

Integrating Public Value Creation with Bureaucracy and Professionalism:

The Impact of Paradoxical Leadership

Clara Siboni Lund csl@ps.au.dk

Mads Leth Jakobsen mads@ps.au.dk

Aarhus University

Partial early draft – for DPSA 2023

Introduction

Imagine a physiotherapist employed in a Danish municipality. Every Tuesday afternoon, she teaches a group of elderly people in water gymnastics. She has a strong professional pride and cares a lot about how the elderly people exercise and maintain muscle mass. However, when she talks to the participants about the importance of exercise and repetitions, they express how the social community around the water gymnastics is much more meaningful to them. For many of the participants, Tuesday afternoon is their primary social peek of their week. This also means that sometimes it is difficult to get the class started – the elderly are having coffee and cake together in the cafeteria before class. This is frustrating for the physiotherapist who professionally cares deeply about how many repetitions they complete within class. She does not want them to waste their time on chitchatting, even though the elderly themselves may see it as the most valuable part of the class.

This tension resembles many situations that public sector employees are facing daily, where they have to navigate and balance conflicting considerations. As in this situation, it can for example be a challenge to make professional norms and citizens' perspective on value come together. What is the role of public managers in navigating these tensions? The aim of this article is to shed light on how public managers contribute to employees' ability to integrate considerations of citizens' understanding of public value with considerations originating from the governance paradigms of bureaucracy and professionalism.

This is an important aim for current public governance and leadership. It has in the later decades become a widespread ambition for public sector reformers to aim for and spur the creation of public value (Bozeman and Crow 2021; Bryson, Crosby, and Bloomberg 2015). Public value creation is the process whereby citizens experience that the public furthers their basic needs satisfaction (Meynhardt 2009). This happens within the context of a public sector organized on multiple governance paradigm (Torfing et al. 2020). That is specific norms and ideas about how to govern, organize, and lead the public sector (Hood and Jackson 1991).

Public employees face the tensions that arise when the ambitions for public value creation are to be realized within the context of governance paradigms. They confront the pressures to both create public value based on citizens experiences of value and adhere to democratically authorized rules (the bureaucracy paradigm) and professional norms (the professionalism paradigm). To create public value successfully within such a context, public employees must integrate value creation with paradigms through behaviours that seeks to both adhere to rules and professional norms as well as being attentive to citizens' experiences of value. And leadership in

public organizations must support such integration (Bozeman and Crow 2021; Smith and Lewis 2011).

We investigate in this paper the ways paradoxical leadership focused on sense-giving of paradoxical tensions (Sparr, van Knippenberg, and Kearney 2022) help public sector employees integrate public value creation and governance paradigms. The specific research question is:

What is the impact of managers' use of paradoxical leadership on employees' integration of public value creation with bureaucracy and professionalism?

The main hypothesis of the paper is that paradoxical leadership increases the integrative behaviour of public sector employees. The more sense-giving people experience in relation to tensions and paradoxes, the less anxious and the more capable they are in addressing and integrating conflicting considerations (Backhaus et al. 2021). An additional hypothesis is that this impact is strengthened when combined with visionary leadership, which provides a future-oriented sense-giving making the acceptance of paradoxes more meaningful (Smith and Lewis 2022). Visionary leadership is focused on sense-giving through future-oriented desirable visions (Jensen et al. 2019)

Our focus is on public sector employees' integration of public value creation with two traditional governance paradigms, namely bureaucracy and professionalism. These two governance paradigms are particularly relevant to address in our study of integration behaviour given their central role in many public sector organizations. The bureaucracy paradigm based on rule-based governance constitutes the basis of public organizations. They are ultimately held accountable for the implementation and realization of politically decided rules and goals. The bureaucracy paradigm co-exists with the professionalism paradigm based on professional norms and knowledge. Most public services are organized with professionals as the primary service providers. Tensions are likely to occur between public value in the eyes of the citizens and these two traditional governance paradigms. The bureaucracy paradigm for example stresses the importance of equality and neutral rule following in services - regardless of citizens' different opinions on value in their life. Likewise, within the professionalism paradigm, professionals may hold paternalistic views on what is best for the citizen according to professional norms that do not account for the citizens' own views.

So far, the literature on public value creation and governance paradigms (O'Flynn 2021; Torfing et al. 2020; Hartley et al. 2017) has paid little attention to the way paradigms and public value creation are integrated on the work floor, where public employees confront conflicting values and paradigms. This behaviour can vary within organizations, for instance between organizational levels and for people with or without direct citizen contact in their work.

Furthermore, there is limited research into how leadership can support value creation in situations of paradoxical dilemmas in the public sector. Still, the limited literature on this subject (Backhaus et al. 2021; Franken, Plimmer, and Malinen 2020) finds indications of a positive impact of paradoxical leadership – but not visionary leadership – on job satisfaction and engagement (Backhaus et al. 2021) as well as the resilience of public sector employees (Franken, Plimmer, and Malinen 2020). By examining the impact of paradoxical leadership on integration of public value creation and governance paradigms, the paper adds to the still very preliminary public leadership literature on the subject.

Empirically, the study is based on multi-level cross-sectional data from Aarhus Municipality, Denmark with approximately 1200 respondents (500 managers and 700 employees) and a survey experiment (*currently in design phase*). The municipality is in the midst of the realization of a new ambition focused on value creation for and with citizens and society via co-creation (Aarhus Kommune 2022). At its core, the new ambition has a strong focus on citizens' experience of public value. The paper combines descriptive analysis of the degree and variation of integrative behaviour across the organizational landscape (e.g., organizational level and citizen contact) with multiple regression analysis of the relationship between experienced paradoxical and visionary leadership and integrative behaviours. This will in a later survey – not ready for the DPSA version of this paper – be supplemented with a survey experiment to get a better grasp of the causal impact of paradoxical leadership.

Governance Paradigms and Public Value Creation

Layered Paradigms

Public value creation happens in the context of multiple governance paradigms that are both “Competing and Co-existing” (Torfing et al. 2020). Governance paradigms are “relatively coherent and comprehensive set of norms and ideas about how to govern, organize and lead the public sector” (Torfing et al. 2020: 9; Hood and Jackson 1991). When uncertainty is high – i.e. people cannot predict the universe and likelihood of possible outcomes (Beckert 1996: 804) – paradigms “enable or facilitate decision making and institutional change by specifying for decision makers how to solve specific problems” (Campbell 2004: 98).

Bureaucracy is a classical governance paradigm, which, however, still is the bedrock of public governance today. Bureaucratic governance is based on formal rules, hierarchical organization and an ethos emphasizing neutral rule application (Weber 1960). This is expressed in rule-following leadership, where leaders “encourage their employees to act in accordance with governmental rules

and regulations” (Tummers and Knies 2016). The bureaucracy paradigm is justified by its virtues of meritocracy, neutrality, and equality, which stand in stark contrast to vices of nepotism and arbitrariness dominant in pre-modern public administration (Weber 1968). The bureaucracy paradigm, however, also has its own vices such as inertia, control, and low autonomy for professionals (Torfing et al. 2020). These vices have been steppingstones for later paradigms. New Public Management seeks to provide dynamism and efficiency through incentivized goals (Hood 1991) and New Public Governance seeks to further coordination and innovation through networks (Osborne 2006). In response, an updated Neo-Weberian state paradigm has emerged (Pollitt and Bouckaert 2017; Torfing et al. 2020). It seeks to combine public bureaucratic organizations with rule-based governance with a stronger focus on results and citizen involvement than the traditional bureaucracy paradigm.

Similarly, the professionalism paradigm can be seen as a response to the vice of low autonomy of professional occupational groups prescribed by the bureaucracy paradigm (Jakobsen et al. 2018). The professionalism paradigm prescribes autonomy for professional occupational groups that have a high degree of non-transferable expertise, and which self-govern through internal ethics and norms (Freidson 2001; Roberts and Dietrich 1999). Leadership is hence a peer-to-peer phenomenon within professional groups based on the principle of *primus inter pares* (first among equals). However, if professionalism is embedded within a bureaucratic organization, professional development leadership becomes a leadership avenue that combines hierarchy and professional expertise and norms. Such leadership seeks to facilitate alignment, development, and professional expertise and norms that connects professionalism with broader organizational goals (Lund 2022). Public service based on professional knowledge and expertise and self-governance by professional peers are hence the key virtues of the professionalism paradigm. However, professionalism has the risk of too much inward looking among the professionals, which leads to vices such as paternalism (knowing what is best for citizens) and non-responsiveness to both political leadership and citizens.

The paradigms of bureaucracy (the neo-Weberian state), professionalism, New Public Management and Public Governance currently co-exist. They have emerged and developed partly in response to each other without any of the other paradigms disappearing (Pollitt and Bouckaert 2017; Jakobsen and Mortensen 2016). Their co-existence has not just been transitional, where old paradigms are replaced and slowly disappear (Polzer et al. 2016). Political rhetoric proclaiming for instance the end of bureaucracy and its displacement with professionalism, New Public Management or New Public Governance is just that – political rhetoric!

Instead, governance paradigms have become layered, where new paradigms are placed on top of existing ones (Streeck and Thelen 2005; Polzer et al. 2016). Layering of governance paradigms increases complexity – and is also partly a response to growing societal complexity – but its consequences are ambiguous. It can create inertia where paradigms enhance each other’s vices. This could be the introduction of ever more bureaucratic control to steer performance management systems that are continuously expanded to make bureaucracy more efficient. But layering can also lead to a process of evolution, where the governance paradigms enhance each other's virtues. Suddenly it is possible to have both impartial rights, well working accountability systems, as well as performance goals (Foged, Hjelmar, and Jakobsen 2022). Regardless of the sum of pros and cons of layering, layering requires public sector employees to relate to multiple values and ways of governing prescribed by different paradigms. Layering makes tension a basic condition of public sector work. These tensions are, however, exacerbated when combined with the ambition that public sector employees should strive to create public value in the eyes of the citizens.

Public Value Creation

Public value creation is key element of public governance and has also received strong scholarly attention the latter decades (Bryson, Crosby, and Bloomberg 2014). Some see it as a distinct governance paradigm interacting with the other governance paradigms (Torfining et al. 2020). In this paper, we, however, see the public value perspective as a more focused governance ambition to make citizen experiences of public value take center stage for public management.

Public value arises when people experience that their basic psychological needs are met by the public. It can be defined as “anything people put value to with regard to the public.” (Meynhardt 2009: 205). Public value creation is hence efforts to further and influence processes “shaping individual experiences concerning relationships to the public” (Meynhardt 2009: 211). On an organizational level, the ambition to create public value arise as a “citizen strategic orientation”, where a citizen perspective is systematically inserted into the organization and execution of public service production (Nasi and Choi 2023: 3-4).

Several factors shape processes of public value creation. Public value creation happens through co-creation between providers and users, and in the case of public services, the value is produced in the very act of using the service (Crosby, Hart, and Torfining 2017; Osborne et al. 2022). This makes it impossible to create public value through unilateral action by public employees. Citizens (users) are indispensable elements of public value creation. Furthermore, as experiences of value are individual there can be huge variation between citizens and public employees about what

constitutes public value (Cluley, Parker, and Radnor 2023). This is likely to create many sorts of tensions both among and between citizens and public employees.

Furthermore, within the context of layered governance paradigms, public employees seeking to create value must also confront the tensions that can arise with other stakeholders privileged by governance paradigms such as the neo-Weberian state (politicians and their goals) as well as professionalism (professional peers). Public value is hence part of a trinity of objectives together with broad societal value and organizational performance, which are prescribed by other paradigms like the neo-Weberian state (Osborne, Nasi, and Powell 2021).

Theory

Paradoxical Tensions

When multiple governance paradigms meet the ambition that public sector employees engage in public value creation, it is likely to create tensions. People will be stretched between competing perceptions of not only what is valuable, but also by which means to create experiences of public value. Tensions can take the form of dilemmas, where there are benefits and drawbacks of either option. Still, it is possible to resolve dilemmas by assessing the relative benefits and drawbacks of either option (Smith and Lewis 2011: 386-387).

Tensions can, however, also arise as paradoxes, where any short-term resolution of tensions is impermanent, and they will keep reappearing. Tensions between professional norms and individual citizens' experiences of what is valuable to the public might be resolved in a specific situation. However, in the end, the tension will reappear as both professionalism and citizen experiences are necessary elements of public service quality even though they often conflict. Quality is constituted of both professional expertise and citizen experiences of value. The same goes for tensions between the lawfulness of public service decisions and citizen experiences of public value. Again, such tensions can be resolved in specific situations, but they will always resurface. Lawfulness and citizen experiences are both constitutional elements of good public service even though they (often) contradict each other. These are examples of paradoxical tensions, which consists of "contradictory yet interrelated elements that exist simultaneously and persist over time" (Smith and Lewis 2011: 382). Governance paradoxes are hence tensions between either values or means, which are attractive in themselves, but when confronted seem irreconcilable. Hence, such tensions do not disappear over time.

It is not a new argument that governance paradigms not only reduce uncertainty but also create paradoxical tensions. As pointed out by Hood and Peters (2004), a "middle aged" New

Public Management paradigm had due to its many unanticipated consequences (it vices) by the new millennium produced a number of governance paradoxes. Similarly, public value creation is in itself a minefield of paradoxes with multiple and conflicting experiences of the valuable provided by the public (Meynhardt 2021: 1639). In this paper, we go one step further by focusing on the paradoxical tensions that arise when the bureaucracy and professionalism governance paradigms meet the ambition for public value creation in the eyes of the citizens.

This focus on paradoxical tensions based on the above interpretation of governance paradigms and the ambition of public value creation provides in itself a lens adapted to the identification of paradoxes. Such paradoxical cognition is necessary to see the many paradoxes of our social world, which are otherwise often missed and remain latent (Smith and Lewis 2011: 389-394). Still, there are particular reasons to expect manifest paradoxes in contemporary public sectors, as these are characterized by changes, many actors and many ideas and perspectives including multiple governance paradigms. These factors all advance the manifestation of paradoxical tensions. Furthermore, endemic resource constraints due to rising public expectations while exacerbate such processes (Smith and Lewis 2011: 389-394).

Responding to Paradoxical Tensions

People can respond defensively to paradoxical tensions. They seek clarity and one-sided options (Smith and Lewis 2011: 389-394). It is an either-or response. Such a response presumes there is a correct answer to tensions. This reflects the basic idea of contingency theory, where one needs to identify the response that creates alignment with the specific circumstances of the situation. There might not be universal optimal responses, but local optimal responses do exist (Smith and Lewis 2011: 381). If tensions are paradoxical – and not just dilemmas – such responses are necessarily temporary.

People can also respond to paradoxical tensions with acceptance (Smith and Lewis 2011: 389-394). This implies responding with paradoxical resolution based on attempts to integrate elements combined with short term spatial and temporal separations of the paradoxical elements (Smith and Lewis 2011: 389-394). Integration is based on dialectics with a thesis, anti-thesis, and then a synthesis. This could be professional values (thesis) that are contradicted by citizen experiences of public value (anti-thesis) which are integrated in a joint professionalism-public value framework (synthesis). This could hypothetically be a public value-based professionalism that unites the core components of public value-creation and professionalism. Integration is hence a both-and response to paradoxical tensions. In a non-paradoxical world this would resolve the contradiction

and the tension would vanish. Such dialectical integration is, however, only temporary if the tensions are indeed paradoxical.

This makes more concrete and provisional strategies of structural and temporal separation of the contradictory elements' relevant supplements to integration. Structural separation could be to have some employees focus on professional norms, while others focus on the experienced public value of the citizens. Temporal separation could be that the determination of citizen needs and allocation of rights based on purely bureaucratic or professional perspectives, happen in the early phase of public service provision, while the later phase of service delivery is based on a public value perspective.

Elements in paradoxes can, however, never be fully separated. It is the simultaneous use of the contradictory elements that constitute the wholeness of public services. Hence, paradoxical resolution is a continued movement between integration supplemented with temporal and structural separation. To be able to respond to paradoxical tensions with acceptance and paradoxical resolution is not an easy task. It is, hence, what paradoxical leadership is intended to help followers to do.

Paradoxical Leadership as sense-giving

Paradoxical leadership reflects the nature of paradoxes. It consists of leadership that emphasizes elements that are contradictory but interrelated, in order to support followers in their response to paradoxical tensions. The definition of paradoxical leadership by Zhang et al. (2015: 539) is very explicit about this as it is: "leader behaviors that are seemingly competing yet interrelated, to simultaneously and over time meet competing workplace demands". This definition is used by Franken et al (2020) in their study of paradoxical leadership and resilience in the Australian public sector.

This is, however, also a rather abstract conceptualization of paradoxical leadership. A more specific conceptualization of paradoxical leadership emphasizes sense-giving. Sense giving is "the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality" (Gioia and Chittipeddi 1991: 442). Helping other people to make sense of paradoxical tensions implies to facilitate (1) their understanding of the paradoxical nature of a tension (a cognitive component), (2) the purpose of responding with accept to the paradoxical tension (a conative component), and (3) that this purpose is important for the follower (a significance component) (Tønnesvang et al. 2022; Foldy, Goldman, and Ospina 2008). Such sense-giving is important. Just experiencing contradictory leadership behaviors might make followers defensive and not accepting of paradoxes. There is also a need to explain and role model

how paradoxes make sense and, therefore, leaders need to provide sense giving (Sparr, van Knippenberg, and Kearney 2022; Backhaus et al. 2021).

Combining the sense-giving perspective with paradoxes, we use a definition of paradoxical leadership developed by Sparr et al (2022): “leader’s sense-giving to followers about the necessity to execute contradictory yet interrelated behaviours simultaneously to constructively deal with paradoxes and tensions in their work environment”. The intention of such leadership is hence to make followers respond to paradoxical tensions with acceptance and reduce defensive responses with premature reductions of uncertainty (Sparr, van Knippenberg, and Kearney 2022: 227).

Hypothesis

The interaction between governance paradigms such as bureaucracy and professionalism and public value creation will create tensions. Citizen experiences of public value can align with but will often conflict with either the law or professional norms and ethics. However, there need not be tensions in all situations. There can be situations where individual experiences of value align with legal rights or professional ethics. Still, there will be many situations where the element contradicts, but public employees still want to adhere to both elements.

Public employees facing such paradoxical tensions can either react defensively or with acceptance. Their intention and capacity to respond with acceptance will be strengthened when they can see meaning in – and have support to integrate – the elements that are in tension. Sense-giving by leaders emphasizing how the tensions arise from different elements that are both valuable, and that we must attempt to adhere to simultaneously in a both-and way, should make employees more comfortable making an acceptance response. This leads to formulation of the following hypothesis:

Hypothesis direct effect: The more paradoxical leadership, the more public employees will integrate PVC with governance paradigms (ceteris paribus)

Paradoxical leadership is distinct from goal-based forms of leadership like visionary leadership. Visionary leadership consists of: “behaviors that seek to develop, share, and sustain a vision” (Jensen et al. 2019: 10). It is one of the most widespread, popular and well documented forms of public leadership (Bundgaard, Jacobsen, and Jensen 2021; Jacobsen et al. 2022). However, by developing, sharing, and sustaining a vision, visionary leadership does not directly address the need for meaning in relation to paradoxical tensions. A vision emphasizing one element of a paradoxical tension, will not in the long run be able to deal with the resurfacing of the other element of the tension. While

visions can provide clarity, guidance, and complexity reductions with non-paradoxical tensions, this should not be the case for paradoxes if the vision only focuses on some elements of the tension.

Paradoxical leadership does not try reduce complexity through a stronger vision, but instead embrace this complexity by creating meaning about pursuing the contradictory. In line with Sparr et al. (2022: 230) we hence do not expect visionary leadership to have the same impact on integration of PVC and governance paradigms than paradoxical leadership. If both types of leadership have a similar impact, this would indicate that it is leadership in general – rather than paradoxical leadership particularly – that affects integration.

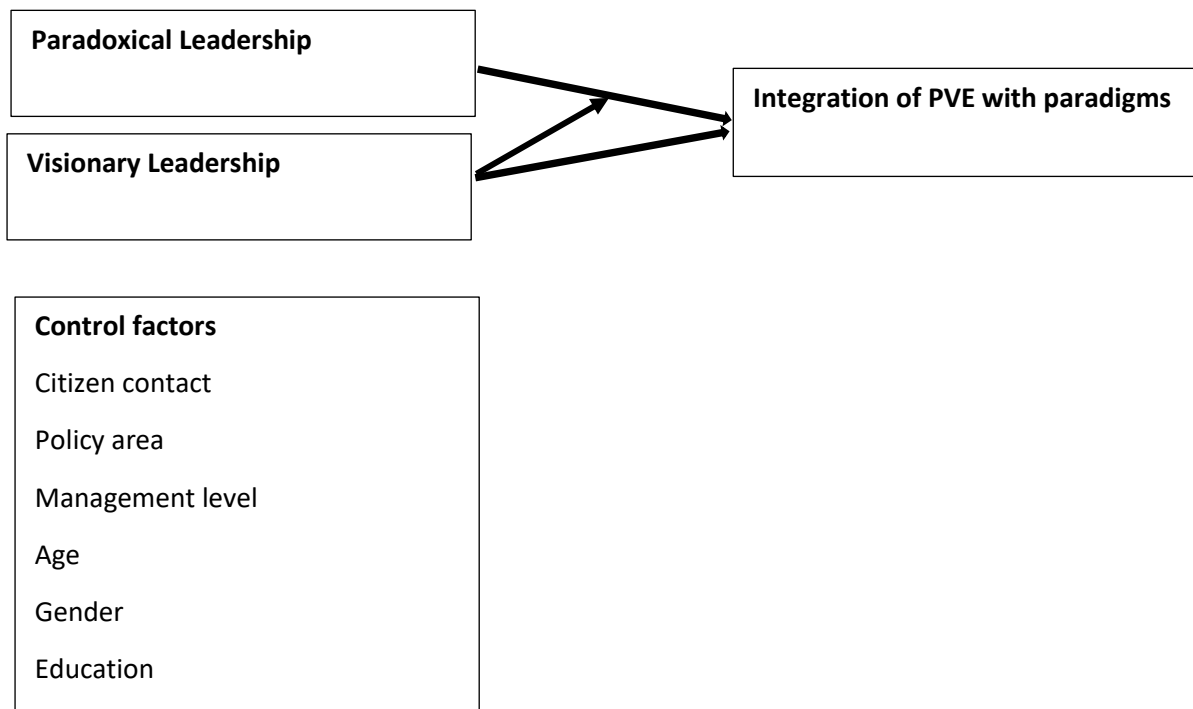
However, there might be something more complex and important at play. In a recent book, Smith and Lewis (2022) present the state of the art of research into organizational paradoxes and both-and responses to paradoxical tensions. They develop the argument that the existence of a higher purpose that can encompass both contradictory elements, makes it easier for people to respond with acceptance to paradoxes. Similarly, Meynhardt (2021: 1639) point to the potential of a systemic public value perspective to help people accept the paradoxical tensions of public value creation, when understood in the light of broader purpose of creating public value on a systemwide level. Both arguments identify a potential for visionary leadership to support paradoxical leadership by infusing a higher purpose into the sense-giving process. This could give public employees the impetus to stay in and accommodate paradoxes as paradox leadership tries to help followers to do so. This leads to an additional hypothesis.

Hypothesis interaction effect: The higher the level of visionary leadership, the stronger the positive relationship between paradoxical leadership and integration of PVC with governance paradigms (ceteris paribus)

Theoretical Model

The theoretical model has integration of PVC with paradigms as the dependent variable. Paradoxical leadership and visionary leadership are independent (and potentially interacting) variables. The model is illustrated in Figure X.

Figure X. Theoretical Model



The model furthermore includes control variables that are likely to impact both leadership and integration. That is age, gender, tenure, policy area and citizen contact (similar controls used in related studies Backhaus et al. 2021; Franken, Plimmer, and Malinen 2020). Furthermore, the control variables also allow us to examine how integration of PVC with paradigms varies across the organizational landscape.

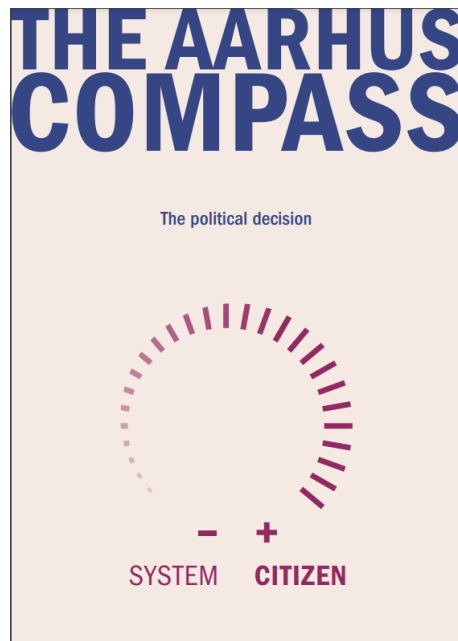
Design and Methodology

Case. Aarhus Municipality and the Aarhus Compass

Aarhus Municipality is the second largest municipality in Denmark with 360.000 citizens and 28.000 employees. In 2021, the city council in a 31 to 0 decision decided to adopt the Aarhus Compass as its new framework for municipal governance. The Aarhus Compass provides fertile ground to study integration of PVC and governance paradigms as it explicitly addresses the underlying tensions involved.

The Aarhus Compass seeks to put value for citizens at the heart of the approach to governance in Aarhus Municipality. This ambition is clearly illustrated in Figure X showing the front page of the publication “the Aarhus Compass”.

Figure X. Front Page of the Aarhus Compass Publication



Public value is to arise from co-creation with the broader society and with the use of many forms of knowledge – including professional experiences and quantifiable performance measures – to learn how to improve public value creation (Aarhus Kommune 2022).

This is, however, not a wholesale departure from more classical forms and goals of governance. Public value creation must be combined with attention to rights, equity, equality in service levels, safety, economic sustainability, oversight and control (Aarhus Kommune 2022). More specifically, this implies that “We must balance the classical governance focus on secure operations with a leadership approach that promotes risk-taking, innovation and co-creation“(Aarhus Kommune 2022).

It is a key assumption of the compass, that the recommended approach invariably will create tensions. The Aarhus Compass uses the word dilemma to describe these tensions. In this paper, the dilemmas of the Aarhus Compass are called tensions to be consistent with the paradox literature. The tensions presented in the Danish version of the Aarhus Compass are presented below. Tensions relating to the relationship between either PVC, bureaucracy or professionalism are written in bold.

Box X. Tensions Identified in the Aarhus Compass

New ways to listen

- Control vs. autonomy and open ended processes (Aarhus Kommune 2021: 27)
- **Citizen involvement vs. realistic citizen influence (Aarhus Kommune 2021: 27)**
- **Legality vs. professional standards vs. real co-creation (Aarhus Kommune 2021: 28)**
- **Citizen wishes vs. professional standards (Aarhus Kommune 2021: 31)**
- **Equal service vs. different needs (Aarhus Kommune 2021: 33)**
- Employee autonomy vs. leader support (Aarhus Kommune 2021: 33)
- **Citizen trust vs. obligations to act (Aarhus Kommune 2021: 34)**

New ways to solve

- Creating value in society vs. not taking over society (Aarhus Kommune 2021: 40)
- Measuring value creation vs. not claiming it is a municipal responsibility (Aarhus Kommune 2021: 46)
- **Support and recommendations to citizen vs. respecting citizens privacy (Aarhus Kommune 2021: 49)**

New ways to learn

- **Situational value creation vs. formal responsibility (Aarhus Kommune 2021: 58)**
- Showing success vs. learning from failure (Aarhus Kommune 2021: 63)
- Trust/cooperation vs. formal role to represent interests (Aarhus Kommune 2021: 63)
- Acting on knowledge vs. being curious about non-knowledge (Aarhus Kommune 2021: 66)
- Public cutbacks vs. value creation (Aarhus Kommune 2021: 69)

New ways to lead

- **Citizen value vs. value conflict (Aarhus Kommune 2021: 80)**
- 1. Representativeness vs. cost of representativeness (in co-creation) (Aarhus Kommune 2021: 81)

Many of these tensions relate to the task of working based on legality and professionalism while trying to set citizen experiences of value at the center. They are also likely to manifest as paradoxes as they arise from elements that we would like to realize simultaneously even though they contradict each other.

The Aarhus Compass also sets out an approach about how to deal with these tensions. A key starting point is being explicit about the tension. Put in a formal way, the key elements of the approach are the following (Aarhus Kommune 2022: 13-18):

1. **Not resolvable:** Tensions cannot not be resolved in general
2. **Responsibility:** The involved actors are to find positions and perspectives from which they can meaningfully do their tasks and create public value. All actors – politicians, civil servants, citizens, civil society organizations – have this responsibility.
3. **Collective and reflective approach.** This responsibility can be lifted through dialogues, listening, openness, reflection, and perspective taking leading to a “common understanding” about how to relate to paradoxical tensions.

- 4. Political fall back.** If there is no common understanding developed it is in the end the city-council that has the responsibility and authority to act.

The elements 1 to 3 describe a form of distributed or collective paradoxical leadership or governance, where everybody is expected to relate to the paradoxical tensions involved in the meeting between PVC and governance paradigms like bureaucracy and professionalism. Element 4 about the political fallback option provides a safe hatch, whereby decisions can be resolved by the highest authority in the municipality.

Data

- Survey with 800 employees and 500 managers
- Aarhus Municipality
- Spring 2023
- Response rate of 30 pct for employees and 45 pct for managers

Measures

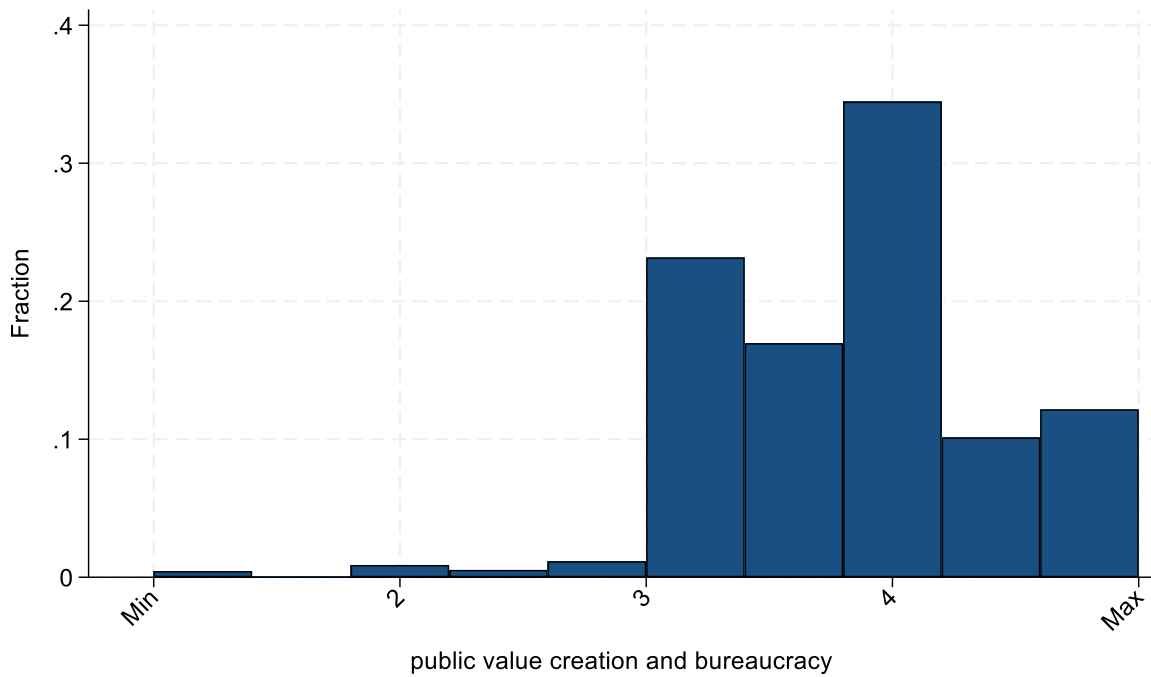
We measure integration of PVC with bureaucracy and professionalism, respectively, with two additive scales of survey items developed specifically for this study. The items and scale characteristics are shown in Table X below. The items measure acceptance of paradoxes by emphasizing how respondents makes an “active effort” to integrate public value creation (“citizens’ perception of what is valuable”) with either bureaucratic governance (e.g., “is united with compliance of rules”) and professionalism (e.g., “is part of our understanding of professional quality”).

Table X. Integration of PVE with bureaucracy and professionalism

| I make an active effort to ensure that citizens' perception of what is valuable... | | |
|--|--|--------|
| Bureaucracy | (1) ... goes hand in hand with guidelines | 0.7418 |
| | (2) ... is united with compliance of rules | 0.7512 |
| | (3) ... is not overridden by rules and procedures | 0.4532 |
| | EFA. One factor with an Eigenvalue higher than 1.0 was extracted. Cronbach's alpha = 0.7004 n = 1.126 | |
| Professionalism | (1) ... goes hand in hand with our professional standards | 0.7377 |
| | (2) ... is part of our understanding of professional quality | 0.8012 |
| | (3) ... guides our development of professional knowledge | 0.7683 |
| | (4) ... inform our professional assessments | 0.7351 |
| | EFA. One factor with an Eigenvalue higher than 1.0 was extracted. CA: 0.8562 n = 1.143 | |
| Note: Respondents had the following options: Totally disagree = 1, disagree = 2, neither disagree nor agree = 3, agree = 4, totally agree = 5. | | |

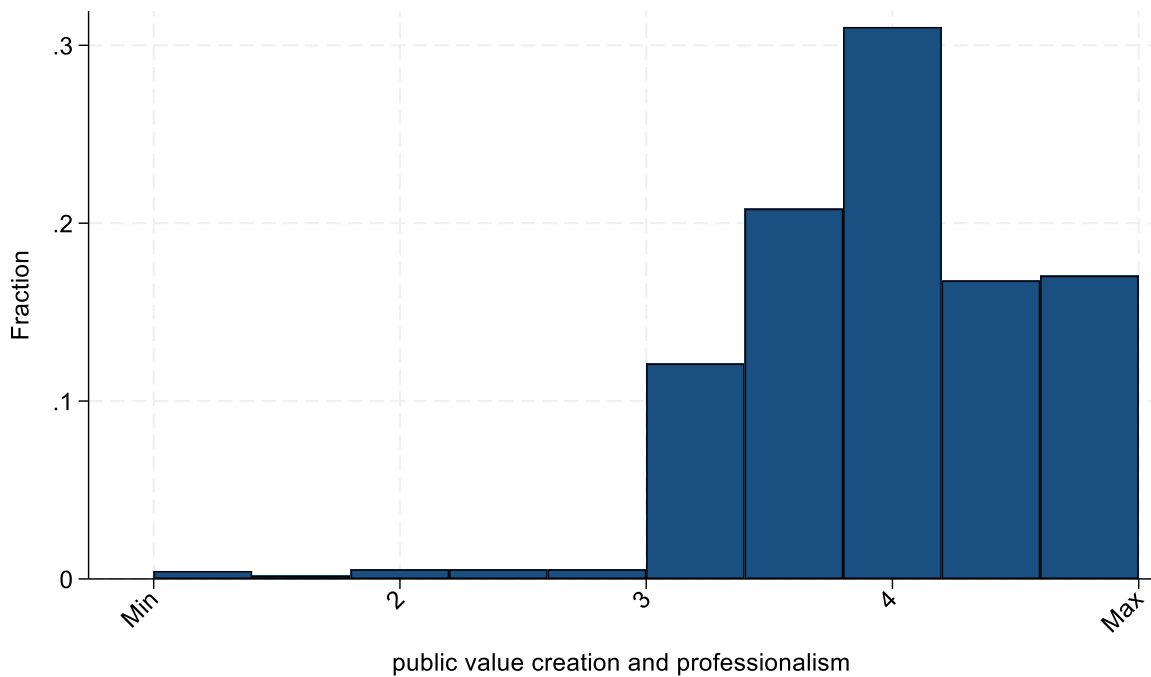
Additive scales are generated for both measures. There are acceptable loadings in explorative factors analysis as well as satisfactory Cronbach Alpha levels. The distribution of both scales is illustrated in Figure X and X below.

Figure X. Integration of PVC and Bureaucratic Governance



The distribution of the scale for integration of PVC with bureaucratic-governance is left skewed, with almost all respondents at or above the mid-point of the scale. There is hence a high level of active efforts at this kind of integration in Aarhus Municipality according to the respondents.

Figure X. Integration of PVC and Professionalism



The distribution of the scale for integration of PVC with professionalism is also left skewed, with almost all respondents at or above the mid-point of the scale. According to the respondents, there is hence also a high level of active efforts at this kind of integration in Aarhus Municipality.

Paradoxical leadership is also measured with an additive scale. It is generated from five items of which three comes from a validated scale (Sparr, van Knippenberg, and Kearney 2022), while two are items adapted from this scale to fit the Aarhus Compass case. The items measure whether the respondents experience their closest management to use a both-and approach where they show to deliver on two contradictory yet interrelated elements (e.g., “create value for citizens” vs. “comply with rule procedures”).

Table X. Paradoxical Leadership

| | |
|---|--------|
| The next questions are about how your immediate manager deals with possible workplace conflicts. | |
| My immediate management shows me why it is important to both... | |
| (1) ... make a difference for the individual citizen AND make a difference for society | 0.7677 |
| (2) ... be oriented towards tasks AND relationships with citizens | 0.8222 |
| (3) ...create value for citizens AND comply with rules and procedures | 0.8157 |
| (4) ... draw on what has worked in the past AND do things in new ways | 0.7710 |
| (5) ... promote different perspectives in the work AND be a cohesive unit | 0.7875 |
| Note: Leaders and employees had the following options: Not at all = 1, to a lesser extent = 2, to some extent = 3, to a large extent = 4, to a very large extent = 5 Items 2, 4 & 5 is from Sparr et al. (2022); Items 1 & 3 adapted from Sparr et al. (2022) EFA. One factor with an Eigenvalue higher than 1.0 was extracted. Cronbach’s alpha = 0.8967. n = 1.101 | |

The items all have acceptable loadings in an exploratory factor analysis as well as Cronbach’s Alpha value.

Visionary leadership is measured with the well validated four item measure from Jensen et al (2019). One adaptation is, however, that the questions refer to “my immediate management” and not “my immediate manager” to reflect the perception of a more collective leadership practice in Aarhus Municipality.

Table X. Visionary leadership

| Pretext: My immediate management... | |
|--|--------|
| Concretizes a clear vision for the future | 0.7883 |
| Seeks to get people to engage in the common goals | 0.8230 |
| Strives to get people to work together in the direction of the vision | 0.8244 |
| Strives to clarify for people how they can contribute to achieving goals | 0.8129 |
| Note: Leaders and employees had the following options: Not at all = 1, to a lesser extent = 2, to some extent = 3, to a large extent = 4, to a very large extent = 5, EFA. One factor with an Eigenvalue higher than 1.0 was extracted. Cronbach's alpha = 0.8928. n = 1.136 | |

The items have acceptable loadings in an exploratory factors analysis and Cronbach Alpha.

Analysis

The analysis is divided into a part on integration of PVC with professionalism and a part on integration with bureaucratic-governance.

Integration of PVL and Professionalism

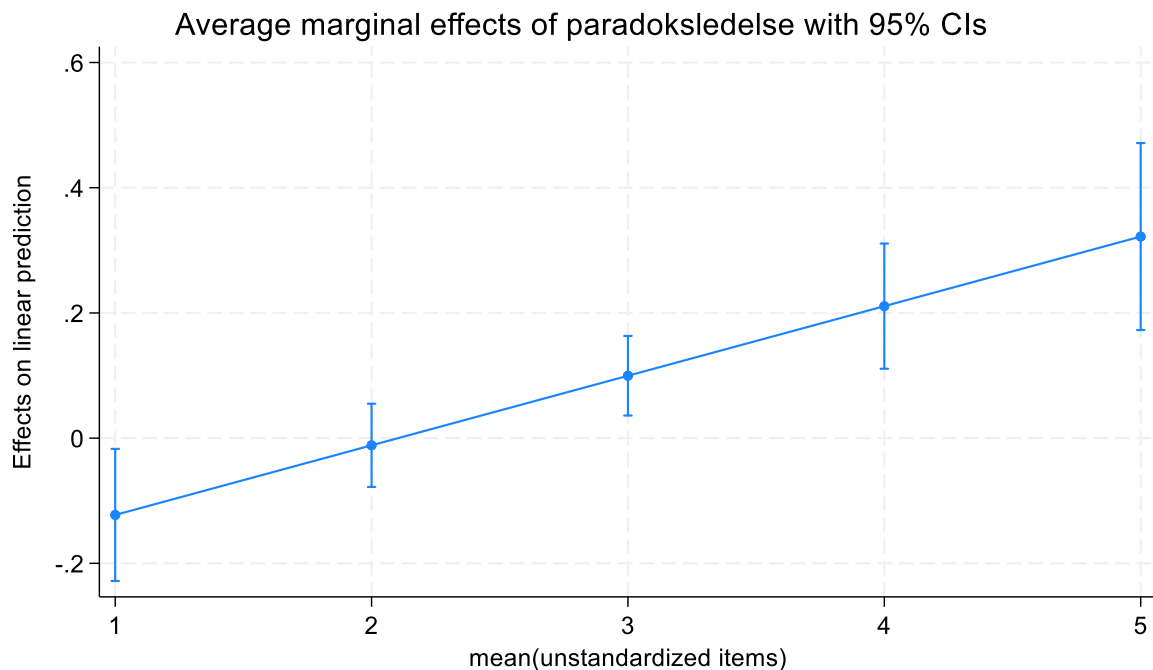
Table X. Regression of Integration of PVL and Professionalism

| VARIABLES | (1) | (2) | (3) | (4) |
|---|-----------------------|-----------------------|------------------------|------------------------|
| Paradoxical Leadership | | | 0.177*** (0.0303) | -0.234** (0.0605) |
| Visionary Leadership | | 0.202*** (0.0310) | 0.0869 (0.0490) | -0.272** (0.104) |
| PL x VL | | | | 0.111*** (0.0219) |
| Gender (ref: man) | 0.144*** (0.0266) | 0.134*** (0.0218) | 0.109** (0.0273) | 0.0949** (0.0325) |
| Birth year | -0.00316 (0.00180) | -0.00177 (0.00145) | -0.00289* (0.00140) | -0.00314* (0.00156) |
| Front line manager (ref: employee) | 0.0675* (0.0278) | 0.0461* (0.0226) | 0.0316 (0.0263) | 0.0430 (0.0269) |
| Strategic manager (ref: employee) | 0.132 (0.0865) | 0.104 (0.104) | 0.0835 (0.107) | 0.0947 (0.104) |
| Citizen contact in work (ref: yes) | -0.225** (0.0599) | -0.205** (0.0573) | -0.188** (0.0627) | -0.173** (0.0583) |
| Schools and Kindergarten (ref: gen. adm.) | 0.130*** (0.0294) | 0.113** (0.0299) | 0.198*** (0.0242) | 0.219*** (0.0233) |
| Culture (ref: gen. adm.) | 0.131*** (0.0294) | 0.118*** (0.0287) | 0.160*** (0.0286) | 0.188*** (0.0234) |
| Social and employment (ref: gen. adm.) | 0.240*** (0.0273) | 0.243*** (0.0286) | 0.303*** (0.0265) | 0.333*** (0.0242) |
| Health and elderly care (ref: gen. adm.) | 0.196*** (0.0279) | 0.193*** (0.0303) | 0.228*** (0.0310) | 0.245*** (0.0302) |
| Technique (ref: gen. adm.) | 0.00670 (0.0128) | 0.0825*** (0.0152) | 0.144*** (0.0109) | 0.155*** (0.0109) |
| Constant | 9.996** (3.568) | 6.504* (2.785) | 8.466** (2.699) | 10.23** (3.026) |
| Observations | 940 | 937 | 915 | 915 |
| R-squared | 0.068 | 0.126 | 0.155 | 0.176 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Figure X. Marginal Plot of Paradoxical Leadership and Integration of PVC with Professionalism



Findings

- Model 1
 - Women have more integrative behavior.
 - Managers have more integrative behavior than front-line staff.
 - Much less integrative behavior when no citizen contact.
 - The social and employment with the highest level of integrative behavior vis-à-vis general administration.
- Model 2
 - Strong positive relationship with visionary leadership.
- Model 3
 - Strong positive relationship with paradoxical leadership. Visionary leadership disappears.
 - It is not just common source – type of leadership matters.
 - Consistent with direct hypothesis.
- Model 4 and marginal value plot
 - The positive relationship with paradoxical leadership is stronger for higher levels of visionary leadership. Relevant for all levels of visionary leadership.
 - Consistent with the interaction hypothesis.

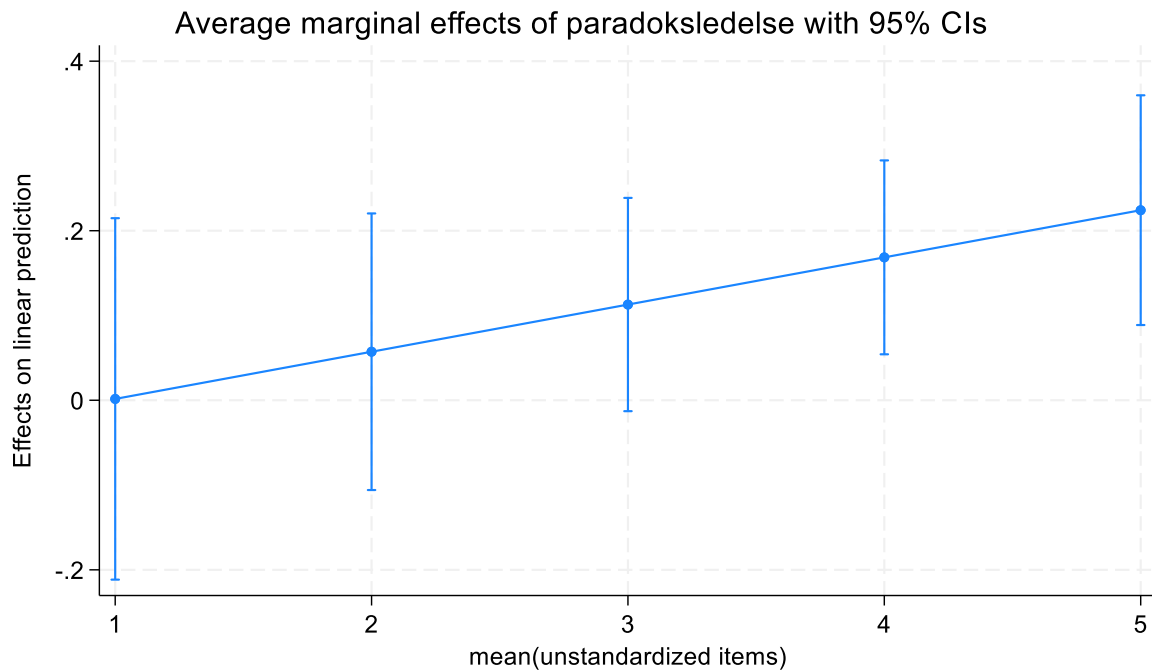
Table X. Regression of PVC and Bureaucracy

| VARIABLES | (1) | (2) | (3) | (4) |
|---|-----------------------|-----------------------|------------------------|------------------------|
| Paradoxical Leadership | | | 0.152** (0.0439) | -0.0541 (0.105) |
| Visionary Leadership | | 0.147*** (0.0265) | 0.0437 (0.0389) | -0.137 (0.0982) |
| PL x VL | | | | 0.0557* (0.0247) |
| Gender (ref: man) | 0.121*** (0.0287) | 0.112*** (0.0248) | 0.0810** (0.0225) | 0.0740** (0.0235) |
| Birth year | -0.00229 (0.00164) | -0.00165 (0.00164) | -0.00300* (0.00139) | -0.00313* (0.00145) |
| Front line manager (ref: employee) | 0.00973 (0.0150) | -0.00300 (0.0147) | -0.0123 (0.00997) | -0.00727 (0.0110) |
| Strategic manager (ref: employee) | -0.00354 (0.0737) | -0.0147 (0.0908) | -0.0230 (0.0866) | -0.0163 (0.0883) |
| Citizen contact in work (ref: yes) | -0.139* (0.0664) | -0.134* (0.0629) | -0.0982 (0.0621) | -0.0909 (0.0599) |
| Schools and Kindergarten (ref: gen. adm.) | -0.0274 (0.0338) | -0.0455 (0.0315) | 0.0531* (0.0248) | 0.0626** (0.0231) |
| Culture (ref: gen. adm.) | 0.0198 (0.0315) | 0.0138 (0.0310) | 0.0845** (0.0285) | 0.0962** (0.0263) |
| Social and employment (ref: gen. adm.) | 0.0414 (0.0311) | 0.0367 (0.0299) | 0.107*** (0.0249) | 0.123*** (0.0218) |
| Health and elderly care (ref: gen. adm.) | -0.0178 (0.0306) | -0.0268 (0.0302) | 0.0318 (0.0280) | 0.0404 (0.0266) |
| Technique (ref: gen. adm.) | -0.0598** (0.0155) | -0.0398* (0.0176) | 0.0680*** (0.0124) | 0.0723*** (0.0115) |
| Constant | 8.318** (3.217) | 6.510 (3.270) | 8.965** (2.799) | 9.859** (3.064) |
| Observations | 934 | 931 | 908 | 908 |
| R-squared | 0.025 | 0.057 | 0.073 | 0.078 |

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Figure X. Marginal Plot of Paradoxical Leadership and Integration of PVC with Bureaucratic-Governance



Findings

- Model 1
 - Women have more integrative behavior than men.
 - No difference between managers and employees
 - Much less integrative behavior when no citizen contact
 - No substantial differences between policy areas
- Model 2
 - Strong positive relationship with visionary leadership
- Model 3
 - Strong positive relationship with paradoxical leadership. Visionary leadership disappears.
 - It is not just common source – type of leadership matters
 - Consistent with direct hypothesis
- Model 4 and marginal value plot
 - The positive relationship with paradoxical leadership is stronger for higher levels of visionary leadership. Only shows for higher level of visionary leadership.
 - Interaction term not significant
 - Only somewhat consistent with the interaction hypothesis

Discussion

Strengths and weaknesses

- Novel measures and analysis of important phenomenon and relationships
- Cross-sectional and common source
- The generalizability of Aarhus Municipality and the Aarhus Compass

Conclusion

What is the impact of managers' use of paradoxical leadership on employees' integration of public value creation with bureaucracy and professionalism?

The article strengthens a proposition that paradoxical leadership focused on sense-giving increases public employee's integrative behaviors related to public value creation vis-à-vis bureaucracy and professionalism, respectively. Furthermore, a proposition that the impact of paradoxical leadership is stronger when combined with high levels of visionary leadership is also strengthened.

This indicates that paradoxical leadership in combination with visionary leadership is a relevant leadership approach to address paradoxical tensions that arise from the clash between governance paradigms and ambitions for public value creation in the eyes of the citizens.

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