Understanding Entrepreneurial Leadership that supports local entrepreneurship

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Abstract

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Leadership and entrepreneurship have often been associated to the ability of guiding ventures, but less to the ability of leading a startup community. This master’s thesis examines literature on entrepreneurship, in particular Entrepreneurial Ecosystem (EE), to understand the role of leadership in sustaining a startup community. Although Stam’s (2015) EE framework recognizes that leadership enables entrepreneurship, it doesn’t define its characteristics and therefore, a more theoretical understanding is demanded. We have thus developed a conceptual framework that aims to facilitate empirical explorations and future analyses of the leadership dimension of Stam’s (2015) EE framework. Our conceptual framework of Entrepreneurial Leadership (EL) includes the following characteristics: collective and bottom-up approach, presence of formal and informal leaders, promotion of social proximity and mentorship driven leadership. The use of interviews as research method and our EL conceptual framework as analytical tool was useful to explore and understand the current state of EL in the startup communities of Amsterdam and Utrecht. On the one hand, the startup community of Amsterdam experiences a shared leadership where formal and informal leaders are recognized. Moreover, the strong presence of supporting organizations, networks of mentors and entrepreneurial events favour interaction among the stakeholders of the EE. On the other hand, Utrecht, a smaller and younger startup community, lacks success entrepreneurial stories that results in supporting organizations exercising the leadership role. Furthermore, there is a poor presence of entrepreneurial events and networks of entrepreneurs that lead to an unconnected community.

Keywords: Entrepreneurial Ecosystem, Entrepreneurial Leadership, Startup community, Amsterdam, Utrecht
To our families, for their constant support throughout the whole Master Programme, and above all, for always believing in us.

Alberto & Ruperto
Popular science summary

When talking about entrepreneurship, people tend to think about charismatic individuals who run their own business. If we include the word leadership in the conversation, we will probably hear about the soft skill that one has to persuade and influence others, making people to support his ideas and work with (for) him. When studying these concepts in university though, we understand that they are more complex than what we had thought. We learn, for instance, that becoming an entrepreneur involves taking into consideration many variables and risks that may hinder the transformation of an idea into a feasible and viable business. We also learn about the never-ending dispute between "are leaders born or made?". Even though many professors emphasize the positive influence that leadership can have in starting a new business, the exact relationship between leadership and entrepreneurship is often left aside. With this master thesis we hope to shed light into this topic, especially into the role that leadership could have in enabling entrepreneurship for a whole startup community.

The review of literature addressing entrepreneurship at the local level (regions or communities) showed us that many scholars, in particular Stam (2015), emphasize the important role of leadership to sustain a startup community, but forget to indicate how this leadership should look like in order to properly nurture local entrepreneurship. Basing ourselves in previous studies with focus on entrepreneurship and leadership, we have developed a conceptual framework that aims to clarify the configuration of this 'entrepreneurial leadership'. This framework includes the following four characteristics: 1) Collective and bottom-up approach; 2) Presence of formal and informal leaders; 3) Promotion of social proximity and, 4) Mentorship driven leadership. According to our conceptual framework, entrepreneurial leadership should comprise both the public and the private sectors, especially from the local community (#1). It should also include those able to influence the policy-making either by their authority or by their bargaining power due to their history in the region (#2). Entrepreneurial leadership should be in charge of promoting initiatives and events where the participants of the startup community can engage and get connected (#3) and finally, entrepreneurial leaders should transmit their knowledge and experience to future generations as mentors or investors (#4).

Our conceptual framework was used to understand the current configuration of entrepreneurial leadership in two Dutch startup communities ruled by the same national policies but with different configurations and sizes: Amsterdam and Utrecht. After interviewing individuals present in those startup communities and analysing the empirical material with the help of our conceptual framework, it was possible to recognize two contrasting entrepreneurial leadership configurations. On the one hand, in Amsterdam there is a well-established and diverse entrepreneurial leadership that is able to influence the whole community. It includes both the private and the public sectors, and there are recognized formal and informal leaders. In addition, there is a large number of supporting organizations (such as incubators and accelerators) and networks of mentors, that together with many impactful entrepreneurial events, facilitate the interaction and connection among all the stakeholders of the community. On the other hand, the startup community of Utrecht is younger and there are no successful entrepreneurs that have taken the leadership role yet; instead, some supporting organizations are the only players leading the community. Furthermore, the different players of the community are not connected, especially because of the poor presence of entrepreneurial events and networks of entrepreneurs. Therefore, the startup community of Utrecht needs to grow first in order to develop a more established entrepreneurial leadership.
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1 Introduction

A background about the topic of the study is presented in this chapter, followed by a clarification of the most used terminology along the master's thesis. Thereafter, the problematization, the purpose and goals of the research are also introduced, together with the proposed research questions. Finally, an explanation of the structure of the thesis completes the chapter.

1.1 Background

This master's thesis will address entrepreneurship as carried out in the regions of Amsterdam and Utrecht to develop entrepreneurial ecosystem theory with specific focus on entrepreneurial leadership. The research will be extended to different participants such as entrepreneurs, incubators and other institutions closely related with entrepreneurship in those regions.

The concept of entrepreneurship has its origins in the beginning of last century and it has recently gained relevance since the popular outlook recognizes entrepreneurs as self-employed people who run their own organizations, usually small enterprises. Nevertheless, modern definitions describe entrepreneurs as innovators: people with great ideas materialized in high-growth firms (Śledzik, 2013).

In the last decades, a large body of entrepreneurship literature explores the dynamics that explain new business creation and the entrepreneurial distinctions among different countries and periods (Engle et. al., 2011; Simon-Moya et. al., 2014). Although entrepreneurship is frequently considered at a national or country level, lately, the literature is focusing on a novel approach towards the development of entrepreneurship in regions, cities, and local communities. Entrepreneurship has been recognized as a fundamental process of economic geography (Stam, 2007); this has been labelled as the Entrepreneurial Ecosystem (EE) approach: the interaction of local social, institutional, and cultural attributes and actors that encourage and enhance new firm formation and growth (Cohen, 2006; Isenberg, 2010; Stam, 2015).

Regions, cities, and local communities play an enabling role to foster entrepreneurship and innovative activity (Huggins & Williams, 2011), this is caused by the social interdependencies, as well as, economic assets of the EE (Feldman, 2014). Therefore, an important aspect of the EE approach resides in understanding the context that characterizes a local community (Malecki, 2011). As discussed by several scholars, the configuration of the entrepreneurial ecosystem varies according to the regional, social and temporary setting of the startup community (Autio et. al., 2014; Spilling, 1996; Zahra & Wright, 2011; Zahra et. al., 2014).

Several contributions to the entrepreneurial ecosystem theory have been made by different authors, but among others, the definition from Stam's (2015) EE framework explains the systematic view of the entrepreneurial ecosystem to foster productive entrepreneurship. The concept of productive entrepreneurship distinguishes two different levels: the outputs and the outcomes. The presence of innovative and high-growth startups is seen as outputs of the entrepreneurial ecosystem while the outcomes are measured by the level of productivity, employment, income and well-being of the community. Outputs are produced based on the interaction among the attributes present in a specific entrepreneurial ecosystem, leading to the ultimate outcome of creating new value in society (Stam, 2015).

However, lack of evidence has been identified regarding the directions to follow in developing an entrepreneurial ecosystem. Some EE scholars, including Stam, distinguish their theories from other strands of literature by revolving around the figure of entrepreneurs as
central agents in the ecosystem. Entrepreneurial ecosystem frameworks do not view entrepreneurs solely as an output of the system but as actors embedded in the ecosystem and responsible agents in co-creating and keeping it active (Isenberg, 2010; Mason & Brown, 2014; Stam, 2015). Accordingly, the EE “involves a set of visible entrepreneurial leaders who are committed to the region” (Stam, 2015; p. 1766).

Consequently, Entrepreneurial Leadership (EL) has been recognized as a relevant factor of growth at local level (OECD, 2010; OECD, 2012). According to Stimson et al. (2009; p.1) “strong leadership means that a city or a region will be proactive in initiating regional economic development strategy”. The challenge of understanding leadership is greater when we consider the leadership of places, such as regions, cities and communities. Although literature hasn’t answered yet to difficult questions in understanding ‘effective’ or ‘ineffective’ leadership and ‘good’ or ‘bad’ leadership, authors agree upon the fact that leadership has an important role in shaping the prosperity of places (Collinge & Gibney, 2010; McCann, 2013).

Similarly, the EE approach theorized by Stam (2015) focuses on the importance of entrepreneurial leadership in providing directions for the entrepreneurial ecosystem. However, our critical analysis of his proposed EE framework found a lack of academic support with respect to the leadership dimension. In fact, Stam’s development of leadership draws on the work of Feld (2012), but the link made is very loose and it is unclear what, exactly, is used from Feld’s study of the US context and his entrepreneurial experience in the Boulder startup community.

Feld’s work, moreover, is not based on an academically structured method and study, whereby it is questionable what type of findings and results can be directly translatable to the EE framework as this is primarily developed to assess the entrepreneurial ecosystem in general terms. Hence, the weakness of the leadership dimension together with its theoretical underdevelopment in Stam’s (2015) EE framework, made us curious about the possibilities to improve it by including other leadership theories, even from other fields of study, in order to understand its role in the development of a startup community.

1.2 Terminology

Some terms need a brief explanation for the reader to understand better the contents of this master’s thesis. With the acronym EE we mean Entrepreneurial Ecosystem while with the acronym EL we mean Entrepreneurial Leadership. Moreover, when using the empirical term ‘startup community’ and the theoretical term ‘entrepreneurial ecosystem’ along the study, we understand that the participants and elements of a ‘startup community’ correspond to the ‘dimensions’, ‘attributes’ and ‘elements’ embedded in an ‘entrepreneurial ecosystem’. In other words, ‘entrepreneurial ecosystem’ is a term used to describe ‘startup communities’ in a more theoretically grounded way. For instance, participants and elements of a ‘startup community’ such as entrepreneurs, government, universities, investors, mentors and other service providers are theoretically called ‘dimensions’, ‘attributes’ and ‘elements’ of an ‘entrepreneurial ecosystem’.

On the other hand, the entrepreneurial leadership considered in this research refers to the leadership role performed by entrepreneurs and other participants within a region, city or community that has the aim to influence the policies and the entrepreneurial development of the region, city or community at issue. Therefore, the terms ‘region’, ‘city’ and ‘local community’ have a similar meaning throughout the study because we understand that all these terms refer to the physical place where an entrepreneurial ecosystem is established and where entrepreneurs reside.
1.3 Problematization

The entrepreneurial ecosystem approach has become popular during the last decade. Different scholars have tried to construct an overview of attributes necessary to define an entrepreneurial ecosystem. Even though a shared definition has not been identified, authors generally refer to entrepreneurial ecosystem as “a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship” (Stam, 2015; p. 1765). In particular, Stam’s EE framework stands out from others suggesting the relevance of entrepreneurial leadership to support and guide the entrepreneurial ecosystem. As discussed by Stam (2015; p. 1766): "leadership is critical in building and maintaining a healthy ecosystem [...] it provides direction and role models for the entrepreneurial ecosystem". Hence, the comprehension of the local entrepreneurship together with its leadership, is an important step to understand the entrepreneurial ecosystem as a whole.

Even though Stam emphasizes the leading role of entrepreneurs as responsible agents in co-creating and keeping an active entrepreneurial ecosystem, his definition of EL seems underdeveloped. In fact, the concept of leadership in Stam's (2015) EE framework draws on the work of Feld (2012). Feld attempted to suggest directions and solutions that entrepreneurial leadership should assume to “build a vibrant startup community” (Feld, 2012; p. 18). However, his work doesn’t have any academic methodology, rigor and structure but it rather looks as an inspirational story reflecting upon the entrepreneurial experience of Boulder, Colorado, that is built within the US context. As discussed in EE literature, the context is a unique configuration of elements that affects the entrepreneurial ecosystem (Mack & Mayer, 2016; Theodoraki and Messeghem, 2017), such as, social, technological, institutional, organizational, and policy contexts (Autio et al., 2014). Hence, when studying a particular entrepreneurial ecosystem, the context should be handled with care (Spiegel, 2015; Mason & Brown, 2014) and the suggestions by Feld (2012) seems not to consider that.

Since the scope of the EE framework proposed by Stam (2015) is to build a “causal scheme of how the framework and systemic conditions of the ecosystem lead to [...] new value creation” (Stam, 2015; p. 1759), the context has been modelled in the form of “framework” and “systemic” conditions that are present in different extents according to the ecosystem in question. Stam seems to use the notion of EL in passing, and without contextual sensitivity and theoretical grounding, resulting in a theoretical underdevelopment of this dimension. Therefore, with this master’s thesis, we intend to improve the theoretical understanding of EL, creating knowledge relevant to the entrepreneurial ecosystem theory. We aim to develop a clearer theoretical development of the EL dimension, and the empirical cases of the regions of Amsterdam and Utrecht are investigated to achieve this. The example of these startup communities will be used to contrast EL in a more established and connected startup community (Amsterdam), with a young and fragmented startup community (Utrecht).

1.4 Scope and research questions

The purpose of this master’s thesis is to develop the entrepreneurial ecosystem approach by exploring and better understanding entrepreneurial leadership within a startup community. We thus ask the following research questions:

1) Which characteristics found in leadership theory can be helpful for developing the entrepreneurial leadership dimension in Stam’s EE framework?

2) How can we understand entrepreneurial leadership in the startup communities of Amsterdam and Utrecht by analytically applying this developed EL conceptual framework?
In the first research question, we aim to bring a theoretical contribution carrying out a conceptual development of the leadership dimension. With the second research question, we intend to provide an empirical and theoretical contribution analysing the leadership dimension in the regions of Amsterdam and Utrecht. We attempt to answer these questions by first, basing ourselves in the current literature on leadership and entrepreneurial ecosystems to develop the EL dimension from the EE framework. We then are able to proceed to the second research question to explore and better understand the current stage of EL at a regional level in the specific contexts of Amsterdam and Utrecht. These two regions have been chosen due to their role as emerging entrepreneurial regions in the Netherlands (OECD, 2007). Both regions adopt the same national policies in terms of entrepreneurship but their different configuration in terms of dimension, industry specialization and context allow them to be compared for unique leadership discrepancies.

1.5 Thesis structure

The master's thesis is structured in seven chapters as follows: in the introduction chapter, of which this is the final section, we locate this study of EL in an entrepreneurial ecosystem setting, giving an understanding over the problem and defining the scope of this study. Next, in the literature review chapter, we extend the concept of EE, leadership and EL in order to outline a conceptual framework to understand EL. This theoretical development of the leadership dimension highlights the characteristics of collective and bottom-up approach, presence of formal and informal leaders, promotion of social proximity and a mentorship driven leadership. Thereafter, the methodological approach is outlined in chapter three, including ethical considerations and the limitations present throughout the research. Following, we introduce in the fourth chapter the empirical setting where the data collection will take place. In the analysis of the empirics' chapter, we look into the empirical material from the Amsterdam and Utrecht startup communities, which allow us to analyse and understand entrepreneurial leadership in those EEs. Furthermore, in the last chapter, discussion one, we provide answers to the research questions and reflections upon the findings obtained with the research and the theories used throughout the study. Finally, the last chapter of conclusions is presented together with suggestions for relevant further research in the field.
2 Literature review

The literature review explores two main topics. The first one encompasses the entrepreneurial ecosystem approach, including the importance of entrepreneurship on a local level, its evolutionary dynamics and the EE frameworks in which we have based our study. The second topic is about leadership, where we cover the different perspectives that the literature has developed concerning leadership. We also explore the leadership of places and how it has been reflected in the literature about entrepreneurship. At the end of the chapter, we propose a conceptual framework that aims to understand entrepreneurial leadership; this conceptual framework of EL is based on four different characteristics of leadership.

2.1 Entrepreneurial ecosystem

A large body of literature on entrepreneurship dates back to Schumpeter (around the year 1934) and goes in accordance with his principles. This literature has been mainly concerned with the importance of entrepreneurs for economic development, and with individual features of entrepreneurs necessary for successful entrepreneurship (Alvedalen & Boschma, 2017). Although contextual factors have been evaluated to a lesser extent, a systemic perspective of entrepreneurship has been explored by just few studies. Some scholars have pointed the importance of understanding entrepreneurship in their regional, temporal and social settings (e.g. Autio et al., 2014; Spilling, 1996; Zahra et al., 2014). This new way in considering entrepreneurship opened a new branch, the so-called Entrepreneurial Ecosystem (EE) approach.

In a broader sense, the EE refers to “dynamic local social, institutional, and cultural processes and actors that encourage and enhance new firm formation and growth” (Malecki, 2017; p. 1). The EE approach emerged around the year 2000 but has become dominant since 2016. Bibliometric evidence from the work of Malecki (2017) shows that the entrepreneurial ecosystem has been associated to other concepts of entrepreneurship, such as environments for entrepreneurship and entrepreneurial system, which also highlight the mechanisms, institutions, networks, and cultures that support entrepreneurs. These are older concepts that did not gain as much relevance as the younger concept of entrepreneurial ecosystem that has seen an increase in all types of publications in the last six years (Alvedalen & Boschma, 2017).

2.1.1 Definitions

As Stam (2015, p. 1761) notes, “there is not yet a widely shared definition” for entrepreneurial ecosystem, especially because such ecosystems are defined in very different ways. Consequently, many different definitions have been developed. Most of them highlight the combination or interaction of elements, often through networks, producing shared cultural values that support entrepreneurial activity (Malecki, 2017).

Since the interaction between the elements composing an EE increase the performance of the region, most frameworks of entrepreneurial ecosystems present a strong interconnection of those components. As it was just mentioned, the term entrepreneurial ecosystem was preceded by entrepreneurial system in the work of Spilling (1996). For Spilling (1996, p. 91), the "entrepreneurial system consists of a complexity and diversity of actors, roles, and environmental factors that interact to determine the entrepreneurial performance of a region or locality". Despite the similarity between both terms, some EE scholars have emphasized that systems and ecosystems are not the same thing. However, as Alvedalen & Boschma (2017) conclude, the EE literature makes no strong distinction between the two, and, often uses them interchangeably.
Cohen (2006; p. 3) was the first one to use the concept of EE and defined it as “...an interconnected group of actors in a local geographic community committed to sustainable development through the support and facilitation of new sustainable ventures”. In addition, EE literature emphasizes the figure of ‘ambitious entrepreneurship’. For instance, Stam & Spigel (2018; p.1) refer to ‘ambitious entrepreneurs’ as “individuals exploring opportunities to discover and evaluate new goods and services and exploit them in order to add as much value as possible”. As it can be noted, this goes beyond the general understanding of entrepreneurship that is solely associated with new firm formation and self-employment.

But most importantly to understand the EE approach, is the view of the entrepreneur as the core actor in building and sustaining the ecosystem. The central role embodied by entrepreneurs is seen in most of the definitions given to the entrepreneurial ecosystem. The definition of the National System of Entrepreneurship by Ács et al. (2014; p.479) states: “...the dynamic, institutionally embedded interaction between entrepreneurial attitudes, ability, and aspirations, by individuals, which drives the allocation of resources through the creation and operation of new ventures”. Stam & Spigel (2018; p. 1) define EE as "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory”. Finally, Mason & Brown (2014; p. 5) define the EE in a more detailed manner as it follows:

“A set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organizations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sellout mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment”.

2.1.2 Focus on the regional level

As suggested by Stam (2007), entrepreneurship is a fundamental process of economic geography. EE theory has its grounds on literature addressing regional economic development and according to Malecki (2017), entrepreneurship is focused on a regional level and it is drawn on local resources, institutions, and networks. In accordance to Ascani et. al. (2012), socio-institutional and cultural structures support local competencies and capabilities. Since such conditions are context-specific, they are almost impossible to replicate in different settings. Therefore, each location must develop its own competitive advantage based on effective interactions between local economic agents and socio-institutional entities (Ibid).

According to Boschma (2005), physical proximity is not sufficient to exploit knowledge spillovers; therefore, he proposes other proximities between economic actors that are fundamental for innovation to take place at the local level. Cognitive proximity provides firms with absorptive capacity to exchange knowledge and make it economically useful (Cohen & Levinthal, 1990), especially to effectively exchange tacit knowledge between agents. According to Singh (2005), even intra-regional knowledge flows are stronger than across regional boundaries. Cumbers et. al. (2003) moreover explained that the ability to identify and connect new networks outside the region can provide new exchange of knowledge while spotting new business opportunities. Furthermore, social proximity reflects the involvement of firms and workers in informal social relations and networks based on interpersonal trust. This communicative context, possible just with the presence of social relationships, enhance knowledge diffusion and new learning (Trigilia, 2001; Zak & Knack, 2001). Finally, institutional proximity refers to coordination of the economy between the legal and regulatory system and the informal cultural norms and habits (Ascani et. al., 2012).
On the other hand, regional economic literature stresses that traditional top-down policies are no longer adequate to respond to economic development needs of regions in an era of globalisation (Barca et. al., 2011). The generalised failure of most top-down policies (often of the type 'one-size-fits-all') has encouraged to consider alternative policy options in the form of bottom-up regional development policies (Pike et. al., 2006). While traditional top-down governance schemes may have null impact on regional economies since they link to context-related elements, bottom-up development strategies aim at unleashing economic potential by favouring local competitive advantage, where the involvement of local actors in designing, implementing and managing development strategies is crucial (Ibid).

Consequently, the central role played by local agents and spatial proximity in shaping regional economic development has led to the decentralisation of decision-making in many countries in the last years (Ascani et. al., 2012). Decentralised administrations have the capacity to design strategies that recognize the local cultural and socio-institutional foundations of regional economic interactions and behaviour. Furthermore, they are in the position to favour “bottom-up, region-specific, longer-term, and plural-actor based policy action” (Amin, 1999; p. 366) which differs from traditional top-down policies developed at the central level.

Coming back to the entrepreneurial ecosystem approach, and in accordance with the regional economic development literature, Johannisson (2000) argued that the geographical boundaries matter to entrepreneurship since most supporting structures are organized differently according to the region they belong. Similarly, Stuart and Sorenson (2005) focused on local social networks that are crucial for entrepreneurs in getting access to knowledge, finance and human capital. Furthermore, Kohler (2016) explains that companies that innovate through open innovation strategies are also important to find resources because they look at startups as a source of innovation. Therefore, corporations aim to work with startups because they are ingenious and flexible in creating innovation.

Most definitions agree that an EE has geographically defined boundaries that affect actors and factors, such as human capital, networks and institutions. These interdependent actors are concentrated in a geographical region and influence the trajectory of entrepreneurship and innovation in this region (Cohen, 2006). Basically, the idea refers to the capability of entrepreneurial leaders and policymakers in a particular context to give an impact to the entrepreneurship process in the region. Moreover, entrepreneurship is shaped and evolved in different ways depending on the region, and according to Stam (2015), each region has a specific context and this variety, its causes and consequences, can be analysed by the entrepreneurial ecosystem approach.

On the other hand, Mason & Brown (2014; p.26) state that the EE approach is linked to ‘economic gardening’ as a metaphor for local economic development, in which specific environments promote high rates of new business startups and high growth firms (Alvedalen & Boschma, 2017). This is a clear link with researches on entrepreneurial clusters, suggesting that opportunities for entrepreneurship depend on specialized labour markets and local knowledge spillovers (Delgado et. al., 2010). Moreover, other scholars have pointed out how regional entrepreneurship cultures vary significantly from place to place, and its importance for the success of its EE (Carlsson, 2016; Fritsch & Wyrwich, 2017). As Feldman (2014) mentioned, the local and regional culture is not a static phenomenon and the presence of successful entrepreneurs can motivate others to follow their path. Isenberg (2010) suggests that local culture is socially built through previous experiences of entrepreneurs and others in the private sector, while Andersson & Henrekson (2015; p. 171) think that “local entrepreneurship cultures are informal institutions that may include a high density of role model entrepreneurs, who
provide a local abundance of information and knowledge about the practice of entrepreneurship”.

Malecki (2017) concluded that the local scale is probably the most appropriate for studying entrepreneurial ecosystems, however, some generally agree that a city-based entrepreneurial ecosystem should also have global links. Nonetheless, he identified a lack of multi-scalar perspective in most of the EE studies, especially when it comes to the importance of non-local versus local linkages and what kind of institutions at different spatial scales matter in EE.

2.1.3 The evolutionary dynamics of entrepreneurial ecosystems

Malecki (2017) suggests that entrepreneurial ecosystems should be seen as dynamic and evolving over time, creating a cumulative growth of new firms. As Stam & Spigel (2018; p.2) indicate, “entrepreneurial ecosystems focus on the cultures, institutions, and networks that build up within a region over time”. From the perspective of communities and regions, an entrepreneurial ecosystem should not be perceived as fixed. Instead, it must be acknowledged as “continually evolving and essentially incomplete” and always ready to accept new participants with new energies and new ideas (Garud et. al., 2008; p. 367).

Scholars have claimed that the attributes of EEs will shift in importance and in their relationships as they evolve (Mack & Mayer, 2016; Mason & Brown, 2014). Such a dynamic EE framework needs to make explicit which elements and relations matter in which stage, and how they influence each other over time. Mack & Mayer (2016), in their evolutionary model covering the EE dynamics, distinguish different development phases. The birth phase is characterized by a risk averse culture where there are only a few visible entrepreneurs. Also, there is scarce financial capital, and support organizations are just beginning to emerge. In the growth phase, several elements are developing towards entrepreneurship. Markets become national and global, networks get denser, visible entrepreneurs become role models that enhance the entrepreneurial culture and supporting organizations become more specialized. In the next phase, the sustainment one, there is severe decline in the number of serial entrepreneurs because they start to give preference to employment, venture capital becomes harder to get and education on entrepreneurship lowers down. In the last phase, markets, networks, financial capital and support decline or disappear; at this stage, the EE will cease to exist, or a new cycle will start.

On the other hand, Mason & Brown (2014) present a different evolutionary model in which the EE starts with the region being attractive based on assets like strong technological knowledge base represented by large firms and educational and research organizations that attract governmental research funding (Avedalen & Boschma, 2017). Human capital, as well as entrepreneurs, are produced and attracted by these organizations; venture capital is not present in the region yet. The growth of the EE depends on existing firms forming a source for a new generation of spin-offs in the region. Thereafter, the creation of a significant mass of new firms, support organizations and venture capital develop and are attracted to the region. Here, ‘entrepreneurial recycling’ is manifested and thus, successful entrepreneurs start more firms while covering a mentor, coach or financier role in the region. Moreover, failed firms provide resources for redistributed capital and new entrepreneurs or employees.

2.1.4 Attributes of entrepreneurial ecosystems

At this point, we have already mentioned a couple of times that scholars differ in their definitions of entrepreneurial ecosystems basically because of their differences in defining the attributes present in an EE. In this section we highlight the main attributes that the literature
connects entrepreneurial ecosystems with, and we present three frameworks in which we have based our research, with special attention to the one proposed by Stam (2015).

In general, according to the EE approach, the performance of the ecosystem depends on interactions between individuals, organizations and institutions (Alvedalen & Boschma, 2017). The EE literature refers to elements or attributes and interactions between those elements (Spilling, 1996). Isenberg (2011a) indicates that elements of the EE interact in complex and specific ways that lead to unique configurations of different EE. Similarly, Spigel (2015; p. 8) focuses on elements that develop simultaneously and reinforce each other: "ecosystem’s attributes are sustained and reproduced through their relationships with other attributes". There are different scholars who have attempted to construct an overview of attributes necessary in an entrepreneurial ecosystem. By attributes of entrepreneurial ecosystem, it is meant the foundations on which an entrepreneurial ecosystem is built. However, the presence of attributes themselves is not enough for a successful ecosystem, the interrelations between attributes are also important. Within these attributes, institutions and institutional change should play an important role.

One of the main frameworks describing the attributes of EEs is presented by Spigel (2015) who distinguishes three types of attributes; cultural, social and material attributes, which are shown in Table 1. Cultural attributes reflect the views and beliefs on entrepreneurship within the region. Following Spigel, the two main cultural attributes are a supportive culture and a history of entrepreneurship. The cultural attributes remain largely unexplored (Alvedalen & Boschma, 2017; Roundy, 2017), although the notion has been made that institutions play a crucial role in the cultural attributes of the ecosystem (Roundy, 2017). Social attributes are composed by social networks within the region (Spigel, 2015). Networks are important in creating a 'local buzz', where face-to-face contact is used to diffuse knowledge and other resources (Bathelt, 2005; p. 205). Material attributes are the tangible attributes present in the region. Spigel (2015) distinguishes five kinds of material attributes: policies, universities, support services, infrastructure and markets. Policies are an interesting type of material attribute, they are not tangible in the sense that they have a physical location, but they materialize through governmental laws.

Spigel (2015) states that the various attributes do not exist in isolation, instead, they influence and reproduce each other. However, these relations between attributes are not hierarchical distinguishing higher and lower attributes. There are different configurations between attributes that leads to different ecosystem configurations and these relationships among attributes have different densities. In particular, in a 'low-density' EE, an attribute could result more dominant and drive the other attributes, while in a 'high-density' EE, all the elements support each other in a balanced way (Spigel, 2015).

Moreover, Feld (2012) also describes the necessary attributes of an entrepreneurial ecosystem. These nine attributes can be found in Table 2. Feld (2012) emphasizes the interaction between actors in the ecosystem, which requires networks, events and interactions between small and large firms. These actors also require resources and governmental support in the background. In Feld’s (2012) framework, the focus goes to the interaction between the players of the ecosystem, while Spigel (2015) focuses more on attributes that interact between each other; sometimes they are players, but they can also be immaterial (e.g. history of entrepreneurship and physical infrastructure).
Table 1: Attributes of entrepreneurial ecosystems (Source: Spigel, 2015)

<table>
<thead>
<tr>
<th>Type of attributes</th>
<th>Attribute</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>Supportive Culture</td>
<td>Culture that supports and normalizes entrepreneurship and innovation.</td>
</tr>
<tr>
<td></td>
<td>History of entrepreneurship</td>
<td>Local examples of successful entrepreneurship, creating legitimacy and narrative on entrepreneurship in the region.</td>
</tr>
<tr>
<td>Social</td>
<td>Worker talent</td>
<td>Skilled labour willing to work at startups.</td>
</tr>
<tr>
<td></td>
<td>Investment capital</td>
<td>Capital from acquaintances, angel investors and venture capitalists.</td>
</tr>
<tr>
<td></td>
<td>Networks</td>
<td>Social networks allowing flow of information and skills.</td>
</tr>
<tr>
<td></td>
<td>Mentors and role models</td>
<td>Local entrepreneurs providing advice to younger entrepreneurship.</td>
</tr>
<tr>
<td>Material</td>
<td>Policy and governance</td>
<td>Rules and regulations that support or hinder entrepreneurship.</td>
</tr>
<tr>
<td></td>
<td>Universities</td>
<td>Knowledge institutes that produce technological spillovers and human capital</td>
</tr>
<tr>
<td></td>
<td>Support Services</td>
<td>Organizations that provide support to entrepreneurs, for example: layers, consultants and accountants.</td>
</tr>
<tr>
<td></td>
<td>Physical infrastructures</td>
<td>Possibility of transporting individual as well as office space and sufficient communications networks.</td>
</tr>
<tr>
<td></td>
<td>Open Markets</td>
<td>Free access to both local and global markets.</td>
</tr>
</tbody>
</table>

Although Spigel's (2015) and Feld's (2012) frameworks are convenient and comprehensive, there is little attention given to institutions. Spigel's (2015) attributes such as a supportive culture and policy and governance share links with institutional theory, but these are not explicitly mentioned. Feld (2012) also does not include institutions in his framework, even though this is very relevant given his focus on interaction between actors. Contrary to Spigel's (2015) and Feld's (2012) attributes, Stam (2015) does give attention to institutions and considers them crucial framework conditions in the entrepreneurial ecosystem. His framework is presented below.
Table 2: Nine necessary attributes of entrepreneurial ecosystems (Source: Feld, 2012)

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Strong group of entrepreneurs willing to start and growth a company and committed to the region.</td>
</tr>
<tr>
<td>Intermediaries</td>
<td>Respected mentors and advisors giving back to the entire ecosystem as well as the presence of effective accelerators and incubators.</td>
</tr>
<tr>
<td>Network Density</td>
<td>A connected community of startups, entrepreneurs, investors, advisors and supporters all willing to give back to the community.</td>
</tr>
<tr>
<td>Government</td>
<td>Strong governmental support for startups, through policies such as investments schemes and taxes.</td>
</tr>
<tr>
<td>Talent</td>
<td>Deep talent pool for all sectors and areas of expertise. Universities are an excellent source of talent and should be connected to the community.</td>
</tr>
<tr>
<td>Support Services</td>
<td>Professional services such as legal support, accounting, real estate and insurance are available, integrated and effective.</td>
</tr>
<tr>
<td>Engagement</td>
<td>Large number of events for the community to connect, with visible participants. Examples of those events are meetups, boot camps, hackathons and competitions.</td>
</tr>
<tr>
<td>Companies</td>
<td>Large companies that anchor the ecosystem should create specific departments and programmes to encourage cooperation with startups.</td>
</tr>
<tr>
<td>Capital</td>
<td>Community of venture capitalists, angel investors and other sources of finance should be available across all sectors.</td>
</tr>
</tbody>
</table>

A systemic EE framework by Stam (2015)

The novelty of Stam’s (2015) EE framework comes from its distinction between four different groups of elements that describe an entrepreneurial ecosystem; the so-called ‘ontological layers’ (Stam, 2015; p. 1765). The four ontological layers include: framework conditions, systemic conditions, outputs and outcomes of the EE (Ibid; see Figure 1). Stam (2015) differentiates between framework and systemic conditions. The formers are the fundamental basis of an ecosystem and consider the social conditions (such as formal and informal institutions) and physical conditions that enable human interaction within an EE. In addition, the presence of a culture enhancing entrepreneurship and the presence of an exogenous demand of goods and services within the ecosystem are part of the framework conditions of an EE. According to Stam (2015), the framework conditions are the main cause of value creation in the ecosystem. Moreover, the systemic conditions are described by leadership, networks of entrepreneurs, knowledge, talent, finance, and support services present in the
ecosystem. Leadership is able to provide directions and role models for the EE. Networks of entrepreneurs can enable information flow and affect the distribution of capital and labour. The presence of knowledge institutes and talents are important sources of opportunities for entrepreneurship. Access to finance is important for investments and entrepreneurship (Stam, 2015). The presence of these elements characterizing the systemic conditions and the interaction between them are crucial for the success of the ecosystem (Ibid). The systemic conditions present in Stam's (2015) EE framework are derived from previous EE theories, such as Feld (2012) and Spigel (2015).

**Figure 1:** Elements, outputs and outcomes of Entrepreneurial Ecosystems (Source: Stam, 2015)

Stam’s (2015) EE framework sees productive entrepreneurship as the main goal of any entrepreneurial ecosystem, and it is understood as the “entrepreneurial activity that creates aggregate welfare increase” (Stam, 2015; p. 1765). Therefore, Stam's (2015) EE framework also distinguishes between the outputs and outcomes of the EE. The outputs are defined by entrepreneurial activity of the ecosystem based on innovative startups, high-growth startups and entrepreneurial employees. This has been defined as an ‘intermediary’ output of the system (Stam, 2015; p. 1765). Innovative startups are defined by GERA (2017) as the extent to which startups are introducing products that are new to some or all customers, and that are offered by few or not competitors. High-growth firms, according to the OECD (2016), are defined as firms with annual average growth in employment (or turnover) of 20% or higher over 3 years and 10 or more employees at the beginning of the period. The entrepreneurial employee activity is defined as the activity performed by employees who develop entrepreneurial activities such as “launching new goods or services, or setting up a new business unit, a new establishment, or a subsidiary” (GERA, 2018). The outputs eventually lead to the outcome of the entrepreneurial ecosystem: the new value creation. According to Stam's (2015) EE framework, the outcomes represent the new value in the region and are characterized by the following four indicators:

- Labour Productivity: according to the OECD (2018), it is represented as output per unit of labour input;
- Income: the personal income per capita within a specific startup community;
- Employment: the number of people employed in the startup community;
- Well-being: it is a qualitative variable and according to the OECD (2018), it is based on quality of life and material living conditions. Although it is considered an important outcome, Stam’s (2015) framework does not define this measure extensively.

Finally, by defining these ontological layers, Stam intends to provide details regarding upward and downward causation, and intra-layer causal relationships among the EE ontological layers (Stam, 2015). Upward causation shows that new value creation is possible only by the interaction between intermediate causes and EE attributes. Downward causation reveals that outcomes and outputs of the EE over time are able to feed back into the systemic conditions (Ibid). Finally, intra-layer causal relationships describe the interaction of the different attributes within the EE, and consequently, how the outputs and outcomes of the EE may interact between each other.

2.2 Leadership

2.2.1 Definitions and perspectives

Before going into the definition of leadership with respect of this research, a range of definitions considered in literature have been explored. According to Burns (1978; p. 19), leadership is manifested by “persons with certain motives and purposes to mobilize, in competition or conflict with others, institutional, political, psychological, and other resources so as, to arouse, engage, and satisfy the motives of followers”. Later, Gardner (1990; p. 1) displayed leadership as “the process of persuasion or example by which an individual (or group) induces a group to pursue objectives held by the leader or shared by the leader and his followers”. Finally, Rost (1991; p.102) defined it as “an influence relationship between leader and followers who intend real changes that reflect their mutual purposes”. Moreover, it is interesting to distinguish the three main different perspectives on leadership that have been studied: the social psychology, the management, and the entrepreneurial perspective.

Social psychology perspective

Several considerations in accordance with the social psychology perspective have been explored:

- According to Lippit & White (1943), leadership is shown in accordance with three different styles: autocratic leadership (performed by giving orders to followers), democratic leadership (characterized by consultations and agreements) and laissez-faire leadership (based on disinterest towards the followers);
- The perspective of leadership is based in accordance to the ‘great person theory’ in which attributes of leadership are considered innate or acquired by individual characteristics. This perspective places leadership in a micro and personal level (Vaughan & Hogg, 2002);
- According to some authors, leadership cannot exist without followers. Leadership is a dynamic process between leaders and followers (Hollander, 1958; Bass, 1990). Therefore, the transactionalist approach by Hollander (1958) suggested that followers, when pursuing group goals, reward leaders by being relatively idiosyncratic and then, performing transformational leadership that is usually difficult to identify a priori in someone (Beer & Clower, 2014);
- The focus on leadership should be explained by ‘actions’ of collectivities rather than individuals, and thus, leadership should not be seen as invariant property of the own leader personality (Vaughan and Hogg, 2002).
Management perspective

In this perspective, leadership is focused on leaders belonging to business organizations and in particular within firms. According to Abramson (2002; p 37), leadership is performed “by people who are presented with opportunities to lead every day in their organization. It is not just the leader at the top who leads, but also individuals at all levels throughout organizations who are presented daily with opportunities to make a difference”. According to Heifetz & Linsky (2002), leadership has the goal to ‘orchestrate’ conflicts by ‘pacing’ and ‘holding steady’ when new work has to be done. This implies also situations where leaders should take exceptions from the followers and other colleagues in order to move further a process.

Furthermore, leadership also has an important role in change management within a firm. Kotter & Cohen (2002) suggest that leaders switch from an analysis–think–change approach to a see–feel–change approach. In particular, the study found that people change because they have been ‘reached emotionally’ by visualizing problems and solutions, rather than giving persuasive analytical arguments. In order to control the emotional environment of a company through leaders, Goleman et. al. (2002) discussed leadership styles that are able to create either a positive or negative emotional environment; namely visionary, coaching, affiliative and democratic style.

Entrepreneurial perspective

In 1934, Schumpeter studied the role of the entrepreneur as a risk bearer characterized by initiative, authority or foresight. Entrepreneurs are able to initiate a new production system combination that can disrupt the actual position of production and establish the new (Schumpeter, 1934; High, 2002). Moreover, Schumpeter, as well as other authors, refer to entrepreneurs and leaders as synonymous (Hirschman, 1958; Doig & Hargrove, 1987; Weiss, 1988). In fact, both entrepreneurs and leaders share characteristics like vision, initiative, determination and risk bearing. However, Stimson et. al. (2009) argued that entrepreneurs and leaders should be considered differently. Entrepreneurs can advance product and industries and be leaders in their field, while in a more integrated and interdependent world as now, a separation between leadership and entrepreneurs is more apparent, especially when we consider individual economic success (at the business level) to a more complex level of a regional development (Ibid).

2.2.2 The leadership of places

In this section, we will explore leadership according to previous literature encompassing the entrepreneurial ecosystem theory and the regional economic development theory. This review will include academic and not academic works such as articles, influential books and reports. Leadership in this setting has been discussed by both scholars and inspirational storytellers in describing what they consider to be exemplary entrepreneurial experiences.

In comparison to common definitions of a leader in terms of a charismatic person with followers, where leadership is constructed to be underpinned by an individual and its heroic qualities (Crevani et. al., 2010), literature within regional and local development speaks about leadership as a result of ‘collective action’; leadership in regional economic development is viewed as a ‘collaborative action’ rather than ‘starring role’ (Fairholm, 1994; p. 3). According to Heenan & Bennis (1999), in today’s world, collaboration is crucial to face the raise of technological and interdependence changes. In fact, power, influence and decision-making are spread among different stakeholders working together towards a shared goal (Judd & Parkinson, 1990; De Santis & Stough, 1999; Heenan & Bennis, 1999).

Specifically, authors within the regional economic development theory defined leadership as “the tendency of the community to collaborate across sectors in a sustained, purposeful
manner to enhance the economic performance or economic environment of its region” (Stough et. al., 2001; p. 177), “the capacity to create stable and durable mechanisms and alliances that promote economic regeneration and identifies a range of micro-level skills and macro-level resources that can generate that capacity” (Parkinson, 1990; p. 241) and “not based on traditional hierarchy relationships; rather, it will be a collaborative relationship between institutional actors encompassing the public, private and community sectors” (Stimson et. al., 2002; p. 279). Moreover, Stough et. al. (2001) see leadership as a vehicle that help sustain and enable regional economic development, even involving risky behaviours (Doig & Hargrove, 1987; Hofstede, 1997). Thus, as proposed by several authors, leadership is considered fundamental to encourage local growth and ‘effective leadership’ is manifested when a city or region can have a strong role in setting its vision for the future and the relative implementation (Stimson et. al., 2009).

Isenberg (2011a), in his presentation published by Forbes, displays leadership as an important domain embracing the entrepreneurial ecosystem framework. In particular, leadership has been identified as ‘socially legitimated’ that provides ‘unequivocal support’, ‘entrepreneurial strategy’, ‘open door for advocate’ in times of ‘urgency, crisis and challenge’ (Ibid). Moreover, in another work about the Babson entrepreneurship ecosystem project, Isenberg (2011b; p. 12) highlights that “leaders need to create a brand-new team of what I call ‘entrepreneurship enablers’. They should not be owned by the government, by a university, or by an incubator or support organization, but by representatives of all. They should be a S.W.A.T. team”. In fact, “public leaders, by which I mean elected, professional, and private sector, need to operate [...] collectively, supported by a growing body of professional practice and specific methodologies comprise what I call the ‘entrepreneurship ecosystem strategy’ for economic development” (Isenberg, 2011b; p. 1).

Thus, leadership provides directions and role models to enhance the EE (Isenberg, 2011b; Stam, 2015). Even though there are cultural differences among EEs in terms of who should take the leadership, there is no doubt about the ‘vital role’ that leadership plays in ensuring a local vibrant system (Isenberg, 2010). Examples of cultural factors that affect the attribution of the leadership role within an EE has been reported. On the one hand, in the USA, Saxenian (1994) describes the preference of private entrepreneurial leaders in guiding the EE of the Silicon Valley due to the strong American capitalist tradition. On the other hand, in the UK, Morgan (2007) shows how economic development agencies are in charge of organizing social events, enterprising projects and mobilizing the participants of the EE, due to the European socialistic tradition. Alike, Feld in his book about the directions that promote a ‘vibrant startup community’ (based on the entrepreneurial experience of Boulder - Colorado, USA) argues that “when a startup community starts relying on government to be a leader, bad things happen” (Feld, 2012; p. 63). Moreover, with his Boulder thesis, Feld (2012) describe the figure of leaders by the following four principles:

1) The entrepreneurs must lead the startup community.

Entrepreneurs belonging to a specific community are meant to be ‘leaders’, while all the other stakeholders are just ‘feeders’. Entrepreneurs must be actively involved and lead by example, steering to a continuous and sustainable development of the startup community, regardless of the economic situation of the city, region or country;

2) The leaders must have a long-term commitment.

Since the economies run in cycles, a long-term commitment by entrepreneurs would make a better meaning of the startup community. A leader should be willing to be committed at least 20 years to the community to lead the startup ecosystem.
3) The startup community must be inclusive for anyone who wants to participate.

Anyone who wants to join and engage with the community should be able to do it. Leaders should be receptive and include them in the community. This bring advantages to the community at every level, including the constitution of new leadership.

4) The startup community must have continual activities that engage the entire entrepreneurial stack.

The arrangement of regular activities within the stakeholders of a startup community represent a good way to engage and link them more effectively to the community. Anyone can organize these activities and leaders must take the role of supporting them.

Therefore, entrepreneurial leadership should be guided by entrepreneurs and need to be inclusive while embracing other people of the startup community that want to be involved (Ibid). Entrepreneurs are thus important for the creation of clusters that are considered ‘complex adaptive systems’ (Feldman et. al., 2005). Only entrepreneurs can behave and adapt in a way that rely on their local environment where they interact and connect (Ibid).

According to Boschma (2005; p. 66), this ‘social proximity’ refers to “socially embedded relations between agents at the micro-level. Relations between actors are socially embedded when they involve trust based on friendship, kinship and experience”. Social proximity that is able to reduce the risk of opportunistic behaviour when learning or innovating (Ibid). On the other hand, too much social proximity manifested in long-term relationships with too much commitments, may ‘lock-in’ participants of social networks into established and routinely ways of communication that affects the learning and the innovative capacity (Ibid). At a right level of social proximity, knowledge exchange and networking for early-stage entrepreneurs are supported by events and ‘social clubs’ (Miller & Bound, 2011; p.13) and by the tendency to be located in close proximity to supporting organizations (such as incubators) in order to use the social network of business associates and employees (Sorenson, 2003). In fact, the presence of networks “bind entrepreneurs to the locations in which they reside because only over there they have the access to the resources and social support required to sustain their entrepreneurial ventures” (Ibid; p. 24).

Later, Porto Gomez et al. (2016) introduced the idea of 'bottom-up leadership' that is “based on the participation of all available players in the territory. The collaboration between public and private stakeholders articulates a joint strategy for the region” (Ibid, p.13). “By empowering local actors and making them directly responsible for the design of their own collective response to the new challenges, bottom-up policies have often been regarded as an effective alternative to traditional approaches to development” (Crescenzi & Rodriguez-Pose, 2011; p. 2). As suggested by Sotarauta et. al. (2012), leadership is mostly represented at a formal and informal level. For instance, formally constituted leadership power resides in the municipality, economic boards, mayors and such, while informal leadership can be related to individuals or groups that act as leaders without a formal authorization but with a clear direction (Ibid). Often, goals of informal leaders are poorly defined and struggle for an absence of networks that could support and assist leaders in their tasks (Ibid). As mentioned by Sotarauta et. al. (2012; p. 138), “formal cooperation can create more easy access to resources such as money or programmes. Informal cooperation, however, can create possibilities for creating room to manoeuvre and negotiating behind the scene without having to take a formal position”. Moreover, Van Ostaaijen et. al. (2010) pointed out that leaders can contribute to ‘vital coalitions’ between private and public actors. This kind of coalitions are informal and allow to energize and align people around a new storyline, with the capacity to act (Ibid).
Consequentially, the quality of leadership is crucial, and leaders need to be mentorship driven (Mason & Brown, 2013). These mentors promote the so-called process of ‘entrepreneurial recycling’ that is led by exits (Brown & Mason, 2017; p.18; Mason & Harrison, 2006; p. 58). The development process of an EE belongs also to entrepreneurs who succeeded with ‘blockbuster’ firms and decide to be active in the region “reinvesting entrepreneurial expertise and know-how as well as financial capital in enterprise and regional economic development” (Mason & Harrison, 2006; p. 67). Thus, entrepreneurial recycling encompasses: serial entrepreneurs that invest in new businesses; business angels that provide startup capital and contribute with their own experience being part of the board of directors; mentors and advisors that are in charge to teach entrepreneurship within the EE and provide a business network (Mason & Harrison, 2006). A case study about the Silicon Valley ecosystem describes the entrepreneurial recycling process as a “mutually supportive spiral of entrepreneurship and innovation” founded by business angels and supported by a sophisticated and efficient service infrastructure (Bahrami & Evans, 1995; p. 64).

Moreover, as discussed by Feldman (2014), successful regional development is often possible by the story of individuals that have created institutions and connections leading to a transformation of the local economy. These individuals are defined as “‘regional champions’: individuals who live and work in a region and take responsibility for stewardship of the place” (Ibid; p. 12). The familiarity that these entrepreneurs have with the context and history of the place enable them to see and chase new opportunities, and when this happens, entrepreneurs are able to create “prosperity and economic change” (Ibid; p. 11).

2.3 Establishing a conceptual framework for Entrepreneurial Leadership

The interplay of the previous streams of literature was used as a basis for the development of a conceptual framework of EL. We developed a conceptual framework of entrepreneurial leadership (see Figure 2) that facilitates empirical explorations and future analyses of the leadership dimension of Stam’s (2015) framework of entrepreneurial ecosystems. The conceptual framework includes four different characteristics of leadership identified in the literature. It is important to note that these characteristics are not mutually exclusive but are independent from each other. However, since they come from studies with similar focuses, they are somehow related and present similarities and connections among them. Following, the four leadership characteristics that constitute our conceptual framework are presented, together with an explanation of each.

2.3.1 A collective and bottom-up approach

As discussed by several authors (De Santis & Stough, 1999; Stough et. al. 2001) leadership in a regional economic setting should be a result of a collective action spread among different stakeholders that work together sharing the same goal; this collective action should encompass the public and the private sectors (Stimson et. al., 2002). Moreover, entrepreneurial leadership should not be based on traditional hierarchy relationships but rather on a bottom-up approach. Meaning that these relationships should be based upon the participation of all the available participants of the local community that are directly responsible in responding to challenges and bottom-up policies (Crescenzi & Rodríguez-Pose, 2011; Porto Gomez et. al., 2016).

2.3.2 Presence of formal and informal leaders

Entrepreneurial leadership should be represented by both formal and informal leaders (Sotarauta et. al., 2012), since both roles are able to bring benefits to the startup community. On the one hand, formal leaders, thanks to the authority obtained from their positions, can enable easy access to resources such as capital and programmes. On the other hand, informal
leadership doesn’t hold a formal position within an institution or organization, but thanks to its history in the region, has the bargaining power to influence the policy-making. Informal leaders also offer manoeuvres and negotiations behind the scene without having to take a formal position (Ibid). Moreover, as suggested by Van Ostaaijen et. al. (2010), informal leadership can create ‘vital coalitions’ between public and private actors that are able to align and energize people towards action.

2.3.3 Promotion of social proximity

Entrepreneurial leadership should be characterized by the promotion and support of social proximity, which refers to social relationships between actors that “involve trust based on friendship, kinship and experience” (Boschma, 2005; p. 66). While a good level of social proximity offers the possibility to entrepreneurs to exchange knowledge and networking through events and social organizations, similarly, the presence of events and social networks enable social proximity within a community (Miller & Bound, 2011). Therefore, entrepreneurial leaders should encourage the organization of events and initiatives where the whole startup community can engage and get connected.

2.3.4 Mentorship driven leadership

The quality of leadership must be taken into consideration and therefore, entrepreneurial leadership should be mentorship driven and based on meritocracy (rather than patriarchy). People who have been successful in the region should ‘go back’ to the community where they succeeded as mentors, advisors or investors (Mason & Brown, 2013). These ‘regional champions’, because of their familiarity with the context and history of the place, can enable other entrepreneurs to see and chase new opportunities, mobilize resources and build relationships among stakeholders that will eventually lead to prosperity and economic change (Feldman, 2014).

These four characteristics of leadership embedded in our conceptual framework of Entrepreneurial Leadership will be used to analyse the empirical material gathered in the form of interviews from the Entrepreneurial Ecosystems of Amsterdam and Utrecht.

![Conceptual framework of Entrepreneurial Leadership](Source: made by the authors)
3 Method

The third chapter encompasses the methods followed to achieve the purpose and objectives of the study. It starts with the research background and an introduction to the phases followed throughout the research. We then present the research strategy, research design and research method. Thereafter, the method used for data analysis is described, followed by the ethical considerations that we have addressed, as a research in social science requires. Finally, a section about the limitations of the study completes the chapter.

3.1 Research background

The present study is part of a broader research led by professor Erik Stam from the School of Economics at Utrecht University. The objective is to gain insight in the interaction among the participants of the entrepreneurial ecosystems in Amsterdam and Utrecht in order to improve the overall performance of both EEs. The main stakeholders (and collaborators) of the research are: ACE Incubator, StartupBootcamp, StartupAmsterdam, UtrechtInc, Holland Startup and StartupUtrecht. The research includes a team of four students, each of them with a different focal point from the EE framework proposed by Stam (2015). In our particular case, this master’s thesis is a joint collaboration with the other research members and its focus is in understanding the leadership dimension proposed by Stam’s (2015) EE framework by investigating the entrepreneurial ecosystems of Amsterdam and Utrecht.

The master’s thesis draws upon six phases described as follow. A first research proposal phase where the problem statement, the scope and the research questions are posed. The research proposal phase was performed in an iterative way where we constantly reviewed and redefined the goals of the research. The second phase displays an extensive literature review over the theories of entrepreneurial ecosystem, entrepreneurial leadership and different stacks of leadership theory. This phase gave us a better theoretical understanding of EL and thus, we were able to provide a theoretical contribution, giving answer to the first research question. The third phase is represented by the data collection which took place in the EEs of Amsterdam and Utrecht. In the phase number four, the analysis, we examined the collected empirical data in order to provide a combined theoretical/empirical contribution, answering the second research question. Thereafter, a discussion phase in which we discuss the findings of the research establishing a dialogue between our findings and the theories on EE and EL. Finally, in the conclusion phase we reflect, summarize the contributions provided in this study and suggest further research in the field.

3.2 Research strategy

In business research there are different strategies used by researchers in their attempt to understand the world we live in. While consultants contribute to practice (backed by pieces of theory), scholars contribute to theory supported by fragments of practice (Gummesson, 2000; in Bryman & Bell, 2011). There are mainly two research strategies followed by academics of social science: quantitative methods which use objective measurements and numerical analysis of data (Bryman & Bell, 2011) and qualitative ones that “emphasizes words rather than quantification in the collection and analysis of data” (Ibid; p. 386). This master’s thesis follows a qualitative research strategy.

As stated by Bryman & Bell (2011), qualitative research views the social world as the outcome of the interaction between individuals and it seeks to understand it from the individual point of view, by examining the participants’ interpretation of their world. A qualitative approach gives a clearer and detailed overview based on people’s experience (Creswell, 2009); accordingly, the qualitative data collected in this research is based on personal experiences of
participants of the startup communities of Amsterdam and Utrecht, as it will be further described in Section 3.4, Research Method. In addition, Creswell (2009) notes how multiple views of the problem can emerge from a qualitative study given its interpretive nature. Not only do the researchers make an interpretation of what they see, hear and understand, but the participants of the study have made another interpretation, and furthermore, the readers make their own interpretation of the research. Moreover, in order to better understand individuals' point of view, qualitative research takes place in a natural setting, meaning that researchers collect data in the field where participants experience the issue under study and researchers talk directly with participants and see them act within their context (Ibid).

Furthermore, as stated by Mack et al. (2005) as an advantage of qualitative studies, we experienced flexibility and spontaneity during the interaction with the participants. For instance, the qualitative interviewing (see Section 3.4.1, Interviews) allowed us to phrase questions in different ways according to each participant. The relationship between the researcher and the participant is often less formal than in quantitative research and this gives space to create empathy with the participant. Therefore, the interviewee may feel comfortable and perhaps even free to respond in more articulated and elaborated answers (Ibid).

3.3 Research design

A research design "provides a framework for the collection and analysis of data" (Bryman & Bell, 2011; p.40). As explained by Flyvbjerg (2006), social sciences are not characterized by universals and predictive theories but more by the production of context-dependent knowledge, which is more valuable for understanding human affairs. A so called 'case study' is a suitable design to produce this type of knowledge. However, in this master's thesis we have not been able to perform a "thorough, holistic and in-depth exploration" (Kumar, 2011; p. 123) as a case study requires because of time limitations and limited access to the organizations part of the research. Instead, we have used two empirical settings, each exemplifying an entrepreneurial ecosystem, for the collection and analysis of data.

Even though we don't use the case study design, we acknowledge that our approach shares similar characteristics with other qualitative studies suitable for answering the research questions. For example, following a qualitative approach where human interaction prevails, we attempted to "close-in on real-life situations and examine phenomena as they unfold in practice" (Flyvbjerg, 2006; p.238). We were also inspired by the proposal of Saunders et al. (2009) to analyse existing theories while been motivated to challenge theories and therefore to provide new research questioning for further studies. Conclusively in this master's thesis, the proposed conceptual framework for entrepreneurial leadership presented in Chapter 2, section 2.3 has been used to investigate and analyse the entrepreneurial ecosystems of Amsterdam and Utrecht, providing relevant insights to the theory of entrepreneurial leadership.

Based on these two different empirical settings, defined by two regions that experience similar national policies but differ in regional population and entrepreneurial structure, we explore their constitution of entrepreneurial leadership. The empirical study uses support organizations such as incubators, accelerators, and venture builders as bridges to reach and interview entrepreneurs who are part of their incubation programs or are renting coworking office space in those organizations. Furthermore, as indicated by Mian et al. (2016), support organizations are entities whose aim is to nurture new ventures and to provide their incubatees with varied type of networks such as successful entrepreneurs (mentors, advisors), venture capitalists and service providers, among others. Therefore, we also interviewed staff and managing directors from support organizations to learn from their broad knowledge and
understanding of the structure and actors participating in their startup communities. The two empirical settings are introduced below:

### 3.3.1 Amsterdam

The empirical setting of the entrepreneurial ecosystem of Amsterdam encompasses two incubators (ACE Incubator and StartupBootcamp), three entrepreneurs and a community platform (StartupAmsterdam). The interviewed sample of the Amsterdam entrepreneurial ecosystem is composed by 7 participants. A summary of the participants is shown in Table 3. In particular, the study includes the ACE Incubator, the only public incubator in the region which admits around 20 new startups in their incubation program every year. It also includes StartupBootcamp, a private accelerator originally from Copenhagen but now with over 20 acceleration programs spread in more than 10 countries around the world; at the moment, StartupBootcamp has four active acceleration programs in the Amsterdam region.

Table 3: Outline of the Amsterdam empirical setting

<table>
<thead>
<tr>
<th>Supporting organizations</th>
<th>Managing Director</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE Incubator</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>StartupBootcamp</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>StartupAmsterdam</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

# Entrepreneurs 3

### 3.3.2 Utrecht

The empirical setting of the Utrecht entrepreneurial ecosystem consists of two incubators (UtrechtInc and Holland Startup), six entrepreneurs and a community platform (StartupUtrecht). The interviewed sample in the Utrecht entrepreneurial ecosystem is composed by 10 participants. A summary of the participants is shown in Table 4. In particular, this empirical setting encompasses the biggest public incubator in the region, UtrechtInc, which currently hosts 30 startups in its incubation program. Finally, Holland Startup, a venture builder founded in 2014 with the aim of helping 50 entrepreneurs build 25 companies within 5 years, completes the study.

Table 4: Outline of the Utrecht empirical setting

<table>
<thead>
<tr>
<th>Supporting organizations</th>
<th>Managing Director</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>UtrechtInc</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Holland Startup</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>StartupUtrecht</td>
<td>2*</td>
<td></td>
</tr>
</tbody>
</table>

# Entrepreneurs 6

*The 2 staff members of StartupUtrecht also cover the positions of Managing Director in UtrechtInc and Holland Startup
3.4 Research method

The research method refers to "the technique used for collecting data" (Bryman & Bell, 2011; p. 41). According to Bryman & Bell (2011), the main research methods associated with qualitative studies are: participant observation (ethnography), interviewing, focus groups, language-based approaches and the collection of texts and documents. Yin (2003) claims that interviewing is the most used research method, or ‘source of evidence’ as he calls them (p. 83), when studying human affairs. We have used interviews as research method to gather personal opinions, observations, insights and experiences in order to understand entrepreneurial leadership from the perspective of actors present in both startup communities. Thereafter, the data gathered from interviews have been analysed, as explained in detail in Section 3.5, Method for Data Analysis.

Beside interviews, information gathered through websites of the participant supporting organizations and other relevant organizations (municipalities, economic boards, coworking spaces, entrepreneurial events, etc.), action programmes from community platforms, LinkedIn profiles from participants and relevant actors in the EEs, and reports assessing entrepreneurship in the Netherlands were used to contextualize entrepreneurial leadership in the entrepreneurial ecosystems of Amsterdam and Utrecht. In addition, we participated in social events organized by ACE Incubator, UtrechtInc and Holland Startup that gave us more context about the EE dynamics of the studied regions. Although the information gathered help us to meet new entrepreneurs and create a social relation with the people participating in our study, only data collected from interviews have been used in our analysis.

3.4.1 Interviews

The interview is a source of evidence used to gather qualitative data in which the two parties engage in a guided conversation (Yin, 2003). In this research, the interviews were semi-structured and with most of the questions being open-ended in order to gain flexibility and encourage the discovery of unexpected themes that might be relevant for the study (Bryman & Bell, 2011). This also gave the respondents the opportunity to go into detail and to share different perspectives but following a structure proposed by us, so that we would cover the necessary topics to achieve the goals of the research. Blumberg et. al. (2011) claims that semi-structured interviews are usually the most suitable research method for collecting qualitative data and we agree on this because having conducted this type of interviews allowed us to collect further opinions and insights by probing and asking followed-up questions.

Furthermore, when conducting interviews, one main complication is to have a poorly constructed questionnaire that may result in biased or even off-topic answers (Yin, 2003). For that reason, in order to properly translate research questions into interview questions we created an interview guide following Emans’ (2004) guidelines. For further details about the interview guide and how it was created, see Annex A. The interview guide helped us to build an interview protocol consisting in four sections, and although the sections remain the same for all the interviewees, some questions vary a little depending on their role in the ecosystem. The four sections cover the following themes:

- Background of the participant and their role in the entrepreneurial ecosystem
- Interviewee's personal understanding of entrepreneurial leadership
- Interviewee's interpretation and feedback about the four leadership characteristics from the proposed EL conceptual framework
- Further considerations about entrepreneurial leadership in their startup community

The use of semi-structured interviews provided us with flexibility to pass from one section to another depending on the responses from the interviewees, meaning that in many
occasions we didn’t followed exactly the sequence of the sections. However, we always started with the first section in order to get to know better the participant and continued with the second one to understand their initial position concerning entrepreneurial leadership, avoiding this way to bias their answers with our conceptual framework for EL. Seventeen interviews were conducted between April and May 2018 (next section provides more details about the selected participants), and most of them were conducted with face-to-face communication with only four of them carried out through Skype because of the interviewees’ unavailability to meet in person. They were all conducted in English, lasted between 30 and 50 minutes and were recorded with prior permission from the interviewees.

3.4.2 Participant selection

The selection of participants when conducting interviews is important because the selected ones should be able to enhance the understanding of the social phenomenon studied (Creswell, 2009). Therefore, given that entrepreneurial leadership is the main topic of the research, we decided to interview entrepreneurs and active actors within entrepreneurial ecosystems following a purposive sampling strategy, meaning that the selected participants must be relevant to the research questions being posed (Mack et al., 2005). In addition, we also partially followed a “convenience sampling approach” (Bryman & Bell, 2011; p. 442), because the participants were selected from supporting organizations where we had access as part of the research team from the project led by Prof. Erik Stam.

Furthermore, as stated by Bryman & Bell (2011), diverse participants in terms of key characteristics, may help obtaining a broader understanding about different perspectives. Thus, the collection of empirics firstly included entrepreneurs established in Amsterdam or Utrecht with 1 to 5 years of experience. Secondly, it also includes Managing Directors from supporting organizations of the studied regions, who have been present in their respective EEs for around 10 years. And finally, staff from the supporting organizations were also interviewed (with 1-2 years of experience). To have chosen participants with different roles (and experiences) in the ecosystem was done seeking diversification in order to expect responses with different perspectives. In Table 5 a summary of the selected participants in the startup community of Amsterdam is presented, while a summary for the participants in Utrecht is shown in Table 6.

Table 5: Participants of the Amsterdam empirical setting

<table>
<thead>
<tr>
<th>Name*</th>
<th>Role</th>
<th>Years in the EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrico</td>
<td>Managing Director</td>
<td>11</td>
</tr>
<tr>
<td>Linda</td>
<td>Marketing &amp; Communication</td>
<td>2</td>
</tr>
<tr>
<td>Elvita</td>
<td>Community Engagement Lead</td>
<td>2</td>
</tr>
<tr>
<td>Laura</td>
<td>Marketing Manager</td>
<td>2</td>
</tr>
<tr>
<td>Giacomo</td>
<td>Entrepreneur</td>
<td>1</td>
</tr>
<tr>
<td>Damian</td>
<td>Entrepreneur</td>
<td>5</td>
</tr>
<tr>
<td>Andrea</td>
<td>Entrepreneur</td>
<td>2</td>
</tr>
</tbody>
</table>

*Names have been changed in order to maintain a confidentiality agreement between participants and researchers
Table 6: Participants of the Utrecht empirical setting

<table>
<thead>
<tr>
<th>Name*</th>
<th>Role</th>
<th>Years in the EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mario</td>
<td>Managing Director</td>
<td>10</td>
</tr>
<tr>
<td>Juan</td>
<td>Managing Director</td>
<td>8</td>
</tr>
<tr>
<td>Kalle</td>
<td>Mentor in Finance</td>
<td>1</td>
</tr>
<tr>
<td>Sebastian</td>
<td>Ideation and Coworking Manager</td>
<td>1</td>
</tr>
<tr>
<td>Fernado</td>
<td>Entrepreneur</td>
<td>3.5</td>
</tr>
<tr>
<td>Fadi</td>
<td>Entrepreneur</td>
<td>1</td>
</tr>
<tr>
<td>Romain</td>
<td>Entrepreneur</td>
<td>3</td>
</tr>
<tr>
<td>Johan</td>
<td>Entrepreneur</td>
<td>1.5</td>
</tr>
<tr>
<td>Billy</td>
<td>Entrepreneur</td>
<td>3</td>
</tr>
<tr>
<td>Isabella</td>
<td>Entrepreneur</td>
<td>1</td>
</tr>
</tbody>
</table>

*Names have been changed in order to maintain a confidentiality agreement between participants and researchers*

We reached out to the research participants by using different channels, including phone calls, emails, physical visits at the supporting organizations or by attending social events. During the first meeting, we introduced ourselves and the topic at issue; thereafter, the research proposal was sent to the potential participants. In case of positive interest, an appointment for an interview was scheduled. Finally, it is worth noting that we experienced some negative reception in the EE of Amsterdam (especially in organizations with strong hierarchy), but in general, for both regions, the willingness of the people to participate in the study was positive.

3.5 Method for data analysis

As previously mentioned, the analysis phase comprises the empirical material gathered from the seventeen interviews conducted in the startup communities of Amsterdam and Utrecht. All the interviews were fully recorded with the prior permission of the participants. Recording interviews was a way to keep track of the interviews, to give us the opportunity to listen to each interview in case of misunderstandings or not clear note taking and also to be able to transcribe them later on. The phase of data analysis started with the note taking of relevant themes arising from the interviews; while one of us was in charge of conducting the interview, the other one was in charge of making clear and complete notes, identifying important statements.

Thereafter, the interviews were transcribed. It is important to mention that seven interviews were not possible to transcribe due to poor sound quality of the audio tapes, and therefore, the data analysis of such interviews was performed on the basis of our notes taken during the interview. With the transcribed interviews (and the notes of the seven aforementioned interviews) a process of coding was carried out. According to Bryman & Bell (2011; p. 578), coding entails "giving labels (names) to component parts that seem to be of potential theoretical significance and/or that appear to be particularly salient within the social worlds of those being studied". The coding started having already some predefined themes
(codes) based on the proposed conceptual framework for entrepreneurial leadership. These codes were the following:

- Collaboration between actors
- Local organizations exercising leadership roles
- Serial entrepreneurs seen as leaders
- Communities of entrepreneurs
- Entrepreneurial events and initiatives
- Mentorship networks

Having the interviews recorded (and transcribed) allowed us to carry out an iterative process of coding, with several interviews reviewed more than once. This represented an advantage for our analysis because we were able to discover unexpected themes addressing entrepreneurial leadership that we were not considering with the initial set of codes. Findings from the transcripts were grouped together inside the predefined codes and the new ones that emerged throughout the process. These new codes are the following:

- Collaboration between EEs
- Cultural aspects influencing EL
- Industry specialization of the EE
- Size and structure of the EE

Parallelly to the coding, we also carried out a process of interpretation and theorizing. As Bryman and Bell (2011; p. 589) states: "your findings acquire significance in our intellectual community only when you have reflected on, interpreted and theorized your data". Therefore, we have forged interconnections between codes and theory, and have reflected on the overall importance of our findings for the research questions and for the literature on entrepreneurial leadership (Ibid).

3.6 Ethical considerations

According to Agee (2009), ethical aspects are important in social sciences since the research studies the lives of others; in addition, "ethics involves realizing that we do not know how others will respond to and/or interpret our work" (Adams, 2008, p.179). Therefore, we have included in this section an analysis of the possible ethical consequences of the work conducted. Being aware of the ethical principles proposed by Diener & Crandall (1978; in Bryman & Bell, 2011, p. 128) we have conducted our study trying to avoid committing transgression in any of the following areas: harm to participants, informed consent, privacy and deception. Harm to participants refers to how to treat the people that are subject of the research without hurting them. Since qualitative research mainly involves people, the well-being of study participants should be the top priority for the researchers (Mack et. al., 2005). This means that between doing harm to a participant and harming the research, the research should be sacrificed. Moreover, informed consent proclaims that respondents should be provided before the interview with the necessary information to get their consent for the study. Also, the researcher should guarantee the participant’s privacy in case of sensible information been treated and must not deceive the participants by presenting the research as something other than what it is (Bryman & Bell, 2011).

Accordingly, we have always treated participants with respect and the unstructured nature of the interviews permitted us to have a relaxed atmosphere during the interviews. We also tried to put them in a comfortable position letting them be aware of the academic purpose of the research and that they could quit the interview whenever they would feel uncomfortable; also, that their privacy would be secured by anonymizing their identities. Finally, in accordance
with the European Code of Conduct for Research Integrity (ALLEA, 2017), we as researchers, didn't commit unacceptable practices of the type of falsification, fabrication or plagiarism. Which means that we didn't alter the data in any way and we proceeded to analyse it as it was originally gathered; in addition, we didn't take credit for someone else's work, instead we quoted and referenced work in a proper academic form.

3.7 Limitations

Throughout the development of this master’s thesis, there have been some circumstances that have limited the development of the research. First, limited access to the participant organizations, as well as, time constraints have been determinant to study the regions of Amsterdam and Utrecht in a lesser extent than what we would have preferred, making it implausible to carry out a case study design as it was suggested by several authors (Bryman & Bell, 2011; Flyvbjerg, 2006). Similarly, because of time and accessibility limitations, it was not possible to perform a data triangulation process with the research methods that we have used, as it is suggested by Yin (2003) and Bryman & Bell (2011). In addition, it is important to reiterate that four interviews were conducted through a Skype call. Therefore, it is possible that the participants have not felt comfortable during the interviews, affecting the flow of the conversation and thus, the effectiveness of the activity.

Furthermore, Flyvbjerg (2006) shows that it has been widely discussed the generalizability of results in qualitative studies, especially among proponents of the natural science ideal. However, as it is stated by Flyvbjerg (2006), even though the results might not be generalized beyond the borders of the study, it doesn’t imply that knowledge has not been created and is not relevant for a particular field or society. Accordingly, in this master’s thesis, the study of two startup communities (Amsterdam and Utrecht) provided us with relevant knowledge to understand entrepreneurial leadership and therefore to contribute to academic research in the field of entrepreneurial ecosystems. In the same sense, we acknowledge that the conceptual framework for entrepreneurial leadership should be used in different EEs to improve its usefulness and applicability in different settings. Finally, as commented by Creswell (2009; p.209), “researcher’s interpretations cannot be separated from their own backgrounds, history, contexts, and prior understandings”; therefore, it is important to note that this master’s thesis is based upon the understanding and interpretation of the authors.
4 Description of the empirical setting

This chapter describes the empirical settings in which we have gathered the empirical data for this study: the startup communities of Amsterdam and Utrecht. For each region, a description of the ecosystem is presented first, and the participant organizations are introduced afterwards.

4.1 Amsterdam

The city of Amsterdam, capital of the Netherlands has an area of 219 km\(^2\), however, considering the surrounding cities, what is known as the Amsterdam Metropolitan Region (MRA), it has an area of 2,580 km\(^2\). In the year 2014, the labour force accounted for 15.4% of the Dutch total with about 1,265,000 people. Moreover, in 2015, the MRA was home of 259,905 business, which is equal to 18.3% of the total of businesses in the country (Stam et. al, 2016). The ecosystem in the MRA includes a large number of institutes for higher education, being the most important ones the University of Amsterdam (UvA), the Free University and the Amsterdam University of Applied Science. The higher education institutes in Amsterdam host more than 10,000 students, which counts for 22% of all Dutch university students (Stam et. al., 2016).

When it comes to policy making, the MRA has a relatively new economic development board organization. The Platform Regional Economic Structure is in charge of the regional economic policy. It coordinates several organizations with different tasks, where the Amsterdam Economic Board (AEB), a triple helix collaboration established in 2010, addresses innovation policies (AEB, 2018). The AEB is highly represented by key actors from leading firms, such as FloraHolland, Schiphol, IBM, Shell, Randstad and EY. The economic structure of the city of Amsterdam now largely depends on professional services (including financial services, marketing agencies, IT-services), transport and wholesale; furthermore, Amsterdam is the centre of creative and cultural industries in the Netherlands (Stam et. al., 2016). Due to its geographic location and its multilingual environment with more than 80% of its inhabitants speaking English, the city of Amsterdam is home of many Dutch growing businesses with their roots in technology that have successfully scaled up internationally in the past years, such as Booking.com, Adyen, WeTransfer, TravelBird and Bendle. Moreover, many multinationals have established their European headquarters in the city, e.g. Uber, Tesla, Nike and Cisco (Iamsterdam, 2018).

Finally, Amsterdam’s startup scene counts on diverse organizations dedicated to support startups in different stages of development; specifically, 32 of them are established there with Rockstart and StartupBootcamp as the most successful ones in the international outlook. Furthermore, there are more than 60 coworking spaces located in the city, with B.Amsterdam being the largest startup space in Europe with more than 250 companies over three buildings encompassing more than 40,000 m\(^2\). (Iamsterdam, 2018). The supporting organizations in the Amsterdam entrepreneurial ecosystem that took part on the study include a public incubator, an international accelerator and a community platform that oversees the ecosystem dynamics. They are described below:

4.1.1 ACE Incubator

The ACE Incubator is a public university incubator associated with the University of Amsterdam (Universiteit van Amsterdam, UvA). It is located at the Amsterdam Science Park in the startup village where it is also possible to rent out office space, event spaces, meeting rooms and has flex working locations. The ACE Incubator offers two programs for incubatees: ‘ready to start’ and ‘ready to scale’. The first one is tailored towards new startups and entrepreneurs with an idea that can be turned into a viable business and lasts three months. The ‘ready to scale’
program is designed for startups that already are in the business-phase and have acquired over €100.000 in revenue or funding; the program lasts five months. The incubator offers a network of 50 specialized mentors, 25 corporates, investors and service providers, as well as other kinds of events where the community can engage and share experiences. In just five years, ACE Incubator helped more than 100 projects (from initial concept to startup) and it has recently been named as the number-one incubator in the Netherlands by Emerce100 in 2018 (Emerce, 2018).

4.1.2 StartupBootcamp

StartupBootcamp was founded in 2010 in Copenhagen and is a global accelerator program with over 20 industry-specific programs. The programs support startups to scale up by introducing them to mentors from different fields, investors and partners. Programs last about three months, during which the incubatees move to the city in which the program is held, where they are immersed in the local ecosystem. During the program, StartupBootcamp provides office space and €15.000 to cover living expenses but in return, it receives 6-8% equity of the incubatees business. Amsterdam hosts four programs, focused on commerce, financial technology & cyber security, smart cities & internet of things and food technology.

4.1.3 StartupAmsterdam

It is a public/private action program launched in 2015 by the local government together with over 250 stakeholders with the aim of growing and improving the startup environment in Amsterdam. It is an innovation hub under the umbrella of the StartupDelta program. StartupAmsterdam works together with the participants of the ecosystem, namely startups, scale-ups, local & international tech talent, accelerators/incubators, coworking spaces, startup/tech academies, corporates, investors, research institutions, universities, governmental bodies and even other startup cities with the ultimate goal of connecting and unifying all these players to position the city as the centre point of the European startup and tech scene. Its action plan has its grounds on enabling five requirements for startups to grow: access to capital, access to talent, access to launching customers, access to content and a startup-minded environment.

Note: The information from each organization was retrieved from their websites

4.2 Utrecht

The city of Utrecht is the capital and most populous city of the province of Utrecht (smallest province in the country). The province counts on 26 municipalities extended over 1.386 km2. Despite its small size and total population of roughly 1.280.000 inhabitants (345.000 in the city of Utrecht), the region offers an attractive environment for living and working. Therefore, it is currently ranked 2nd in Europe in the Regional Competitiveness Index 2016 (Annoni et. al, 2017) only surpassed by London (and surrounding areas) and sharing position with the UK region of Berkshire, Buckinghamshire and Oxfordshire. In fact, Utrecht led the ranking in the previous two reports (2010 and 2013). Furthermore, according to Stam et. al. (2016), the province of Utrecht is the region with the highest percentage in the country of higher educated people with 45%, and also with the strongest presence of knowledge institutes in innovation processes. The Utrecht University of Applied Science (UAS) is the most connected organization in the region, with also high involvement of Utrecht University and the University Medical Centre Utrecht (UMCU). Concerning policy-making processes, the Economic Board Utrecht (EBU) stimulates innovation and cooperation between government, companies and educational institutes with the aim of creating a green, healthy and smart region. The board set

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1 www.startupdelta.org/
2 ACE Incubator: https://ace-incubator.nl/; StartupBootcamp: https://www.startupbootcamp.org/; StartupAmsterdam: https://www.iamsterdam.com
up collaboration and accelerate (and finance) initiatives that lead to job creation and economic growth (EBU, 2018). The industry focus in the region goes firstly towards services and government & education, followed by ICT & communication and the financial sector (Stam et. al., 2016). In the city of Utrecht there is a Science Park campus specialized in the life sciences and biomedical fields, which is home to about 80 companies. Moreover, cutting-edge researches in development include diagnostics, therapeutics, oncology and stem cells. Utrecht is also a hotspot for the gaming industry, hosting the Benelux headquarters of Nintendo and Ubisoft. Other ICT companies present in the region are Capgemini, Fujitsu and Oracle.

Concerning the startup display, UtrechtInc is the largest incubator present in the city, accompanied by Students Inc. (incubator from the Utrecht UAS) and Dutch Game Garden (game incubator and business centre), while Holland Startup is a private venture builder that was created 4 years ago. Finally, there are 8 coworking spaces located in the city. The supporting organizations in the Utrecht entrepreneurial ecosystem that took part on the study include a public incubator, a private venture builder and a community platform that oversees the ecosystem dynamics. They are introduced below.

4.2.1 UtrechtInc

UtrechtInc is a university incubator located in the Utrecht Science Park. UtrechtInc offers workshops for entrepreneurs (business model, pitching, team building, etc.), a specific program for entrepreneurial scientists and a scaling program for startups. UtrechtInc also rents out work space and connects startups to talents, mentors and various support services; furthermore, incubatees get access to the Rabobank Pre-seed fund and a large network of investors. Over the 9 years after its creation, it has supported 180 startups with 65% of them still in the business and growing. More than €527 million invested in startups and €350 million revenue obtained by them. Because of its performance, it has been recognized by UBI Global among the top 10 business incubators affiliated with universities in the world for the period 2017/2018 (UBI Global, 2018).

4.2.2 Holland Startup

Holland Startup, founded in 2014, is a venture builder that transforms ideas into startups and later on, into scale-ups. Holland Startup is mainly focused on digital products and entrepreneurship. It follows a program that lasts about 18 months, combining ideas that are ready for validation, a talent pool of young entrepreneurs, and a network of stakeholders and entities within the startup community. Their goal is to provide the necessary tools to boost young entrepreneurs to success. For the next 5 years, its aim is to help 50 entrepreneurs build 25 companies.

4.2.3 StartupUtrecht

StartupUtrecht is the official Utrecht hub under the umbrella of the Startup Delta initiative. Its aim is to bring together all the stakeholders interested in entrepreneurship, such as, founders, angels, universities, venture capitalists, creatives, corporates and banks to build and expand the Utrecht startup ecosystem. Their action plan includes connecting everyone interested in the startup scene through the organization and support of events related to the most relevant topics faced by the startup community. Furthermore, to make knowledge accessible to anyone through an online searchable database and by welcoming and channelling any initiative aimed at increasing entrepreneurship awareness in the region.

Note: The information from each organization was retrieved from their websites

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3 UtrechtInc: https://utrechtinc.nl/; Holland Startup: https://www.hollandstartup.com; StartupUtrecht: http://www.startuputrecht.nl
5 Analysis of the empirics

In this chapter, the empirical data collected from interviews is analysed with the help of the conceptual framework of the leadership dimension that was developed and presented in Chapter 2. We divide our analysis according to the four identified characteristics that constitute the proposed conceptual framework for entrepreneurial leadership: collective and bottom-up approach, presence of formal and informal leaders, promotion of social proximity and mentorship driven leadership.

5.1 A collective and bottom-up approach

5.1.1 Amsterdam

Since Amsterdam is one of the most important European capital cities with a high reputation, especially in industries like Artificial Intelligence (AI) and Fintech, the EE has been recognized as established and well-connected with a specific business focus in those industries. According to Laura, staff member at the only public incubator present in the region, some supporting organizations such as incubators have partnerships between each other and work closely in collaboration with universities and other knowledge institutions. Elvita, who is the Community Engagement Lead at another supporting organization, agreed and added that the ecosystem is very connected to the government and other stakeholders belonging to the private sector, such as corporations and other supporting organizations. As she mentioned: “the ecosystem is very connected to the government, corporates and supporting organizations [...] in particular, corporates have started to recognize the importance of innovation and they started to get involved more and more in the startup ecosystem”. Moreover, as discussed by the managing director of the public incubator, Enrico: “the Amsterdam startup community is like a rolling snowball, the more stakeholders and leaders the ecosystem has, the better is in terms of knowledge and reputation”. With this statement, Enrico wants to highlight how a collaborative and connected EE, such as the one in Amsterdam, enables the growth of knowledge and reputation for the whole startup community. In addition, Linda, an employee at StartupAmsterdam (a regional development project aiming to boost the startup ecosystem in Amsterdam) confirmed that the private and public voice is embedded in the organization she works at by the presence of two managing directors: one is from the local government (municipality), while the other is from the private sector who is also a serial entrepreneur. According to Linda, this gives a strong leadership that allows better collaboration between the private and public sector, including improved capacity to listen and consider the views of every stakeholder in the EE.

All these testimonies that touch on aspects of leadership in relation to the collaborative nature of the Amsterdam EE, between the public and private sector and other stakeholders, have been more theoretically elaborated in literature on regional economic development. As mentioned by Stimson et. al. (2002), the collaboration of the private and public sector allows to create leadership that encourage local growth in setting its vision for the future. Thus, the interplay between private and public is able to initiate and implement regional development strategy (Ibid). The importance of a shared and collaborative leadership between private and public participants is also discussed by Stough et. al. (2001). In their paper, the authors explain how a collaborative approach is able to create durable and stable alliances to promote the regional economic development. Entrepreneurial leaders should be in charge of enabling collaborations, partnerships and relationships between all the stakeholders of the region in order to favour and facilitate the local entrepreneurship development. Moreover, these entrepreneurial leaders have been defined by Isenberg (2011b; p. 12) as ‘entrepreneurship enablers’ which include corporations, incubators, universities and the public sector that all
together are able to support the ‘entrepreneurship ecosystem strategy’ (Ibid; p. 12). Therefore, the lasting partnerships between supporting organizations and knowledge institutions, as witnessed by Laura, are clear examples of a collaborative approach that creates long-term alliances to promote the regional economic development as suggested by Stough et al. (2001). In addition, the presence of two managing directors representing the public and private stakes within StartupAmsterdam, as stated by Linda, confirms the presence of collaborative bonds between the public and private stakeholders of the region that help to create a strategic economic vision as theorized by Stimson et al. (2002).

Furthermore, as Linda explained, the local organization StartupAmsterdam represents the contact point with all the stakeholders involved in entrepreneurship within the region of Amsterdam, such as the Economic Board Amsterdam, investors, supporting organizations, startups and corporations. In fact, as stated also by other interviewees, StartupAmsterdam is part of the national project StartupDelta that encompasses other regions (called innovation hubs) in the Netherlands with the mission of creating a connection to the government, corporations and regional innovation hubs in order to facilitate the access to talent, capital, networks and knowledge.

Considering this scene illustrated by the interviewees of the Amsterdam startup community, Porto Gomez et al. (2016) affirmed the importance of a bottom-up approach in enhancing a joint strategy for the region. He suggested that “the focus of economic policy is experiencing a clear shift from an overall national level (often following a top-down strategy), to a new layout where multiple regional and local levels are taken into account. These regions and local divisions [...] compete at the global scale” (Ibid; p. 3). Therefore, the focus on a bottom-up leadership approach is able to increase competence transfer at a local level that pushes the community to articulate more effective policies in facing global competition (Ibid). In addition, other scholars have recognized that this kind of leadership is more appropriate for the economic development of a place than the traditional approaches of development based on top-down governance models (Crescenzi & Rodríguez-Pose, 2011; Barca et al., 2011). In accordance to the quoted literature, it is clear that the Dutch government have introduced these innovation hubs, such as StartupAmsterdam, to initiate and boost the local entrepreneurship. Especially by allowing the participation and collaboration of all the players present in the region and giving them policy-making freedom (bottom-up approach) to shape their ecosystem.

In conclusion, considering our EL conceptual framework, the analysis of the empirics confirms the well-connected and established nature of the Amsterdam EE which contributes to shape the EL of the region. In particular, the relationships between the stakeholders and entrepreneurial leaders of the region, from the private and public side, are solid and allow a joint collaboration in drawing economic policies towards the entrepreneurial development. However, it is interesting to notice the top-down initiative introduced by the Dutch government (through the StartupDelta project) to promote a bottom-up leadership approach that give voice to the local players and institutions in sustaining the local EE. Even though literature in regional economic development usually suggests adopting a bottom-up approach rather than a top-down leadership approach, in our analysis we found that the combination of those seems to find a beneficial fit in giving policy-making freedom at the local level while being promoted and legitimated from a national position.

5.1.2 Utrecht

Utrecht is the fourth most populated city in the Netherlands and it represents, together with Amsterdam, Rotterdam and The Hague, the so-called ‘Randstad’: one of the largest metropolitan regions in Europe. According to all the interviewees, Utrecht is a small and young entrepreneurial ecosystem, where different stakeholders from the private and public sector are
involved. As Fadi (an entrepreneur in Utrecht) mentioned “the collaboration of the public sector, such as academic institutions and government, and private sector, such as bank and technology corporations, should be in charge of undertaking the role of leadership to steer and develop the EE”. Isabella, entrepreneur and co-founder who recently moved from Utrecht but is still committed to its EE, stated that “different organizations have to enhance the startup unity and the ecosystem”. This has been underlined also by Johan who wishes a tighter relation between the municipality and the private sector to promote entrepreneurship in the region. All these entrepreneurs, belonging to different industries, agreed upon the fact that EL in Utrecht should be performed by public organisms such as the municipality and other forms of local government, together with private stakeholders such as private companies, incubators, accelerators and startups. On the other hand, two entrepreneurs mentioned that the role of EL should only be exercised by entrepreneurs because they are able to speak “the same language”. As commented by Romain, “it is up to the entrepreneurs to create their own journey, even to decide if staying or leaving the community”. Furthermore, considering EL from the managing director’s perspective of the two incubators participating in our study, we found out that the EL is based on collaborations between public and private participants. Mario, who is one of the managing directors that is also currently involved in the Economic Board of Utrecht, thinks that “entrepreneurship policies are done together with the recognition of the public and private side […], leadership should be a movement among institutions and now we are setting a foundation for that”. As confirmed also by Juan, another managing director who is also involved in the project StartupUtrecht, “there is a constant and weekly contact with our public incubator and the municipality […]. I don’t want to compete with other incubators, but rather to collaborate with them and start a process of knowledge sharing and arranging of events”. Moreover, as reported by Sebastian, manager at one incubator in Utrecht, “every stakeholder of the region should collaborate with their part […], everyone can play a little role; there is high decentralization”.

Finding a connection to the literature, these quite coherent statements can be linked to the theories of De Santis & Stough (1999) and Stough et. al. (2001), which explain the tendency of collaboration across the private and public sectors as a vehicle to sustain and enhance the regional economic development. Therefore, as suggested by Stimson et. al. (2002) and Isenberg (2011b), it is important to keep a regional collaboration that encompasses the public and private sectors in order to carry out a common strategy to enhance policies and actions to enable economic development. This seems similar to what the Utrecht EE is working on, although so far, it has not been able to capture enough resources and consensus from all the stakeholders present in the region. According to the interviewees and our findings, it can be recognized a sense of collective action and shared leadership currently demanded in the Utrecht EE. Since Utrecht is still a young and not connected startup community, it is difficult to perform a strong EL and currently StartupUtrecht represents the only place where different private and public stakeholders are able to meet up and discuss about the entrepreneurial strategy to undertake in the region.

In addition, the thematic of decentralization, that emerged in our analysis of the empirics, is testament of a will to spread decision-making among the participants of the startup community. As discussed by Juan and Mario, the project StartupUtrecht is the perfect example of a bottom-up leadership approach. As commented by Juan: “before, the information was more centralized to our public incubator while now it is more decentralized […]; however, all the collective actions are still discussed and planned in StartupUtrecht”. As explained by Juan, StartupUtrecht collaborates with several partners (private and public) in the region in order to boost the Utrecht startup ecosystem. The main partners are incubators, accelerators, venture builders, universities, the municipality, private corporations and other entities that periodically
meet up to discuss about the entrepreneurial challenges and solutions for the Utrecht ecosystem. As discussed before for StartupAmsterdam, the StartupUtrecht project belongs to the national startup development plan called StartupDelta. Therefore, the local association StartupUtrecht represents the perfect meeting point for entrepreneurial leaders from both the public and private sides. As highlighted by Mario, "right now there is a hierarchical way of thinking that is not good for an ecosystem, leadership should be at different levels and StartupUtrecht can help in that".

This sense of decentralized decision-making encompassed in a bottom-up leadership approach has previously been addressed by Porto Gomez et al. (2016) and Crescenzi & Rodríguez-Pose (2011). These authors underlined the fact that even though the regional economic development is still under the same national conditions, the emphasis of support is focused on growing and developing the local system with a form of leadership that is more likely to be bottom-up. Moreover, decentralization of decision-making should regulate the design of local strategies recognizing local cultural and socio-institutional aspects (Ascani et al., 2012). This aspect has also been partly discussed in the paper of Amin (1999), where decentralization, in terms of plural-actors-based policy action, is a dimension characteristic of a bottom-up and region-specific approach, differing from the traditional top-down and centralized development of policies. However, Amin (1999) didn't explore the benefits of a combined leadership approach performed by a local bottom-up leadership approach legitimated and sponsored by the central government in a top-down approach. In fact, we understand that the startup community of Utrecht is adopting a decentralized and bottom-up leadership approach performed by StartupUtrecht that has been introduced by the governmental StartupDelta project. The benefits related to this kind of EL are visible in two ways, first, by bringing together all the local players interested in the EE, and second, by empowering and chasing its business strengths and opportunities as suggested by Ascani et al. (2012).

In conclusion, in light of the collective and bottom up approach present in our EL conceptual framework, the participants of the study agree upon the fact that the young and fragmented Utrecht EE is still trying to shape its ecosystem and thus, the conditions for establishing a collaborative entrepreneurial leadership are not yet present. However StartupUtrecht, the public-private association introduced by the StartupDelta project as result of a Dutch government initiative, is the first recognized institution in the region that is able to gather all the players and stakeholders interested in investing and developing the entrepreneurial ecosystem of Utrecht. Thus, in opposition with the literature, the bottom-up leadership approach performed by StartupUtrecht and described by our proposed EL conceptual framework it was just made possible by a top-down initiative of the Dutch government.

5.2 Presence of formal and informal leaders

5.2.1 Amsterdam

The Amsterdam EE is characterized by a good understanding over the entrepreneurial leadership that steers the ecosystem; this is mainly due to the established and well-connected nature of the startup community. In fact, most of the interviewees recognized the same formal and informal leaders present in the community. For instance, everyone distinguishes StartupAmsterdam as the most important formal leader in the region because it is in charge of discussing problems, finding solutions and implementing the strategy for the development of entrepreneurship in the region. As stated by Laura: “institutions, like StartupAmsterdam, are in charge of influencing the EE because they have more bargaining power in the policy making”. On the other hand, Enrico in quality of managing director of the public incubator located in
Amsterdam, commented that university, government and also entrepreneurs should act as leaders of the ecosystem and the best place to do so is through StartupAmsterdam. Moreover, Enrico also mentioned that together with StartupAmsterdam, other formal entrepreneurial leaders in the Amsterdam region are ACE Incubator (the only public incubator of the region) and Startup in Residence, which is a programme between the municipality of Amsterdam and both local and international startups that provides investments, working spaces and has access to the municipality's network. Regarding the presence of informal leadership, entrepreneurs recognized different co-founders that are leading behind the scenes of the ecosystem, mostly introducing innovative events or initiatives. For instance, Boris van Zanten is the CEO and co-founder of The Next Web, that was launched in 2006 and is now a tech-media company that focuses on technology by informing people through stories and insights. Currently, Boris is a serial entrepreneur and he is considered an informal leader of the Amsterdam EE because of his wide network and knowledge of the startup community. In addition, Ruben Nieuwenhuis is also considered an important leader because of his role as serial entrepreneur and mentor besides his role of Private Lead Managing Director at StartupAmsterdam and advisor at the Economic Board Amsterdam and other firms. As highlighted by Linda, Ruben is involved in different strategic roles that give him a relevant bargaining power and a recognized leadership in the ecosystem, both at a formal and informal level.

These aspects can be related to Sotarauta et. al. (2012) who emphasize the importance of formal leadership. In their article, the authors claim that formal leadership is important to ensure that arrangements and agreements among the participants of the community are in place. Furthermore, as Stimson et. al. (2009) observed, leadership in the regional development tends to be distributed horizontally across the EE and so, formal leaders, like StartupAmsterdam, are able to give the word to every party involved in the startup community. On the other hand, as indicated by Sotarauta et. al. (2012) and further developed in our EL conceptual framework, EL should be based on formal and informal leadership where informal leaders have the freedom of not taking any formal position, but at the same time, should support and assist formal leadership (Ibid). Therefore, in accordance to the literature, we noticed that the roles and goals of Startup in Residence and StartupAmsterdam, recognized as formal leaders in the region, are able to offer the startup community easy access to resources such as capital, knowledge sharing and networking. On the other hand, the role played by some serial entrepreneurs as informal leaders is also beneficial for the ecosystem because it allows new people to be introduced to the community and different participants to network and engage in new business relationships.

In conclusion, by applying our EL conceptual framework to the Amsterdam startup community, it was possible to distinguish the presence of formal and informal leaders. In particular, the informal leadership might not always be easy to distinguish because of the increased number of players present in the region. However, all the participants of the study agree on the same entrepreneurial leaders; few serial entrepreneurs as well as Startup in Residence and StartupAmsterdam represent the most recognizable leaders of the region with the bargaining power to directly influence the policy-making and the dynamics of the whole startup community.

5.2.2 Utrecht

Since Utrecht is a young and small startup community, all the dynamics in terms of formal and informal leaders are not yet clear. Especially, entrepreneurs of the Utrecht EE are confused about it and struggle to understand the positive and negative aspects of these two different kinds of leadership. In particular, Fernando places formal leadership to the academic institution that, together with informal leaders such as ESN and other student associations, should attract
and capture talents. While Isabella is not able to recognize the difference between formal and informal leaders in Utrecht, Billy emphasizes the role of a formal leader such as the university, that should work together with entrepreneurs because it is the one interested in spreading knowledge. On the other hand, Fadi identified in StartupDelta (the national entrepreneurship project) and Holland Startup (a venture builder present in Utrecht) the two main formal leaders that need to collaborate and work closer. Romain recognized incubators as the formal leadership that should work to ease the path to entrepreneurs. Johan instead, explained that just municipalities and universities, as formal leaders, should be in charge of creating the identity of the ecosystem and guiding the business specialization of the ecosystem (for instance, in Biotech). Moreover, according to Johan, informal leaders should be entrepreneurs that run small initiatives around the city. In these statements, it is possible to identify a confusion between the roles of the most important players present in the ecosystem and the question of who should take the lead and exercise the role of steering the startup community.

Considering the incubators’ managing directors’ perspectives of the region, the recognition of formal and informal leadership seems to be clearer. Mario explains that StartupUtrecht started its course of action as informal leader when it was a place to collect opinion and feedback from the municipality, few corporations and entrepreneurs of the region. Afterwards, with the introduction of the national project StartupDelta, StartupUtrecht became a partner of the project and took the role of formal leader. Therefore, StartupUtrecht is now responsible of discussing and finding solutions to problems related to the topic of entrepreneurship in the region of Utrecht. Furthermore, Mario recognized the Economic Board of Utrecht as a formal leader that currently collaborate with StartupUtrecht but in a more pilot way, and the Utrecht Network of Investors (UNI) as informal leader. In particular, UNI is an association that gather investors, serial entrepreneurs and any other kind of people interested in investing in Utrecht, in order to develop the right conditions to create financial resources, sharing knowledge, and create an EE reputation. This has also been confirmed by Juan, the other managing director participating in our study, who recognized the strategic role of StartupUtrecht in the region and the importance of informal investors that “can really make the difference investing and networking with other stakeholders”.

Even though formal and informal leadership have been acknowledged by the interviewees, the participants of the study didn’t recognize the same formal and informal leaders. This seems to have a connection to the early-stage setting of the Utrecht startup community as defined by Mack & Mayer’s (2016) evolutionary model. In fact, according to the model, a birth-phase EE is not able to define any formal and informal leaders and so, the participants of the startup community can perceive differently the role of EL within the region. Moreover, as discussed by Sotarauta et. al. (2012), formal leadership should be linked to municipality, economic boards and other organizations that support entrepreneurship like StartupUtrecht or the Economic Board Utrecht. On the other hand, Sotarauta et. al. (2012) explained that individuals or groups without a formal authorization can play a role as informal leaders; for instance, the association Utrecht Network of Investors that has been related to informal leadership by one of the interviewees. Furthermore, as stated by Sebastian, people involved in management and strategic positions within incubators are also involved in StartupUtrecht, the Economic Board Utrecht and such. For instance, one of the managing directors interviewed is also board member in StartupUtrecht at a formal level and he is also involved in the Economic Board of Utrecht as external consultant, assuming a double formal and informal leadership role. This joint role of formal and informal leadership has been discussed by Van Ostaaijen et. al. (2010) who pointed out that vital coalitions between private and public actors are necessary to shape and give directions to the EE. Therefore, and according to the empirical material, it is evident that the participants of the Utrecht EE are capable of identifying
actors performing leadership roles, similar to the actors suggested by diverse authors. However, the fact of having several stakeholders performing different roles, might be an indication that none has stood out from the rest and thus, there is not an actual leader of the region.

In conclusion, considering the presence of formal and informal leadership presented in our EL conceptual framework, we understood that the main priority for the community is to set the right conditions to create an established EE that eventually will lead to the development of EL. In this birth phase, only formal leaders, such as supporting organizations or institutions, start to be recognized because they are easily visible by anyone. On the contrary, informal leaders still need to find a place within the community due to their scarce visibility and lack of networking within the EE.

5.3 Promotion of social proximity

5.3.1 Amsterdam

The empirical material from the Amsterdam entrepreneurial ecosystem shows a positive reception from entrepreneurs with respect to entrepreneurial events and networks of entrepreneurs. For instance, Giacomo commented that there are many events related to entrepreneurship every week in Amsterdam, where most of them are held in B.Amsterdam and TQ. He also told us that “many students get connected to the entrepreneurial world thanks to the activities organized by ACE Incubator”. Likewise, Andrea, an entrepreneur who rents coworking space in one incubator, confirmed that he got introduced to the field of A.I. in one of the incubator’s open activities. Moreover, Damian recognized that his colleagues (also co-founders), who are originally from Amsterdam, convinced him to move from his hometown to the capital city because over there, they would be “more connected” to the entrepreneurial world. Important to mention also, is that none of the entrepreneurs mentioned the need for increasing the number of activities held in the region or complained because it was difficult to reach fellow entrepreneurs or other participants of the ecosystem. This sentiment is also shared by Laura who is part of the staff of one incubator; she indicated that they organize monthly events where incubatees and entrepreneurs from the coworking space get together and establish better relationships.

This aspect in which entrepreneurs acknowledge the necessity and usefulness of engaging in different entrepreneurial events is supported by Miller & Bound (2011) who claim that different types of activities or events (including startup weekends, meetups, hack days, etc.) are necessary for early-stage entrepreneurs in order to get familiar and connected with the entrepreneurial ecosystem. In addition, Miller & Bound (2011) also stressed the important role that accelerators and incubators play in the ecosystem as a source of events in which early-stage entrepreneurs can network. The empirics show affinity with the work of Miller & Bound (2011), because the participants of the ecosystem, especially the entrepreneurs, find important the fact of having different activities in which they could interact. However, while Miller & Bound (2011) emphasized the benefits of these events to new entrepreneurs, our analysis suggests that not only do supporting organizations should organize events in which their incubatees can interact but also open events in which other people can participate; this way all the players of the ecosystem would benefit from the networking effect mentioned in the literature.

Furthermore, Enrico, who is managing director at one incubator in the region, understands that events and activities are necessary to create networks of relevant actors, but most importantly for the ecosystem “is to have a mindset of trust in each other and a lack of jealousy”. In addition, Linda thinks that collaboration is crucial for the well-functioning of an entrepreneurial ecosystem and it is, in fact, something characteristic of the Amsterdam EE; as she commented: “Dutch people have this mentality of karma, like sweat capital: I do something
for you, and you do something for me, and that's how the ecosystem runs". She also mentioned the friendliness and inclusiveness of the people present in the startup community, who are always open to meet up: "all the people that I meet, [...] always highlight that I am only a coffee away". On the other hand, Enrico is also of the opinion that in order for the entrepreneurial ecosystem of Amsterdam to reach global impact, "it should grow bigger and include the neighbouring ecosystems”. Although Amsterdam is "already too crowded" (Enrico's interview), entrepreneurs continue to go to the city because of, according to Elvita, its centrality, infrastructure, supporting organizations and knowledge institutions. Furthermore, other empirical data in addition to Elvita's opinion, suggests the presence of many actors and several events in the Amsterdam startup community. For instance, Linda pointed out that there are more than 60 coworking spaces in the area and more than 30 supporting organizations including accelerators, incubators, and other types of organizations; all of them usually organize events to develop engagement among their incubatees, and some of them, also organize and support events open to everybody, as it was indicated by Laura.

This sense of social community quoted by Enrico and Linda can be related to the definition of social proximity given by Boschma (2005). According to him, social proximity refers to "socially embedded relations between agents [...] that involve trust based on friendship, kinship and experience" (Ibid; p. 66). Furthermore, Boschma (2005; p. 66) also claims that "social proximity reduces but does not eliminate the risk of opportunistic behaviour” in social relationships. Although it is not possible to give it for granted, Linda's opinion commenting the collaborative mindset of Dutch people may give hints to think that the social relationships in the Amsterdam EE lack (in general) this ‘opportunistic behaviour’ mentioned by Boschma (2005). Instead, her opinion may indicate that the social proximity present in Amsterdam allows (in accordance to Boschma, 2005) the creation of more interdependent actors within the region, influencing thus, the trajectory of entrepreneurship in the community at issue. Furthermore, Enrico thinks that the Amsterdam startup community should get closer to other communities, such as Utrecht and Leiden; this statement is also supported by the work of Boschma (2005) when he explains that geographical proximity refers to "agents who are spatially concentrated can benefit from knowledge externalities” (Ibid; p. 69). In fact, looking at Amsterdam’s population density4: 5.425 people/km² (significantly higher than Utrecht's: 3.478 people/km²), it may seem that the startup community of Amsterdam already experiments high geographical proximity which might be influencing the social proximity in the region according to Boschma (2005; p. 67): "geographical proximity is most likely to stimulate social proximity, because short geographical distances favour social interaction and trust building”. On the other hand, the empirics also suggest the presence of networks and solid infrastructure in the startup community; it is possible to relate to Sorenson (2003) who claims that the presence of networks attracts and attaches entrepreneurs to the locations because of the ease of access to resources and support. Similarly, Miller & Bound (2011) claim that young entrepreneurs benefit more from entrepreneurial ecosystems that include different types of supporting organizations, as it is the case of Amsterdam illustrated by Linda. Considering this, it is clear that the strong presence and solid infrastructure of supporting organizations has elevated internationally the name of Amsterdam as a complete startup community which is probably one of the main reasons that in recent years a great number of new entrepreneurs, especially international ones, have come to start their business in the region.

Furthermore, many events held in the city have free entrance as it was indicated by Giacomo, an entrepreneur who invited us to an event at B.Amsterdam. It is important to

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4Source: https://www.cbs.nl/nl-nl/onzediensten/opendata
mention that events at the startup scene seem to be centralized over one big player, B.Amsterdam. As Giacomo highlighted, most of the events are held in this location due to its physical space and reputation within the region. B.Amsterdam is the biggest startup community in Europe, it is the location of office, coworking and event space, meeting rooms and supporting organizations such as StartupBootcamp. Today, it represents the biggest hub in Amsterdam that physically contains most of the stakeholders involved in the EE. According to Linda, his founder (Ricardo van Loenen) is recognized by the startup community as one of the personalities with greater impact shaping the Amsterdam ecosystem, together with Boris van Zanten, the founder of The Next Web (an event about the tech industry attracting thousands of people worldwide) and partner of TQ.

Coworking spaces like TQ and especially B.Amsterdam, in which many different players (startups, investors, corporates, support services, etc.) are established and many entrepreneurial events are held, facilitate the development of trust-based relationships which enable learning and innovation, as it is expected from a high level of social proximity according to Boschma (2005). Particular attention should be given to the people and organizations who created, support and run this type of organizations; not only because of this, but because they are interested in shaping the startup community based on their knowledge and experience, as it was indicated by Linda. Ricardo van Loenen and Boris van Zanten are serial entrepreneurs who have been present in the Amsterdam entrepreneurial ecosystem for over a decade now. Considering their success stories and supported by some of the interviewees, they both seem to reflect entrepreneurial leadership according to the concept of regional champions proposed by Feldman (2014) in which “individuals who have been instrumental creating institutions or making connections are transformational for a local economy” (Ibid; 12). This topic is further highlighted by the next leadership characteristic: mentorship driven leadership.

In conclusion, the analysis of the empirics shows the Amsterdam EE as a very diverse one when it comes to supporting organizations and events to engage the community, with several entities and individuals responsible of bringing those events closer to the community. This goes in accordance to the promotion of social proximity present in our conceptual EL framework, which indicates that these aspects are fundamental for the development of trust in social relationships. Likewise, as the example of Amsterdam shows, trust-based relationships are necessary for the exchange of knowledge and for networking through the participation of social events. Finally, supported by Boschma (2005), our analysis thus indicate that the Amsterdam EE presents high level of social proximity that allows learning and innovation to happen.

5.3.2 Utrecht

The empirical data gathered from interviews in the region of Utrecht shows an awareness of the importance of being a connected community. Especially entrepreneurs expressed their desire to relate and interact more with fellow entrepreneurs, even during working hours. Johan, as young entrepreneur who recently joined a coworking space in the city, declared that “I was looking for a large community of people with similar ideas where I could establish my new business”. Likewise, Fadi mentioned: “I am completely sure that we can learn a lot from each other, we can help each other, we could maybe collaborate”. Moreover, as the interviewees acknowledged, incubators play a fundamental role in driving these social relationships. For instance, Isabella, a former incubatee, mentioned that during her incubation program she shared office with many startups and learned a lot from all of them.

As it was seen from the interviews, entrepreneurs like to interact between each other and the motivation of working close to like-minded peers resides in the possibility of exchanging knowledge and learning from each other. This is supported by Boschma (2005) who states that learning and innovation require social proximity; especially because of the presence of trust-
based social relationships. This type of relationships can be developed with people one constantly interacts at the office, and this would “facilitate the exchange of tacit knowledge which is, by nature, much more difficult to communicate”, as suggested by Boschma (2005; p. 66). Furthermore, these social relationships may evolve into strong (trust-based) partnerships (Ibid), following the idea of collaboration suggested by Fadi. Furthermore, Miller & Bound (2011) argue that a strong presence of supporting organizations (like incubators and accelerators) is fundamental for the development of social relationships among entrepreneurs, which eventually create networks of entrepreneurs. Not surprisingly, the EE framework by Stam (2015) indicates that “networks of entrepreneurs provide an information flow, enabling an effective distribution of labour and capital” (Ibid; p. 1766) and claims that it is the function of the leadership role to provide directions to such networks of entrepreneurs. Both empirics and theory seem to be in the same page when it comes to the importance of networks of entrepreneurs within an entrepreneurial ecosystem. However, it is important to highlight that although Miller & Bound (2011) state that supporting organizations are influential in the creation of networks of entrepreneurs, it is important to draw attention to the fact that it may be the case that those networks are acting like isolated clusters that never interact between each other. In this case, the knowledge exchange proposed by Boschma (2005) would be fragmented along the entire EE, with only small groups of entrepreneurs profiting from it.

Following the same idea, the empirics from the Utrecht EE acknowledged indeed the need to connect with other entrepreneurs present in the startup community, in addition to fellow incubatees and the ones with whom they share office space. Fernando would like to “create a team of entrepreneurs that belong to the same area or use similar technologies” but, according to him, it seems to be complicated in the region. In addition, Johan, who has participated in a couple of meetup groups, indicated that there are not so many options for entrepreneurs in Utrecht. This is also confirmed by a statement from Fadi’s interview: “in Utrecht, the groups of entrepreneurs are like little islands, they are not connected”, referring to the small communities of entrepreneurs belonging to each of the supporting organizations of the region (like UtrechtInc and Holland Startup). Moreover, considering the perspective of staff from supporting organizations, we have Kalle (mentor in finance) who thinks that “in Utrecht, scale is missing, and you need more and bigger events to bring more people together”. While Kalle is of the opinion that the municipality should be in charge of overseeing such events, Fadi thinks that leaders from supporting organizations or from StartupDelta (the national program that aims to connect and boost the Dutch entrepreneurial ecosystem) are the responsible of the organization and promotion of entrepreneurial events. On the other hand, the perspective of managing directors in the Utrecht region is slightly more positive. Mario indicated that there are now more events than before and stressed that “it is great that they now receive attention from the government because they are starting to see the necessity of building the ecosystem”. Juan recognizes that Utrecht is a young startup community that is just starting to be more connected.

This empirical material is supported by several bodies of literature. Firstly, as it is stated by Miller & Bound (2011), the best entrepreneurial ecosystems for entrepreneurs are the ones with presence of events in which its participants can exchange knowledge and benefit from networking effects. In addition, Zak & Knack (2001) highlight the importance of a communicative context where social relationships favour knowledge diffusion and learning. However, this is not the case of the Utrecht EE because, even though both entrepreneurs and staff recognized the importance of events to align and connect the participants of the EE, the startup community is currently missing events with great impact. Secondly, Morgan (2007) claimed that the socialistic tradition of European countries is translated to the leadership role that is performed by entities instead of individuals; those agencies are in charge of organizing entrepreneurial events and projects, as well as, mobilizing the participants of the EE. Following
Morgan (2007), and considering that Utrecht is a European city, it seems coherent that some interviewees recognized that a collective leadership from an organization (municipality or supporting organizations) should be the one in charge of supporting the development and launching of entrepreneurial events. Finally, Mack & Mayer (2016) proposed in their evolutionary model that in entrepreneurial ecosystems in their birth phase, it is common to see that core components of the EE are underdeveloped. This goes in accordance to the vision of managing directors when they said that Utrecht is still a young startup community. If we attach to the evolutionary model proposed by Mack & Mayer (2016) it is understandable that supporting organizations and entrepreneurial events in the region of Utrecht are just beginning to emerge.

To conclude, by exploring the promotion of social proximity present in our proposed conceptual framework of entrepreneurial leadership, it has been possible to understand that the Utrecht EE presents fragmented networks of entrepreneurs and low prevalence of impactful events held in the region. Although the empirics show a lack of entrepreneurial events and connected networks of entrepreneurs in the area, the participants of the study acknowledge their importance to stimulate knowledge exchange and the creation of business partnerships as it is presented in the literature. Considering the leadership characteristic of promotion of social proximity based on the studies of Boschma (2005), our analysis indicates a low level of social proximity at the moment, and the participants of the startup community agree that more and bigger events in the region are necessary to change the current situation.

5.4 Mentorship driven leadership

5.4.1 Amsterdam

When talking about the Amsterdam startup community, it’s emblematic the statement of Enrico, who has been present in the startup community of Amsterdam for over a decade now: “I think leadership is a vision based on experience”. He then continued: “entrepreneurs who have been successful can act as role models for others to show them how it can be done”. Staff from supporting organizations are on the same line as Enrico. Laura mentioned: “we run a network of mentors of about 45 mentors; they are all somehow connected to the startup community, with different skills and experiences”. Similarly, Elvita, who is part of a bigger and internationally established supporting organization, told us about their extensive mentorship network that includes over 100 mentors with diverse backgrounds, including former and serial entrepreneurs and former and current corporate managers. Finally, entrepreneurs also acknowledge the significance of having a mentor who serves as inspiration for their entrepreneurial path, but also who provides guidance and advice. For instance, Andrea mentioned that his role model in the field of A.I. acts as a mentor in one supporting organization. In the case of Damian, he commented that even though he is originally from Utrecht, he decided to move to Amsterdam to “have more exposure” to the entrepreneurial spirit; also, he told us that he has his personal mentor living in the capital city (a close family friend) who has been coaching him throughout his entrepreneurial journey.

These statements from the empirics have been previously theoretically elaborated by several authors. Firstly, Isenberg (2011b), claims that successful entrepreneurs taking on positions of public leadership is a fundamental factor in his ‘entrepreneurship ecosystem strategy’ for local economic development. Also, Mason & Brown (2013) suggest that in the ‘entrepreneurial recycle phase’, entrepreneurs who have succeeded with blockbusters firms are meant to stay involved in the community and reinvest their time and experience as investors, advisors or mentors. Both theories emphasize the role of entrepreneurs acting as leaders with a vision to influence entrepreneurship in a local place, based on their previous success in the region at issue. These successful entrepreneurs constitute the extensive network of mentors
mentioned by the staff of the supporting organizations. It is important to note that even though it is true that not all of these mentors are originally from Amsterdam, most of them have been successful (one way or another) in the Amsterdam entrepreneurial ecosystem and have decided to use their experience to support new ventures, as it is suggested by the quoted literature. On the other hand, Mack & Mayer (2016) in their evolutionary model for EEs claim that visibility of networks of successful entrepreneurs is a characteristic of entrepreneurial ecosystems in their growth phase; in fact, they state that in this stage, “successful entrepreneurs begin to function as role models for potential nascent entrepreneurs” (Ibid; p. 2121). According to Mack & Mayer’s (2016) evolutionary model and taking into consideration that one of the interviewees moved from a smaller city to Amsterdam in order to gain exposure to successful entrepreneurs, together with the extensive networks of mentors mentioned by Laura and Elvita, it is coherent to link the entrepreneurial ecosystem of Amsterdam with an EE going through its growth stage.

At this point, it is worth repeating Linda’s statement presented in the previous section. She commented that Ricardo van Loenen (founder of B.Amsterdam) and Boris van Zanten (founder of The Next Web) are commonly recognized as entrepreneurial leaders with great impact in shaping the entrepreneurial ecosystem. She also mentioned Ruben Nieuwenhuis (private lead at StartupAmsterdam), Ton van t’ Noordende (CEO at 01 Ventures & founder of Angel Island) and Patrick de Zeeuw (co-founder at StartupBootcamp Amsterdam). Examples of success stories as a fundamental characteristic of an entrepreneurial ecosystem are discussed in the literature by some authors. Spigel (2015) included the success stories as an embedded attribute of entrepreneurial ecosystems. In particular, the attribute of ‘history of entrepreneurship’ refers to “local examples of successful entrepreneurship, creating legitimacy and narrative on entrepreneurship in the region” (Ibid; p. 1046). Likewise, the view of successful entrepreneurs as role models for future generations can be also found on the work of Feldman (2014). She indicates that role models are originated from success stories of individuals who are crucial for local economies with their actions; they are, as she calls them: regional champions. These regional champions live and work in a region and feel attached to it; therefore, their familiarity with the context and history of the place enable them to identify and capitalize on opportunities. Coming back to the list of people mentioned by Linda, it is clear that with their actions they are creating ‘entrepreneurship history’ and can be considered ‘regional champions’. Looking closely to their careers, all of them are serial entrepreneurs who have been successful in the Amsterdam region and have decided to stay in that startup community and to contribute to its development, not only by influencing the policy-making process but as mentors for young entrepreneurs.

To conclude, based on our EL conceptual framework, the analysis of the empirics illustrates a startup community in Amsterdam aware of the benefits that a network of mentors could bring to new ventures and to the dynamics of the EE itself, as it is indicated by the characteristic of mentorship driven leadership. Not surprisingly, the supporting organizations in Amsterdam promote their mentorship networks and use them as a means to attract startups to their programs. In addition, the presence of successful entrepreneurs acting as mentors and investors in the startup community, seems to be beneficial in shaping the ecosystem, boosting its international reputation and influencing the policy-making in the region.

5.4.2 Utrecht

Looking at the empirical material gathered in the entrepreneurial ecosystem of Utrecht, two of the staff members of supporting organizations related the term ‘entrepreneurial leadership’ with successful entrepreneurs who act as mentors for new startups. First, we have Sebastian who commented that it is unfortunate that there are no (many) inspirational people present in the region, especially because he thinks that “an entrepreneurial leader should be a
source of inspiration”. Second, we have Kalle who commented that “those former professionals and former entrepreneurs who work for free as advisors or mentors fulfil a leadership role in the community”. On the other hand and considering the entrepreneur’s perspective, it was possible to identify a need for advice and coaching in the early stage of their ventures. For instance, Isabella commented: “it would be useful to have a centralized party that provides a coaching network”. Expressed in another way by Fernando: “it would be nice talk about the problems of my company with someone who understands the problems”. In fact, the sentiment of lacking advice from successful professionals is also shared by Mario (managing director of a supporting organization), who thinks that the root of the issue comes from the Dutch entrepreneurial culture. He first said: “I miss the culture of entrepreneur to entrepreneur. Entrepreneurs who come back and give back to the university and ecosystem, like in the US, I would like to see more of that”. Thereafter, Mario also indicated that “entrepreneurs who come back as investors or coaches; that would be a big cultural movement”.

From the literature it is possible to identify some authors who theoretically support the empirical material previously presented. In first place, in his attributes of entrepreneurial ecosystems, Spiegel (2015) proposed that a social attribute should be ‘mentors and role models for society’ because they are in a strategic position to influence and provide advice to new entrepreneurs thanks to their successful experience. Since these people already went through all the steps that new entrepreneurs still have ahead, it is understandable that new entrepreneurs feel inspired by them, as it was commented by Sebastian. Considering this, we think that if artists who are role models for young generations should act responsibly, leading mentors should also acknowledge their influential position towards young entrepreneurs and act reasonably. In second place and considering Kalle’s recognition of mentors who act as such for free, Feldman (2014) stated that sometimes, regional champions are motivated by altruism or attachment to a community. If in the previous statement we stressed mentors’ responsibility with their mentees as an influential figure, now we recognize that young entrepreneurs should understand mentors’ role as supporters and not as people sharing their same responsibilities; in other words, entrepreneurs cannot expect mentors to take strategic decisions for them. In the end, as Feldman (2014) pointed out, mentorship relationships are intended to be of mutual gains, even though in many times, the benefits for the mentor go beyond economic profits. On the other hand, the works of Saxenian (1994) and Morgan (2007) highlighted a cultural difference between the U.S. and the U.K. that has been translated to the way of exercising leadership: while in America it is more individualistic, in Great Britain it is more collective. It is interesting to note that Mario, who is a serial entrepreneur originally from the Netherlands, with his own entrepreneurial experience has been able to recognize that cultural distinction spotted by the literature. Moreover, his opinion shows affinity with Mason & Brown’s (2013) EE evolutionary model because he thinks that entrepreneurs should ‘come back’ to reinvest their wealth and experience to create more entrepreneurial activity (as proposed in the ‘entrepreneurial recycle phase’ by Mason & Brown, 2013). However, he also agrees that this culture of ‘entrepreneur to entrepreneur’ is something common in the U.S. but difficult to find in the Netherlands. Therefore, following Mario’s opinion, it is inevitable to question Mason & Brown’s (2013) evolutionary model, in particular the applicability of its ‘entrepreneurial recycle phase’ in a culture different than the American one.

Moreover, it is interesting to notice that some entrepreneurs are satisfied with the mentorship provided by their incubators, which is opposed to the previous statements presented. For instance, Isabella, who just graduated from her incubation program, thinks that the mentorship she received was “very insightful” since it consisted on “successful entrepreneurs and C-level managers”. Similarly, Sebastian, who works as manager at the incubator where Isabella participated, told us that the mentorship program is an important
element of their strategy, and in fact, they have a vision on the future: “we try to keep a relationship with graduates, we organize events with them, because they will be the mentors of the future”. This statement is particularly problematic because now we can see that Sebastian is believing in an ‘entrepreneurial recycle phase’ (Mason & Brown, 2013) to take place in Utrecht. Similar to Mario’s opinion, Sebastian thinks that successful entrepreneurs should go back to their regions as mentors, advisors or coaches; however, he is taking for granted that this will eventually happen, while Mario thinks that this might require an important cultural change. It is important to highlight that the case of Amsterdam showed strong mentorship networks of successful entrepreneurs, as opposed to the Utrecht EE. We might infer then that Amsterdam’s international exposure and cultural diversity has facilitated this culture of ‘entrepreneur to entrepreneur’ that Mario is missing and, according to the empirics, seems to be non-existent in Utrecht.

In conclusion, taking into account the characteristic of mentorship driven leadership proposed in our EL conceptual framework, it was possible to identify in Utrecht awareness of the importance of mentors to support young entrepreneurs. However, as opposed to the case of Amsterdam, Utrecht seems to lack networks of mentors, with most of the interviewed entrepreneurs claiming for more and better mentorship. In fact, the testimonies from the interviewees seem to indicate an absence of successful entrepreneurial stories in the region, which makes it impossible to have successful entrepreneurs acting as mentors, as it is supported by the literature.
6 Discussion

In this chapter, we provide answer to the research questions by reflecting on the overall importance of our findings with respect to the literature on entrepreneurial leadership. We also establish a dialogue in which we highlight interesting themes that call for further investigations; likewise, we emphasize the interpretative nature of our research and the social impact of entrepreneurial leadership on society.

The entrepreneurial ecosystem theory is a quite recent theory that focuses on entrepreneurship in a local setting. Even though an entrepreneurial ecosystem is based on the presence and interaction of different attributes (Stam, 2015), the leadership dimension has been theoretically undeveloped. The goal of this thesis is to develop a theoretical understanding of entrepreneurial leadership that goes in accordance with Stam’s (2015) entrepreneurial ecosystem framework. In our conceptual framework of EL it is possible to distinguish four characteristics that can explain entrepreneurial leadership within an entrepreneurial ecosystem. These leadership characteristics are the following:

- Collective and bottom-up approach;
- Presence of formal and informal leaders;
- Promotion of social proximity;
- Mentorship driven leadership.

The first characteristic, collective and bottom-up approach, states that entrepreneurial leadership is the result of a collective action, including both the public and the private sectors. In addition, when it comes to the policy-making process, leadership must be present and follow a bottom-up approach from the local community (Crescenzi & Rodríguez-Pose, 2011; Porto Gomez et al., 2016). In second place, leadership should encompass formal and informal leaders. The former may enable easy access to resources while the latter offers flexibility and negotiations behind the scene (Sotarauta et al., 2012). The third characteristic states that entrepreneurial leadership should promote social proximity because knowledge and innovation are enabled by social relationships based on trust (Boschma, 2005). Finally, the proposed conceptual framework indicates that entrepreneurial leadership should be mentorship driven, meaning that successful entrepreneurs go back to the regions where they have succeeded and are willing to influence future entrepreneurs with their knowledge and experience (Mason & Brown, 2013).

These four characteristics of leadership have been identified from literature addressing leadership, and especially the branch of the leadership of places. This theory emphasizes the relevance of leadership in enhancing regional economic development, and therefore, we can expect that our conceptual framework of EL would positively influence the development of local economies. Nonetheless, it is still uncertain if entrepreneurial leadership, as we have outlined it, is compatible with the concept of productive entrepreneurship proposed in Stam’s (2015) EE framework; in other words, does entrepreneurial leadership, represented by the identified four characteristics, stimulates the creation of productive entrepreneurship? We recognize that future research addressing both entrepreneurship and leadership is necessary to provide an answer to such questions.

In particular, when analysing the startup communities of Amsterdam and Utrecht with our conceptual framework of EL, interesting observations have been spotted. In Amsterdam, where the EE is established and well connected, EL follows a collective and bottom-up approach that is able to involve all the private and public stakeholders in the region. In fact, StartupAmsterdam is a clear example of a private-public association that aims to shape new policies and strategies towards the entrepreneurial development of the region. It is important to
appreciate the work done by the StartupDelta project, because even though it follows a top-down governance policy, it aims to stimulate a bottom-up leadership approach through its innovation hubs, including StartupAmsterdam. Moreover, all the participants of the research recognize the same formal and informal leaders because the ecosystem is well connected and grouped in strategic locations, such as the Amsterdam Science Park, TQ and B.Amsterdam. Here, entrepreneurs and other stakeholders can participate in events and conferences while meeting investors and reinforcing their social networks. This social proximity has been usually promoted with events organized and supported by informal leaders who are famous all around the Amsterdam ecosystem. Finally, the presence of excellent supporting organizations, such as incubators and accelerators, as well as the inclusiveness of the startup community are decisive factors for entrepreneurs and early-stage startups that want to be guided by experts and mentors. This presence of serial entrepreneurs and professionals from all industries increases the reputation of the startup community.

On the other hand, the Utrecht entrepreneurial ecosystem struggles to recognize EL. Even though the EE is young, there are few interesting examples of organizations that gather leading entrepreneurs, investors, and other public and private stakeholders to discuss the entrepreneurial direction to undertake in the region. These organizations are the newly established StartupUtrecht and the incubator UtrechtInc, which has 9 years of track record in the region and is ranked among the top-10 best incubators in Europe. Although the collaboration between all the stakeholders within the Utrecht startup community is still at the beginning, in StartupUtrecht it can be recognized the formal leadership role. This leadership aims to boost local strengths and spot opportunities, such as the attraction of talents and the development of new entrepreneurship policies in the region. However, any informal leader has been recognized in the region because of the lack of connections and social networks within the community. Consequently, social proximity has been promoted by formal institutions and associations, while entrepreneurial events have not yet created an impact in the community because there are limited in number. Moreover, the absence of successful entrepreneurial stories in the region lessen the presence of mentors and experts in driving the ecosystem.

The proposed conceptual framework of entrepreneurial leadership was useful to analyse the startup communities of Amsterdam and Utrecht, and to understand how EL unfolds under those regions. By analytically applying our framework, it was possible to learn the configurations of the EEs and the EL present in those regions. The EL portrayed by the Amsterdam and Utrecht EEs can be linked to the EE evolutionary model proposed by Mack & Mayer (2016). They distinguish different development phases in which an entrepreneurial ecosystem goes throughout its lifecycle. In the birth phase, the one that could be related to the Utrecht EE, the risk averse culture for entrepreneurship offers scarce financial capital and a low visibility of supporting organizations such as incubators. While in the growth phase, which can be linked to the current development stage of the Amsterdam EE, the support infrastructures, as well as, the local economic development policy begin to be more specialized and aimed to new firm creation. Accordingly, the support infrastructure covered by StartupAmsterdam gives, as shown in the empirics, a strong boost to the local entrepreneurship development. Recognizing the contextual differences between entrepreneurial ecosystems at different stages (as suggested by Mack & Mayer, 2016), one can deduce that entrepreneurial leadership would also differ depending on the phase of the EE, as it has been illustrated in this master’s thesis with the empirics from the startup communities of Amsterdam and Utrecht. However, in order to understand in detail the effects of the evolutionary dynamics of the EE into entrepreneurial leadership, we propose future research to address the topic.
Moreover, looking closely to the empirical material gathered, it was interesting to notice the different interpretations of EL given by the interviewees. Depending on the personal opinion of the participants, EL assumed different meanings and this could be reflected to the social impact of entrepreneurial leadership on society. As mentioned by some interviewees (and particularly stressed by Fadi), entrepreneurial leaders should create a ‘delegation’ of entrepreneurs that could help to build up a stronger reputation of the EE among other regions, especially when attending international events or conferences. This interpretation of EL has an impact on the entrepreneurial ecosystems in a way that enhances synergies and alliances between the community and neighbouring regions. Moreover, as Linda stated: “we are very pro-collaboration with other hubs (referring to StartupAmsterdam) and we promote inclusive growth [...] since everything is so connected in the Netherlands, when our fellow hubs grow, we also grow”. Also in this case, the territorial perspective where EL takes place is flexible and not delimited in physical boundaries. In fact, as suggested by Singh (2005), intra-regional knowledge flows (the ones between regions) are stronger than the ones across regional boundaries. Furthermore, Cumbes et al. (2003) explained that the capability to identify and connect new networks outside the region can provide new knowledge and develop new business ideas. Therefore, entrepreneurial leadership has the potential to change the social and regional boundaries when it comes to sharing and exchanging knowledge, while facilitating the access to new business opportunities.

On the other hand, some other interviewees considered leading entrepreneurs the players that should be in charge of the entrepreneurial leadership of the region promoting an ‘entrepreneur-to-entrepreneur’ relationship, as Fernando and Mario mentioned. This different perspective of EL characterized by a ‘privatization’ approach where entrepreneurs should lead the EE, is theorized by Stam & Spigel (2018: p.5) and other not academic work, such as Feld (2012). It is curious to notice that this conception of EL as private entrepreneurial leaders goes according to Anglo Saxon contexts (such as U.S.A), which are based on a strong capitalist tradition (Saxenian, 1994). While in Europe, according to the UK’s case study of Morgan (2007), leadership of places should be supported by economic development agencies according to its socialistic tradition. It seems that the configuration of EL in Utrecht is similar to the one theorized by Morgan (2007), as it could be expected from a European city. However, the EL of Amsterdam has been illustrated by the interviewees as a combination of private stakeholders and public institutions that influence and lead the startup community. This configuration of EL, even if present in a European context, can be explained by the international exposure of the Amsterdam EE that requires an inclusive and flexible attitude towards other contexts. Noticing that some interviewees are fonder to the privatization approach, made us wonder if other types of entrepreneurial leadership linked to different cultural contexts may find place into the same entrepreneurial ecosystem, and if so, how a cultural change would develop in order to make this happen. Therefore, we propose future research focused on this issue. In the same sense, we acknowledge that the conceptual framework for entrepreneurial leadership should be used in different EEs to improve its usefulness and applicability in different settings. Finally, the diversity of opinions expressed by the participants of the research in regard to EL, can give the reader evidence of the meaning of the social sciences, where the understanding of the social world is strongly based on the experiences and interpretations of individuals.

Considering the potential policy implications, one can discuss that different configurations of EL may have a different impact on the startup community. Looking at the startup communities of Amsterdam and Utrecht we can indeed see different entrepreneurial policy implications. On the one hand, Amsterdam is part of an international context and the primary direction of the ecosystem is to attract international talents as well as international ventures (and investors). Among others, one of the focus is to simplify the bureaucracy when a new
international startup decide to invest or be based in Amsterdam. On the other hand, Utrecht is embedded in a more local level, and its goal is to be recognized as an influencing startup community in the Dutch national setting. The priority is to build a strong reputation and influence in order to have a spot in the national entrepreneurial agenda.

Even though the current goals and focus of these startup communities are different, a common aspect has been identified. The creation of the so-called ‘community platform’, promoted by the national initiative StartupDelta and based on public and private stakeholders, gives the communities freedom to boost and build on their own strengths. Whether it is StartupAmsterdam or StartupUtrecht, these community platforms are ad-hoc entities developed around the conditions and the opportunities of the region they belong, allowing the empowerment of local entrepreneurship and generating value within the community.
7 Conclusion

In this master's thesis we have been able to provide a theoretical contribution by developing a conceptual framework that aims to explain the leadership dimension of Stam's (2015) framework for entrepreneurial ecosystems (EE). We have based our conceptual framework of entrepreneurial leadership (EL) on different literature addressing the topic of leadership, but especially, the leadership of places, which highlights the relevance of leadership in enhancing regional economic development. In particular, our EL conceptual framework encompasses four different characteristics of leadership: a collective and bottom-up approach, presence of formal and informal leaders, promotion of social proximity and mentorship driven leadership. The use of this conceptual framework of EL proved to be useful to analyse the startup communities of Amsterdam and Utrecht in order to explore and better understand the current state of entrepreneurial leadership in two different settings.

Furthermore, the findings of the empirical study allowed us to provide an empirical and theoretical contribution to the field of entrepreneurial ecosystems. In the startup community of Amsterdam, that has been recognized as more established and connected, it was possible to identify formal and informal leaders present in the region, as it is suggested by the work of Sotarauta et al. (2012). StartupAmsterdam is an organization that allows the participation and collaboration of all the players present in the region, which means that the initiative adopts a collective and bottom-up leadership, as it proposed by several authors, including Stimson et al. (2002), Crescenzi & Rodríguez-Pose (2011) and Porto Gomez et al. (2016). Other informal leaders are embodied in the form of serial entrepreneurs, who are influential in shaping the EE and besides that, act as mentors or investors of new ventures. These players have been successful in the region of Amsterdam and thanks to their familiarity with the context and its history can be recognized as 'regional champions', as it is suggested by Feldman (2014). Moreover, there is a strong presence of supporting organizations, like incubators, accelerators and coworking spaces, with great impact in the ecosystem, especially because of the frequent promotion and support of entrepreneurial events. Following Miller & Bound's (2011) work, the presence of supporting organizations permits the participants of the community to engage and get connected through strong social relationships among entrepreneurs, investors, mentors and others.

On the other hand, the startup community of Utrecht has been recognized as a younger one, with its entrepreneurial leadership still in its early-stage. The evolutionary model theorized by Mack & Mayer (2016) helped us to identify the Utrecht startup community as an entrepreneurial ecosystem in its birth phase. Therefore, Utrecht has a lack of success entrepreneurial stories that makes impossible to recognize informal leaders and mentors. Instead, the leadership role has been partially taken by supporting organizations like UtrechtInc, which has been present in the region for almost a decade, and StartupUtrecht that has recently started to influence the policy making in the region. The presence of entrepreneurial events in the startup community of Utrecht is poor, resulting in a fragmented community with some small (and disconnected) networks of entrepreneurs. This situation is detrimental to the EE because, as previously studied by Boschma (2005), a low level of social proximity doesn't allow the creation of trust-based relationships that can facilitate learning and innovation.

Moreover, by using our EL conceptual framework, it is possible to challenge the work of Morgan (2007) regarding the configuration of entrepreneurial leadership in a European context. As Morgan (2007) states, the socialistic tradition of European countries is translated into a collective leadership embodied by development agencies instead of individuals. While in the Utrecht EE this has been observed in the leadership role held by UtrechtInc and StartupUtrecht,
in Amsterdam this is not applicable. In fact, the maturity of the startup community of Amsterdam together with its international exposure allow a diverse configuration of leadership based on both supporting organizations and influential entrepreneurs.

Finally, during the development of the master’s thesis we realized that, even though we have been able to reach findings, future research is necessary to complement them and to cover all the interesting subjects that arose but were not part of the scope of the study. Firstly, the EL conceptual framework has been developed to understand the leadership dimension of Stam’s (2015) EE framework. Therefore, it should be compatible with the notion of productive entrepreneurship which is recognized as the main goal of Stam’s (2015) EE theory. We thus propose further research to investigate if the four characteristics that constitute the proposed EL conceptual framework enhances productive entrepreneurship. Moreover, the analysis of the empirical material of this master’s thesis suggests that entrepreneurial ecosystems in different development stages present different configurations of entrepreneurial leadership. Therefore, we propose further research in which the evolutionary dynamics of EEs are studied in detail. In particular, we suggest to investigate if different configurations of EL, or even different characteristics of leadership, are necessary for the success of EEs in different development phases. Finally, the empirical material shows that cultural aspects might influence the configuration of entrepreneurial leadership. In fact, previous studies as the ones of Saxenian (1994) and Morgan (2007), revealed that different leadership approaches are affected by the context and their culture. We are curious to know if other types of entrepreneurial leadership linked to different cultures may find place in the Dutch context, and if so, how a cultural revolution would develop to make this possible. For this reason, we propose further research aiming to understand in detail the role that culture plays in defining EL. Likewise, we also suggest future studies in which our conceptual framework of EL can be used in other empirical settings in order to improve its usefulness and applicability.
Reference list


Annex A: Interview guide

The interview questions are constructed according to Emans’ (2004) guidelines to build an interview guide. This tool helps researchers to build the interview protocol by defining the conceptual variables of the interview and some indicators that are translated into the questions to be asked. A conceptual variable is a feature that all the elements of a set of people, things or events have in common, although the ways in which they have it may vary. They represent the main aspects of interest to explore with the interview. Furthermore, indicators are auxiliary variables that are able to give evidence to understand the conceptual variable from different angles. A group of indicators belong and represent one conceptual variable and are easier to translate into interview questions (Emans, 2004). The structure of the interview can be found in Table A.1.

Interview structure

Table A.1: Interview Structure

<table>
<thead>
<tr>
<th>Conceptual variables</th>
<th>Indicators</th>
<th>Interview questions</th>
</tr>
</thead>
</table>
| 1. Entrepreneurial Ecosystem (EE) | 1. Perception of the EE by the interviewee  
2. The motivation of the interviewee to join this particular EE  
3. The current degree to which the interviewee and the EE are connected | 1. How do you see the startup community of Amsterdam/ Utrecht? Can you tell us how it works and who is who in this community?  
2. Why did you choose to start your venture/business in Amsterdam/ Utrecht?  
3. What is your role in this ecosystem? what is your influence? |
| 2. Entrepreneurial Leadership (EL) | 4. The interviewee’s understanding of the current status/ configuration of leadership in the region  
5. The degree to which the interviewee considers EL able to shape the EE | 1. Is there any person or organization from the ecosystem that you recognize as influencer? if yes, who and how do they do that?  
2. Do you think there should be a leadership in the ecosystem?  
3. Who or what do you think should take this leadership role? |
| 3. Author’s proposed EL conceptual framework | 6. The presence of four characteristics according to our EL conceptual framework: collective and bottom-up approach, presence of formal and informal leaders, promotion of social proximity, and mentorship driven leadership  
7. Personal opinion about these leadership characteristics describing EL | 1. Do you see collaboration among the stakeholders of the EE? is there a bottom-up or top down leadership approach?  
2. Are the any recognized formal or informal leaders in the community?  
3. Do you know a place where entrepreneurship is accessible to everyone present in the community?  
4. Are successful players involved in the EE? if yes, how?  
5. Do you think that EL should include other particular aspects? |