical experience. Nowadays concept of place attachment is not only geographers' study field, also sociologists, architects, planners etc. are studying its different sides. So far focus has been on the place attachment theory (e.g. Low & Altman 1992; Twigger-Ross & Uzzell 1996; Hidalgo & Hernandez 2001; Scannell & Gifford 2010; Brown et al 2015), much less papers (e.g. Jones 1998; Manzo & Perkins 2006; Kaškova & Chromy 2014) attempted to study sense of place effects for human's and the literature on entrepreneurs' behaviour and decisions related to the places is practically missing.

Imago or place identity creation and promotion is the role of local leaders (entrepreneurs, political and non-political leaders) who have more power and possibilities to design it (Raagmaa 2001). So far researchers have been studied entrepreneurs role within firms, how they motivate employees to gain better work results (Bass 1990; McGergow 2015; Lindgren 2012) but much less papers describe entrepreneur's role outside their companies (Edwards 2015) and community leadership. Entrepreneurs do not impact their communities not just by creating jobs and increasing revenues,

but also solving local problems inclusively and holistically, resolving uncertainty, reviving the spirit of the past and/or future, giving back to the community (Fortunato & Alter 2015). Individuals living and working in a particular place can do business in a way that benefits their area (Legendijk et al 2011).

Structure of this paper contains literature review part where are concepts of sense of place and leadership and their interrelations are explained. Secondly, methodological part encompasses two case studies from Estonia: Valgamaa and Saaremaa (counties). Main emphasize is put on in depth interviews with entrepreneurs. Third part focusses on the results and fourth part is devoted for analysis and implications.