How can network leaders promote public value through soft metagovernance?

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1 | INTRODUCTION

The concept of public value has gained momentum in scholarly and managerial debates (Alford et al. 2017). It describes the value that an organization or network contributes to society. The term was originally coined by Mark Moore (1995) who saw it as providing public managers with a notion of how entrepreneurial activity can contribute to the common good. Nowadays, the concept of public value is no longer limited to the public sector or the lone manager. Instead, it is used by all types of leaders, organizations and networks, including non-governmental organizations and private sector firms. Crosby et al. (2017, p. 659), for example, draw attention to creating public value through networking and collaboration as opposed to a focus solely on formal political and bureaucratic channels. They assert that public value should be pursued 'not through the heroic efforts of strategic public managers, but through dispersed efforts and distributed leadership in which much of the enabling work can be performed by agents without formal authority in the government system'.

The aim of this article is to explore the opportunities and challenges of employing 'soft' metagovernance to promote public value in governance networks. Soft metagovernance can be defined as a form of relational leadership that is exercised through face-to-face contact. This involves making an emotional connection with people to exert influence through a collaborative endeavour, rather than employing bureaucratic authority. Drawing on a case study of a local social enterprise—The Bristol Pound—in the UK, this article examines how soft metagovernance can be used by non-state actors as a form of leadership to create public value. Evidence reveals that relational forms of leadership are a powerful asset in helping leaders of networks to create public value. Moreover, if network leaders understand how soft metagovernance functions they can use it more purposefully to maximize public value creation and mitigate the risks of public value destruction in governance networks.
In this view, state and non-state actors work together to solve complex ‘wicked issues’. Bryson et al. (2017, p. 641) also suggest that ‘policy makers and managers in the public, private, voluntary and informal community sectors have to somehow separately and jointly create public value’. However, this task is not easy. Interactive and collaborative forms of governance do not arise spontaneously. Achieving desired policy outcomes is often difficult because:

... the new world is a polycentric, multi-nodal, multi-sector, multi-level, multi-actor, multi-logic, multi-media, multi-practice place characterized by complexity, dynamism, uncertainty and ambiguity in which a wide range of actors are engaged in public value creation and do so in shifting configurations. (Bryson et al. 2017, p. 641)

Hence, in order to achieve preferred outcomes, a network needs to be properly governed. This poses a set of challenges for public leaders as networks are generally considered to be relatively self-governing in terms of setting agendas and agreeing procedures for interaction. The challenge for leaders, therefore, is to govern multi-actor settings without reverting too much to traditional hierarchical forms of governance based on command and control (Beer et al. 2018). This dilemma is captured in the notion of ‘metagovernance’. Metagovernance is defined ‘as the “governance of governance” and involves deliberate attempts to facilitate, manage and direct interactive governance arenas without undermining the capacity for self-regulation too much’ (Torfing 2016, p. 525).

Metagovernance can be viewed as a form of leadership in the pursuit and promotion of public value in complex networks. It goes beyond simple managerial interventions about the most effective way to lead networks. Metagovernance includes the institutional and political framing of governance networks through attempts to shape the structural environment for doing business (Sørensen and Torfing 2017). The formal authority and democratic legitimacy of elected politicians and public managers make them particularly well suited to exercise metagovernance. Nonetheless, metagovernance can also be exercised by resourceful actors from the private sector or civil society. Metagovernors provide leadership in a network and can employ a range of tools for governing. Sørensen and Torfing (2009) suggest that ‘hands off’ metagovernance can be exercised at a distance from the network and can include administrative or bureaucratic tools such as new legislation or budgeting processes. By contrast, ‘hands on’ metagovernance brings the metagovernor into closer contact with network participants and can include strategies to resolve conflicts, build trust or generate understanding.

‘Hands on’ metagovernance epitomizes a more relational approach to leadership (Orr and Bennett 2016) where social relationships and webs of influence can play crucial roles (Ayres 2017). It might, for example, include the use of ‘soft power’ (Newman 2012) and persuasion to exert influence. These inter-personal and relational aspects of metagovernance can be referred to as ‘soft metagovernance’. Soft metagovernance involves utilizing social contacts and relationships to pursue network objectives and can be particularly important to metagovernors who may not be resource-rich or do not command formal authority. The importance of ‘soft’ or more informal ways of working is recognized in the metagovernance and public value literature (Healey 2018). Yet, it has tended to remain at the margins of this analysis (Helmke and Levitsky 2013). Such a narrow focus can, however, be problematic for it risks missing much of what drives leadership and policy-making in governance networks. This article seeks to address this gap in the literature and is guided by a central question: How can network leaders promote public value through soft metagovernance?

More specifically, the aim of this article is to explore the opportunities and challenges of employing soft metagovernance to promote public value in governance networks. Drawing on work funded by the Economic and Social Research Council, it explores how leaders of a local social enterprise in the UK have sought to promote public value through its use of soft metagovernance. It does so through an in-depth qualitative analysis of a local currency agency—the Bristol Pound (Bristol£). The Bristol£ is a not-for-profit partnership between the Bristol Community Interest Company and Bristol Credit Union. It is the UK’s first city-wide local currency. The rationale behind a local currency is that it encourages individuals and businesses to spend more money locally. This local circulation of money is intended to create a stronger community and a greener economy. Bristol£ (2018a, p. 1) seeks to ‘build community connections and work for people not banks to create a fairer, stronger [and] happier local economy’. Its work is,
therefore, underpinned by strong public values around citizenship, local empowerment, environmentalism, and sustainability. It aims to promote these values in the political narratives shaping the city of Bristol and beyond.

Other localities in the UK have launched local currencies, including Liverpool, Hull, Totnes and Brixton in London. However, the Bristol £ is widely acknowledged as the most successful in terms of its scale and profile (Christie 2018). Bristol £ is the largest alternative to Sterling in the UK. Over £5m in local currency has been spent over the last five years and Bristol £ benefits from a high international profile in alternative and green economy networks. As a model of best practice it makes it a highly suitable case study to explore how network leaders have sought to utilize soft metagovernance to promote public value. Moreover, its activities epitomize the role played by non-state actors in creating public value in complex and contested networks (Crosby et al. 2017).

This article is structured as follows. The following section outlines the theoretical framework, including how the concepts of metagovernance as a form leadership and public value have been conceptualized. The next section details the research methodology. This is followed by the presentation of research findings that explore the opportunities and challenges of employing soft metagovernance to manage the three aspects of Moore’s (1995) ‘strategic triangle’ for public value management—namely, developing a public value proposition, the authorizing environment and operating capacity. The article concludes by reflecting on how a better understanding of the way that soft metagovernance functions can help network leaders to align the three aspects of the strategic triangle more effectively to promote public value. This article makes a significant and original contribution to the metagovernance and public value literatures by providing an empirical and qualitative understanding of how relational public leadership can shape the creation (and destruction) of public value in governance networks.

2 | THEORETICAL FRAMEWORK

This section brings together two strands of literature pertinent to this article, namely (i) metagoverning as a form of public leadership and (ii) public value.

2.1 | Metagovernance as public leadership

Governance networks have proliferated over recent years to form a familiar framework for contemporary policy-making. While traditional top-down forms of bureaucratic control remain a feature of political decision-making, public governance is increasingly enacted by actors brought together as a consequence of resource interdependency, trust and shared rules. These multi-actor arrangements are seen to be more effective than hierarchy or markets in tackling complex societal problems—so-called wicked issues (Klijn and Koppenjan 2016). Public value is about creating outputs and outcomes in the interest of the common good, including the clients, citizens and stakeholders which the policy affects. Doing this requires that the voices and expectations of affected groups feed into policy deliberations in a meaningful way (Sørensen and Torfing 2018). Sørensen and Torfing (2009, p. 236) make explicit reference to the production of public value when they define governance networks as:

A stable articulation of mutually dependent, but operationally autonomous actors from state, market and civil society, who interact through conflict-ridden negotiations that take place within an institutionalized framework of rules, norms, shared knowledge and social imaginaries; facilitate self-regulated policy making in the shadow of hierarchy; and contribute to the production of ‘public value’ in a broad sense of problem definitions, visions, ideas, plans and concrete regulations that are deemed relevant to broad sections of the population.

This definition also draws attention to the political context within which deliberations take place. Metagoverning as a form of leadership is not just about the rational and objective exchange of ideas and consensus-seeking among actors. It
TABLE 1 The tools of metagovernance

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<thead>
<tr>
<th>Metagovernance tools</th>
<th>Description</th>
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<tbody>
<tr>
<td>Institutional design</td>
<td>The institutional design of rules, norms and procedures to determine the scope, character and composition of governance networks as well as the time horizon for accomplishing the mission and tasks.</td>
</tr>
<tr>
<td>Goal and framework steering</td>
<td>Giving direction to the interactive governance processes and facilitating systematic auditing by allocating resources, defining the overall objectives, specifying the legal parameters and constructing the discursive storyline that frames the problem and possible solutions.</td>
</tr>
<tr>
<td>Process management</td>
<td>Facilitating collaboration and ensuring progress toward goal achievement by means of strengthening the relations of mutual dependence, resolving internal and external conflicts, building trust, selectively empowering particular actors and lowering transaction costs.</td>
</tr>
<tr>
<td>Direct participation</td>
<td>Seeking to influence the agenda, the decision-making premises and negotiated solutions through leadership, argumentation and coalition-building.</td>
</tr>
</tbody>
</table>

Source: Author’s own derived from Torfing (2016).

is often a political space where political battles are won and lost (Cairney 2018). Hartley et al. (2013, p. 24) argue that political astuteness is an increasingly valuable element in leadership roles across all sectors and can be defined as,

... deploying political skills in situations involving diverse and sometimes competing interests and stakeholders, in order to achieve sufficient alignment of interests and/or consent in order to achieve outcomes.

Metagovernance is thus a reflexive and responsive process that can serve many different purposes and may have different goals. Some goals may be conflicting and can give rise to trade-offs, for example, the need to make a quick decision while also consulting stakeholders. Metagovernors must be competent leaders if they are to balance these collective action dilemmas and trade-offs. Table 1 identifies a number of tools that might be employed to metagovern networks. These tools fall into four categories: (i) institutional design, (ii) goal and framework steering, (iii) process management and (iv) direct participation.

The first and second of the categories are examples of ‘hands off’ metagovernance that can be exercised at a distance. The third and fourth categories of tools are examples of ‘hands on’ metagovernance that require the metagovernor to interact more directly with other actors in the network. Metagovernors from the third sector or civil society face a particular set of challenges in that they do not share the ‘special resources’ (Sørensen and Torfing 2009, p. 246) of elected politicians or public officials. Unlike public officials they do not have the ability to draw on arm’s-length, hierarchical control to shape the institutional design and goal steering in the network. Instead, they are often more reliant on ‘hands on’ metagovernance that seeks to facilitate process management and direct participation in a network.

Orr and Bennett (2016) explore this collective dimension to leadership by looking at the role of storytelling and narratives as important tools in relational leadership. They argue that leadership influence and control can be exercised effectively through expressive narratives and storytelling. This involves making an emotional connection with people to exert influence through a collaborative endeavour, rather than employing bureaucratic authority. However, this more informal approach to metagovernance can have both positive and negative effects on a network. On a positive note, it can help to promote dialogue and cooperation between diverse actors and ensure that the views of affected parties are included in deliberations (Ayres et al. 2018; Crow and Jones 2018). By contrast, it can also weaken transparency, accountability and legitimacy by undermining traditional (more formal) administrative structures. A lack of transparency and openness can result in mistrust, marginalization and ‘fuzzy accountability’ (Flinders et al. 2015). A degree of political astuteness is required to manage the delicate ‘tipping point’ (Ayres et al. 2017) between the flexibility afforded by soft metagovernance and the need to protect democratic legitimacy (Sørensen and Torfing 2018).
2.2 | Conceptualizing public value

In their appraisal of the public value literature, Williams and Shearer (2011, p. 1374) refer to public value as a ‘slippery’ concept and a term with multiple meanings. Most work on public value has focused on public value creation within the formal government machinery—public institutions, managers and services. However, some have argued that a theory of public value should not be restricted to public administration. Stoker (2006), for example, suggests that public value can be promoted via networked governance. Likewise, Meynhardt (2009, p. 193) contends that: ‘If one puts into the centre the values actually held in society, the public sector plays a specific role, but the private or social sector also contributes in one way or another’.

Bryson et al. (2017) assert that Mark Moore’s original conception in his Creating Public Value (1995), which places the role of the public manager at its heart, fails to capture the creation of public value ‘when applied to the new, more complex context’ of multi-agency working (Bryson et al. 2017, p. 641). They call for a more general theory of public value creation that explores the role of different actors, from different sectors. Hartley et al. (2017, p. 671) identify three approaches to conceptualizing public value:

- The notion of public value as a contribution to the public sphere; the notion of public value as the addition of value through actions in an organizational or partnership setting and the heuristic framework of the strategic triangle (the public value proposition, the authorizing environment and operational resources which a public manager has to align to achieve public value). [As proposed by Mark Moore in Creating Public Value, 1995.]

The first approach connects public value with debates and dialogues in a democratic society which create and contribute to the public sphere (Benington 2011). This interpretation champions democratic processes over managerial processes and concerns itself with what values the public view as important and what adds value to the public sphere. Judgements about values in the public sphere are inevitably contested and constantly changing, reflecting the diversity of views and opinions in contemporary society and the democratic process. According to Hartley

![The strategic triangle of public value management](Source: Moore (2013, p. 105).)
et al. (2017, p. 672), the second approach conceptualizes public value as ‘that which is created or added through the activities of public organizations and their managers’. Like the first approach, value is not static but arises through activities which are judged to be valuable or not. The third approach to public value focuses on the ‘strategic triangle’ outlined in Figure 1. This heuristic tool argues that paying attention to the three points of the triangle and their degree of alignment leads to more effective management and the creation of public value.

Of these three conceptualizations, this article adopts the third approach. Although originally conceived as a tool for public managers, this framework has more recently been extended to incorporate inter-organizational and collaboratively created public value (Page et al. 2015). Moreover, the concept of the ‘authorizing environment’ is a useful conceptualization of the space in which Bristol seeks to exert influence. In addition, the concept of ‘operational capacity’ can be employed to analyse how Bristol has sought to develop its own organizational capacity through its reflexive use of soft metagovernance. The following paragraphs provide a brief outline of Moore’s public value management model.

Moore’s (1995) strategic triangle encompasses three factors that need to be understood and aligned with each other in order to achieve public value. The first of the factors concerns the substantive value that the organization wants to produce. Moore argued that public managers (or in the context of governance networks—metagovernors) should actively develop a ‘public value proposition’ that is akin to a form of mission statement. This statement needs to reflect not only business-like metrics but also incorporate the public’s aspirations and concerns about good governance. The second aspect of the strategic triangle suggests that metagovernors need to actively garner authorization for their value propositions. The authorizing environment consists of those people who can say yes or no to the proposition. Metagovernors who want to create public value need to engage with as many actors as possible who can support their public value proposition. The authority and support of actors in the network will ebb and flow and the metagovernor must seek to manage this inevitable volatility by drawing on the various tools of metagovernance (Table 1) and political astuteness (Hartley et al. 2015). Indeed, this is an essential part of creating public value in complex multi-actor networks (Geuijen et al. 2017).

The third corner of the strategic triangle concerns itself with producing the action required. It is through the ‘operating capacity’ that the metagovernor organizes resources to deliver public value propositions. The operating capacity is therefore essential to the actual creation of public value. As Alford et al. (2017, p. 591) note, ‘it is no good articulating a public value proposition and getting support for its execution if the public manager [or metagovernor] cannot muster the organizational capacity required to deliver on it’. So metagovernors need to ‘manage down’ within their own organizations to align resources, people and processes to the task. Many policy interventions rely on a distributed operational capacity so metagovernors also need to ‘manage out’ to consider and align the broader value chain of which their organizations will form only part.

3 | METHODS

Empirical evidence examining soft metagovernance is scant, partly because of the methodological challenges of analysing the ‘informal’ (Van Jitske and Van Buuren 2016). This research has managed to overcome some of the acknowledged complexities by successfully negotiating access to the research field, utilizing established professional contacts to build trust with respondents and working in co-production with a project partner. As a consequence, the research team were able to access data about soft metagovernance not captured in more conventional, formal policy analysis. This study adopts an in-depth qualitative methodology aimed at providing so-called ‘thick descriptions’ of the day-to-day practices guiding soft metagovernance at a local level.

The project began in January 2017 and is funded by the Economic and Social Research Council’s Impact Accelerator Scheme. The project aims to support Bristol in its use of soft metagovernance so it can operate more effectively in its city leadership role. This article draws on the following data sets: first, eight in-depth interviews with staff and directors of Bristol were conducted in February 2017. They examined how staff understood and used relational forms of leadership in their day-to-day operations. Second, a focus group of 12 Bristol staff was conducted in March 2017 to
explore how the organization might pursue and coordinate its soft metagovernance activities. Six of the focus group participants had previously been interviewed. Third, in July 2017, eight face-to-face interviews were conducted with a selection of Bristol’s strategic partners to assess how they viewed Bristol’s use of soft metagovernance.

Fourth, findings emanating from these interviews were examined further at a focus group involving 12 of Bristol’s strategic partners conducted in September 2017. The selection of strategic partners for interview and participation in the focus group was designed to represent city leaders from local government, business and the voluntary and community sectors. Six of the strategic partners interviewed also took part in the focus group. Finally, in May 2018 ten key stakeholders, including actors from outside the city of Bristol, were invited to a focus group session held in London. This included actors from academia, other local currency agencies in the UK and non-governmental organizations interested in inclusive city governance and alternative economies. Researchers presented findings from the project and explored the scope for lesson drawing with stakeholders beyond the case environment. All interviews and focus groups were recorded, professionally transcribed and manually coded to elicit findings.

This methodology has both strengths and acknowledged limitations. Generating insights through storytelling and narratives has allowed respondents to articulate the day-to-day activities of soft metagovernance in their own words (Bevir and Rhodes 2016). This has generated a rich and illuminating dataset for exploration. Judgements have been made about the effectiveness of soft metagovernance strategies and the extent of public value creation based on the perceptions of critical actors in the network. These perceptions have been supplemented by desk-based evidence on public value creation (e.g., number of Bristol’s used since its inception) where possible. This is an acknowledged and much used methodology in network research (Koppenjan and Klijn 2004). The limitations of the study are discussed in the concluding section of this article and offer scope for future research on the topic.

4 | RESEARCH FINDINGS

This findings section explores the opportunities and challenges of employing soft metagovernance across each of the three aspects of Moore’s strategic triangle: (i) the public value proposition, (ii) authorizing environment and (iii) operational capacity.

4.1 | Employing soft metagovernance to develop a public value proposition

Emblematic of the power of relational leadership to shape place (Healey 2018), Bristol started around a table in a pub in 2009 when a small group of people decided to try to do something about the negative impacts of the global financial system on the city of Bristol. Their vision was to establish a movement driven by the community, which would ‘redefine the way the citizens of Bristol live and work with money’ (Bristol £ 2018a, p. 1). This group originally consisted of four local campaigners, including a solicitor, a financial activist, a former priest and a trained ecologist. They ranged in age between 30 and 60 years old and they worked and lived in the Bristol area. This skilled group of metagovernors were educated, one of whom held a PhD in ecology and a number had studied law and economics. They were brought together by their interest in sustainable economic growth and their involvement in local activism. They decided to meet in a café every few weeks to develop the idea of a local currency. The group sought to build on the Transition Town Model, which is about communities ‘reclaiming the economy, sparking entrepreneurship, reimagining work, reskilling themselves and weaving webs of connection and support’ (Transition Network 2018, p. 1). Some members of the group were part of a local branch of the Transition Town Model, ‘Transition Bristol’, which sought to bring people and organizations together to promote a more sustainable way of life.

These founders saw an opportunity to employ soft metagovernance to develop a public value proposition based on their shared values and aspirations. Soft metagovernance was viewed as pivotal in this very early stage as ‘there were no established ways of working and no precedents to inform interaction. It was very organic, fluid and exciting’ (Bristol £...
Bristol’s founders used soft metagovernance to good effect by building on their collective social bonds to create a narrative around progressive and socially responsible economic development, as a social enterprise leader opined:

“The genesis of Bristol was the time when it was least formal ... Informal discussions enabled a vision to be articulated and discussed between interested parties prior to formal implementation. This was a really dynamic and creative time in setting a city narrative for social reform.

This represents a form of ‘process management’ (Torfing 2016) as actors sought to facilitate a collaborative endeavour, select key actors with appropriate resource and build relations of mutual dependence in pursuit of community-centred goals and aspirations. Soft metagovernance was utilized to create an innovative collaborative space (Crosby et al. 2017) through which to explore radical ideas and alternatives, as one of the founders commented,

“I had a conversation with [X] and said we need to do a local currency and it needs to be electronic and printed ... and from there we grew a team of people who worked together for three years and almost never really got paid. None of us had a formal position.

Through this informal ensemble of individuals, the public value proposition of the Bristol£ developed to include economic, environmental, political and social aspects of public life (Benington 2011). First, it seeks to drive additional economic benefit accrued to an area from money being spent in the local economy. Second, by using local supply chains Bristol£s support a low-carbon economy. Third, Bristol£ actively seeks to influence the political discourse of the city for the common good. Finally, it wanted to ‘change the social values and cultural identity of the city in ways that promote a sense of community cohesion, fairness and equality’ (Bristol£ official). In order to create public value in these four areas, Bristol£ needed to develop a proposition that would be appealing to a variety of city and community stakeholders who could be part of a radical economic movement. Table 2 identifies the opportunities of using soft metagovernance to develop a public value proposition and, subsequently, how soft metagovernance activities

<table>
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<tr>
<th>Aspects of the strategic triangle</th>
<th>Opportunities for employing soft metagovernance</th>
<th>Realignment of public value proposition</th>
<th>Realignment of authorizing environment</th>
<th>Realignment of operational capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public value proposition</td>
<td>The face-to-face articulation of shared values and common visions provides the basis for generating a public value proposition.</td>
<td>Inter-personal relationships and social bonds provide an opportunity to informally assess support for the public value proposition among critical partners.</td>
<td>The soft articulation of the public value proposition can be used to source actors with critical resources into the organization and wider network.</td>
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<tr>
<td>Authorizing environment</td>
<td>Soft metagovernance provides a context to explore innovation in a collaborative environment.</td>
<td>Informal feedback can be used to refine the public value proposition before more formal authorization is sought.</td>
<td>Adopting a more purposeful and strategic approach to the use of soft metagovernance can allow network leaders to maximize positive effects.</td>
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<tr>
<td>Operational capacity</td>
<td>Relational leadership and inter-personal relationships play a pivotal role in achieving the public value proposition.</td>
<td>Refine the public value proposition so that it accommodates relationship building as a core strategic aim.</td>
<td>Actively coordinate ‘informal intelligence’ in the authorizing environment.</td>
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might be aligned in the authorizing environment and operational capacity to enhance the potential to promote public value creation.

As a Bristol £ founding member indicated, ‘Bristol £ is a social and environmental initiative masquerading as an economic project’. This comment is indicative of the fact that soft metagovernance had afforded Bristol £ the opportunity to pitch its public value proposition in slightly different ways depending on the audience. Indeed, this has been an essential way to garner support and minimize resistance in the authorizing environment. However, this also raised a challenge (Table 3). Even amongst Bristol £’s core partners there was some confusion about the organization’s strategic objectives. As a business partner commented, ‘is Bristol £ just a local currency or does it have a bigger social and political agenda?’ A distinction was made by one strategic partner between the promotion of the currency itself and a wider philosophical agenda:

The philosophy is as much about localism and thinking about how you spend your money and the power that you have when you spend money, and the choices that you make, and how you support the local economy because that has much more of an amplified effect than global economy. The currency in effect is the sort of emblem. It’s the mechanism or the tool through which it’s articulated—but the philosophy is much bigger than that. (Civil society stakeholder)

These insights prompted reflexive thinking on the part of Bristol £ metagovernors and their network partners who expressed a commitment to being more forthright about their philosophical agenda in the authorizing environment. Moreover, a conversation at the staff focus group concentrated on the need to ‘clarify organizational values internally so that staff members articulate a consistent narrative to stakeholders’ (Bristol £ staff member). Table 3 depicts this process of realigning metagovernance activities so that the challenges associated with employing soft metagovernance in one aspect of the ‘strategic triangle’ (Moore 1995) can be managed in another to avoid public value destruction.

<table>
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<th>TABLE 3 Realigning soft metagovernance activities in the ‘strategic triangle’ to avoid public value destruction</th>
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<tr>
<td><strong>Aspects of the strategic triangle</strong></td>
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<td>Authorizing environment</td>
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<td>Operational capacity</td>
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value destruction. The next section discusses the opportunities and challenges of employing soft metagovernance to ‘call into existence’ a wider authorizing environment (Moore and Fung 2012) to support the public value proposition.

4.2 | Employing soft metagovernance in the authorizing environment

This section is split into two parts. The first deals with how Bristol£ set about generating authorization from critical strategic partners. The second section explores how Bristol£ sought to garner political authorization for its public value proposition at city level.

4.2.1 | Securing strategic authorization

During the inception of Bristol£, the founding members decided ‘to stage a series of talks across the city to gauge the interest of business people and general public’ (Bristol Green Capital Partnership 2018, p. 1). Soft metagovernance was employed as a form of ‘process management’ (Torfing 2016) to selectively inform and empower critical actors who might play a leading role. Informal discussions with other city leaders and the public revealed overwhelming support for the idea of a local currency. These discussions resulted in a £5,000 donation from the Bristol Green Capital Partnership to conduct a feasibility study. Bristol Green Capital Partnership is a network of over 800 organizations who have pledged to work towards a sustainable city. The feasibility study looked at other local currencies, like the Totnes Pound, that were already in operation albeit on a smaller scale, and concluded that a city-wide currency was viable—this provided valuable momentum towards authorizing the public value proposition in the city.

Bristol£ then needed to ensure that the scheme was legally viable. A Bristol£ official describes the moment when the self-organizing, still largely informal entity of the Bristol£ engaged with the formal state apparatus to secure legal authorization:

We were just this bunch of people who said they were going to do a local currency. But to make it work we had meeting with ‘the people in suits’ in London who were the Treasury, the Financial Conduct Authority, the Financial Services Compensation Scheme and the Bank of England. That was an interesting example of informal [meta]governance versus formal governance and their interface. But actually it was a very productive meeting because they took us seriously. They said this is ambitious, now we need to make sure it’s legal.

This illustration captures the moment when an informal group of metagovernors began to formalize innovative ideas and ambitions. By exerting influence on critical actors with the capacity to grant and instigate policy change, their strategy of ‘hands on’ soft metagovernance had transitioned into the application of ‘hands off’ metagovernance aimed at institutional (re)design, framing problems and solutions and specifying the legal parameters of the network (Torfing 2016).

By 2015 Bristol£ had established itself as an important actor in city debates on sustainable economic development and environmentalism. It was during this time that the city of Bristol was awarded ‘European Green Capital’. This award is given by the European Commission to ‘reward the efforts of cities to improve the environment’ (European Green Capital 2018). This spawned a series of new opportunities and challenges for Bristol£ to seek further authorization of its public value proposition. For example, it adopted formal positions on city partnerships and activities associated with the European Green Capital. While this afforded Bristol£ a chance to influence political decision-making (and create political value), some Bristol£ staff raised a concern about the potential for reputational damage. This occurred when strategic partners and the public associated Bristol£ with political decisions because they were members of the wider city network. This example illustrates the challenges in demonstrating either distance from or alignment to city decisions in an environment of ‘fuzzy accountability’ (Flinders et al. 2015). A Bristol£ employee illustrated the point: ‘Because we were part of the partnership we were associated with outcomes that were not in keeping with our organizational values and this was a potential problem’.
Mitigating these risks currently relies on personal judgement and ‘calculated decisions taken in action as you are responding’ (BristolC director). A more strategic response might be to ‘formalize’ (Reh 2013) soft metagovernance activities at critical points, either via formal emails, the website or local media. Formalizing organizational positions at critical stages can help to manage the transition between soft metagovernance and formal decision-making in complex networks. This strategy could protect BristolC, individually and institutionally, from being ascribed blame in networks where procedures for decision-making are not clear to wider stakeholders. Table 3 illustrates how these soft metagovernance activities can be aligned to avoid public value destruction.

Some respondents felt that another way to clarify organizational values and positions was to maintain high organizational visibility in city debates. For example, in the focus group of BristolC staff, the monthly ‘First Friday Network’ and ‘Green Mingle’, both held at venues in the city centre, were noted. These events bring together a varied group of individuals with no agenda other than to promote a dialogue among city leaders. This type of arena epitomizes a desire to create opportunities to explore innovative ideas through relational leadership (Orr and Bennett 2016). Arenas like these were also viewed by stakeholders outside Bristol (at the London focus group) as strategically important and an opportunity to (de)construct city narratives and values (Crow and Jones 2018). Operating informally in these spaces was seen as pivotal in authorizing BristolC’s public value proposition, although it was recognized as hugely resource intensive in terms of time commitment.

4.2.2 | Securing political authorization

Bristol prides itself on being an innovative and creative city. At the time of its launch, BristolC utilized this shared narrative to align itself to key political figures, most notably the then Mayor, George Fergusson. A BristolC official illustrated this point: ‘under the previous mayor there was a sense of playfulness and entrepreneurship around Bristol as a city and I think that’s why [our agenda] fitted very well for him’. Mayor Fergusson very publicly supported BristolC and made much of receiving his entire £52,000-a-year salary in BristolC’s. In this instance, social connections were the basis of strategic coalition-building and can be seen as part of the metagovernance tools associated with ‘direct participation’ (Torfing 2016).

BristolC metagovernors were also successful in garnering support from key figures in the City Council. A council official acknowledged the critical role of relational leadership with BristolC during this time:

There were lots of [social] interactions in a project like this. It’s the explanation of decisions or clarification of issues that can only be achieved by informal methods. You can do things in meetings or by emails but it has a legal status. By contrast regular conversations are better but you have to respect boundaries. I think generally speaking that has a very important role to make, particularly when you are dealing with innovative and to some degree risky projects. Now certainly the BristolC by any standard is an innovative project.

Soft metagovernance was employed to build trust between BristolC, its critical partners and the City Council as a form of ‘process management’ (Torfing 2016). The reference made by the council official above to ‘respecting boundaries’ is, however, an acknowledgement that these soft interactions were taking place within the context of more formal institutional rules, norms and procedures. Indeed, ensuring that soft metagovernance did not undermine formal rules was an acute consideration for public officials in this research. BristolC’s relationship with the City Council also underscores the value of relational leadership in public value creation through collaborative innovation (Crosby et al. 2017). Soft metagovernance provided the context and mechanism to explore innovative solutions that might have been difficult to secure in more formal and regulated settings.

Formal authorization from political partners resulted in some tangible returns. In 2014 Bristol City Council awarded BristolC £30,000 per annum for three years to support the start-up of the BristolC. This was part funded by a £20,000 contribution from the Mayor’s Office. By ‘calling into existence’ the wider authorizing environment (Moore and Fung 2012), BristolC had established itself as the UK’s most successful local currency. By 2017 5 million
Bristol£s had been spent, 832 registered business accepted Bristol£s and 1,433 individuals had accounts (Bristol£ 2018b). Emblematic of the successful political authorization from the City Council, and unique to UK local currencies, citizens can also pay council tax and business rates with Bristol£s. Bristol£ has, therefore, been successful in promoting economic and associated environmental public value through its growing local currency activities. It has also contributed to creating political value in its role on formal city partnerships and creating social value in terms of shaping the cultural identity and social values of city residents.

Nonetheless, employing soft metagovernance to coalition build with the Mayor’s Office and City Council posed some challenges. Bristol£ metagovernors displayed a high degree of ‘political astuteness’ (Hartley et al. 2015) in their recognition of the need to develop high-trust relationships with the formal political apparatus to access funds and legitimacy. Yet, they were mindful not to give the impression of aligning themselves too much with the formal political establishment. Their ethos is about presenting an alternative to established hierarchical and market-based solutions, so close association with the City Council could undermine this position and that of their network partners.

Moreover, political authorization derived from high-trust, inter-personal relationships is vulnerable when individuals move positions. The new Mayor of Bristol, elected in 2016, while supportive of Bristol£ and a narrative around a green economy, has identified other city challenges as a priority. In addition, the deepening of austerity politics in the city has resulted in the withdrawal of formal state support from some city initiatives. For example, Council funding to the Bristol£ ceased in 2017. A Bristol£ director acknowledged a trend of more activity taking place in informal, fluid spaces, partly as a response to austerity. By contrast, other Bristol£ staff suggested that the Council’s withdrawal from aspects of city governance had effectively removed the ‘webbing that essentially supported a lot of the informal and relational activity that once took place’. This observation highlights the critical importance of formal institutional frameworks, rules and funding. If the broader political and structural context—the ‘institutional design’ (Sørensen and Torfing 2009)—is not fit for purpose then soft ‘hands on’ metagoverning activities become harder to employ. The following section explores the opportunities and challenges of employing soft metagovernance in the operating environment.

4.3 | Employing soft metagovernance to enhance operating capacity

This section focuses on how soft metagovernance might be employed to enhance the operating capacity of Bristol£ in three key areas: namely, (i) ensuring organizational visibility in city debates, (ii) joining up ‘informal intelligence’ and (iii) enhancing organizational capacity to influence agendas beyond the city.

4.3.1 | Ensuring organizational visibility in city debates

Soft metagovernance was recognized by Bristol£ staff as pivotal to its success, especially during its inception. Nonetheless, relational leadership was also acknowledged as extremely time-consuming and hard to sustain in the intervening years. At the focus group of Bristol£ staff, there was a consensus that the organization had been largely task oriented of late—a perception reiterated by their strategic partners. However, the philosophical aspect of its public value proposition in terms of promoting political and social value through its advocacy role had received less attention. Traditionally, this advocacy role had been the responsibility of more senior figures in the organization, but this sustained effort had become unfeasible.

However, research findings revealed that staff from across the organization had an important role to play. This was articulated in their examples of how they employed relational leadership in pursuit of the organization’s public value proposition. Examples included using soft metagovernance to clarify organizational objectives and values, resolve conflicts between strategic partners and build trust with potential collaborators—all forms of ‘process management’ (Torfing 2016). A junior staff member illustrated an example of how soft metagovernance had served to empower a critical actor:
[X] approached me after a formal meeting in the city and it was clear that she didn’t understand what we were trying to achieve. She is a pretty influential figure so it was important that she understood our agenda. We were able to talk this through in some detail and we had a really productive face-to-face conversation. That conversation was the start of a relationship which has led to her becoming one of our Directors. That’s the power of informal networking. You don’t know where it’s going to lead.

Examples like this revealed that junior staff members were highly motivated and able to employ soft metagovernance. It also demonstrated that they were ‘politically astute’ (Hartley et al. 2017) in terms of recognizing the political environment and tensions within which they operate. At the staff focus group there was a collective realization that junior staff could undertake some of the advocacy work and also that senior staff were committed to supporting them. This slight repositioning of organizational responsibilities was identified as a way to enhance the organization’s operational capacity (Moore 1995). Moreover, once junior staff members realized they had the support of senior colleagues they felt empowered by a new sense of agency and purpose (Hartley et al. 2017). A better appreciation of how relational leadership functions had opened up new possibilities for BristolE to align metagovernance activities across the strategic triangle to avoid public value destruction (Table 3).

This potential for realignment prompted some staff members to discuss whether BristolE should focus more on working with its network partners to influence city narratives. One staff member suggested that the city had … very, very strong informal networks … including many alternative communities who prefer to work informally and inter-personally. Some are probably suspicious of the formal channels so we need to operate in the ‘soft space’ to engage them.

The staff focus group revealed that the representation of BristolE at city events was determined largely by the inclination of individual staff members as opposed to an organizational strategy. On reflection, many employees agreed that a more coordinated institutional approach would be advantageous in terms of ensuring higher organizational visibility. Reflexive practitioner thinking on the use of soft metagovernance had also led some employees to suggest that BristolE needs to work smarter when ‘managing out’ (Moore 1995) so that it can align its public value proposition with other actors in the network more effectively (Table 2).

4.3.2 Joining up ‘informal intelligence’

BristolE staff and directors referred to numerous examples where an informal discussion at a coffee shop or city gathering, for example, had resulted in a member of the public or a new local business signing up to using BristolE. Some of these tangible returns from employing soft metagovernance were shared at the staff focus group. Social bonds and capital were recognized as pivotal to making things happen formally (Compton and Meijer 2016) and creating public value. Nonetheless, BristolE staff suggested that soft metagovernance is most often used at an individual level and is largely ad hoc in its application. One BristolE employee described soft metagovernance as the consequence of ‘happenstance … people are doing it but not consciously processing it’.

It was clear that informal efforts were not joined up institutionally, potentially undermining their collective impact. One staff member commented, ‘if I had known you had that conversation with them I would have approached them in a different way’. At the focus group the prospect of sharing what one respondent described as ‘informal intelligence’ was mooted so that important informal relationships, conversations and knowledge could be institutionally coordinated. While there was no appetite to create unnecessary administration, reflexive thinking revealed that some light touch coordination of informal efforts could enhance operational capacity (Table 2).
4.3.3 | Enhancing organizational capacity to influence agendas beyond the city

Finally, the success of Bristol has led to similar schemes in other parts of the UK, with over 25 communities working on like-minded projects. Bristol has provided the blueprint for local currencies around the world, including in the US and Spain (Bristol Green Capital 2018). Relational leadership was viewed as pivotal in terms of communicating and authorizing the public value proposition to critical stakeholders beyond the city. At the focus group held in London, stakeholders from outside Bristol affirmed the importance of soft metagovernance in identifying ‘mutual dependence’ (Torfing 2016), promoting knowledge transfer and information sharing. Social bonds and inter-personal relationships are critical to this process, as an alternative currency stakeholder outside Bristol confirmed:

An informal conversation is often the genesis of a new idea, initiative or plan that can involve new contacts nationally and internationally. Because likeminded people circulate in similar environments I often just bump into someone at an event or conference and that can be the start of sharing critical information.

More recently, Bristol has enhanced its operational capacity to adopt a more formal role in leading a programme to train 1,000 people from around the country in new economic practices like methods of community organizing and various alternative financial models (Bristol 2018c). Activities such as these provide evidence of an extension of the authorization environment beyond the city of Bristol and the creation of public value nationally and internationally.

5 | CONCLUSIONS

This article makes an original contribution by exploring the opportunities and challenges of employing soft metagovernance to promote public value in governance networks. It provides new insights into how public value is (de)constructed as a consequence of soft metagovernance in multi-agency settings as leaders seek to exploit ‘social capital resources’ (Compton and Meijer 2016). A number of critical observations are made. First, contrary to the challenges of analysing the ‘informal’ aspects of governance (Van Jitske and Van Buuren 2016), this research shows that it has been possible to empirically research the soft metagoverning aspects of network leadership. Hartley et al. (2017, p. 674) suggest that ‘public value in its original conceptualization (about public managers) is primarily a theory about human agency, though often agency in institutional, organizational and whole system contexts’.

They assert that the field would benefit from closer and more rigorous attention to the views, values and aspirations of a wider range of stakeholders than managers alone. They also argue that the context in which public value is debated, created and destroyed needs to be analysed more closely, looking at both overt and covert activities. This article has sought to take up this challenge by exploring the covert strategies employed by non-state actors in their efforts to debate, contest and (de)construct public values in the city of Bristol. These strategies are covert in that accounts of soft metagovernance do not exist beyond the recollection and perceptions of the actors involved. The only way to empirically explore them is to speak to individuals directly. Indeed, that is what this research set out to do. It shows that an analysis of covert activities and their impact on public value can be achieved through a qualitative methodology based on storytelling and narratives (Bevir and Rhodes 2016).

Second, this article has been guided by a central question: How can network leaders promote public value through soft metagovernance? Research evidence has revealed that soft metagovernance is an important component in the ‘hands on’ metagovernance toolkit (Torfing 2016). Relational leadership, based on face-to-face inter-personal connections, has been pivotal to the success of Bristol. However, findings revealed that network leaders, or metagovernors, tended to employ soft metagovernance intuitively as a consequence of ‘happenstance’ as opposed to a decisive and coordinated organizational strategy. The research evidence presented in this article suggests that a better understanding of the way that soft metagovernance functions can allow network leaders to align their soft activities institutionally and across the ‘strategic triangle’ (Moore 1995) in a more coordinated and purposeful way. Table 2...
identifies the opportunities in employing soft metagovernance to manage the public value proposition, authorizing environment and operational capacity. Moreover, aligning these soft activities more purposefully can maximize positive effects and promote public value creation. By contrast, Table 3 identifies the challenges of employing soft metagovernance across the three aspects of the strategic triangle and how soft activities might be realigned to mitigate these risks to avoid public value destruction.

These insights show that relational leadership should not be viewed as a consequence of serendipity or chance. Public managers should view it as an essential part of their leadership armoury, alongside aspects such as finance, strategic bargaining or human resource management. The increasing complexity and uncertainty of governance networks (Klijn and Koppenjan 2016) requires a reflexive and nuanced approach to public leadership that is captured in the notion of soft metagovernance. Moreover, the pursuit of public value with its natural emphasis on the needs and wishes of the wider society renders a more socially sensitive approach to public leadership (Orr and Bennett 2016) that is attuned and receptive to the values and positions of network partners. Soft metagovernance is therefore an important leadership asset when thinking about public value creation.

This article highlights the value in bringing together the literatures on soft metagovernance as a form of leadership and public value creation through an analysis of how soft metagovernance can contribute to public value creation and destruction in governance networks. It makes a contribution to the field in a number of ways. First, to the metagovernance literature (Torfing 2016; Sørensen and Torfing 2017) by bringing to the fore the soft or more relational aspects of the metagovernance toolkit and, subsequently, exploring the extent to which these aspects can be consciously managed by non-governmental public leaders in governance networks. Less empirical work has been done on the use of metagovernance by non-state leaders, as opposed to elected politicians or public managers, so this evidence contributes to filling this gap. Second, the research evidence also makes a contribution to the public value literature by providing empirical evidence on the efforts of non-governmental leaders to create public value (Hartley et al. 2017). It has explored the impact of soft metagovernance on the collaborative potential for creating public value (Crosby et al. 2017) and has examined how soft metagovernance might be used to align the three aspects of Moore’s (1995) strategic triangle. Apart from making a scientific contribution, these findings have also been of value to policy-makers and practitioners. Indeed, there was a genuine desire and willingness among respondents to articulate, discuss and make sense of the informal world within which they were increasingly operating. Working in co-production with a project partner has shown that there is much to be gained from pooling shared experiences with a view to mutual learning, critical reflection and enhancing the capacities of the reflexive practitioner.

Finally, this project has a number of acknowledged weaknesses that might be redressed in future work. First, the research project focused solely on the relational aspects of soft metagoverning. Future research might also link these activities to the strategic plans of Bristol to see how they complement and/or undermine one another. Second, actor ‘perceptions’ of network effectiveness and public value creation are subjective and likely to ebb and flow over time. Although beyond the scope of this project, it might be beneficial to identify a set of metric-based indicators of public value creation and seek to track the impact of soft metagovernance strategies in achieving specific formal outcomes (see Page et al. 2015 as an example). Third, the sample for interviews and focus groups is relatively small. While attempts were made to include a diverse range of stakeholders in focus groups, the samples were not statistically representative of the wider network. Future work might include a representative sample or introduce a survey tool to test some of the findings emanating from this qualitative work across a larger sample. Finally, given the in-depth, qualitative and case-specific nature of the study, it is not possible to generalize these findings to other countries, contexts or policy areas. Indeed, most work on soft or informal aspects of governance ‘takes the form of either abstract theory (N=0) or inductive case studies (N=1)’ (Helmke and Levitsky 2013, p. 102). Nonetheless, this case study provides an essential building block for lesson drawing, comparison or theory-building. This analysis is intended to be a first step in providing an empirical grounding for future analysis of the impact of soft metagovernance on public value creation.
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