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Published in:
Policy and Politics

DOI:
10.1332/030557321X16119271739728

Publication date:
2021

Document Version
Peer reviewed version

Citation for published version (APA):
Sørensen, E., Bryson, J., & Crosby, B. (2021). How public leaders can promote public value through co-creation. *Policy and Politics*, *49*(2), 267-286. https://doi.org/10.1332/030557321X16119271739728

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Abstract

Governance researchers are increasingly interested in how co-creation can contribute to promoting public value in contemporary liberal democracies. While many have already argued for the potential benefits of employing co-creation in government strategies aiming to enhance public value, few have considered the implications of such a strategy for public leadership. Drawing on recent strands of theory on leadership and management, we specify how public leaders can use co-creation as a tool to achieve policy goals, and we illustrate this specification by showing how politicians and public and non-profit managers perform the public leadership of co-created public value in Gentofte, Denmark and Minneapolis–St. Paul, USA. The main proposition is that this kind of public leadership does not only involve a strategic effort to engage, inspire and mobilise with relevant governance assets – including legitimacy, authority and capabilities – but also to align their understandings of what is valuable for the public.

Keywords:
Leadership, Public leadership, Co-creation, Public value, Public management, Public value triangle, Governance, Leadership strategy

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Eva Sørensen, John Bryson and Barbara Crosby

Introduction

Governance researchers are increasingly interested in how co-creation can contribute to promoting public value in contemporary liberal democracies (Voorberg, Bekkers and Tummers, 2015; Bryson et al, 2017). The key assumption is that the public sector can do more and better in terms of achieving important policy goals, such as prosperity, wellbeing, safety, equity and justice in society, if it joins forces with relevant and affected actors from businesses, non-profits and civil society, although doing so implies the negotiation of what counts as valuable for society and the public with those who contribute to the co-creation.

While many researchers have already argued for the potential benefits of employing co-creation as part of a government strategy for enhancing public value (Ostrom, 1996; Stoker, 2006; Alford, 2008; Bryson et al, 2017), few have considered what such a strategy implies for public leadership and asked: *How can public leaders strengthen their capacity to produce public value for society through a strategic use of co-creation?* The article in hand responds to this gap in public leadership theory by surveying recent leadership and management theories, bringing together insights that can help to specify how public leaders can strengthen their capacity to achieve their goals and aspirations for society through the strategic use of co-creation.

First, we discuss what a co-created approach to public value governance entails in contrast to earlier approaches. Second, we consider the challenges created by such an approach for traditional conceptions of public leadership in the context of Bryson et al's (2015, 2017) *Public Value Governance Triangle*. Third, we review several recent leadership and management theories to enhance our understanding of how public leaders can promote public value through co-creation. By way of illustration, we show how politicians and public and non-profit leaders and managers employ co-creation as a tool for promoting public value. In Gentofte Kommune, a municipality in Denmark, the Municipal Council involves stakeholders in developing responses to pressing policy problems in a new kind of ad hoc policy committee. In Minneapolis–St. Paul in the US, non-profit organisations and public agencies work together to bolster the support for minority-owned businesses. These two examples of how public leaders use co-creation as a means to solve pressing

problems in society illustrate what leadership for public value co-creation looks like in the hands of different actors, in different contexts and for different purposes. Fourth, we identify a number of barriers and drivers to this form of leadership in twenty-first century representative democracies. We conclude by specifying our contribution to understanding public leadership and propose further research.

The co-created approach to public value governance

Government governs and society is governed. That has been the guiding principle in the traditional model of representative bureaucratic government. Democratically authorised sovereign politicians determine what counts as public value, and civil servants and their staff of public professionals implement decisions through the regulation of society and provision of public services (Wilson, 1887; Schumpeter, 1946; Weber, 1947; Sartori, 1987). Public value production is thus perceived as an in-house activity carried out by government actors. The marketplace and civil society produce value for society, but this is "private" value that serves specific individuals and groups; the creation of public and private value hinges on the existence of arms-length relationships between the public and private sectors (Horowitz, 1982; Keane, 2013).

In the late 1970s and early 80s, public choice theorists and so-called New Right politicians criticised the representative bureaucratic government model for being inefficient and paternalistic, criticism that paved the way for New Public Management (NPM) reforms in most of the Western world (Hood, 1991; Osborne and Gaebler, 1993). According to the NPM model, competition between public and private service providers (e.g., a reliance on marketization) would enhance the effectiveness of public service delivery and give citizens a say in public service quality. NPM granted private service producers – the users of public services in particular – key roles in defining what counts as public value. Public value is essentially a bundle of outcomes based on what a government commissions, what service providers are able or willing to deliver, and what citizens want.

In the 1990s and early twenty-first century, marketization as the dominant approach to public sector services was increasingly criticised for producing a fragmented governance system consisting of narrowly market-focused agencies with little capacity or inclination to pursue cross-institutional and publicly engaged efforts to create public value (Moore, 1995; Bovaird and Löffler, 2004; Bryson et al, 2015; Osborne, 2010; Benington, 2011).

These criticisms have inspired a shift towards what Osborne (2010) calls a New Public Governance (NPG) approach. Here, governments, businesses and civil society actors as well as public service users contribute to public problem-solving and governance. NPG is an umbrella term for different perspectives on interactive governance such as network governance, collaborative governance and co-creation. These perspectives share the view that sustainable governance calls for the broad involvement of relevant and affected actors in governing society, which enhances the legitimacy of decisions made as well as the efficacy of these decisions (Torfing et al, 2020). The shared assumption is that public authorities have much to gain from involving a broad range of actors in governing society. While network governance and collaborative governance tend to focus on how organised stakeholders engage in policy making and policy implementation, co-creation is also interested in how individual citizens take part in the production of public services and how stakeholder involvement contributes to innovating public policies and services (Torfing and Ansell, 2021). Following Ansell and Torfing (2021:12), we define co-creation as the process through which a broad range of interdependent actors engage in distributed, cross-boundary collaboration in order to define common problems and design and implement new and better solutions. Globally, the turn to NPG and co-created public value governance has hardly been uniform and linear, however, as moves towards authoritarian regimes in Europe, the US, Asia and elsewhere demonstrate.

The shortcoming of the co-created public value approach to governance is that it has little so say about co-creation as a contest between different understandings of what counts as public value and how such conflicts are resolved in co-creation (Sørensen, 2020). For example, affected actors may define public value as improvements in their particular situations, experts may define public value with reference to professional standards, businesses and civil society actors may promote their particular interests, politicians are often guided by ideology, and public officials tend to be more concerned with promoting organisational efficiency or the common good for society than with the wellbeing of specific groups. We therefore define public value as a contested reference to what counts as valuable for some, as well as for all, and view public value co-creation as a difficult and fragile process of aligning and reconciling different understandings of public value (Sørensen and Torfing, 2019). We propose that this alignment and reconciliation hinges on public leadership.

The challenge to traditional understandings of public leadership

All forms of leadership aim to mobilise actors and resources, but traditional public leadership and management theory has focused mainly on the mobilisation of public sector actors and resources in solving public tasks as defined by politicians and civil servants according to rules and regulations. NPM is a new iteration of this top-down tradition. Here, public leadership is an endeavour to mobilise resources in society via transactional and transformational leadership using sticks, carrots and sermons (Vedung et al, 1998), and the preferred strategy is commissioning public service provision and encouraging public service users to vote with their feet. NPM does not consider dimensions of public value beyond efficiency and user-satisfaction. NPM departs from traditional public leadership theory by viewing public managers as fairly entrepreneurial rather than simply carrying out the directives of ministers or other elected leaders.

In contrast, leaders who aim to employ co-creation as a tool for promoting public values seek to mobilise actors and resources across organisations and sectors with the objective of not merely improving public service delivery but also of promoting an array of broader public value outcomes, which are not predefined by public authorities but take form and are reshaped as part of the co-creation process (Bryson et al, 2015; Sørensen and Torfing, 2019). Hence, the ability to mobilise relevant and affected public and private stakeholders as well as citizens in co-creation hinges on the ability and willingness of public leaders to influence and convince the involved actors about the salience of their policy goals as well as on their willingness to negotiate and align these goals in light of what others perceive to be valuable for society (Crosby and Bryson, 2010; Torfing et al, 2012; Torfing and Sørensen, 2019). Moreover, the effective and legitimate co-creation of public value outcomes calls for a kind of public leadership that engages in and stimulates a productive dialogue among actors with different ideas, perspectives and interests, and also avoids the dark sides of co-creation and in particular the pitfall of mainly involving public and private elites and sub-elites, while failing to include ordinary citizens and those who tend to be "forgotten" and "left behind" (Steen et al, 2018).

Although few have considered what such public leadership looks like, a variety of recent leadership and management theories offer valuable insights. Bryson et al's (2015, 2017) Public Value Governance Triangle (PVGT) is a productive starting point for specifying what the leadership of co-created public value governance might look like (see online figure). The PVGT builds on Moore's (1995) famous "strategic triangle" and extends it beyond its focus on public managers atop the hierarchy of a single government organisation to a multi-actor, multi-sector environment; that is, to

the realm where co-creation is most applicable. Like the original strategic triangle, the PVGT includes legitimacy and authority, capabilities, and public value, but Bryson and his colleagues elaborate on what these categories should mean in multi-actor settings. 'Legitimacy and authority' refers to all of the relevant decision-making bodies, regardless of sector, and broad stakeholder support, including citizens and other individuals. 'Capabilities' includes those embedded in relevant collectives, individual competencies, procedural legitimacy and procedural justice, and procedural and substantive rationality. 'Public value' includes Moore's definition of public value as that which public bodies and the citizenry decide; the criteria established by Bozeman (2007) and Bozeman and Johnson (2015) for determining public value successes and failures; Meynhardt's (2009) more psychologically based view of value *for* the public and value *from* the public; and Benington's (2011) view that public value is that which is valued by the public and which enhances the public sphere.

Unlike the original strategic triangle, with the manager in the centre, the PVGT places practices – including leadership practices – in the centre. There are two key implications for the public leadership of public value outcomes: First, public leadership involves a systematic effort to engage, inspire and mobilise actors with relevant governance assets to join forces in promoting public value outcomes that are authorised and legitimised not only by public authorities but also by relevant and affected stakeholders and citizens. Second, people and organisations from government, businesses, non-profits, and civil society can exercise public leadership. However, the authors do not explore what theories of leadership have to offer regarding how public leadership can employ co-creation in promoting public value, which is the main purpose of this article. This leaves research empty-handed when it comes to analysing how politicians, such as those in the Gentofte Municipal Council, perform leadership to create public value in a range of areas through co-created policymaking, and how politicians, public managers and non-profit leaders in Minnesota use co-creation as a tool to support minority-owned businesses in ways that are valuable for the broader society.

Understanding public leadership for co-created public value

As visualised in Table 1, recent strands of leadership theory already supply many promising building blocks for understanding public leadership practices focused on the co-creation of public value in the centre of the PVGT. We include theories that either implicitly or explicitly conceptualise leadership as an effort to spur actors from different branches, organisations, sectors

and levels of governance to work together to understand and solve shared problems. As such, the theories share an interest in how leaders can use co-creation for different purposes, which may or may not be to promote public value. While none of these theories explicitly consider the role of leadership in promoting co-creation, they all contribute pieces to the puzzle of laying out the leadership dynamics of co-creation. To illustrate, theories of meta-governance and collaborative governance and management theories mainly specify how public leadership is performed through the framing and facilitation of co-creation processes, while saying less about how leaders engage in co-creation in pursuit of specific leadership goals. Conversely, distributed leadership and boundary spanning leadership and management explain how leaders take part in and influence co-creation but do not address the question of how leaders operate by structuring the co-creation process.

Table 1 highlights what each leadership theory contributes regarding: key guidance for leadership practice, sources of authorisation for action, sources of organisational and collaborative capability, definition of public value outcomes, and implications for co-creation. As space is limited, rather than comparing and contrasting what each of the theories has to offer, the next section will tease out their joint contributions to specifying the practices associated with public leadership for co-created public value, who authorises this kind of leadership, how the capability to co-create is achieved, what counts as public value, and what co-creation entails.

TABLE 1 AROUND HERE

Leadership practices

The joint insights from the theories in Table 1 indicate that leading the co-creation of public value involves:

1. A strategic and targeted yet pragmatic effort to mobilise, empower and engage a wide range of actors in defining, authorising and producing public value or other outcomes through the staging and exploitation of different forms of co-creation.
2. A purposeful investment in guiding, commissioning, and committing relevant and affected actors to contribute to the performance of specific governance tasks, as well as the framing and facilitation of open-ended co-creation of innovative solutions.
3. A boundary-spanning attempt to promote co-creation between different organisations and sectors and among actors from different branches, levels and leadership domains within the same organisation or sector.

4. An employment of soft leadership tools that makes it possible to lead actors within as well as beyond a single leadership domain.
5. A purposeful and flexible formation of alliances between public sector leaders and managers, civil society leaders and business leaders.

By way of illustration, let us consider the leadership practices of local politicians in Gentofte and public managers and civil society entrepreneurs in Minnesota.[1,2] In 2015, the powerful Mayor of Gentofte initiated a grand reform of the political committee structure aimed at spurring co-created policymaking. He found that the politicians needed inspiration to develop robust policies and engage with citizens. He formed a successful alliance with influential politicians and the municipal manager, introducing a new type of ad hoc policy committee consisting of five politicians and ten citizens, meticulously selected to represent party diversity among the politicians and ensure relevance and diversity in the citizens' backgrounds, interests, and competencies. Since then, the Municipal Council has authorised several such committees and given them each 6–10 months to develop a policy proposal on a specific topic, as communicated in a formal mission statement. Each committee decides how it wants to conduct its work and has access to a staff of facilitators. They can also commission work groups of public professionals and external experts to get the information they need. Two politicians, a public manager and a trained facilitator plan the meetings and refer back to the Municipal Council to secure ongoing coordination and policy alignment. As such, the mayor in Gentofte is performing political leadership through a strategic effort to mobilise, connect and guide politicians from different parties, employees from different public agencies and silos, and citizens from different corners of the local community in the co-creation of innovative political solutions.

In Minnesota, the CEO of the Metropolitan Economic Development Association (Meda), a non-profit organisation formed in the 1970s to support minority business development, recruited several CEOs from similar organisations in 2016 to work on transforming the ecosystem of support for minority-owned businesses and entrepreneurs of colour. The CEOs agreed to form Catalyst, a

[1] The Gentofte data draw on a case study that is reported in an evaluation report (Sørensen and Torfing, 2016) and journal article (Sørensen and Torfing, 2019). Both are listed in the references.

[2] The data for the Minnesota case come from Bryson, Crosby and Seo (2020a, 2020b). Both are listed in the references.

collaboration to analyse the inadequacies of the current system, expand their capacities, increase access to capital, provide technical support, and maximise their ability to serve a broad range of entrepreneurs from a variety of minority groups in various stages of the business cycle. The over-arching public value they sought to create was sustainable wealth and wellbeing for communities that had traditionally been barred from the tools of wealth creation in the US.

All of these organisations were helping to link minority entrepreneurs to sources of financing established by previous state and federal legislation. For example, the Minnesota Department of Employment and Economic Development administered the Emerging Entrepreneur Loan Program, which aimed to support minority entrepreneurs and others. Various governments offered set-aside programmes for minority contractors. Major banks were committed to underwriting minority businesses as part of their responsibility under the U.S. Community Reinvestment Act. Some foundations also directed grants to support minority business development. Catalyst member organisations played a role in creating a better overall system of minority business support by helping minority entrepreneurs navigate the complexities of the system and access loans and receive business consulting services, while also advocating for improvements to and the expansion of the system. Since its founding, Catalyst members have collaborated to help policymakers and other funders see the advantages of building a stronger infrastructure that serves minority businesses at different stages of development. More recently, they have played a strong leadership role in working with government, corporations and philanthropists to develop new funding sources and tools to help minority business owners rebuild after the destruction following the peaceful protests in the wake of the murder of George Floyd, an African American man, by a Minneapolis police officer on 25 May 2020.

Authorising environment

Table 1 also specifies how the leadership of co-created public value is authorised. Moore (1995) has noted that in a multi-actor governance context, the authorising environment includes a broad range of public and private stakeholders, and this point is further emphasised in later elaborations of the public value triangle (Bryson et al, 2006; Benington and Moore, 2011; Bryson et al, 2017). The other leadership theories listed in Table 1 further emphasise how authorisation requires not only top-down support from politicians and higher-ranking public managers but also bottom-up, outside-

in, inside-out and inside-in authorisation: Bottom-up authorisation stems from relevant and affected actors and the general public; outside-in refers to support from powerful public and private stakeholders who are separate from a focal organisation; inside-out is when external actors are authorised by a focal organisation to undertake specific actions; and inside-in refers to authorisation (support) from the staff within a leader's formal leadership domain. In other words, securing the authorisation required to legitimise what comes out of the co-creation processes calls for a multi-facetted, proactive effort to obtain formal and/or informal authorisation of the goal, form, content and outcome of co-creation processes from many actors in many sites.

The Gentofte Mayor has worked hard to obtain majority support in the Municipal Council for the reform of the committee system. One way of doing so has been to distribute the authority to head the different committees among them. He has also invested considerable energy in securing broad media coverage of the co-creation processes to promote public support, and he has recruited different business actors and community leaders with high credibility for the committees to help secure the support for their innovative policies. Next, he has involved as many citizens as possible in the policymaking processes to turn them into policy ambassadors. Gentofte has involved more than 500 citizens in different committees over a 5-year period, and a similar number have participated in related events. The Municipal Manager, meanwhile has invested extensively in explaining the idea of co-created policymaking to the public administrators and public professionals in the Town Hall to get them to accept that they no longer are solely responsible for developing new policy proposals. The Municipal Manager has also played a key role in communicating and selling the reform as a successful innovation in municipal democracy to other municipalities as well as to national public authorities.

When he was hired in 2014, the Meda CEO was authorised by the Meda board of directors to "take the organisation to the next level." The board, consisting of business, non-profit and civic leaders, wanted to increase the efficacy of the organisation with respect to supporting minority businesses, thereby reducing racial income and wealth inequality. They gave the new CEO considerable leeway in determining how to "reach the next level." The CEO spread the word among those in his extensive local and national networks that Meda was committed to a transformative step. He gained authorisation from corporate supporters via pro-bono and discounted consulting as well as funding for new office space. He met with the CEOs of other organisations providing support for minority

entrepreneurs, the majority of whom joined him in authorising the start of the group that became Catalyst. The Catalyst CEOs have worked to legitimise Catalyst and its approach to ecosystem transformation with local, state and national legislative bodies and funders. The CEOs have also authorised working committees and other initiatives aimed at shaping and expanding the programmes offered through banks, government agencies and foundations. The CEOs have often had to convince their personnel regarding the importance of undertaking collaborative work with competitor organisations. The Meda CEO who initiated Catalyst moved on to another position in Washington DC, in June 2019. The Meda board subsequently hired the new CEO, who has maintained Meda's commitment to the collaboration.

Organisational capabilities

The theories in Table 1 suggest that organisational capability is both something to which public leaders have access and something they mobilise and shape. Hence, public leadership involves a constant effort on the part of public leaders to make effective use of the capabilities available in their organisations, and it also entails efforts to mobilise external resources such as funding, (wo)man-power and know-how that will boost their ability to meet their goals (Ansell and Gash, 2008, 2017; O'Leary and Bingham, 2009; Sørensen, 2020). Different organisations, sectors and levels of governance rarely have the capacity to do what they aim to do on their own. Getting others to contribute makes it possible to do more, and leadership of co-creation is a way to make that happen, although it also implies helping others to achieve their goals.

In Gentofte, a leadership team consisting of two politicians and a public manager organised the work in the new policy committees to secure as much input from participating local citizens and stakeholders as possible in the policy development phase, as well as to mobilise their commitment to help implement them. In 2016, for example, one policy committee was tasked with developing a strategy to find jobs for 100 new refugees. Among the committee members were the manager of the local IKEA and the director of the municipal language school. After the second committee meeting, long before any policy strategy was developed, the committee members agreed to IKEA immediately hiring 25 refugees and the language school giving them job-relevant, on-site language training. When the Municipal Council passed a youth policy developed by another committee, some of the youth insisted on taking part in implementing the policy, and two of them were recruited to communicate the policy as widely as possible to other young people.

In the case of Catalyst, the CEOs were motivated to form the collaboration, in part, to exploit the different cultural competencies contributed by particular organisations. For example, two of the organisations worked primarily with US-born African Americans, two worked mostly with immigrants from Africa, one served Latino entrepreneurs, and another worked mainly with Asian Americans. At the same time, some of the organisations were so small that they had difficulty providing needed support for Catalyst work, and even a large organisation like Meda did not have some of the technical expertise that the group needed to develop a unified on-line intake system for minority entrepreneurs. The Meda CEO decided that Meda would provide staff support to help Catalyst with organisational tasks, and the Catalyst CEOs agreed that their fundraising would aim specifically at boosting the capabilities of all members as well as the collaboration as a whole**.** The group's prior relationship-building, strengthening of its shared leadership structure, and advocacy work, along with greatly increased funding and technical assistant, enhanced their joint capability to respond to the unprecedented challenges presented by the 2020 coronavirus pandemic and the civil unrest following the George Floyd murder.

Public value outcomes

What counts as public value is defined and redefined through multi-actor negotiations and elaborations. It is defined through an often messy integration and alignment of what citizens expect will make things better for themselves and their loved ones; what public authorities, stakeholders and the public consider the common good for society; what scientists and other experts and professionals consider the right thing to do; and what community leaders, NGOs and businesses believe will give them prosperity and a bright future (Kane et al, 2009). Moreover, public value is not only measured in terms of a given product but also in terms of how these products are processed and organised (Torfing, 2016; Bason, 2018). Finally, the theories listed in Table 1 suggest that public value is not only a matter of solving known problems but also an entrepreneurial exploration and exploitation of potentiality and the unknown (Sarasvathy, 2008; Koch and Mauer, 2015).

Let us return to the Gentofte policy committees, several of which ultimately redefined public value. The mission statement was relatively broad. It obliged the committee to come up with ways to make Gentofte a good place to live for young people. The politicians and managers initially assumed that young people in Gentofte, who generally come from relatively affluent families, wanted more leisure facilities and events, but a facilitation of a very open-ended and creative discussion at the

first meeting revealed that the main challenge for youth was high expectations from their parents, which created considerable stress and feelings of inadequacy. This collective recognition resulted in the development of a youth policy aimed at relieving this particular challenge. Another committee looked for ways to reduce traffic accidents in roundabouts. Normally, the politicians and managers would have proposed expensive changes in the physical infrastructure, but deliberate effort on the part of the head of the committee to keep the problem definition open for discussion resulted in a new perspective; hence, the committee later agreed that the real problem was behavioural, and they developed a policy proposal emphasising the need to change the mindsets of drivers, cyclists and pedestrians.

In the Minnesota case, the Catalyst CEOs and their personnel have helped funders and policymakers understand how they can better support the public value of enhancing economic opportunity, security and justice for traditionally disadvantaged citizen groups. For example, Catalyst members drew on their specialised knowledge of the difficulties facing aspiring and seasoned minority entrepreneurs trying to build or rebuild their businesses during the COVID-19 pandemic and following civil unrest in the summer of 2020. Catalyst has also been engaged by a collaboration of foundations committed to creating a large pool of loan and grant funding to support minority-owned businesses.

Co-creation

Although most of the theories listed in Table 1 use 'collaboration' rather than co-creation to refer to joint action among actors with different competences, capacities, experiences, ideas and insights, the two concepts are clearly related, and collaboration is indeed a key ingredient in co-creation. Seen from a co-creation perspective, collaboration is not only a matter of getting organisations from different sectors to work together, but also to employ all of the relevant and affected actors, including individual actors and affected citizens, in producing and innovating something that aligns with what public leaders as well as the involved actors aim to achieve (Ansell and Torfing, 2021). Moore (1995) started out by emphasising the need for overlap and communication between the actors involved in different phases of the value chain. Other theories emphasise self-governing networks, cross-cutting collaborative platforms, entrepreneurial partnerships and deliberations in other kinds of collaborative settings where diverse but interdependent actors tackle complex problems and develop and implement innovative strategies for promoting public value (Crosby and

Bryson, 2005, 2010; Meuleman, 2008; Morse, 2010; Torfing et al, 2012; Sarasvathy, 2008; Koch and Mauer, 2015; Ongaro, 2017; Bason, 2018). While some theories view such places and spaces for co-creation as a product of leadership, others tend to refer to them as emergent.

The Gentofte policy committees are clearly a product of leadership performed by elected public officials and supported by municipal public managers. However, these committees have extensive autonomy to form collaborative spaces such as work groups, innovation camps and deliberative events that bring together actors with new ideas or specific practical and scientific expertise and experience. Moreover, the municipality supports a wide range of activities initiated and organised by civil society actors and businesses if they fit their overall policy aspirations. In an effort to provide better conditions for self-initiated co-creation in the community, a policy committee was assigned to propose a design for a new community centre that was to become a platform for network formation among self-regulating actors who are engaged in public value projects.

In Minnesota, the proliferation of government mandates and funding programmes aimed at expanding minority businesses and assisting minority entrepreneurs presented numerous barriers to minority entrepreneurs hoping to obtain needed capital and information as well as access to markets for their products and services. Catalyst and its member organisations have stepped in as intermediaries with the cultural competencies, lending capacity, technical assistance and advocacy necessary to accommodate the needs of the government and minority businesses and which allow the co-creation of public value.

A PVGT approach to the leadership of public value co-creation

Considering the insights drawn from the different leadership theories, it is now possible to come closer to specifying what public leadership of co-creation entails from a PVGT perspective. Figure 1 aims to capture the general features of leadership for public value co-creation.

FIGURE 1 AROUND HERE

Figure 1 highlights the following five constitutive features of PVGT leadership:

1. Although leadership is indeed conditioned by the triangle, it also plays an active role in fitting the triangle to different contexts. Hence, what counts as the authorising environment

and available organisational capability in a particular context is shaped through leadership. Although elected politicians are formally the authorising environment in representative government, and the board of directors plays this role in non-profit organisations and businesses, the complexities of concrete authorisation processes allow plenty of space for shared authority; for example, public managers have numerous opportunities to seek assistance from external actors in implementation processes and day-to-day operations. Obviously, however, devolution and reliance on informal authority can go too far if they erode the accountability for achieving public values (Ayres, 2017).

2. The leadership of public value co-creation does not typically entail the pursuit of a given perception of public value. What counts as public value evolves through complex multi-actor interactions, and although leaders do need their own public value compass, they must make a strategic effort to test, connect, align and integrate their initial perception of public value with other notions of what is valuable for society and its inhabitants (Bryson et al, 2015).

3. Co-creation is a powerful leadership tool for shaping the authorising environment, for building organisational capabilities, and for aligning and shaping perceptions of public value. Via the strategic staging of co-created authorisation, leaders may obtain input-legitimacy from decision-makers such as the electorate, politicians and key stakeholders; throughput legitimacy from those who are involved in governance processes, such as public administrators and private and non-profit service providers; and output legitimacy from those affected by governance outcomes, citizens, businesses and local communities. Naturally, prioritising different sources of legitimacy is sometimes difficult (Ansell and Torfing, 2017).

4. The interaction between authorisation, organisational capabilities and public value outcomes can trigger virtuous and vicious circles; hence the two-way arrows. A virtuous circle results when co-created authorisation encourages the co-creation of organisational capabilities that produce co-created outcomes, which in turn (via feedback loops) further encourage joint action in the pursuit of negotiated perceptions of public value. A vicious circle occurs when affected stakeholders are excluded from the co-creation process, thus undermining (via feedback loops) authorisation, available capabilities and public value outcomes. While

virtuous circles build trust and agreement, vicious circles tend to produce distrust and conflict. The need for authorisation and organisational support from strong actors may incentivise leaders to attend more to involving elites in co-creation. Excluding relevant and affected actors is risky, however, because it may trigger criticism and resistance that can be difficult to tame (Sørensen, 2020).

5. Leading public value co-creation often involves building leadership capacity through the shaping of distributed leadership structures or forming leadership alliances with actors from different branches, organisations, sectors and levels of governance. Public leaders may have strong incentives to join forces with leaders with authority and resources, but narrow leadership alliances may ultimately limit the leadership capacity needed to promote public value co-creation (Day et al, 2006; Kane et al, 2009, Bolden, 2011).

Building on these five points, we tentatively define leadership from a PVGT perspective as *a strategic effort to build leadership capacity and invest in the promotion of virtuous circles among authorisation, capacity-building and public value outcomes through the extensive use of co-creation.* As argued above, this form of leadership has considerable potential for successfully addressing major challenges in a public value-creating way, but it also involves dilemmas and challenges.

Barriers and drivers

While the leadership theories and cases we have cited move towards public leadership that supports the co-creation of public value in representative democracies, we recognise that the wider adoption of this view faces some barriers. Let us first consider two barriers for politicians and public administrators in terms of traditional role perceptions and the operational logics and institutional incentives.

How actors understand their respective roles in specific settings is decisive for how they choose to act (Biddle, 2013). Role perceptions add meaning to what politicians and public administrators do, and they serve as guidelines for what they and others perceive as appropriate action. As such, they stabilise social and political life and, consequently, can also hamper change. The traditional role of politicians is to represent the electorate and to compete with political adversaries to obtain powerful positions and political influence. Their job is to position themselves as sovereign decision-makers

who rule on behalf of the citizens with reference to party politics, and they steer society by means of a bureaucracy (Sørensen, 2020). Public administrators are traditionally viewed as implementers and regulators who direct and monitor public bureaucracies, but they are also professionals typically committed to good government norms and standards acquired through education. Research shows that although these role perceptions are both more multi-facetted and overlapping and that they assume new forms when government paradigms and conditions change, they still serve as a point of reference for the actors involved as well as for the public (see Svara, 2001; Peters, 2002; Sørensen, 2006; Clarke et al, 2018). A turn towards a public value-infused leadership style breaks with these deeply engrained role perceptions – a change unlikely to occur overnight.

Another barrier relates to the operational logics and institutional incentives driving politics and administration in traditional models of representative democracy. In politics, the emphasis is on gaining and maintaining power rather than sharing it within the individual parties or between parties. Politics is a matter for politicians; it occurs in and between parties, and the goal is to win seats in elected bodies (Woldendorp et al, 2013). In public administration, the operational logic is the vertical and horizontal division of tasks and responsibilities and specialisation of expertise, and NPM has further enhanced this logic (Meyer, 1968; Pollitt and Bouckaert, 2017). The focus is on solving assigned tasks according to professional norms and standards rather than engaging with external actors in a shared endeavour to produce public value outcomes. While the principles of party competition and the administrative division of labour are productive because they accommodate democratic, legal and administrative control, accountability and transparency (Papadopulous, 2007), they neither stimulate the co-creation of authorisation, joint problem-solving and power-sharing, or negotiations of public value perceptions, nor do they accommodate the involvement of society in governing society in any other form than through contracting out.

Conversely, certain aspects of representative democracy encourage politicians and public administrators to be leaders for co-created public value. The first driver is the high level of interdependency in a shared-power world, which implies that individual politicians and public administrators accomplish little if they do not join forces with others, as illustrated by the important role of political coalitions, corporatism and governance networks in democratic governance (Torfing et al, 2012; Christiansen and Seeberg, 2016). In the US, for example, national, state and local governments have attempted to boost purchasing from minority businesses, but endeavours like Catalyst are required to help minority entrepreneurs exploit such government initiatives.

Secondly, although countries vary, public authorities are exposed to massive pressure from an increasingly critical, anti-authoritarian and competent public, together with the ongoing decline in trust in government (Dalton and Welzel, 2014; Pew Research Centre, 2017). Thus, they may be motivated to engage in dialogue aimed at improving relationships with citizens, as seen in the Gentofte case, although many examples of governments moving in a different direction also exist (Evans et al, 2019). A third driver of a turn to leadership focused on co-created public value is the growing industry of performance measurement, which commits governments to delivering results in terms of public value outcomes; and to do so, they must collaborate with others (Power, 1997).

Conclusions

We have argued that the traditional view of leadership in representative democracies and the more recent move to NPM are inadequate approaches when addressing the major challenges facing society that require contributions from multiple organisations and sectors as well as from the affected citizens and stakeholders, not only when it comes to getting things done but also for securing a better understanding and broader negotiated agreement about what is valuable for society and its members. The more recent move to NPG as a multi-actor, multi-sector approach to addressing these challenges is meritorious – but mostly silent on what the leadership of co-created public value looks like. While awareness of the importance of co-creation as an approach to public problem-solving, service delivery and governance has increased, it has not been clearly linked to leadership theory and practice.

Moore's management-focused strategic triangle – that which Michael Barzelay (2020, 63–67) terms a "purposive theory" – is an important starting point. Bryson et al (2017) have expanded the triangle to incorporate multiple actors and sectors and placed practices – including leadership – in the centre. What they have not done is to specify the key features of leadership practices necessary for the creation of public value.

Based on a review of relevant leadership theories, we argue that public leadership aimed at promoting public value in the face of mounting governance problems involves strategic efforts to engage, inspire and mobilise actors with relevant governance assets – including legitimacy, authority and capabilities – in promoting and co-creating outcomes that public and private actors together with the affected actors broadly perceive to be valuable.

Our view comes with some important qualifications. First, the usefulness of a PVGT approach to leadership that emphasises co-creation depends on the kind of problem, challenge or issue being addressed. If your house is burning down, you simply want the fire brigade to show up and extinguish it. But if the problem is homelessness, climate change or a pandemic, multiple actors from multiple sectors must get involved, and desirable outcomes are likely to be co-created. Second, traditional conceptions and operations of representative democracy, along with traditional (and often legally enforced) rules governing civil servants, must be adjusted if leadership of co-created public value is going to work. While such changes do not come easily, practice is ahead of theory and tradition in many parts of the world. This article is an attempt at helping theory to catch up with and help guide practice.

We end where we started: with a call for efforts to specify how public leaders can use co-creation as a tool for achieving their policy goals, and what that involves in terms of justifying and adapting these goals to what others perceive to be valuable for society. This is actually an old call. James MacGregor Burns' (1978) seminal book, *Leadership*, described leadership in terms of the co-creation of public value between leaders and followers. It is time to return to that tradition. The payoff can be a system of governance that is more effective and legitimate when it comes to promoting public value.

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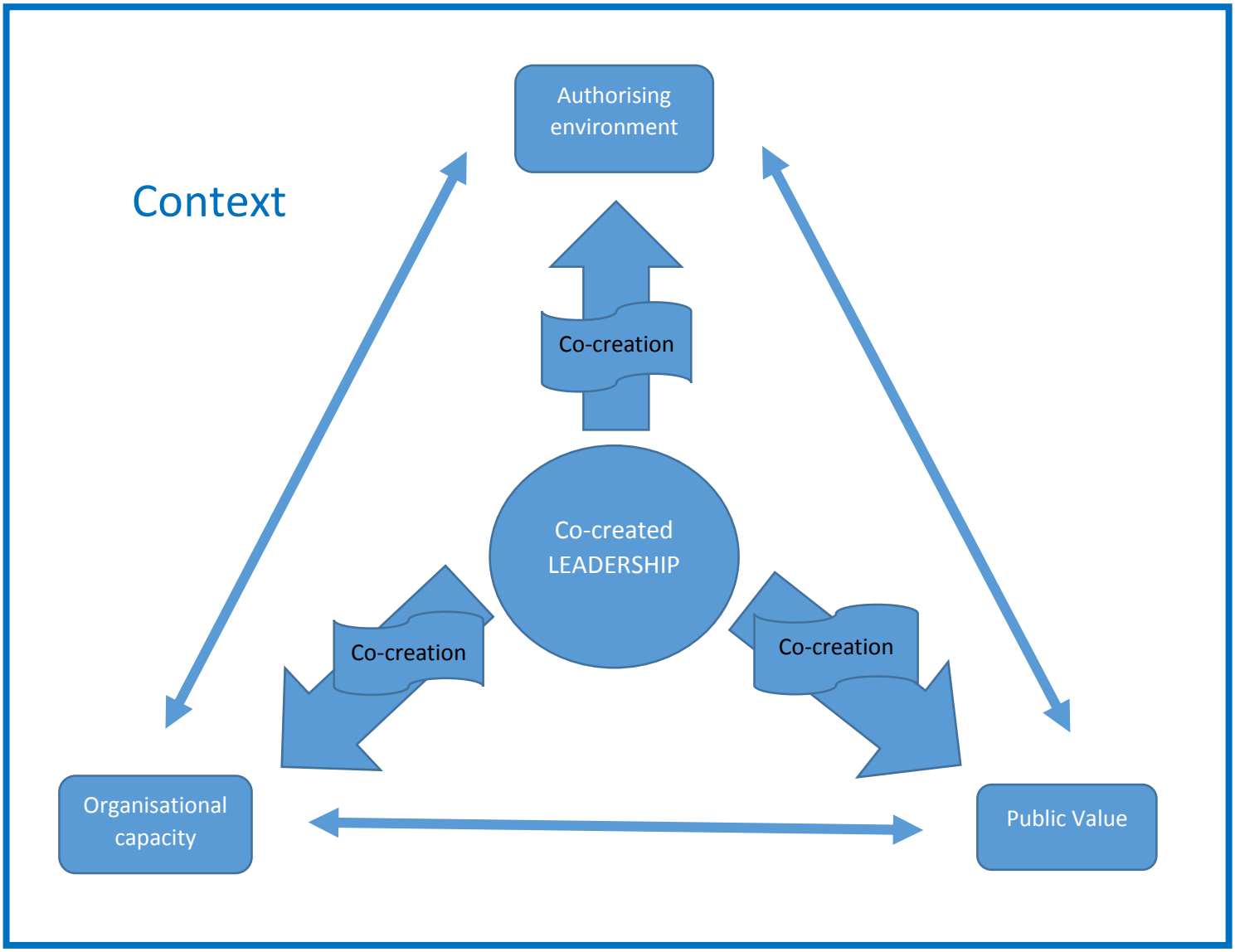
Figure

FIGURE 1: A PVGT approach to the leadership of public value co-creation



Table

Table 1: ***Theoretical building blocks for a concept of public leadership and management of co-created public value***

Leadership theory	***Guidance for leadership practice***	***Sources of authorisation for action***	***Sources of organisational and collaborative capability***	***Definition of public value outcome***	***Implications for co-creation***
Public value management (Moore, 1995; Moore & Benington, 2011)	Commits public sector actors, esp. managers, to make society better	Politicians and key stakeholders	Own organisation	Outcomes that are valuable for the public	Found in links and overlaps between different phases in the value chain
Metagovernance (Meuleman, 2008; Torfing et al., 2012)	Frame, facilitate and guide self-governance through hands-off and hands-on governance of self-governance	Public and private actors with legitimacy to govern others	Relevant and affected actors	Outcomes that both public authorities and the participating stakeholders perceive as valuable	Developed in networks of interdependent actors
Interactive political leadership (Sørensen, 2020)	Make robust political decisions based on inputs from citizens	Voters and the public at large	The public sector and the public	What political leaders, public and private stakeholders negotiate as valuable for society	Create interactive platforms and arenas for policymaking between politicians, stakeholders and citizens
Public innovation leadership (Torfing, 2016; Bason, 2018)	Encourage actors to engage in creative destruction of existing products, processes, and organisations and the development of new and better ones	Those who accept the risk and pay the price in case of failure	Actors with relevant innovation assets	Products, processes and organisational forms that meet unfulfilled needs	Developed in constellations of actors with complementary insights, views and experiences

Entrepreneurial leadership (Savasvathy, 2008; Koch & Mauer, 2015)	Commit the staff to look for and exploit new options and opportunities with others	Entrepreneurs willing to invest in collaborative exploration/ experimentation	Creative staff with external relationships	Use emerging options and opportunities to produce things of value for some group	Developed in partnerships with other organisations
Distributed leadership (Day et al., 2006, Bolden 2011)	Distribute leadership tasks within an organisation	The leadership collective	The different operational units within an organisation	What the members of the organisation perceive as purposeful	Made possible via an integrated leadership structure
Collaborative public management (Ansell & Gash, 2008, 2017; Leary & Bingham, 2009)	Initiate, structure and facilitate inter-organisational problem-solving	Formal leaders of involved organisations	Participating organisations	Effective solutions to wicked societal problems	Embedded in relatively stable collaborations between organisations with shared problems
Integrative public leadership (Crosby & Bryson, 2010, 2011; Morse, 2010)	Promote collaboration across sectors, regions and cultures	Involved actors and the public	Participating actors and their resources	A negotiated perception of what counts as public value	Enabled by having deliberative and inclusive forums, arenas and courts
Leadership for the common good (Crosby & Bryson, 2005; Ongaro, 2017)	Engage, inspire and mobilise others to undertake collective action in pursuit of the common good	Involved and affected actors	Mobilised individual and collective actors	What people believe will create a better world for themselves and those for whom they care	Enabled via collaborative initiatives and projects with a specific objective
Dispersed democratic leadership (Kane et al., 2009).	Defend, create and extend a leadership domain in competition with leaders of other domains	Recognition and acceptance of own leadership domain by leaders of other domains	Own domain and capacities retrieved through the formation of alliances	Negotiated between leaders with different domains	Enabled through productive leadership alliances

Boundary spanning leadership and management (Ernst & Chrobot-Mason, 2011; Meerkerk & Edelenbos, 2018)	Connect a home organisation with its external environment of individuals, groups and organisations	The involved stakeholders	Own organisation and the involved stakeholders	What the home organisation and those in its environment perceive to be purposeful	Embedded in processes that promote mutual understanding and the formulation of and commitment to pursue shared goals